



2025 SUSTAINABILITY REPORT

HitGen Inc.

Stock Code:688222.SH

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About This Report

This report is the second sustainability report of HitGen Inc., aiming to present the Company's concepts and policies in the areas of environmental, social, and governance ("ESG"), as well as its sustainable development practices and performance in 2025, to systematically respond to stakeholder concerns.

Reporting Period

This Report covers the period from January 1, 2025 to December 31, 2025. To ensure continuity of information, some sections include appropriately referenced historical data.

Appellation Note

For clarity and conciseness, HitGen inc. is referred to as "HitGen," "We," or "the Company" throughout this report.

Report Scope

This Report covers HitGen Inc. and its subsidiaries. All information and data cited herein are consistent with HitGen's official documents, statistical reports, financial statements, as well as corporate social responsibility information that has been collected, compiled and verified by the Company.

Reporting Methodology

This Report has been prepared in accordance with the *Guidelines No. 14 of the Shanghai Stock Exchange for Self-regulation of Listed Companies - Sustainability Report (Trial)*, with reference to the *IFRS Sustainability Disclosure Standards* (IFRS S1 and IFRS S2) by the International Sustainability Standards Board, the *Corporate Sustainability Disclosure Standards - Basic Standards (Trial)* issued by the Ministry of Finance of the People's Republic of China, the *PSCI Principles for Responsible Supply Chain Management* published by the *Pharmaceutical Supply Chain Initiative (PSCI)*.

Report Language

This Report is presented in Chinese and English. In case of discrepancies between the two versions, the Chinese version shall prevail.

Access to the Report

This Report is published in Chinese and English, and release to stakeholders and the public in PDF format. The PDF document can be downloaded and viewed on the Company's official website (<https://www.hitgen.com/en/sustainability.html>).

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Dear Readers,

As an innovative biopharmaceutical enterprise committed to "contributing to human health," HitGen has always believed that the core of a company lies in continuously creating value. In 2025, we remain dedicated to practical and determined actions, driving sustainable development to be integrated into strategy, embedded in management, and deeply rooted in operations. This strengthens the solid foundation for long-term success and enables us to continuously contribute, through tangible efforts from HitGen, to our customers, collaborators, investors, employees, as well as the environment and communities on which we depend.



Dr. Jin Li

Strengthening the Foundation of Sustainable Corporate Governance. In 2025, the Company established a three-tier governance structure comprising the board of directors, the strategy and sustainable development committee, and the ESG working group, to systematically advance the institutionalized operation of sustainable development work. Taking participation in the EcoVadis assessment as an opportunity, we evaluated ourselves against international standards and continuously improved our sustainable governance system. We continued to deepen the institutional development of business ethics and whistleblowing supervision systems. Anti-corruption training covered directors and senior executives, whistleblowing channels remained accessible, and no corruption-related litigations occurred throughout the year. On the supply chain front, we required key suppliers to sign integrity commitments, implemented full lifecycle traceability for hazardous chemicals, and promoted sustainable development concepts across the entire business chain.

Sharing the Fruits of Enterprise Development. The Company has consistently placed talent development at the core of its strategy. In 2025, R&D personnel accounted for 84.43% of the Company, solidifying the talent foundation for sustained innovation. We established a multi-level employee communication mechanism, with CEO roundtables held quarterly, and annual employee satisfaction reaching an all-time high. In terms of talent development, we built clear career development paths, establishing three promotion tracks—management, technical, and professional support—providing employees with sustainable growth space. For new employee onboarding, we implemented a buddy system, achieving an 89% retention rate during the probation period. In 2025, we also launched an equity incentive program for key employees, truly achieving shared goals and co-growth between the Company and its talent.

Committed to Upholding Our Original Aspiration of Safeguarding Health. The

Company continues to explore innovative solutions to address unmet medical needs. In 2025, we advanced the HG146 project for the treatment of recurrent or metastatic adenoid cystic carcinoma, a rare disease, into a Phase IIa clinical trial. Preliminary data have shown positive signals in both efficacy and safety, and the quality of life of the majority of enrolled patients has been significantly improved. We also believe that, given the global macro challenge of human health, relying solely on our own capabilities is insufficient. We have developed and globally launched the OpenDEL™ Community platform, which provides researchers with a fully autonomous screening solution, offering every innovative idea an opportunity to be validated. As a partner of the Structural Genomics Consortium (SGC), we not only draw insights from the global open-source data pool but also contribute our research outcomes back to the scientific community, fostering with an open mindset the overall enhancement of global drug discovery capabilities.

Safeguarding the Earth's Ecological Environment. In 2025, the Company formally committed to joining the Science Based Targets Initiative (SBTi), integrating climate action into its corporate strategic framework and upholding the principle of generating greater corporate value at a reduced environmental cost. Through meticulous management, we continuously reduce our environmental footprint. We embrace the circular economy philosophy to promote the efficient reuse of resources, and remain steadfast in our dedication to green operations. The Company has attained ISO 14001 Environmental Management System certification.

Every step counts, leading to great distances. On our journey to becoming a world-class innovative biopharmaceutical enterprise, we will continue to adhere to market demand as our guide and technological breakthroughs as our engine, continuously optimizing our innovative drug discovery services system, and contributing to building a more inclusive, healthy, green, and accessible world.

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About HitGen

Company Overview

HitGen Inc. (SSE: 688222.SH) is dedicated to building a world-class innovative biopharmaceutical enterprise. Driven by the mission to advance human health and quality of life, it provides innovative therapeutic solutions to address unmet medical needs. Centered on its internationally leading DEL (DNA-encoded Library) technology, the Company has expanded into Fragment-Based Drug Discovery and Structure-Based Drug Design and a suite of complementary platforms based on Oligonucleotide-based Therapeutics, Targeted Proximity Drugs, and Cyclic Peptidomimetics, and has developed HAILO, a proprietary "DEL+AI+Automation" molecular optimization platform, thereby establishing a distinctive novel molecule discovery engine that delivers both therapeutics molecules and tool molecules to the global pharmaceutical industry. Headquartered in Chengdu, China, HitGen maintains subsidiaries in Cambridge, UK, and Houston, USA, with its operational network spanning the globe. Through diversified and flexible business models including technical services, project out-licensing and product sales, the Company has forged extensive collaborations with a broad range of pharmaceutical and biotechnology companies, chemical firms, foundations, and research institutions. As of the end of 2025, it has empowered over 600 clients globally and contributed to thousands of their innovative drug development projects. HitGen also advances multiple internal programmes at various clinical and preclinical stages. For more information, please visit www.hitgen.com.



History

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2012

- Establishment of HitGen, headquartered in Chengdu, China

2018

DNA Encoded Library Size
300 Billion

- HitGen's novel small molecule HG146 received approval by National Medical Products Administration (NMPA) to begin Phase I clinical trials

2021

DNA Encoded Library Size
>1 Trillion

- HitGen co-published White Paper: *DNA Encoded Library Platform Empowering Drug Discovery with Fierce Biotech*
- NMPA approved clinical trial application for injectable HG381

2023

DNA Encoded Library Size
>1.2 Trillion

- HitGen's controlled subsidiary, Hitston has officially commenced production

2025

DNA Encoded Library Size
>1.2 Trillion

- HitGen announces the launch of the OpenDEL™ Community - a dedicated platform for drug discovery professionals passionate about DNA-encoded library (DEL) technology
- Main structure of HitGen Global Drug R&D and Production Base (Phase I) Project successfully completed
- HitGen-backed equity investment fund to invest RMB40 Million for controlling stake in BCPM, an AI pharma data service provider(Chengdu) Co., Ltd

2016

DNA Encoded Library Size
8 Billion

- HitGen established the subsidiary in Houston, USA

2020

DNA Encoded Library Size
>1 Trillion

- HitGen's New Generation of NTRK/ROS1 Inhibitor HG030 received approval by NMPA for clinical trials
- HitGen received approval to be listed on the Shanghai Stock Exchange (SSE)
- HitGen completed acquisition of UK's Vernalis (R&D) Limited
- HitGen achieved first self-developed drug transfer (HG030)

2022

DNA Encoded Library Size
>1.2 Trillion

- The IND application of innovative anti-tumor drug HG030 was approved by FDA

2024

DNA Encoded Library Size
>1.2 Trillion

- Rongchuang HitGen M&A Fund was officially established
- Multiple global pharma companies joined hands with HitGen to establish the world's first DEL Consortium

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Mission and Vision

1 Vision

Build a world-class innovative biopharmaceutical enterprise that contributes to improving human health and quality of life.

2 Types of Novel Molecules

Generate tool molecules and therapeutics molecules.

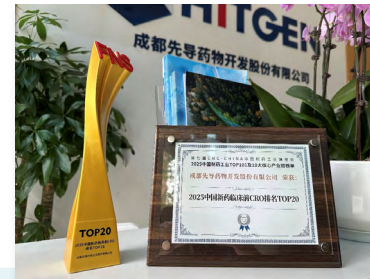
3 Business Models

Operate through technical services, project out-licensing, and product sales

4 Strategic Pillars

Support company growth through strong customer and market mindset, innovative technology platforms, targeted M&A, and operational excellence.

Corporate Honors



Wind ESG Rating



Top 20 Enterprises of China CRO Excellence Brand List 2025



2025 China Preclinical CRO Ranking Top 20



"Securities Times" 2025 Top 100 Growing Chinese Listed Companies



Core ESG Performance

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Sustainable Corporate Governance

HitGen continuously optimizes its governance system, upholds the principle of integrity in business operations to set an industry benchmark, and establishes a comprehensive risk management system to promote long-term and stable development, creating sustainable value for all stakeholders.

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Contribution to the SDGs



Corporate Governance

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HitGen continues to improve its corporate governance and internal control systems, providing solid support for the compliance and efficiency of such governance.

Governance

In 2025, the Company strictly complies with laws and regulations including the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, revised our governance systems including the *Articles of Association*, *Rules of Procedure for Shareholders' General Meetings*, *Rules of Procedure for the Board of Directors* and detailed working rules for various special committees in 2025, and built a standardized corporate governance structure comprising the Shareholders' General Meeting, the Board of Directors and senior management. Members of the Company's Board of Directors possess profound professional backgrounds in biopharmaceuticals, investment, accounting, legal affairs and other sectors, which effectively enhances the professionalism of corporate decision-making. The Board of Directors has established the Strategy and Sustainable Development Committee, the Audit Committee, the Nomination Committee as well as the Remuneration and Assessment Committee, and adopts hierarchical decision-making for major affairs through a multi-level governance framework covering shareholders' general meetings, the Board of Directors, special committees, independent director special meetings and management meetings. Meanwhile, the Company actively organises compliance training on securities market laws and regulations for directors, and regularly compiles and issues the *Capital Market Bulletin* to share the latest corporate updates, market conditions, regulatory rules and typical cases with senior decision-makers.

Information Disclosure

The Company strictly implements internal systems including *Information Disclosure Management Measures*, *Measures for Suspension and Exemption of Information Disclosure Business*, *Internal Reporting Measures for Major Information*, *Registration Management Measures for Insiders of Insider Information*, and *Accountability Measures for Major Errors in Annual Report Information Disclosure*, disclosing corporate information to investors in a true, accurate, complete, fair and timely manner, and has launched internal control procedures covering information disclosure approval, information disclosure suspension and exemption approval, and insider registration on its internal office system. The Company issued a total of 59 announcements in 2025.

Investor Relations

The Company has established an investor relations section on its official website, along with a dedicated email address (investors@hitgen.com) and hotline, managed by a designated team led by the Board Secretary. The Company also organizes activities such as investor open day, on-site visits, and conference calls to proactively communicate with investors and enhance their participation and sense of engagement. On the information dissemination front, the Company promptly shares corporate updates through its official website, WeChat official account, video channels, and other platforms. It also promotes public understanding of cutting-edge technologies related to its business through initiatives such as HitGen science popularization and technology frontier, enabling the public to stay timely and comprehensively informed about the Company's development.



In 2025, the Company disclosed a total of **59** Announcements



Cumulative Disclosure of Investor Relations Activities in 2025 **8** Times



SSE E-Interaction Response Rate **100%**

Strategy

The Company strategically identifies relevant risk opportunities, analyzes their financial impact, and develops response measures.

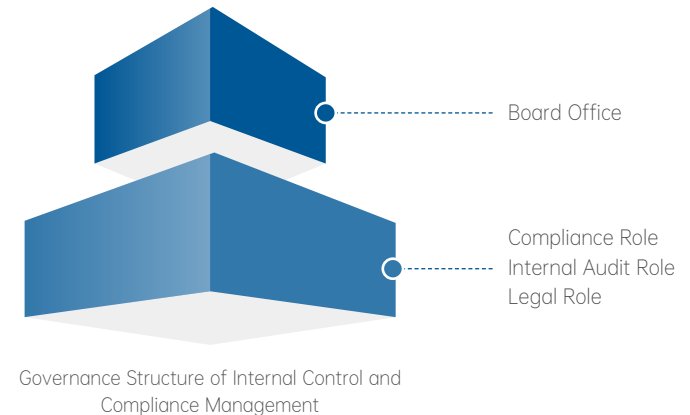
Issue	Issue Attribute	Financial Impact	Response Measures
Corporate Governance	Physical Risk	<ul style="list-style-type: none"> Increased equipment repair/replacement costs. Project delays leading to deferred revenue recognition. 	<ul style="list-style-type: none"> Strengthen project progress tracking and internal resource allocation mechanisms to identify and mitigate delay risks in a timely manner.
	Transition Risk	<ul style="list-style-type: none"> Rising carbon tax and environmental compliance costs, increased procurement costs for raw materials and equipment. 	<ul style="list-style-type: none"> Enhance daily monitoring and measurement of energy and material consumption to accurately identify reduction opportunities. Strictly enforce equipment energy efficiency access standards, prioritizing procurement of production and laboratory equipment with high energy efficiency ratings.
	Green Technology Application Opportunities (New Energy)	<ul style="list-style-type: none"> Higher initial equipment investment, but gradually declining energy costs. 	<ul style="list-style-type: none"> Incorporate life-cycle energy costs into equipment procurement evaluation and select the optimal solution through comprehensive comparison. Take advantage of equipment depreciation expiry timelines to naturally replace existing equipments with energy-efficient models in batches.
	Policy Support Opportunities	<ul style="list-style-type: none"> Green bonds or carbon reduction support instruments lower financing costs. 	<ul style="list-style-type: none"> Monitor existing green finance incentive policies and assess the feasibility of financing cost optimization. Standardize data collection on energy consumption and carbon emissions to meet green financing application requirements.

Impacts, Risks and Opportunities

While ensuring R&D security, data reliability, and operational compliance, the Company deeply integrates risk management into its operations through institutionalized accountability mechanisms.

» Internal Control Management

The Company has formulated relevant systems including *Internal Control Risk Assessment Management Measures*, *Internal Audit System*, *Internal Reporting Measures for Major Information*, *Registration Management Measures for Insiders of Insider Information*, and *Measures for Suspension and Exemption of Information Disclosure*. Through regular compliance training, risk assessment, internal audit and other initiatives, the Company enhances employees' compliance awareness, optimises business processes, and ensures the effective implementation of internal control measures.



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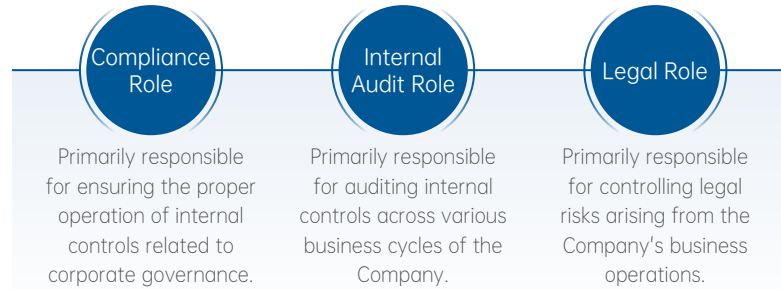
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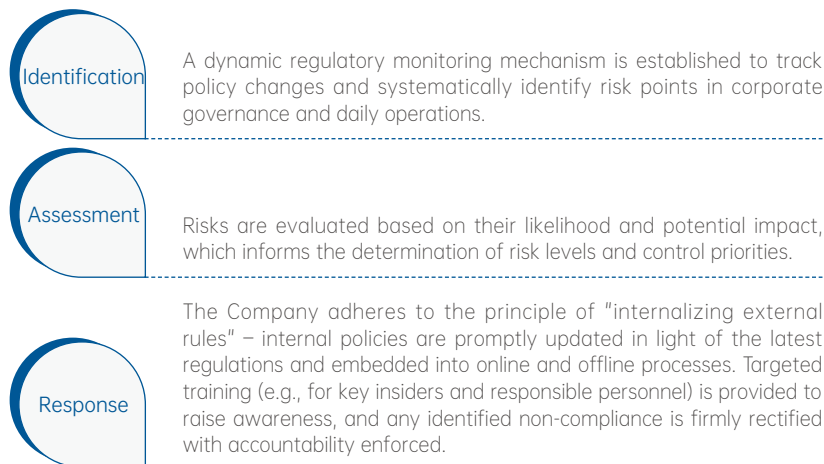
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With the business lines serving as the first line of defense, under the business ethics and compliance framework, the Board Office has established compliance, internal audit, and legal positions, which collectively build internal control and compliance management defenses from different perspectives and functional roles:



In 2025, the Company conducted a special internal audit on procurement and engineering projects, identified potential internal control deficiencies within the procurement department, and promoted the implementation of corrective actions, followed by further audits to evaluate the effectiveness of the rectification. For engineering projects, the Company performed walkthrough testing on internal control processes to ensure compliance across all phases of construction activities.

The Company has established a dynamic closed-loop compliance risk management system to ensure legal governance and stable operations in a complex regulatory environment:



» Risk Management

The Company has established a systematic management framework covering technological, operational, financial and compliance domains. For major or sensitive transactions, the Company has specifically formulated internal systems including *Measures for External Guarantee Management*, *Measures for External Investment Management*, *Related Party Transaction Management Measures*, and *Measures Governing Fund Transactions with Related Parties*, to strictly supervise relevant capital flows.

Key Measures for Risk Management

The Company regularly conducts various types of compliance training to strengthen employees' risk awareness and foster a risk management culture involving all employees. It implements qualification reviews and dynamic evaluations for suppliers to ensure a compliant and reliable supply chain. Risk assessments are carried out for cell and animal laboratories to control hazards and ensure the safety of experimental activities. The Company has established a public opinion management and risk incident response plan, clarifying procedures and responsibilities for handling emergencies, ensuring a prompt response to minimize risk impacts.

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Core Risk Identification and Management Mechanism

The Company, based on the characteristics of its business, focuses on the following risks and has established corresponding control measures:



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Market Competition Risk

In response to the competitive landscape of DEL technology from both domestic and international enterprises, the Company has built technological barriers through its ultra-large compound library (exceeding 1.2 trillion compounds) and high-efficiency screening capabilities. It continues to explore new technologies and application scenarios, while deepening collaborations with global pharmaceutical companies and research institutions to expand its market share.

Macro Environment Risk

The Company's clients are mostly multinational pharmaceutical enterprises and well-known biotechnology companies, with a high proportion of overseas revenue. If there are significant adverse changes in the laws, regulations, policy environments, international relations, wars, sanctions, or other force majeure events in the regions where its overseas operations are located, such changes may pose potential risks to the sustainable development of the Company's global business.

Metrics and Targets

In 2025, the Company held 3 performance briefing sessions and 3 general meetings of shareholders. The chairman, CEO, chairman of the audit committee, CFO, and Board Secretary participated in each performance briefing and engaged in in-depth discussions with investors to safeguard shareholders' rights and ensure transparency.

Metric	Unit	2024	2025
Number of Directors	Person	9	9
Number of Female Directors	Person	1	2
Number of Independent Directors	Person	3	3
Number of Non-Independent Directors	Person	6	6
Number of Female Executives ¹	Person	2	1
Number of Board Of Directors Meetings Held	Times	4	9
Number of General Meetings Of Shareholders Held	Times	4	3



In 2025,
3 Performance Briefing Sessions
3 Shareholders' General Meetings

¹The scope of executives covered in this report includes statutory executives, heads of HitGen's first-level departments, and subsidiary CEOs / general managers.

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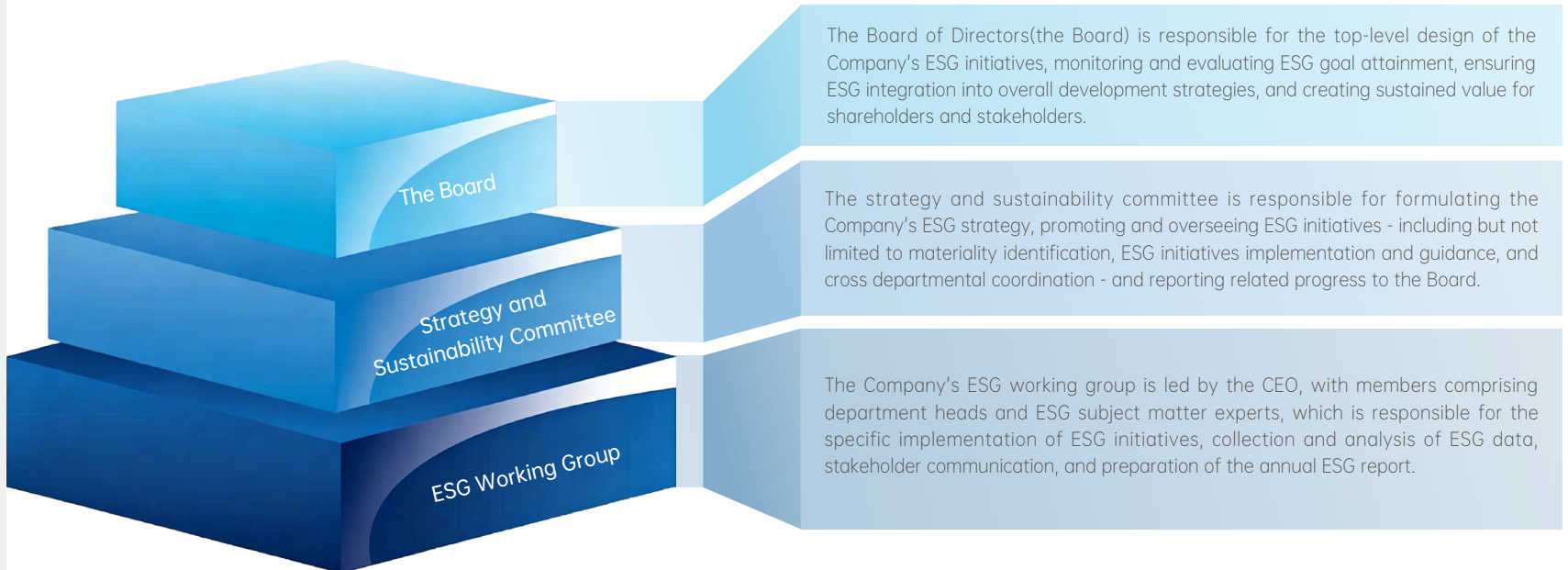


ESG Governance

HitGen continues to improve its ESG governance structure, strengthen stakeholder communication mechanisms, systematically identify material issues, and steadily advance the management of sustainable development.

ESG Governance

The Company has established a three-tier working system consisting of the board of directors, the strategy and sustainability committee, and the esg working group. ESG work is led overall by the board of directors, with the board secretary and ESG head regularly reporting to the board of directors and the strategy and sustainability committee through activities including the review of ESG reports and presentations on ESG strategic plans.



Stakeholder Communication

HitGen has established a sustained communication bridge with stakeholders, accurately understanding their needs, expectations, and key concerns. Through two-way interaction, HitGen promptly responds to stakeholder priorities, adhering to in-depth dialogue and value alignment, continuously strengthening the long-term mechanism for stakeholder relationship management, and is committed to building long-lasting, mutually trusted partnerships with all stakeholders.

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Stakeholder Identification	Main Stakeholder	Communication Channels and Mechanisms	Major Issues of Concern
Government and Regulatory Authorities	NMPA, local drug administrations, environmental bureaus, science & technology departments, market supervision bureaus, customs, etc	Policy briefings, regulatory inspection feedback, research project applications Drug R&D compliance filings, environmental standard implementation, and science policy coordination	Waste Treatment, Water Resource Utilization, Energy Utilization, Environmental Management, Addressing Climate Change, Occupational Health and Safety, R&D and Innovation, Scientific and Technological Ethics, Data Security and Customer Privacy Protection, Product Safety and Quality, Business Ethics and Compliance, Anti-bribery and Anti-corruption, Intellectual Property Protection, Risk Management, Corporate Governance
Clients (Pharmaceutical Companies / Research Institutions / Hospitals, etc.)	Domestic/foreign pharmaceutical companies, universities/research institutes, medical institutions, CROs/CDMOs	Technical seminars, project meetings, customer satisfaction surveys Online platforms	R&D and Innovation, Product Safety and Quality, Data Security and Customer Privacy Protection, Scientific and Technological Ethics, Supply Chain Management, Intellectual Property Protection, Business Ethics and Compliance
Shareholders and Investors	Biopharma investors, industry funds, strategic investors	Annual general meetings of shareholders, R&D progress disclosures, roadshows, investor surveys	Environmental Management, Addressing Climate Change, R&D and Innovation, Talent Attraction and Retention, Supply Chain Management, Digitalization and Intelligence, Corporate Governance, Risk Management, Business Ethics and Compliance, Intellectual Property Protection
Employees (R&D / Technical / Management, etc.)	Medicinal chemistry/biology researchers, DEL engineers, quality control specialists, IP/project managers	R&D technology forums, employee training, online communication platforms Career development planning, innovation incentives	Occupational Health and Safety, Employee Training and Development, Employee Rights Protection, Talent Attraction and Retention, Diversity, Equity and Inclusion, Digitalization and Intelligence, Anti-bribery and Anti-corruption, Business Ethics and Compliance
Supplier (Reagent / Equipment / Service)	Biological reagent suppliers, high-end lab equipment manufacturers, IP service providers, environmental service providers	Supplier evaluations, technical meetings, regular supply agreement discussions Environmental standard coordination	Supply Chain Management, Environmental Management, Waste Treatment, Anti-bribery and Anti-corruption, Risk Management, Business Ethics and Compliance
Community and the Public	Local residents, biopharma education organizations, media (industry coverage), environmental NGOs	Community open days, online science columns, environmental meetings Media interviews	Waste Treatment, Water Resource Utilization, Environmental Management, Social Responsibility, Occupational Health and Safety, Scientific and Technological Ethics, Business Ethics and Compliance
Natural Environment (R&D Context)	Corporate R&D park ecosystem	Environmental monitoring reports, public R&D environmental optimization proposals	Waste Treatment, Water Resource Utilization, Energy Utilization, Environmental Management, Addressing Climate Change, Scientific and Technological Ethics, R&D and Innovation

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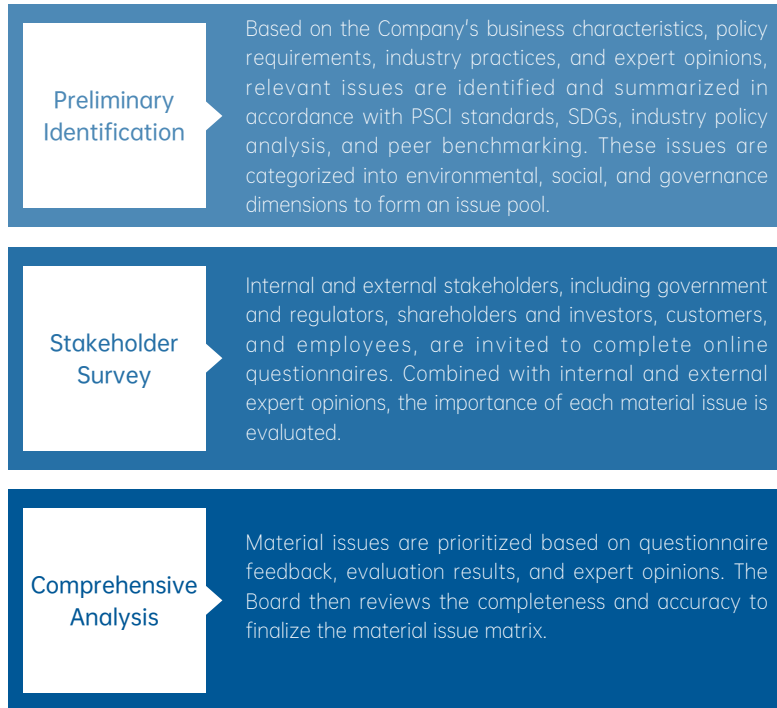
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Double Materiality Issues

Based on the "Guideline No. 14 for Self-Regulation of Listed Companies — Sustainable Development Reports (Trial)" issued by SSE and PSCI, an issue repository was established and a materiality assessment was conducted. After the Company's management reviewed and approved the annual results, they were submitted to the board of directors for deliberation. By integrating industry benchmarking results and expert consultations, HitGen's ESG material issues were identified as the key focus areas for corporate management and reporting disclosure.

» Identification Process



We identified and selected 22 key material issues, including R&D and innovation, digitalization and intelligence, and employee training and development, by benchmarking against international standards, industry policies, peer practices, and corporate strategy, as well as incorporating feedback from research on eight stakeholder groups such as government regulators, customers, and employees.



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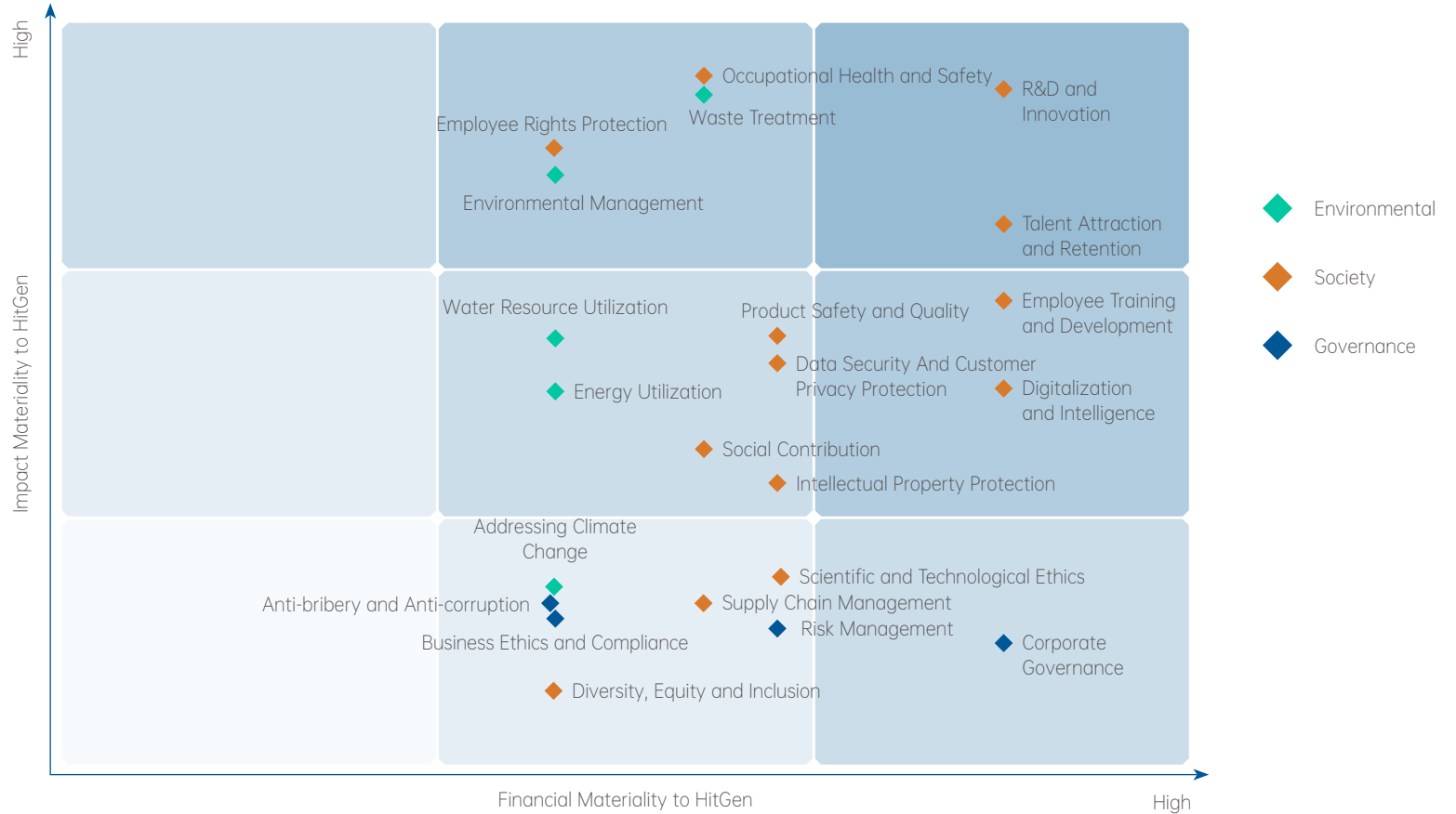
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HitGen Double Material Issues Matrix



Double High Materiality	Financial High Materiality	General Materiality			
<ul style="list-style-type: none"> ◆ R&D and Innovation ◆ Talent Attraction and Retention 	<ul style="list-style-type: none"> ◆ Digitalization and Intelligence ◆ Employee Training and Development ◆ Corporate Governance 	<ul style="list-style-type: none"> ◆ Addressing Climate Change ◆ Occupational Health and Safety ◆ Waste Treatment ◆ Product Safety and Quality ◆ Intellectual Property Protection 	<ul style="list-style-type: none"> ◆ Environmental Management ◆ Data Security and Customer Privacy Protection ◆ Social Contribution ◆ Water Resource Utilization ◆ Energy Utilization ◆ Risk Management 	<ul style="list-style-type: none"> ◆ Business Ethics and Compliance ◆ Scientific and Technological Ethics ◆ Supply Chain Management ◆ Anti-bribery and Anti-corruption 	<ul style="list-style-type: none"> ◆ Diversity, Equity and Inclusion ◆ Employee Rights Protection

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HitGen has established and improved its management system for business ethics, anti-corruption, and anti-unfair competition, strengthening compliance management through multi-dimensional measures such as fostering a culture of integrity, digital controls, internal audit, and reporting supervision.

Anti-bribery and Anti-corruption

The Company has formulated internal policies including *Code of Business Conduct and Ethics*, *Internal Audit System*, *Reporting and Investigation Measures*, and *Conflict of Interest Management Measures*, prohibiting acts such as commercial bribery, conflicts of interest, money laundering, fraud, and insider trading.

The Company has currently established a fraud reporting email address and hotline, clearly defining the entire process for reporting, investigation, and feedback. During the reporting period, the Company received no reports related to business ethics or corruption. The Company will conduct anti-fraud training annually, perform internal audit spot checks on key suppliers each year, and carry out relevant special audits to reduce the risk of fraud.

Regarding whistleblower protection, the Company strictly safeguards the identity of whistleblowers, prohibits retaliation, establishes accountability mechanisms, and strengthens position-specific training to mitigate whistleblower management risks. In addition, the Company will initiate the development of operational-level remediation procedures for victims of discrimination or harassment, providing timely and effective support by identifying and addressing the harm caused.



Metric	Unit	2024	2025
Anti-bribery and Corruption Training Attendances			
Of Which: Board Directors	Person-times	/	6
Of Which: Senior Management	Person-times	/	3
Total Training Hours on Anti-corruption			
Of Which: Board Directors	Hour	/	24
Of Which: Senior Management	Hour	/	12
Anti-bribery and Corruption Training Coverage Rate			
Of Which: Board Directors	%	/	67
Of Which: Senior Management	%	/	30
Number of Corruption Litigation Cases Filed or Concluded	Case	0	0

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Anti-unfair Competition

HitGen has established internal policies including the conflict of interest management policy, related-party transaction policy, and regulations on fund transactions with related parties. The Company consistently adheres to the principle of fair competition and strives to prevent any form of unfair competition practices in business activities through clear contractual agreements.

The Company incorporates anti-unfair competition agreements into its business contracts with partners to ensure fairness in commercial activities.



The Company strictly monitors related-party transactions, regularly updates the list of related parties, and has added an automated function to identify related parties in the online approval process for contract signing, thereby strengthening the supervision and management of related-party transactions.

The Company regularly identifies unfair competition risks, including commercial bribery, false advertising, and commercial defamation, across its core operations such as pharmaceutical R&D services, client collaboration, and market expansion. Such risks are assessed and graded based on their likelihood of occurrence and potential impact. Targeted prevention and control measures are accordingly formulated to strengthen end-to-end process management and employee compliance training. Any emergent risks are promptly addressed to ensure compliant operations and fair market competition.

Metric	Unit	2024	2025
Fines for Unfair Competition Practices	RMB 10,000	0	0



Responsible Value Chain

HitGen adheres to product safety and service quality, builds a sustainable supply chain, systematically manages all aspects of the value chain, and is committed to collaboratively creating long-term, comprehensive value with stakeholders.

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Contribution to the SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
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17 PARTNERSHIPS FOR THE GOALS



R&D and Innovation

HitGen systematically identifies and manages the risks and opportunities arising from technological advancements, and is committed to creating long-term value for human health.

Governance

The Company has established a systematic governance framework for R&D and innovation, and ensures effective allocation of R&D resources and continuous output of innovative outcomes through institutionalized project review, resource allocation, and decision-making processes.

The Company establishes an innovation incentive mechanism that combines short-term incentives, medium- and long-term incentives such as equity incentives, and long-term development:

The Company, guided by clinical and market demands, ensures efficient and risk-controlled R&D activities through full lifecycle management and key initiatives:

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Short-term Incentive

The Company and department levels establish quarterly and annual excellence evaluation mechanisms, and provide special rewards to teams that achieve innovative outcomes such as patents, publications, and technological breakthroughs.

Equity Incentives

The Company launches equity incentive plans at appropriate times for key employees and core members, with corporate performance and individual performance results as the assessment criteria.

Long-term Development

The Company regularly organizes internal technical training and encourages participation in external academic exchanges and training programmes; it relies on its postdoctoral workstation to attract and cultivate high-end talent. Outstanding operational backbone employees can access fast-track development opportunities, and have the opportunity to be rapidly promoted to project leadership roles with core responsibilities in R&D and innovation.

Goal Setting and Breakdown

Based on the Company's overall strategy, each department establishes annual R&D objectives and breaks them down into each quarter, clearly defining key action plans, deliverables, and timelines for each phase.

Efficient Execution and Quality Control

Each R&D team strictly follows the established plan to carry out R&D activities, ensuring timely synchronization of critical information and resource coordination through regular mechanisms such as project progress meetings; it rigorously controls R&D data quality to ensure the authenticity and reliability of R&D data.

Risk Assessment and Decision Optimization

Each department continuously monitors R&D projects in terms of technology, progress, and cost, and promptly makes scientific go/no-go decisions to achieve optimal resource allocation and effective risk management.

Strategy

The Company systematically identifies the key risks and strategic opportunities in the field of R&D and innovation, assesses their financial impact, and formulates response strategies to transform R&D investment into sustainable competitive advantages.

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Issue	Issue Attribute	Financial Impact	Response Measures
R&D and Innovation	Strategic Risk (Technical Failure or Schedule Delay of R&D Projects)	<ul style="list-style-type: none"> ◆ Resulting in sunk R&D investment, missing the market window, affecting pipeline value and future revenue, and potentially facing claims from collaboration partners. 	<ul style="list-style-type: none"> ◆ Implement dynamic, full-process monitoring and closed-loop management for R&D projects. See the "R&D and Innovation - Governance" section for details. ◆ Implement forward-looking patent layout and risk analysis to systematically avoid intellectual property risks. See the "R&D and Innovation - Impacts, Risks and Opportunities" section for details.
	Operational Risk (R&D Data Quality and Reliability Risk)	<ul style="list-style-type: none"> ◆ Making incorrect decisions based on inaccurate or unreliable data may lead to a wrong R&D direction, resulting in significant resource waste and time costs, as well as damaging scientific research credibility. 	<ul style="list-style-type: none"> ◆ Establish and implement unified R&D data management standards and quality control processes. ◆ Establish an internal review mechanism at critical experimental milestones to ensure the authenticity, reproducibility, and traceability of data. ◆ Promote the development of laboratory information systems to reduce human error.
	Strategic Risk (Scientific and Technological Ethics and Compliance Risk (including AI applications and animal welfare))	<ul style="list-style-type: none"> ◆ May lead to biased research conclusions, compliance investigations, project termination, and legal litigation, resulting in fines, disruption of R&D, and damage to the Company's scientific reputation and brand value. 	<ul style="list-style-type: none"> ◆ When applying AI in scientific research, strictly adhere to ethical usage principles, clearly define boundaries, and resolutely prevent misuse. ◆ Strictly comply with regulations related to laboratory animal welfare, and subject the entire process to review and supervision by the Institutional Animal Care and Use Committee (IACUC). For details, see the "R&D and Innovation - Impacts, Risks and Opportunities" section for details.. ◆ Provide ongoing scientific and technological ethics training to R&D personnel to strengthen compliance awareness.
	Strategic Opportunity (Building an Open Innovation Ecosystem)	<ul style="list-style-type: none"> ◆ By integrating internal and external R&D resources and reducing the fixed costs and risks of individual R&D projects, the Company accelerates pipeline advancement and creates new revenue streams through technology licensing, joint development, and other models. 	<ul style="list-style-type: none"> ◆ Actively establish strategic collaborations with universities, research institutions, and biotechnology companies both domestically and internationally, and expand the collaboration network by participating in top industry exhibitions. See the "R&D and Innovation - Impacts, Risks and Opportunities" section for details.

Impacts, Risks and Opportunities

The Company effectively manages risks related to intellectual property, scientific and technological ethics, compliance, and reputation arising from R&D and innovation, and transforms responsible innovation practices into strategic opportunities to strengthen technological barriers and achieve long-term sustainable development.

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>> Intellectual Property Management

The Company revised its *Intellectual Property Management System* to further optimize incentive and confidentiality mechanisms, with special additions covering the management of international PCT patents entering the national phase and the termination phase. The Company has deeply integrated intellectual property management into project workflows: conducting patent searches prior to project initiation, performing freedom-to-operate (FTO) analyses at key milestones, promptly filing patents for R&D outcomes during the development process, and dynamically monitoring both its own and competitors' patent portfolios.

The Company has established a multi-level review process. All disclosure materials intended for external publication, such as academic papers and patent application documents, must sequentially undergo review and approval by the project supervisor, the intellectual property department, the legal department, and the Management of the Company. This ensures that the content does not infringe upon third-party intellectual property rights and protects the Company's core technical secrets and commercial interests. While actively encouraging academic exchange and technical disclosure, the Company strictly adheres to the bottom line of business ethics and compliance. During the reporting period, the Company did not experience any significant intellectual property disputes.

>> Scientific and Technological Ethics Management

The Company strictly complies with relevant regulations such as the *Regulation on the Administration of Laboratory Animals* and *Laboratory Animal – Guideline for Ethical Review of Animal Welfare*, and has established an Institutional Animal Care and Use Committee (IACUC). It has developed internal systems and various standard operating procedures, including the *Laboratory Animal Welfare and Ethics Management System*, *Standard Operating Procedure for Receiving and Quarantining Laboratory Animals*, *Standard Operating Procedure for Marking and Grouping Laboratory Animals*, and *Standard Operating Procedure for Blood Collection in Laboratory Animals*. The Company conducts annual inspections of its animal experimentation license and carries out rigorous ethical review and supervision of all internal animal experiments. When outsourcing animal experiments to third parties, the Company carefully selects qualified institutions and ensures their operations comply with requirements of the IACUC and relevant regulations, thereby minimizing animal ethics risks. Meanwhile, the Company is conducting internal self-assessments against AAALAC accreditation standards, aiming to integrate international standards into its animal management practices and future planning.

During the reporting period, the Company implemented a "toxicity-first" strategy in its experimental design while using its organoid platform for drug screening. In vitro toxicity screening was conducted at an early stage using human-derived cells to identify and eliminate high-risk compounds in advance, thereby reducing the need for animal testing.

>> Industry Collaboration

The Company actively participates in industry exhibitions and academic seminars, proactively sharing cutting-edge achievements and co-developing technical standards to continuously promote the prosperity of open innovation and collaboration ecosystems. During the reporting period, the Company's collaboration with a renowned international foundation remained focused on malaria prevention and control, particularly targeting diseases caused by *Plasmodium falciparum*. Leveraging its proprietary technology platform, the Company successfully identified multiple compounds exhibiting activity in one or more assays. These compounds will be further evaluated jointly with the foundation through target engagement validation, structural biology studies, and structure-activity relationship analysis.



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Highlight Case | Sustained Collaboration with the Structural Genomics Consortium (SGC) to Advance Open Science

The Company is deeply involved in the global open science initiative "Target 2035," committed to maximizing the value of open science data through open collaboration and data sharing, and jointly accelerating the drug discovery process.

In April 2025

SGC, in collaboration with HitGen and several industry partners, jointly launched the inaugural "DREAM Target 2035 Drug Discovery Challenge." The competition invites the community of data scientists worldwide to build DEL-ML models to discover hits (bioactive drug-like molecules). This initiative aims to accelerate the development of research tools for human proteins, drive transformative innovation in drug discovery, and pave new pathways for future pharmaceutical R&D.



In July 2025

SGC, together with 78 researchers from 30 organizations and institutions, published an updated roadmap for Target 2035 in *Nature Reviews Chemistry*. The core objective of this roadmap is clear and ambitious: to make early-stage drug discovery faster, less expensive, and more widely accessible. As a participant in Target 2035, HitGen remains deeply committed to the field of drug discovery, taking concrete action to continuously drive large-scale innovation in early-stage pharmaceutical R&D.



Highlight Case | Participation in the 13th DEL International Symposium

In August 2025, the Company was invited to participate in the 13th International Symposium on DNA-Encoded Chemical Libraries held in Boston, USA. Through diverse and in-depth engagement, the Company strengthened its technological leadership and promoted collaborative development within the industry ecosystem. Dr. Liu Guansai, Senior Vice President of the Research Chemistry Centre, delivered a presentation titled "DEL Technology for the Synthesis and Discovery of Macrocyclic Peptide Ligands," interpreting cutting-edge trends and key technological breakthroughs in the field. By participating in this symposium, the Company effectively showcased its technological innovations, contributing to international collaboration and breakthroughs in drug discovery and development.

The Company actively participates in the development of industry standards. During the reporting period, HitGen, as a primary drafting entity, participated in the formulation of the group standard *Technical Requirements for Oligonucleotide Drug Delivery Systems*.



Metrics and Targets

The Company has established a comprehensive key performance indicator system covering resource input, inputs, outputs, and capability building. By monitoring the indicators within this system, it evaluates progress toward goal attainment and dynamically optimizes resource allocation and innovation strategies accordingly.

Metric	Unit	2024	2025	
R&D Expenses (Funding Related to Technological Innovation)	RMB 10,000	6,732.81	7,159.41	
Percentage of R&D Expenses in Revenue	%	15.77	13.62	
R&D Team	Total Count	Person	406	461
	Percentage in Overall Workforce	%	84.06	84.43
Domestic Invention Patents	Cumulative Granted	Number	99	130
	Applications Pending	Number	188	244
International Invention Patents	Cumulative Granted	Number	39	42
	Applications Pending	Number	122	169
Accumulated Software Copyright Registrations	Number	13	36	
Trademark Rights Held	Number	54	92	
Number of Standards Participated in Developing	Number	/	1	
IPR Compliance Training ¹	Number of Sessions Held	Times	4	2
	Number of Participants	Person-times	/	200

The Company published 14 scientific and peer-reviewed papers in 2025 in authoritative journals including the *Journal of the American Chemical Society*, focusing continuously on cutting-edge fields such as drug discovery and chemical biology to contribute to scientific research and innovation.

¹Data includes only Chinese mainland.

No.	Publication Date	Journal	Title
1	2025.1	Fitoterapia	Identification of TIGAR, a direct proteomic target associated with the hypoglycemic effect of Berberine
2	2025.4	Royal Society of Chemistry	DNA-encoded library technology for drug discovery
3	2025.4	ACS Chemistry Biology	TRIM21-NUP98 Interface Accommodates Structurally Diverse Molecular Glue Degraders
4	2025.5	ACS Chemistry Biology	Chemically Induced Nuclear Pore Complex Protein Degradation via TRIM21
5	2025.5	Frontiers in Pharmacology	Insights into the gut-liver axis: mechanisms and emerging therapies in hepatocellular carcinoma
6	2025.6	Biomolecular NMR assignments	Backbone resonance assignment of the catalytic and ATP-binding domain of CpxA from <i>Escherichia coli</i>
7	2025.7	European Journal of Medicinal Chemistry	A deep learning model for structure-based bioactivity optimization and its application in the bioactivity optimization of a SARS-CoV-2 main protease inhibitor
8	2025.7	Journal of Chemical Information and Modeling	TRIM21-Driven Degradation of BRD4: Development of Heterobifunctional Degraders and Investigation of Recruitment and Selectivity Mechanisms
9	2025.10	Journal of the American Chemical Society	Photocatalyzed Decarboxylative B-C Couplings for the Synthesis of Carboranyl Amino Acids and Peptides
10	2025.10	Journal of Medicinal Chemistry	Enabling Open Machine Learning of Deoxyribonucleic Acid-Encoded Library Selections to Accelerate the Discovery of Small Molecule Protein Binders
11	2025.10	Journal of Clinical Investigation	A positive allosteric modulator of the β 1AR with antagonist activity for catecholaminergic polymorphic ventricular tachycardia
12	2025.10	ACS Omega	Model-Assisted Process Optimization for Trivalent Ligand-siRNA Conjugation via CuAAC Click Chemistry
13	2025.11	Journal of Experimental Medicine	Discovery of potent and selective inhibitors of human NLRP3 with a novel mechanism of action
14	2025.11	Bioconjugate Chemistry	Synthesis of DNA-Encoded Bicyclic Peptides via Cysteine-Promoted Cyclization and Amide Condensation Reaction

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Product Liability and Customer Service

HitGen implements a quality management system covering the entire lifecycle, engages in responsible customer engagement practices, strictly adheres to product safety requirements, and continuously improves service quality to strengthen customer trust and drive the long-term development of both the Company and its customers.

Product Safety and Quality

The Company strictly complies with domestic and international regulations, technical guidelines, and international standards such as *Good Manufacturing Practice of Medical Products (GMP)*, regulations issued by the National Medical Products Administration (NMPA), guidelines of the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH), ISO 9001, and ISO/IEC 17025. It has established a quality assurance system covering the entire lifecycle of drug research, development, production, and use, ensuring that every step from laboratory to patient is safe and controllable. HitGen and its subsidiary Hitston have obtained ISO 9001 Quality Management System Certification, and its analytical testing platform for innovative drug research and development has received CNAS accreditation.



The Company's product safety and quality department is fully responsible for establishing and operating the quality management system, regularly conducting internal audits and external inspections. It achieves early identification through the establishment of a multi-dimensional, forward-looking risk early warning system, while also establishing an emergency response mechanism to ensure rapid and effective handling when risks occur.

Metric ¹	Unit	2024	2025
Percentage of Products Recalled due to Quality Issues out of Total Products Sold/Shipped	%	0.10	0.10

¹Data includes only Chinese mainland.



R&D Phase

The Company integrates quality risk management throughout the entire process of drug discovery and process development for small molecule drugs and oligonucleotide-based therapeutics, ensuring the scientific rigor and safety of R&D outcomes from the outset.



Manufacturing Process

The Company has established an internationally aligned production and quality control system for special products such as oligonucleotide active pharmaceutical ingredients, covering the entire process from quality assessment of critical starting materials, real-time monitoring and optimization of manufacturing process parameters, to finished product testing and release, ensuring that products meet predefined critical quality attributes. The Company utilizes advanced analytical technologies such as high resolution mass spectrometry and ultra performance liquid chromatography to comprehensively characterize product structure, purity, and impurity profiles, guaranteeing the quality consistency and uniformity of each batch of product.



Safety Monitoring

The Company has established a comprehensive pharmacovigilance system to systematically monitor the safety information of investigational medicinal products, timely collect, evaluate and manage adverse drug reaction reports, and effectively safeguard patient safety in medication use.

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Customer Service and Marketing Management

The Company has established a multi-dimensional customer demand response mechanism and a high-standard service system, while adhering to responsible marketing communication practices based on integrity and transparency, and is committed to delivering an exceptional customer experience.

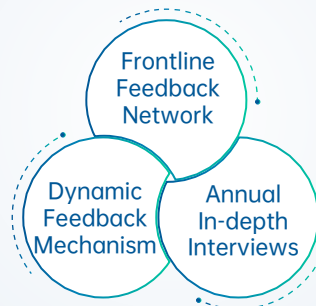
» Customer Service

The Company has established a service model that combines "standardized services with personalized solutions". In response to clients' specific target or special molecular type requirements, the Company flexibly adjusts its service strategies, offering one-stop solutions covering DEL, FBDD/SBDD, OBT, and TPD technology.

The Company has established a multidimensional customer insight and feedback mechanism:

Systematically identify "pain points" of customers in the new drug discovery process through technical exchanges, project follow-ups, etc., and translate market preferences into directions for improving drug discovery services.

An efficient customer demand response channel has been established to ensure that customer technical requirements are categorized, evaluated, and responded to within 24 hours.



Conduct regular in-depth interviews with key strategic customers, transforming their feedback into inputs for internal product iteration and technology upgrades.

The Company has established a standardized after-sales and complaint management system, driving continuous improvement in service quality through a closed-loop management mechanism of "root cause analysis—implementation of improvements—verification of effectiveness." For major or urgent incidents, the Company activates an emergency response mechanism, with senior leadership leading the formation of special task forces to focus on resolving the issues, ensuring fundamental solutions and establishing a complete chain of "response—resolution—review—accountability."

The Company adopts a dual-driven model of "offline branches + online platform" to enhance service efficiency.

Offline global layout

The Company has established a global network of R&D and innovation centers, building a service network that covers major global biopharmaceutical innovation hubs.



Online platform support

Leveraging an information technology project management platform to enable real-time project progress tracking, rapid allocation of service resources, and refined after-sales quality management.

» Marketing Management

Facing the diverse characteristics of global markets, the Company formulates and implements differentiated marketing strategies, localizing and optimizing marketing content and formats according to regional regulatory requirements, customer maturity, channel characteristics, and cultural contexts to achieve precise communication and efficient conversion.

Regarding marketing content review, the Company has established a classification management mechanism, whereby the Marketing Department conducts corresponding classification approvals based on the importance and complexity of the content, as well as the publishing channels.

Metric	Unit	2024	2025
Total Number of Complaints Received Regarding Products and Services	Piece	6	8
Resolution Rate for Complaints Regarding Products and Services	%	100	100

Digitalization and Intelligence

HitGen has established a systematic digitalization and intelligence governance framework and implementation roadmap, deeply integrating advanced technologies into the entire R&D and operational process to continuously enhance the Company's overall efficiency.

Governance

The Company has established a systematic digitalization and intelligence governance system, formulating and implementing a series of key management systems, including the *Information Security Management System, Information System Access Management System, Information System Master Data Management Specification, Data Document Management Specification, IT Asset Management System and Privacy & Personal Information Protection Policy*, laying a solid foundation for digitalization and intelligence.

Strategy

The Company systematically identifies relevant risks and opportunities in the process of digitalization and intelligence, analyzes their potential financial impacts, and accordingly formulates and implements response measures.

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Issue	Issue Attribute	Financial Impact	Response Measures
Digitalization and Intelligence	Strategic Risk (Misuse of Artificial Intelligence (AI) Technology and Ethical Violations)	<ul style="list-style-type: none"> ◆ May lead to unreliable research conclusions and data bias, triggering serious regulatory investigations, project suspension, legal proceedings and fines, as well as long-term damage to the Company's scientific research reputation and brand value. 	<ul style="list-style-type: none"> ◆ Clarify the boundaries of technology use, accountability mechanisms, and prohibited scenarios. ◆ Embed ethical reviews during the initiation and key milestones of programs in progress to ensure that the application of AI tools and data complies with scientific ethical standards. ◆ Provide ongoing AI ethics training for R&D personnel and establish internal reporting and verification channels for technology misuse.
	Operational Risk (Core Data Leakage and Loss Risk)	<ul style="list-style-type: none"> ◆ Resulting in impaired intellectual property value, exposure to high compliance fines, disruption of R&D project timelines, customer attrition, and direct financial losses as well as a decline in market share. 	<ul style="list-style-type: none"> ◆ Encrypt sensitive data and implement tiered access authorization. ◆ Deploy an advanced Data Loss Prevention (DLP) system integrated with a cybersecurity protection framework. ◆ Establish a regular data backup and recovery drill mechanism to ensure business continuity.
	Strategic Opportunity (Digitalization and Intelligence Technologies Enabling Drug Discovery)	<ul style="list-style-type: none"> ◆ Improve the efficiency and success rate of target screening, compound design, and optimization, significantly reducing early-stage R&D costs and time, accelerating pipeline advancement, and thereby creating greater long-term commercial value. 	<ul style="list-style-type: none"> ◆ Strategically allocate resources to continuously enhance technology platforms such as DEL, FBDD/SBDD. ◆ Build a multidisciplinary talent team with expertise in biopharmaceuticals as well as digitalization and intelligence capabilities. ◆ Establish pilot programs to verify the effectiveness of AI tools within a controlled scope, and then gradually scale up.

Impacts, Risks and Opportunities

The Company has established an information security protection system based on "defence-in-depth, layered protection", covering four core modules: endpoint security protection, application-layer deep defense, front-end access protection, and threat intelligence detection. This system achieves end-to-end security coverage from network entry points and terminal applications to personnel management, ensuring a secure environment for stable business operations. The Company has formed a professional information security team comprising CISSP-certified information security experts and professionals in related fields.

The Company implements classified protection and management of trade secret information. All employees, partners, and other obligated parties who have access to or come into contact with trade secrets must strictly fulfill their confidentiality obligations. Without the Company's written authorization, they shall not disclose, copy, transfer, or license the information to third parties in any form, nor shall they use it for non-job-related purposes without authorization. We apply principles such as data minimization, minimum necessary access, need-to-know basis, and secure storage to the personal information of data subjects including customers, users, and employees. Personal information shall not be collected, used, shared, or transferred across borders without proper authorization.



The Company has obtained the ISO 27001 Information Security Management System Certification

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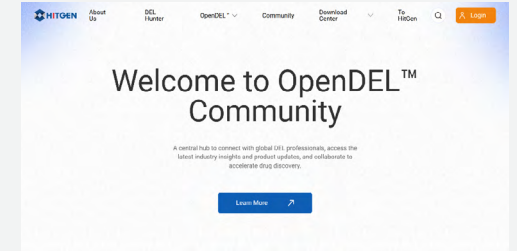
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Highlight Case | Launch of the "OpenDEL™ Community" professional platform to enhance R&D efficiency and industry engagement through digital innovation

The Company has completed the development and launch of the "OpenDEL™ Community". By offering three core functions—industry trend insights, access to a global expert network, and streamlined order and service management—it significantly enhances R&D personnel's efficiency in information access and collaboration convenience, strengthening the Company's professional influence and ecosystem connectivity in this vertical domain.



OpenDEL™ Community Website: www.opendelcommunity.com

● Industry Trend Insights

Through DEL Hunter, researchers can access curated updates and cutting-edge academic achievements in the DEL field, enabling them to efficiently obtain critical information.

● Access to a Global Expert Network

The platform helps researchers to establish direct connections with peers worldwide, facilitating the exchange of ideas and exploration of collaboration opportunities.

● Streamlined Order and Service Management

Users can access product information and track order and service progress in real time through their personal accounts, enhancing R&D management efficiency.

Metrics and Targets

The Company ensures precise and effective digitalization investments by continuously monitoring and managing the core indicators of digitalization and intelligence, driving comprehensive improvements in operational efficiency and innovation capability.

Metric	Unit	2024	2025
Number of Information Security Training Sessions Conducted	Times	17	25
Number of Participants in Information Security Training	Person	405	479
Percentage of Employees Trained in Information Security	%	/	87.73
Number of Information Security Incidents	Case	0	0
Number of Customer Privacy and Information Security Breach Incidents	Case	0	0

Sustainable Supply Chain

HitGen integrates ESG principles into the entire process of supply chain management, emphasizing equal treatment and collaborative growth with small and medium-sized enterprises, and enhancing the overall resilience and sustainable value of the supply chain by building a fair and trustworthy network of partners.

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Supply Chain Management

The Company has established and implemented *Bidding and Procurement Management Measures*, *Measures for the Management of the Supplier Pool*, and *Supplier Code of Conduct*, adhering to the principles of fairness, openness and impartiality to ensure that all suppliers enjoy equal cooperation opportunities.

» Procurement Management

During the reporting period, the Company conducted a special audit on its procurement operations, focusing on "procurement system compliance, supplier onboarding and management, employee-designated procurement, and price comparison" as the core themes. It systematically reviewed information from over 200 suppliers with stratified sampling by transaction amount and randomly checked 80 procurement order samples from the OA system. The audit focused on the implementation of the procurement system, identified potential risks and weaknesses across 11 key control points, and provided specific optimization recommendations, effectively enhancing the standardization of procurement processes and the level of risk prevention and control.

» Supplier Anti-Corruption

The Company requires all suppliers entering the database to sign an integrity commitment. Any entity in the candidate pool or its practitioners found engaging in dishonest behavior will have collaboration immediately suspended. The Company strictly requires all relevant personnel to maintain integrity, self-discipline, and confidentiality of business secrets, and will strictly pursue accountability for any illegal or disciplinary violations. The Procurement Department is responsible for the management of the candidate pool, while the Internal Audit Department and General Manager's Office are responsible for internal audit and supervision, including investigating internal violations and handling related complaints. During the reporting period, the Company conducted training on integrity and standardized procurement workflows for all members of the procurement department.

» Supplier Admission

The Company has established a systematic and multi-level supplier onboarding mechanism, covering qualification document review, comprehensive market research, and trial period evaluation. Under equal conditions, the Company gives priority to suppliers that have obtained certifications such as ISO 14001 Environmental Management System Certification to manage environmental and social risks in the supply chain. During the reporting period, long-term suppliers with ISO 14001 certification accounted for 23%.

For suppliers of special categories (e.g., hazardous chemicals, controlled substances), the Company has established specific admission standards and management requirements. During the admission process, the Company strictly reviews their qualification documents and checks for any records of safety or environmental penalties. In the contract and delivery stages, safety responsibilities, transportation regulations, and emergency response requirements are clearly defined, and the "dual-person acceptance" system is strictly enforced. The Company also requires these suppliers to regularly conduct safety training and safety drills to jointly mitigate operational risks.



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» Supply Chain Risk Management

The Company systematically identifies key risks, including supply disruptions and quality fluctuations, and conducts graded assessments based on their likelihood and potential impact, thereby formulating corresponding mitigation measures.

Localized Inventory Stocking

The Company actively develops local qualified suppliers for commonly used critical raw materials and requires suppliers to maintain reasonable inventory levels for frequently used materials.

Domestic Substitution

For reagents, consumables, and equipment with high import dependency, unstable supply, or high prices, the Company actively promotes the development, qualification, and introduction of domestic suppliers, gradually and rationally increasing the proportion of domestic supply. Domestic substitution has been incorporated into the procurement department's performance evaluation system.

Supply Network Optimization

For commonly used critical raw materials such as nucleic acid synthesis reagents and monomers, and bulk solvents, the Company implements a "single primary, multiple backups" supply strategy.

» Supplier Evaluation and Performance

We conduct annual comprehensive evaluations for all business partner suppliers, covering key dimensions such as quality, delivery, price, and collaboration. For critical suppliers, we carry out regular on-site inspections, focusing on their production sites, quality control, and safety management.

The evaluation results are directly applied to the dynamic management of supplier classification.

Score Range	Rating Results	Company Measures
Score ≥ 90 points	Excellent	Priority order allocation, extended contract terms, and inclusion in the strategic collaboration partner list.
90 points > score ≥ 80 points	Qualified	Provide timely feedback identified in the annual performance review to promote its improvement.
Score < 80 points	Unqualified	Investigate the reasons and, upon internal company approval, remove from the supplier database.

During the reporting period, the Company initiated a special social responsibility assessment for certain suppliers, with evaluation indicators covering environmental responsibility, labor and human rights, business ethics, sustainable procurement, and information security.

» Digital Procurement

The Company actively promotes the digitalization and intelligence of supply chain management by establishing a unified online supplier management platform, enabling the entire process—from registration and qualification approval to performance evaluation and blacklist management—to be conducted online and data-driven.

- Online archiving and organization of supplier qualification documents to mitigate compliance and supply risks.
- The digitization of procurement and collaboration processes—such as inquiry, quotation, ordering, material issuance, and account reconciliation—effectively enhances efficiency and transparency.
- Build a supplier management data dashboard to help managers monitor supplier structure, performance, and risks in real time, providing support for decision-making.

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Metric	Unit	2024	2025
Total Number of Suppliers	Company	990	691
Number of Suppliers by Region			
Wherein: Chinese Mainland	Company	560	248
Wherein: Chinese Hong Kong, Macao, And Taiwan	Company	2	0
Wherein: Overseas	Company	428	443
Supplier Integrity Agreement Signing Rate ¹	%	/	99
Supplier Certification - Number of Suppliers with ISO 45001 ²	%	/	21
Supplier Certification - Number of Suppliers with ISO 14001 ³	%	/	23
Supplier Certification - Number of Suppliers with ISO 9001 ⁴	%	/	42
Supplier Certification - Number of Suppliers with Other Certifications ⁵	%	/	11

Equal Treatment for Small and Medium-Sized Enterprises

The Company actively supports the development of small and medium-sized enterprises, aiming to maintain the proportion of small and micro enterprises within its supplier pool at no less than 5% in principle, and strictly adheres to contractual payment terms to promote coordinated development and stability across the industrial chain. During the reporting period, the proportion of small and micro enterprises in the supplier pool was 7%.

Metric	Unit	2024	2025
Amount of Overdue Payments to Small and Medium-Sized Enterprises	RMB 10,000	/	0

¹Data includes only Chinese mainland.
²Data includes only Chinese mainland.

³Data includes only Chinese mainland.
⁴Data includes only Chinese mainland.

⁵Data includes only Chinese mainland.

Employees and Community

HitGen regards employees as the core driving force for sustainable development and communities as important partners for mutual growth. Adhering to a responsibility philosophy centred on people and dedicated to giving back to society, HitGen promotes employee growth and community co-development.

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Contribution to the SDGs



Employee Rights

HitGen strictly adheres to the baseline of compliant employment, advocates a diverse and inclusive culture, respects the equal rights and personal dignity of every employee, and builds a fair, healthy, and sustainable employee rights protection system.

Compliant Employment

The Company complies with the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, and other applicable regulations, as well as internal policies such as the *Employee Handbook*, to ensure standardised management of employees throughout their entire employment lifecycle.

The Company has established a three-tier management structure centered on the Human Resources Department, with collaborative participation from business units and management. As the organising and executing hub for recruitment, the Human Resources Department provides end-to-end professional support and ensures compliance oversight across the entire process. Business units, as initiators of talent demands and assessors of professional competencies, are deeply involved in the selection process. Management is responsible for the final approval of key positions and the strategic oversight of recruitment policies.

The Company adheres to the principles of voluntariness, fairness, and non-discrimination in recruitment and hiring, treating all employees equally regardless of race, color, gender, nationality, age, religious belief, marital status, disability, or any other factor unrelated to the job performance. The Company upholds a non-discriminatory management approach in job posting, CV screening, interviews, and promotions, avoiding any unfair treatment or discrimination due to personal biases. During the reporting period, the Company achieved a 100% compliance rate in non-discriminatory recruitment practices.

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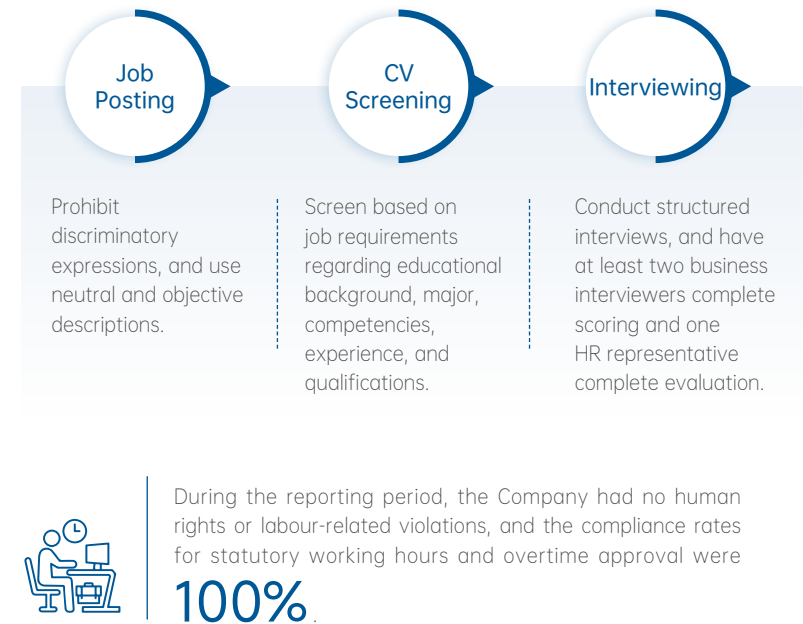
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Prohibition of Child Labour

The Company prohibits the employment of minors under the age of 18 and sets a goal of zero child labour employment. During the recruitment process, the Company verifies the age of job candidates, and completes necessary checks on age information prior to onboarding before proceeding with employment procedures.

Prohibition of Forced Labour

The Company opposes any form of forced labour. Upon issuing a written offer of employment, the Company clearly communicates in writing the key terms such as position, location, and compensation, and provides a standardised labour contract document compliant with the *Labour Contract Law of the People's Republic of China*, containing no hidden coercive, punitive, or debt-binding clauses.





Number of employees

546 persons

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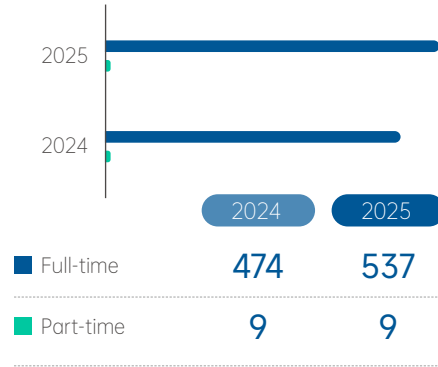
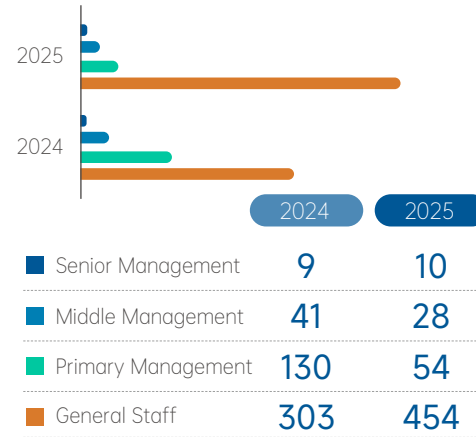
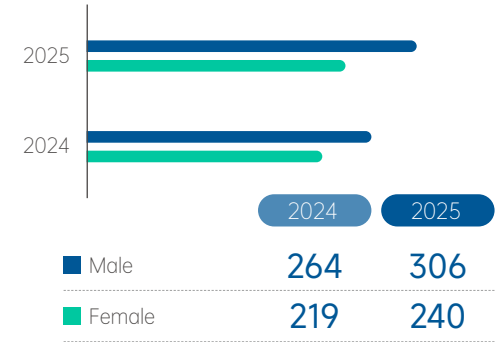
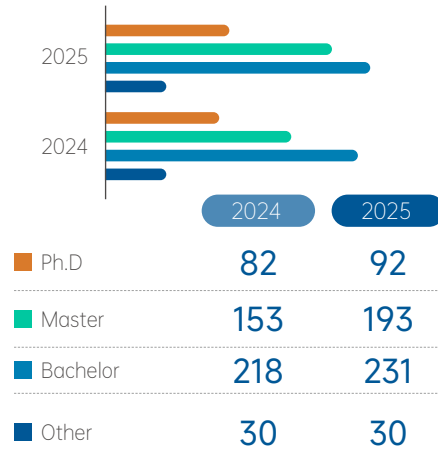
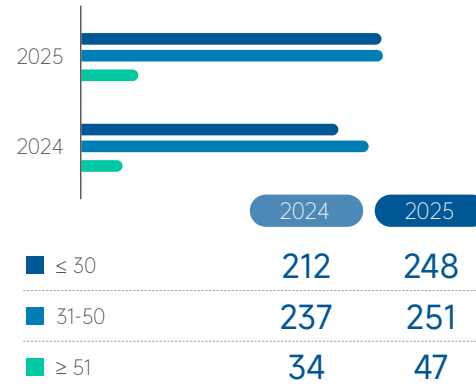
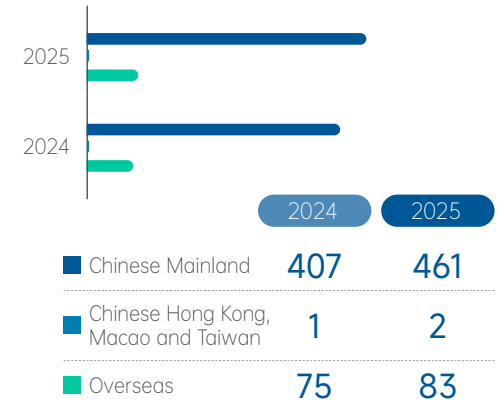
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By Employee Type

By Position Level

By Gender

By Educational Degree

By Age

By Region


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Diversity, Equity, and Inclusion

The Company adheres to a talent philosophy of diversity and inclusion, actively promoting unity and integration within teams. It is committed to respecting the fundamental rights, including cultural dignity, of external stakeholders such as partner organizations, suppliers, and business-connected communities.

The Company respects female employees and safeguards their equal rights. The Company has established the *Code of Business Ethics*, clearly stating its commitment to upholding civilised and respectful values, fostering a positive, healthy, and uplifting work environment, resolutely preventing any form of harassment, and prohibiting physical or verbal violence against individuals. In the event of any incidents related to discrimination or harassment, any individual may report or raise concerns with the Company. The Company will conduct necessary internal and external investigations while protecting the whistleblower, take management actions based on findings, and provide support to the affected individuals.

The Company safeguards the equal employment rights of employees with disabilities. After evaluating the professional skills, physical conditions, and other comprehensive abilities of employees with disabilities, and with their full consent, the Company arranges suitable positions for them. The Company continuously improves reasonable accommodations such as accessible facilities and job adjustments.



During the reporting period, the Company had **7** employees with disabilities.

Metric	Unit	2024	2025
Percentage of Women in Senior Management	%	22.22	10.00
Total Number of Employees with Disabilities	Person	6	7
Total Number of Veteran Employees	Person	7	7

The Company also emphasizes the principles of voluntariness, fairness, and non-discrimination in external collaboration, and commits to respecting the fundamental rights, including cultural dignity, of external stakeholders such as partner organisations, suppliers, and business-connected communities.



Employee Well-being

HitGen adheres to a people-oriented approach, continuously enhancing employees' sense of belonging and fulfilment through competitive compensation and benefits, open communication channels, and thoughtful employee well-being, fostering a warm and trusting work environment.

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Compensation and Benefits

The Company strictly complies with relevant laws and regulations such as the *Labour Law of the People's Republic of China* and the *Social Insurance Law of the People's Republic of China*, clearly defines specific standards for salary calculation and benefits distribution, establishes a comprehensive compensation and benefits system, and fully safeguards employees' rights and protection regarding compensation and benefits.

Compensation Management

The Company adheres to the principle of equal pay for equal work, and fairly compensates employees based on positions, individual performance, and competencies. The Company has established a compensation system that balances market competitiveness with internal equity, regularly monitors industry compensation trends and internal/external compensation indicators to assess external competitiveness and internal fairness, aiming to provide employees with compensation that is both market-competitive and sufficient to meet a decent standard of living (i.e., living wage), while ensuring that employees performing equivalent work receive equal pay. The Company adopts a "fixed compensation + variable incentives" model, where fixed compensation includes base salary and position-based salary, ensuring employees' basic income. Variable incentives include performance bonuses and project commissions, the distribution of which is directly linked to the Company's business performance, individual performance outcomes, position value, and scope of responsibilities.

Women Support Initiatives

The Company values the physical and mental well-being of female employees, organises Women's Day events and team-building activities annually, implements maternity leave, breastfeeding leave, and paternity leave policies, provides maternity subsidy to new parents, and has established a nursing room. In 2025, HitGen had 7 employees on maternity leave, 6 employees on breastfeeding leave, and 6 employees on paternity leave.

Benefits System

The Company has established a "statutory benefits + special benefits" system, clarifying subsidy standards to cover compliance requirements and diverse needs, comprehensively supporting employees' work and life.

Statutory Benefits

The Company strictly complies with relevant laws and regulations by paying social insurance and housing funds for employees to safeguard their basic rights, implementing standards as prescribed to ensure compliance and meet regulatory requirements.

Supplementary Benefits

The Company provides meal allowance, annual health checkups, holiday benefits, and clearly defined subsidy standards for marriage, childbirth, and hospitalisation, comprehensively covering employees' work and life needs.



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Employee Communication

The Company has established a multi-level employee communication mechanism, covering channels such as the CEO roundtable, fortnightly department meetings, employee satisfaction surveys, onboarding and exit interviews, and the staff and workers' representative congress. It defines the frequency and feedback processes for each type of communication, ensuring that employee opinions are promptly conveyed and addressed.

Communication mechanism	Frequency	Main Content
CEO Roundtable	Quarterly	Newly hired employees (on probation), regular employees, and mid-level management staff each held direct discussions with the CEO, and improvement measures were developed based on the feedback received.
Department Fortnightly Meeting	Fortnightly	Discussion of work content and an open session for employees to provide feedback.
Current Employee Interview	Regularly	The Human Resources Department maintains communication with employees to understand their employment status.
Exit Interview	In real time	The Human Resources Department communicates with each departing employee to collect feedback.

Satisfaction Survey

The Company conducts an annual employee satisfaction survey, distributing questionnaires anonymously via office software to assess organisational health, gain insights into employee needs, and drive effective actions. The overall score for the 2025 employee satisfaction survey was 4.45, an increase of 0.4 points compared to the 2024 employee satisfaction score.

Appeal Channels

The Company has established employee appeal channels. Employees who encounter unfair treatment may file an appeal with their department head or submit a written appeal to the Human Resources Department, which will respond within three working days. The Company also provides both online and offline appeal channels, including the CEO suggestion box, HR department email, physical suggestion boxes located in company office buildings, and the reporting email (internal.audit@HitGen.com).

Employee Care

To support work-life balance and the physical and mental well-being of employees, the Company regularly organises a variety of cultural and sports activities as well as external exchanges. During the reporting period, the Company held 123 internal events, including 28 badminton events, 59 basketball events, and 36 table tennis events, and conducted 13 external events covering activities organized by the High-Tech Zone, industry events, and Bio-Town enterprise club events.



Various company event activities

In addition, the Company offers flexible work arrangements, allowing employees to apply for remote or flexible working when encountering extreme weather or special circumstances, ensuring safe work operations.

Talent Attraction and Retention

HitGen adheres to talent-driven development, fostering a supportive environment that values and empowers talent, enabling mutual empowerment between employees and the Company.

Governance

The Company has established clear management guidelines for the entire process of talent acquisition, development, and retention, and strictly enforces specialised systems such as the *Internal Job Competition Policy*.

The Company's talent management structure consists of the Company's management, the Human Resources Department, the Trade Union, the Staff and Workers' Representative Congress, and various business departments, jointly forming a collaborative management system.



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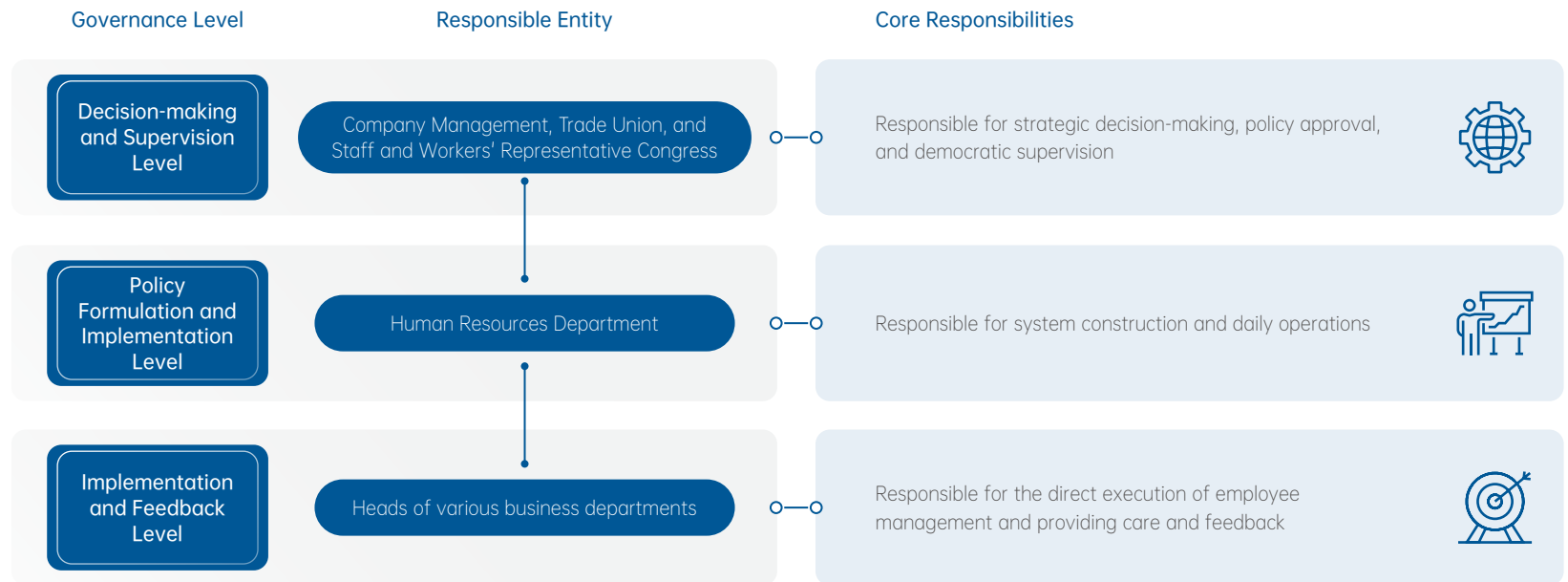
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Strategy

Based on business continuity assessments and talent reviews, the Company systematically identifies risks and opportunities related to talent attraction and retention, analyses the associated financial impacts, and develops corresponding mitigation measures.

Issue	Issue Attribute	Financial Impact	Response Measures
Talent Attraction and Retention	Operational Risk (Key Position Talent Loss Risk)	<ul style="list-style-type: none"> Loss of key talent may lead to delays in R&D and innovation projects, missed business opportunities, loss of knowledge assets, and increased costs for re-recruitment and training. 	<ul style="list-style-type: none"> Ensure compensation competitiveness for key positions and stabilise the core talent team. Establish a backup talent programme to reduce the risk of business disruption caused by staff turnover.
	Strategic Opportunity (Talent Pipeline Development Opportunity)	<ul style="list-style-type: none"> A well-developed talent pipeline reduces the risk of critical position vacancies, shortens the job adaptation period, and enhances organisational effectiveness and employee retention rates. 	<ul style="list-style-type: none"> Establish a talent development map to systematically plan talent sourcing, development, and deployment. Establish a multi-track advancement system to provide employees with clear career development paths.
	Operational Opportunities (New Employee Onboarding and Retention)	<ul style="list-style-type: none"> Improving new employee retention rate can reduce recruitment costs and training investment, and shorten the time for new employees to become productive. 	<ul style="list-style-type: none"> Establish a buddy system to help new employees integrate into their roles. Establish a buddy system allowance to incentivise effective mentoring and guidance.

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Impacts, Risks and Opportunities

The Company has established a management framework centred on the full lifecycle of talent management, structured around three dimensions: talent acquisition, integration training, and talent retention.

Talent Acquisition

The Company has established diverse external recruitment channels, fully incorporating diversity considerations during the hiring process, continuously expanding talent acquisition pathways, and attracting outstanding individuals from varied backgrounds. During the reporting period, the Company hired 115 new employees.

Integration Training

To stabilise the new employee workforce, the Company has established a new employee retention mechanism and implemented the buddy system. Buddies are primarily responsible for developing mentoring plans, providing work guidance, and conducting daily communication with new employees. During the reporting period, the Company's new employee retention rate during the probationary period was 89%.

Talent Retention

The Company continuously enhances employee satisfaction and sense of belonging by establishing a comprehensive compensation and benefits system, multi-level employee communication mechanisms, and employee well-being programs. For details, please refer to the "Employee Well-being" section.

Metrics and Targets

The Company uses employee turnover rate as a core indicator for talent attraction and retention, regularly conducts data collection and analysis, and continuously optimizes talent management strategies. During the reporting period, the Company set a target to keep the overall talent turnover rate below 15%, and the actual turnover rate was 11.36%, achieving the established goal.

Metric	Unit	2024	2025
Employee Turnover Rate	%	9.32	11.36
By Position Level	Senior Management	/	30.00
	Middle Management	%	14.29
	Primary Management	%	5.56
	General Staff	%	11.45
By Gender	Male	%	10.61
	Female	%	9.17
By Age	≤ 30	%	13.71
	31-50	%	9.16
	≥ 51	%	10.64
By Region	Chinese Mainland	%	12.36
	Chinese Hong Kong, Macao and Taiwan	%	0
	Overseas	%	6.02

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Employee Training and Development

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HitGen values employee capability enhancement and career growth, supporting sustainable development and job competency through systematic employee training and development programs and clear career advancement pathways.

Governance

The Company implements special systems such as the *Employee Promotion Management Policy* to promote standardized full-process management of employee training and development. The Company has established and enforces the *Performance Incentive System*, clearly defining that performance objectives follow the SMART principle. It adopts a comprehensive evaluation process combining quantitative and qualitative assessments through a 100-point scoring system and bonus/deduction for key events. Based on the rating results, employees are managed through classification, supported by a grievance mechanism and performance improvement plans to ensure fairness in evaluation and effective support for employee development.

The Company's training management governance structure is jointly constituted by the CEO, the Human Resources Department, various professional committees, and departments.



Governing Entity	Core Responsibilities
CEO	<ul style="list-style-type: none"> ◆ Responsible for approving the annual training plan, annual training budget, and ad hoc training matters.
Professional Committees	<ul style="list-style-type: none"> ◆ Responsible for the development and implementation of the annual training plan for R&D employees.
Departments	<ul style="list-style-type: none"> ◆ Responsible for organizing and implementing internal business training within the department. ◆ Responsible for the selection and assignment of training personnel. ◆ Responsible for the development of professional training materials and teaching. ◆ Assist the specialized committee or the Human Resources Department in conducting assessments for relevant professional training.
Human Resources Department	<ul style="list-style-type: none"> ◆ Responsible for the Company's training planning and the development of annual plans. ◆ Responsible for the formulation and revision of training management measures. ◆ Responsible for the organization, review, and management of training. ◆ Responsible for the preparation, review, management, and use of training funds. ◆ Responsible for evaluating training effectiveness, registering trainees, and statistical analysis and archiving of training records. ◆ Guide and inspect the training work carried out by various departments and subsidiaries. ◆ Responsible for the organization and management of training instructors.

Strategy

The Company's system identifies risks and opportunities related to employee training and development, analyzes the associated financial impacts, and formulates response measures accordingly.

Issue	Issue Attributes	Financial Impact	Response Measures
Employee Training and Development	Operational Risk (Risk of Mismatch Between Employee Skills and Job Positions)	<ul style="list-style-type: none"> Skills shortages may lead to reduced R&D and innovation efficiency, project delays, product quality issues, and increased costs for training and error correction. 	<ul style="list-style-type: none"> Conduct an annual training needs survey, develop a training plan covering multiple categories such as management, professional, and safety, and implement training effectiveness evaluation.
	Strategic Opportunity (Talent Development Opportunity)	<ul style="list-style-type: none"> Systematic talent development can enhance employee performance, shorten job adaptation periods, and strengthen organisational capabilities and competitiveness. 	<ul style="list-style-type: none"> Establish three promotion methods: annual merit-based promotion, project-based promotion, and competitive promotion. Established a 15-level career advancement system across three tracks: management track, technical track, and professional support track.
	Operational Opportunities (Internal Talent Mobility)	<ul style="list-style-type: none"> Internal job posting can reduce external recruitment costs, shorten time-to-fill cycles, and improve employee retention rates and satisfaction. 	<ul style="list-style-type: none"> The internal job posting application is open throughout the year, and candidates will be hired after interviews and job-fit assessment periods.

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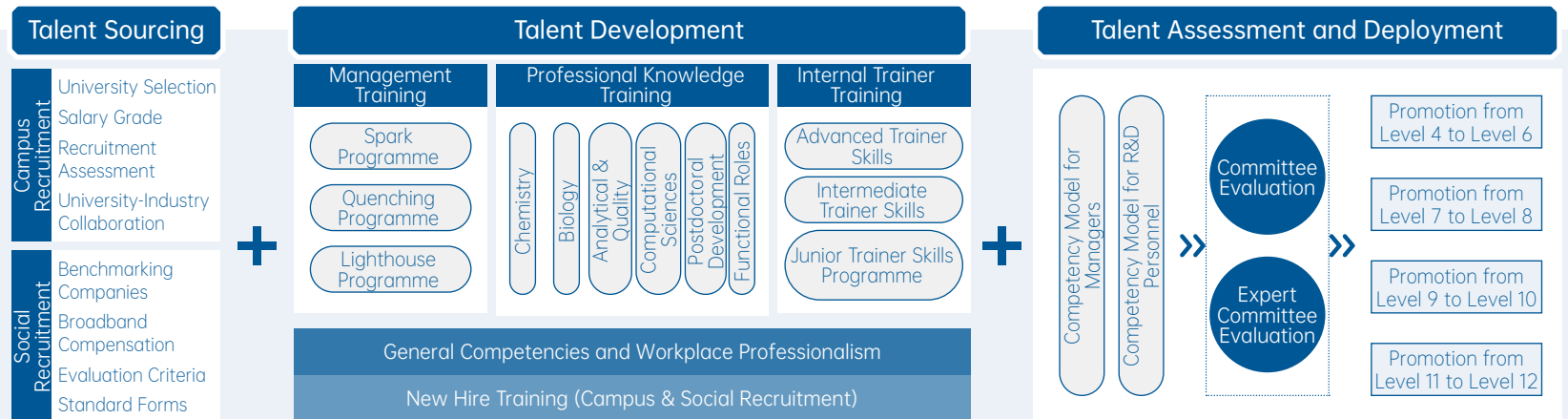
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Impacts, Risks and Opportunities

The Company has established a talent development map to uniformly plan talent development initiatives across four stages: talent sourcing, cultivation, assessment, and deployment.



Full-Chain Talent Development Map

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Highlight Case | On-the-Job Postgraduate and High-Level Talent Development Program

The Company provides educational advancement and high-level talent development support for R&D key personnel and mid-to-senior level managers, offering specialized development programs such as part-time postgraduate and doctoral programs, university-based entrepreneur academies for professional growth, and overseas advanced studies, while standardising the requirements regarding application eligibility, tuition funding, and service period management.

» Employee Training

The Company is gradually establishing a comprehensive training management system covering needs assessment, plan approval, process control, effectiveness evaluation, and annual review.

	Core Content	Responsible Entity
	Departments submit annual training requirements, and the Human Resources Department conducts a training needs survey.	Departments, Human Resources Department
	The Human Resources Department formulates the annual training plan and budget, which is implemented upon approval by the CEO.	Human Resources Department, CEO
	The Human Resources Department supervises and controls the implementation of training, and promptly coordinates solutions when issues arise.	Human Resources Department
	Trainees shall complete the learning outcome evaluation form and submit it to the Human Resources Department for record.	Participants, Human Resources Department
	Summarize the implementation status of the annual training plan, and prioritize unfinished items for the following year.	Human Resources Department
	The review results will be incorporated into next year's requirements research to establish a continuous improvement mechanism.	Human Resources Department, All business departments

» Employee Career Development

The Company establishes a clear career development path, sets up a multi-channel promotion system and diversified advancement methods, providing different types of employees with sustainable career growth opportunities.



Vertical development

Establish three career tracks – management track, technical track, and professional support track – to provide employees with a clear vertical promotion path.



Horizontal flow

Vacant positions are open to internal employees, enabling cross-role and cross-functional horizontal mobility and career development.



Promotion method

The Company offers three promotion pathways: annual merit-based promotion, project-based promotion, and competitive promotion, which are determined based on annual performance appraisal results, outstanding contribution performance, and internal job vacancies together with post-probation assessment results, respectively.

Metrics and Targets

During the reporting period, the Company organised various types of training, including 12 company-level professional training sessions such as HitGen Forum and HitGen Lecture Hall, 25 information security training sessions, 6 safety drills, and 6 new employee onboarding training sessions. In addition, departments across the Company organised internal training focused on specialised areas and projects.

Metric ¹	Unit	2024	2025
Percentage of Employees Trained	%	100	100
Training Sessions Conducted	Session	175	160
Total Investment in Training	RMB 10,000	221	102.3
Total Employee Training Hours ²	Hour	4,255.00	4,143.00
By Gender	Male	2,372.00	2,362.00
	Female	1,883.00	1,781.00
By Position Level	Senior Management	1,324.80	1,103.12
	Middle Management	652.80	543.57
	Primary Management	878.40	731.42
	General Staff	1,399.00	1,764.90
Per Capita Training Duration for Employees	Hour	10.37	8.83
By Gender	Male	10.63	8.91
	Female	10.06	8.73
By Position Level	Senior Management	147.20	122.57
	Middle Management	26.07	24.71
	Primary Management	7.20	17.01
	General Staff	5.48	4.47

¹The data covers Chinese mainland only.

²Any discrepancies between the total employee training hours and the aggregated training hours by gender and employee type are due to rounding.



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HitGen always places employee health and safety first, establishing a prevention-oriented, continuously improving occupational health and safety management system to strengthen the foundation of safe development.

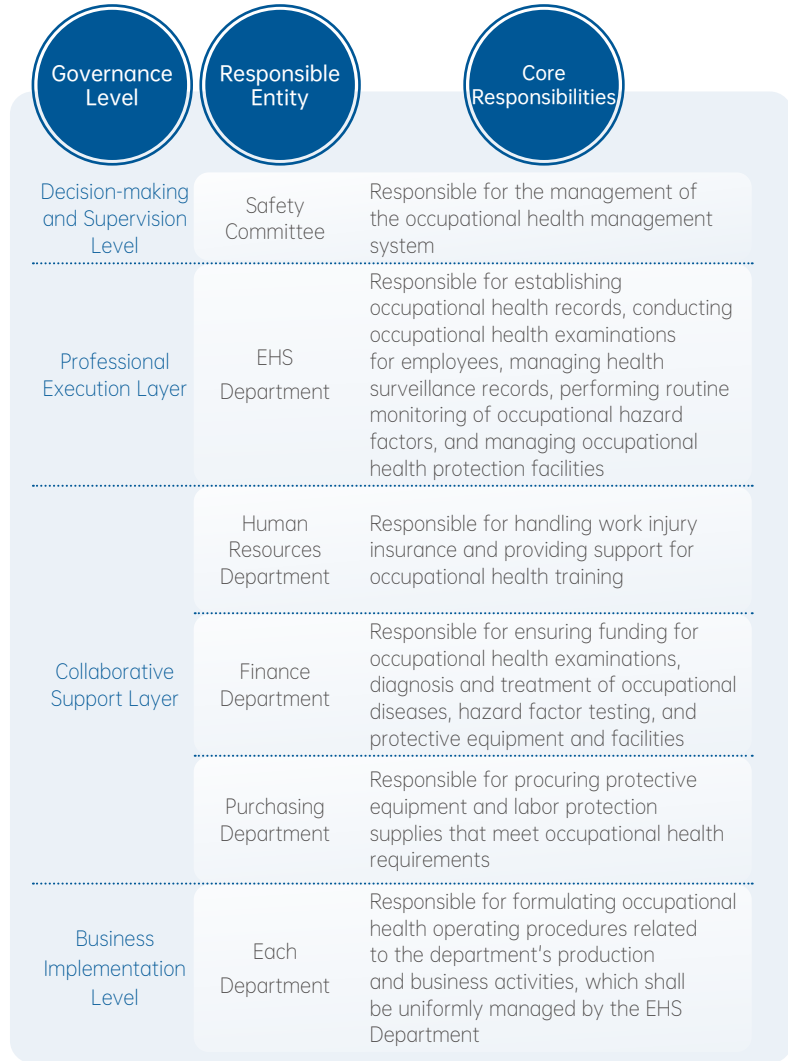
Occupational Health and Safety Management System

The Company complies with laws and regulations such as the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and the *Work Safety Law of the People's Republic of China*, and implements specialized systems including the *Occupational Health Management System*, *Work Safety Responsibility System*, *Hazardous Chemicals Management Specifications*, *Laboratory Safety Operating Procedures*, and *EHS Target Management and Assessment Procedures*. It has established a full-process management system covering occupational health examinations, hazard factor monitoring, protective facility management, and accident emergency response. The Company also pays close attention to employees' physical and mental health, improves work environment safeguards, and ensures controllable physical and mental safety during the labor process. It respects the labor rights and occupational health of external stakeholders such as collaborating organizations, suppliers, and business-related communities.

The Company has established a safety committee as the highest decision-making body for the occupational health management system, with the EHS department serving as the core professional execution unit, and various departments collaborate through defined responsibilities to form a comprehensive governance structure covering decision-making, implementation, supervision, and execution. During the reporting period, the Company and its subsidiary Hitston obtained ISO 45001 occupational health and safety management system certification. The Company has set a quantitative target to maintain 100% medical insurance coverage by 2026.



ISO 45001 Occupational Health and Safety Management System Certification



Occupational health and Safety Management Measures

The Company has established a regular safety management mechanism covering key areas such as hazardous chemicals, fire and explosion prevention, and biosafety, focusing on risk identification, hazard investigation, and emergency management.



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The Company has established a risk identification mechanism, clarifying control requirements for the two key areas of hazardous chemicals and biosafety. In terms of hazardous chemicals, the Company implements full-process management covering procurement, storage, use, and disposal. Precursor chemicals, explosive precursors, and highly toxic chemicals are managed under a dual-person requisition system with usage logs maintained accordingly. Regarding biosafety, the Company has established an Institutional Biosafety Committee (IBC), which conducts regular risk assessments and adjusts management measures accordingly. The Company implements an occupational hazard reporting management system, standardizes reporting procedures, and strengthens employee health protection.

The Company has established a routine inspection and assessment mechanism. The Safety, Environmental Protection, and Logistics Department conducts weekly inspections and monthly assessment evaluations, with inspection results incorporated into performance appraisal to promote closed-loop rectification of hazards through notifications, rewards, and penalties. The Company implements the *Instrument and Equipment Management Procedure*, which defines equipment responsible persons and maintenance standards, standardizes maintenance processes and record management, and ensures safe and stable equipment operation. The Company regularly conducts noise monitoring in workplaces, with monitoring results complying with relevant regulatory requirements, effectively safeguarding employee occupational health. The Company has established a hazard reporting mechanism, encouraging employees to proactively report risks, incidents, and issues related to occupational health and safety, enabling timely identification and elimination of hazards.

The Company has developed specialised emergency response plans for different risk categories. For hazardous waste, the Company has established spill prevention measures and emergency response plans, equipped with impermeable flooring, liquid collection pools, and emergency response materials. A designated person is responsible for the entire process of waste liquid collection, temporary storage, and transportation, and disposal is entrusted to qualified entities. Regarding laboratory safety, the Company has formulated emergency response plans for safety incidents, clarified emergency evacuation routes and requirements for fire extinguisher usage, and regularly conducts safety drills.

Metric	Unit	2024	2025
Employee Health Examination Rate ¹	%	/	97.00
Employee Occupational Health and Safety Examination Rate	%	100	100
Number of Work-Related Injury Incidents	Incident	0	2
Number of Work-Related Fatalities	Person	0	0
Number of Working Days Lost due to Work-Related Injuries ²	Day	0	89
Occupational Disease Prevalence	%	0	0
Work Injury Insurance Expenditure	RMB 10,000	118.72	186.87
Work Injury Insurance Coverage Rate	%	100	100



Hazardous Waste Spill Emergency Drill

¹The data covers Chinese mainland only.

²In 2025, a total of two work-related incidents occurred, resulting in 89 lost workdays, meaning the affected employees took a cumulative total of 89 days off.

Occupational Health and Safety Training

The Company continuously conducts safety training covering all employees, ensuring that occupational health and safety requirements are integrated throughout employees' entire careers. The Company provides new employee onboarding training to promote knowledge of occupational health and safety procedures. The Company also regularly organises refresher training and specialised training for current employees to continuously improve overall safety performance.



On-site safety training sessions at the Company

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Metric ¹	Unit	2024	2025
Cumulative Safety Training Hours	Hour	12.00	24.00
Number of Safety Training Sessions	Session	6	12
Number of Participants in Safety Training	Person	400	440
Percentage of Employees Covered by OHS Training	%	95.00	95.00
Safety Drills	Times	6	6

¹The data covers Chinese mainland only.

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Social Contribution

HitGen leverages its diverse DEL product portfolio and flexible, in-depth customised drug discovery services to precisely explore new pathways in drug discovery, while advancing its proprietary drug pipeline with the goal of benefiting a broad patient population in the future.

The Company has gradually planned public welfare projects across multiple fields, routinely procuring agricultural products for rural revitalization as holiday benefits for distribution, thus supporting rural revitalization, science education, and other diversified initiatives.

Metric	Unit	2024	2025
Total Investment in Rural Revitalisation	RMB 10,000	/	12.00
Total Investment in Public Welfare and Charitable Activities	RMB 10,000	20.00	/



Highlight Case | HitGen is advancing a clinical drug trial for a rare disease (ACC)

The Company's self-developed programme HG146 is currently in the Phase II clinical study stage. This program targets Adenoid Cystic Carcinoma (ACC), a relatively rare but highly aggressive malignancy commonly found in the head and neck region, and may also occur in the trachea, breast, salivary glands, and other sites, with a high incidence among individuals aged 40–60. Currently, there is a lack of standard treatment options for ACC, especially for patients with recurrent or metastatic disease, resulting in very limited therapeutic choices and significant unmet clinical needs. HG146 is a potentially innovative therapy independently developed by the Company, aiming to provide new treatment hope for these patients. During the reporting period, the Phase II clinical study of HG146 completed enrollment of all patients and conducted four rounds of tumor efficacy assessments. Preliminary data show positive signals in both efficacy and safety, and the majority of enrolled patients experienced improved quality of life. The Company is systematically analyzing the interim study data obtained and will begin preparing relevant materials for formal discussions with the Center for Drug Evaluation (CDE) of the NMPA, with the goal of clarifying the subsequent development and registration pathway, aiming to benefit patients as early as possible.



Highlight Case | Vernalis Inspires the Next Generation to Pursue Science

In November 2025, one of Vernalis' biologists visited a local girls' school to deliver a talk on career opportunities in science, with a focus on ITC (Isothermal Titration Calorimetry) and DMPK (Drug Metabolism and Pharmacokinetics). The session aimed to encourage young female students to explore scientific pathways and highlight the diverse roles available in the life sciences industry.

The talk received very positive feedback from the school's teaching staff, who expressed that the session served as an inspiring example for the students and helped illuminate potential career paths they had not previously considered.

Environment

HitGen adheres to the concept of green development, integrates environmental management into corporate operation and development strategies, and systematically advances environmental management, ecological protection, waste management, resource utilization, addressing climate change and other initiatives.

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Contribution to the SDGs



Environmental Management

HitGen integrates environmental management into the Company's production and operations, earnestly fulfilling its corporate green responsibilities. During the reporting period, no major environmental incidents occurred at the Company, nor was the Company subject to any major administrative penalties or held criminally liable by competent departments such as those for ecology and environment due to environmental incidents.

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Environmental Management System

The Company strictly abides by the Environmental Protection Law of the People's Republic of China and applicable laws and regulations in all operation locations, formulates and implements internal systems including the Environmental Protection Management System and EHS Management Target Assessment Procedures, and ensures the implementation of environmental protection responsibilities in daily operations by clarifying environmental management duties and standardizing management processes. The Chief Executive Officer (CEO) of the Company is the primary person responsible for environmental protection, and the EHS & Logistics Department is responsible for daily management, effectively integrating environmental management requirements into the entire process of production and operation. During the reporting period, the Company and its subsidiary Hitston obtained Environmental Management System Certification (ISO 14001).



ISO 14001 Environmental Management System Certification

In addition, the Company has established and improved incentive and restraint mechanisms, assigned environmental management responsibilities to all departments and relevant positions, conducted regular EHS management assessments and evaluations, strengthened on-site management and process control, and promoted the effective implementation of various environmental management systems.

¹ Environment, Health and Safety

Environmental Risk Control

The Company actively identifies prominent environmental risks in R&D and experimental activities, mainly covering the full life cycle management of hazardous chemicals and standardized disposal of hazardous wastes. The Company has established and improved an environmental risk prevention, control and emergency management system, compiled environmental risk assessment reports and filed them with local competent departments for ecology and environment as required, effectively building a solid line of defense for environmental safety.

During the reporting period, the Company conducted 2 fire and emergency evacuation drills to enhance employees' emergency response, self-rescue and mutual-rescue capabilities. In addition, the Company held monthly EHS incident sharing sessions on a regular basis to continuously raise the awareness of environmental safety and risk prevention among all employees.

During the reporting period, the Company conducted **2** fire and emergency evacuation drills

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Hazardous Materials Management

The Company complies with the Regulations on the Safety Management of Hazardous Chemicals and applicable laws and regulations in all operation locations, formulates and implements internal systems including the Hazardous Chemicals Management Specifications and Precursor Chemicals Management System, and conducts standardized management of hazardous chemicals to ensure safe, compliant and controllable management in all links including procurement, storage, use, and disposal of waste precursor chemicals and explosives-prone hazardous chemicals. All hazardous materials management personnel of the Company hold relevant qualifications.

The Company's highly toxic chemicals are strictly managed in accordance with the "Five Doubles" requirements, with dual-person operation and dual-person supervision implemented throughout the whole process of storage, collection, transportation and use to ensure full-process controllability and traceability. The Company also requires employees engaged in precursor chemicals warehouse management, logistics and distribution and other positions to undergo special training and pass assessment before taking up their posts, effectively improving the safety management capabilities of practitioners.

HitGen "Five Doubles" Management Requirements for Highly Toxic Chemicals

<div style="background-color: #0056b3; color: white; text-align: center; border-radius: 10px; padding: 5px; margin-bottom: 10px;">Dual-person Custody</div> <p>Two dedicated personnel are jointly responsible for the daily management of highly toxic chemicals, implementing joint on-duty and joint accountability, and single-person independent management is strictly prohibited.</p>	<div style="background-color: #0056b3; color: white; text-align: center; border-radius: 10px; padding: 5px; margin-bottom: 10px;">Dual-lock Management</div> <p>Two independent locks are installed in the storage warehouse of highly toxic chemicals, with keys held by two management personnel respectively. The warehouse can only be opened when both personnel are present simultaneously to achieve mutual supervision.</p>	<div style="background-color: #0056b3; color: white; text-align: center; border-radius: 10px; padding: 5px; margin-bottom: 10px;">Dual Ledger</div> <p>Two sets of mutually verified management ledgers are established to separately record information such as warehousing, collection, consumption and balance of highly toxic chemicals, ensuring consistency between accounts and materials as well as between accounts, and realizing full-process traceability.</p>
<div style="background-color: #0056b3; color: white; text-align: center; border-radius: 10px; padding: 5px; margin-bottom: 10px;">Dual-person Dispatch</div> <p>Two management personnel shall jointly verify and operate for the delivery of highly toxic chemicals before outbound delivery, so as to prevent unauthorized single-person dispatch.</p>	<div style="background-color: #0056b3; color: white; text-align: center; border-radius: 10px; padding: 5px; margin-bottom: 10px;">Dual-person Collection</div> <p>When a user department collects highly toxic chemicals, two collectors shall go through collection procedures together, collect and use the chemicals jointly to ensure full control over the collection link.</p>	

In accordance with the storage and use of highly toxic chemicals, the Company entrusts institutions with nationally required qualifications to conduct safety assessments on its current production safety status, and submits the current situation safety assessment reports and the implementation of rectification plans to local regulatory authorities for filing. During the reporting period, the Company also organized hazardous chemical leakage drills to enhance employees' emergency response capabilities and risk disposal levels through regular drills and practical training.

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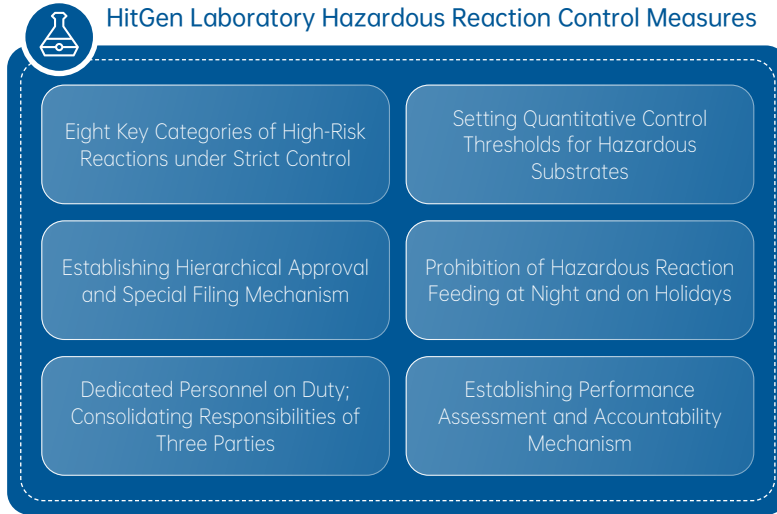
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» Hazardous Reaction Management

The Company complies with the Laboratory Hazardous Reaction Approval System and applicable laws and regulations in all operation locations, further standardizes the approval and management process of laboratory hazardous chemical reactions, and strengthens full-process monitoring of hazardous reagent use, building a solid laboratory safety line of defense through standardized and institutionalized control.

The Company strictly implements an all-weather safety inspection mechanism with uninterrupted daily inspections; it implements strict approval management for overnight reactions and hazardous reactions, and effectively reduces the probability of laboratory safety accidents through hierarchical risk assessment and approval checks.



Metric	Unit	2024	2025
Environmental Protection Investment	RMB 10,000	76.80	117.00
Participation in Environmental Compliance Training	Person-times	400	440

Emissions and Waste

HitGen strictly abides by pollutant discharge standards and waste management requirements in operation locations, formulates compliant and efficient disposal processes for various pollutants and wastes generated during production and operation, and strives to minimize the environmental impact of pollutants and wastes. During the reporting period, the Company was not subject to any major administrative penalties or held criminally liable for pollutant discharge and waste treatment. The Company's environmental monitoring plans and risk management measures are sound, complete and effectively implemented with no major defects.

Waste Treatment

The Company strictly follows the Law on the Prevention and Control of Environmental Pollution by Solid Wastes and applicable laws and regulations in all operation locations, formulates and implements the Hazardous Solid Waste Management System and Hazardous Waste Management System, and builds a full-process waste control system to ensure legal and compliant disposal. The Company has set up a hazardous waste pollution prevention and control working group headed by the CEO and composed of heads of all departments to make decisions, supervise and coordinate various environmental protection work of the Company. The EHS & Logistics Department is responsible for the daily waste management of the Company and assigns objectives and tasks to relevant responsible departments.

The Company's hazardous wastes mainly include medical wastes, biological test wastes, waste pharmaceuticals, waste organic solvents, etc., mainly generated from laboratory R&D activities. Special hazardous waste temporary storage points are set up in all laboratories of the Company, with classified collection carried out in strict accordance with specifications, and classified temporary storage using compliant containers such as biological waste bins, sharps containers and special sealed drums. In addition, the Company has fully accessed the Sichuan "Zero Waste Sichuan" Initiative system, realizing the "Five Immediate" Management of hazardous wastes throughout the whole process from generation, packaging, weighing to warehousing, and achieving dynamic traceability through electronic tags, video surveillance and other means to ensure authentic, verifiable and traceable data. Illegal cross-border transfer of hazardous wastes is strictly prohibited.

¹"Five Immediate" Management refers to immediate generation, immediate packaging, immediate weighing, immediate coding and immediate warehousing.

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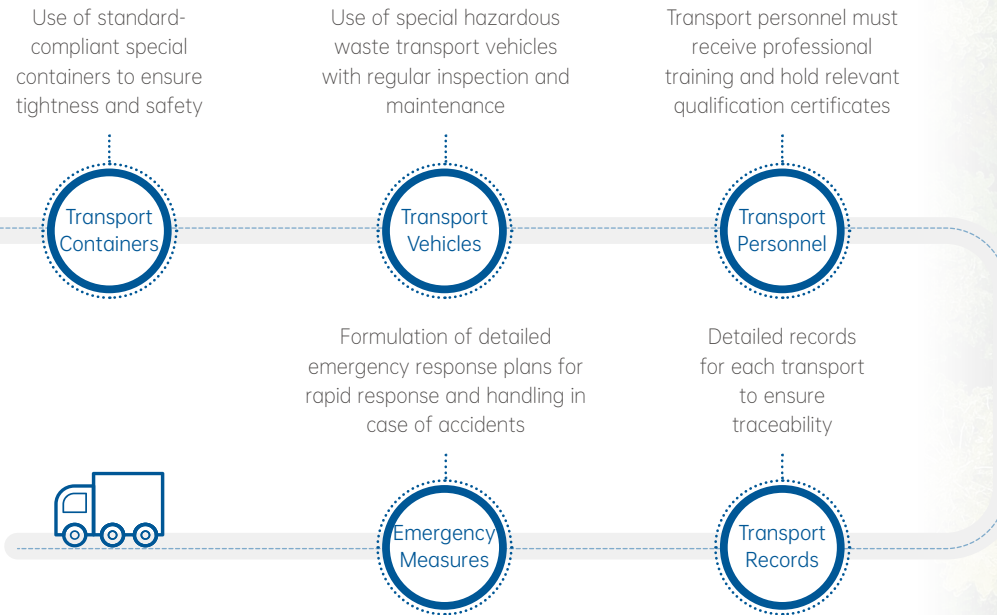
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The Company has signed service contracts with third-party institutions qualified for hazardous waste disposal, entrusting them to legally and compliantly complete the transportation and full-process disposal of hazardous wastes. In the transportation link, third-party institutions strictly abide by relevant regulatory requirements for hazardous waste transportation and implement various safe transportation control measures to ensure legal, compliant, safe and controllable hazardous waste transportation.

HitGen Hazardous Waste Transportation Management Measures



The Company is committed to reducing the generation of hazardous wastes by prioritizing the adoption of clean production technologies such as microchannel reactors and tubular reactors and other highly efficient and safe processes to reduce the on-line volume of hazardous chemicals and by-product generation in reactions; the Company also selects low-toxicity and low-hazard raw materials to lower the toxicity level and disposal difficulty of hazardous wastes; the Company promotes refined production control and accurately calculates material ratios to avoid waste accumulation caused by excessive feeding.

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The Company's non-hazardous wastes mainly include cartons, plastic products, office paper and other general domestic wastes generated in daily office and operation processes, all of which are disposed of compliantly through the municipal domestic waste recycling and treatment system.



Highlight Case | Solid Waste and Chemicals Regulatory Authority Investigates HitGen and Affirms Ecological Responsibility and Management Effectiveness

During the reporting period, a research team from the solid waste and chemicals regulatory authority visited HitGen for a special investigation on the full-process management of hazardous wastes. The research team inspected the Company's hazardous waste management system, disposal processes and risk prevention and control measures on site, spoke highly of HitGen's practice of adhering to the bottom line of ecological protection and actively fulfilling social responsibilities, and fully recognized the standardized practices and remarkable achievements of the Company in standardized and refined hazardous waste management.

Metric	Unit	2024	2025
Total Non-Hazardous Waste Generation	Tonnes	/	25.79
Non-Hazardous Waste Generation Intensity	Tonnes/Revenue of RMB 10,000	/	0.0005
Total Hazardous Waste Generation	Tonnes	394.25	461.28
Hazardous Waste Generation Intensity	Tonnes/Revenue of RMB 10,000	0.01	0.01

Wastewater Management

The Company complies with the Law on the Prevention and Control of Water Pollution, the Integrated Wastewater Discharge Standard and applicable laws and regulations in all operation locations, formulating and implementing the "Three Wastes" Management System. Wastewater from pure water preparation, laboratory coat cleaning, animal room cleaning, lye absorption, instrument and vessel cleaning and other sources is uniformly discharged into the integrated temporary wastewater treatment facilities supporting the incubation park for pretreatment, and then connected to the park's wastewater pipe network after reaching the discharge standard.

The Company conducts irregular random inspections of wastewater discharge outlets on a daily basis. If abnormal or excessive discharge is detected in monitoring results, the Company will communicate with the park's wastewater treatment management unit immediately and simultaneously verify the compliance status of the park's discharge outlets. Meanwhile, the Company regularly entrusts qualified third-party institutions to conduct wastewater testing every year. During the reporting period, the Company's wastewater discharge fully complied with relevant standard requirements with no excessive discharge, and did not involve the discharge of Active Pharmaceutical Ingredients (API).

Metric	Unit	2024	2025
Total Wastewater Discharge	Tonnes	10,665.60	9,644.20
Wastewater Discharge Intensity	Tonnes/Revenue of RMB 10,000	0.25	0.18



Waste Gas Management

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The Company complies with the Law on the Prevention and Control of Atmospheric Pollution and applicable laws and regulations in all operation locations, implementing the "Three Wastes" Management System. The Company's waste gas originates from laboratories, with main pollutants including Particulate Matter (PM) and Volatile Organic Compounds (VOCs). The Company is equipped with corresponding waste gas treatment equipment in laboratory operation rooms, ensuring orderly discharge of waste gas after treatment up to standard.

The Company attaches importance to waste gas pollution prevention and control, and continuously improves waste gas management through a series of control measures.

HitGen Waste Gas Pollution Prevention and Control Measures



Fume Hood Control

The operating speed of fume hoods is adjusted according to experimental needs to reduce energy consumption and thereby lower air pollutant emissions.



Hazardous Waste Treatment

Wastes containing active pharmaceutical ingredients or antibiotic residues must undergo high-temperature sterilization or chemical treatment before safe discharge to minimize impacts on the atmospheric environment.



Laboratory Waste Liquid Treatment

Laboratory waste liquids are treated by chemical classification to avoid direct discharge into sewers and reduce the release of harmful gases.



Equipment Maintenance

Regular inspection and maintenance of high-energy-consuming equipment are carried out to ensure efficient operation and reduce energy waste and air pollutant emissions during operation.



Air Filters

Waste gas is collected and treated with two-stage activated carbon adsorption technology to ensure compliance with discharge standards.

During the reporting period, the Company entrusted qualified third-party institutions to conduct waste gas testing, with all waste gas discharge meeting relevant standard requirements and no excessive discharge. In addition, the Company's pollutant discharge caused no adverse impacts on employees or residents of surrounding communities, and no environmental complaints were received from stakeholders such as community residents.

Metric	Unit	2024	2025
Volatile Organic Compounds (VOCs)	Tonnes	/	2.22
Particulate Matter (PM)	Tonnes	/	0.09
Ammonia (NH ₃)	Tonnes	/	0.01
Sulfur Oxides (SO _x)	Tonnes	/	0.0002




Resource Utilization

HitGen highly values the efficient utilization and sustainable management of resources. By continuously optimizing experimental operation procedures, promoting the application of water-saving technologies, strengthening the reduction and recycling of packaging materials, and advancing full-process refined management, the Company effectively reduces resource consumption and waste, supporting green, low-carbon and high-quality development.

Energy Utilization

The Company abides by the Energy Law of the People's Republic of China, the Law on Conservation of Energy and applicable laws, regulations and standards in all operation locations, establishing and implementing internal systems such as the Energy Conservation Management Measures. The EHS & Logistics Department of the Company is responsible for energy conservation and consumption reduction management, and conducts training on environmental protection and energy conservation awareness.

The Company's energy consumption mainly comes from laboratory equipment and central air conditioners, cabinet air conditioners, condensing heat recovery air conditioners and other facilities. The Company has established and implemented the Air Conditioning Management and Usage Regulations and launched a number of energy conservation and consumption reduction measures accordingly.

 <h3>Temperature Control Management</h3> <p>Differentiated temperature control standards are set for laboratories according to functional zones, with lower priorities assigned to non-critical areas to prioritize temperature control needs of experimental zones.</p>	 <h3>Air Conditioning System</h3> <p>Power-off control during non-use periods; standardized employee operation with strict prohibition of unauthorized disassembly and equipment adjustment, and accountability for damage; standardized operation in accordance with procedures and timely fault reporting to reduce office energy consumption through refined operation and maintenance.</p>	 <h3>Air Conditioning Usage</h3> <p>Strict implementation of temperature threshold control, standardized operation of laboratory air conditioners and fume hood use, and the requirement of turning off air conditioners when leaving posts for 30 minutes, with supervision by department heads to strictly control air conditioning energy consumption.</p>
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Metric	Unit	2024	2025
Direct Energy Consumption	tce	/	188.92
Direct Energy Consumption Intensity	tce/Revenue of RMB 10,000	/	0.004
Indirect Energy Consumption	tce	/	835.81
Indirect Energy Consumption Intensity	tce/Revenue of RMB 10,000	/	0.02
Total Energy Consumption	tce	965.72	1,024.73
Total Energy Consumption Intensity	tce/Revenue of RMB 10,000	0.02	0.02

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Water Resource Utilization

The Company complies with the Water Law of the People's Republic of China and applicable laws and regulations in all operation locations. The Company continuously strengthens the full-process refined management of laboratory water use, eliminating water waste such as running, dripping and leaking through regular inspection and maintenance of water facilities; meanwhile, it prioritizes the procurement and application of water-saving equipment with supporting water volume control devices to reduce laboratory water resource consumption from the source and improve water use efficiency.

The Company attaches importance to water recycling. During the construction of the Global Pharmaceutical R&D and Production Base (Phase I) project, collected rainwater is used for greening irrigation and cleaning operations in the project construction area, effectively reducing dependence on fresh water and improving water use efficiency.

Metric	Unit	2024	2025
Water Intake	Tonnes	13,332.00	12,194.00
- Municipal Pipe Network	Tonnes	13,332.00	12,194.00
Water Consumption	Tonnes	2,666.40	2,549.80
Water Consumption Intensity	Tonnes/Revenue of RMB 10,000	0.06	0.05

Circular Economy

The Company practices the development concept of circular economy, follows the core 3R¹ principles, strives to build a closed-loop resource management system, and continuously promotes resource conservation, efficient reuse and recycling across the entire operation chain. During the reporting period, the Company replaced packaging cushioning materials with biodegradable materials to support sustainable resource utilization and minimized environmental impacts.

Metric	Unit	2024	2025
Packaging Material Consumption	Tonnes	/	0.04
Packaging Material Consumption Intensity	Tonnes/Revenue of RMB 10,000	/	0.000001
Recycled Packaging Material Volume	Tonnes	/	0.02
Packaging Material Recycling Rate	%	/	50.00

¹ Reduce, Reuse, Recycle.

Reduction

The Company actively advocates employees to practice water conservation in daily work and promotes green alternatives to disposable laboratory consumables; it promotes experimental schemes using 384-well plates instead of 96-well plates, effectively reducing the use of laboratory consumables and reagents, cutting resource consumption, and deeply integrating the green and low-carbon concept into daily operations.

Reuse

Laboratories prioritize reusable autoclavable glassware instead of disposable plastic consumables to extend service life and reduce single-use waste discharge.

Recycling

Part of the Company's non-hazardous wastes (e.g., waste cartons) are handed over to recycling institutions for recycling, promoting resource recovery and reuse.

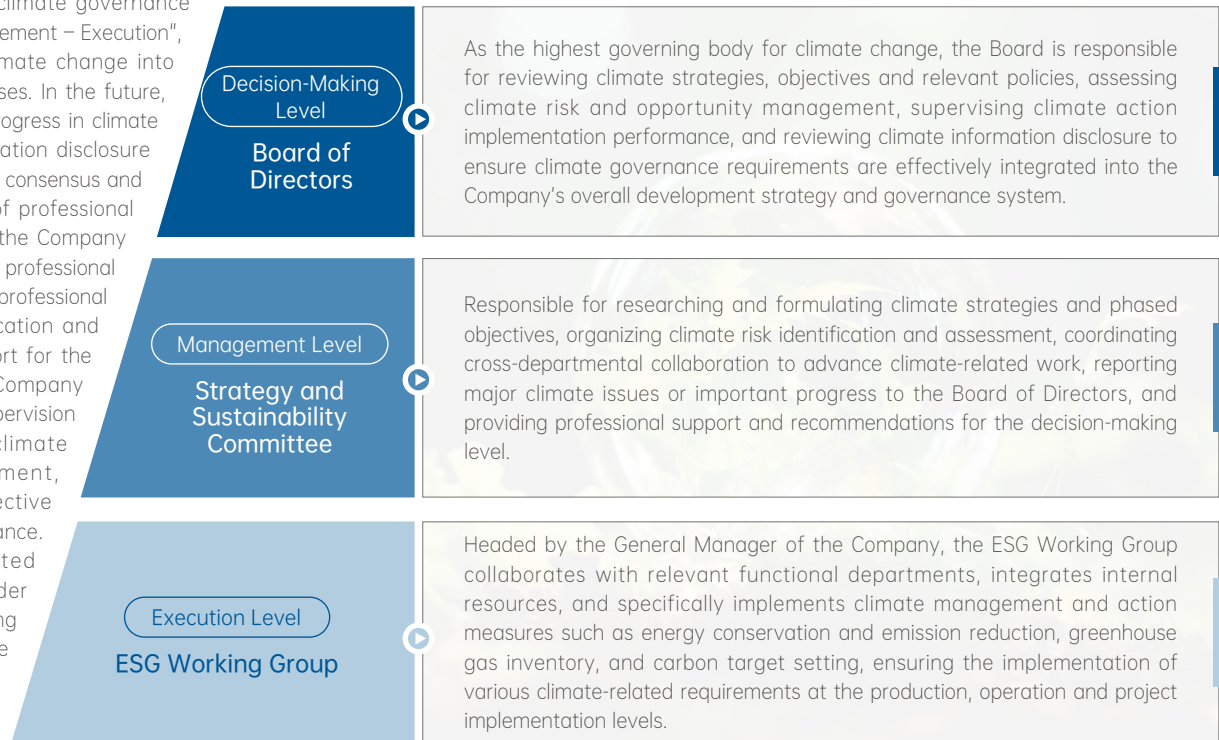
Addressing Climate Change

HitGen deeply recognizes the urgency of addressing climate change and its far-reaching impacts on global health and human well-being. The Company systematically identifies and assesses climate-related risks and development opportunities, strengthening proactive responses to changes in operations, supply chains and market environments. On this basis, it gradually improves climate action deployment and implementation paths, strengthens process monitoring and information disclosure, and promotes the coordinated advancement of climate management and business development.

Governance

The Company has established a three-tier climate governance framework covering "Decision-Making – Management – Execution", committed to systematically integrating climate change into corporate operation and management processes. In the future, the Company will dynamically communicate progress in climate management through regular climate information disclosure and communication activities, enhance internal consensus and improve participation at all levels. In terms of professional skills and capabilities of governance bodies, the Company conducts training and exchanges with external professional resources to continuously enhance the team's professional capabilities in climate strategy, risk identification and low-carbon transition, providing strong support for the implementation of climate strategies. The Company continuously improves the climate-related supervision and management system, incorporates climate management performance into assessment, and ensures the orderly progress and effective implementation of corporate climate governance. In addition, the Company's climate-related governance bodies comprehensively consider climate-related factors in operational planning and major business decisions, prudently judge climate-related impacts, risks and potential opportunities through risk identification, analysis and assessment, and promote the integration of climate management concepts into corporate business decisions.

HitGen Climate Governance Structure



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Strategy

The Company refers to the disclosure recommendations of the IFRS Sustainability Disclosure Standard S2 – Climate-related Disclosures (IFRS S2) issued by the International Sustainability Standards Board (ISSB) and identifies climate-related risks and opportunities through qualitative descriptions. On this basis, combined with its own business characteristics, the Company formulates risk response and mitigation measures to enhance its adaptive capacity and climate resilience to climate change.

Type	Impacts on Business Model	Potential Financial Impacts	Time Horizon ¹	
Acute Risks	High-temperature Heatwaves	Increased cooling loads in laboratories and office spaces, greater heat dissipation pressure on equipment; extreme high temperatures may cause malfunctions of laboratory temperature control systems and affect stable operation of experimental equipment. Meanwhile, persistent high temperatures may trigger regional power supply shortages and local phased power rationing or peak-shifting power use measures.	Cost Increase	S, M
	Heavy Precipitation and Floods	Heavy precipitation and floods may damage laboratory equipment, compound samples and data storage facilities, disrupting R&D operations.	Asset Damage	S
Chronic Risks	Rising Average Temperatures	Long-term high temperatures drive up annual cooling energy consumption and continuous increases in laboratory temperature control costs; high-temperature environments affect the stability of DEL compounds, increase the difficulty of sample storage and maintenance, and raise R&D and operation costs.	Cost Increase	M
Policy and Legal Risks	Strengthened Emission Reporting Requirements	Domestic dual-carbon policies and exchange regulatory requirements continue to tighten; the Company needs to continuously improve ESG information disclosure and carbon accounting management; affected by upstream regulatory transmission, downstream customers also put forward requirements for the Company to set Science Based Targets initiative (SBTi) targets, and may further establish CDP rating access thresholds in the future.	Cost Increase	S
Market Risks	Evolving Customer Behavior	SBTi targets are widely adopted by global pharmaceutical customers, and requirements for CROs' carbon emissions and sustainable development capabilities have become access conditions for cooperation; customers prioritize low-carbon and transparent R&D partners.	Cost Increase	S
Reputation Risks	Insufficient Climate-related Information Disclosure / Lagging Low-carbon Transition	Investors, customers and the public pay increasing attention to the ESG performance of pharmaceutical companies. The Company has committed to the Science Based Targets initiative and the public to set near-term science-based carbon targets meeting SBTi standards within two years. Slow progress in SBTi target implementation will damage the Company's brand reputation, affect cooperation with customers and transmit to capital market expectations of the Company's revenue and valuation.	Brand value impairment	S, M
Resource Efficiency	Adoption of More Efficient Transportation Modes	Optimizing upstream and downstream transportation routes for R&D materials and samples to reduce logistics energy consumption and emissions while improving transportation efficiency.	Cost reduction	S

Combined with the characteristics of its biomedical R&D business and operational layout, the Company continuously improves its climate-related transition plan. Based on basic assumptions such as tightening climate change regulations in China and overseas, transmission of downstream customer access requirements, and frequent occurrence of extreme weather events, the Company continuously optimizes its R&D operation and logistics transportation systems, improves energy efficiency and low-carbon operation levels, and addresses climate-related risks and opportunities through supply chain collaboration, energy-saving renovation, low-carbon logistics and other measures.

¹ Short-term (S): within 1 year (inclusive); Medium-term (M): 1 to 5 years (inclusive); Long-term (L): over 5 years

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Impacts, Risks and Opportunities

The Company carries out capacity building for climate risk management, committed to integrating the management of climate-related impacts, risks and opportunities into its overall risk management system. The Company adopts qualitative methods to conduct risk and impact assessments, reasonably determines the priority of climate risks in the overall risk system, actively seizes opportunities for green transformation and development, and ensures the long-term stable operation and sustainable development of the Company.

Metrics and Targets

During the reporting period, the Company officially submitted a commitment letter to the Science Based Targets initiative, promising to set near-term science-based carbon targets meeting SBTi standards within two years. The Company plans to reduce greenhouse gas emissions across its full value chain to levels consistent with the 1.5° C temperature control target in the Paris Agreement by formulating and implementing a series of emission reduction measures. In addition, the Company has further established systematic management indicators to dynamically monitor and assess climate governance-related performance, providing a scientific basis for target setting in the next stage and promoting continuous improvement of the Company's climate actions.

Metric	Unit	2024	2025
Scope 1 GHG Emissions	tCO ₂ e	284.20	315.00
Scope 2 GHG Emissions	tCO ₂ e	3,457.63	1,093.75
Total GHG Emissions (Scope 1 & 2)	tCO ₂ e	3,741.84	1,408.75
GHG Emission Intensity (Scope 1 & 2)	tCO ₂ e/Revenue of RMB 10,000	0.09	0.02



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Dimension	Metric	Unit	2024	2025	
Governance	Number of Directors	Person	9	9	
	Number of Female Directors	Person	1	2	
	Number of Independent Directors	Person	3	3	
	Number of Non-Independent Directors	Person	3	6	
	Number of Female Executives	Person	2	1	
	Number of Board of Directors Meetings Held	Times	4	4	
	Number of Meetings of the General Meeting of Shareholders	Times	4	3	
	Anti-bribery and Corruption Training Attendances				
	Of Which: Board Directors	Person-times	/	6	
	Of Which: Senior Management	Person-times	/	3	
	Total Training Hours on Anti-corruption				
	Of Which: Board Directors	Hour	/	24	
	Of Which: Senior Management	Hour	/	12	
	Anti-bribery and Corruption Training Coverage Rate				
	Of which: Board Directors	%	/	67	
Of which: Senior Management	%	/	30		
Number of Corruption Litigation Cases Filed or Concluded	Case	0	0		
Fines for Unfair Competition Practices	RMB 10,000	0	0		
Society	Number of Employees	Person	483	546	
	By Employee Type	Full-time	Person	474	537
		Part-time	Person	9	9

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Dimension	Metric	Unit	2024	2025	
Society	By Position Level	Senior Management	Person	9	10
		Middle Management	Person	41	28
		Primary Management	Person	130	54
		General Staff	Person	303	454
	By Gender	Male	Person	264	306
		Female	Person	219	240
	By Educational Degree	Ph.D	Person	82	92
		Master	Person	153	193
		Bachelor	Person	218	231
	By Age	Other	Person	30	30
		≤ 30	Person	212	248
		31-50	Person	237	251
	By Region	≥ 51	Person	34	47
		Chinese Mainland	Person	407	461
		Chinese Hong Kong, Macao, and Taiwan	Person	1	2
	Employee Turnover Rate	Overseas	Person	75	83
			%	9.32	11.36
	By Position Level	Senior Management	%	/	30.00
Middle Management		%	/	14.29	
Primary Management		%	/	5.56	
General Staff		%	/	11.45	
By Gender	Male	%	10.61	13.07	
	Female	%	7.76	9.17	
By Age	≤ 30	%	8.49	13.71	
	31-50	%	10.13	9.16	
	≥ 51	%	8.82	10.64	

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Dimension	Metric	Unit	2024	2025	
Society	By Region	Chinese Mainland	%	9.83	12.36
		Chinese Hong Kong, Macao, and Taiwan	%	0	0
		Overseas	%	6.67	6.02
	Percentage of Employees Trained ¹		%	100	100
	Training Sessions Conducted		Session	175	160
	Total Investment in Training		RMB 10,000	221	102.3
	Total Employee Training Hours ²		Hour	4,255.00	4143.00
	By Gender	Male	Hour	2,372.00	2,362.00
		Female	Hour	1,883.00	1,781.00
	By Position Level	Senior Management	Hour	1,324.80	1,103.12
		Middle Management	Hour	652.80	543.57
		Primary Management	Hour	878.40	731.42
		General Staff	Hour	1,399.00	1,764.90
	Per Capita Training Duration for Employees		Hour	10.37	8.83
	By Gender	Male	Hour	10.63	8.91
		Female	Hour	10.06	8.73
	By Position Level	Senior Management	Hour	147.20	122.57
		Middle Management	Hour	26.07	24.71
		Primary Management	Hour	7.20	17.01
		General Staff	Hour	5.48	4.47
Employee Health Examination Rate ³		%	/	97.00	
Employee Occupational Health and Safety Examination Rate		%	100	100	
Number of Work-Related Injury Incidents		Incident	0	2	
Number of Work-Related Fatalities		Person	0	0	
Number of Working Days Lost due to Work-Related Injuries ⁴		Day	0	89	

¹The training-related data covers Chinese mainland only.

²Any discrepancies between the total employee training hours and the aggregated training hours by gender and employee type are due to rounding.

³The data covers Chinese mainland only.

⁴In 2025, there were 2 work-related injury incidents, resulting in 89 lost working days, meaning that the injured employees took a total of 89 days of leave.

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Dimension	Metric	Unit	2024	2025	
Society	Occupational Disease Prevalence	%	0	0	
	Work Injury Insurance Expenditure	RMB 10,000	118.72	186.87	
	Work Injury Insurance Coverage Rate	%	100	100	
	Cumulative Safety Training Hours ¹	Hour	12.00	24.00	
	Number of Safety Training Sessions	Session	6	12	
	Number of Participants in Safety Training	Person	400	440	
	Percentage of Employees Covered by OHS Training	%	95.00	95.00	
	Safety Drills	Times	6	6	
	Total Investment in Rural Revitalisation	RMB 10,000	/	12.00	
	Total Investment in Public Welfare and Charitable Activities	RMB 10,000	20.00	/	
	R&D Expenses (Funding Related to Technological Innovation)	RMB 10,000	6,732.81	7,159.41	
	Percentage of R&D Expenses in Revenue	%	15.77	13.62	
	R&D Team	Total Count	Person	406	461
		Percentage in Overall Workforce	%	84.06	84.43
	Domestic Invention Patents	Cumulative Granted	Number	99	130
Applications Pending		Number	188	244	
International Invention Patents	Cumulative Granted	Number	39	42	
	Applications Pending	Number	122	169	
Accumulated Software Copyright Registrations	Number	13	36		
Trademark Rights Held	Number	54	92		
Number of Standards Participated In Formulating	Number	/	1		
IPR Compliance Training ²	Number of Sessions Held	Times	4	2	
	Number of Participants	Person-times	/	200	
Percentage of Products Recalled due to Quality Issues out of Total Products Sold/Shipped ³	%		0.10	0.10	

¹Safety training-related data includes only Chinese mainland.

²Data includes only Chinese mainland.

³Data includes only Chinese mainland.

Dimension	Metric	Unit	2024	2025
About This Report	Total Number of Complaints Received Regarding Products and Services	Piece	6	8
	Resolution Rate for Complaints Regarding Products and Services	%	100	100
Message from the Chairman and CEO	Number of Information Security Training Sessions Conducted	Times	17	25
	Number of Participants In Information Security Training	Person	405	479
About HitGen	Percentage of Employees Trained In Information Security	%	/	87.73
	Number of Information Security Incidents	Case	0	0
	Number of Customer Privacy And Information Security Breach Incidents	Case	0	0
	Total Number of Suppliers	Company	990	691
Sustainable Corporate Governance	Wherein: Chinese mainland	Company	560	248
	Wherein: Chinese Hong Kong, Macao, and Taiwan	Company	2	0
	Wherein: Overseas	Company	428	443
	Supplier Integrity Agreement Signing Rate	%	/	99
Responsible Value Chain	Supplier Certification - Number of Suppliers with ISO 45001 ¹	%	/	21
	Supplier Certification - Number of Suppliers with ISO 14001 ²	%	/	23
	Supplier Certification - Number of Suppliers with ISO 9001 ³	%	/	42
	Supplier Certification - Number of Suppliers with Other Certifications ⁴	%	/	11
Employees and Community	Amount of Overdue Payments to Small and Medium-Sized Enterprises	RMB 10,000	/	0
	Environmental Protection Investment	RMB 10,000	76.80	117.00
Appendix	Participation in Environmental Compliance Training	Person-times	400	440
	Total Non-Hazardous Waste Generation	Tonnes	/	25.79
	Non-Hazardous Waste Generation Intensity	Tonnes/Revenue of RMB 10,000	/	0.0005
	Total Hazardous Waste Generation	Tonnes	394.25	461.28
	Hazardous Waste Generation Intensity	Tonnes/Revenue of RMB 10,000	0.01	0.01
	Total Wastewater Discharge ⁵	Tonnes	10,665.60	9,644.20

¹Data includes only Chinese mainland.

²Data includes only Chinese mainland.

³Data includes only Chinese mainland.

⁴Data includes only Chinese mainland.

⁵Wastewater generated at the Company's operations in China is discharged entirely into the centralized sewage network of the industrial park after pretreatment and compliance with discharge standards. As there is no individual external discharge outlet, the exact total volume of wastewater discharge cannot be precisely measured. The wastewater discharge volume for the China operations is calculated using a conversion factor of 0.8 multiplied by the total water intake, and this method has also been applied to revise the 2024 wastewater discharge data accordingly.

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Dimension	Metric	Unit	2024	2025
Environmental	Wastewater Discharge Intensity	Tonnes/Revenue of RMB 10,000	0.25	0.18
	Volatile Organic Compounds (VOCs)	Tonnes	/	2.22
	Particulate Matter (PM)	Tonnes	/	0.09
	Ammonia (NH ₃)	Tonnes	/	0.01
	Sulfur Oxides (SO _x)	Tonnes	/	0.0002
	Direct Energy Consumption	tce	/	188.92
	Direct Energy Consumption Intensity	tce/Revenue of RMB 10,000	/	0.004
	Indirect Energy Consumption	tce	/	835.81
	Indirect Energy Consumption Intensity	tce/Revenue of RMB 10,000	/	0.02
	Total Energy Consumption ¹	tce	965.72	1,024.72
	Total Energy Consumption Intensity	tce/Revenue of RMB 10,000	0.02	0.02
	Water Intake	Tonnes	13,332.00	12,194.00
	- Municipal Pipe Network	Tonnes	13,332.00	12,194.00
	Water Consumption ²	Tonnes	2,666.40	2,549.80
	Water Consumption Intensity	Tonnes/Revenue of RMB 10,000	0.06	0.05
	Packaging Material Consumption ³	Tonnes	/	0.04
	Packaging Material Consumption Intensity	Tonnes/Revenue of RMB 10,000	/	0.000001
	Recycled Packaging Material Volume	Tonnes	/	0.02
Packaging Material Recycling Rate	%	/	50.00	
Scope 1 GHG Emissions ⁴	tCO ₂ e	284.20	315.00	
Scope 2 GHG Emissions ⁵	tCO ₂ e	3,457.63	1,093.75	
Total GHG Emissions (Scope 1 & 2)	tCO ₂ e	3,741.84	1,408.75	
GHG Emission Intensity (Scope 1 & 2)	tCO ₂ e/Revenue of RMB 10,000	0.09	0.02	

¹Data on energy conversion into standard coal is derived from the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020). The Company's direct energy consumption mainly comes from gasoline and natural gas, while indirect energy consumption mainly comes from purchased electricity.

²In this year, the definition of water consumption has been revised to be calculated as water intake minus wastewater discharge, reflecting the Company's overall impact on the availability of downstream water resources.

³Data only includes Vernalis, a wholly-owned overseas subsidiary of the Company.

⁴Scope 1 GHG emissions refer to direct GHG emissions generated from the consumption of fossil fuels such as gasoline and natural gas during the operation of HitGen's own equipment.

⁵Sources of 2025 emission factors: the average Sichuan power sector CO₂ emission factor for 2023, which is 0.1564 kg CO₂/kWh, as specified in the Announcement on Issuing the 2023 Power Sector CO₂ Emission Factors issued by the Ministry of Ecology and Environment of the People's Republic of China; the GHG emission factor for electricity in the UK used in this report adopts the grid average emission factor from UK Government GHG Conversion Factors for Company Reporting 2025 V1.0, with a total CO₂ equivalent factor of 0.1770 kg CO₂e/kWh. The decrease in Scope 2 GHG emissions in 2025 is mainly attributable to the adjustment of the CO₂ emission factor for electricity consumed at the Company's operating sites in China from the national grid average emission factor to the corresponding provincial grid average emission factor. Source of 2024 emission factor: the national average power sector CO₂ emission factor for 2022, which is 0.5366 kg CO₂/kWh, as specified in the Announcement on Issuing the 2022 Power Sector CO₂ Emission Factors issued by the Ministry of Ecology and Environment of the People's Republic of China.

Appendix 2 Index to Guidelines No. 14 of SSE for Self-regulation of Listed Companies - Sustainability Report (Trial)

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Dimension	No.	Topic	Article	Chapter/Section
Environmental	1	Climate Change Tackling	Articles 21 to 28	Addressing Climate Change
	2	Pollutant Discharge	Article 30	Emissions and Waste
	3	Waste Treatment	Article 31	Emissions and Waste
	4	Ecosystem and Biodiversity Protection	Article 32	Not Applicable ¹
	5	Environmental Compliance Management	Article 33	Environmental Management
	6	Energy Usage	Article 35	Energy Utilization
	7	Usage of Water Resources	Article 36	Water Resource Utilization
	8	Circular Economy	Article 37	Circular Economy
Society	9	Rural Revitalization	Article 39	Social Contribution
	10	Social Contribution	Article 40	Social Contribution
	11	Innovation-Driven	Article 42	R&D and Innovation
	12	Scientific and Technological Ethics	Article 43	R&D and Innovation
	13	Supply Chain Security	Article 45	Supply Chain Management
	14	Equal Treatment for Small and Medium-Sized Enterprises	Article 46	Equal Treatment for Small and Medium-Sized Enterprises
	15	Product Safety and Quality	Article 47	Product Safety and Quality
	16	Data Security and Customer Privacy Protection	Article 48	Digitalization and Intelligence
Sustainability-related Governance	17	Employee	Article 50	Employee Rights, Employee Well-Being, Talent Attraction and Retention, Employee Training and Development, Health and Safety
	18	Due Diligence	Article 52	Business Ethics and Compliance
	19	Stakeholder Communication	Article 53	Corporate Governance
	20	Anti-bribery and Anti-corruption	Article 55	Business Ethics and Compliance
	21	Anti-unfair Competition	Article 56	Business Ethics and Compliance

¹The Company's core business focuses on drug discovery and preclinical research, with all R&D activities conducted in laboratories built in compliance with regulations. These activities do not involve ecologically sensitive areas such as ecological conservation redlines, nature reserves, or key ecological function zones, and the Company's production and operations have not had a significant impact on ecosystems or biodiversity.

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Dimension	No.	Issue	Chapter/Section
Governance and Management System	1.1	Culture, Commitment, and Accountability	Sustainable Corporate Governance
	1.2	Legal and Customer Requirements	Sustainable Corporate Governance
	1.3	Risk Management	Sustainable Corporate Governance
	1.4	Traceability and Control	Sustainable Corporate Governance
	1.5	Training and Competency	Sustainable Corporate Governance
	1.6	Documentation	Employees and Community
	1.7	Continual Improvement	Sustainable Corporate Governance
	1.8	Emergency Preparedness and Response	Employees and Community
	1.9	Grievance Mechanisms	Sustainable Corporate Governance
	1.10	Response and Remediation	Sustainable Corporate Governance
	1.11	Effective Communication	Employees and Community
Ethics	2.1	Patient Safety and Access to Information	Employees and Community
	2.2	Anti-bribery and Anti-corruption	Sustainable Corporate Governance
	2.3	Fair Competition	Sustainable Corporate Governance
	2.4	Animal Welfare	Responsible Value Chain
	2.5	Data Privacy and Security	Responsible Value Chain
	2.6	Avoidance and Management of Conflicts of Interest	Sustainable Corporate Governance
	2.7	Product Protection and Quality	Responsible Value Chain

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Dimension	No.	Issue	Chapter/Section
Human Rights	3.1	Freely Chosen Employment	Employees and Community
	3.2	Child Labor and Young Workers	Employees and Community
	3.3	Non-Discrimination	Employees and Community
	3.4	Fair Treatment	Employees and Community
	3.5	Wages, Benefits and Working Hours	Employees and Community
	3.6	Freedom of Association and Right to Collective Bargaining	Employees and Community
	3.7	Local Communities	Employees and Community
Occupational Health and Safety	4.1	Safety of the Work Environment	Employees and Community
	4.2	Worker Protection, Health, and Wellbeing	Employees and Community
	4.3	Process Safety	Employees and Community
Environment	5.1	Environmental Authorizations and Reporting	Environment
	5.2	Management of Waste and Emissions	Environment
	5.3	Climate Change	Environment
	5.4	Resource Efficiency	Environment
	5.5	Biodiversity Conservation	Environment
	5.6	Spills and Releases Prevention	Environment