

PharmaBlock Sciences (Nanjing), Inc.

Water Resources Policy

Purpose

In order to clarify the general management principles of PharmaBlock Sciences (Nanjing), Inc (hereinafter referred to as “PharmaBlock”, “the Company” or “We”) in water resources management, improve the utilization rate of water resources, reduce the consumption of water resources, and realize the rational use of water resources. This Policy is formulated in accordance with relevant laws and regulations.

Applicable Scope

This Policy applies to PharmaBlock and its subsidiaries and affiliates worldwide.

Guideline

PharmaBlock embraces the concept of green development and adheres to the policy of "Environmental Protection, Conserving Resources, Sustainable Development". We are committed to reducing water consumption, reducing the environmental impact of our operations and safeguarding human health and well-being by improving water conservation management in all aspects of the entire life cycle, including water extraction, water use, recycling and drainage, through a sustainable management approach.

Our Management Principle

PharmaBlock is committed to the sustainable use and management of water resources, actively implementing conservation measures and minimizing the impact of its internal operations on the water environment. During the operations, We will conduct rational assessment of all water extraction to ensure they are carried out in a way that protects the local ecology. The Company will gradually carry out the risk identification and assessment of water resource in the areas where it operates, and enhance water conservation management in the water extraction process.

Water Conservation

Water conservation is our top priority for us. Based on this we aim to achieve a 20% reduction in water consumption intensity by 2030, using 2022 as a baseline year. To meet our commitment to the water management target, we will take the following actions.

- **Reduce water demand**

We develop rational water use plans to reduce unnecessary water consumption and reduce water dependency by identifying and assessing of the demand and pressure on water use in our daily operations.

PharmaBlock

- ***Improve water use efficiency***

We are committed to technical improvements and innovation, insisting on the development of serial water systems and recycling water systems to increase the efficiency of water use, and selecting appropriate purification facilities to enable the regeneration and reuse of water resources.

- ***Employee involvement***

We encourage our employees to conserve water on a daily basis by conducting water conservation awareness campaigns and organizing employee education and training.

Reducing the Environmental Impact of Wastewater Discharge

Reducing the environmental impact of wastewater discharge is also an important part of our water resource management. To ensure that our operations do not adversely affect human health or the environment, we will take the following actions:

- Comply with national and local laws and regulations, adhere to a source control and combined prevention and control approach to wastewater discharge management and ensure that discharges meet standards.
- Adopt advanced wastewater treatment technologies and construct wastewater treatment facilities through formal design, as well as ensuring their efficient operation, can maximize the reduction of pollutants in the water body.
- Perform risk assessment and control of active pharmaceutical ingredients (APIs) in wastewater to minimize the environmental impact of pharmaceuticals in the wastewater.

Working with Stakeholders to Improve Water Management

PharmaBlock recognizes that mitigating the water crisis requires a collective response from all stakeholders. We encourage our partners to conserve water in their daily operations, and We will take the following actions:

- Conduct regular supplier sustainability audits and assessments to ensure that their wastewater is discharged accordance with local laws and regulations.
- Raise awareness and understanding of water resource management among stakeholders such as customers, suppliers, and relevant business partners.
- Actively work with supply chain partners to develop and promote best practices in sustainable water use, particularly in implementing water conservation and water management measures in water stressed areas.
- Seek opportunities to work with stakeholders, such as government agencies, non-governmental organizations, and local communities to protect brackish or freshwater ecosystems in the areas of operation or water extraction, where appropriate.

Reporting and Disclosure

PharmaBlock publishes its water resource performance indicators annually in our Environmental, Social, and Governance (ESG) Report, and we are committed to updating our progress on water resource management initiatives.

Our Governance

PharmaBlock has built a management structure led by the Board of Directors, guided by the ESG Executive Committee, and executed by the ESG Task Force and relevant business departments. In addition, each site has set up corresponding ESG Task Force and Procurement Management Department to ensure the implementation of the Water Resource Policy. Several elements of this Policy have been incorporated into your EHS management standards.

Supplemental Provisions

This Policy is formulated and revised by the Company's ESG Executive Committee. It takes effect from December 2023.