

## PharmaBlock Sciences (Nanjing), Inc. Sustainable Procurement Policy

### Purpose

Through the Sustainable Procurement Policy (hereinafter referred to as "this Policy"), we promote the sustainable development of the Company, while ensuring that the products and services procured meet the high-quality standards, environmental friendliness and social responsibility. PharmaBlock Sciences (Nanjing), Inc. (hereinafter referred to as "PharmaBlock", "the Company", "We") encourages suggestions and feedback from internal employees and suppliers on sustainable procurement. To this end, we will establish effective communication and strengthen co-operation with suppliers to promote the development of sustainable procurement together.

### Applicable Scope

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

### Our Management Principle

#### Purchasing Strategy

- Give priority to the renewable, biodegradable, recyclable, or reusable packaging.
- Minimize the use of hazardous chemicals and substances to ensure the purchased chemicals to meet the environmental standards.
- Strive to optimize transportation strategies to reduce carbon emissions in the process, and ensure suppliers to use environmental-friendly modes of transportation.
- Consider the entire lifecycle of products, including environmental and social impacts, and collaborate with suppliers to achieve effective waste recycling and disposal.

#### Supplier Selection

- All cooperating suppliers shall comply with the 'Supplier Code of Conduct', and sign the 'Supplier Declaration'.
- Select suppliers who demonstrate excellence in Environmental, Social and Governance (ESG) management and performance.
- Select suppliers that are efficient in the use of energy and resources and that provide sustainable products and services.
- Encourage suppliers to adopt more green and low-carbon technologies, promote resource recycling, reduce greenhouse gas emissions, and apply sustainable production and business practices.

#### Supervision and Assessment

- Provide training on sustainable procurement to purchasing personnel, enhancing awareness and understanding of sustainable development.

- Evaluate the economic impact of procurement activities, to reduce production costs and enhance the resource utilization efficiency.
- Assess the environmental impact of procurement activities, reduce carbon emissions and promote the use of renewable resources.
- Assess the social impact of procurement activities and promote fair trade and ethical procurement.
- Continuously monitor suppliers' sustainability status and take necessary actions to assist them in improving ESG management.
- Assess suppliers' compliance with this Policy through means such as questionnaires, document reviews, or on-site audits, apply the effectiveness of these actions into the performance evaluations of purchasing personnel.

Through the implementation of the above *Sustainable Procurement Policy*, PharmaBlock is committed to promoting sustainable development in the supply chain, reducing negative impacts on the environment, safeguarding the rights and interests of supply chain labors, and creating a sustainable economic model, to contribute positively to the sustainable development of the society, the environment and the economy, and to actively create a better future.

## **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 Company's sustainable procurement policies.

## **Supplementary Provisions**

This Policy is formulated and revised by the Company's ESG Executive Committee. It takes effect from February 2024.