

PharmaBlock

PharmaBlock Sciences (Nanjing), Inc.

Code of Business Conduct



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PharmaBlock

Our Objective

PharmaBlock Sciences (Nanjing), Inc. (hereinafter referred to as "PharmaBlock", "the Company", "We") is a leading provider of innovative chemistry products and services throughout the pharmaceutical R&D process and commercial production. The Company focuses on chemistry and technology innovation and is steadfast in its commitment to delivering high-quality products and services to its global partners. By doing so, the Company not only promotes sustainable development within the industry but also contributes to the advancement of human health. This dual commitment is seen as both a profound honor and a significant responsibility. The Company firmly believes that the approach to achieving business cooperation is as crucial as the cooperation itself.

In today's interconnected global marketplace, PharmaBlock recognizes that sustainable growth and success are predicated on consistently earning the trust of our customers and the broader society. Our commitment to ethical business practices is a source of pride and a collective responsibility we take seriously. We are dedicated to maintaining higher standards of business ethics across all our operations, which is essential to fulfilling our Company's mission and realizing our long-term vision.

Our Mission

We innovate chemistry for a greener and healthier world.

Our Vision

Leading industry sustainability through innovation in chemistry and low-carbon technologies.

Our Value

Customer-Centric, Perseverance-Valued, Innovation-Driven, Win-Win Cooperation

General Provision

Company Introduction

PharmaBlock is a leading provider of innovative chemistry products and services throughout the pharmaceutical R&D process and commercial production. The Company is committed to providing better products and services through innovation of chemistry and low carbon technology in R&D and manufacturing, and eventually to support partners to accelerate drug discovery and development, and bring the new molecules into the market at full speed to continuously create value for clients.

Purpose

The *<Code of Business Conduct>* (referred to as "the Code") is designed to fortify and elevate the Company's business ethical framework. It aims to instill the core values of our enterprise and foster a culture of compliance and integrity. This initiative is pivotal in bolstering the Company's capacity for sustainable development and in preserving our esteemed reputation and brand value. It is a strategic step towards establishing PharmaBlock as a globally competitive enterprise.

Application

The Code applies to all the employees and members of the Board of Directors of the Company and its subsidiaries ("PharmaBlock", "the Company", or "We").

Suppliers, manufacturers, contractors, service providers, and all other business partners engaged with the Company are expected to incorporate the relevant provisions of this Code into their business deeds.

Limitation

While this Code has covered some of our most important policies, it is not exhaustive. When confronted with an issue that is not explicitly covered by this Code, it can be determined to be appropriate based on our values and with reference to applicable Company policies, procedures, and other resources and the following criteria:

- Does it hurt anyone or any matter else?
- Does it violate any laws, regulations, or Company policies and procedures?
- Is it contrary to the Company's core values?
- Does it violate the trust of clients, shareholders, or other stakeholders?
- Could it damage your or Company's reputation?
- If you answer "yes" or are unsure of any of the above questions, please consult with your supervisor or the legal department.

Our Responsibility

Employee Responsibility

<Code of Business Conduct> embodies the Company's core values and guides us in making the right decisions and actions. All employees are expected to study, understand, and comply with this Code and the applicable laws, regulations, and best practices in their activities, to abide by the Code of business ethics, to be honest, and law-abiding, and to set an example for their colleagues, partners, clients and others who are concerned with our behavior on a daily basis.

If you witness conduct that may precipitate or result in a breach of the Code, our Company policies, or relevant laws and regulations, it is imperative that you report such behavior. Your responsibility extends to actively cooperating with our investigative processes by furnishing detailed information to facilitate a prompt resolution of the issue.

Manager Responsibility

Managers at our Company are expected to assume a heightened level of responsibility and to lead by example across all facets of our operations. To this end, we have established the following key guidelines for managerial conduct:

- **Model Ethical Conduct**
Uphold the highest standards of professional ethics and the Code of Conduct, serving as a role model for peers and subordinates.
- **Objective Decision-Making**
Ensure business-related decisions are made objectively, based on merit and Company interests.
- **Educate on Ethical Standards**
Equip team members with comprehensive knowledge of our business ethics code, assisting them in understanding and applying these principles in practice.
- **Compliance Training**
Guarantee that team members are not only informed about but also well-trained in the legal, regulatory, and Company policies pertinent to their Company-authorized business activities.
- **Foster an Ethical Environment**
Encourage and endorse ethical behavior and cultivate a workplace where employees feel secure to voice concerns without apprehension of retribution.
- **Address Concerns Seriously**
Treat with gravity any issues raised by employees that could undermine the Code, and assess whether the matter warrants escalation to higher authorities.
- **Enforce the Code**
In the event of a Code violation within your department, take immediate action to halt the misconduct and implement preventive strategies.
- **Support Investigative Processes**
Fully back all inquiries and investigations related to the Code and Company Policies.

Themes

Compliance with Laws and Regulations

Compliance with laws and regulations is fundamental to our enterprise's sustainability. PharmaBlock is dedicated to rigorous adherence to all relevant legal and regulatory standards. In the conduct of our business operations worldwide, we also integrate considerations of economic impact, safety, environmental stewardship, and social responsibility.

Anti-corruption and Anti-bribery

PharmaBlock upholds a commitment to integrity by supporting and adhering to all applicable international conventions and the anti-corruption and anti-bribery laws of the jurisdictions in which we operate. We are dedicated to fostering relationships with all stakeholders that are honest, fair, and respectful.

We maintain a zero-tolerance policy towards bribery and corruption. It is prohibited for any employee to offer, make, or provide any form of payment or financial advantage improperly to government officials, clients, suppliers, or other third parties with the intent to gain a business advantage. Likewise, employees are strictly forbidden from soliciting or accepting bribes, kickbacks, or any form of improper payment.

Furthermore, we extend these same high standards to our third-party representatives and business partners who act on the Company's behalf, ensuring they meet our stringent ethical requirements.

Fair Competition and Antitrust

At PharmaBlock, we are staunch advocates of fair competition and antitrust principles, which are essential for preserving an equitable competitive landscape and safeguarding consumer interests. We are committed to abiding by all relevant antitrust and competition laws to prevent any form of unfair competition or market monopolization. Our employees are expected to interact with clients, suppliers, competitors, and all third parties with fairness and integrity during their business engagements.

We strictly prohibit the acquisition or preservation of competitive advantage through unethical practices such as concealment, deception, bribery, price-fixing, market segmentation, or any other improper conduct.

Furthermore, we do not condone any actions that may impede free competition in the market, including measures that could restrict the participation of new competitors or diminish the competitiveness of existing ones.

Anti-Money Laundering

PharmaBlock is dedicated to fulfilling its legal obligations regarding Anti-Money Laundering (AML) by strictly adhering to and enforcing all relevant national and international AML laws and regulations. We are committed to taking proactive measures to prevent our business from being used for money laundering or any other form of illegal or criminal activity.

International Trade and Regulation

PharmaBlock rigorously adheres to all applicable national, regional and international trade laws and regulations, including trade sanctions and export controls. This encompasses , but is not limited to, export controls, import controls, economic sanctions, and anti-money laundering provisions. Employees engaged in international trade shall understand and comply with both the regulatory requirements and our internal policies.

Intellectual Property Protection

Intellectual property is crucial for enterprises to achieve success and maintain a competitive edge, and it represents one of the most important assets for a company. At PharmaBlock, we regard our clients' intellectual property with the same level of importance as our own. Protecting intellectual property forms the foundation of mutual trust between PharmaBlock and our clients.

We are committed to rigorously adhering to applicable laws and regulations and enforcing the strictest internal policies to safeguard intellectual property rights, as well as to detect and combat any infringements. Our robust approach to intellectual property protection is key to gaining our clients' trust and fostering business collaborations. We handle these rights with responsibility.

Data Security and Privacy Protection

PharmaBlock respects the privacy of our employees, clients, suppliers, and others who share their personal information with us. The personal and non-personal information we collect is used strictly for legitimate business purposes. We are committed to collecting, processing, and storing only the minimal amount of data necessary to fulfill our stated objectives, thereby avoiding the excessive collection of personal information.

Furthermore, we pledge to implement measures to ensure that any personal information we gather is handled with care, adequately protected, and used in a legal and appropriate manner.

Product Quality and Service

High-quality products and services are the cornerstones of PharmaBlock's success. We are dedicated to developing a top-tier quality system, providing products and services that not only meet but exceed our clients' expectations and regulatory requirements through continuous innovation and ongoing quality improvement, thereby verifying and attaining our corporate value.

Quality is integral to every employee's work at PharmaBlock. Each employee is expected to strive for superior product quality and actively engage in quality enhancement activities.

In addition, as outlined in our <Supplier Code of Conduct>, we require all suppliers who provide products and services to meet our stringent quality standards. Together, we are committed to maintaining the consistency and reliability of our product quality.

Environment, Health and Safety

PharmaBlock is committed to adhering to environmental, occupational health and safety regulations, employing appropriate methods to systematically identify hazards, and developing risk control measures to reduce these risks to acceptable levels. We continuously seek opportunities to enhance our safety performance.

PharmaBlock actively incorporates the principles of environmental sustainability and management requirements into our operations. We take proactive environmental protection measures, addressing climate change, reducing the impact of our business activities on the environment and biodiversity, and simultaneously promoting the development of a low-carbon value chain, based on identified environmental risks throughout our research and development, production, and logistics processes.

All employees are responsible and obliged to report any EHS incidents, potential risks, and hazards to management, and to take necessary corrective and preventive measures to contribute to improving the Company's EHS performance.

Furthermore, PharmaBlock encourages partners in our value chain to also adhere to compliance, safety, and environmental protection principles.

Usage and Protection of Trade Secrets

A trade secret consists of business and technical information that is not publicly known within an enterprise's activities and significantly impacts the business and economic interests. Such information requires confidentiality measures for protection purposes. Our trade secret protection adheres to the principle of "whoever manages, takes responsible; whoever owns, keeps confidentiality." Each employee bears the responsibility and obligation to protect the trade secrets of PharmaBlock and our stakeholders. Without Company authorization, it is prohibited for anyone to breach the rules protecting trade secrets by downloading, copying, photographing, storing, transmitting, disclosing, or using such secrets.

Responsible Marketing

We are dedicated to conducting our marketing activities in compliance with the applicable laws, regulations, and standards of the regions where we operate. All our communications and promotions adhere to the principles of legality, honesty, accuracy, and fact-based scientific communication. We strictly prohibit the inclusion of exaggerated, deceptive, or false content in our marketing efforts. In addition, making false and misleading statements about competitors' products and services is strictly forbidden.

Business Partnerships

Supply chain sustainability is crucial for the rapid growth and ongoing sustainable development of our business. We require our suppliers to maintain high standards to ensure business continuity, which includes adhering to relevant legal and regulatory requirements and PharmaBlock's internal policies. These encompass principles related to the environment, health and safety, and social responsibility.

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We are committed to responsible procurement practices and procedures, founded on the principles of fairness and equality, aiming for mutually beneficial partnerships with our suppliers. We clearly communicate our expectations and require adherence to our <Supplier Code of Conduct>. We pledge to honor our agreements and fulfill our obligations, including the protection of our suppliers' trade secrets.

Conflict of Interest

At PharmaBlock, the best interests of the Company are always the primary consideration in all business dealings. We ensure that all decisions and business judgments are made with the utmost objectivity to prevent any compromises of the Company's interests due to personal motivations.

When the interests of employees or their family members conflict with those of the Company, the principle of prioritizing the Company's interests must be adhered to, and all improper personal gains are strictly prohibited. If employees identify potential conflicts of interest, they are required to promptly report it and proactively seek to recuse themselves.

Business Gifts

The exchange of gifts can lead to conflicts of interest and compromise the ability to make effective and objective business decisions. At PharmaBlock, we ensure that all decisions made by our employees are in the Company's best interest and not influenced by the value of gifts or personal benefits.

All employees must strictly adhere to our anti-corruption and anti-bribery policies. Providing, requesting, or accepting gifts and donations from business-related parties is prohibited. However, under specific circumstances, the appropriate use of gifts, meals, or entertainment can foster goodwill and strength business relationships. When using gifts, meals, or entertainment of nominal monetary value for normal business activities, it is crucial to ensure compliance with all applicable laws and regulations.

Human Rights

PharmaBlock supports, respects, and commits to adhering to the *United Nations Universal Declaration of Human Rights*, the *Guiding Principles on Business and Human Rights*, the *ILO Declaration on Fundamental Principles and Rights at Work*, and other international principles alongside local laws and regulations. We develop and implement policies and procedures that incorporate respect and protection of human rights into our corporate culture and daily operations.

We are dedicated to respecting and protecting human rights across our operational value chain and actively engaging with the communities we serve to promote and safeguard the fundamental rights and freedoms of all individuals.

We are committed to equal pay for equal work and strictly prohibit involvement or support of child labor, human trafficking, slavery, or any form of forced labor in the research and development, production, sale and distribution of our products. We hold the same standards for our suppliers.

Diversity, Equality and Inclusion

Employees are the invaluable assets of our Company and the key to our sustained rapid development. We are dedicated to fostering a diverse, equal, and inclusive work environment where every employee feels a strong sense of belonging and can fully realize their potential.

PharmaBlock strictly prohibits any form of discrimination, harassment, or bullying. We offer fair and equal opportunities for all employees and job applicants, making decisions regarding hiring, promotion, training, and compensation based on skills, experience, and other job-related factors. Discrimination based on race, religion, color, sex, sexual orientation and gender identity, marital status, pregnancy, medical condition, national origin, disability, age, or any other legally protected characteristic is not tolerated.

Employee Well-being

We prioritize the safety and welfare of our employees and are committed to fostering a supportive and caring work environment. We rigorously adhere to the applicable laws and regulations regarding working hours, compensation, welfare at our operational locations and have established corresponding policies and procedures.

We are attentive to the physical and mental health of our employees, encouraging them to lead healthy lifestyles and maintain a good work-life balance. We provide a platform for career development along with appropriate training to enhance our employees' energy and creativity.

Political Activity

Political activities undertaken by enterprises typically involve their engagement and interaction with the political activities in their countries or regions. This includes communicating with policymakers, participating in discussions on public affairs, and supporting candidates or political parties. All political activities must adhere to applicable laws and regulations, as well as the Company's internal policies and procedures.

We respect the right of our employees to engage in political activities in their personal capacity, including supporting political groups, government officials, or candidates. All such activities must be conducted strictly as private identification, on their own time, voluntarily, and at their own expenses, and must adhere to applicable laws and regulations, as well as internal Company policies, simultaneously bear the corresponding consequences and responsibilities themselves.

All political activities conducted by employees in their personal identification must not represent the Company or utilize any Company resources. This includes refraining from mentioning the Company's name, trademarks, brands, logos, or their job positions. Employees must not use Company email addresses or wear Company uniforms or similar items during such activities.

Insider Trading

Our employees may have access to significant non-public information (e.g., mergers and acquisitions, substantial contracts, financial results, or major research and innovation outcomes) of the Company or other companies. We are committed to maintaining the principles of openness, fairness, and impartiality in the disclosure of Company information and strictly adhere to the regulatory requirements for public company disclosures.

Employees are prohibited from using insider information to trade in the Company's stocks, securities, or derivative financial products. Additionally, they must not disclose or publicize insider information or advise others to buy or sell securities for personal gain or the benefit of others. Violations of confidentiality rules, including insider trading, may contravene applicable laws and lead to civil or criminal legal actions.

Data Integrity

Data integrity refers to the completeness, consistency, and accuracy of data, forming the foundation for ensuring the authenticity and reliability of research and production records. Each employee is responsible for the validity and reliability of the data they generate, collect, review, analyze, record, and report during business operations. They must ensure that all data is traceable, legible, contemporaneous, original, complete, and accurate.

Accuracy of Financial Records

Transparent and honest financial records are crucial for protecting Company assets and reputation, ensuring compliance, and fostering trust with stakeholders. Therefore, we require that all financial records must accurately and promptly reflect our business transactions, asset dispositions, and other events, in accordance with relevant legal and regulatory requirements.

We mandate that all employees adhere strictly to the Company's purchasing and financial policies. All payments or use of Company funds must receive prior approval from the appropriate supervisor. Payments will not be approved if the payment details do not align with the provided payment materials and supporting documentation.

Furthermore, employees are expected to follow the Company's travel and expense reimbursement policies, providing all necessary approved procedural documents and supporting evidence.

Social Media

Social media is a vital component of modern communications, encompassing digital channels that allow users to create and share content, and engage in discussions and information exchange. Correctly used, social media offers PharmaBlock new avenues for communication and collaboration. Employees should strictly adhere to laws and regulations as well as the social media rules when utilizing social media for business-related interactions. If the interactions involve Company content or resources, they must also adhere to internal Comply policies.

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When engaging in personal activities on social media, employees are expected to maintain a professional, respectful, and courteous demeanor, mindful that their behavior can influence how others perceive them and the Company they represent.

How We Implement

We provide the <Code of Business Conduct> to all employees and integrate it into our employee training programs. Training and dissemination sessions are conducted for board directors, supervisors, managers, and general personnel.

We regularly review and continuously enhance the <Code of Business Conduct> to ensure its comprehensiveness and relevance. Additionally, we routinely assess the implementation of this Code and strive for ongoing improvements.

How We Maintain

We have developed a compliance and ethics action plan that encompasses counseling and assistance, dissemination and training, and monitoring and control activities. This plan is designed to prevent and manage compliance and ethics risks. Each year, we devise and execute a compliance and ethics training program, which includes regular instruction on the <Code of Business Conduct>. Failure to complete training as scheduled triggers corrective measures.

We actively monitor the enforcement of the <Code of Business Conduct> and conduct regular audits to ensure compliance. Each employee is obligated to raise questions, seek guidance, and report any suspected violations. If you discover or suspect that another employee is engaging in activities that contravene applicable laws or this Code, you are urged to report it to the Company immediately.

The Company encourages employees to voice their concerns or report issues through the following channels:

- The highest leader of your organization or department.
- Internal Audit Department, Human Resources Center, or Legal Department.
- Global reporting email: PB-IA@PharmaBlock.com
- Global reporting phone: +86 025 86918269 / +86 025 85930027

We also encourage suppliers, clients, or other third parties to promptly inform us of any misconduct involving our Company through these channels.

How We Manage

Anyone who in good faith reports potential ethical or legal violations will receive the full support of the Company's leadership and will not face any form of retaliation. It is the responsibility of our managers at all levels to lead by example, foster an environment of open and honest communication, and to take swift action upon becoming aware of any ethical or compliance issues. We strictly prohibit managers from directing or encouraging employees to engage in activities that violate laws, regulations, or this Code, even if such actions are intended to improve performance.

How We Perform

PharmaBlock has established a robust ESG management framework, with the ESG Executive Committee serving as the leading body for business ethics. This committee is tasked with reviewing and overseeing the comprehensive implementation of the <Code of Business Conduct> within the Company, fostering conditions that support adherence by all employees, and determining penalties for violations of the Code. The Human Resources Center, General Management Center, Supply Center, Quality Center, EHS Center, and Internal Audit Department are responsible for building mechanisms, promoting, and monitoring business ethics standards.

We will investigate any suspected breaches of the <Code of Business Conduct> and supplemental policies. Investigation methods include regularly conducted internal special inspections and audits, as well as the processing of all reports.

The review department will promptly and thoroughly examine all reports of suspicious behavior and carry out internal investigations. The identity of the complainant or reporter will be strictly confidential, shared only with individuals who need the information to resolve or investigate the issue. We strongly reiterate that any form of retaliation is strictly prohibited, and all employees involved are required to cooperate fully with the investigations.

If a violation is confirmed, the Company will implement timely corrective measures to address the issue. These measures may include, but are not limited to, clarification of Company policies, additional training, disciplinary actions, or even termination of employment. In cases involving legal violations, those responsible may also face legal consequences for severe infractions.

Conclusion

This Code serves as the fundamental working guideline for the Company, directing the development of relevant policies and procedures. Every employee is responsible for fully understanding and adhering to this Code. For detailed information on the themes covered in this Code, please consult the Company's internal policies and procedures.

The <Code of Business Conduct> is formulated and revised by the Company's ESG Executive Committee. It takes effect from March 2024.