This report is the 2024 Environmental, Social, and Company Governance Report (referred to as the "ESG Report") of Laviana Pharma Group (hereinafter referred to as "Laviana Pharma" or the "Company"). This report describes the company's management approaches and performance in environmental, social, and company governance during 2024.

LAVIANA PHARMA

LAVIANA PHARMA 2024 ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) REPORT



LAVIANA PHARMA

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About This Report

This report is the 2024 Environmental, Social, and Company Governance Report (referred to as the "ESG Report") of Laviana Pharma Group (hereinafter referred to as "Laviana Pharma" or the "Company"). This report describes the company's management approaches and performance in environmental, social, and company governance during 2024.

REPORT ORGANIZATIONAL SCOPE

Unless otherwise specified, the information and data in this report cover Laviana Pharma (Jiangsu) Co., Ltd.; Laviana Pharma (Tianjin) Co., Ltd.; and Laviana Pharma (Cangzhou) Co., Ltd.

REPORT TIMEFRAME AND RELEASE CYCLE

This report covers the period from January 1, 2024, to December 31, 2024 (referred to as the "reporting period"), addressing the company's performance in environmental, social, and governance responsibilities for 2024. For continuity and comparability, some content appropriately traces back to previous years.

REPORT PREPARATION BASIS

This report references:
Global Sustainability Standards Board (GSSB) "Sustainability Reporting Standards (GRI Standards 2021 Edition)"
"SDGs (United Nations Sustainable Development Goals) Enterprise Action Guide"

REPORT DATA NOTES

The ESG data and information in this report are derived from the original operational records of the Company and its subsidiaries; all currencies and amounts mentioned in this report are denominated in RMB.

REPORT RELEASE AND CONTACT INFORMATION

The electronic version of this report is available for viewing and download on the company's official website (www.lavianacorp.com). For any feedback or suggestions regarding this report, please contact the company via the following methods.

CONTACT INFORMATION

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Wenting Chen,

Chairman of Laviana Pharma

CHAIRMAN'S SPEECH

In 2024, amid fierce competition and uncertainty in the global pharmaceutical industry, Laviana Pharma steadfastly advanced with stability, driven by technological innovation and guided by customer needs, continuously expanding service depth and breadth, achieving dual growth in revenue and project delivery. Throughout the year, we completed multiple CDMO service projects at clinical and commercial stages, cumulatively supporting the progress of 15+ market-stage and 10+ IND-stage projects, consistently earning high recognition from domestic and international customers. Meanwhile, the official establishment of Laviana Pharma's European Branch has further solidified our strategic positioning of "rooted in China, serving the world," accelerating the construction of the company's global service network.

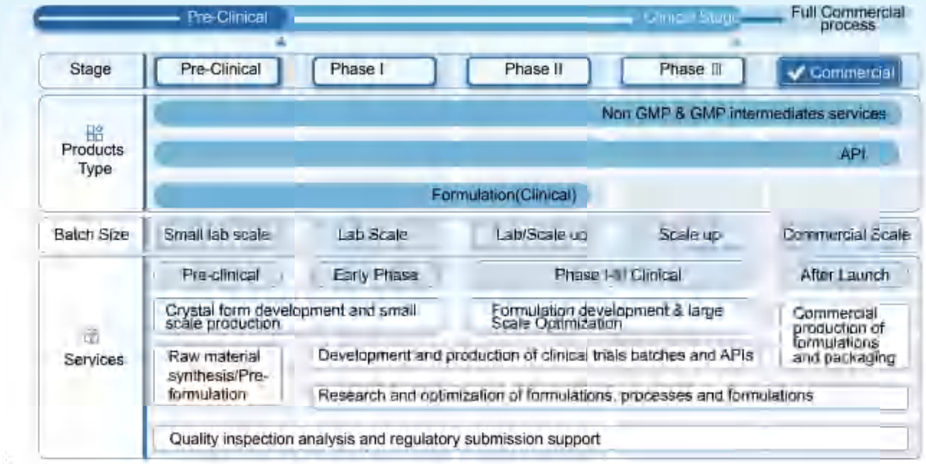
In terms of social responsibility, 2024 saw us deepen employee development and safety assurance systems under the "Respecting People" philosophy. The Company comprehensively advances anti-fraud education, occupational health management, and safety production training, achieving 100% coverage, continuously strengthening employee protection capabilities and enterprise safety baselines. Meanwhile, the company continues to advance university-enterprise collaborations, hosting study-exchange activities for faculty and students from institutions such as Tianjin Renai College and China University of Mining and Technology, fostering deep integration of industry, academia, and research to build bridges for talent cultivation and technological achievement transformation. Additionally, we collaborated with volunteer teams across three regions to carry out beach cleanup initiatives, embodying green environmental principles and demonstrating the enterprise's social warmth and responsibility.

In environmental protection, we steadfastly advance the green development strategy. The Cangzhou GMP production base operates using clean energy sources such as wind and solar power and obtained ISO 14001 environmental management system certification in 2024. The Company's environmental safety laboratory was officially launched, focusing on three-waste reduction and green process technology development, infusing sustainable genes into CDMO services. We actively carried out the "Carbon Path Initiative," achieving tangible results in energy conservation, emission reduction, green office practices, and recycling. By establishing a chemical compliance screening system, we reduced environmental impact at the source. Through comprehensive carbon auditing, we have also laid the groundwork for future carbon management and carbon neutrality goals.

Looking ahead to 2025, Laviana Pharma will remain true to its original aspiration of "Changing the World with the Art of Chemistry," focusing on innovation-driven growth and digital transformation while further increasing investments in AI technology and intelligent manufacturing. We will seize the historic opportunities of green transformation and global collaboration to build a smarter, more efficient, and greener CDMO service platform. On this new journey, we are willing to join hands with global customers, partners, employees, and all sectors of society to jointly create a new chapter in sustainable development.

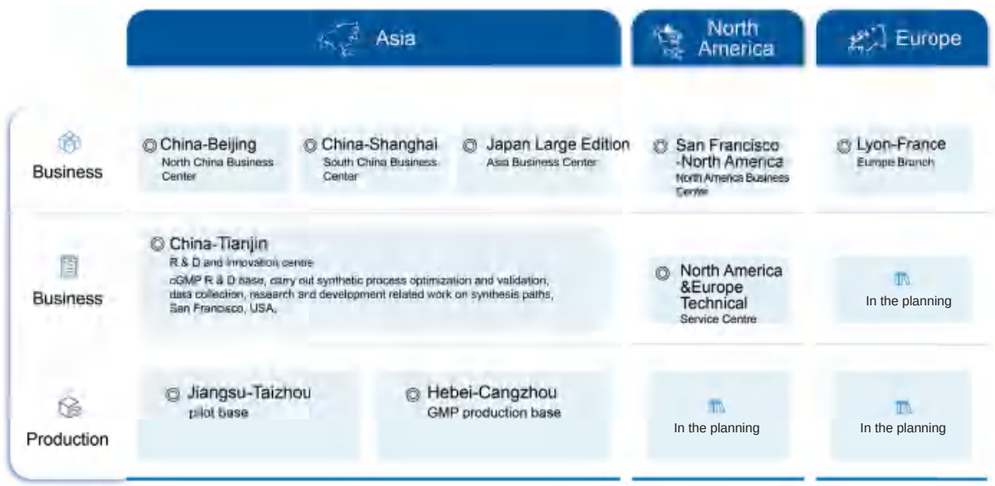
Group Introduction

Founded in 2003, Laviana Pharma is a technology-driven innovative pharmaceutical R&D and manufacturing service (CDMO) enterprise. Our services cover the entire pharmaceutical service process (CMC) for small-molecule innovative drugs from laboratory to commercialization, including: process research, pilot production, and commercial production services for APIs, registered starting materials, and pharmaceutical intermediates from preclinical to market, as well as regulatory submission services during development.



Caption: End-to-End CDMO Services for Chemical Small-Molecule Drugs

In 2015, the company completed its shareholding reform and now comprises: Laviana Pharma (Jiangsu) Co., Ltd. (pilot base), Laviana Pharma (Tianjin) Co., Ltd. (R&D and Innovation Center), and Laviana Pharma (Cangzhou) Co., Ltd. (GMP production base). We also have multiple business centers including the European Branch, Beijing Branch, Shanghai Office, California Office, USA, and Japan Office, simultaneously expanding domestic and international operations.



Caption: Company's Global Service Operations Distribution

With a professional R&D team and technical platform, Laviana Pharma has developed multiple proprietary technologies with independent intellectual property rights, helping customers efficiently advance projects, including specialized capabilities such as complex synthesis route optimization, process scale-up control, impurity control, and quality system construction. The company's service capabilities cover all stages from small-scale trials (gram-level) to commercialization (ton-level), featuring highly flexible small-scale production lines that can swiftly respond to the diverse needs of innovative drug customers.

Enzyme catalyzed reaction

90.0% 99.7%

With the latest combined enzyme catalysis technologist has used racemase and selective hydrolase, 2-oxoacidas raw material, and produce 35kg of unnatural amino acids with a conversion rate of more than 90% and a chiral selectivity of more than 99.7%

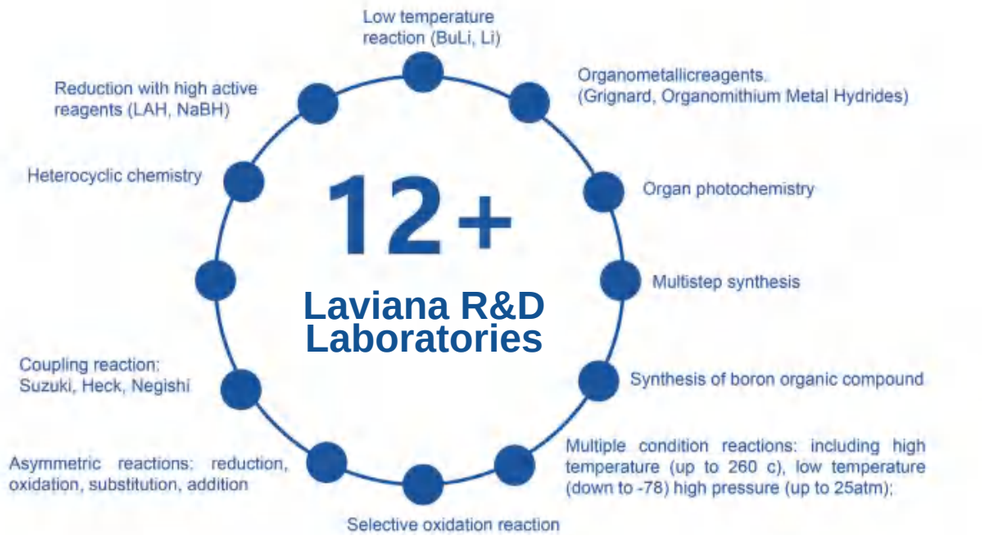
Flow chemistry & Continuous manufacturing

Through design and development continuous flow production line with an annual output of 5 tons and a maximum annual output of 50 tons has been realized.

Heterocyclic chemistry

Through substitution and low-temperature reaction, tons of heterocyclic boronic acids were produced with high yield and high purity.

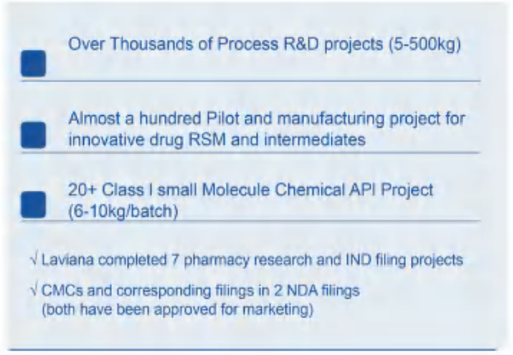
Caption: Company's Unique Innovative Technologies



Caption: Company's Production Technology Innovation

After nearly 20 years of development, Laviana Pharma has accumulated over a thousand process R&D projects (5-500kg); nearly a hundred pilot production and manufacturing projects for innovative drug RSMs and intermediates; over 20 Class I small-molecule API projects (6-10kg/batch), among which Laviana has completed over 10 pharmaceutical research projects and IND applications, as well as CMC documentation and corresponding submission materials for 2 NDA applications (both already approved for marketing)

In 2024, we completed over 15 commercial-stage projects, over 5 NDA-stage projects, and over 5 Phase III clinical-stage projects involving ton-scale production of registered starting materials and intermediates; over 10 Phase II clinical, 15 Phase I clinical, and 10 IND-stage projects involving process development and pilot production of APIs and registered starting materials; as well as over 100 preclinical research projects.



Caption: Company's 2024 Project Achievements

With professional technology, high-quality services, and an efficient team, Laviana Pharma leverages the characteristics of small-scale production lines, primarily serving companies focusing on innovative drugs, steadily expanding overseas operations while focusing on domestic business development. It has earned recognition from large multinational pharmaceutical companies and domestic innovative drug firms, establishing long-term strategic partnerships with multiple multinational pharmaceutical and biotech companies.

Caption: Company's Six Development Advantages

CORPORATE CULTURE

Mission:

Changing the World with the Art of Chemistry

Values:

Sustainable Science; Market Oriented;

Accelerate Development; Respect People; Team Work;

Vision:

Become a flagship CDMO enterprise

Laviana Pharma (Cangzhou) Co., Ltd.

Laviana Pharma (Cangzhou) Co., Ltd. is located in the Cangzhou National Coastal Economic and Technological Development Zone in Hebei Province, serving as the group's GMP production base. The total floor area is 66,000 square meters, with one production workshop housing 12 independent production lines and one high-pressure hydrogenation production line, including 2 dedicated production lines capable of handling OEB4-level projects. It is equipped with 200L–6,300L reactors made of enameled glass, stainless steel, Hastelloy, and other materials, as well as horizontal centrifuges and three-in-one process equipment, enabling it to undertake CDMO services for various small-molecule compounds.

Cangzhou(GMP production plant)

Area: 66,000 ㎡

Production capacity: 106,700L

5 API lines (2 HP API lines) **Volume of reactor:** 17,800L

7 Intermediate lines (1 HP intermediate line)

1 High Pressure Hydrogenation line,

Volume of reactors: 2,600L

Storage area: 4,052 ㎡

Laviana Pharma (Cangzhou) Co., Ltd.

Laviana Pharma (Tianjin) Co., Ltd. is located in the Huaming Low-Carbon Industrial Base, Dongli District, Tianjin, serving as the group's R&D and Innovation Center. Its main services include route development, custom synthesis, process development and optimization, quality research, and method validation for innovative drugs and their key intermediates, with project production transferred to various production bases through technology transfer.

The GMP kilogram-scale laboratory provides customized production services for APIs from preclinical to Phase II clinical trials. Meanwhile, while continuously optimizing its layout and expanding R&D production capacity, Laviana Pharma's R&D Center has set its innovation goals on cutting-edge international AI and automation technologies, developing an R&D system with independent intellectual property and high-efficiency R&D capabilities.

Tianjin (R&D center)

Area: 10,000 ㎡
120 fume hoods
6 Kilo Labs with walking-in fume hoods
8 GMP kilo Lab
(2 for API, 4 for Intermediates, 1 for formulation)
1 High Potency Lab (OEB5)

Laviana Pharma (Cangzhou) Co., Ltd.

Laviana Pharma (Jiangsu) Co., Ltd. is located in Jiangyan Economic Development Zone, Taizhou, Jiangsu, serving as the group's pilot base. The current site covers 28,000 m^2 with 10,000 m^2 of standard workshops, equipped with a 300-ton/day wastewater treatment facility. The total reaction volume is 87,000L, including 11,700L for low-temperature reactions. It features multi-purpose kilogram-scale process verification workshops, multi-purpose pilot production workshops, cleanrooms, chemical warehouses, and Class A hazardous materials storage. Collaboration with prestigious domestic institutions such as Tsinghua University and Peking University has further enhanced the enterprise's R&D and technology transfer capabilities.

Jiangsu Laviana has successively obtained ISO 9001, ISO 45001, and ISO 14001 certifications from TÜV Rheinland. In 2009, it was recognized as a high-tech enterprise in Jiangsu Province; in 2010, it was designated as the Taizhou Green Chemical Synthesis Research Center, in 2020 as the Taizhou Enterprise Technology Center, and in 2024 as the Jiangsu Provincial Enterprise Technology Center. Its R&D and innovation achievements have received policy support and awards from the provincial science and technology and commerce departments for many consecutive years.

Jiangsu Pilot plant

Area: 28,000 ㎡
Number of Reactors: 55
Volume of reactors: 87,000L
Volume of low temperature reactors: 11,700L
3 Multi-functional pilot production workshops
Chemical warehouse: 1,000 ㎡
Class I dangerous goods warehouse: 200 ㎡

Development Milestones

2003

Laviana (USA) Company was established

2004

Laviana (Beijing) R&D Center was established, offering CRO services

2005

Laviana (Jiangsu) was established, focusing on the pilot-scale amplification and commercial production of pharmaceutical intermediates

2007

Laviana (Jiangsu)'s pilot plant commenced operations and obtained ISO 9001:2000 certification

2009

Laviana (Jiangsu) obtained ISO 14001 and OHSAS 18001 environmental and occupational health management system certifications

2010

Laviana (Beijing) was recognized as a high-tech enterprise
Laviana (Beijing) obtained ISO 9001 quality management system certification from TÜV Rheinland
Laviana (Beijing) obtained gazelle enterprise certification from the Zhongguancun Enterprise Credit Promotion Association
Laviana (Beijing) was recognized as a technologically advanced service enterprise
Laviana (Jiangsu) was designated as the Taizhou Green Chemical Synthesis Engineering Technology Research Center

2012

Laviana (Beijing) obtained the Beijing Municipal Enterprise Scientific Research and Development Institution certificate
Laviana (Beijing) obtained SGS's ISO/IEC 27001 information management system certification
Laviana (Jiangsu) was recognized as a high-tech enterprise

2014

Laviana (Tianjin) was established, positioned as focusing on innovative drug R&D services and the production of Phase I and II clinical trial samples for innovative APIs
Laviana Pharma completed its A round financing

2015

Laviana (Jiangsu) completed its equity restructuring and was officially renamed Laviana Pharma (Jiangsu) Co., Ltd.

2016

Laviana (Tianjin) officially commenced production and operations, with its Phase I laboratory spanning 6,600 square meters put into use
Laviana Pharma was officially listed on the New Third Board

2017

Laviana (Cangzhou) was established, positioning itself as a GMP production base for advanced intermediates and APIs

2018

Laviana (Beijing) was recognized as a Beijing Municipal Enterprise Scientific Research and Development Institution
Laviana (Tianjin) was recognized as a technologically advanced service enterprise in Tianjin
Laviana Pharma completed its B round of financing once again

2019

Laviana (Tianjin)'s Phase II GMP kilogram laboratory was officially put into operation
Laviana (Tianjin) was recognized as a high-tech enterprise
Laviana (Tianjin) was rated as a Tianjin Eaglet Enterprise
Laviana (Cangzhou)'s GMP production base officially commenced construction
Laviana Pharma completed its B+ round of financing once again

2020

Laviana (Jiangsu) obtained ISO 45001 occupational health and safety management system certification
Laviana (Jiangsu) obtained ISO 27001 information security management system certification
Laviana (Jiangsu) became a member of the Jiangsu International Service Outsourcing Enterprise Association
Laviana (Tianjin) obtained ISO 45001 occupational health and safety management system certification
Laviana (Tianjin) obtained ISO 9001 quality management system certification
Laviana (Tianjin)'s R&D department collaborated with Nanjing University of Science and Technology to establish a joint laboratory for chemical reaction safety risk assessment technology research

2021

Laviana (Jiangsu) was once again recognized as a high-tech enterprise
Laviana (Tianjin) was once again recognized as a high-tech enterprise
Laviana (Anhui) was established. The project was signed and launched, and the company is positioned as a GMP production base for advanced intermediates and APIs
Laviana (Anhui), was designated by the Jiangsu Provincial Department of Commerce as the sole key enterprise in the biomedicine R&D services sector in Taizhou
Laviana Pharma completed its C round of financing once again

2022

Laviana (Jiangsu) was rated as an outstanding unit in precursor chemical safety supervision for 2022
Laviana (Jiangsu) was honored with the title of "Jiangsu Province Informatization and Industrialization Integration Pilot Enterprise"
Laviana (Tianjin) was once again recognized as a technologically advanced service enterprise
Laviana (Tianjin)'s testing center obtained CNAS certification
Laviana (Cangzhou)'s GMP production base was completed
Laviana (Anhui)'s new drug API production and R&D industrial park project completed feasibility study and energy assessment approvals, obtained coding, and passed safety and environmental assessments through expert review and committee approval
Laviana Pharma was awarded "Top 10 Most Promising CXO Enterprises"
Laviana Pharma was awarded "2022 China's Top 20 Pharmaceutical CDMO Enterprises"
Laviana Pharma received the Ecovadis Silver Rating for sustainable development
Laviana Pharma completed its C+ round of financing once again

2023

Laviana Pharma was once again awarded "Top 10 Most Promising CXO Enterprises"
Laviana Pharma obtained Dun & Bradstreet certification
Laviana Pharma was awarded the Tianjin University Education Contribution Award
Laviana Pharma passed the CNAS annual audit and successfully expanded multiple testing capability scopes
Laviana (Tianjin) was approved as a sub-station of the "Postdoctoral Research Workstation"
Laviana (Tianjin) was certified as a "2023 Tianjin Gazelle Enterprise"
Laviana (Tianjin) was certified as an "innovative small and medium enterprise"
Laviana (Tianjin) achieved Level 2 certification in the "Data Management Capability Maturity Assessment Model" (GB/T 36073—2018, DCMM)
Laviana (Cangzhou)'s GMP production base commenced production and operations
Laviana (Cangzhou) GMP production base obtained ISO 9001 quality management system certification
Laviana (Jiangsu) recognized as "2023 Provincial Enterprise Technology Center"

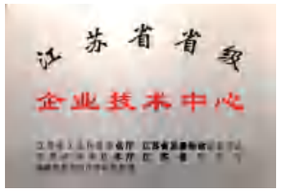
2024

Laviana (Europe) Branch was officially established
Laviana (Tianjin) recognized as a 2023 Tianjin specialized, sophisticated, distinctive and innovative small and medium enterprise
Laviana (Tianjin) was once again recognized as a high-tech enterprise
Laviana (Tianjin) environmental protection laboratory established
Laviana (Tianjin) Testing Center successfully passed CNAS re-evaluation and expanded scope review
Laviana (Tianjin) recognized as a "Rising Star Enterprise" in Tianjin's 2024 service industry innovation development demonstration enterprise gradient cultivation
Laviana (Tianjin) recognized as a "Technology-based Small and Medium Enterprise"
Laviana (Cangzhou) obtained ISO 14001 environmental management system certification
Laviana (Cangzhou) obtained ISO 45001 occupational health and safety management system certification
Laviana (Cangzhou) obtained ISO 27001 information security management system certification
Laviana (Cangzhou) recognized as an innovative small and medium enterprise in Hebei Province
Laviana (Cangzhou) high potency production line officially launched
Laviana Pharma & Tianjin Renai College teaching practice and scientific research cooperation base officially established
Laviana Pharma awarded Ecovadis Sustainable Development 2024 Commitment Medal

2024 Major Events

January

Caption: A delegation from Institute of Tsinghua University, Hebei visited Laviana (Cangzhou) GMP production base for research and exchange



Caption: Laviana Pharma recognized as Jiangsu Province Enterprise Technology Center, accelerating global pharmaceutical innovation

March

Caption: Laviana Pharma appeared at DCAT WEEK 2024 in New York, USA, writing a new chapter in global cooperation

Caption: Laviana (Cangzhou) recognized as an innovative small and medium enterprise in Hebei Province

June

Caption: Laviana Pharma shone again at BIO 2024 US Biotech Conference, demonstrating global innovation capabilities

Caption: Laviana Pharma appeared at BOS Basel 2024 in Europe, demonstrating global pharmaceutical outsourcing capabilities

Caption: Laviana Pharma participated in ChemSpec Europe 2024, showcasing innovation capabilities and global vision

February

Caption: Laviana (Tianjin) recognized as a 2023 Tianjin specialized, sophisticated, distinctive and innovative small and medium enterprise

April

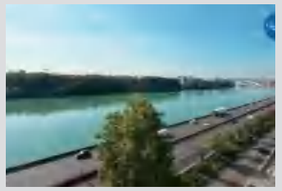
Caption: Laviana Pharma conducted anti-fraud awareness training in 2024 to enhance employee vigilance

May

Caption: Laviana Pharma appeared at CPHI North America with global business team, discussing cooperation opportunities and industry frontiers with worldwide peers and experts

Caption: Laviana Pharma environmental protection laboratory established, promoting green pharmaceutical development

August



Caption: Laviana Pharma (Europe) Branch officially established, accelerating globalization strategy

October

Caption: Laviana Pharma appeared at CPHI Milan 2024 in Italy

Caption: Laviana (Cangzhou) GMP production base's high potency production line officially launched

Caption: Laviana Pharma & Tianjin Renai College teaching practice and scientific research cooperation base officially established

December

Caption: Laviana (Cangzhou) Co., Ltd. awarded ISO IEC 27001 information security management system certification

Caption: Laviana Pharma Awarded 2024 EcoVadis Commitment Medal

July

Caption: Experts from Department of Chemical Engineering, Tsinghua University, Tsinghua Alumni Association of Cangzhou, and research institutes visited Laviana (Cangzhou) in Lingang Development Zone for investigation

Caption: China University of Mining and Technology (Beijing) faculty and students visited Laviana (Cangzhou) Co., Ltd., jointly exploring new frontiers in pharmaceutical R&D

September

Caption: Laviana Pharma shone at BIONNOVA Beijing Innovation Forum, exploring innovation paths with industry peers

November

Caption: Laviana Pharma volunteer teams across multiple locations jointly conducted a beach cleanup campaign to protect the blue ocean

Caption: Laviana Pharma welcomed a group led by Academician Zhang Xumu from Southern University of Science and Technology for visit and exchange

PART 01

Robust Governance

STEADY GOVERNANCE

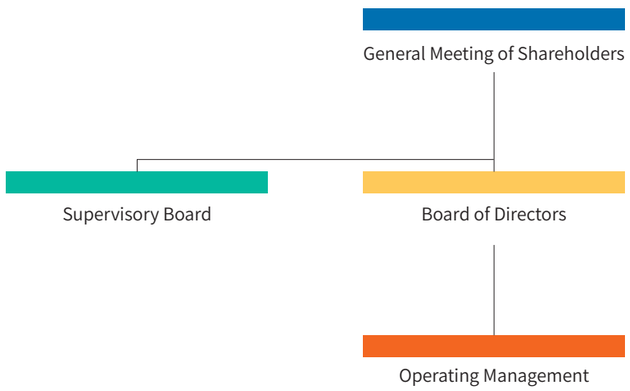
Robust Governance

Company Governance

Internal Control Governance

Laviana Pharma consistently prioritizes establishing a robust governance system as the cornerstone for long-term enterprise development. The company strictly adheres to laws and regulations such as the "Company Law of the People's Republic of China". Leveraging internal policies like the "Rules of Procedure for the General Meeting of Shareholders", the "Rules of Procedure for the Board of Directors", and the "Rules of Procedure for the Supervisory Board", it continuously enhances its company governance system. This establishes a modern governance framework comprising the General Meeting of Shareholders, Board of Directors, Supervisory Board, and management team, forming a governance mechanism with clear responsibilities, standardized operations, and effective checks and balances. During the reporting period, the company revised and improved certain governance provisions based on practical development needs, further strengthening functional coordination and institutional synergy among governance entities in decision-making, oversight, and execution. This effectively enhanced governance quality, laying an institutional foundation for efficient, compliant, and stable company development.

The General Meeting of Shareholders, composed of all shareholders, serves as the company's supreme authority. It exercises powers such as electing and replacing directors and supervisors, and deciding on major company matters in accordance with the law, forming the decision-making core of the company governance structure. The board of directors serves as the company's operational decision-making body, internally managing company affairs and externally exercising authority on behalf of the company. It is composed of directors elected by the General Meeting of Shareholders, director candidates may be nominated by the board of directors, supervisory board, or shareholders holding over 3% of the company's shares, with diversified evaluations conducted based on candidates' professional backgrounds and career experiences. The Board of Directors is responsible for convening and chairing board meetings to drive strategic execution. The Supervisory Board is the statutory oversight body of the company, composed of shareholder representatives elected by the General Meeting of Shareholders and employee supervisors elected by the Congress of Workers and Staff. It exercises supervisory and inspection authority over the performance of the Board of Directors, the management team, and the company's financial operations in accordance with the law.



Caption: Company's Management Structure

Key Performance:

During the reporting period, the Board of Directors comprised **7** members, including **3** female directors, accounting for **42.86%**.

During the reporting period, the company held **2** board meetings.

ESG Management

ESG Governance

Laviana Pharma thoroughly implements the concept of sustainable development. The Enterprise Communications Department serves as the core unit for ESG management, and thus establishing a three-tier governance framework comprising governance, management, and execution layers to collectively form the ESG governance system and advance the company's sustainable development strategy. Meanwhile, the company sets ESG management objectives and evaluates related metrics annually.

Caption: Company's ESG Governance System

Objectives

- Energy and Water Resource Conservation
- Reducing Greenhouse Gas Emissions
- Reducing Environmental Impact
- Protecting Employees' Legitimate Rights and Interests
- Ensuring Employees' Occupational Health and Hygiene
- Upholding Business Ethics
- Legal and Regulatory Compliance

Metrics

- Annual Reduction of Carbon Emission per Unit Output by 1%
- Regulatory Emission Violations: 0
- Child Labor Misuse Rate: 0
- Employee Safety Training Rate: 100%
- Collective Agreement Coverage Rate: 100%
- Social Insurance Coverage: 100%
- Occupational Health Examination Rate for Hazardous Positions: 100%
- Corruption Incidents: 0
- Information Security Incidents: 0

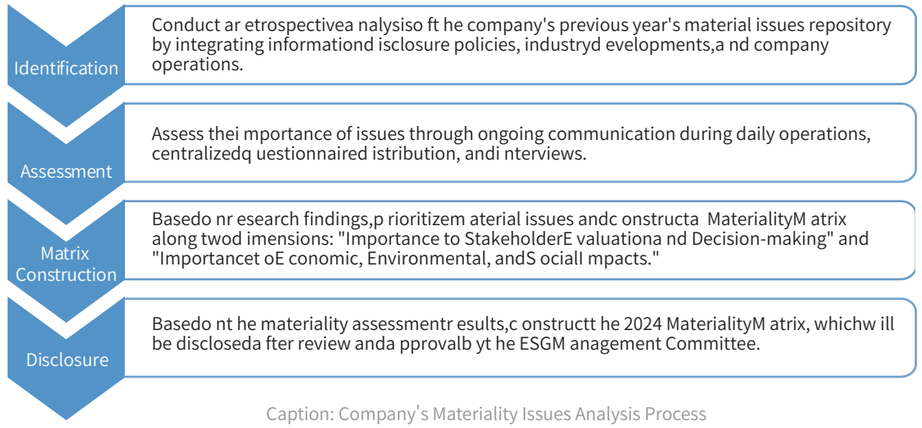
Stakeholder Communication

Laviana Pharma regards stakeholders as vital partners for sustainable development, consistently engaging in multi-level, regular communication with openness, transparency, and responsibility. Through various channels such as official websites, media releases, enterprise reports, and exchange activities, the company maintains extensive and in-depth interactions with customers, investors, suppliers, employees, governments, industry peers, environmental stakeholders, and community representatives to comprehensively understand their key concerns and legitimate demands. Building on communication achievements, the company continuously improves its ESG information disclosure process, focusing on addressing and refining key issues. It transforms stakeholder feedback into powerful drivers for optimizing enterprise strategy, enhancing operations, and fulfilling responsibilities, thereby consistently elevating company governance standards and sustainable development capabilities to achieve multi-party value co-creation and long-term win-win collaboration.

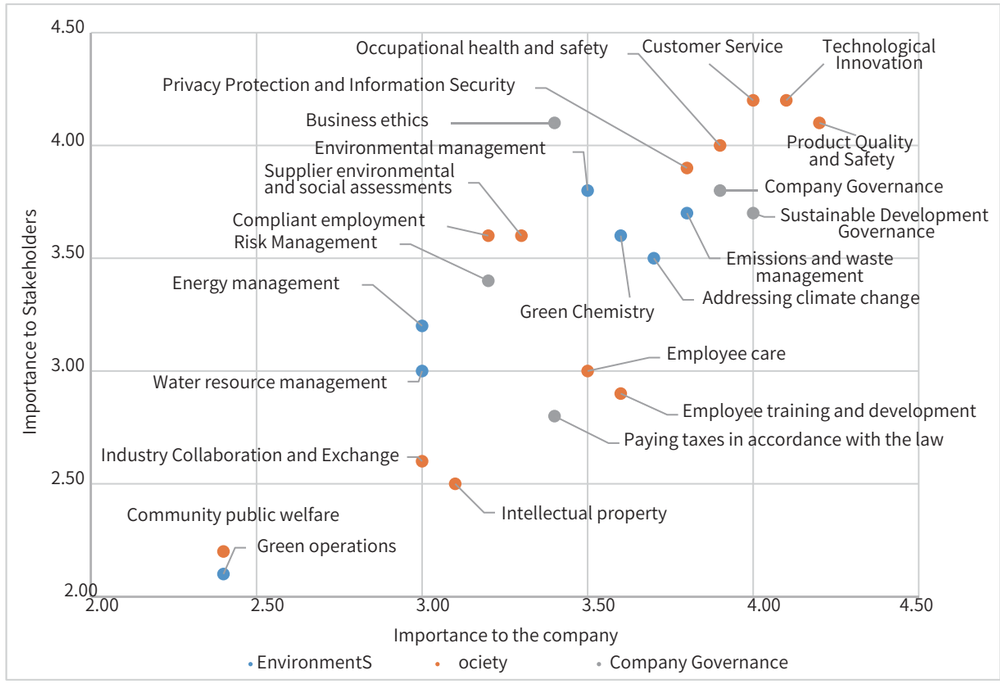
Stakeholders	Key Focus Areas	Communication Channels
Customers	Customer Service Technological Innovation Green Chemistry Product Quality and Safety Privacy Protection and Information Security	Quality Management System Development Customer Service System Development Conducting Regular Customer Satisfaction Surveys Strengthening Information Security and Business Privacy Protection Formulating and Implementing Product Recall Procedures
Investors	Company Governance Risk Management Sustainable Development Governance	Establishing and Improving a Modern Company Governance System Conducting Timely and Standardized Information Disclosure Providing Reasonable Investment returns
Suppliers	Supplier Social and Environmental Assessments Industry Collaboration Business Ethics	Collaborating With Suppliers on Joint Projects Promoting Sustainable Procurement Fair and Compliant Transactions
Employees	Compliant Employment Employee Care Employee Training and Development Occupational Health and Safety	Standardizing Employment Practices and Respecting Human Rights Innovating Employee Development Channels Guaranteeing Wages and Benefits in Accordance With the Law Improving the Occupational Health and Safety Management System
Government	Company Governance Environmental Management Risk Management Paying Taxes in Accordance With the Law	Compliance Management Operating in Accordance With the Law Paying Taxes in Accordance With the Law
Industry Peers	Industry Collaboration Intellectual Property Technological Innovation	Actively Participating in Industry Conferences Engaging in Industry Exchanges Strengthening Technical Collaboration for Joint R&D
Environment	Addressing Climate Change Energy Management Water Resource Management Emissions and Waste Management Green Operations	Adopting Energy-saving Technologies Reducing Pollutant Emissions More Environmentally Friendly Raw Materials Reducing Hazardous Waste Generation Enhancing Environmental Awareness and Knowledge Across All Staff
Community	Community Public Welfare	Participating in Public Welfare Activities Encouraging Employee Participation in Volunteer Services

Materiality Issues Analysis

In identifying and analyzing material issues, Laviana Pharma fully integrates communication outcomes with various stakeholders, aligns with the company's operational realities, industry trends, and strategic direction, and references the Global Reporting Initiative's (GRI) "Sustainability Reporting Standards (GRI Standards 2021 Edition)," mainstream domestic and international ESG disclosure standards, and key focus areas of sustainability rating systems like EcoVadis to conduct systematic materiality assessments. By benchmarking against industry best practices, consulting expert advice, and conducting in-depth research on relevant regulations and standards, the company has developed a materiality issues matrix for 2024, identifying 24 material issues—including 7 environmental, 12 social, and 5 governance topics—providing clear guidance and focus for sustainable development strategy formulation and information disclosure.



Caption: Company's Materiality Issues Analysis Process



Caption: Company's Materiality Issues Matrix

Environment
Environmental management、Addressing climate change、Energy management、Emissions and waste management Water resource management、Green chemistry、Green operations.

Society
Technological innovation、Intellectual property、Product quality and safety、Customer service、Privacy protection、and information security、Compliant employment、Employee care、Employee training and development、Occupational health and safety、Industry exchange and cooperation、Supplier environmental and social assessments、Community public welfare

Governance
Company governance、Sustainable development governance、Risk management、Business ethics、Paying taxes in accordance with the law

Internal Control and Risk Management

Laviana Pharma consistently adheres to the principle of "Prevention First, Management-Centric, Continuous Improvement," treating risk and opportunity management as a crucial support for compliant operations and high-quality development. The company established a risk management system led by the Quality Assurance Department, designating each department as responsible entities to collectively identify, assess, and address potential risks and opportunities in their respective operations. The Quality Assurance Department is responsible for formulating unified management systems, organizing reviews and training, and monitoring implementation effectiveness. Each functional department must regularly identify, document, report, and implement departmental risks and opportunities in specific business contexts to ensure closed-loop operation of company-wide risk control.

To systematically enhance the standardization and execution of risk management, the company has formulated and implemented the "Risk and Opportunity Response Management Procedure," specifying the full-process requirements for risk identification, assessment, response, and review. During identification, the company focuses on key areas including business development, product R&D, procurement, production, quality control, equipment maintenance, and continuous improvement, establishing a "Risk and Opportunity Assessment Analysis Form" for quantitative management by integrating multidimensional factors such as laws and regulations, asset security, operational continuity, environmental protection, and enterprise reputation. Risk assessment is scored based on a coefficient model of "severity × frequency × detectability," categorizing risks into low, medium, and high levels, with corresponding response strategies including risk acceptance, mitigation, or avoidance. Evaluation results will serve as the basis for developing control measures and resource allocation. Additionally, the Quality Assurance Department conducts at least one comprehensive review annually, increasing the frequency in response to organizational changes, regulatory updates, or major incidents to ensure the effectiveness of risk response measures and continuous follow-up on improvement directions. Through institutionalization, process optimization, and data-driven approaches, the company continuously strengthens risk control awareness, steadily improving overall operational resilience and compliance standards.

Caption: Risk Analysis Dimensions

Case: Conduct 2024 Anti-fraud Publicity and Training Activities to Enhance Employee Vigilance

To comprehensively enhance employees' ability to prevent online fraud, Laviana Pharma organized anti-fraud awareness and training activities in 2024, actively responding to the call of the National Anti-Fraud Center. The event featured lectures by officers from the Public Order Management Detachment of Dongli Branch, covering prevalent fraud types such as investment scams, part-time job fraud, and impersonation of superiors through case studies and risk alerts, with in-depth analysis of fraudulent tactics and prevention strategies using real cases. Meanwhile, the training session promoted the installation of the "National Anti-Fraud Center" app to strengthen employees' daily protection awareness. Additionally, the event featured a lecture on bravery in upholding justice, promoting social integrity and positive energy. This training has further strengthened the company's information and property security barriers, enhanced employees' awareness and capabilities in identifying and preventing fraud, and fostered a safe, stable, and healthy work environment.

Caption: Training Session

Business Ethics

Anti-Corruption Management

Laviana Pharma upholds the core values of "Honesty, Lawfulness, Integrity, and Self-Discipline," rigorously implements the "Anti-Unfair Competition Law of the People's Republic of China", the "Criminal Law of the People's Republic of China" and other relevant laws and regulations, responds to national anti-corruption policies, establishes an ethical management system, and builds a law-abiding, trustworthy brand image. The Board of Directors serves as the leadership body for anti-corruption efforts, overseeing the company's anti-corruption system. The Audit Department, as the standing executive body, handles specific duties such as maintaining reporting channels and investigating and processing cases. The Human Resources and Administration Department is responsible for anti-corruption policy training, employee integrity agreement signings, and the implementation and promotion of daily conduct policies, and is also responsible for managing the registration and processing of received gifts to ensure compliance with integrity protocols. Other functional departments of the company assume responsibilities for identifying, preventing, controlling, and providing feedback on internal integrity risks in daily operations, forming an anti-corruption management system coordinated by headquarters, implemented by subsidiaries, and interconnected at all levels. Through anti-corruption training, integrity education for new employees, and the signing of integrity agreements, the company continuously strengthens employees' awareness of integrity and enhances risk prevention and control capabilities.

The company has established and strictly enforces management policies such as the "Laviana Pharma Business Ethics Policy," "Integrity Management System," "Reward and Penalty Regulations," and "Company Gift Acceptance Policy." These policies define and outline procedures for "corrupt practices," "conflicts of interest," and "improper gift-giving," forming a comprehensive anti-corruption compliance framework. The company established multiple reporting channels including hotlines, emails, letters, and in-person meetings to facilitate internal whistleblowing, encouraging employees and external stakeholders to report violations either anonymously or with real names, while guaranteeing strict confidentiality and prohibiting retaliation. For critical positions, the company implemented a "clean agreement" signing mechanism requiring employees to execute an "Anti-Kickback and Bribery Agreement" clarifying ethical responsibilities and prohibited conduct, while incorporating anti-corruption training into annual programs with 100% coverage. For daily business interactions, the company stipulates that employees must not accept gifts, hospitality, or rebates exceeding the standard value. If acceptance is necessary, it must be registered and processed according to regulations. Regular audit spot checks are conducted on high-risk business processes to ensure effective implementation of policies. Through coordinated advancement of institutional development and behavioral standards, Laviana Pharma achieved its "zero corruption incidents" management goal during the reporting period, continually fostering an open, fair, and ethical business environment.

The company's public reporting channels:

Reporting hotline: 0523-88816128

Reporting email: yyang@lavianacorp.com

Anti-Unfair Competition

Laviana Pharma consistently adheres to the principles of fair, legal, and honest market conduct, upholding the business philosophy of "Compliance as the Baseline, Competition as the Driving Force," and is committed to building a fair and orderly market environment and a healthy cooperative ecosystem. The company strictly complies with laws and regulations such as the "Anti-Monopoly Law of the People's Republic of China," the "Anti-Unfair Competition Law of the People's Republic of China," and the "Consumer Rights Protection Law of the People's Republic of China," resolutely prohibiting any form of abuse of market dominance, monopoly agreements, unfair competition, or actions that harm consumer rights, ensuring a free, fair, and honest market order.

In management, the company has established rules and regulations such as the "Business Ethics Procedures" and formulated the "Ten Prohibitions List for Anti-Monopoly and Anti-Unfair Competition Compliance," explicitly prohibiting illegal activities such as false advertising, commercial bribery, defamation of competitors, price manipulation, and coercive transactions. Additionally, to further strengthen compliance awareness across the organization, the company continuously promotes anti-unfair competition training to enhance employees' understanding and judgment of legal boundaries and compliance redlines. Meanwhile, the company encourages internal employees to identify and report potential unfair competition practices, ensuring early detection, rectification, and resolution of issues.

No legal proceedings or administrative penalties related to monopoly or unfair competition occurred during the reporting period.

Table Note: Ten Prohibitions List for Anti-Monopoly and Anti-Unfair Competition Compliance of the Company

1.No collusion with competitors on pricing permitted
2.No market allocation manipulation permitted
3.No bundled sales or tie-in sales permitted
4.Prohibition of abusing market position to exclude or restrict competition
5.Commercial defamation is strictly prohibited
6.False or misleading advertising is prohibited
7.It is prohibited to solicit or offer commercial bribes
8.Unauthorized disclosure or improper acquisition of trade secrets is prohibited
9.Prohibition of bid-rigging or collusion in tendering
10.Prohibition of making unauthorized commitments or arrangements that affect market order

Tax Compliance

Laviana Pharma strictly complies with relevant tax laws and regulations such as the "Tax Collection and Administration Law of the People's Republic of China" and the "Enterprise Income Tax Law of the People's Republic of China," consistently regarding tax payment as a fundamental enterprise responsibility. The company adheres to the principles of legality, compliance, and honest reporting, standardizing tax registration, tax filing, invoice management, and related planning to ensure truthful, accurate, and timely tax processing. By establishing and improving internal tax management systems, the company continuously enhances tax compliance levels and effectively mitigates tax risks. Simultaneously, the company actively monitors national tax policy trends, legally benefits from tax incentives, and promotes stable development while fulfilling its social responsibility.

Table Note: Company's 2024 Business Ethics Training Performance

Metrics	Unit	2024
Per capita training hours on business ethics	Hour(s)	1.1
Percentage of new employees who received training	%	100
Incidents of commercial bribery and corruption during the reporting period	Time(s)	0
Legal proceedings or administrative penalties related to monopoly or unfair competition during the reporting period	Time(s)	0
Tax compliance during the reporting period	Yuan ('0,000)	487.9

PART 02

Ecological Protection

PROTECTING THE ECOLOGY

Ecological Protection

Environmental Management

Laviana Pharma consistently adheres to the green development philosophy, upholding the environmental management policy of "People-oriented, Prevention-oriented, Staff Participation, Harmonious Development, Scientific Management, and Continuous Improvement." It fully implements environmental protection responsibilities, striving to minimize environmental impact while ensuring stable business operations. The company sets "100% compliance in pollutant emissions, 100% effective waste classification and disposal, and zero environmental impact incidents" as core goals. Through systematic management, it continuously advances clean production and green process improvements, striving for harmonious coexistence between humans and nature.

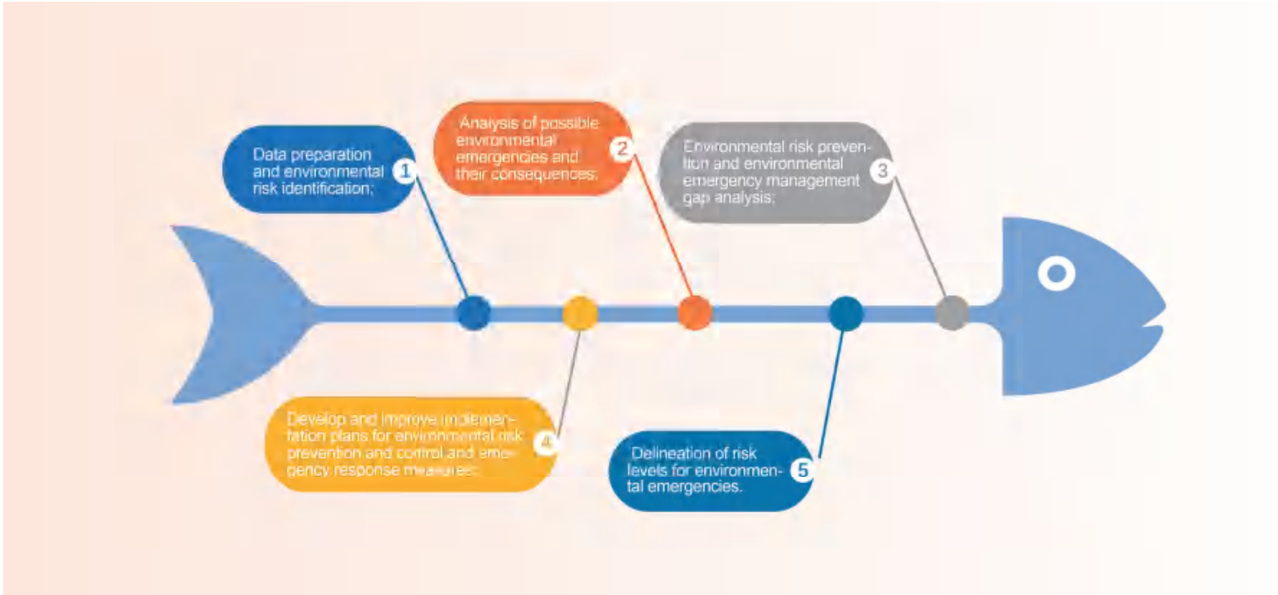
The company strictly complies with environmental laws and regulations such as the "Environmental Protection Law of the People's Republic of China," the "Air Pollution Prevention and Control Law of the People's Republic of China," and the "Pollutant Discharge Permit Management Regulations," establishing a comprehensive environmental management system covering project construction, pollution prevention, discharge permits, emergency management, and other dimensions. The company issued and implemented the "EHS Management Manual" with supporting documents, establishing an environment, health, and safety (EHS) management system grounded in institutional frameworks and guided by operational standards.

Organizationally, the company appointed the Chief Operating Officer as the EHS management representative, fully responsible for establishing, operating, and continuously improving the EHS system. Dedicated EHS departments were set up at operational bases to ensure effective implementation of environmental management objectives across all processes. The company regularly conducts internal audits, management reviews, and external third-party audits to continuously monitor system performance and promote issue resolution, enhancing environmental management capabilities. During the reporting period, Laviana Pharma's Tianjin and Jiangsu bases successfully passed the ISO 14001 environmental management system recertification audit, while the Cangzhou base also obtained ISO 14001 certification, marking the company's comprehensive coverage and standardized operation of its environmental management system.

Caption: Company's Environmental Management System Framework

Caption: ISO 14001 Certification Certificates for the Company's Three Locations

Laviana Pharma places high importance on the identification and control of environmental risks, establishing an environmental risk assessment and emergency response mechanism covering the entire production process. The company adheres to the principles of "Source Prevention, Hierarchical Management, and Dynamic Updates", fully implementing environmental protection laws and regulations, including the "Environmental Protection Law", "Environmental Impact Assessment Law", and "Emergency Response Law". It conducts risk assessments for sudden environmental events at all production bases in accordance with standards such as the "Enterprise Sudden Environmental Event Risk Classification Method". Based on evaluation results, the company compiled the "Risk Assessment Report" and department-level "Risk Identification and Control List," clarifying various hazardous substances, receptor distributions, and potential scenarios. Targeted prevention measures were formulated, with periodic revisions to risk control content to adapt to dynamic changes in legal policies, technological upgrades, and on-site management.



Caption: Company's "Five-Step" Environmental Risk Level Assessment.

Regarding emergency management, the company formulated and implemented the "Sudden Environmental Incident Emergency Response Plan," which has been filed with the ecological environment regulatory authorities. The emergency response system comprises three major modules: comprehensive emergency plans, hazardous waste-specific contingency plans, and on-site disposal protocols for workstations, covering multiple sudden scenarios such as leaks, fires, explosions, and wastewater overflow. The company has established a multi-level emergency response mechanism, equipped with complete emergency supplies, dedicated rescue teams, and internal-external coordination systems to ensure rapid and efficient handling of various risk incidents. In 2024, the company organized 3 specialized environmental emergency drills, significantly improving employees' emergency response capabilities under practical conditions.

Case: Hazardous Waste Emergency Drill Enhances Practical Response Capabilities, Strengthening Environmental Safety Defenses

To improve hazardous waste management capabilities and emergency response preparedness, Laviana Pharma conducted an emergency drill simulating a hazardous waste leakage scenario. The drill scenario closely mirrored real-world operations, covering critical positions and high-risk materials, making it highly representative. During the implementation process, the company formulated contingency plans in accordance with the "Guidelines for the Preparation of Emergency Rescue Plans for Hazardous Waste Accidents (Enterprise Edition)", with complete content and specific measures. The accident handling procedures comply with hazardous material emergency response standards, enabling efficient control of accident impacts. The company's emergency command system is well-organized, with relevant employees possessing professional foundations and emergency rescue knowledge, enabling swift decision-making and command in emergencies. This drill not only verified the effectiveness of the company's hazardous waste emergency response plan but also further strengthened the practical capabilities of the emergency team, which is of great significance for improving the company's overall environmental safety management level.

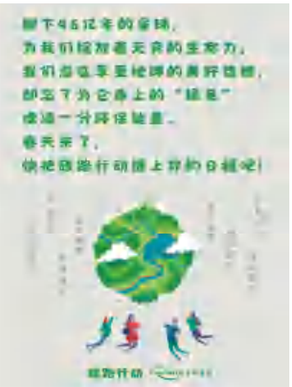
Caption: Company's Emergency Drill Scene

Additionally, the company actively conducts environmental training, providing systematic education for frontline employees, managers, and key positions to continuously enhance employees' environmental awareness and skills. The company's environmental training covers core modules including EHS concepts, environmental laws and regulations, waste management, water resource management, and emergency response protocols, comprehensively enhancing employees' environmental awareness and operational standards. During the reporting period, all employees completed environmental training courses, achieving full training coverage and establishing a closed-loop management mechanism of "training—assessment—drills—improvement".

Caption: On-site Environmental Protection Training Conducted by the Company

Case: World Earth Day—Energy Saving and Consumption Reduction, We Are Taking Action!

On World Earth Day 2024, Laviana Pharma carried out multiple green initiatives under the theme "Carbon Path Initiative," comprehensively advancing energy conservation, consumption reduction, and eco-friendly operations. Through optimizing R&D processes, promoting energy-saving equipment, implementing paperless offices, waste sorting and recycling, and green commuting initiatives, the company integrates environmental concepts into daily management, actively building a green and low-carbon pharmaceutical service model. This initiative not only demonstrates the company's strong commitment to sustainable development but also enhances employees' environmental awareness, driving continuous improvement in the company's ESG performance.



Caption: Carbon Path Initiative Campaign Poster

Key Performance:

During the reporting period, the company invested **21,341,400** yuan in environmental protection;

During the reporting period, there were **zero** major sudden environmental events;

During the reporting period, there were **zero** instances of major administrative penalties or criminal liabilities imposed by cological environment authorities or other relevant departments due to environmental incidents.

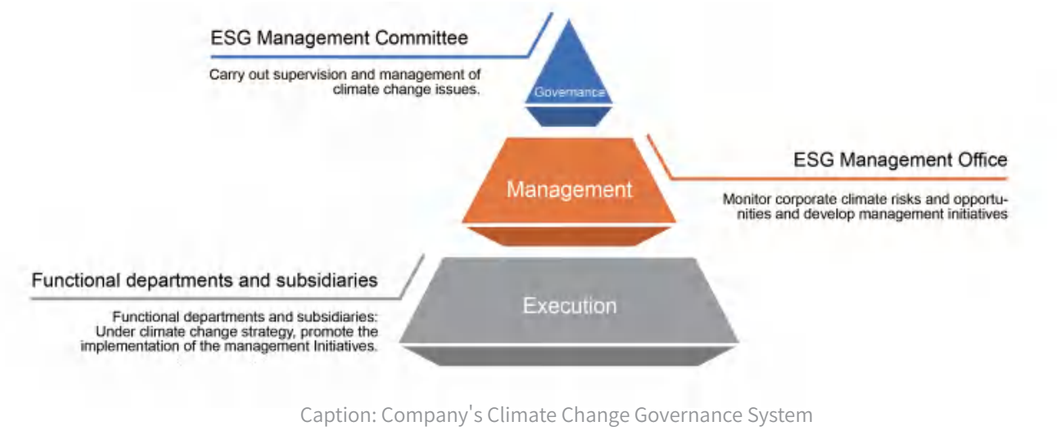
During the reporting period, the company conducted **3** environmental emergency drills.

Addressing Climate Change

Laviana Pharma continuously monitors climate change, actively responds to the "Dual Carbon" goals, emphasizes the company's climate change adaptation capabilities, and accelerates green and low-carbon transformation. The company conducts analysis and management of climate change issues in accordance with the International Sustainability Standards Board's "IFRS S2—Climate-related Disclosures" framework, continuously improving its climate change management structure to enhance its capability in addressing climate change.

Climate Change Governance

Laviana Pharma has clarified the responsibilities and authorities of various organizational levels in addressing climate change based on its sustainable development committee structure, continuously optimizing production processes and equipment, advancing carbon emission management, reducing carbon emissions, and comprehensively promoting climate change governance.



Caption: Company's Climate Change Governance System

Climate Change Strategy

The company consistently upholds the concept of green development, gradually reducing carbon emission intensity as a long-term strategic direction. It remains committed to optimizing the energy structure, increasing the proportion of clean energy in the company's overall energy consumption, and gradually reducing the use of fossil fuels while increasing the use of clean energy. Additionally, through technological upgrades and equipment retrofitting, energy utilization efficiency has been improved, reducing carbon emissions during production processes.

Risk and Opportunity Identification

The company actively responds to the "Dual Carbon" goals by identifying and managing climate change risks and opportunities, categorizing different risk types, and formulating corresponding response measures based on relevant climate change impacts to better address climate change.

During the reporting period, the company conducted its 2024 carbon inventory project, further refining its carbon emission data to support subsequent carbon emission management.

Table Note: Laviana Pharma's Climate Change-Related Risk Identification and Response Measures

Risk Types		Risk Description and Impact Analysis	Response Measures
Physical Risks	Acute Risks	Extreme weather events (e.g., heavy rain, typhoons, snowstorms, floods, heatwaves) may cause production disruptions, fixed asset depreciation, labor losses, and increased facility maintenance costs, thereby affecting product delivery schedules.	The company has established a regular meteorological information tracking mechanism and developed emergency response plans for extreme weather and sudden environmental incidents. A digital platform has been introduced to monitor environmental changes in real-time, provide early warnings of potential safety hazards, and improve response efficiency.
	Chronic Risks	Global warming may affect the normal operations of the company in production processes, logistics, and office operations, thereby increasing overall operational costs.	The company has developed a climate change emergency response plan, continuously monitoring climate trends and extreme event warning mechanisms to ensure preparedness.
Transition Risks	Policy and Legal Risks	As governments worldwide increasingly tighten climate disclosure requirements, the company faces growing compliance management pressures.	Track greenhouse gas emissions and related legal regulation changes in real - time, refine and update the internal environmental management system to ensure compliant responses.
	Technical Risks	In the process of advancing carbon emission reduction, it is necessary to introduce energy-saving and consumption-reducing equipment or clean technologies, and conduct research and development of low-carbon technologies, but there are certain risks of technical failure and investment.	The company continuously improves the efficiency of existing equipment, establishes fault-tolerant mechanisms, and actively monitors developments in the low-carbon sector to promote pilot projects and optimization of green technologies.
	Market Risks	As capital markets, customers, and other stakeholders increasingly focus on enterprise carbon reduction performance, inadequate response from the company may impact market share.	The company closely monitors carbon market and policy trends, proactively investing in key areas such as green technology and green supply chains to meet market and customer demands for sustainable development.
	Reputation Risk	If the company fails to actively undertake climate change-related actions, it may not meet regulatory and customer environmental requirements, thereby affecting its enterprise image and reputation.	The company continuously advances green and low-carbon development, optimizes its environmental management system, enhances climate change response capabilities, and strengthens public sentiment monitoring with proactive rectification to mitigate potential adverse impacts on surrounding environments and public image.

Water Resource Management

Laviana Pharma upholds the water resource management goal of "Comprehensive Understanding, Precise Management, and Continuous Improvement," striving to enhance water use efficiency, reduce waste, ensure compliance, and foster a water-saving culture. The company comprehensively tracks consumption data for various water resources including tap water, purified water, steam, and circulating water, identifies potential issues such as pipeline leaks and metering deficiencies, and continuously optimizes water usage structures through technical and managerial measures. The company strictly adheres to relevant laws and regulations such as the "Water Law of the People's Republic of China," "Water Conservation Regulations," "Industrial Water Conservation Management Measures," and "Opinions on Strengthening Industrial Water Conservation." It implements a water-saving principle that emphasizes full participation, key control, and technological innovation, comprehensively enhancing the scientific and standardized use of water in the enterprise.

The company has established a water conservation leadership team to coordinate water resource management policy formulation, plan implementation, and oversight evaluation, with designated responsible personnel in each operational area accountable for local water usage data tracking, equipment maintenance, and water-saving measure execution. Daily management is led by the operations support department, handling specific tasks such as unified water resource allocation, water balance testing, and water-saving technology renovation. Meanwhile, the company engaged third-party professional institutions to develop and implement water balance testing programs, ensuring scientific data and manageable oversight, thus establishing a "company coordination-department execution-professional support" management system.

The company established a comprehensive institutional system covering water metering, statistical analysis, water-saving evaluations, and employee training. By refining water appliance management records, regularly calibrating metering accuracy, and establishing water usage data reporting and analysis mechanisms, the company achieves dynamic monitoring and deviation correction for water consumption. Water-saving incentive mechanisms and performance evaluation systems motivate departments and employees to actively participate in water conservation, while regular awareness campaigns and training further enhance collective water-saving awareness and expertise, laying a scientific, compliant, and sustainable foundation for management systems.

To improve water resource utilization efficiency, the company implements systematic actions across five dimensions: "metering refinement – issue rectification – scheduling optimization – technology renovation – employee participation." To address metering deficiencies, the company accelerated the installation of water meters at sewage stations and circulating water pools to achieve secondary metering compliance. Based on water balance test results, it promptly repaired leaks, optimized process flows, and improved steam condensate recovery rates. In daily management, the company has established water inspection and dispatching systems to enhance the utilization efficiency of circulating water and steam, while strengthening wastewater reuse. Simultaneously, it actively introduced water-saving equipment, explored green technology pathways, and encouraged employees to propose rational water-saving suggestions, comprehensively advancing the goal of building a water-efficient enterprise.

Table Note: Water Resource Performance

Metrics	Unit	2024 Data
Total Water Consumption	Tons	74719
Water Resource Recycling Volume	Tons	5000

Case: Circulating Cooling Water System Enhances Water Resource Utilization Efficiency

In pharmaceutical manufacturing, equipment cooling is an indispensable process. Using solely single-use cooling water would not only waste substantial water resources but also increase enterprise operational costs. To this end, Laviana Pharma actively promotes water resource recycling by deploying a circulating cooling water system in the plant, achieving efficient recovery and reuse of cooling water.

This system utilizes cooling water pumps to draw water from cooling towers, transport it to production equipment for heat exchange, and after completing equipment cooling, the water returns to the cooling towers for temperature reduction before re-entering the cycle. During the cooling process, cooling water removes heat from the process medium through heat exchangers, maintaining the temperature environment required for equipment operation. The system design enables the repeated use of cooling water in a closed-loop cycle, minimizing reliance on fresh water.

The implementation of this measure has reduced water usage in the cooling process by over 95%, significantly lowering resource consumption and operational costs, while alleviating environmental pressure from wastewater discharge. This supports the enterprise in building a green, safe, and sustainable production system. The circulating cooling water system has become a typical case of recycling in the company's water resource management, fully embodying the management philosophy of water conservation priority and clean production.

Caption: Recirculating Water Cooling System

Energy Consumption

Laviana Pharma adheres to the energy management principles of "Energy Saving First, Scientific Management, Full Participation, and Continuous Improvement," committed to enhancing energy efficiency, reducing resource consumption and operational costs, and supporting enterprise green and low-carbon development. Through multifaceted measures including awareness campaigns, training, technology renovation, and institutional development, the company integrates energy conservation concepts throughout its operational processes, actively establishing an efficient, clean, and sustainable energy management system.

To achieve energy-saving targets, Laviana Pharma has formulated a clear 2024 annual energy conservation plan, aiming for a 5% year-on-year reduction in comprehensive energy consumption without increasing R&D project hours or including Phase III construction project energy usage. This goal not only reflects the company's commitment to environmental responsibility but also enhances its green competitiveness and brand image in the market and among customers.

The company's energy management is overseen by the operations support department, encompassing functions such as energy usage audits, consumption data statistical analysis, energy-saving project implementation, and equipment operation supervision. The department also leads the formulation of institutional documents such as the "Energy Management Regulations" and "Energy Conservation Action Plan," clarifying the breakdown of energy-saving targets, supervision and assessment mechanisms, and employee responsibilities to ensure the normalization and institutionalization of energy conservation management.

The company has implemented a monthly tracking mechanism for energy consumption data, conducting itemized statistics and trend analysis for major energy sources such as electricity and tap water. It also verifies and reports the reasons for deviations with the energy-consuming departments. Simultaneously, the company implements an energy usage application and approval system, requiring GMP areas and utility system equipment to obtain authorization from the operations support department before operation to prevent energy waste and non-compliant operations.

In energy-saving initiatives, the company implemented targeted improvements in key energy-consuming scenarios. On one hand, it adjusts ventilation and air conditioning system parameters via technical means to reduce frequency or timed shutdowns during non-working hours, ensuring energy savings without compromising safety. On the other hand, it strengthens security patrol management, implementing power-off photo documentation and reminder systems for air conditioning, lighting, and appliances in unoccupied office areas, establishing closed-loop management. High-energy-consuming facilities such as cold storage and cool storage must undergo equipment shutdown procedures when idle for extended periods.

Furthermore, the company actively promotes energy-saving technological renovation projects, including the expansion of the ventilation system in the R&D building, the replacement of the QC laboratory air conditioning system with a multi-split system, and the restoration of the heating system in the administrative building. These initiatives not only enhance system operational efficiency but also achieve the economic benefit of "investment recovery within the same year" in some projects, significantly reducing seasonal energy expenditures and continuously lowering the company's overall energy consumption.

Table Note: Company's 2024 Energy Usage

Metrics	Unit	2024		
Location		Cangzhou	Tianjin	Taizhou
Natural gas	Cubic meters	84275	-	-
Electricity	Megawatt-hours	53991.18	1880.4	264.1331

Pollutant and Waste Management

In the management of three wastes, the company has established clear goals: achieving compliant discharge of water, gas, and noise, and ensuring the safe treatment of solid and hazardous waste. The company has established management and governance measures, including the "Waste Gas Control Management System", "Waste Management System", "Noise Pollution Management System", "Wastewater Control Management System", "Wastewater Sampling and Testing Standard Operating Procedures", and "Sewage Operation and Treatment Operating Procedures". The company's pollutants and waste are uniformly managed by the Safety and Environmental Protection Department, which is responsible for daily supervision and maintenance, and is equipped with wastewater and exhaust gas treatment equipment. Third - party agencies are commissioned for regular testing to ensure compliance with emission standards. Concurrently, the company requires all departments and subsidiaries to strengthen equipment management, control equipment integrity rates, eliminate leaks, standardize leakage handling procedures, and comprehensively advance three-waste management.

During the reporting period, the company's wastewater, exhaust gases, and noise emissions all met standards, and waste was properly handled in accordance with relevant requirements.

Exhaust Gas Management

The company's current exhaust gases primarily consist of volatile organic compounds, toluene, hydrogen chloride, dichloromethane, and trace amounts of odorous gases. Among these, organized emissions of volatile organic compounds (VOCs), toluene, hydrogen chloride, dichloromethane, odor concentration, ammonia, and hydrogen sulfide comply with the "Pharmaceutical Industry Air Pollutant Emission Standard" (DB3214042-2021). Unorganized emissions of VOCs, toluene, hydrogen chloride, and dichloromethane comply with the "Comprehensive Air Pollutant Emission Standard" (DB32/4041-2021).

The company conducts daily operation, maintenance, and activated carbon replacement of exhaust treatment facilities, records operational data and maintenance status, and commissions third-party testing agencies to comprehensively monitor exhaust emission concentrations for precise control.

Additionally, the company created exhaust emission port archives, including monitoring reports, activated carbon replacement records, and equipment operation/maintenance status, ensuring traceable data and accountability. It intensified on-site inspections, focusing on pipeline interfaces and adsorption devices to prevent leaks causing unorganized emissions, ensuring synchronized and stable operation of treatment facilities with experimental or production equipment, prohibiting unauthorized shutdowns or bypass emissions, thereby continuously improving exhaust environmental management levels and advancing clean production and green operation goals.

Table Note: Exhaust Gas Emission Data During the Reporting Period:

Metrics	Unit	2024 Data		
Location		Cangzhou	Tianjin	Taizhou
Nitrogen Oxide (NOx) Emissions	Tons	0.554	-	-
Sulfur Dioxide (SO2) Emissions	Tons	-	-	-
挥Volatile Organic Compounds (VOCs) Emissions	Tons	1.3859536	1.25	1.56518
Particulate Matter Emission Concentration	Tons	0.13872	0.01	-

Wastewater Management

Currently, the company's main wastewater includes production wastewater, domestic sewage, floor wash water, and kettle cleaning water. The treatment process employs "regulating tank + micro-electrolysis tower + Fenton tower + coagulation tank + intermediate regulating tank + anaerobic tank + contact oxidation tank + MBR tank," meeting the "Chemical Synthesis Pharmaceutical Industry Water Pollutant Discharge Standard" (GB 21904-2008).

The company strictly adheres to standard operating procedures for water sample collection from regulation and sampling pools, standardizing sampling times, tools, labeling, and retention processes to ensure sample representativeness and testing accuracy. Routine testing items cover conventional pollutants such as COD, ammonia nitrogen, total phosphorus, and pH, all judged for compliance based on local standard limits. Results are recorded in the "Wastewater Discharge Statistics Table" and archived for daily monitoring and annual environmental reports. Concurrently, the company engages third parties to conduct wastewater testing, ultimately compiling and sharing data with relevant government agencies to promote cross-departmental collaboration and issue traceability.

Additionally, for abnormal situations, the company has established a closed-loop rectification mechanism. Non-compliant water samples are immediately returned to the regulating tank for reprocessing, with the operations support department responsible for process adjustments and cycle recording. The EHS department initiates investigations within 24 hours of notification, traces back to the discharge link, and produces the "Non-Compliance Root Cause Analysis Report." Non-compliant samples are refrigerated for 14 days as per standards for re-inspection, ensuring a robust traceability and review mechanism.

Table Note: Wastewater Discharge Data During the Reporting Period:

Metrics	Unit	2024 Data		
Location		Cangzhou	Tianjin	Taizhou
Total Wastewater Discharge	Tons	19237.4131	2417	25289
Chemical Oxygen Demand (COD) Emissions	Tons	0.3775682	0.544	0.75296
Ammonia Nitrogen Emissions	Tons	0.0437451	0.051	0.01906
Total Nitrogen Emissions	Tons	0.1758219	0.073	0.10119
Total Phosphorus Emissions	Tons	-	0.007	0.00272

Solid Waste and Hazardous Waste Management

The company adheres to the waste management philosophy of "Entire-process Control, Full-category Classification Management, and End-to-end Compliance," establishing a unified management system covering both hazardous and general waste to effectively fulfill environmental responsibilities and ensure operational environment safety. In accordance with the "Waste Management System," the "Law on the Prevention and Control of Environmental Pollution by Solid Waste," the "National Hazardous Waste Inventory," and other regulations, the company has established a management framework led by the EHS department, executed by the operations support department, and coordinated by various waste-generating departments. This framework clarifies responsibilities and achieves closed-loop supervision of the entire solid waste treatment process, from source classification, daily collection, standardized storage, to compliant disposal.

For general industrial and office waste, the company follows the principles of "reduction first, classified collection, and resource utilization" in its management. Waste-generating departments conduct preliminary sorting of packaging materials, paper waste, and domestic waste, which are then uniformly collected, transported, or disposed of by the operations support department, with relevant inbound and outbound records maintained. The company actively explores reuse pathways for recyclable materials, encourages internal resource recycling, and reduces total emissions and disposal costs.

In terms of hazardous waste management, the company focuses on high-risk categories such as experimental waste liquids, chemical waste, and contaminated consumable packaging materials. It strictly implements procedures including dedicated container collection, labeling, zoned storage, weight

registration, and transfer manifests to ensure all hazardous waste is safely disposed of by qualified third-party institutions in compliance with regulations. The hazardous waste temporary storage area is equipped with safety facilities including ventilation, alarms, and fire suppression systems, implementing regular inventory clearance, dynamic ledger management, and accountability mechanisms to effectively mitigate environmental and personnel safety risks.

Meanwhile, the company strengthens daily inspections and compliance supervision by implementing measures such as ledger audits, inventory checks, and hygiene inspections in storage areas to ensure waste disposal is truthful, traceable, and without omissions. The EHS Department regularly organizes waste management training and emergency drills for relevant employees to enhance operational standardization and risk response capabilities.

For highly toxic hazardous waste, the company has researchers treat it before collecting it into hazardous waste packaging to reduce its hazards. Solvents distilled during R&D are reused internally for experimental products, while non-reusable waste solvents are repurposed for cleaning lab equipment.

Additionally, various departments repurpose discarded empty plastic and iron drums (originally for solvents and liquid raw materials) to store liquid hazardous waste, while purchasing used cardboard drums for sharps waste, achieving waste reuse.

In 2024, 1,798 discarded empty plastic and iron drums (approximately 2.463 tons) were repurposed. 299 used cardboard drums were procured, totaling approximately 0.72 tons. 2.9 tons of solvents were recycled, and 5.9 tons of waste solvents were reused.

01

Use scrapped empty plastic or iron barrels to hold hazardous waste and reduce the generation of waste empty barrels;

02

While ensuring the health and safety of personnel, advocate the reuse of protective gloves;

03

In parallel with the research and development of synthetic routes, consider choosing the one with the least use of materials;

04

As for cleaning solvents, we advocate research and development of internal recycling treatment to reduce the scrapping of cleaning solvents.

Caption: Measures to Reduce Hazardous Waste Generation

Table Note: Hazardous Waste Emission Data During the Reporting Period:

Metrics	Unit	2024 Data		
Location		Cangzhou	Tianjin	Taizhou
Hazardous Waste	Tons	369.9485	61.698	638

Noise Management

The company prioritizes mitigating noise's impact on employee health and the surrounding environment. It has established and implemented a "Noise Pollution Management System," standardizing monitoring, control, and mitigation across all production areas and external construction units. Guided by the principle of "Prevention-oriented, Control Prioritized, and Accountability Assigned," it effectively reduces noise pollution, fulfilling its social responsibility.

The company, led by the EHS Department, formulates an annual plant boundary noise monitoring plan and coordinates third-party agencies for regular assessments. It also conducts occupational health testing and discloses results for noise-exposed positions to ensure employee health risks are assessable and traceable. For noise level exceedances identified during inspections, the EHS department will notify the operations support department for timely rectification and conduct closed-loop tracking of the improvement progress. The operations support department is responsible for routine equipment maintenance and noise source management, including regular noise reduction maintenance and incorporating noise impact assessments during equipment procurement, thereby reducing noise intensity caused by mechanical operations.

The company requires employees to wear hearing protection such as ear muffs or plugs when entering high-noise work areas, establishing a personal protection system for noise-exposed positions. Simultaneously, technical measures such as installing sound barriers for high-decibel equipment, enhancing lubrication maintenance, and limiting operation time are implemented to reduce noise propagation at the source, creating a safe, healthy, and environmentally friendly work environment.

PART 03

Responsibility on Our Shoulders

RESPONSIBILITY LIES ON THE SHOULDERS

Innovation Management

Technological Innovation

Innovation Management

Laviana Pharma upholds "Changing the World with the Art of Chemistry" as its mission, with technological innovation as the core strategy for sustainable development. Oriented toward market and customer needs, the company adopts a problem-solving approach, focusing on key aspects like drug process development, production scale-up, and safety evaluation. It continuously advances R&D system construction and scientific capability enhancement, building an efficient and collaborative innovation platform to help the enterprise achieve technological breakthroughs and value elevation in the global CDMO competitive landscape.

In terms of R&D organization development, the company has formed an integrated R&D team covering the entire process from process development and optimization to scale-up production, with targeted training based on personnel expertise to build a dual-capability talent system combining theory and practice. The company operates multiple specialized research platforms: The Automation and Chemical Simulation Lab has independently developed an automated feeding system integrated with Dynochem modeling tools for precise reaction parameter control and analysis. The Continuous Flow Process Development Lab supports high-risk reactions (e.g., nitration, oxidation, azidation) from milligram to kilogram scale, addressing potential safety hazards and efficiency bottlenecks during scale-up. The Process Safety Lab, with CNAS certification, is equipped with advanced instruments like DSC, ARC, and RC1, combining calorimetry and risk assessment to provide decision-making data for inherent reaction safety, ensuring security across the entire process development chain.

To incentivize technological innovation breakthroughs among researchers, the company has established dedicated scientific funding, prioritizing investments in technology development, R&D platform construction, scientific awards, talent training, achievement evaluation, and academic exchange. Simultaneously, the company continuously optimizes its project reward evaluation system, establishing initial bonuses for different types of projects such as R&D, pilot tests, and intermediate tests. These are dynamically adjusted based on factors like project difficulty, hazard level, delivery cycle, and cost savings, with additional mechanisms for savings awards, on-time completion awards, and safety and quality constraints to fully motivate R&D personnel and foster accountability. Meanwhile, the company actively expands university-industry collaboration, fostering integration of research, education, and production by co-establishing research platforms with universities and continuously introducing cutting-edge technologies and external intellectual resources.

By continuously strengthening R&D platform development, increasing technological investment, refining incentive mechanisms, and managing talent pipelines, Laviana Pharma is accelerating the establishment of a high-level innovation system with technology as its core competitive edge. This ensures both the quality and efficiency of drug development while injecting sustained technological momentum into the enterprise's high-quality growth.

Key Performance:

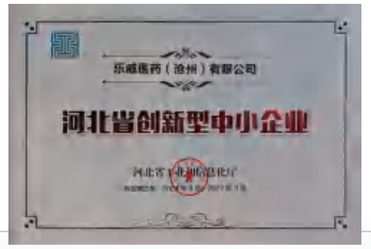
During the reporting period: The company's cumulative R&D investment amounted to **17,883,689.82** yuan.

The company has **76** R&D personnel.

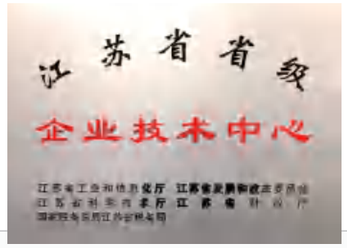
Case: Development and Application of T2222 Polydopamine Material

Against the backdrop of promoting the integration of material innovation and pharmaceutical R&D, Laviana Pharma has conducted technical research on polydopamine (T2222) material, exploring its application potential in biomedical and materials science fields. The R&D team focuses on the controllability and multifunctional characteristics of T2222, advancing its development and application in drug delivery, tissue engineering, and environmental governance. Through this project, the company achieved independent development of functional materials and expanded its footprint in high-value-added products and cutting-edge technologies.

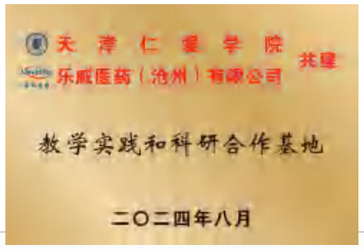
Caption: The company was recognized as a council member of the 2024 National Biomedicine Enterprise Platform



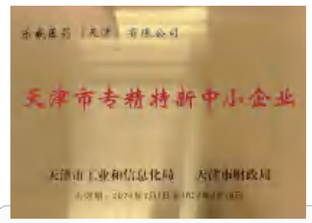
Caption: The company was recognized as an innovative small and medium enterprise in Hebei Province



Caption: The company was recognized as a Jiangsu Province enterprise technology center



Caption: The company was recognized as a 2024 teaching practice and scientific research cooperation base



Caption: The company was recognized as a specialized, sophisticated, distinctive and innovative small and medium enterprise in Tianjin

Caption: The company was recognized as a Tianjin high-tech enterprise

Caption: The company was certified as a high-tech enterprise in Jiangsu Province

Green Innovation

The company actively implements the concept of green ecological design, integrating it into the entire product lifecycle to create an environmentally friendly green product matrix.

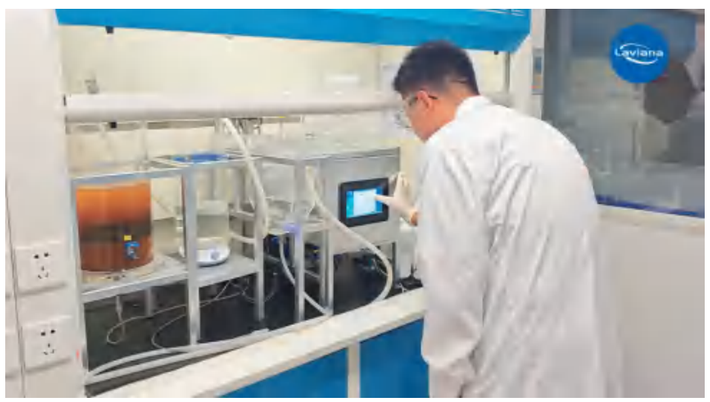
Case: Optimization of Sodium Azide Process Replacement

In synthesizing the pharmaceutical intermediate (R)-1,2,3,4-tetrahydro-1-isoquinolinecarboxylic acid, Laviana Pharma's original process involved highly toxic and explosive sodium azide, posing significant safety and environmental risks. In response to green chemistry principles and to enhance inherent process safety, the company's technical team independently developed and successfully introduced a potassium phthalimide alternative route, effectively avoiding the use of high-risk chemicals. This process replacement maintains stable product yield and quality while significantly reducing toxicity, explosion risks, and environmental hazards, aligning with green, safe, and sustainable technological development.

Case: Establishment of Laviana Pharma's Environmental Protection Laboratory to Advance Green Pharmaceuticals

To strengthen green innovation capabilities and promote sustainable development in pharmaceutical manufacturing, Laviana Pharma recently established an environmental safety laboratory, marking a critical step in the company's green R&D efforts. As a pharmaceutical enterprise specializing in CDMO services, Laviana Pharma is committed to providing customers with more environmentally friendly and efficient process solutions. The newly constructed laboratory focuses on research into wastewater and waste liquid reduction and harmless treatment. Equipped with integrated physicochemical and biochemical pilot-scale systems, it enables continuous experimental operations and supports various treatment processes such as distillation, micro-electrolysis, Fenton, and coagulation, providing comprehensive environmental data support for product development.

These labs not only enhance the company's technical capabilities in waste treatment but also directly translate research outcomes into eco-friendly solutions for CDMO services, enabling customers to achieve clean production. Meanwhile, the company has independently developed a hazardous chemical inquiry system that covers safety, toxicity, and regulatory information for existing domestic chemicals. This enables projects to complete environmental compliance screening of raw and auxiliary materials at the initial stage, avoiding the use of high-risk and highly polluting materials, thereby ensuring green research and development from the source.



Caption: On-site View of the Company's Environmental Protection Laboratory

Intellectual Property Management

In strict compliance with the "Requirements for Enterprise Intellectual Property Compliance Management Systems" (GB/T 29490-2013), the company has established an end-to-end intellectual property management system covering policy formulation, patent applications, rights management, and risk prevention, effectively supporting a virtuous cycle of technological innovation, achievement implementation, and business expansion.

The company has formulated and implemented the "Intellectual Property Management System," covering major categories such as patents, trademarks, and copyrights, and has established a supervision and evaluation mechanism to ensure the effective implementation of the system in practice. The company regularly organizes intellectual property training and awareness campaigns to strengthen innovation protection awareness among all employees. It also timely revises and optimizes policies in line with its development stages to enhance responsiveness to external environmental changes.

In intellectual property creation and application, the company has established standardized patent application procedures, with professionals overseeing the entire process from preliminary patent searches and application preparation to examination responses, ensuring the uniqueness and legality of technological achievements. The company actively deploys technical patents and process protection measures to facilitate the transformation of research achievements from knowledge creation to intellectual property assets, preventing core technology leakage and safeguarding the enterprise's long-term technological moat.

The company actively promotes the industrialization and commercial application of intellectual property achievements, enhancing their market value through patent transfers, licensing agreements, and other means. Simultaneously explore financing and investment pathways for intellectual property pledges, expand funding channels, and support the transformation of technological achievements into industrial applications. Building on existing successful cases, the company continues exploring models like co-development and joint equity to advance the capitalization and commercialization of technological achievements.

To address compliance and legal risks in intellectual property management, the company has established a robust intellectual property risk prevention mechanism, clarifying litigation response procedures, responsible parties, and contingency plans. The company maintains long-term collaboration with professional legal teams to anticipate and address potential infringement and patent disputes, ensuring rapid response and expert defense capabilities in external intellectual property litigation.

Table Note: Company's Patent Count

Metrics	Unit	2024 Data
Total Number of Authorized Patents	Items	69
Annual Newly Granted Patents	Items	25

Products and Services

Product Quality

The company consistently upholds "Respecting People, Sustainable Science, Continuous Innovation, Customer Satisfaction, and Accelerating Development" as its core quality principles, establishing customer-centric, regulation-compliant, and continuous improvement-driven quality management objectives. The company is committed to delivering products and services that meet or exceed customer expectations, driving comprehensive quality control throughout the entire process, and enhancing market competitiveness and brand credibility. Annually, quality objectives are quantified and cascaded to functional departments, ensuring effective implementation through performance evaluation and quality plans.

The company has established a systematic and well-defined quality management organizational structure, with the general manager overseeing the comprehensive implementation and supervision of the quality management system. The quality assurance department (QA) serves as the core function of quality management, responsible for system construction, supervision, and continuous improvement. It collaborates with multiple functional departments including analysis, QC, R&D, production, procurement, and IT to form an end-to-end quality chain from R&D design to product release. Each employee's job responsibilities are clearly defined in the "Job Description Manual", with quality responsibilities and awareness reinforced during onboarding and periodic training, fostering a quality management culture with full participation.

In quality strategic management, Laviana Pharma adheres to the comprehensive quality management (TQM) philosophy, integrating ISO 9001:2015 standards and GMP requirements to build a quality system covering the entire product lifecycle. The company has established customer satisfaction, process standardization, document control, data integrity, and quality culture as strategic priorities. Through a comprehensive documentation system, Standard Operating Procedures (SOPs), and a three-tier document architecture, it ensures all processes remain compliant and controllable. Meanwhile, the company conducts annual internal audits and management reviews to systematically evaluate the operational status of the quality system, focusing on quality policies, target achievement, and improvement measures, thereby providing strategic support for quality enhancement.

Facing complex and volatile internal and external environments, the company has established a comprehensive quality risk and opportunity management mechanism. Through the "Risk and Opportunity Management Procedure", the system systematically identifies various risk factors that may impact the achievement of quality objectives, including regulatory changes, evolving customer demands, production process modifications, supply chain instability, and others. It evaluates the risk levels and formulates response strategies and control measures accordingly. The management review process summarizes risk response effectiveness, dynamically adjusts resource allocation and improvement directions, thereby enhancing the resilience and adaptability of the quality system.

To continuously improve quality management, the company has established a multi-dimensional quality indicator system, covering core metrics such as release qualification rate, customer complaint rate, on-time project completion rate, audit rectification completion rate, and supplier compliance rate. Each department formulates execution plans based on annual quality objectives, with the quality assurance department regularly analyzing quality data to identify trends and deviations, driving issue resolution and knowledge retention. Through systematic data monitoring and feedback mechanisms, the company continuously optimizes quality management processes, enhancing overall operational efficiency and product quality standards.

Caption: ISO 9001 Certification Certificates for the Company's Three Locations

Key Performance:

During the reporting period, the company's product qualification rate exceeded **97%**.

To safeguard customer rights and product safety, Laviana Pharma has developed and implemented a systematic "Product Recall Management Procedure", enabling timely and effective recall measures when quality issues or potential risks arise, minimizing impact on customers. Adhering to the principle of "Quality First, Market Oriented," the company defines the organizational structure, responsibilities, and handling procedures for recalls. The quality leader leads the recall team, involving multiple departments such as quality management, warehousing, analysis, finance, and commerce to ensure cross-functional coordination and rapid response.

The product recall process begins with the identification and evaluation of issue-related information. Once it is confirmed that a product fails to meet quality standards, a customer complaint is verified as valid, or there is sufficient evidence to suspect a potential safety hazard, the recall application is initiated. The quality leader organizes an assessment to determine whether a recall is necessary and its classification level (Level 1 to Level 3). Upon deciding a recall, the recall team develops a detailed plan including specific batch numbers, product distribution, recall methods, and customer communication approaches, while engaging with internal and external stakeholders to ensure products are frozen, recalled, and re-inspected within stipulated timelines. For confirmed non-conforming products, the company will handle them according to the "Non-Conforming Product Management Procedure" and conduct root cause analysis and system improvements through corrective and preventive actions (CAPA).

Upon completion of recall actions, the company must prepare a comprehensive "Product Recall Summary Report" to evaluate the recall coverage, execution, effectiveness, and subsequent CAPA implementation. The company conducts biennial simulated recall drills to validate the response efficiency and execution capability of the entire recall chain, continuously optimizing the recall system to enhance management level and operational readiness for sudden quality incidents, thereby further ensuring product quality safety and company reputation.

Caption: Company's Product Recall Process

Customer Service

Laviana Pharma consistently upholds the philosophy of "customer service knows no bounds," treating customer satisfaction as a key metric for evaluating service quality and management level. The company has built a customer service management system based on the "Customer Complaint Management Procedure" and "Customer Satisfaction Survey Management Program," establishing service principles of "timely response, continuous improvement, and customer-centricity" covering pre-delivery, delivery, and post-sales processes. The company's quality management system explicitly designates customer service as a critical module, jointly led by the quality assurance department (QA) and the commerce department to ensure smooth feedback channels, timely responses, standardized issue resolution, and closed-loop management. Through refined services, the company has earned recognition from numerous domestic and international customers, continuously strengthening its enterprise reputation and market competitiveness.

In terms of customer complaint handling, the company has established a clearly structured and highly responsive management process. Upon receiving verbal, written, or electronic complaints from customers, the commerce department will register the case and submit it to the quality department within 1-2 business days. If verified, the quality department will lead an investigation team to jointly examine the issue with relevant functions, develop corrective measures, and ensure implementation. The entire complaint handling cycle is typically controlled within 7 to 10 working days, with continuous customer communication, corrective action verification, and feedback confirmation to ultimately close the complaint loop. All complaint information is fully recorded and archived for no less than five years, providing data support for subsequent quality improvement and customer service enhancement.

Customer satisfaction management focuses on identifying service gaps from a systemic perspective and driving improvements. The company conducts annual customer satisfaction evaluations for all project customers, combining quantitative questionnaires with qualitative feedback. The assessment covers ten indicators including product quality, delivery timeliness, service attitude, technical support, and information feedback. For overseas customers, the company optimized existing processes by adding multiple evaluation dimensions such as repurchase amounts, repeat project orders, and email communications, significantly improving questionnaire recovery rates and data representativeness. If survey results show an overall score below 80 or any individual score below 8, the commerce department will collaborate with the QA department to formulate and implement a continuous improvement plan, escalating it to a formal complaint process when necessary to ensure full absorption and response to customer feedback.

Table Note: Company's Customer Service Performance

Metrics	Unit	2024 Data
Number of Complaint Incidents	Time(s)	0
Complaint Resolution Rate	%	100
Customer Satisfaction	%	98.9

Responsible Marketing

Laviana Pharma consistently upholds honest and trustworthy business ethics, proactively avoiding any form of false or exaggerated promotion during product marketing. At both the initial customer development and post-sales service maintenance stages, our business personnel adhere to the principles of authenticity and accuracy when introducing products and services to customers. Through standardized promotional PPTs, product manuals, and other materials, they systematically convey the performance, applications, and service capabilities of our company's offerings. Meanwhile, the company places high importance on fulfilling product usage guidance and risk disclosure obligations to customers. The EHS department is solely responsible for issuing and providing MSDS or SDS documents to ensure customers fully understand the physicochemical properties, usage precautions, and potential safety risks before product delivery. For products with potential safety hazards, the company assists in creating clear safety labels based on evaluation results and affixes them to outer packaging during shipment for necessary reminders and warnings. Through these systematic management practices, the company not only safeguards customers' right to know and usage safety but also strengthens responsibility management for product risks, establishing a trustworthy and responsible enterprise image.

Information Security and Customer Privacy Protection

Information Security

Laviana Pharma consistently regards information security and customer privacy protection as the foundational pillars of enterprise compliance operations and high-quality development, comprehensively establishing an information security protection system. The company has established multiple regulatory documents, including the "Information Security and Confidentiality Management Procedures," "Network and Computer System Security Management Regulations," and "Enterprise Email Management Regulations," in accordance with the ISO 27001 information security management system. These documents cover critical aspects such as data access control, information storage, permission configuration, disaster recovery, customer data protection, and employee conduct guidelines, ensuring systematic protection of information assets throughout their entire lifecycle.

At the technical level, the company has deployed multi-layered firewalls, intrusion detection systems, virus scanning tools, and patch update systems to ensure all terminals, servers, and network nodes remain secure. For business systems and critical data, the company implements a "daily incremental + weekly full" backup strategy. All backup data undergoes integrity verification and is stored off-site, with full backups mandatory before major changes. Additionally, comprehensive recovery tests are conducted biennially, resulting in a "Data Recovery Test Report" to verify backup effectiveness and recovery operability.

Additionally, the company adheres to the principle of least privilege, assigning role-based access controls to all employee accounts. Access to critical data requires a three-tier approval process (written request, departmental review, IT execution) to prevent unauthorized operations and illegal access. For high-risk operations like data export, batch copying, and information destruction, the company has implemented specialized review mechanisms requiring approval records, responsible personnel signatures, and system log tracking for all actions. The company's information systems employ complex password policies and regular renewal mechanisms. All transmitted data and storage media are encrypted, while server shutdowns, equipment maintenance, and other operations have specified execution times, access controls, and documentation requirements.

The company continuously enhances employees' information security awareness by incorporating it into pre-job training and on-the-job assessment systems, organizing regular participation in specialized training such as "Information Security Month," "Anti-Phishing Email Drills," and "Data Leakage Prevention." Training content covers virus prevention, data encryption, social engineering attack identification, and basic cybersecurity behavioral norms to enhance employees' ability to identify and handle safety risks. All employees using critical systems must complete specialized certification training and pass assessments before assuming their roles.

Key Performance:

During the reporting period, the company conducted **7** IT training sessions, covering **100%** of employees.

Overview of IT Training

In 2024, there were seven external IT training programs, detailed as follows:

Serial Number	Training Title	Participating Departments	Training Time
1	Specification for Pre-filling of Purchase Order sandInvoices	Procurement Departmen	February
2	Training on Service Procurement Entry Operations	Administrative Departme	March
3	Information Security Training	Entire Group	March
4	Training for Answering Specific Operational Question softhe Procurement Depa	Procurement Departmen	April
5	Trainingon Laboratory Computerized Systems-Audit Requirements	Cangzhou QC	September
6	Trainingon Stability Test Chambers-Audit Requirements	Cangzhou QC	October
7	Trainingon Monthly Closing of Financial Costs for Newly-hired Staff	Finance Department	October

Caption: Company's 2024 IT Training Plan

Additionally, the company has established comprehensive emergency response and disaster recovery mechanisms to address sudden information security incidents. Based on impact severity, incidents are classified into three levels—general incidents, major incidents, and emergencies—with corresponding handling procedures, reporting timelines, and responsible personnel. Upon detecting incidents such as data breaches, system crashes, or virus infections, the company can initiate emergency procedures within 24 hours, swiftly switching to backup systems to minimize business disruption and customer losses.

Caption: Company's ISO 27001 certification certificate

Customer Privacy Protection

Regarding customer privacy protection, Laviana Pharma adheres to the principle of respecting customer privacy rights, implementing stringent management systems for the entire lifecycle of customer data collection, storage, usage, and disclosure. Access to customer data is restricted to authorized departments only. System access permissions require explicit authorization from the customer and must utilize encrypted network transmission. The transfer of sensitive information through uncontrolled channels such as personal email or instant messaging tools is strictly prohibited. Electronic files containing customer data must be encrypted, labeled, and uniformly archived. Discarded data media such as USB drives and hard disks require physical destruction with dual-person confirmation records. For external partners handling customer data, the company requires signed confidentiality agreements that clarify liability boundaries and breach resolution mechanisms to prevent information leaks during outsourcing.

The company has established a data classification management system, clearly defining three levels of information confidentiality—general, restricted, and sensitive—with corresponding requirements for access, transmission, backup, and destruction. For paper documents, electromagnetic media, and other information carriers involving customer privacy, designated personnel shall be responsible for their safekeeping, with security measures such as theft prevention, fire protection, waterproofing, and anti-illegal copying implemented to ensure the physical security of data.

Furthermore, Laviana Pharma strengthens the identification and control of third-party information security risks. Through information security risk questionnaires, on-site audits, and analysis of partners' data protection capabilities, the company evaluates the security compliance of suppliers, service providers, and distributors, rationally defining confidentiality levels and management boundaries in collaborations. For partners found to have information leakage risks, the company will urge them to rectify within a specified period and, if necessary, terminate the partnership to minimize legal and reputational risks arising from data breaches.

Key Performance

During the reporting period, the company experienced no customer data breach or system security incidents, nor received any complaints related to infringement of customer privacy.

Industry Collaboration

Industry Collaboration

The company actively engages in industry collaboration and university-industry partnerships, participates in industry forums and government events, and promotes knowledge sharing and technological innovation to drive industry progress and development.

Case: Laviana Pharma Appeared at DCAT WEEK 2024 in New York, USA, Writing a New Chapter in Global Cooperation

At "DCAT Week 2024" (the annual meeting of the Drug, Chemical & Associated Technologies Association) held from March 18 to 21, 2024, Laviana Pharma actively participated in this premier global industry event in the biomedicine field, comprehensively showcasing the company's professional capabilities in R&D, production, and international collaboration. As an invited participant, Laviana Pharma not only engaged in in-depth exchanges with global pharmaceutical innovators, CMO/CDMO service providers, and API suppliers but also systematically showcased our technological achievements, process innovations, and collaboration cases, fully demonstrating the company's cooperative potential and professional influence in the global biomedicine industry chain.

Caption: Company's Participation in On-site Activities

Case: Laviana Pharma Shone at BIONNOVA Beijing Innovation Forum, Exploring Innovation Paths with Industry Peers

At the "BIONNOVA 2024 Beijing Innovation Forum," Laviana Pharma, as a leading representative of domestic CDMO enterprises, attended this high-profile industry event with its core R&D and business teams, showcasing the company's professional strength and collaborative approach in the innovative pharmaceutical services sector. The forum brought together over a hundred industry authorities and thousands of professionals, conducting in-depth discussions on cutting-edge fields such as antibody drugs, nucleic acid drugs, targeted protein degradation, and small-molecule innovative drugs, establishing a high-quality platform for exchange and cooperation among enterprises.

At the event, Laviana Pharma highlighted its technological achievements and service capabilities in chemical synthesis, customized process development, safety evaluation, and pilot-scale amplification, attracting attention from numerous biomedicine enterprises and research institutions. Following the event, the company engaged in further discussions with multiple potential partners, conducting in-depth dialogues on early-stage R&D collaboration, production platform integration, and one-stop service support, laying the groundwork for future cooperation.

Caption: Company's Participation in On-site Activities

Case: Faculty and Students from China University of Mining and Technology (Beijing) Visit Laviana Pharma

The company collaborated with China University of Mining and Technology (Beijing) to conduct a productive university-enterprise exchange event, marking a significant stop on the academic research tour. With the strong support of the Cangzhou Lingang Economic and Technological Development Zone Human Resources and Social Security Bureau and the Aerospace Cangzhou Energy and Environmental Innovation Research Institute, faculty and students visited Laviana Pharma's R&D and production base, gaining an in-depth understanding of the company's innovative practices in pharmaceutical R&D and green technology. Through on-site visits, professional presentations, and interactions between faculty and students, the students gained a comprehensive understanding of the company's rigorous research environment and advanced process technologies, developing a more intuitive awareness of the pharmaceutical industry's development prospects. Laviana Pharma also seized this opportunity to demonstrate its open attitude and practical achievements in talent cultivation and technological innovation.

Caption: On-site Activities

Supplier Management

Laviana Pharma consistently regards sustainable procurement as a critical component of its high-quality development strategy. It has established a comprehensive management system covering the entire sustainable procurement process across multiple dimensions, including institutional development, process mechanisms, execution guarantees, and supervision and evaluation. The company deeply integrates environmental protection, social responsibility, business ethics, and enterprise governance principles into the entire supply chain management process, continuously enhancing the transparency, resilience, and accountability of the procurement chain to foster long-term mutual benefits with suppliers.

Laviana Pharma has established management systems such as the "Sustainable Procurement Policy", "Procurement Management Procedures", "Material Supplier Management Procedures", and "Supplier Code of Conduct", forming a comprehensive management system that covers the entire procurement process to ensure the uniform application of sustainable principles across various procurement types, including material procurement, service outsourcing, and equipment acquisition. In principle, the company emphasizes eco-friendly materials as a priority, aligns costs with benefits, and promotes win-win outcomes for diverse suppliers, driving the supply chain toward green and low-carbon transformation. The Procurement Department leads the formulation and implementation of the policy, the Quality Management Department ensures material compliance, the EHS department audits suppliers' environmental and safety performance, and the General Manager periodically evaluates and supervises overall execution effectiveness to ensure the policy's effective implementation. The policy stipulates that the company conducts an annual policy review and a comprehensive revision every three years to ensure timely adaptation to laws and regulations and market changes.

To ensure synchronized progress in sustainable development goals across the supply chain, Laviana Pharma has established a comprehensive ESG review mechanism for suppliers. During the new supplier qualification phase, the company conducts systematic evaluations using standardized audit checklists across multiple dimensions, including general business management, production processes, quality control, environmental safety, hazardous substance management, social responsibility systems, anti-corruption compliance, and information security. Only enterprises that pass the audit are included in the list of qualified suppliers.

The company regularly distributes the "Social Responsibility Self-Assessment Questionnaire" to all suppliers to comprehensively understand their basic performance in human rights protection, occupational health, safety production, environmental management, and ethical compliance, which is then incorporated into the annual supplier performance evaluation. In 2024, the questionnaire survey achieved 100% coverage. Additionally, for key suppliers, long-term partners, and suppliers in high - risk industries or regions, the company conducts unscheduled on - site audits covering areas such as working hour management, labor contract signing status, pollutant emission management, employee training records, and emergency drill records. In 2024, on-site audits for the aforementioned key suppliers achieved 100% coverage.

The company guides suppliers in continuous improvement through positive and negative incentive mechanisms. For suppliers with outstanding ESG performance, the company appropriately increases procurement shares, extends contract periods, and elevates cooperation levels. Conversely, for underperforming suppliers that fail to rectify issues promptly, procurement ratios are gradually reduced until the exit mechanism is initiated, thereby controlling supply chain risks at the source.

Table Note: Company's Sustainable Procurement Performance

Metrics	Unit	2024
Total number of suppliers	Ea	318
Number of key or core suppliers	Ea	69
Key suppliers that have completed the social responsibility questionnaire survey	Ea	69
Percentage of key suppliers that have completed the social responsibility questionnaire survey	%	100
Key suppliers that have undergone social responsibility on-site audits	Ea	69
Percentage of key suppliers that have undergone social responsibility on-site audits	%	100
Key suppliers that have signed the Supplier Code of Conduct	Ea	69
Percentage of key suppliers that have signed the Supplier Code of Conduct	%	100
Key suppliers that have signed procurement contracts incorporating environmental, labor, and human rights clauses	Ea	69
Percentage of key suppliers that have signed procurement contracts incorporating environmental, labor, and human rights clauses	%	100
Percentage of suppliers who have received ESG competency training, including social responsibility training	%	100

Open and Transparent Procurement

Laviana Pharma consistently upholds the principles of open and transparent procurement and fair transactions, regarding business ethics as the fundamental criterion for supplier collaboration. Before becoming qualified suppliers, all suppliers must sign the "Supplier Code of Conduct", committing to strict compliance with laws and regulations and eliminating all forms of corruption, fraud, extortion, discrimination, oppression, and environmental damage.

In terms of contract management, the company uniformly requires suppliers to sign documents such as the "Environmental Protection Agreement", "Safety Agreement", "Integrity Agreement", and "Confidentiality Agreement" in both annual and long-term procurement contracts. Additionally, clauses on business ethics, human rights protection, and environmental management are directly incorporated into the contract text, achieving dual binding of institutional and legal responsibilities. In 2023, 100% of the company's qualified suppliers completed the signing of these contract terms.

Additionally, for all partners, the company conducts annual integrity and compliance special investigations, formally requesting corrective actions from suppliers with issues and deciding whether to continue cooperation based on the effectiveness of the rectification. During the reporting period, the company's integrity audits of suppliers, distributors, and service providers revealed no substantiated corruption issues, effectively ensuring an open, fair, and just business environment.

Employee Competency Development

Procurement personnel are the core group driving the implementation of sustainable procurement concepts. Laviana Pharma places high importance on building the professional capabilities and ethical standards of its procurement team, establishing a comprehensive growth mechanism that includes policy training, competency assessment, and performance incentives. Annually, the company organizes specialized sustainable procurement training for buyers, covering topics such as interpretation of the "Sustainable Procurement Policy", ESG evaluation criteria, green material selection, compliant procurement processes, and risk identification and response, ensuring procurement personnel can identify, evaluate, and prioritize suppliers that meet company standards in practice. In 2023, 100% of the company's procurement staff completed relevant training.

Meanwhile, the company incorporates sustainable procurement performance into the evaluation system for procurement personnel, rewarding and recognizing those who excel in ESG assessment implementation, increasing green procurement ratios, and promoting supplier ESG improvements, thereby further enhancing employees' enthusiasm and initiative in practicing sustainable procurement.

Employee Management

Employee Rights Protection

Compliant employment

Laviana Pharma consistently upholds the "Respecting People, Fair and Just", systematically building a management system that covers the entire employee lifecycle to comprehensively safeguard employees' legitimate rights and interests in recruitment, employment, compensation, benefits, and communication, fostering a diverse, inclusive, safe, and equitable work environment.

In employee hiring, the company strictly adheres to laws and regulations such as the "Labor Law of the People's Republic of China" and the "Labor Contract Law" for human resource management, explicitly prohibiting all forms of forced labor. We have established supporting systems including the "Recruitment Management Procedures", "Voluntary Employment Procedures", and "Discrimination Management Procedures", which provide detailed regulations on recruitment processes, employment standards, and probation-to-regular conversion procedures. In recruitment, the company implements unified staffing management, setting positions and allocating personnel based on the annual human resources plan. The recruitment process adheres to the principle of "job demand orientation + fair competition mechanism," eliminating discriminatory practices based on race, gender, age, religion, language, physical condition, marital status, or other factors. We actively fulfill our social responsibilities by prioritizing the recruitment of persons with disabilities who are capable of working, reasonably arranging job positions, and ensuring they enjoy equal employment opportunities and career development paths. In 2024, the company accommodated 4 disabled employees, providing them with exclusive benefits and flexible work arrangements, while contributing to social security, housing provident funds, and purchasing accident insurance to enhance occupational safety guarantee.

Table Note: Company's Employee Structure

Metrics	Unit	2024 Data		
Location		Cangzhou	Tianjin	Taizhou
Total number of employees	Person(s)	83	135	94
Male employee ratio	%	75.90	57.78	76
Female employee ratio	%	24.10	42.22	24
Employee ratio aged 30 and below	%	46.99	34.07	10
Employee ratio aged 30 to 50	%	51.81	63.70	72
Employee ratio aged 50 and above	%	1.20	2.22	18
Total number of male employees on parental leave	Person(s)	10	12	3
Total number of male employees on parental leave	Person(s)	0	8	2
Total number of management personnel	Person(s)	2	24	6
Female employee ratio in management	%	0	45.83	50
Employee turnover rate	%	26.61	36.02	28
Male employee turnover rate	%	23.75	35.00	29
Female employee turnover rate	%	34.48	37.36	26
Employee turnover rate aged below 30	%	42.19	38.67	19
Employee turnover rate aged 30 to 50	%	2.33	34.35	35
Employee turnover rate aged above 50	%	50.00	40.00	7
Labor contract signing rate	%	100	100	100
Social insurance coverage rate	%	100	100	100

Rights protection

In terms of rights protection, the company has formulated special protection systems for female employees, underage workers, and specific groups in accordance with laws and regulations such as the "Law on the Protection of Women's Rights and Interests" and the "Special Provisions on Labor Protection for Female Employees." For example, pregnant employees may legally request job adjustments to avoid high-risk tasks; nursing employees are entitled to breastfeeding time and medical examination leave. In terms of compensation, the company implements a salary strategy combining job value evaluation and performance orientation, ensuring equal pay for equal work and eliminating gender-based wage disparities. Base salaries, performance bonuses, and allowances are clearly defined, with all payments processed monthly without unjustified deductions. Probationary employees receive wages set according to position standards (no less than minimum wage) while enjoying equivalent safety protections and benefits as regular staff during probation. Regarding rest and leave arrangements, the company strictly implements national regulations on public holidays, paid annual leave, and statutory holidays, while reasonably scheduling shift rotations and compensatory leave systems to safeguard employees' physical and mental health.

Employee Communication

In terms of employee communication and engagement, Laviana Pharma has established a "multi-dimensional + multi-format" communication mechanism. The company widely listens to employee opinions and promptly responds to their concerns through various channels such as departmental meetings, employee forums, general manager open days, employee satisfaction surveys, and anonymous suggestion boxes. For departing employees, we have an "Exit Interview Form" to understand their reasons for leaving and suggestions for company policies, serving as important references for management optimization. The Company labor union represents employees in negotiating the "Collective Contract" with management, regularly discussing issues such as employee benefits, work environment, and rationalization suggestions to ensure employees' right to know, right to express, and right to participate in major affairs.

Meanwhile, the company has established robust employee grievance and reporting mechanisms. When employees' rights are violated, they may file complaints to the Human Resources Department or the Supervision and Audit Department in writing, verbally, via email, or through a whistleblower hotline. The company promises to strictly keep the information of complainants confidential, prevent retaliation, and provide a response within 10 business days. The company encourages employees to report human rights violations, labor discipline breaches, bribery, and corruption under their real names. Verified valid reports will be rewarded with amounts ranging from 1,000 yuan to 100,000 yuan depending on the circumstances, fully mobilizing employees' enthusiasm for participating in company governance and integrity culture building.

Employee Development

Employee Training

The company regards talent cultivation as a fundamental strategy for enterprise development. To systematically enhance employees' professional capabilities and managerial qualities, the company has established a comprehensive, full-cycle training system, building an all-encompassing training management framework based on the "Employee Training Management Regulations" and annual training plans.

Led by the Human Resources and Administration Department in collaboration with QA, business units, and internal trainer teams, the company develops annual training plans covering four key areas: general competencies, professional skills, job specifications, and management capabilities, with continuous updates to align with company growth and regulatory changes. In 2024, the company's employee training coverage rate reached 100%, ensuring that every employee has the competency and room for continuous growth in their position.

Training content is designed in a tiered and categorized manner based on employee types and job characteristics. For new employees, the company implements a three-tier onboarding training mechanism (company level, departmental level, and team level) to help them comprehensively understand the enterprise culture, rules and regulations, and job skills, ensuring they complete foundational competency building and pass assessments during the probation period. For employees transferring or returning to their positions, the company customizes personalized "Transfer/Return-to-Work Training Checklists" to ensure they master new job requirements and updated documents. Employees cannot return to work without completing the return-to-work training. For production line operation positions, on-site practical assessments are also required to ensure standardized and safe operations.

Regarding training formats, the company fully utilizes online and offline resources, flexibly combining methods such as "classroom instruction + hands-on practice + train-the-trainer mechanisms." For internal training, qualified employees are selected as trainers who must pass evaluations and annual assessments to ensure instructional quality. Departments may conduct specialized training as needed, with internal trainers independently developing courses, creating materials, organizing implementation, and completing assessments and evaluations. The company also regularly invites external professional institutions to conduct outsourced training, covering areas such as pharmaceutical regulations, quality management systems, GMP implementation, occupational health, and technological advancements. Upon completion of the training, participants are required to return to the company to conduct knowledge transfer sessions and submit training summary materials for record-keeping and dissemination.

To ensure training effectiveness, the company has established a training evaluation mechanism and assessment system, covering Level 1 evaluation (satisfaction feedback) and Level 2 evaluation (knowledge/skill tests). The passing score for training assessments is uniformly set at 70. Those who fail may retake the exam once; if they fail again, the transfer or termination process will be initiated to ensure the rigorous implementation of training quality. Meanwhile, the company has developed and implemented standardized forms such as the "Training On-Site Q&A Form," "Training Operation Record Form," and "Annual Training Summary Report" to document and review the entire training process and outcomes, ensuring training quality.

Table Note: Company's 2024 Training Performance

Metrics	Unit	2024 Data		
Location		Cangzhou	Tianjin	Taizhou
Annual training expenditure amount	Yuan ('0,000)		2	0.69
Total employee training person-times	Person-times	1560	15458	8286
Total employee training hours	Hour(s)	3840	4736	10853
Training coverage rate for male employees	%	100	100	100
Training coverage rate for female employees	%	100	100	100
Average training duration for male employees	Hour(s)	32.4	32.85	103
Average training duration for female employees	Hour(s)	31.8	38.13	66

Employee Promotion

Laviana Pharma consistently adheres to the "fair, just, and transparent" promotion orientation, establishing a systematic, scientific, and traceable employee promotion management system. The company adheres to the personnel policy of "promoting the competent and demoting the incompetent, survival of the fittest," encouraging employees to compete for positions suitable for their development based on performance and capability, without restrictions due to race, religion, gender, region, language, or physical ability, actively creating fair development opportunities for all employees with potential and achievements.

The company formulates and strictly enforces the "Employee Promotion System," clarifying promotion principles, processes, and evaluation criteria to enhance employee quality and motivation while strengthening team cohesion. Promotion types include intra-departmental and cross-departmental promotions, with forms encompassing dual position-salary increases or separate adjustments, supporting flexible and diverse career paths. At the end of each year, the company conducts regular promotions based on business development and employee performance, while also retaining an irregular promotion channel for exceptionally outstanding employees. Additionally, outstanding new employees during probation may receive early promotions upon departmental recommendation, breaking the constraints of seniority-based advancement.

The promotion process follows a rigorous workflow from evaluation to approval. Evaluations incorporate monthly, quarterly, and annual performance metrics, along with quantitative scoring from the "Promotion Evaluation and Assessment Form" and "Employee Advancement Evaluation Form." Evaluations cover multiple dimensions including work attitude, teamwork, job execution, problem-solving, business independence, and learning ability, employing multi-party scoring and comprehensive assessment. Promotions for regular employees require proposal by department managers, review by the relevant leader in charge, and approval by the general manager; promotions for middle and senior management personnel are directly proposed and approved by the general manager. Promoted employees will undergo a three-month probation period in their new positions with unchanged salaries. Upon completion, salary adjustments will be confirmed based on performance, while failure to meet probation standards will result in reinstatement to the original position.

The company particularly emphasizes the role of performance evaluation in promotions, focusing not only on results but also on communication and feedback during the process. Assessment results are closely tied to promotion decisions, ensuring that every promotion is based on solid capabilities and performance. Meanwhile, any employee involved in safety incidents, quality issues, or violations of rules and regulations during the year will automatically lose eligibility for promotion that year.

Post-promotion, the company arranges job-specific training and onboarding programs to ensure smooth transition and rapid competency development for new responsibilities. This systematic promotion mechanism not only motivates employees but also establishes orderly internal mobility and long-term career pathways, fostering synchronized growth of the organization and its talent.

Employee Benefits

The company consistently cares about employees' practical needs in work, life, and health, continuously improves various benefit measures, enhances employees' sense of identity and belonging to the enterprise, further strengthens team cohesion and stability, and helps employees achieve dual improvement in career development and quality of life. We provide employees with a comprehensive range of daily benefits, including annual health check-ups, five social insurances, holiday gifts, birthday greetings, paid leave, special incentive bonuses, travel allowances, and communication subsidies. In 2024, the employee social insurance participation rate reached 100%.

The company provides statutory holiday benefits including Spring Festival, Dragon Boat Festival, Mid-Autumn Festival, International Women's Day, and employee birthdays. Employees are entitled to legally mandated leaves such as marriage leave, maternity leave, nursing leave, bereavement leave, work injury leave, and annual leave. Special subsidies are offered for circumstances like marriage, childbirth, or hospitalization.

Additionally, the company places great emphasis on fostering a relaxed and enjoyable cultural atmosphere by organizing various cultural and sports activities, such as team-building exercises, knowledge competitions, and athletic events. At the same time, it provides employees with travel opportunities and health check-ups, continuously enriching their spiritual and cultural lives.

Statutory holidays: Spring Festival, Mid-Autumn Festival, Dragon Boat Festival, International Women's Day, employee birthdays, etc.

Leave categories: Marriage leave, maternity leave, caregiver leave, nursing leave, bereavement leave, work injury leave, paid annual leave, etc.

Subsidies: Marriage subsidies for employees, hospitalization consolation payments, childbirth allowances, etc.

Festival benefits: Spring Festival, Mid-Autumn Festival, Dragon Boat Festival, International Women's Day, and employee birthday benefits. Recreational benefits: Knowledge contests, tug-of-war competitions, team-building activities, etc. Other benefits: Travel benefits, employee health check-ups, etc

Case: Uniting Hearts and Forging Ahead; Laviana Pharma's 2024 New Year Annual Gala Successfully Held

To enhance employee cohesion, boost team morale, and promote enterprise culture, Laviana Pharma simultaneously held its Spring Festival Gala and 2023 Outstanding Employees Awards Ceremony under the theme "Unite as One and Forge Ahead" in Tianjin, Cangzhou, and Taizhou on January 26, 2024. During the annual recognition segment, the company honored exceptional individuals and teams with prestigious titles including "Outstanding Employees," "R&D Star," "Service Star," and "Safety Model Worker." This not only recognizes individual achievements but also reflects the company's advocacy for a fair incentive mechanism of "promoting the competent and rewarding the excellent."

Beyond awards and strategy presentations, the gala featured heartwarming and creative cultural performances, interactive games, and lucky draws. Employees from all departments self-produced acts including dances, skits, and musical performances, showcasing versatility and teamwork while fostering a vibrant festive atmosphere. This annual conference is not merely a grand yearly event but a true reflection of the company's practice of "Respecting People" philosophies and employee care.

Caption: Scene from the Company's New Year Annual Meeting

OCCUPATIONAL HEALTH

Laviana Pharma always adheres to the "Respecting People, Safety First" philosophy, systematically establishing an occupational health and safety production management system that covers all employees, processes, and scenarios. The company strictly adheres to national regulations such as the "Work Safety Law of the People's Republic of China," "Occupational Disease Prevention and Control Law," and "Management Measures for Emergency Plans for Work Safety Accidents," and has obtained ISO 45001 occupational health and safety management system certification to ensure the legality, scientific nature, and continuous effectiveness of the management system.

In terms of safety production, the company has established a comprehensive safety education and training system, implementing a "three-level safety education" program at the company, departmental, and position levels for different positions, job types, and external personnel. The company emphasizes training compliance for high-risk positions, mandating strict training hours and assessment requirements for key leader, safety managers, and specialized operators to ensure essential safety knowledge and operational proficiency. Simultaneously, a "trainer accountability" training record mechanism has been established to ensure traceable processes and verifiable outcomes.

The company has also established a dedicated EHS department to coordinate and advance daily management tasks such as safety training, work permits, safety inspections, and emergency drills, with various functional departments collaborating to implement training plans and enforce systems. Additionally, external contractors must complete specialized safety training and obtain approval before work commences, effectively mitigating external safety risks.

In terms of occupational health, Laviana Pharma implements a tripartite health monitoring mechanism covering pre-employment, on-the-job, and post-employment physical examinations. Employees in positions involving occupational hazards undergo regular checkups, achieving a 100% coverage rate. The company established re-examination and diagnosis protocols for abnormal medical findings, promptly initiating occupational disease reporting, treatment, and job transfer procedures to safeguard employee health rights.

The company commissions third-party professional institutions to regularly monitor and assess occupational hazard factors at production sites, establish an inventory of occupational hazards, promptly rectify areas exceeding standards, and continuously optimize the working environment. Meanwhile, standardized PPE allocation protocols ensured proper equipment provision, with EHS inspections verifying correct usage compliance.

To enhance occupational health awareness, the company conducts targeted training covering occupational disease prevention regulations, PPE usage, and hazard identification, while systematically managing employee health data through individual health records accessible anytime.

Regarding the EHS system operation, the company established the "EHS Management Manual" in accordance with GB/T 45001 and GB/T 24001 standards, covering objectives, policies, and implementation requirements for environmental, health, and safety management. The company not only allocates sufficient resources for system operations but also drives system refinement through continuous evaluation and improvement, ensuring that employees and contractors at all levels strictly adhere to system requirements in their operations, thereby comprehensively enhancing intrinsic safety levels.

Through robust institutional safeguards, rigorous implementation mechanisms, and continuous improvement systems, Laviana Pharma strengthens safety management and occupational health protection, safeguarding employee wellbeing while solidifying the foundation for stable operations and sustainable development.

The company's annual occupational health and safety objectives:
Regular health examinations for employees in occupational - hazard positions ensure zero occupational disease incidents annually.
Zero fire-related casualties occurred.
The annual incidence of severe workplace injuries and fatalities among employees is zero, with no more than one minor injury per year.

Table Note: Company's 2024 Safety and Health Performance

Metrics	Unit	2024 Data		
Location		Cangzhou	Tianjin	Taizhou
Safety production investment funds	Yuan ('0,000)	50.271797	25.556947	72.52
Safety emergency drills count	Time(s)	1	3	10
Number of safety production incidents	Time(s)	2	0	2
Potential safety hazard rectification rate	%	100	100	100
Number of personnel covered by occupational health and safety training	Person-times	80	98	83
Total duration of occupational health and safety training	Hour(s)	4	2	8
Recordable occupational injury cases	Person(s)	2	0	2
Number of workdays lost due to occupational injuries	Day(s)	174	0	177
Number of occupational contraindications	Person(s)	0	0	0
Number of occupational diseases	Person(s)	0	0	0

Caption: ISO 45001 Certification Certificates for the Company's Three Locations

Case: Laviana Pharma's Cangzhou GMP Production Base Holds Diverse Safety Production Training Activities to Enhance Overall Safety Awareness

To further strengthen safety production management and enhance overall safety awareness, Laviana Pharma's Cangzhou GMP production base recently conducted a series of systematic and practical safety production training activities. This training addressed frontline needs, covering multiple aspects such as air-supply checks and PPE drills in liquid nitrogen tank areas, hazardous chemical management, "Three Anti-Violations" campaigns, disaster prevention literacy, abnormal condition response procedures, and safety production regulations—comprehensively building employees' safety awareness system.

During training, professional instructors conducted on-site demonstrations to detail equipment inspection protocols in liquid nitrogen zones and PPE standards, significantly improving employees' emergency response capabilities. Additionally, the company organizes specialized training on the classification, storage, and use of hazardous chemicals to further strengthen employees' operational standards and protective awareness regarding high-risk materials. To guide employees in developing good safety habits, the campaign also promoted the "Three Anti-Violations" initiative through visual displays and case analyses, encouraging employees to eliminate unsafe practices both mentally and behaviorally.

In addition, coinciding with the National Disaster Prevention and Mitigation Day, the company organized systematic training for employees on emergency response knowledge for natural disasters, enhancing their self-rescue and mutual aid capabilities. During training, employees also studied the "Guidelines for Safe Handling of Abnormal Conditions in Chemical Enterprises" and the "Hebei Province Safety Production Regulations" to enhance their understanding and compliance with safety regulations. By organizing safety slogan campaigns, employee participation in safety management was further stimulated, fostering an enterprise culture where "everyone prioritizes safety in all matters."

Caption: Safety Training Session

Community Contributions

Social Welfare

The company actively participates in community public welfare and rural revitalization initiatives, building a strong enterprise social responsibility image and establishing solid partnerships with local residents, government agencies, and community organizations. This injects vitality into the company's sustainable development, promotes socio-economic sustainability, and achieves long-term strategic goals.

Case: Laviana Pharma Volunteer Teams Across Multiple Locations Jointly Conducted a Beach Cleanup Campaign to Protect the Blue Ocean

To practice green development principles and actively fulfill enterprise social responsibility, Laviana Pharma recently organized a significant beach-cleaning campaign in collaboration with its subsidiaries in Cangzhou, Tianjin, and Jiangsu. This initiative was launched by the company's public welfare volunteer team, which traveled to three key ecological areas—Huanghua Port, Dongjiang Bay, and the Yangtze River Ecological Wetland—to protect natural ecosystems and spread the concept of environmental protection through on-site trash collection and environmental advocacy.

During beach cleanups, uniformed volunteers meticulously removed domestic and industrial waste—plastic bags, bottles, foam, and discarded fishing gear—along coastlines, leaving no corner untouched. With clear roles and efficient collaboration, they tangibly reduce marine pollution, safeguarding aquatic ecosystems. Meanwhile, an environmental education zone was set up at the on-site activities to promote public awareness of waste sorting, green commuting, energy conservation, and carbon reduction, encouraging more people to engage in green initiatives.

This philanthropic initiative elevated participants' environmental awareness while amplifying societal attention to marine ecosystem conservation. As a responsible CDMO enterprise, Laviana Pharma embeds ESG principles into its enterprise culture. Through practical initiatives like the "Public Welfare 'Carbon' Path Action," it transforms sustainable development from an enterprise vision into daily actions, inspiring employees and society to jointly build a low-carbon, eco-friendly, and mutually beneficial future ecosystem.

Caption: Company Event Posters and On-site Activities Across Three Locations

PART 04/05

In 2025, Laviana Pharma will uphold its philosophy of "innovation-driven leadership, green development, and shared responsibility" to chart a more sustainable and human-centric enterprise development blueprint. On the environmental front, we will accelerate the R&D and application of green chemical technologies and clean production processes, promoting the implementation of green CDMO solutions to meet global customers' green transformation needs. At the societal level, we will deepen university-enterprise collaboration, facilitate the transformation of scientific and technological achievements, and focus on cultivating employees, focus on tackling the "bottleneck" key technologies, to nurture more future-oriented talents for the pharmaceutical industry. Meanwhile, the company will continue to refine its ESG management system, strengthen information disclosure, promote collaborative management of the green supply chain, and fulfill its social responsibility through public welfare initiatives and community engagement. We firmly believe that only by continuously responding to the times with responsibility and serving the industry with professionalism can an enterprise stand firm amid changes and advance further into the future.

Final Chapter

Indicator Index

Global Sustainability Standards Board (GSSB) "Sustainability Reporting Standards (GRI Standards 2021 Edition)"

GRI Standards	Disclosure Items		Corresponding Chapter
GRI2: General Disclosures 2021	2-1	Organizational details	Company Profile
	2-2	Entities included in the organization’s sustainable development report	About This Report
	2-3	Reporting period, frequency, and contact person	About This Report
	2-4	Restatement of information	About This Report
	2-5	External assurance	Not disclosed
	2-6	Activities, value chains, and other business relationships	Company Profile
	2-7	Employees	Employee Management
	2-8	Workers other than employees	Industry Collaboration
	2-9	Governance structure and composition	Company Governance
	2-10	Nomination and selection of the highest governance body	Company Governance
	2-11	Chair of the highest governance body	Company Governance
	2-12	Oversight role of the highest governance body in managing impacts	Company Governance
	2-13	Delegation of responsibility for managing impacts	Company Governance
	2-14	Role of the highest governance body in sustainable development reporting	ESG Governanc
	2-15	Conflicts of interest	Not disclosed
	2-16	Communication of critical concerns	ESG Governanc
	2-18	Performance evaluation of the highest governance body	Not disclosed
	2-19	Compensation policy	Not disclosed
	2-20	Process for determining compensation	Employee Management
	2-21	Ratio of annual total compensation	Not disclosed
	2-22	Statement on sustainable development strategy	ESG Governanc
	2-26	Mechanisms for seeking advice and raising concerns	ESG Governanc
	2-27	Compliance with laws and regulations	Company Governance
	2-28	Association memberships	Industry Collaboration
	2-29	Approach to stakeholder engagement	ESG Governanc
	2-30	Collective bargaining agreements	Employee Management
GRI3: Material Topics 2021	3-1	Process for determining material topics	ESG Governanc
	3-2	List of material topics	ESG Governanc
GRI201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Not disclosed
	201-2	Financial impacts and other risks and opportunities from climate change	Addressing Climate Change
	201-3	Defined benefit plan obligations and other retirement plans	Not disclosed
	201-4	Financial subsidies received from government	Not disclosed
GRI204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Not Disclosed
GRI205: Anti-corruption 2016	205-1	Operations where corruption risk assessments have been conducted	Not Disclosed
	205-2	Communication and training on anti-corruption policies and procedures	Business Ethics
	205-3	Confirmed incidents of corruption and actions taken	Business Ethics
GRI206: Anti-competitive Behavior 2016	206-1	Legal actions related to anti-competitive behavior, antitrust, and anti-monopoly practices	Business Ethics
GRI207: Taxation 2019	207-1	Tax policy	Business Ethics
	207-2	Tax governance, control, and risk management	Business Ethics
	207-3	Stakeholder engagement and management related to tax concerns	Not Disclosed
	207-4	Country-by-country reporting	Not Disclosed
GRI301: Materials 2016	301-1	Weight or volume of materials used	Not Disclosed
	301-2	Recycled input materials used	Pollutant and Waste Management
	301-3	Recycled products and their packaging materials	Pollutant and Waste Management
GRI301: Energy 2016	302-1	Energy consumption within the organization	Energy Consumption
	302-2	Energy consumption outside the organization	Energy Consumption
	302-3	Energy intensity	Energy Consumption
	302-4	Reduction in energy consumption	Energy Consumption
	302-5	Reduction in energy requirements of products and services	Energy Consumption
GRI303: Water Resources and Sewage 2018	303-1	Organization’s interaction with water as a shared resource	Resource Management
	303-2	Management of water discharge-related impacts	Resource Management
	303-3	Water withdrawal	Water Resource Management
	303-4	Water discharge	Pollutant and Waste Management
	303-5	Water consumption	Pollutant and Waste Management
GRI304: Biodiversity 2016	304-1	Organization’s owned, leased, or managed operations located in or adjacent to biodiversity-rich areas inside and outside protected areas	Not Applicable
GRI305: Emissions 2016	305-1	Direct (Scope 1) greenhouse gas emissions	Not Disclosed
	305-2	Energy indirect (Scope 2) greenhouse gas emissions	Not Disclosed
	305-3	Other indirect (Scope 3) greenhouse gas emissions	Not Disclosed
	305-4	Greenhouse gas emissions intensity	Not Disclosed
	305-5	Greenhouse gas emissions reductions	Not Disclosed
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Pollutant and Waste Management
GRI306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Pollutant and Waste Management
	306-2	Management of significant waste-related impacts	Pollutant and Waste Management
	306-3	Waste generated	Pollutant and Waste Management
	306-4	Waste diverted from disposal	Pollutant and Waste Management
	306-5	Waste directed to disposal	Pollutant and Waste Management
GRI308: Supplier Environmental Assessment 2016	308-1	New suppliers screened using environmental assessment criteria	Supplier Management
	308-2	Negative environmental impacts in the supply chain and actions taken	Supplier Management

GRI401: Employment 2016	401-1	New employee hire rate and employee turnover rate	Employee Management
	401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	Employee Management
	401-3	Parental leave	Employee Management
GRI403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Employee Management
	403-2	Hazard identification, risk assessment, and incident investigation	Employee Management
	403-3	Occupational health services	Employee Management
	403-4	Occupational health and safety matters: worker participation, consultation, and communication	Employee Management
	403-5	Occupational health and safety training for workers	Employee Management
	403-6	Promotion of worker health	Employee Management
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	Employee Management
	403-8	Workers covered by the occupational health and safety management system	Employee Management
	403-9	Work-related injuries	Employee Management
	403-10	Work-related health issues	Employee Management
GRI404: Training and Education 2016	404-1	Average training hours per employee annually	Employee Management
	404-2	Employee skill enhancement and transition assistance programs	Employee Management
	404-3	Percentage of employees receiving regular performance and career development evaluations	Employee Management
GRI405: Diversity and Equal Opportunity 2016	405-1	Diversity in governance bodies and employees	Employee Management
GRI406: Non-Discrimination 2016	406-1	Discrimination incidents and corrective actions taken	Employee Management
GRI407: Freedom of Association and Collective Bargaining 2016	407-1	Operating sites and suppliers at risk of violating freedom of association and collective bargaining rights	Employee Management
GRI408: Child Labor 2016	408-1	Operating sites and suppliers with significant child labor risks	Employee Management
GRI409: Forced or Compulsory Labor 2016	409-1	Operating sites and suppliers with significant forced labor risks	Employee Management
GRI413: Local Communities 2016	413-1	Operating sites with local community engagement, impact assessments, and development plans	Not Applicable
	413-2	Operating sites with actual or potential significant negative impacts on local communities	Not Applicable
GRI414: Supplier Social Assessment 2016	414-1	New suppliers screened using social evaluation criteria	Supplier Management
	414-2	Negative social impacts of supply chains and actions taken	Supplier Management
GRI416: Customer Health and Safety 2016	416-1	Assessing health and safety impacts of product and service categories	Customer Service
	416-2	Violations involving health and safety impacts of products and services	Customer Service
GRI417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Customer Service
	417-2	Violations involving product and service information and labeling	Customer Service
	417-3	Violations involving marketing communications	Customer Service
GRI418: Customer Privacy 2016	418-1	Verified complaints involving customer privacy violations and data loss	Customer Service

Indicator Index

Shanghai Stock Exchange "Shanghai Stock Exchange Listed Companies Self-Regulatory Guidelines No. 14 – Sustainable Development Report (Trial)" Index Table

Dimension	Serial Number	Topic	Corresponding Chapter
Environment	1	Addressing Climate Change	Addressing Climate Change
	2	Pollutant Emissions	Pollutant and Waste Management
	3	Waste Management	Pollutant and Waste Management
	4	Ecosystem and Biodiversity Protection	Not Applicable
	5	Environmental Compliance Management	Environmental Management
	6	Energy Utilization	Energy Consumption
	7	Water Resource Utilization	Resource Consumption
	8	Circular Economy	Pollutant and Waste Management
Society	9	Rural Revitalization	Social Welfare
	10	Social Contribution	Social Welfare
	11	Innovation-Driven	Technological Innovation
	12	Technology Ethics	Not Applicable
	13	Supply Chain Security	Not Applicable
	14	Equal Treatment for Small and Medium Enterprises	Not Applicable
	15	Product and Service Safety and Quality	Products and Services
	16	Data Security and Customer Privacy Protection	Products and Services
	17	Employees	Employee Management
Sustainable Development-related Governance	18	Due Diligence	Supplier Management
	19	Stakeholder Communication	ESG Management
	20	Anti-commercial Bribery and Anti-corruption	Business Ethics
	21	Anti-unfair Competition	Business Ethics

Feedback

Dear Reader:

Hello!

Thank you very much for taking the time to read the "Laviana Pharma 2024 ESG Report". To provide you and other stakeholders with more valuable information and effectively enhance the company's capabilities in environmental, social, and company governance, we sincerely welcome your comments and suggestions.

Multiple Choice (Please mark √ in the appropriate box)

1. Your overall evaluation of this report is:

☐ Excellent ☐ Good ☐ Average ☐ Below Average ☐ Poor

2. Does the report adequately respond to and disclose issues of concern to stakeholders?

☐ Excellent ☐ Good ☐ Average ☐ Below Average ☐ Poor

3. How do you evaluate Laviana Pharma’ s performance in economic responsibility?

☐ Excellent ☐ Good ☐ Average ☐ Below Average ☐ Poor

4. How do you evaluate Laviana Pharma’ s performance in environmental responsibility?

☐ Excellent ☐ Good ☐ Average ☐ Below Average ☐ Poor

5. How do you evaluate Laviana Pharma’ s performance in safety management?

☐ Excellent ☐ Good ☐ Average ☐ Below Average ☐ Poor

6. How do you evaluate Laviana Pharma’ s performance in employee responsibility?

☐ Excellent ☐ Good ☐ Average ☐ Below Average ☐ Poor

7. How do you evaluate Laviana Pharma’ s performance in community responsibility?

☐ Excellent ☐ Good ☐ Average ☐ Below Average ☐ Poor

8. Is the information, metrics, and data disclosed in the report clear, accurate, and complete?

☐ Excellent ☐ Good ☐ Average ☐ Below Average ☐ Poor

9. Do you find the content organization and layout design of this report reader-friendly?

☐ Yes ☐ No

Open-ended Questions

Do you have any comments or suggestions regarding Laviana Pharma's social responsibility fulfillment or this report?

Laviana

LAVIANA PHARMA