VALVAX 沃森生物®



2024

Sustainability Report

Walvax Biotechnology Co., Ltd.

Contents



Message from the Chairman	(
About Walvax Biotechnology	(
Sustainable Development Management	(

Community Co-development, Shared Health Benefits

Health Accessibility 69
Heartwarming Charity 77

Key Performance Table117Index Table119About This Report120

Strengthening Governance for Sustainable Growth

Guidance Through Party Building 17

Corporate Governance 19

Business Ethics and Anti-Corruption 25

Information Security and Privacy Protection 31

Empowering People, Energizing the Workplace

Inclusive and Diverse Workplace 81

Human Capital Development 86

Occupational Health and Safety 99

Innovation-Driven Health Empowerment



Advancing Innovative Vaccine Development	3
Prioritizing Quality Excellence	4
Professional Customer Service	5
Sustainable Supply Chain	6

Green Development and Environmental Stewardship



Environmental Management Enhancement	103
Climate Change Mitigation	105
Pollution Prevention and Ecosystem Protection	110
Resource Utilization and Circular Economy	114

Message from the Chairman









Biotechnology continues its journey to help

everyone live a healthy life.

In 2024, Walvax Biotechnology forged ahead with renewed ambition and unwavering commitment. This year, we actively embraced change and focused our efforts on building a dynamic, customer- and market-oriented business framework. These strides marked a new chapter in our pursuit of high-quality development. Throughout the year, we remained committed to strengthening corporate governance, protecting the environment, and fulfilling our social responsibilities. In doing so, we continuously enhanced our capabilities in governance, innovation, resilience, competitiveness, and value creation. These efforts not only advanced the Company's sustainable growth, but also contributed to the broader goal of sustainable economic and social development.

Steady progress paves the way for long-term success, as transformation fuels the Company's enduring growth.

To better implement its development strategy for the new era and respond more swiftly and effectively to customer needs, Walvax Biotechnology launched a transformation initiative in 2024. Guided by this imperative for change, the Company restructured its organizational framework and management processes, establishing a new business architecture centered on business units (BUs) as the core operational entities. Each BU is now empowered to focus more sharply on its strategic goals, taking full charge of business planning and execution. This transformation has laid a solid organizational foundation for the Company's high-quality and sustainable growth. With the support of the founding team, the Board of Directors appointed a new generation of executive leadership. This more professional, younger, and international management team is now leading the Company through a strategic transformation anchored in integrity, powered by innovation, and committed to long-term growth. Together, we strive to build a new global benchmark for vaccine innovation and equitable access, advancing public health for all.

Driven by innovation, we are accelerating the development of new quality productive forces. Guided by the belief that "life is priceless, and science is boundless," Walvax Biotechnology continues to invest heavily in R&D for new products and projects. We regard independent innovation, strategic acquisitions, and deep integration across industry, academia, and research as the driving force behind the Company's growth and consistently foster new quality productive forces. For years, the Company has maintained annual R&D investment at approximately 20% of its operating revenue. Walvax Biotechnology has been listed among the Top 10 manufacturers by value (excluding COVID-19) by WHO

for multiple consecutive years. To date, we have launched 8 vaccine products with 14 specifications, and an additional mRNA vaccine targeting the Omicron XBB.1.5 variant has been approved for emergency use by Chinese national authorities. These achievements reflect the Company's enduring commitment to public health. In 2024, the Company achieved new breakthroughs in several innovative blockbuster products and technologies. With continuous improvements in quality management. Walvax Biotechnology is honored to be recognized among the Top 500 Private Enterprises in R&D Investment 2024 and the Top 10 Most Innovative Non-public Enterprises in Yunnan Province 2024. In December 2024, the Yunnan Vaccine Laboratory passed the acceptance inspection and was officially inaugurated. It will serve as a key strategic platform for Walvax Biotechnology to advance vaccine R&D and industrialization, facilitate technology commercialization. power industrial growth, and nurture talent. The laboratory will contribute to China's vaccine industry development and biosafety strategy, supporting the nation's efforts to achieve greater scientific independence and self-reliance.

Promoting health hand in hand, we embrace a vibrant and promising future. Walvax Biotechnology remains committed to driving progress through technological innovation and building on a foundation of high-quality products. By fostering local collaborations and making vaccines more accessible and affordable, we are bringing life-saving solutions to more people across the globe. As of the end of 2024, our products had reached 22 countries and regions, with over 55 million doses supplied to developing nations. Notably, our bivalent HPV vaccine received WHO pregualification and achieved its first overseas market approval. We continue to pursue the development of high-quality, high-value, and more accessible vaccines, while actively advancing global public health through public health education initiatives and vaccine donation programs. At the same time, we have fully implemented our "Ever-Thriving Walvax" talent development system, cultivating a diverse, dynamic, and innovation-driven team of professionals. Together, we are safeguarding health and life, and journeying toward a vibrant and promising future

We are driving a green transformation to build a cleaner, low-carbon production system. Walvax Biotechnology integrates green ecological principles and sustainability requirements into every aspect of its operations. We are committed to building a company-wide EHS management system that spans all business units, while proactively addressing the risks and opportunities brought by climate change. We are firmly advancing resource conservation and environmental protection action plans. Through robust environmental management systems and the implementation of high-standard environmental practices, we strive to establish a production system that is clean, low-carbon, and climate-resilient. In 2024, the Company incorporated energy management indicators and targets into its annual performance evaluations. With continued upgrades in equipment and technology, and more efficient production-sales coordination, we achieved sustained reductions in energy consumption, water usage, greenhouse gas emissions, and hazardous waste discharge. Our efforts toward clean and low-carbon production have begun to deliver tangible results. Looking ahead, we will work hand in hand with partners across the industry chain to advance the green transition and safeguard our shared planet.

Moving forward, Walvax Biotechnology will remain steadfast in embracing change. We will continue refining the R&D, production, and industrialization of our core proprietary products, maintaining strategic focus and pursuing steady progress. We are also committed to fulfilling the mission and responsibilities entrusted to biopharmaceutical enterprises in this era, actively exploring new business areas and innovative models, and continuing our journey toward helping everyone live a healthy life.

Li Yunchun, Chairman of Walvax Biotechnology Co., Ltd.



About Walvax Biotechnology

Company Profile

Founded in 2001, Walvax Biotechnology Co., Ltd. (hereafter referred to as "Walvax Biotechnology") is a cutting-edge biopharmaceutical enterprise integrating R&D, production, and sales of human vaccines. The Company has established itself as an industry leader in the biotechnology pharmaceutical sector, particularly in novel vaccines. In 2010, the Company was successfully listed on the Shenzhen Stock Exchange (stock code: 300142), becoming the first enterprise from Yunnan Province to be listed on China's ChiNext board.

Guided by the purpose "Help Everyone Live a Healthy Life," Walvax Biotechnology has steadily advanced over more than two decades, securing approval for 8 vaccine varieties across 14 specifications. In December 2023, its mRNA vaccine targeting the Omicron XBB.1.5 variant received emergency use authorization, making it the only company worldwide to offer all three of the best-selling vaccine varieties: COVID-19 mRNA vaccine, HPV vaccine, and pneumococcal conjugate vaccine. The Company's products have reached 22 countries and regions, and it has been recognized among the Top 10 manufacturers by value (excluding COVID-19) by WHO

for two consecutive years. Adhering to its development philosophy of "Rooted in Yunnan, Based in China," the Company has built high-standard, high-performance platforms for translating technology into product. It has invested in the construction of R&D centers in Kunming High-tech Industrial Development Zone and Shanghai Zhangiiang Hi-tech Park, as well as a state-of-the-art vaccine production base in Yuxi State High-Tech Development Zone, Yunnan. The Company is also advancing the construction of new vaccine industrial bases in Beijing, Guangzhou, and other locations, while planning global fill-finish bases. These efforts lay a solid foundation for realizing the vision of "Made in China, Supplied Globally."

Looking ahead, Walvax Biotechnology will continue to advance along an innovation-driven path that integrates independent R&D, strategic mergers and acquisitions, and deep collaboration across industry, academia, and research. The Company remains committed to developing high-value, customer-oriented, and internationally competitive vaccines, bringing the benefits of immunization to an ever-growing global population.

Products exported to

countries and regions

Overseas business revenue in 2024 reached RMB

570 million

increase compared to 2023

Product Overview

Non-Expanded Program on Immunization (Non-EPI) Vaccines

Launched in 2022

Indicated for females aged 9-30 years; Prevents cervical cancer and related diseases caused by high-risk HPV types 16 and 18



Bivalent Human Papillomavirus Vaccine

Launched in 2020

Indicated for infants and children from 6 weeks to 5 years of age (prior to 6th birthday): Prevents infectious diseases caused by 13 serotypes of Streptococcus



13-valent Pneumococcal Polysaccharide Conjugate Vaccine

Launched in 2017

Indicated for individuals over 2 years of age with increased risk of pneumococcal infection: Prevents pneumococcal diseases caused by 23 serotypes of Streptococcus pneumoniae



23-valent Pneumococcal Polysaccharide

Launched in 2012

Indicated for children over 2 years of age and high-risk adults; Prevents meningitis caused by corresponding Neisseria meningitidis serogroups



Group ACYW135 Meningococcal Polysaccharide Vaccine

Launched in 2009

Indicated for children aged 3 months to 5 years; Prevents diseases caused by Neisseria meningitidis serogroups A and C



Group A and Group C Meningococcal Conjugate Vaccine

Launched in 2007

Indicated for infants from 2 months of age to children of 5 years; Prevents diseases caused by Haemophilus influenzae type b



Haemophilus Influenzae Type b Conjugate Vaccine

Expanded Program on Immunization (EPI) Vaccines

Launched in 2017

Indicated for children aged 3 months to 6 years; Prevents pertussis, diphtheria, and tetanus



Diphtheria. Tetanus and Acellular Pertussis Combined Vaccine adsorbed

Launched in 2012

Indicated for children over 2 years of age and adults; Prevents epidemic cerebrospinal meningitis caused by Neisseria meningitidis serogroups A and C



Group A and C Meningococcal Polysaccharide Vaccine

Emergency Use

Approved for emergency use in 2023 Indicated for individuals 18 years and older; Prevents COVID-19 infection caused by prevalent strains such as Omicron XBB, EG.5, etc.



SARS-CoV-2 mRNA Vaccine (Omicron XBB.1.5)

Key Figures of 2024



Operating revenue:

Total tax contribution:

RMB 39 million

of the listed company:

RMB 42 million

Annual R&D investment:

RMB 700 million

Net profit attributable to shareholders

RMB 2.82 billion

RMB **4.724** billion



Products exported to

22 countries and regions



Walrinvax® (HPV-2 Vaccine) received WHO

prequalification.

and obtained its first overseas registration and market access



Overall service quality satisfaction:

99.72%



Annual product recall rate:

0%



Total employees:

1,932



Proportion of female executives:

43.24%



Annual charitable donations:

RMB **5.1069** million



Annual increase in environmental protection investment:

RMB **2.9732** million



Greenhouse gas emission intensity:

tons of CO₂ equivalent/RMB 10,000 revenue



Compliance rate for wastes

100%





Annual exports to developing countries and regions: Over

million doses



Annual overseas business revenue reached

RMB 570 million,

representing a 98% increase from 2023



Annual vaccine batch

24.6392



Vaccine delivery rate:

ChiNext 50 Index SZSE 200 Index CSI Health Care 100 Index CSI 500 Index Hang Seng China A Innovative

Index Inclusions

CNI Health Care Sector Index

Hang Seng Stock Connect Biotech 50

CSI Vaccine and Biotechnology Total Return Index

SSI A-share Large Cap Index





100%



Honors & Memberships

Award / Recognition	Iccuing Organization
Exemplary Enterprise for Industry-University-Research Cooperation and	Issuing Organization China Industry-University-Research Institute
Innovation in China	Collaboration Association
Top 50 Chinese Biopharmaceutical Companies by R&D Strength 2024	Organizing Committee of China Pharmaceutical R&D and Innovation Summit
Chinese Red Cross Dedication Medal	Red Cross Society of China
Best Practice Case in Sustainable Development for Listed Companies 2024	China Association for Public Companies
Top 10 Innovative Non-Public Enterprises in Yunnan Province 2024 (Ranked 2nd)	Yunnan Federation of Industry and Commerce
Top 100 Non-Public Enterprises in Yunnan Province 2024 (Ranked 34th)	raman rodoration of madely and commence
Top 100 Yunnan Enterprises 2024 (Ranked 53rd)	
Top 100 High-Tech Enterprises in Yunnan Province 2024 (Ranked 25th)	Yunnan Enterprise Confederation, Yunnan Entrepreneurs Association
Top 100 Manufacturing Enterprises in Yunnan Province 2024 (Ranked 35th)	Z. i. op. oricale / accounts.
Exemplary Employer Brand Management Award 2024	Yonyou / Dayee, HR SPACE
Typical Case of Global Brand Innovation and Development 2024	Organizing Committee of Global Brand Innovation Development Think Tank Forum
Consumer Satisfaction Brand for Brand Influence 2024	Organizing Committee of Brand Influence Developmen Conference and Results Release Event
Top 20 Chinese Listed Pharmaceutical Companies by ESG	
	Healthcare Executive
Competitiveness 2024 Five-Star Gold Award for Social Responsibility Among China's Listed Manufacturing Companies 2024	Times Responsibility 40 Forum Think Tank
Competitiveness 2024 Five-Star Gold Award for Social Responsibility Among China's Listed	
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Competitiveness 2024 Five-Star Gold Award for Social Responsibility Among China's Listed Manufacturing Companies 2024 Industry Association Memberships Association China Association for Vaccines China Society for the Study of the Private—Sector Economy China Industry-University-Research Institute Collaboration Association The Supply Chain Branch of the China Association for Vaccines	Position Council Member Executive Council Member Vice President Unit Executive Council Member
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Sustainable Development Management

Sustainable Development Governance System

Walvax Biotechnology has fully integrated sustainable development into its business strategy. The Company's sustainable development management is aligned with its corporate development strategy, with continuous refinement of its governance system. A comprehensive top-down management mechanism has been established, involving the Board of Directors, management, functional departments. and business units. To this end, the Company has formulated the Walvax Biotechnology Sustainable Development Management System and related policies. These documents define sustainable development concepts, principles, scope of authority, and tasks, providing institutional guidance for the implementation, supervision, and development of sustainable development-related initiatives. This enhances the systematicity and effectiveness of the Company's sustainable development management.

The Board of Directors serves as the principal body responsible for managing and making decisions on economic, environmental, and social issues. Its duties include evaluating the impacts, risks, and opportunities associated with the Company's sustainable development initiatives, deliberating on and deciding significant sustainability-related issues, and ensuring the effectiveness of these decisions. Under the Board, a Sustainable Development Committee has been established. Chaired by the Chairman, this committee is tasked with researching, guiding, and reviewing the Company's sustainable development objectives, policies, and plans. Additionally, it monitors the implementation of key sustainable development initiatives, assesses goal attainment, and offers recommendations for improvement. At the management level, the President's Office and the ESG Office are responsible for developing sustainable development strategies, coordinating action plans, and overseeing the achievement of related objectives. The ESG Working

Group, comprising personnel from various departments and subsidiaries, is charged with implementing specific sustainable development tasks. These include developing specialized plans aligned with the Company's overall strategy, conducting regular reviews of sustainable development indicators, compiling reports, and gathering and submitting relevant information. The Company's *Organizational Performance Management Measures (Trial)* incorporates assessment criteria for ESG factors such as quality, safety, and the environment. Quantitative indicators are used to measure the effectiveness of ESG strategies, which are also integrated into the assessment framework for the remuneration system.

Members of the Sustainable Development Committee and ESG Working Group possess extensive professional knowledge and practical experience. During the reporting period, the Company conducted thorough reviews and examinations of material issue assessments, goal achievements, and other critical matters. Additionally, two ESG-specific training sessions were organized for all employees, covering ESG trends, rating interpretations, and implementation guidance. These efforts aim to enhance employees' understanding of the Company's ESG strategies and ensure the effective implementation of ESG initiatives across the organization.





Walvax Biotechnology's Sustainable Development Governance Structure

Decision-Making Level

- Evaluate sustainable development-related impacts, risks, and opportunities facing the Company
- Engage in the review and decision-making process for significant sustainable development matters
- Provide comprehensive oversight of sustainable development issues and assume responsibility for their effectiveness

Management Level

- · Execute and monitor sustainable development strategies, plans, and objectives
- Assess the materiality of sustainable development issues and integrate them into operational considerations
- Identify and allocate the necessary costs and resources for detecting, mitigating, managing, and monitoring sustainable development-related impacts, risks, and opportunities

Executive Level

- Manage various issues through designated channels and develop targeted sustainable development plans
- Implement specific sustainable development initiatives
- Conduct regular monitoring and reporting of sustainable development indicators

Board of Directors

Sustainable Development Committee

President's Office

(including executives esponsible for various issues

ESG Office

coordinates and advance ESG initiatives)

FSG Working Groups

- Corporate Governance
 Working Group
- Product Safety and Quality
- Health Accessibility
 Working Croup
- (EHS) Working Group
- Employee Responsibility Working
 Group
- Information Security and Privacy Protection Working Group

In 2024, Walvax Biotechnology conducted a comprehensive analysis of key sustainability frameworks based on the Company's vision. These include the *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, IFRS S2 Climate-related Disclosures,* and the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation).* The Company benchmarked its practices against leading domestic and international ESG rating systems. Aligning with the United Nations Sustainable Development Goals (SDGs) and industry trends, it initiated groundwork for developing a robust sustainable development strategy and enhancing top-level design, with the aim of boosting governance capabilities, competitiveness, innovation performance, and resilience to risks.

Stakeholder Management

Walvax Biotechnology maintains effective communication with stakeholders through a proactive and transparent approach. Stakeholders' concerns, demands, opinions, and suggestions are integrated into the identification and response to sustainable development risks and opportunities, as well as the establishment of performance indicators and management mechanisms. The objective is to address the expectations and requirements of various stakeholder groups.

Stakeholder Groups	Expectations and Requirements	Communication Methods and Channels
Government and Regulatory Bodies	Compliance with laws and regulations Fulfillment of tax obligations Contribution to local development	 Dedicated meetings and reports Policy consultation and feedback Official site visits Regulatory compliance inspections Statutory information disclosure
Shareholders and Investors	Sustainable and consistent returns Transparency in information disclosure Effective investor relations management	 Annual general meetings Financial reports and announcements Investor hotline services Roadshows and reverse roadshows Performance briefings and investor events
Customers	 Assurance of product quality and safety Enhanced customer service Guarantee of business continuity Customer privacy protection 	 Customer satisfaction surveys Customer relationship management systems Customer audits and feedback sessions Engagement through social media platforms
Partners	 Adherence to ethical business practices Implementation of responsible supply chain management Promotion of industry collaboration and knowledge exchange 	 Supply chain audits and capacity building Open innovation initiatives Regular communication and dialogue Participation in industry conferences
Employees	 Protection of employee rights and benefits Commitment to occupational health and safety Provision of training and development opportunities Promotion of diversity and equal opportunities 	 Employee engagement activities Comprehensive training programs Performance review and feedback sessions Internal communication platforms Established grievance mechanisms
Environment	 Efficient and sustainable resource utilization Minimization of environmental footprint Leadership in industry-wide green development initiatives 	 Proactive climate change mitigation strategies Reduction of wastes emissions Active participation in biodiversity conservation efforts
Public and Communities	Commitment to product quality and safety Engagement in philanthropic and charitable activities Fostering community relations and development	 Proactive media engagement Transparent public disclosures Implementation of community-focused projects Organization of employee volunteer programs



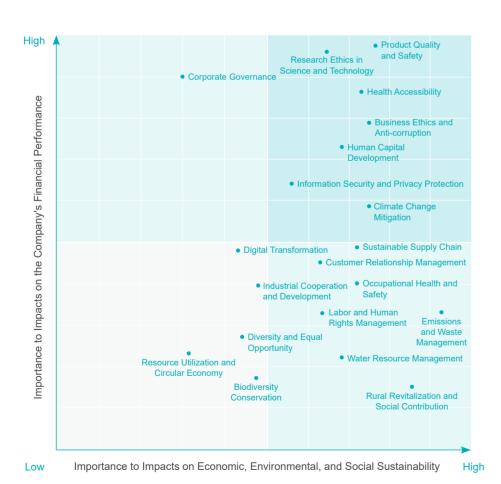
Materiality Assessment

Walvax Biotechnology considers stakeholder concerns as a critical factor in formulating its sustainable development strategy. The implementation of systematic materiality issue management forms the cornerstone of our sustainable development planning, risk and opportunity management, and information disclosure. The Company regularly conducts materiality analyses. In 2024, analytical methods were refined in accordance with the latest disclosure standards, including the *GRI Standards for Sustainability Reporting*, the *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*, and the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*. The Company performed a comprehensive double materiality assessment across various stakeholder groups, identifying and evaluating material issues from two perspectives: "impact materiality" (importance to impacts on economic, environmental, and social sustainability) and "financial materiality" (importance to impacts on the Company's financial performance). This thorough review examines the concerns of all parties and their financial implications for the Company. To better address stakeholder expectations and demands, rigorous management and disclosure practices were implemented for high-impact issues. The Board and Sustainable Development Committee reviewed and endorsed the materiality matrix for the current year.

Identify general and industry-specific issues by referencing authoritative domestic and international sustainability reporting guidelines and standards, mainstream ESG rating systems, and sustainability issues of concern within the industry.

Conduct targeted surveys among key internal and external stakeholder groups to develop the 2024 materiality matrix, determining the material issues and their priorities for the current year.

Perform internal management assessment and external expert evaluation for the screening and analysis results, with final review and validation by the Sustainable Development Committee.



Risk and Opportunity Management

Walvax Biotechnology strictly adheres to legal and regulatory requirements, including the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Basic Standard for Enterprise Internal Control, and Guidelines for the Application of Enterprise Internal Control. With the management objective of "strengthening internal control, preventing risks, and promoting compliance," the Company has developed institutional guidelines such as the Walvax Biotechnology Risk Management System and Walvax Biotechnology Internal Control Deficiency Identification Standards, tailored to the specific characteristics of the industry. A comprehensive work model centered on risk management and compliance management supervision has been established, alongside a "three lines of defense" internal control and risk management implementation structure. These measures are designed to enhance the management of sustainability impacts, risks, and opportunities, ensuring the Company's stable operation.

Risk Management Structure

The Board of Directors holds ultimate responsibility for risk management. Their duties include approving the Company's risk management strategy, determining overall risk levels, sanctioning major risk response plans, monitoring the effectiveness of risk management practices, and evaluating the management team's performance in this area. The Audit Committee, operating under the Board, reviews the effectiveness of risk identification, assessment, management, and monitoring procedures. Specific risk management responsibilities are delegated to other committees, such as the Sustainable Development Committee, within their areas of expertise. The President's Office is responsible for executive management, including formulating risk management strategies, objectives, appetite, and tolerance. It oversees the control of operational and business risks, providing regular reports to the Board on the Company's risk management status. An Internal Audit Department has been established to assess various business and sustainability risks, supervise the implementation of risk management systems, and deliver annual reports to the Audit Committee and executive management on key risk control efforts. The Compliance Office is tasked with identifying, assessing, and managing compliance risks.

First Line of Defense

The Company's business departments, functioning as front-end units, serve as the primary entities responsible for internal control and risk management, establishing and implementing the first line of defense.

Second Line of Defense

The Company's internal control and risk management functional units, including Quality, Compliance, Safety, Human Resources, and Finance departments, act as support units for internal control and risk management, establishing and implementing the second line of defense.

Third Line of Defense

The Company's internal audit unit and external auditors serve as assurance providers for internal control and risk management, implementing the third line of defense.



Strategy and Procedures

Walvax Biotechnology has established five key areas of focus for risk management; compliance assurance, industry regulation. risk orientation, risk (deficiency) identification standards, and internal control self-assessment. Risk management indicators are integrated into the performance evaluation system. In response to changes in both internal and external environments, the Company conducts comprehensive risk identification, assessment, and management. On an annual basis, it employs a variety of methods, including questionnaires, expert consultations, scenario analyses, policy reviews, and industry benchmarking. This approach allows for a focused review of critical business areas, key domains, crucial operational aspects, and international business activities. All business departments are mobilized to review, identify, and assess specific business risks. By evaluating the potential impact and likelihood of risks, priorities for risk management efforts are determined, resulting in the creation of a Risk Database and an Internal Control Database. The Company assesses risks (including sustainability-related risks and opportunities) that may significantly impact its business model, operations, development strategy, financial status, and value chain in the short, medium, or long term. Based on these assessments, risk management policies and response measures are adjusted accordingly. Furthermore, the Company has implemented effective risk handling and emergency management mechanisms. For newly emerging significant risks lacking established response plans, the President assembles a team to develop appropriate plans, which are then submitted to the Board for consideration.

The Company actively promotes employee involvement in fostering a robust corporate risk management culture. Employees are provided with tailored risk management training, focusing on job functions and business characteristics. Departments are mandated to promptly study and analyze emerging regulations and policies, engaging external experts for further interpretation and training when necessary. This approach ensures operational compliance and helps reduce risks to an acceptable level.

Risk Identification

· Utilize a diverse range of methods, including questionnaires, document reviews, on-site inspections, penetration testing, and SWOT analysis

Risk Assessment

- Evaluate risk probability
- Assess the severity of potential risk impacts
- Calculate risk values to determine risk levels
- Evaluate the effectiveness of existing control measures

Risk Control

- Implement risk management measures based on identified risk levels and the Company's specific circumstances, considering strategies such as risk avoidance, transfer, reduction, and mitigation of potential impact severity
- · Conduct ongoing risk monitoring and early warning procedures

Analysis of Material Issues' Impact, Risks, and Opportunities

Walvax Biotechnology places a strong emphasis on identifying and managing significant financial and non-financial risks that may affect business strategy and objectives. The Company proactively incorporates major sustainability risks and opportunities into the risk review and business planning processes. Through rigorous and independent procedural mechanisms, risks are defined and quantified accurately. This approach enables effective management or mitigation of risks while simultaneously identifying opportunities for growth and transformation.



Material Issues	Impact Period	Risks and Opportunities	Impact Level
Product Quality and Safety	Short-term, medium-term, long-term	 Evolving external regulatory standards may result in regulatory penalties, market access restrictions, and diminished market trust if the Company fails to adapt effectively. High-quality products can enhance customer trust, expand market share, and secure competitive advantages. 	Negative Impact: highly significant; Positive Impact: highly significant
Research Ethics in Science and Technology	Short-term, medium-term, long-term	 In the face of technological challenges, market competition, and internationalization, R&D investments necessitate increased financial commitments with uncertain commercial outcomes. Advancements in disruptive technologies such as mRNA, gene editing, synthetic biology, and artificial intelligence can facilitate the development of vaccines with substantial medical and social value, which helps sustain long-term market competitiveness. 	Negative Impact: moderately significant; Positive Impact: highly significant
Health Accessibility	Short-term, medium-term, long-term	 As the domestic pharmaceutical industry undergoes structural transformation, it faces increasingly complex policy, market, and technological risks. Vaccine demand is becoming more susceptible to disease prevalence trends. Considerable unmet demand persists in the global vaccine sector. Frequent national policies promoting innovation and biopharmaceutical industry growth offer substantial development potential. 	Negative Impact: minima Positive Impact: highly significant
Business Ethics and Anti- Corruption	Short-term, medium-term, long-term	 Instances of commercial bribery and corruption can potentially incur significant economic costs, legal ramifications, operational risks, and reputational damage to the Company. Robust anti-bribery and anti-corruption measures contribute to the establishment of sound internal management systems and processes, optimizing operations and enhancing 	Negative Impact: significant; Positive Impact: moderal significant

Human Capital Development

Short-term medium-term, Iona-term

Inadequate employee training and development may lead to strategic and organizational change risks, as well as increased employee turnover

efficiency and transparency.

A comprehensive employee learning, development, and talent nurturing system will underpin the achievement of company strategic objectives, bolster brand and market competitiveness, and generate potential business opportunities.

Negative Impact: moderately significant; Positive Impact: highly significant



Information Security and Privacy Protection

Short-term medium-term, long-term

- Multi-faceted risks encompass technological, human, management, and operational aspects. Inadequate management of critical data and customer privacy may result in data breaches, leading to compliance issues, reputational damage, and erosion of customer trust.
 - Negative Impact: highly significant; Positive Impact: moderately significant

Climate Change Mitigation

Medium-term, long-term

- Climate change-induced extreme weather events and natural disasters pose both physical and transition risks. Their unpredictability may lead to asset losses, increased costs due to supply chain disruptions, and changes in market conditions and disease patterns that may impact product strategies.
- Possible solutions include identifying new business areas in climate change-related disease areas, developing innovative vaccine solutions. Enhanced energy management practices will also ensure long-term stable power supply and yield energy-saving benefits.

Negative Impact: significant

Positive Impact: significant

Note: Impact levels are categorized as "minimal", "moderately significant", "significant", and "highly significant".



Guidance Through Party Building

Walvax Biotechnology deeply integrates Party-building with its corporate philosophy of "Help everyone live a healthy life," guided by its mission to serve the country and society through unwavering dedication. Through concrete actions, the Company demonstrates its profound respect for life and continuously refines its "Wo Health" Party-building brand. Focusing on six key areas—ideological development, organizational development, institutional development, capacity building, brand development, and mass organization development, the Company closely aligns Party-building with its business operations, elevating Party-building efforts to new heights and contributing to its sustainable development strategy.



Ideological Development

We have thoroughly studied and implemented Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, along with the spirit of the 20th CPC National Congress and the spirit of the 1st/2nd/3rd Plenary Session of the 20th CPC Central Committee. In celebration of the Party's 103rd anniversary, we organized a variety of enriching activities. In alignment with the Company's business characteristics, we held a themed Party lecture titled "Fostering New Quality Productive Forces to Support High-Quality Corporate Development", which further enhanced the unity and solidarity of our Party members.



Organizational Development

The Party Committee of Walvax Biotechnology consists of one General Party Branch and nine Party Branches. In 2024, the Yunnan Vaccine Laboratory Party Branch was established, along with the formation of a trade union, ensuring full coverage of primary-level Party organizations and enhancing their effectiveness.



Awarded the title of

Advanced Primary-Level Party Organization by the Kunming

High-Tech Industrial Development Zone.

Awarded the title of "Strong Party-Building, Strong **Development" Torch Program Model Party** Organization by the Kunming

High-Tech Industrial Development Zone.

Institutional Development

We have established comprehensive standards and institutional mechanisms for Party building, along with a standardized management system for Party-related documents. The Implementation Measures for the Selection of Outstanding Party Members (Trial) have been formulated and published, and the Party and Mass Work Manual has been upgraded. These efforts ensure that Party-building activities are conducted in accordance with clear regulations and standardized procedures, thereby improving governance effectiveness.

Celebration of the 103rd Anniversary of the CPC, themed "Stay True to the Original Aspiration and Embrace Reform"











Capability Building

The "Smart Party Building" platform has been implemented to strengthen Party member management through digital solutions, enhancing the efficiency of Party-building efforts. The internal publication Walvaxer serves as a key medium for promoting the Party's policies and the Company's development achievements, while also highlighting exemplary deeds of Party members and showcasing the role model of Party organizations as strongholds of support. These efforts help inspire and motivate employees.



Brand Development

We consistently refine the "Wo Health" Party-building brand, shaping the spiritual ethos of Walvax employees through five dimensions: "Born in Health, Learn for Health, Think for Health, Act on Health, and Serve for Health." The construction of the Party Building Cultural Corridor was completed in 2024.



Mass Organization Development

Guided by the principle of "integrating Party-building with business operations and empowering employees," the Company has reinforced efforts in mass organization development by hosting diverse cultural events such as tea culture workshop and World Book Day activities. These initiatives enrich employees' cultural experience while fostering the inheritance and innovation of the corporate culture. At the same time, we actively explore innovative pathways for aligning Party-building with core business practices, improve communication channels for employee concerns, and enhance employee cohesion and sense of belonging.





Corporate Governance

Enhancing the Governance Framework

Walvax Biotechnology strictly complies with the legal and regulatory requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Measures for the Administration of Stock Exchanges, the Code of Corporate Governance for Listed Companies, the Shenzhen Stock Exchange Growth Enterprise Market (GEM) Listing Rules, and the Shenzhen Stock Exchange Self-Regulatory Guidelines No. 2 - Standardized Operations for Companies Listed on the Growth Enterprise Market (GEM), as well as the Articles of Association and other internal corporate regulations. The Company has established a stable corporate governance structure in which the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the management team each fulfill their respective duties while maintaining a system of mutual checks

The Company consistently improves and implements its internal control systems, clearly defining the rights and responsibilities of shareholders, directors, supervisors, and senior management. It fully respects and safeguards the legitimate rights and interests of its stakeholders, including shareholders, employees, customers, consumers, suppliers, and creditors. At the same time, the Company remains committed to strengthening the standardized governance of its subsidiaries, ensuring robust risk management, and upholding the legitimate rights and interests of all shareholders, especially minority investors. For details on the Company's governance structure, governance mechanisms, shareholding structure, and information about the controlling shareholders and actual controllers, please refer to the Walvax Biotechnology Co., Ltd. 2024 Annual Report.

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General Meeting of Shareholders

The General Meeting of Shareholders, as the highest authority of the Company, primarily exercises decision-making and supervisory powers. It convenes the shareholders' meetings in compliance with the Rules for the Shareholders' Meetings of Listed Companies, the Articles of Association, and the Rules of Procedure for Shareholders' Meetings, ensuring that all shareholders, particularly minority and small shareholders, are treated equally and can fully exercise their legal rights.

shareholders' meetings throughout the year

The Board of Directors is accountable to the General Meeting of Shareholders and is responsible for making decisions on major corporate matters and business operations. It oversees five specialized committees: the Strategy Committee, the Audit Committee, the Nomination Committee, the Remuneration and Evaluation Committee, and the Sustainable Development Committee. These committees provide professional advice and recommendations to support the Board's decision-making. Among them, the Audit Committee, Nomination Committee, and Remuneration and Evaluation Committee are primarily composed of independent directors, who also serve as their respective chairs. The company continues to strengthen the supervisory and advisory roles of external directors, effectively enhancing the scientific rigor of board decision-making.

Board of Directors

Held

board meetings throughout the year

46 resolutions

Audit Committee meetings

Strategy Committee meeting

Remuneration and

Sustainable Development

Evaluation Committee meetings

Committee meetings

Committee meetings throughout the year

Supervisory Board

As the Company's supervisory body, the Supervisory Board is accountable to the General Meeting of Shareholders and is responsible for overseeing the Company's financial affairs, as well as ensuring the legality and compliance of the Board of Directors and senior management in the performance of their duties. It plays a key role in safeguarding the legitimate rights and interests of the Company and its shareholders, while promoting its healthy, stable, and sustainable development. As of the end of 2024, the Supervisory Board consists of three members, including two employee representative supervisors and two female supervisors.

Supervisory Board meetings throughout the year

22

Board Diversity and Effectiveness

Walvax Biotechnology firmly believes that board diversity strengthens the rigor and effectiveness of decision-making. playing a vital role in advancing the Company's strategic objectives and sustaining long-term development. The nomination of Board members follows a rigorous selection process in accordance with the Rules of Procedure for the Nomination Committee of the Board of Directors and other relevant regulations. Diversity is a key consideration in the nomination review process, where candidates are assessed based on a comprehensive evaluation of their educational background, industry experience, professional expertise. specialized skills, and work history. The selection process prioritizes candidates' strengths and the benefits of board diversity, ensuring that the Board maintains a well-balanced composition in terms of capabilities, skills, experience, gender, age, and cultural and educational backgrounds. This approach enhances corporate governance and strengthens decisionmaking effectiveness.

The Company's Board of Directors currently consists of 11 members, including 4 independent directors, accounting for more than one-third of the Board. Two of the directors are women. The current Board consists of 11 members with diverse professional backgrounds and expertise in pharmaceutical chemistry, biological sciences, risk management, financial accounting, law, and finance. The

Audit Committee, composed of three independent directors. includes two accounting professionals. Several Board members also bring valuable experience in risk management and prevention, such as developing risk control frameworks, addressing and mitigating significant risks, and providing effective risk solutions. Their expertise strongly supports the Company in identifying, mitigating, and resolving risks. The remuneration of board members is reviewed annually by the General Meeting of Shareholders. In the event that the Company or any individual's performance does not meet the required expectations, or if any inappropriate conduct is found, the Company reserves the right to recover part or all of the remuneration already paid or to withhold any outstanding

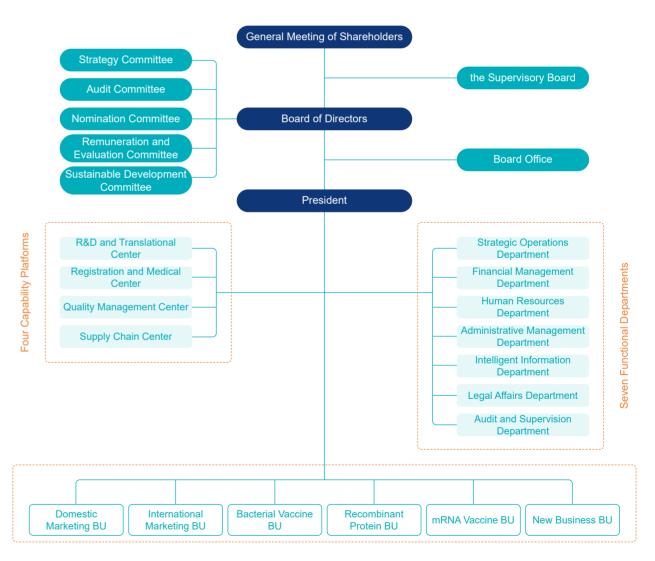
As part of its ongoing efforts to enhance corporate governance, Walvax Biotechnology actively promotes professional training for board members. Directors are encouraged to participate in training sessions on internal policies, codes of conduct, and relevant securities market laws and regulations to strengthen their professional expertise and fulfill their duties more effectively. During the reporting period. Walvax Biotechnology held two professional skill training sessions for the Board of Directors, covering topics including business ethics and anticorruption, risk mitigation of insider trading and related-party transactions, and information security and privacy protection.

			Professional Ca			city	
Туре	Name	Gender	Industry Experience	Risk Management	Financial Accounting	Law	Operations and Management
Director, Chairman of the Board	Li Yunchun	Male	$\sqrt{}$				\checkmark
Director, Vice Chairman	Huang Zhen	Male	$\sqrt{}$				\checkmark
Director, Vice Chairman	Dong Shaozhong	Male	\checkmark				\checkmark
Director	Jiang Runsheng	Male	\checkmark				\checkmark
Employee Director, President	Yao Wei	Male	$\sqrt{}$				\checkmark
Director	Fan Yongwu	Male		\checkmark	$\sqrt{}$		
Employee Director	Yan Ting	Female					$\sqrt{}$
Independent Director	Zhao Jianmei	Female		\checkmark	$\sqrt{}$		
Independent Director	Zhu Jinyu	Male		\checkmark	$\sqrt{}$		
Independent Director	Sun Ganghong	Male		\checkmark		$\sqrt{}$	
Independent Director	Zeng Lingbing	Male	$\sqrt{}$	\checkmark			

Driving Organizational Transformation

Amidst the complexities and fluctuations of the market, coupled with the demands for high-quality development, the drive for innovation and change has emerged as a unified consensus across the industry. To achieve long-term sustainable development, Walvax Biotechnology consistently strengthens its strategic and organizational capabilities through systematic transformation and optimization. Our focus spans multiple key areas, including capital strategy planning, strategic decision-making and positioning, globalization strategy, organizational transformation, organizational capability development, and leadership and cultural advancement. By driving strategic and managerial reforms, the Company proactively addresses internal and external challenges, steadily enhancing its core strategies, talent pool, and resource allocation. These efforts support Walvax Biotechnology in its pursuit of becoming a globally leading enterprise.

In 2024, the Company undertook an organizational transformation to support the implementation of its new development strategy for the current stage and to better respond to customer needs with greater agility. The organizational structure and management processes were restructured, transitioning to a Business Unit (BU)-based model, under which each BU functions as an operational unit bearing full responsibility for key performance indicators such as revenue, profit, and cost. This adjustment ensures the comprehensive implementation of operational responsibilities, enables holistic business planning and development, and strengthens the organizational foundation for high-quality growth. With strong support from the Company's founding team, the Board of Directors appointed a new management team to lead this transformation. Characterized by enhanced professionalism, a younger profile, and a global vision, the new team is positioned to drive the Company's strategic transformation and long-term growth.



Six Business Units

Investor Rights Protection

Information Disclosure

Walvax Biotechnology strictly complies with the Securities Law of the People's Republic of China, the Measures for the Administration of Information Disclosure by Listed Companies, the Provisions on the Registration and Management of Insiders with Access to Insider Information of Listed Companies, and other relevant laws, regulations, and normative documents. The Company has established the Information Disclosure Management System of Walvax Biotechnology Co., Ltd. and its implementation rules to ensure that information disclosure is conducted in a truthful, accurate, complete, timely, and fair manner. In 2024, the Company published a total of 124 announcements and designated Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily, and CNINFO as its official information disclosure platforms. This ensures that all shareholders have equal and timely access to company information. During the reporting period, there were no false records, misleading statements, material omissions or other improper disclosures in the Company's information disclosure. We also keep a close eye on the public sentiments and market trading conditions to effectively protect the legitimate rights and interests of investors.

Investment Returns

The Company is committed to providing shareholders with reasonable investment returns, with cash dividends as a key method of shareholder compensation. While adhering to profit distribution principles and ensuring the Company's stable operations and long-term growth, we also enhance its investment value through measures such as share buybacks and cancellations. Our goal is to establish a shareholder value return mechanism that is long-term, stable, and sustainable. In 2024, the Company distributed a cash dividend of RMB 15.9935 million (tax inclusive). In the same year, it also completed the cancellation of 7.9999 million shares that had previously been repurchased through centralized bidding.

Investor Communication

The Company consistently refines internal policies, such as the Investor Relations Management System of Walvax Biotechnology Co., Ltd., and the Investor Visit Reception Management System of Walvax Biotechnology Co., Ltd., and develops diverse communication channels to engage with investors. These channels include General Meetings of Shareholders, investor site visits, investor hotlines, dedicated email responses, earnings briefings, in-person investor receptions, and responding to investor inquiries via the irm. cninfo.com.cn platform. Through these initiatives, we foster transparent and open communication with investors on corporate governance, strategic development, operational performance, financing plans, and sustainability, effectively enhancing mutual interaction and trust between the Company and its investors. During the reporting period, the Company engaged with investors more than 3.600 times through various channels.

The Company has established clear procedures for convening, holding, and conducting the General Meetings of Shareholders, as well as for the voting process, ensuring that investors have the right to be informed and to participate in significant corporate matters. We treat all shareholders equally. Small and medium-sized shareholders may attend the General Meeting of Shareholders in person or vote online. For major matters that may impact their interests, the company separately counts and discloses their votes. The meeting agenda includes a dedicated Q&A session for small and medium-sized investors to actively voice their opinions and suggestions. The time and location of shareholder meetings are carefully selected to maximize participation, and modern information technology is leveraged to further expand shareholder engagement. When reviewing and deciding on profit distribution plans, independent directors diligently fulfill their duties by explicitly expressing their consent. Relevant proposals are reviewed and approved by the Board of Directors and the Supervisory Board before being submitted to the General Meeting of Shareholders for deliberation, ensuring the protection of small and mediumsized shareholders' legitimate rights and interests.



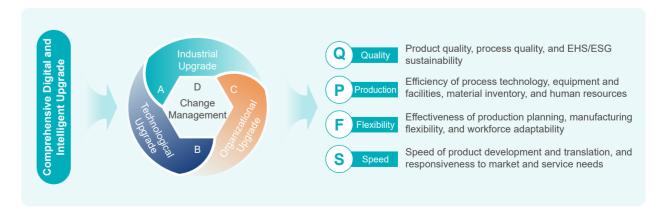


Tax Management

Walvax Biotechnology strictly complies with the Enterprise Income Tax Law of the People's Republic of China and other relevant domestic laws and regulations, as well as international tax rules. The Company has formulated the Tax Management Measures of Walvax Biotechnology Co., Ltd., which cover tax declaration and payment, tax risk management, and tax document management, and continues to improve its tax management system and tax risk control mechanisms to ensure compliant tax reporting and payment and maintain the compliance and soundness of tax administration. We are committed to responsible tax practices: we do not shift the value we create to low-tax jurisdictions, do not use tax planning structures lacking genuine commercial substance, adhere to the arm's length principle in transfer pricing, and refrain from using secrecy jurisdictions or "tax havens" for any form of tax avoidance. As international business expands, the Company further strengthened its tax compliance management in 2024 by conducting internal self-inspections and external audits, optimizing tax planning, and continuously enhancing its capability to address tax risks. During the reporting period, Walvax Biotechnology did not encounter any significant tax compliance violations.

Digital Intelligence Transformation

Walvax Biotechnology aims to achieve the seamless integration of informatization, digitalization, intelligence, and networking across its business operations and management. We are accelerating the development of a data-driven digital management system and establishing an intelligent manufacturing system with deep cross-platform and multi-system interactions. These efforts strongly advance the construction of Digital Walvax, Intelligent Walvax, and Smart Walvax. The Company has established an integrated information system encompassing marketing, production, and R&D. Driven by a technology-powered development strategy, this system enables seamless connectivity between business processes and data flows across the front-end, mid-end, and backend operations. In 2024, the Company further strengthened its IT architecture and enhanced the integration of industrialization and digitalization across production units. We continued to refine our financial shared services, ERP systems, and operational information systems, driving improvements in overall business efficiency.



Business Ethics and Anti-Corruption

Walvax Biotechnology strictly adheres to international declarations and legal regulations, including the United Nations Declaration Against Corruption and Bribery in International Commercial Transactions, the CEPI Third-Party Code, and various national laws such as the Criminal Law of the People's Republic of China, the Company Law of the People's Republic of China, the Antiunfair Competition Law of the People's Republic of China, the Anti-Monopoly Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, and the Drug Administration Law of the People's Republic of China, and the Vaccine Administration Law of the People's Republic of China. The Company also complies with industry regulations, including the Pharmaceutical Industry Compliance Management Regulations and Guidelines for Preventing Commercial Bribery in Pharmaceutical Enterprises. Furthermore, the Company upholds the ethical and compliance standards required by international partners such as the Bill & Melinda Gates Foundation (BMGF) and the Coalition for Epidemic Preparedness Innovations (CEPI). The Company remains committed to continuously strengthening its compliance and business ethics governance framework, enhancing its risk management systems, and maintaining robust internal auditing and whistleblowing mechanisms. Through stringent standards, professional integrity, and comprehensive management, the Company safeguards its ethical business practices. During the reporting period, Walvax Biotechnology was not involved in any litigation related to corruption, bribery, or unfair competition.

Governance

Walvax Biotechnology regards compliance and business ethics as strategic issues and has incorporated them into the Board's oversight and management framework. The Board of Directors serves as the leadership and decision-making body for compliance and business ethics management. Oversight is carried out by the Supervisory Board, the Board's Audit Committee, and the Audit and Inspection Department, with dedicated personnel ensuring full coverage. The CEO holds primary responsibility for implementing business ethics and anti-corruption management, overseeing risk assessments, advancing key initiatives, and driving continuous improvements, thereby strengthening the foundation for the Company's high-quality development. The Company integrates compliance and business ethics management assessments into its performance evaluation system. The evaluation scope encompasses the performance of directors, supervisors, senior management, and risk management personnel, as well as the risk management effectiveness of business departments, subsidiaries, and overseas entities.

Compliance and Business Ethics Leadership Body

Board of Directors

25

As the core leadership body, the Board of Directors oversees and drives management in developing and enhancing the Company's business ethics, anti-corruption management systems, internal controls, and compliance culture. It is also responsible for reviewing major compliance and business ethics matters, including decisions on handling violations, and holds ultimate accountability for the effectiveness of management.

Compliance and Business Ethics Oversight Bodies

Supervisory Board, Audit Committee of the Board of Directors, and Audit and Inspection Department

The Oversight Bodies actively align with the latest national and industry policies on compliance and business ethics. They are responsible for providing management recommendations, supervising policy implementation, evaluating compliance and business ethics risks, and managing daily whistleblowing operations. These efforts enhance the monitoring and enforcement of business ethics across the Company. The Audit and Inspection Department operates as an independent entity within the Company, responsible for overseeing routine audit and compliance activities. All staff in this department are dedicated fulltime professionals who do not engage directly in production or business operations. The department reports directly to the Audit Committee under the Board of Directors, maintaining independence at the organizational, operational, and individual levels. This ensures that audit results remain impartial, objective, and accurate, providing a fair reflection of the Company's operational processes.

Compliance and Business Ethics Implementation Bodies

Compliance Office; Functional Departments, Business Units, and Controlled Subsidiaries

The Compliance Office implements a comprehensive compliance management framework across eight key areas: antibribery, antitrust, financial and tax compliance, product marketing, centralized procurement, environmental, health and safety, adverse reaction reporting, data protection, and cybersecurity. This framework ensures full compliance coverage across internal operations and throughout all stages of the supply chain and value chain.

Walvax Biotechnology consistently enhances its business ethics governance framework, which applies to all business units, functional modules, and supply chain operations. This system incorporates a range of management policies, operational procedures, implementation guidelines, and processes. It clearly delineates responsibilities and accountability mechanisms, extending requirements for anti-fraud, anti-money laundering, anti-corruption, anti-bribery, fair competition, anti-monopoly, and conflict of interest to company directors, all employees (including part-time staff), and all supply chain partners and collaborators. In 2024, the Company drafted the Walvax Biotechnology Co., Ltd. Disciplinary Measures for Violations. This document outlines that for confirmed unethical business conduct, the Company will take decisive actions based on the severity of the offense. These actions may include job transfers, position changes, demotions, rank reductions, salary cuts, or termination of employment contracts. Furthermore, directly responsible parties and key managers will be held accountable.

Walvax Biotechnology's Compliance and Business Ethics System

- Walvax Biotechnology Values and Guidelines Code of Prohibited Conduct
- Walvax Biotechnology Co., Ltd. Code of Business Ethics
- Walvax Biotechnology Co., Ltd. Employee Professional Ethics and Code of Conduct
- Walvax Biotechnology Co., Ltd. Implementation Rules for the Employee Code of Conduct
- Walvax Biotechnology Co., Ltd. Anti-Fraud, Anti-Money Laundering, and Anti-Bribery Management System
- Walvax Biotechnology Co., Ltd. Conflict of Interest Declaration System
- Walvax Biotechnology Co., Ltd. Misconduct Reporting Mechanism and Handling Procedures
- Walvax Biotechnology Co., Ltd. Whistleblower Protection Policy
- Walvax Biotechnology Co., Ltd. Disciplinary Measures for Violations
- Walvax Biotechnology Co., Ltd. Supplier Code of Conduct
- Walvax Biotechnology Co., Ltd. Anti-Commercial Bribery Agreement (covering all employees and suppliers)

Strategy and Tactics

Walvax Biotechnology maintains a "zero-tolerance" policy toward business ethics violations. The Company strictly adheres to its code of business ethics, formulates strategic plans and improvement initiatives for corporate compliance and ethics management, and aligns with standards such as the ISO 37001 Anti-Bribery Management System. It continuously strengthens its compliance and ethics culture, enhances control procedures and mechanisms, monitors and optimizes the effectiveness of its management systems, and extends these requirements to the supply chain, thereby building a comprehensive compliance and business ethics defense



Business Ethics Training and Promotion

Walvax Biotechnology has institutionalized the development of a business ethics and anti-corruption culture. Through the establishment of Walvax Biotechnology Values and Guidelines - Code of Prohibited Conduct and Walvax Biotechnology Co., Ltd. Employee Professional Ethics and Code of Conduct, the Company clearly defines the business ethics standards that employees must follow. All employees are required to sign the Walvax Biotechnology Values and Guidelines Commitment Letter. Employees' adherence to company values and their performance in professional ethics and conduct serve as crucial criteria for their performance evaluation, promotion, appointment, and dismissal decisions.

Average anti-corruption training hours per director:



Average anti-corruption training hours per employee:



Note: These figures represent specialized training hours. The Company also conducts ongoing promotional activities and integrates anti-corruption



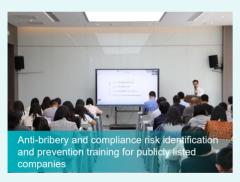
Walvax Biotechnology consistently organizes and conducts comprehensive business ethics and anti-corruption initiatives, including promotional activities, awareness campaigns, and training sessions. These encompass a wide range of programs, such as anticorruption training for directors, compliance training for new employees, integrity and compliance training for functional personnel, specialized compliance and business ethics training for auditors, and targeted training for suppliers. The Company ensures that Board members, Supervisory Board members, and senior management are promptly updated on the latest domestic and international anti-fraud, anti-corruption, anti-bribery, and business ethics policies, case analyses, and the Company's implementation status, thereby equipping them to effectively address business ethics risks. All employees, including part-time staff, are required to participate in business ethics training at least once annually. The effectiveness of this training is verified through various assessment methods. In 2024, Walvax Biotechnology achieved 100% coverage of anti-corruption and business ethics training for Board members, all employees (including part-time staff), key partners, and critical suppliers through a multi-faceted approach including offline training, online learning, special lectures, email communications, and examinations



The Company provides all directors with at least one annual session on business ethics, anticorruption, and risk management training. Directors are encouraged and supported to participate in courses and lectures organized by professional institutions to enhance their expertise and compliance awareness. In September 2024, the Company organized a specialized training session on anti-bribery and compliance risk identification and prevention for publicly listed companies, attended by all members of the Board of Directors.

The Company employs diverse methods to promote business ethics and anti-corruption policies and procedures, including employee handbooks, regulation issuances, promotional materials, and online platforms. Aperiodic anti-corruption training activities are organized to enhance compliance awareness and capabilities across the workforce. In 2024, a company-wide training session on business ethics was conducted through a combination of online and offline channels.









During procurement bidding processes, Walvax Biotechnology actively promotes anti-fraud and anti-bribery principles. The Company emphasizes its business ethics policies during supplier interviews, building a dual line of defense—both internal and external—for compliance and ethical conduct. Together with our partners, we are working to establish a clean and efficient supply chain. In 2024, a remote training session titled "Walvax Biotechnology Code of Business Conduct Requirements" was delivered for suppliers. Additionally, five on-site anti-fraud and antibribery awareness sessions were conducted during procurement and bidding supervision.



Supply Chain Integrity Management

The Company has implemented the Walvax Biotechnology Co., Ltd. Supplier Code of Conduct that clearly delineates requirements for business ethics, anti-corruption, and antifraud practices. This code applies to all suppliers, ensuring 100% coverage. Suppliers are mandated to comply with national and local laws, regulations, policies, and industry standards, and are explicitly prohibited from engaging in or tolerating any form of corruption, fraud, extortion, or embezzlement. Furthermore, the Company has established robust centralized procurement management measures and process mechanisms. Internally, potential conflicts of interest are rigorously checked against procurement process regulations. Externally, all suppliers and partners are required to sign an Anti-Commercial Bribery Agreement and include explicit business ethics standards and compliance clauses in their contracts. This approach ensures that the Company's business ethics and anti-corruption policies have substantive binding force on the entire supply chain.

Suppliers are expected to operate in strict compliance with all applicable laws and regulations, demonstrating their ability to address various business ethics risks. The Company conducts annual assessments of suppliers' performance in anti-corruption and other business ethics areas. These assessments strengthen the supervision and control of business ethics issues in supplier cooperation processes across all business departments. In 2024, the Company provided comprehensive training on business conduct compliance requirements to its suppliers. This training covered critical topics such as anti-corruption laws and regulations, identification and prevention of corrupt practices, internal control mechanisms, compliance processes, and reporting channels. During the reporting period, Walvax Biotechnology's procurement activities were free from any litigation cases related to corruption or unfair competition.



Anti-Unfair Competition

Walvax Biotechnology demonstrates strict adherence to the Law of the People's Republic of China for Countering Unfair Competition, Several Provisions on Prohibiting Infringements upon Trade Secrets, and relevant anti-monopoly and fair competition laws and regulations in all countries and regions where it operates. The Company is firmly committed to ethical business practices, pledging not to illegally collect competitors' trade secrets or other confidential information. Furthermore, it refrains from engaging in illegal activities such as price-fixing with industry peers that could disrupt market order. The Company's compliance and business ethics training system incorporates comprehensive content related to anti-unfair competition. Compliance supervision departments regularly conduct thorough anti-unfair competition reviews to maintain a market environment of fair competition. In 2024, Walvax Biotechnology was not involved in any violations of fair competition or anti-monopoly laws and regulations





Whistleblowing and Whistleblower Protection

Walvax Biotechnology maintains an uncompromising zerotolerance stance towards corruption and unethical business practices. The Company has formulated and rigorously implements the Walvax Biotechnology Co., Ltd. Misconduct Reporting Mechanism and Handling Procedures. This policy actively encourages all stakeholders, including employees, customers, suppliers, contractors, business partners, and any individuals with business relationships with the Company, to report actual or suspected business ethics violations. To facilitate reporting, the Company offers multiple accessible channels, including complaint hotlines, text messages, WeChat, email, and traditional mail. The Audit and Inspection Department is responsible for handling complaints and reports of employee misconduct, conducting thorough investigations of disciplinary cases, and reporting findings directly to the President's Office and the Board of Directors. In cases where violations of laws or disciplinary regulations are confirmed, the Company takes appropriate action based on the severity of the situation. These actions may include job transfers, position changes, demotions, rank reductions, salary cuts, termination of employment contracts, and referral for judicial processing. As an additional measure to promote integrity, the Company maintains comprehensive employee integrity files. These files record any violations of laws, regulations, and company rules. Importantly, employees with records in these integrity files are ineligible for employment or promotion to key positions within the Company.

> Walvax Biotechnology Reporting Channels and Contact Information



Audit and Inspection Department, 395 Kexin Road, High-tech Zone, Kunming, Yunnan Province, China



+86 871-68312586



ynwsia@walvax.com

The Company has implemented the Walvax Biotechnology Co., Ltd. Whistleblower Protection Policy to safeguard whistleblowers and witnesses. We are committed to maintaining strict confidentiality throughout the reporting and investigation process. This includes protecting personal information such as names, work units, contact details, and home addresses of whistleblowers, as well as the content of reports and their handling status at all stages of acceptance, registration, storage, and investigation. Reported leads and materials are handled by designated personnel and managed under strict confidentiality protocols. Access to this information is prohibited without explicit approval from the President or Chairman of the Board. While ensuring whistleblower confidentiality, we take a zero-tolerance approach to retaliatory actions. Personnel violating confidentiality regulations or engaging in retaliation against whistleblowers face accountability based on the severity of their actions, with severe consequences for those implementing such retaliation. This approach ensures maximum protection for whistleblowers and complainants. For verified reports that significantly contribute to safeguarding the Company's interests, both moral and material rewards are provided to whistleblowers who actively provide leads and assist in case investigations.

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Impact, Risk, and Opportunity Management

Walvax Biotechnology adheres to industry standards such as the Compliance Guidelines for Healthcare Companies to Prevent Commercial Bribery Risks. The Company strengthens its compliance and business ethics management system through annual risk assessments. This process includes identifying and evaluating compliance and business ethics risks, implementing corresponding measures, and conducting thorough reviews and audits of the internal control system's effectiveness and compliance. Findings are reported directly to top management or the Audit Committee, detailing relevant risks, violations, and countermeasures.

Compliance and Business Ethics Risks	Response Strategies
 Academic visit and exchange risks 	 Refine the business ethics risk identification and assessment mechanism, conducting regular risk assessments across various business scenarios and updating the business
Business reception risks	ethics risk inventory.
Consulting service risks	 Enhance employee compliance awareness and capacity to address commercial bribery risks through intensified compliance and business ethics training, robust whistleblowing
 Outsourcing service risks 	mechanisms, and proactive communication with regulatory authorities.
 Discount, rebate, and commission risks 	 Develop and refine compliance review mechanisms to prevent commercial bribery risks, ensuring that compliance management bodies independently exercise review authority
 Donation, sponsorship, and 	and actively manage potential business ethics risks in operations.
funding risks	$\boldsymbol{\cdot}$ Implement a monitoring mechanism for the compliance and business ethics
· Clinical research risks	management system, conducting regular evaluations of its effectiveness, promptly implementing improvement measures, and adjusting management strategies to ensure
Retail terminal sales risks	the adaptability and effectiveness of the compliance and business ethics management system.

Corporate Business Ethics Audit

Walvax Biotechnology maintains a rigorous approach to business ethics audits across all operational areas. The Audit and Inspection Department annually develops targeted audit plans to assess the implementation of business ethics policies and evaluate associated risks in various operational scenarios. To enhance the effectiveness of business ethics and anti-corruption audits, the Company has established the Walvax Biotechnology Co., Ltd. Internal Audit Quality Assessment Manual, aligning with industry standards such as the Professional Ethics Standards for Internal Auditors and the Internal Audit Quality Assessment Measures (Trial). During the reporting period, the Audit and Inspection Department completed 11 compliance and business ethics inspections alongside 29 special audits. Each business unit was required to formulate and execute corrective measures in response to audit recommendations. The Company ensures comprehensive coverage of all business areas through business ethics-related audits conducted on a three-year cycle, aimed at assessing and improving the efficacy of business ethics management practices. At the close of 2024, an independent professional accounting firm was engaged to audit the Company's internal controls, encompassing aspects of business ethics, anti-bribery measures, fraud prevention, and complaint reporting mechanisms.

The Audit and Inspection Department leverages audit findings to formulate ongoing improvement strategies. It conducts regular follow-ups on the implementation of corrective actions and reports progress and outcomes to the Audit Committee and Board of Directors. This process ensures the robustness of the Company's business ethics, anti-corruption policies, and compliance systems, effectively mitigating business ethics risks. For matters involving misconduct reporting, fraud, money laundering, bribery, and conflicts of interest across internal departments, subsidiaries, and significantly influenced associated companies, the Audit and Inspection Department adheres to the Company's established policies and procedures. These include the Walvax Biotechnology Co., Ltd. Misconduct Reporting Mechanism and Handling Procedures, Walvax Biotechnology Co., Ltd. Anti-Fraud, Anti-Money Laundering, and Anti-Bribery Management System, and Walvax Biotechnology Co., Ltd. Conflict of Interest Declaration System.

Supply Chain Business Ethics Audit

Walvax Biotechnology has implemented stringent supplier qualification requirements and conducts comprehensive audits of supply chain partners' adherence to the code of conduct, with a focus on business ethics and anti-corruption practices. When deemed necessary, the Company performs due diligence, project audits, and compliance checks on partners involved in collaborative projects. Due diligence methodologies include, but are not limited to, public information verification, questionnaire distribution, onsite inspections, and engagement of specialized investigation agencies. Walvax Biotechnology employs a combination of these methods for routine or high-risk due diligence, tailored to specific business needs, ensuring constant monitoring and control of supply chain compliance and business ethics risks. The Company enforces a "zero-tolerance" policy towards supplier corruption, implementing a "one-strike" rule and strict procurement prohibitions. Suppliers found in severe violation are blacklisted and subject to penalties in accordance with company policies, thereby preventing improper, illegal, and fraudulent activities. During the reporting period, integrity due diligence assessments, based on compliance and business ethics standards, were conducted on 78 suppliers. These assessments revealed no high-risk behaviors warranting special attention or expanded audit scope.

Indicators and Targets

Indicator	Target	2024 Achievement Status
Major corruption incidents	Zero occurrence of major corruption incidents	
Walvax Biotechnology Values and Guidelines Commitment Letter signing rate	100% signing rate	
Business ethics audit	Ensure comprehensive coverage of all company operations every three years	Target achieved
Business ethics and anti-corruption training coverage	100% coverage	
Effective report resolution rate	100% resolution rate for valid reports	



Information Security and Privacy Protection

Governance

Walvax Biotechnology rigorously adheres to a comprehensive set of laws and regulations, including the Cybersecurity Law of the People's Republic of China, Data Security Law of the People's Republic of China, Personal Information Protection Law of the People's Republic of China, and the World Health Organization (WHO) Guideline on Data Integrity: Guidance on Good Data and Record Management Practices. To ensure compliance and best practices, the Company has developed and implemented several internal policies, such as the Walvax Biotechnology Co., Ltd. Information Security and Privacy Protection Policy, Walvax Biotechnology Co., Ltd. Information Security Management Measures, and Walvax Biotechnology Co., Ltd. Personal Information and Privacy Protection Management Measures. These policies address multiple facets of information security, including data security, personal device security, application security, data integration security, and IT infrastructure security. By embedding information security and privacy protection requirements into business processes, the Company ensures comprehensive management of data protection and information security across all operational areas. In 2024, it undertook a thorough revision of its information security system, culminating in the draft of Walvax Biotechnology Co., Ltd. Personal Information and Privacy Protection Management Measures. This document establishes standards for information collection and processing, sensitive information handling, crossborder data transmission, and processor obligations.

Walvax Biotechnology improves its information security organizational structure by establishing an Information Security Management Committee, directly led by the Chairman. This committee is tasked with core information security management responsibilities. including approving security measures, making decisions on security policies, supervising security practices, and handling major information security incidents. The committee comprises senior management, with general managers from each subsidiary serving as committee members. In addition, the Company has incorporated the information security reward and penalty mechanism into its business management system. For comprehensive details on the Company's information security and privacy protection principles, management structure, policies, and protection systems, please refer to the Walvax Biotechnology Co., Ltd. Information Security and Privacy Protection Policy.

Information Security Management Committee

- Establish strategic direction and key decisions for information security.
- Approve information security management policies, procedures, and objectives.
- o Define information security standards and protocols for major security incidents.
- Monitor implementation of information security policies and evaluate the effectiveness of security management.

Information Security Management Office

Audit and Inspection Department

- Develop comprehensive information security and privacy protection framework, aligning with compliance requirements and business needs. Standardize operational mechanisms across all organizational levels to ensure seamless functioning of security and privacy management systems.
- Conduct risk assessments and implement improvements for information security and privacy protection. Ensure ongoing and effective operation of the security maintenance system. Report directly to the Information Security Management Committee.

 Monitor and audit information security risks (integrated into annual internal control supervision and evaluation processes).

Functional Departments, Business Units, and Controlled Subsidiaries

- o Ensure adherence to company-wide information security requirements. Implement information security and privacy protection measures at operational levels.
- Promptly report identified information security and privacy protection risks. Collaborate with management to enhance protective capabilities.

Strategy and Tactics

Walvax Biotechnology recognizes the critical importance of information assets. Aligning with international standards such as ISO 27001 Information Security Management System and ISO 27701 Privacy Information Management System, the Company has established a comprehensive information and data security framework in accordance with Multi-Level Protection Scheme (MLPS) Level 3 standards. This framework encompasses management, technological, and operational aspects. At the management level, the Company has implemented a suite of information security policies and procedures, including the Information Security Management Measures, Information Security and Privacy Protection Policy, and Information System Emergency Response Plan, In addition, the Company has enhanced off-site disaster recovery protocols, implemented personnel and material classification management, and established data export compliance self-assessment and reporting mechanisms. Employee behavior is strictly regulated to minimize the likelihood of information security risks. At the technical level, a multi-faceted approach to security measures has been deployed, which includes network isolation, transmission encryption, tracking and early warning mechanisms, and antivirus measures. This results in a comprehensive, multi-layered security protection network designed to safeguard information and data assets. At the operational level, the Company has intensified information and data security training and awareness programs, while conducting regular audits to enhance overall information security standards.



Information Access Control

The Company promotes classification and hierarchical management of personnel and information assets. For different categories and levels of classification, differentiated protection measures are applied in accordance with relevant management protocols. Following the principle of least privilege, data access permissions are strictly controlled to prevent unauthorized access to sensitive information. Key core systems are equipped with audit mechanisms that ensure all operations are logged and traceable. In addition, log audit systems and operation & maintenance audit systems are in place to monitor and record access activities by maintenance personnel in IT systems.



Data Loss and Alteration Prevention

The Company has established the Walvax Biotechnology Co., Ltd. Backup and Recovery Management Measures, which outlines detailed requirements and procedures for data backup, extraction, and usage. Our application systems are deployed locally and privately, with regular full local backups of both systems and their generated data. To ensure business continuity, we maintain two geographically dispersed data centers in Kunming and Yuxi, providing cross-city disaster recovery capabilities. This infrastructure ensures rapid data restoration in the event of loss or damage. Our backup system incorporates deletion protection features to safeguard against accidental data deletion or modification. Additionally, we have implemented comprehensive emergency response and recovery testing protocols to minimize potential losses.



Data Export Control

In strict compliance with legal requirements, including the Regulations on Promoting and Regulating the Cross-border Data Flow, Measures for Security Assessment of Data Exports, and Measures for Standard Contracts for Cross-border Transfer of Personal Information, the Company implemented a rigorous data export compliance self-assessment and reporting process. We have instituted measures such as requiring employees to carry computers with no data when traveling internationally. Our approach includes strengthened preventive controls against cross-border data transmission security risks, particularly those involving national security concerns, thus comprehensively safeguarding against data export security risks.



Enhanced Technical Protection

The Company has significantly upgraded our Green Shield protection system, fully transitioned to company-wide cloud document usage, and provided secure VPN accounts for all personnel. Comprehensive encryption and decryption management is rigorously applied to server and terminal data, effectively mitigating risks of data theft or tampering during transmission. Over the past year, we enhanced our technical protection measures 1,410 times and successfully defended against 56,592 network attacks, ensuring secure data transmission between terminals and servers. We keep refining our audit tracking and early warning mechanisms, employing real-time monitoring of data access, modification, and deletion to swiftly detect and address potential security vulnerabilities, thereby bolstering our overall information security posture.



Information Security Training and Advocacy

The Company implements a comprehensive information security training program for all employees. These sessions are customized to address the specific requirements of various roles, ensuring that personnel are well-versed in the information security risks and protocols relevant to their positions. In 2024, the Company organized a total of four dedicated information security training sessions, covering topics such as international data export regulations and company-wide awareness of information security and privacy protection. These sessions achieved 100% coverage of employees across Walvax Biotechnology, its subsidiaries, and controlled affiliates. Information security has been integrated into the new employee orientation process. Furthermore, the Company published 12 issues of information security bulletins to promote knowledge and raise awareness, enhancing the entire workforce's capability to identify and mitigate data security risks.



Information Security Emergency Management

The Company has updated critical documents, including the Walvax Biotechnology Co., Ltd. Emergency Plan Management Measures and Walvax Biotechnology Co., Ltd. Information Security Incident Reporting and Handling Management System. Ongoing improvements are being made to information security emergency plans and data breach response protocols. Regular cybersecurity drills and recovery tests are conducted to reinforce emergency response mechanisms and procedures, ensuring prompt and effective protection of the Company's information assets. In 2024, Walvax Biotechnology performed comprehensive data and application recovery simulations for essential systems such as ERP, OA, and e-HR, bolstering the resilience of data and system security.



External Personnel Information Security Management

The Company has developed the Walvax Biotechnology Co., Ltd. External Personnel Access Information Security Management Measures, which delineates robust security protocols for external individuals accessing company information systems and physical resources. This document encompasses the definition and categorization of external personnel, information access security procedures, server room access control measures, and account and access permission management guidelines, all designed to safeguard the Company's confidential information and technological assets.



Personal Information and Privacy Protection

While Walvax Biotechnology's core business of vaccine production involves minimal direct interaction with end-users and their personal data, the Company has proactively established the Walvax Biotechnology Co., Ltd. Personal Information and Privacy Protection Management Measures. This framework creates a sophisticated privacy data management system that addresses various data categories. Through stringent access controls and enhanced data governance, the Company ensures transparency in the collection and utilization of product and service-related data. This approach reinforces stakeholders' rights to information, choice, and control over their personal data.

Clinical Research Data Security and Privacy Protection

Walvax Biotechnology strictly complies with the Provisions for Drug Registration, the Declaration of Helsinki, the Personal Information Protection Law of the People's Republic of China, and other relevant laws, regulations, and guiding principles. All clinical trials are conducted by qualified research institutions and their affiliated trial sites. Therefore, during the clinical trial process, the Company does not directly access or collect personal information of trial participants; instead, it uses subject data that has been encoded or de-identified. A series of measures have also been implemented to safeguard the security of clinical trial data:



During the clinical trial design phase, the scope, purpose, and access permissions for data collection are clearly defined based on established Standard Operating Procedures (SOPs), ensuring that only information directly relevant to the trial objectives is collected and unnecessary data is minimized. Informed consent forms are written in user-friendly language and clearly explain the type of information to be collected, how it will be used, and the data protection measures in place, ensuring participants voluntarily join the study with full awareness. Anonymization and other technical safeguards are employed to ensure the confidentiality of research data and protect the personal privacy of participants.



The Company has established sound regulations for the evaluation and management of electronic data capture (EDC) system providers. Clinical trial data collection, management, and storage are conducted using systems that meet national regulatory requirements and relevant industry standards in terms of security and reliability. All clinical trial materials are managed exclusively by authorized personnel at trial sites and securely stored in designated archives or cabinets. During data transmission and processing, validated encryption technologies and security measures are employed to rigorously prevent any risk of participant privacy breaches.



Before initiating any clinical trial, confidentiality agreements and/or technical service contracts are signed with all collaborating parties, clearly defining confidentiality obligations and requirements. Throughout all clinical trial projects, no incidents of participant privacy breaches have occurred.

Impact, Risk, and Opportunity Management

Walvax Biotechnology has implemented a comprehensive information security risk assessment process. This holistic process includes risk identification, vulnerability identification, risk evaluation and analysis, risk treatment, residual risk management, and risk control. By quantifying risk levels, the Company can more accurately assess high-risk areas in information security and privacy protection, enabling the development of targeted countermeasures to ensure robust protection of corporate information and data. The information security risk assessment team is composed of personnel from the Company's Intelligent Information Department and relevant specialists. They employ a diverse range of assessment methods, including questionnaires, interviews, automated scanning tools, manual inspections, document reviews, and penetration testing. This multi-faceted approach ensures a thorough and professional evaluation. The Company conducts risk assessments at least once annually, with additional updates prompted by changes in information systems, business operations, or information security incidents. This practice ensures that the Company's information security risk management remains timely and effective.

Information Security and Privacy Protection Risk Analysis	Response Strategies
 Policy risks (potential legal liabilities or reputational damage resulting from non-compliance with relevant regulations) Technical risks (issues such as hardware/software failures, system vulnerabilities, malicious code and viruses, and crossborder data flow challenges) Human risks (encompasses both accidental errors and deliberate actions, including unauthorized access or misuse of systems) 	 Refine information security and privacy protection risk identification and assessment mechanisms, maintaining an up-to-date risk inventory. Align with the latest domestic and international information security and privacy protection legal requirements, establishing a comprehensive protection system across organizational, managerial, technical, and operational domains. Conduct regular, proactive vulnerability assessments on business systems, ensuring that each newly discovered high-risk issue is addressed with appropriate active defense strategies, thereby enhancing overall system resilience.
 Management and operational risks (includes insufficient security policies, organizational security management deficiencies, and lack of personnel security awareness) 	 Perform periodic audits of the information security management system, evaluating and improving risk control measures to actively manage information security and privacy protection risks in business operations.

Walvax Biotechnology conducts regular internal and external information security audits, including annual information security risk audits. These audits focus on five key areas: user access management, system development, system changes, logical access, and other general controls. The process involves reviewing historical risks and the status of their resolution, identifying current risks, and proposing avoidance and mitigation strategies. Additionally, the Company engages independent third-party institutions annually to audit its information systems and security policies. This external scrutiny enables comprehensive risk identification and assessment. Based on the audit findings, the Company actively implements improvements and enhancements to strengthen its information data protection system.

Indicators and Targets

Indicator	Target	2024 Achievement Status
Information security training coverage	100% coverage	Target achieved
Prevent the occurrence of major information security risks	Zero incidents of major information security breaches in 2024	Target achieved



Advancing Innovative Vaccine Development

New quality productive forces are the driving force behind continuous innovation and organizational adaptability. Walvax Biotechnology, guided by the principle that "life is priceless, and technology is limitless," has progressively built a high-level, open scientific innovation ecosystem. This system has evolved through independent development, strategic acquisitions, and deep integration of industry-academia-research collaborations. The Company has developed multiple pipelines of innovative vaccine products, positioning innovation and synergistic collaboration across industry, academia, and research institutions as the core engines of corporate growth. By cultivating new quality productive forces, the Company aims to contribute significantly to building a global immune barrier.

Governance

To effectively implement its innovation strategy, the Company has established a scientific and efficient R&D project decision-making and management system. The Board of Directors oversees innovation strategy decisions, ensuring alignment with overall corporate objectives. A Scientific Committee has been formed to evaluate and approve projects. The Company operates through four business units: Bacterial Vaccine BU, Recombinant Protein BU, mRNA Vaccine BU, and New Business BU. These units are efficiently supported by key capability centers, including the R&D and Transformation Center, Registration and Medical Center, and Quality Management Center. This structure enables each business unit to manage the entire process from R&D to commercialization, ensuring efficiency, quality, and accelerated technology advancement, product integration, and iteration.

The Company has established comprehensive R&D project management practices in compliance with relevant domestic and international laws, regulations, technical guidelines, industry standards, and international benchmarks. These include the Drug Administration Law of the People's Republic of China, Vaccine Administration Law of the People's Republic of China, and Provisions for Drug Registration. The management system covers the entire spectrum of scientific research, from project initiation and planning to change management, execution, monitoring, results management, and reward mechanisms. In 2024, the Company introduced exploratory project management measures to balance risk control and resource allocation while fostering efficiency and innovation in research projects. Additionally, the Company has implemented the Walvax Biotechnology Co., Ltd. Scientific Research Project Funding Management Measures and Walvax Biotechnology Co., Ltd. R&D Project Investment Funding Management Measures to ensure compliance, transparency, and efficiency in R&D fund utilization.



Strategy and Approach

Walvax Biotechnology employs a dual-driven strategy focusing on technology and market dynamics. The Company consistently maintains substantial R&D investments in new products and projects, fostering industry-leading scientific innovation capabilities. We actively pursue a technology innovation system that is enterprise-driven, market-oriented, and deeply integrates industry, academia, and research institutions. Our multifaceted approach balances in-house research, collaborative development, and strategic licensein, prioritizing the development of vaccines with high medical and social value that address urgent market needs. Our goal is to cultivate an innovative product pipeline with significant technological and clinical advantages, thereby nurturing new-quality productivity through both technological and institutional innovations to strengthen global health defenses.



National Technology Innovation Demonstration Enterprise National Innovative-Oriented Pilot Enterprise National Enterprise Technology Center

National High-Tech Enterprise

Yunnan Vaccine Laboratory Yunnan Biological Vaccine **Technology Innovation Center Yunnan Province High-Tech Leading Enterprise Yunnan Province Manufacturing**

Shanghai Zerun was recognized as a

Innovation Center

Shanghai High-Tech Enterprise Shanghai Science and Technology Little Giant (Cultivation) Enterprise Shanghai Specialized, Refined, Differentiated, and Innovative (SRDI) Enterprise **Shanghai Enterprise Technology** Center



Public Enterprises in Yunnan Province 2024

Recipient of



→ Establishing High-Level Research Platforms

Enhancing the Vaccine Innovation Pipeline

In 2024, the Company embraced a transformative approach. implementing a new business management structure centered on business units (BUs), supported by capability platforms and functional departments. This restructuring aims to create a dynamic operational system that prioritizes customer needs and market demands. We established four key innovative operational units: the Bacterial Vaccine BU, Recombinant Protein BU, mRNA Vaccine BU, and New Business BU. Each unit is tasked with developing a suite of vaccines in their respective fields, leveraging cutting-edge scientific research platforms. This structure enables deeper insights into market demands and competitive landscapes, facilitating more targeted product development and iteration strategies, ultimately leading to more diverse and strategically aligned vaccine R&D pipelines.

Walvax Biotechnology remains committed to advancing innovative biological products, addressing antimicrobial resistance, and researching vaccines for major infectious diseases. Our focus on optimizing the vaccine innovation landscape is twofold. Firstly, we are enhancing our currently marketed products by developing highervalent versions of pneumococcal polysaccharide conjugate vaccines, meningococcal vaccines, and HPV vaccines, while expanding their indicated populations. Secondly, we are accelerating the R&D of groundbreaking vaccines, with a particular emphasis on respiratory syncytial virus vaccines, shingles vaccines, and mRNA COVID-19influenza combination vaccines. Concurrently, we are leveraging our marketed vaccine products and vaccine candidates in clinical development to expedite the development of combination vaccines for infants and young children, aiming to provide superior, more efficient vaccine solutions for global public health.

Bacterial Vaccine BU

The Bacterial Vaccine BU boasts state-of-the-art polysaccharide technology platforms, carrier protein technology platforms, and polysaccharide-protein conjugation technology systems. To date, we have successfully developed and launched seven bacterial vaccine products. These include the 13-valent pneumococcal conjugate vaccine, 23-valent pneumococcal polysaccharide vaccine, Haemophilus influenzae type b conjugate vaccine, Group A and C meningococcal conjugate vaccine, Group ACYW135 meningococcal polysaccharide vaccine, Group A and C meningococcal polysaccharide vaccine, and diphtheria, tetanus and acellular pertussis combined vaccine (adsorbed). This comprehensive portfolio addresses the prevention of multiple pathogens, including pneumococcus, meningococcus, and pertussis.

- The main clinical work for the full immunization phase of clinical trials for the Group ACYW135 meningococcal polysaccharide conjugate vaccine was completed in 2024.
- The Drug Clinical Trial Approval for the adsorbed tetanus vaccine was received in November 2024.
- The clinical trial application for the 20-valent pneumococcal polysaccharide conjugate vaccine was accepted on January 20, 2025.

38



Recombinant Protein BU

The Recombinant Protein BU has developed advanced technology platforms, including Virus-Like Particle (VLP) preparation, recombinant protein expression, novel adjuvant evaluation, and innovative vaccine technology systems. This BU has independently developed and manufactured Walrinvax[®], a bivalent human papillomavirus (HPV) vaccine, which contributes significantly to accelerating the global cervical cancer elimination action plan.

In August 2024, Walrinvax® received WHO Pregualification (WHO-PQ). Subsequently, in October 2024, it obtained the Product Marketing Authorization Certificate from Indonesia's National Agency of Drug and Food Control (BPOM). These milestones qualify the vaccine for procurement by UNICEF and other UN agencies, facilitating its entry into additional countries and regions, thereby expanding its global reach to benefit a broader population. Concurrently, the Phase III clinical trial of the nonavalent HPV vaccine continues to progress, bolstered by substantial support from international organizations such as BMGF and PATH.

mRNA Vaccine BU

The mRNA Vaccine BU has swiftly established an mRNA technology platform through collaborative R&D. It has successfully overcome key technical challenges in mRNA design optimization, in vivo delivery, thermal stability, largescale production, and analytical evaluation. A comprehensive system for R&D. clinical trials, and industrialization has been implemented to rapidly introduce innovative vaccine products that meet market demands.

The collaboratively developed novel coronavirus variant mRNA vaccine (Omicron XBB.1.5) (code: RQ3033), branded as Walancorna®, is China's first COVID-19 mRNA vaccine targeting XBB and other variants approved for emergency use. This approval is based on complete Phase III safety and efficacy data obtained through immunogenicity bridging clinical trials. Through the development and industrialization of COVID-19 vaccines, Walvax Biotechnology has established an independent and controllable mRNA technology platform and R&D capability. In 2024, the Company worked with its partners to advance the iterative upgrade of the novel coronavirus variant mRNA vaccine and pursue its marketing application in China and Indonesia.

Fostering Synergy through Industry-Academia-Research-Application Collaboration

The Yunnan Vaccine Laboratory stands as a flagship project exemplifying Yunnan Province's commitment to innovationdriven development strategies and the pursuit of high-level scientific and technological self-reliance. Spearheaded by Walvax Biotechnology in partnership with relevant universities, disease control centers, and enterprises in Yunnan Province, this initiative represents a significant step towards advancing frontier technologies in vaccine industry R&D. It aims to break through core technological barriers and establish high-end vaccine R&D platforms and public service infrastructure for the biopharmaceutical sector. The laboratory integrates the entire vaccine industry chain, encompassing basic research, applied research, clinical trials, technology transformation, industrial scaling-up, and research in health economics. This collaborative effort aims to drive high-quality development within Yunnan's vaccine industry while extending its impact to Southeast Asian Belt and Road Initiative (BRI) countries and other participating nations.

In December 2024, the laboratory successfully completed its preparatory phase assessment. Following official approval procedures, it has been formally inaugurated as the "Yunnan Vaccine Laboratory." Looking ahead, the laboratory will maintain its roots in Yunnan province while adopting a



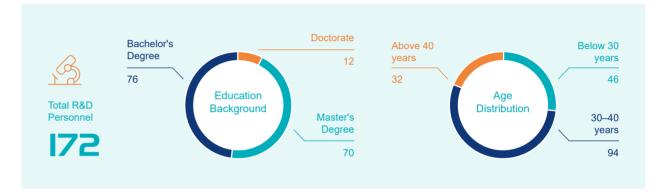
global perspective. It aspires to become a national center of excellence for vaccine R&D and industrialization technology innovation, a wellspring of cutting-edge technology, a catalyst for translating research into practical applications, a driver for industrial development, a magnet for high-caliber talent, and an incubator for nurturing core professionals. The ultimate goal is to cultivate an industrial cluster of significant national importance.

In addition, Walvax Biotechnology proactively combines technological expertise from domestic and international enterprises, universities, and disease control centers to create a comprehensive innovation ecosystem. We collaborate with prestigious institutions such as Tsinghua University, Fudan University, Shanghai RNACure Biopharma Co., Ltd., and Guangzhou Laboratory in groundbreaking vaccine technology R&D. Our research scope extends to broader fields and cutting-edge technologies in vaccine development, pioneering new frontiers in innovative vaccines. Furthermore, we maintain strategic partnerships with renowned international organizations, including the Gates Foundation (GF), Coalition for Epidemic Preparedness Innovations (CEPI), and Program for Appropriate Technology in Health (PATH). We also collaborate with the United Nations Children's Fund (UNICEF), Global Alliance for Vaccines and Immunisation (Gavi), and the Developing Countries Vaccine Manufacturers Network (DCVMN). These collaborations aim to accelerate vaccine R&D and facilitate WHO-PQ.



Building a Dynamic Talent Ecosystem

Scientific research talent development is the cornerstone of technological innovation. Walvax Biotechnology continuously refines its talent selection criteria, recruiting outstanding R&D professionals who embody the Company's values, demonstrate excellent qualities, possess robust technical expertise, and show high potential. The Company strengthens its innovation teams through various approaches, including full-time recruitment and flexible hiring models. It has also enhanced its management mechanisms to foster the growth of scientific research talent. The Company intensifies efforts to attract and nurture high-caliber scientific and technological professionals, regularly conducts on-the-job qualification and skills training, encourages participation in external exchange programs, and promotes the development of multidisciplinary researchers. Furthermore, the Company has implemented long-term incentive plans for core talent to unleash the full potential of its scientific and technological workforce. With over two decades of development, we have cultivated a talent pipeline of management and technical professionals who possess global perspectives and deep expertise, achieving a comprehensive talent ecosystem across the entire vaccine industry chain. In addition, the Company has appointed several seasoned experts from the vaccine industry as consultants, providing strong support for ensuring the proper direction, technical standards, progress, and quality of its vaccine R&D.





The Company actively participates in industry academic exchange events, including the China Biological Products Annual Conference (CBioPC), China Vaccine Conference, Vaccine Innovation Forum World, National Nucleic Acid Vaccine Conference and International Papillomavirus Conference. It remains closely attuned to and shares the latest global trends in vaccine development.





Adhering to Research Ethics

Walvax Biotechnology adheres to the ethical principles of respect, beneficence, and justice for all trial participants. The Company strictly complies with relevant legal and regulatory requirements and ethical standards, reinforcing management and oversight through standardized processes to safeguard the safety, rights, and privacy of trial participants. During the reporting period, the Company remained fully compliant, with no recorded violations of research ethics.

Protecting the Rights of Clinical Trial Participants

Walvax Biotechnology places strong emphasis on ethical integrity in clinical trials, with the rights and safety of participants being the Company's top priority. It strictly complies with applicable laws, ethical principles, and scientific standards, including the Declaration of Helsinki, the International Ethical Guidelines for Health-Related Research Involving Humans, and the Measures for Ethical Review of Life Science and Medical Research Involving Human Beings. The Company has established a comprehensive framework covering the development of clinical trial protocols, informed consent documents, and risk control plans. In addition, a well-structured training system is in place to ensure that all clinical trials are conducted in full compliance with legal and ethical requirements, thereby safeguarding participant rights and safety.

Protocol Design In designing clinical trial protocols, we prioritize participant safety, rights, and risk assessment from the outset to ensure both scientific rigor and ethical integrity. During trials, any necessary protocol amendments undergo thorough evaluation for their necessity, rationality, and potential impact on participant safety. We promptly submit all modifications to the ethics committee for review, strictly adhering to regulatory guidelines.



Our clinical trials adhere stringently to relevant laws, regulations, and ethical review procedures. No trial commences without ethics committee approval. Throughout the trial, we submit any modifications to critical documents, including the protocol, for ethical review before implementation. We promptly report safety events and implement recommended measures. Furthermore, all trials undergo continuous ethical oversight.



Right to Information and Voluntary Participation: We use only ethics committee-approved informed consent forms. The consent process thoroughly explains the trial's nature, purpose, risks, and benefits, allowing ample time for consideration. Participation is entirely voluntary, with participants retaining the right to withdraw unconditionally at any stage.

Right to Privacy: We safeguard participants' privacy in strict compliance with regulatory standards. This includes ensuring the lawful and compliant collection, use, and storage of personal information. For further details, please refer to the "Information Security and Privacy Protection" section of this report.

Right to Life and Health: All clinical trial protocols undergo rigorous scientific validation and proceed only when benefits outweigh risks. We provide insurance coverage for all participants. For early-phase, large-scale, or high-risk trials, we establish an independent Data and Safety Monitoring Board (DSMB) to ensure comprehensive participant protection.

Right to Medical Treatment: We collaborate exclusively with compliant trial sites and establish expedited care agreements with reputable local hospitals before trial initiation. We develop comprehensive emergency response plans and implement robust safety monitoring and evaluation mechanisms to ensure prompt and appropriate management of any safety incidents.



Protection

We have dedicated departments tasked with real-time safety monitoring and have established management systems that align with regulatory requirements. These teams conduct thorough analyses of safety data and promptly report any risk events to regulatory authorities, thereby safeguarding participant safety and rights throughout the trial process.

Animal Ethics

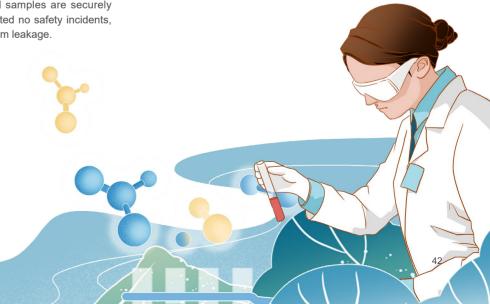
Walvax Biotechnology strictly adheres to the Institutional Animal Care and Use Committee (IACUC) guidelines. Personnel conducting animal experiments must be certified before performing any procedures. Before acquiring experimental animals, the Company submits an animal experiment ethics review form to the ethics committee and proceeds with animal experiments only after approval. The Company diligently follows the "3R Principles" (Reduction, Replacement, Refinement) to maximize animal welfare protection. Moreover, the Company has joined the "3Rs Working Group" of the Developing Countries Vaccine Manufacturers Network (DCVMN), collaborating with global vaccine industry experts to explore alternative methods to animal testing in vaccine product release testing.

Shanghai Zerun conducts vaccine-related animal experiments through its dedicated laboratory animal center, adhering strictly to animal welfare guidelines and ethics committee requirements. Each cage houses no more than five mice, and all experimental operators must be certified. New personnel undergo comprehensive training before assuming their duties. The animal center's ethics committee provides vigilant oversight of daily welfare and ethical considerations in Shanghai Zerun's animal experiments, promptly issuing corrective recommendations when any issues are identified.

Biosafety

Walvax Biotechnology rigorously adheres to the Walvax Biotechnology Co., Ltd. Biosafety Management Regulations for Pathogenic Microorganism Laboratories. The Company has established a Biosafety Committee and implemented a designated accountability system for pathogenic microorganism laboratories. We have strengthened risk assessment and prevention measures for activities involving pathogenic microorganisms. Continuous biosafety training is conducted through various formats, including new employee orientation, annual refresher courses, and specialized training by external experts, all followed by comprehensive assessments. We also conduct regular on-site biosafety drills to ensure the thorough implementation and enforcement of biosafety management requirements. Furthermore, the Company has implemented biosafety management protocols for suppliers, ensuring regulatory compliance, stringent fullprocess oversight, and complete traceability. This guarantees that clinical trial drugs and biological samples are securely handled. In 2024, the Company reported no safety incidents, including any pathogenic microorganism leakage.





Intellectual Property Protection

Walvax Biotechnology strictly complies with the latest provisions of the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China, and other relevant laws and regulations. The Company has formulated and implemented comprehensive guidelines, including the Walvax Biotechnology Co., Ltd. Intellectual Property Management Specifications, Walvax Biotechnology Co., Ltd. Patent Management Measures, Walvax Biotechnology Co., Ltd. Copyright Management Measures, and Walvax Biotechnology Co., Ltd. Guidelines for Legal Risk Control and Review of Intellectual Property in External Publicity Materials. These quidelines encompass the acquisition, management, maintenance, utilization, and protection of intellectual property, providing a robust institutional framework for the Company's standardized management of intellectual property affairs. The Company has established a dedicated Legal Affairs Department at its headquarters to coordinate the Group's intellectual property matters. We have invested in the PatSnap global patent database and regularly conduct intellectual property protection training to ensure professional, efficient, and standardized intellectual property management. While safeguarding its own intellectual property rights, the Company also fully respects the intellectual property rights of others, strengthening patent risk control measures to avoid infringing on third-party intellectual property rights.



The Company has launched a dedicated intellectual property course module on the "Knowledge Cloud - Walvax Academy" online learning platform. Professional intellectual property training courses are conducted regularly each year, integrating online and offline formats to enhance employees' expertise in intellectual property matters. Furthermore, the Company has developed the comprehensive Walvax Biotechnology Intellectual Property Handbook for disseminating and training on fundamental intellectual property knowledge and regulatory standards, thereby improving employees' awareness and understanding of intellectual property. In 2024, employee intellectual property training coverage achieved 100%.

New invention patents granted in China: New utility model patents granted in China: Valid granted patents:

112

Number of valid invention patents granted in China:

Valid utility model patents granted in

Valid international patents granted:

36

Valid trademark registrations:

Valid domestic trademark registrations:

Valid overseas trademark registrations:

222

187

Note: The patent data is as of the end of March 2025.

Impact, Risk, and Opportunity Management

To effectively address various risks such as rapid technological advancements, market competition, clinical trial challenges, intellectual property concerns, policy and regulatory changes, and financial uncertainties, Walvax Biotechnology has established a Scientific Committee. This committee strengthens the evaluation and approval process for R&D projects. The Company utilizes business units as operational entities to respond more agilely to market demands. Through cross-functional team collaboration in R&D, marketing, procurement, production, and pharmacovigilance, we ensure that risk management activities are integrated throughout the entire vaccine product development process. Throughout the lifecycle of R&D projects, the Company closely monitors market trends, technological advancements, and policy developments. We continuously conduct risk identification, assessment, and monitoring, incorporating key business and priority area risks into our comprehensive Risk Database. We promptly adjust risk management strategies based on changes in internal and external environments, establish risk warning mechanisms, and implement risk reporting systems to ensure that all R&D activities remain within controllable parameters.

R&D Risk Analysis

Technical risks

- · Clinical trial risks
- Market competition risks
- Internationalization challenges
- Policy risks
- Financial and funding
- Intellectual property risks

Mitigation Strategies

- · Enhance cross-functional risk assessments, facilitating rapid information flow between departments and enabling multi-perspective project reviews to promptly identify and address potential R&D risks.
- · Closely monitor market trends, technological advancements, and policy developments. Adopt diversified technological approaches and continually iterate based on market demands to swiftly respond to market changes, thereby reducing the risk of R&D innovation deviation.
- Develop well-defined R&D risk response strategies for various levels of R&D risks, ensuring risk avoidance, mitigation, or transfer. Formulate contingency plans to ensure rapid response when risks materialize.
- Conduct thorough patent infringement risk analysis on the technical content of R&D projects. Implement a dedicated intellectual property legal risk review node in the contract approval process to identify and mitigate intellectual property risks.

Indicators and Targets

Indicators and Targets

2024 Achievement Status

Enhancing R&D innovation capabilities

R&D personnel totaled 172, accounting for 8.90% of the workforce. Annual R&D investment reached RMB 700.4222 million, representing 24.82% of operating revenue. Listed among the Top 500 Private Enterprises in R&D Investment 2024

Target achieved

Rising number of patent applications and authorizations

18 newly granted patents



Prioritizing Quality Excellence

Governance

Walvax Biotechnology upholds the quality management principle that "Life is paramount, quality outweighs all; continuous improvement, conscientious in any detail." We strictly comply with national and international regulations and standards, including the Drug Administration Law of the People's Republic of China, Vaccine Administration Law of the People's Republic of China, and Good Manufacturing Practice of Medical Products. Furthermore, we follow industry guidelines and standards issued by renowned international organizations such as the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH), World Health Organization (WHO), Pharmaceutical Inspection Co-operation Scheme (PIC/S), European Union (EU), International Society for Pharmaceutical Engineering (ISPE), and International Organization for Standardization (ISO). To ensure compliance and maintain high-quality standards, Walvax Biotechnology has developed a suite of internal management systems. These include the Walvax Biotechnology Quality Manual, Walvax Biotechnology Production Quality Management Guidelines, and Quality Risk Management Inspection Guidelines (Trial), among other policy documents and procedural guidelines. These systems clearly define quality management requirements across the product lifecycle, ensuring that all operations are meticulously recorded and traceable, thus maintaining consistent product quality. In 2024, the Company further strengthened its regulatory compliance by monitoring industry guidance, developing a Chinese Drug Regulatory List, and implementing a vaccine regulatory management platform. The Company conducted thorough regulatory gap analyses and initiated Corrective and Preventive Actions (CAPA) to address and effectively control all identified discrepancies. Walvax Biotechnology has established a Quality Management Committee directly overseen by the Vice Chairman and created a Quality Management Center, one of its four core capability platforms. This center serves as the cornerstone for building a coordinated, flexible, and efficient quality management system that spans all business lines, alongside a comprehensive Total Quality Management (TQM) platform. To reinforce the importance of quality, related responsibilities are incorporated into annual performance evaluations, ensuring that products are safer, more effective, more controllable, more accessible, and more advanced.

Strategy and Approach



Lifecycle Quality Management

Quality is central to Walvax Biotechnology's operations, reflected in a high-standard quality management system that spans the entire lifecycle of its vaccine products. This comprehensive approach ensures the safety, efficacy, and quality control of all vaccine products. The Company's product quality registration standards fully meet EU standards, with some indicators even exceeding them. Facility design and construction adhere to international pharmaceutical industry regulatory requirements set by ICH, WHO, and the European Medicines Agency (EMA), demonstrating the Company's dedication to safeguarding public health and safety through excellent and industry-leading product quality.

Quality Management System Covering the Entire Vaccine Product Lifecycle

Vaccine R&D

Technology Transfer

Commercial Production

Product Termination

- Document Management System
- Process Performance and Product Quality Monitoring System
- Data Integrity Management System
- o Corrective/Preventive Action (CAPA)

- Change Management System
- Management Review
- o Pharmacovigilance Management System
- o Failure Management System



R&D Quality Management

Walvax Biotechnology has implemented a comprehensive quality management system for R&D, adhering to ISO 9001, GMP, ICH Q10 standards, and relevant regulations. This system is documented in key publications, including the Walvax Biotechnology Co., Ltd. Quality Manual, Walvax Biotechnology Co., Ltd. Standard Operating Procedure for Quality Management of R&D Project, and Walvax Biotechnology Co., Ltd. Standard Operating Procedure for CQA & CPP Research. These documents encompass various aspects such as knowledge management, project management, quality control and assurance, quality risk management, data integrity management, outsourcing management, and clinical management. The Company has also integrated digital management practices to ensure the authenticity, compliance, scientific validity, and traceability of all R&D processes.

- Walvax Biotechnology employs a problem-oriented approach to continually enhance and effectively operate its R&D quality system. The Company implements a strategy of "detailed pre-planning and post-audit release" throughout the research process. Quality audits and release procedures are executed at each critical stage to maintain research quality throughout project development.
- Monthly quality analysis meetings are held to promptly resolve quality-related issues and ensure that all employees consistently prioritize quality in their daily work.
- Annual training programs covering relevant policies, regulations, quality management, and standard operating procedures are organized for R&D personnel. These training sessions achieve 100% participation among research staff, ensuring experimental safety, data reliability, and regulatory compliance while equipping researchers to handle complex research tasks more effectively.



Case | Quality Management Training at Shanghai Zerun

In 2024, Shanghai Zerun's Quality Department organized 12 comprehensive quality management training sessions covering several key areas. The Quality Department focused on the latest version of ICH Q9 Quality Risk Management and guidelines for analytical method validation and verification. Internal auditor qualification standards and deviation change specifications were reinforced. The R&D departments concentrated on pharmaceutical change essentials, technical guidelines for non-clinical research of vaccine adjuvants, and technical guidelines for contamination control strategies and cleaning validation. The clinical team organized learning sessions on Good Pharmacovigilance Practice and technical guidelines for vaccine clinical trials. By actively monitoring and incorporating the latest regulatory guidelines, the company ensures that its R&D processes remain closely aligned with current regulatory requirements. This approach maintains relevance and guarantees high-quality, steady progress in R&D activities.





Clinical Trial Quality Management

Walvax Biotechnology applies the ICH Q10 Pharmaceutical Quality System to its clinical quality management practices. The Company has established a dedicated clinical research quality management team and comprehensive clinical trial quality management systems. These systems cover the entire process from clinical trial design to implementation, results, and reporting. Platform-based management systems for supplier management, issue CAPA management, and personnel training have been implemented to ensure full compliance with regulatory requirements and industry standards. During the reporting period, the Company's Registration and Medical Center conducted 70 training sessions on regulations such as Good Clinical Practice of Medical Products and Measures for Ethical Review of Life Science and Medical Research Involving Human Being.

To maintain the highest standards of quality and compliance, all clinical trials are monitored by third-party entities. This ensures adherence to GCP and other legal requirements, guarantees data reliability, and protects subjects' rights. Third-party data management units are engaged to systematically verify clinical trial data, ensuring data integrity. When necessary, independent third-party audits are commissioned to further safeguard project quality. The Clinical Research Quality Assurance and Quality Control departments, operating as independent units, conduct risk-based quality activities throughout each clinical trial to ensure project quality.



Production Quality Management

Walvax Biotechnology has implemented comprehensive procedures to ensure robust quality control throughout the production process. These procedures encompass facility and equipment management, material and product release, quality assurance, quality control, validation and verification, and packaging and labeling. Key documents include Facility and Infrastructure Management Control Procedures, Equipment Management Control Procedures, Material Management Control Procedures, Production Management Control Procedures, and New Product and Process Industrialization Implementation Control Procedures,



As part of the Digital Walvax strategy, the Company is advancing the informatization, digitalization and intelligentization of manufacturing processes. This enables intelligent workshop control, transparent production processes, digitally controlled manufacturing equipment, and integrated production information systems. These improvements ensure controlled production operations, maintain stable vaccine production processes, and enable rapid identification of areas for improvement and optimization of quality control strategies.



Walvax Biotechnology places a strong emphasis on critical process parameter evaluation and has established rigorous internal quality standards. The Company is equipped with state-of-theart internal testing instruments and employs a professional in-house testing team. Real-time monitoring of production processes has been enhanced, shifting from reactive to proactive quality management, ensuring consistent compliance with quality requirements for final products.



Distribution and Storage Management

Walvax Biotechnology has established a stringent distribution quality management system based on pharmaceutical and vaccine regulations and Good Supply Practice (GSP). The system has enhanced quality management across all distribution stages, including vaccine warehousing, storage, transportation, and cold chain verification. A comprehensive vaccine traceability and control system has been implemented using advanced digital methods. The Company employs a hybrid model of in-house and outsourced storage and distribution, enhancing overall distribution capabilities. Regular quality audits of logistics service providers are conducted to maintain high standards in vaccine distribution.



Quality Testing Management

To mitigate potential product safety and quality issues, Walvax Biotechnology has implemented rigorous quality control measures throughout all stages of vaccine product testing. These measures ensure effective quality control, thereby strengthening the foundation of product quality. Quality monitoring continues even during production halts for research purposes, such as stability studies

Internal Testing

The Company's facilities, equipment, and testing methods for vaccine products have undergone thorough validation and verification. Walvax Biotechnology maintains a comprehensive document management and record control system that complies with Chinese GMP, WHO GMP, EU GMP, ICH, and other regulatory and industry standards. Every batch of vaccine products, including raw materials, excipients, intermediate products, packaging materials, and finished products, is subjected to stringent quality management testing throughout the entire process. Real-time trend analysis and data monitoring are conducted to proactively prevent potential safety and quality issues. Products that pass internal testing are then sampled by the Medical Products Administration of Yunnan Province and sent to the national laboratories (National Institutes for Food and Drug Control, NIFDC) for further testing. Only after obtaining the Lot Release Certificate can the vaccines be distributed. In 2024, the testing completion rate reached 100%, ensuring all hardware and methodologies meet the highest standards of efficacy and safety. For each vaccine batch, the Company cross-validates internal test data with those from national laboratories for the same batch. This preventive comparison enables timely adjustments to the quality testing system when needed, ensuring its continued effectiveness.

External Testing

The national batch release authority meticulously reviews the production and testing records for each batch of finished products and conducts sample testing. If the results meet the requirements, a Biological Product Batch Release Certificate is issued. Upon receiving this certificate, the Company's Quality Department performs a comprehensive quality assessment of each batch. Final release for market distribution is authorized only after approval by the Qualified Person (QP). For outsourced testing management, Walvax Biotechnology has established standard operating procedures and signs contracts with third-party testing institutions. Onsite audits are conducted to assess their quality management systems, personnel, equipment/instruments, laboratory facilities, data integrity, and computerized systems. This ensures that outsourced testing activities comply with Chinese GMP, WHO GMP, EU GMP, and other regulatory requirements.

Preventive Testing

For innovative products, new processes, and new equipment, or in response to emerging quality and safety issues, the Company conducts thorough reviews and risk assessments from multiple perspectives. These include GMP compliance, change management, maintenance/calibration, and deviation handling. Identified potential quality risks undergo pre-validation and preventive testing, with corresponding quality control plans developed. This comprehensive approach ensures stable operation of process equipment before production launch and effective control of critical quality attributes (CQAs).

Preventive Testing for Internal Quality Risks

- Walvax Biotechnology annually develops a comprehensive validation plan that encompasses GMP facilities. production equipment, testing instruments, manufacturing processes, cleaning methods, testing procedures, and computer systems. This plan includes preventive testing and validation of Critical Process Parameters (CPPs) and Critical Quality Attributes (CQAs) to proactively identify potential quality risks, thereby ensuring vaccine safety, efficacy, and quality stability. In 2024, Yuxi Walvax formulated the 2024 Re-validation Plan, which guided the Risk Validation Management Department in coordinating validation activities across various departments. Concurrently, Yuxi Zerun implemented re-validation of major production equipment and inspection instruments in accordance with their Validation Master Plan.
- The Company has established the Equipment Preventive Maintenance Management Procedure to standardize maintenance practices. Tailored preventive maintenance plans for each piece of equipment are developed and executed based on its purpose, characteristics, historical performance, risk analysis, and supplier recommendations to mitigate quality risks. In 2024, the Company achieved a 100% completion rate for equipment preventive maintenance.



Preventive Testing for External Quality Risks

- To mitigate regulatory compliance risks, the Company's Quality Management Center mandates all relevant subsidiaries to conduct thorough gap analyses against the latest regulations and implement targeted improvement measures. In 2024, the Company focused on eight key areas: sterile filtration, sterilization processes, supplier management, production process validation, data integrity, management review, self-inspection, and sampling management. Accordingly, the Company developed several guidelines, including the Sterile Filtration Inspection Guidelines (Trial)), Supplier Management Inspection Guidelines (Trial), Production Process Validation Inspection Guidelines (Trial), Data Integrity Inspection Guidelines (Trial), and Self-Inspection Guidelines (Trial). These guidelines align with the latest domestic and international requirements, enhancing Walvax Biotechnology's Pharmaceutical Regulatory Map and bolstering its defenses against regulatory compliance risks.
- The Company maintains vigilant monitoring of emerging external quality and safety issues. Upon identification of any concerns, immediate product quality and safety assurance measures are implemented. These include thorough assessment and investigation, risk evaluation, and implementation of appropriate corrective and preventive actions (CAPA), such as process improvements, to effectively mitigate potential quality risks.

Pharmacovigilance

Walvax Biotechnology headquarters and its subsidiaries have established dedicated pharmacovigilance departments. These departments operate under the guidance of domestic and international pharmacovigilance-related laws, regulations, industry norms, and business guidelines, including the Good Pharmacovigilance Practice, Measures for the Reporting and Monitoring of Adverse Drug Reactions, and ICH guidelines. The Company has formulated internal pharmacovigilance policies and established a global pharmacovigilance system aligned with international standards. It continuously improves its pharmacovigilance management framework and monitoring processes, actively conducts both internal and external audits, and ensures ongoing safety surveillance of marketed products. In addition, we support developing countries in establishing vaccine safety monitoring systems. This includes the global collection, monitoring, identification, and evaluation of adverse events following immunization (AEFIs). These comprehensive efforts aim to make vaccines safer, more effective, better controlled, more accessible, and more advanced.



Enhancement of Pharmacovigilance Management System

During the reporting period, the pharmacovigilance department further refined its system documentation, covering policy documents, personnel and resources, quality management, monitoring and reporting, risk management, and outsourcing management. These efforts continued to improve the operational efficiency of the pharmacovigilance system and ensured compliance across the entire vaccine lifecycle



Strengthening of **Risk Control**

The Company implemented the Risk Signal Detection and Processing Management Procedure. This procedure involves comprehensive safety monitoring through individual case report reviews, regulatory vaccine safety information, periodic safety reports, cluster signal screening, and case report summary analyses. Potential safety risks are systematically identified, tracked, and analyzed. Regular reviews of safety data and updates to product risk management plans effectively safeguard consumer health



Continuous Improvement of Training Quality

Annual training plans were developed, covering pharmacovigilance regulations, documentation, and skills. Basic pharmacovigilance knowledge was incorporated into mandatory new employee training at headquarters, utilizing the Company's online learning platform, Walvax Academy. Training effectiveness assessments ensure quality and efficacy. The pharmacovigilance department achieved a 100% completion rate for its annual training plan, with all participants meeting qualification standards. Additionally, department personnel actively participated in professional training sessions, public courses, and programs organized by government agencies and industry associations, achieving a 100% participation rate.



Case | Establishment of Walvax Biotechnology's Clinical Medical Expert Panel

In September 2024, the Pharmacovigilance Management Department within Walvax Biotechnology's Quality Management Center established a Clinical Medical Expert Panel. This initiative was undertaken to implement the Measures for Identification of Adverse Events Following Immunization and to provide enhanced professional medical guidance for diagnostic identification in pharmacovigilance and clinical trial operations. The primary goal is to improve the medical diagnostic identification of suspected adverse events following immunization. The Clinical Medical Expert Panel comprises leading authorities from various clinical disciplines. Through their multi-dimensional, in-depth analysis of vaccine product risks, the panel significantly enhances the efficiency and quality of medical diagnostic identification processes. This approach ensures swift responses to vaccine product safety issues while refining pharmacovigilance decision-making procedures, resulting in more scientifically rigorous risk control decisions



Product Traceability

Walvax Biotechnology has implemented a comprehensive vaccine information traceability system. This system enables full-range, end-to-end product information traceability, reinforcing the interconnection and sharing of traceability data. Consequently, it promotes integrated management of vaccine quality and safety, continuously elevating the standards of vaccine quality and safety assurance.

Comprehensive Electronic Traceability of Vaccines

- Yuxi Walvax has established Operating Procedures for the Use of the Code Assurance System, implementing the Ali Health Code Assurance System for electronic vaccine traceability. This system integrates with the national collaborative platform, achieving traceability down to the smallest packaging unit of vaccines throughout the production and distribution processes. It also facilitates comprehensive flow information queries at every stage.
- Yuxi Zerun has developed an advanced drug traceability code system. Leveraging the nationwide National Medical Products Administration network platform, this system enables product status inquiries, traceability, and management. Every shipment, return, and related operation is recorded through scanning and uploading of traceability codes. This allows for real-time monitoring of production, operation, inventory, and distribution status for each box, case, and batch of key pharmaceutical products.



Adverse Reaction/Event The Company adheres to the principle of "vigilance by all, at all times, comprehensive monitoring, timely assessment, compliant reporting, and reporting upon suspicion." Processes such as the Collection and Handling Procedure for Suspected Adverse Events Following Immunization and the Management Procedure for Collection and Reporting of Suspected Adverse Events Following Immunization were established. A standardized and efficient channel for adverse event information collection was implemented, supported by a pharmacovigilance system and MedDRA dictionary for analysis, evaluation, and monitoring. This approach enables proactive, comprehensive, and effective management of suspected adverse drug reactions during vaccine use. For overseas suspected adverse events, timely verification, recording, evaluation, and reporting are conducted in accordance with the Management Procedure for Handling and Reporting of Suspected Adverse Events Following Immunization Occurring Overseas. Targeted measures are taken for different levels of suspected adverse events, addressing stakeholder concerns while ensuring regulatory compliance.

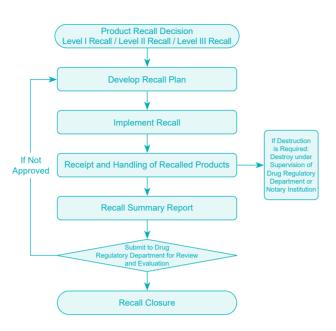


Handling of Safety Emergencies A comprehensive process for managing vaccine safety emergencies was developed, including the formation of an emergency response team and corresponding contingency plans. Routine surveillance is maintained, and in the event of a vaccine safety emergency, detailed investigations and active responses are initiated to minimize impact. Post-incident evaluations are promptly organized company-wide to assess the emergency response, prevent similar occurrences, and optimize handling procedures, thereby safeguarding the health and safety of vaccine recipients.



Product Recall

Walvax Biotechnology has implemented a comprehensive vaccine product recall system and mechanism in compliance with the Good Manufacturing Practice of Medical Products and Provisions for Administration of Medical Device Recall. This system covers both marketed products and drugs used in clinical trials. The Company has developed internal management policies and standards, including the *Product* Shipment and Recall Management Control Procedure and the Product Recall (Simulated Recall) Management Procedure. The Company conducts regular simulated product recalls to ensure that any batch of products with quality issues or safety concerns can be promptly and effectively withdrawn from the market when necessary, thus safeguarding public health. Both of the Company's primary vaccine production facilities, Yuxi Walvax and Yuxi Zerun, have implemented electronic vaccine traceability systems. These systems enable real-time monitoring of the distribution status for each box, case, and batch of vaccines, facilitating rapid tracing and recall if any issues are identified. In October 2024, Yuxi Zerun conducted a simulated domestic product recall exercise (Level II recall), achieving a 100% completion rate and timeliness rate. During the reporting period, no incidents necessitated the recall of sold or shipped products due to safety or quality concerns.





Quality Culture

Walvax Biotechnology embraces a quality culture founded on the principle of "All-Employee Participation, Each with Their Own Responsibilities." In compliance with pharmaceutical laws and regulations, the Company has established comprehensive training manuals and management procedures. A diverse and systematic quality training curriculum has been implemented to provide all employees with robust quality control and product safety training. The training encompasses a wide range of topics, including drug registration, clinical trial protocol design, quality management, data management, ethics review, and protection of trial participants' rights. This ensures that all employees are well-versed in the Company's quality management system operational requirements, thereby enhancing quality risk awareness and management capabilities across the entire organization.

Total quality training hours in 2024:

31,562.6 hours

Coverage of all employees in quality-related training

The completion and qualification rate for quality-related training in 2024:

100%



- Employees are strategically assigned to participate in legal and regulatory interpretation sessions and professional skills training based on the relevance to their roles. These are organized by industry-leading institutions such as the National Medical Products Administration Institute of Executive Development, National Institutes for Food and Drug Control, China Medicine Education Association, and China Health Media Group. Post-training, participants are responsible for conducting company-wide knowledge transfer sessions and
- The Company regularly invites experts in drug quality management, quality control, equipment and facilities, biosafety, and professors from domestic universities to conduct on-site training, fostering continuous learning and acquisition of cutting-edge knowledge among employees.



Quality awareness is seamlessly integrated into daily operations through various channels, including quality meetings, targeted activities, internal communication platforms, and informative quality promotion display boards.



 Annual quality training plans are meticulously developed and rigorously implemented for all employees, ensuring comprehensive coverage at company, department, and positionspecific levels. Employees undergo training and subsequent assessments to guarantee the effectiveness and empowerment of the training programs. Year-end reviews of training activities are conducted to evaluate the operational efficiency of the training system, facilitating continual improvement and optimization of the Company's training management.



The Company is advancing the digitalization of quality training management by offering product quality-related courses on the "Walvax Academy" online learning platform and implementing the Bopu Cloud training management system. These initiatives enhance personalized learning experiences and enable real-time monitoring and feedback on training

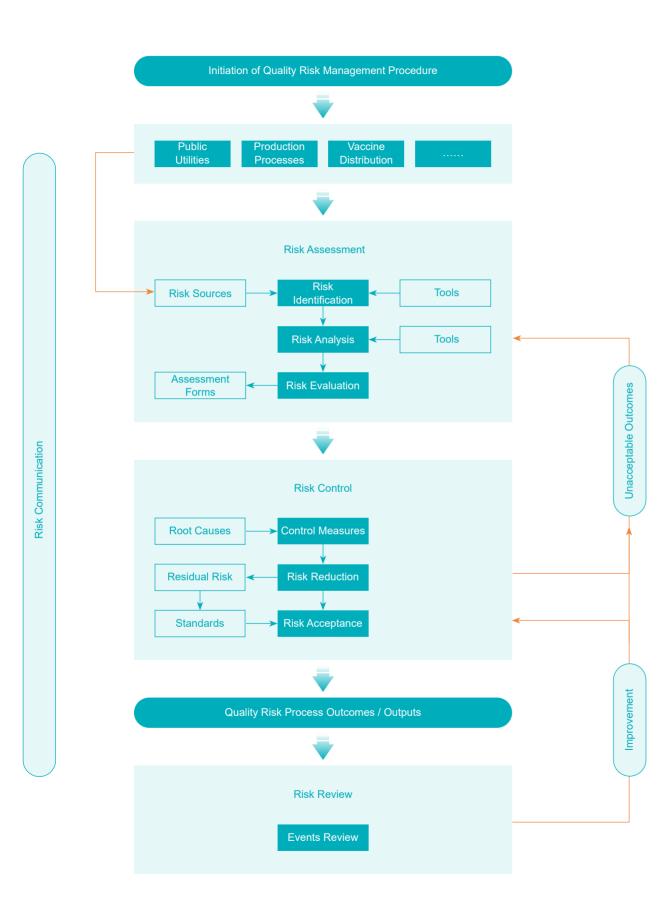
Impact, Risk, and Opportunity Management



Quality Risk Management System

Quality risk assessment and control form the cornerstone of effective quality management. Walvax Biotechnology adheres to internationally recognized standards such as the ICH Q9 Quality Risk Management and the TRS 981 - Annex 2: WHO Guidelines on Quality Risk Management (2013). These external benchmarks are complemented by internal management policies, including Risk Management Control Procedures, Quality Risk Management Specifications, and Quality Risk Management Inspection Guidelines (Trial). This comprehensive framework is applied throughout the product lifecycle, from R&D through technology transfer, commercial production, and distribution, to product phase-out, ensuring proactive identification and management of potential quality issues. The Company employs a multi-faceted approach to risk management, utilizing various control methods such as deviation management, change control, quality audits, adverse reaction monitoring, product quality review analysis, corrective and preventive action management, and personnel training. To enhance risk identification and control, the Company also leverages recognized risk management tools, including Failure Mode and Effects Analysis (FMEA), Fault Tree Analysis (FTA), and Hazard Analysis and Critical Control Points (HACCP). To maintain vigilance and drive continuous improvement, the Company conducts risk audits at least annually.

- Yuxi Walvax has diligently implemented the 2024 quality risk management plan, completing departmental risk assessments and establishing corresponding control measures. To ensure timely updates of newly identified risks, the company developed a comprehensive Risk Registration Ledger. In 2024, this register documented 142 risk assessment reports spanning nine critical categories, including production process contamination control, data management, quality risk management, and regulatory gap analysis. Notably, all risk assessment results were deemed manageable.
- Yuxi Zerun has fortified its risk management framework by establishing the Standard Operating Procedures for Quality Risk Management and Quality Risk Management Tools Summary and Application Guide. To facilitate systematic risk tracking and review, the company implemented a Risk Assessment Ledger and Risk Registration Form. In 2024, this proactive approach led to the identification of 12 new risk points, for which tailored control measures were promptly developed. These measures addressed key areas such as data integrity rectification, self-prepared solution expiration verification, shared production line risk assessment, environmental monitoring review, and sterilizer validation.





To maintain the integrity of its quality system, the Company conducts regular internal and external audits across all business lines. The Quality Department spearheads internal audits, while external audits encompass a range of assessments. These include GMP compliance inspections by the National Medical Products Administration, local regulatory authorities, and WHO-PQ. Additionally, the Company undergoes audits from business partners during domestic and international collaborations. Throughout the reporting period, no critical deficiencies were identified, and all corrective actions were implemented according to schedule.

Shared Health Benefits

Internal Quality Audits

The Company has established comprehensive internal audit criteria and evaluation standards. A quality audit is conducted at least once annually across all business lines, ensuring 100% coverage of operations and further enhancing the quality management system. In 2024, these audits encompassed various aspects, including organizational structure and personnel, facility and equipment management, materials and products, qualification and validation processes, document management, production oversight, quality control and assurance, outsourced production and testing, data integrity management, drug storage and distribution, and pharmacovigilance.

When audits reveal issues or deficiencies, the Quality Management Center requires each business unit to identify associated product or system risks, develop risk inventories, and implement control measures. Corrections and preventive actions (CAPA) are executed following the Plan-Do-Check-Act (PDCA) model, with all improvement measures tracked through the CAPA system. Furthermore, the Company conducts GMP compliance audits on its subsidiaries, providing feedback through internal inspection finding notifications. For a detailed overview of supply chain quality audits, please refer to the "Sustainable Supply Chain" section of this report.

Yuxi Walvax has implemented a Self-Inspection Management Control Procedure and formed a dedicated GMP selfinspection team led by the quality manager. The team develops and executes an annual self-inspection plan. In 2024, Yuxi Walvax conducted one comprehensive self-inspection and five specialized self-inspections. All identified deficiencies were addressed through the CAPA system, achieving a 100% completion rate for corrective actions.

External Quality Audits

The Company actively participates in external third-party quality audits, including those conducted by domestic and international regulatory bodies and business partners, to continuously enhance the integrity and effectiveness of its quality management system. In 2024, Yuxi Walvax and Yuxi Zerun underwent a total of 19 audits from regulatory agencies and independent third parties. These audits included inspections by the National Medical Products Administration, National Center for Vaccine Inspection, Yunnan Provincial Center for Vaccine Inspection, Medical Products Administration of Yunnan Province, as well as quality management system certification audits and independent third-party GMP compliance inspections. In response to deficiencies identified during these audits, particularly those related to deviation and change management, the Company compiled detailed reports, including Walvax Biotechnology's Compilation of Deviation Management Findings from External Inspections and Walvax Biotechnology's Compilation of Change Management Findings from External Inspections. These documents facilitated targeted improvements in the quality management system, with a specific focus on deviation and change management processes. All corrective measures were integrated into the CAPA system with dedicated personnel from the Quality Supervision Department meticulously tracking each action item to ensure full implementation. Notably, throughout the year, the Company incurred no regulatory penalties during its vaccine production and operation management processes.





Emergency Response and Mitigation Systems

V/ALVAX 沃森生物®

Walvax Biotechnology conducts regular reviews of its quality management system, encompassing critical components such as raw material supply, equipment and facilities, internal and external audits, deviations, and changes, with the aim of continually enhancing the system's effectiveness.

Deviation Management

The Company has implemented comprehensive guidelines, including the Deviation Management Standards (Trial) and Operating Procedures for Change Control. These protocols ensure a comprehensive approach to deviation management, including thorough investigation, assessment, analysis, correction, and prevention, with periodic implementation reviews. This approach is designed to mitigate risks associated with reduced vaccine efficacy or potential adverse reactions stemming from deviations. During the reporting period, all deviations were managed according to established procedures, including reporting, recording, investigating, evaluating, and addressing. Effective corrective and preventive measures were implemented, with no instances of unexplained or recurring deviations. Furthermore, the Company conducts regular deviation reviews and analyses enhancing both production activities and the overall quality

Correction and Prevention

Walvax Biotechnology has established the *Product Quality Review Management Procedure* and *Corrective and Preventive Action Operating Procedure* to ensure the stability and reliability of product manufacturing processes and workflows. These procedures also verify the applicability of current quality standards for raw materials, auxiliary materials, and finished products. This enables prompt detection of adverse trends and provides valuable guidance for product and process control improvements. The Quality Management Center conducts biannual audits of change review analysis reports submitted by various production units to ensure ongoing compliance and improvement.

Business Continuity Management

Through years of strategic development, Walvax Biotechnology has established a comprehensive business continuity management system that spans R&D, procurement, manufacturing, logistics, and storage. This system extends from suppliers through the Company to end customers. It incorporates measures for emergency management of unexpected events, hazard identification and remediation tracking, and regular inspections. These efforts enhance the Company's business continuity management capabilities and its ability to respond effectively to emergencies, ensuring business continuity and workplace safety. Detailed information on the Company's resilient supply chain can be found in the "Sustainable Supply Chain" section of this report.

Indicators and Targets

Indicators and Targets	2024 Achievement Status
Preventive maintenance plan completion rate: 100%	
Inspection plan completion rate: ≥98%	
Revalidation plan completion rate: 100%	_
At least one comprehensive self-inspection conducted annually	Towns asking a
Deviation handling rate: 100%	—— Target achieved
Monitoring plan completion rate: 100%	
First-pass CAPA completion rate: ≥80%	
Product release pass rate: 100%	



Professional Customer Service

Service Assurance

Building long-term, trusting relationships with customers is a cornerstone of Walvax Biotechnology' sustainable growth. The Company adheres to the principles of "sincere cooperation, mutual trust, reciprocal benefits, and shared development" in its customer service approach. With a customer-centric focus, we have developed a synergistic system where market insights and R&D efforts reinforce each other. The Company has implemented a standardized, clear, and efficient customer service management system. Performance indicators related to customer service are integrated into employee evaluations to drive continuous improvement in user experience.

The Company conducts annual customer satisfaction surveys to gather comprehensive feedback and suggestions, continuously improving service quality based on customer needs. In 2024, questionnaires were distributed to 211 customers, including disease control and prevention centers, hospitals, and health service centers. The survey covered aspects such as product quality, packaging, delivery time, and service quality. With a 100% response rate, the results showed 100% satisfaction in product quality, packaging, and delivery time (with no dissatisfaction reported), and an overall service quality satisfaction rate of 99.72%.

On-time delivery rate for vaccine orders: Accurate delivery rate for vaccine orders: Economic contract fulfillment rate:

100%

100%

100%

Customer complaint response rate:

100%

Customer complaint resolution rate:

99.72%

Overall satisfaction with service quality:

100%

Efficient Service Response

Walvax Biotechnology is dedicated to providing meticulous care to every vaccine recipient and fostering collaborative relationships with all partners. The Company has established a "3R" market service team structure, comprising Solution Responsibility (SR), Account Responsibility (AR), and Fulfill Responsibility (FR). Additionally, we have implemented 24/7 multi-channel communication platforms and a comprehensive customer support system that spans pre-, during, and aftersales processes. This enables the Company to deliver tailored solutions and responsive support services to its customers.



Customer Complaint Handling

Walvax Biotechnology places high value on customer feedback and has developed an efficient operational and feedback mechanism. The Company rigorously investigates, handles, tracks, and supervises customer complaints. It conducts thorough analyses of customer feedback and proactively implements improvements to enhance customer satisfaction continually. For local partners, international sales agreements include comprehensive after-sales clauses covering product quality, quantity, expiration dates, and shipping details. Regarding complaints from overseas endusers (both individuals and governments), all international sales agreements incorporate specific clauses on product quality complaint management. These clauses require distributors to promptly report all complaint details to the Company upon receipt, enabling the Company to address issues effectively and implement appropriate measures.

Reception	Provide multiple feedback channels including phone, website, and corporate email for customers
Recording	Document specific customer suggestions or complaints using the STAR model (Situation, Task, Action, Result)
Assessment	Respond immediately to customer complaints and collaborate to develop emergency handling measures
Review	Conduct thorough reviews and coordinate with relevant departments to investigate complaints, identifying preventive or corrective actions for similar incidents
Feedback	Promptly communicate investigation findings and resolution outcomes to customers

Customer Complaint Investigation and Handling Procedure

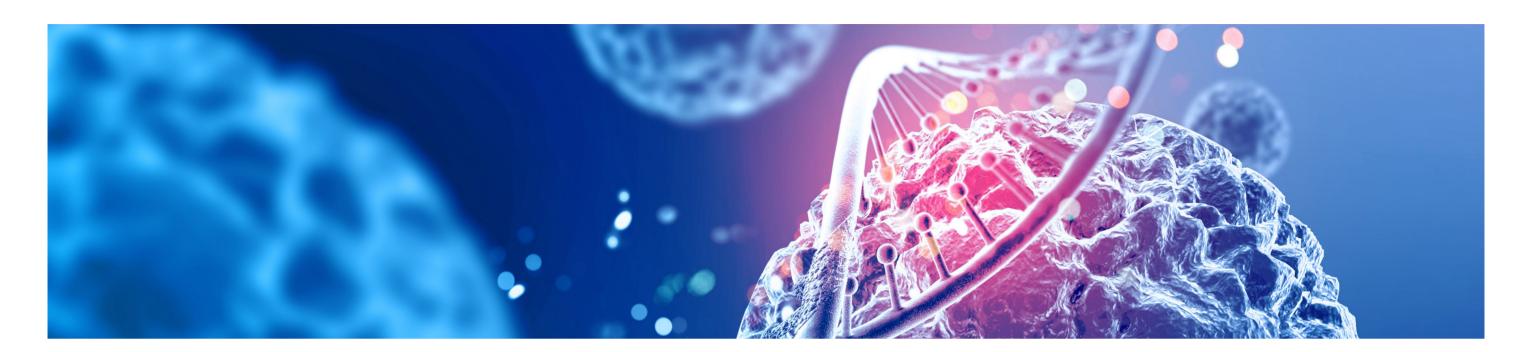
Responsible Marketing

Walvax Biotechnology is committed to implementing a scientific and rigorous responsible marketing philosophy. The Company complies with local laws and regulations, including the Law of the People's Republic of China on Protection of Consumer Rights and Interests, Law of the People's Republic of China for Countering Unfair Competition, Advertising Law of the People's Republic of China, Vaccine Administration Law of the People's Republic of China, and General Data Protection Regulation. Furthermore, the Company aligns its practices with international guidelines such as the WHO's Ethical Criteria for Medicinal Drug Promotion. To ensure responsible marketing, we have established comprehensive company policies, including the "Promotion Prohibition," Responsible Marketing Policy, and Fair Pricing Policy. The Company regularly updates its guidelines covering all marketing activities, encompassing the management of Marketing Department meetings and events, regional market initiatives, and promotional material standards. These policies govern the marketing conduct of all employees, including full-time, part-time, and temporary staff. We are dedicated to conducting all sales and marketing activities in an ethical, scientific, and objective manner, pledging to avoid commercial bribery, unfair competition, or any other illegal practices in its sales efforts.

Rigorous and Accurate Marketing

Walvax Biotechnology ensures accurate product information disclosure in accordance with applicable laws, regulations, industry standards, and quidelines in each operating location. The Company adheres to internal quidelines, such as the Guidelines and Standards for Promotional Materials. In its marketing and promotional endeavors, the Company strictly observes anti-unfair competition and antitrust requirements. All referenced, quoted, or reprinted content must originate from published academic literature and third-party reports, and is regularly updated to reflect new scientific evidence and approved documentation. When promoting vaccines and providing usage recommendations, the Company firmly prohibits exploiting users' fears for forced sales. False or misleading statements about product marketing are strictly forbidden, as is exaggerated or false information. All promotional materials adhere to the principles of accuracy, clarity, and transparency, ensuring that stakeholders receive timely, truthful, rigorous, and compliant product and academic information.

The Company's vaccine packaging is designed to clearly communicate product information to diverse populations across different countries. We rigorously follow government vaccination regulations in various nations and collaborate with medical professionals and health departments to develop evidence-based vaccination recommendations. We respect each individual's right to make informed decisions about vaccination. During the reporting period, the Company did not recieve any complaints or legal proceedings regarding misleading or deceptive promotional information.



Compliance Management

Walvax Biotechnology is committed to continually enhancing its responsible marketing compliance management system and implementing systematic audit and control procedures. All marketing activities undergo rigorous internal review to ensure accuracy and adherence to regulations. The Company has established a dedicated process for updating and filing promotional information. Every marketing initiative, including material content, methods, and channels, must pass through a stringent review and supervision process. Multiple departments, with the Legal Department playing a key role, conduct thorough reviews before any materials can be approved for use, thereby ensuring content accuracy and compliance. External promotional materials require each department to complete a Review Opinion Collection Form prior to distribution. The Company strictly adheres to its Medical Marketing Department's guidelines for meetings and event management, reinforcing the scrutiny of academic conferences. Clear protocols are in place for employee interactions with external parties, ensuring that responsible marketing promotional activities align with legal requirements and ethical standards. Process audits and supervision have been intensified, exemplified by the involvement of manager-level and above personnel in client communications. Written responses, such as emails and messages, are reviewed by responsible leaders and simultaneously copied to management for awareness and tracking of communication content, thus mitigating marketing vulnerabilities. Sales personnel performance evaluations now incorporate process assessments to guarantee professional, compliant, and legal sales practices. During the reporting period, the Company received no sales-related complaints.

Responsible Marketing Audit

59

Walvax Biotechnology places a strong emphasis on responsible marketing audits, conducting at least one comprehensive audit annually. The audit scope encompasses all sales operations and includes examining sales personnel's adherence to the Company's responsible marketing policies and systems, the compliance of sales processes and contract signing, marketing behaviors and expenses, and the consistency of product packaging with official approvals. For any issues identified, corrective measures are developed and implemented to ensure marketing promotional activities consistently meet business ethics requirements. In cases of violations, the Company disciplines offending personnel based on the nature and severity of the infraction. Furthermore, the Company extends its responsible marketing audits to cooperating third-party service providers and distributors. These audits assess factors such as business reputation, any history of unfair competition incidents, and adherence to our responsible marketing policies. This comprehensive approach ensures responsible marketing practices are maintained throughout the entire business chain.



Responsible Marketing Training

Walvax Biotechnology implements a comprehensive annual responsible marketing training plan. Each year, all employees participate in at least one responsible marketing training session. These sessions cover pertinent laws and regulations, company policies, product knowledge, promotional standards, and compliant market promotion strategies. This approach ensures that every employee is well-versed in and strictly adheres to the Company's marketing, advertising, and sales protocols. For staff in marketing-related positions, the Company conducts specialized responsible marketing training sessions on a regular basis. To reinforce learning, post-training assessments and periodic spot checks are implemented, ensuring employees have a thorough grasp of the material presented. The curriculum is continuously updated to reflect evolving market dynamics. In 2024, both the Domestic Marketing BU and International Marketing BU proactively conducted responsible marketing training and policy dissemination sessions. These included in-depth interpretations of market regulation and compliance policies, comprehensive vaccine product information and introduction training, bivalent HPV international market development training, and anti-commercial bribery and risk prevention training for listed companies. These concerted efforts aim to guarantee compliance and legality throughout market development and sales processes.

Responsible marketing training coverage for marketing personnel:

100%

Annual responsible marketing training sessions conducted by Domestic Marketing BU and International Marketing BU:

sessions, encompassing detailed project implementation

guidelines, responsible marketing requirements, and management protocols for external marketing agencies.

Training sessions conducted by Guangzhou Walvax (Domestic Marketing BU) for promotion teams:

200+ sessions

with total attendance nearly

6,000

Sustainable Supply Chain

Supply Chain Management System

Walvax Biotechnology has implemented a comprehensive supply chain management system in compliance with relevant national laws and regulations, including the Law of the People's Republic of China on Invitation and Submission of Bids. The Company has developed a suite of internal policies and implementation guidelines, such as the Procurement Management System, Supplier Management Implementation Rules, and Independent Bidding and Procurement Management Implementation Rules. In addition, the Company has issued the Supplier Code of Conduct, which applies to all suppliers within its global operations. The Company is dedicated to fostering fair, transparent, and mutually beneficial relationships with its suppliers. The supplier management implementation rules govern the entire lifecycle of supplier relationships, from selection and admission to evaluation, maintenance, and exit. By treating SME partners equally, the Company establishes a robust, long-term communication framework with suppliers through these guidelines. While placing product and service quality at the core, the Company also closely monitors supplier performance in areas such as compliance and ethics, environmental protection, labor rights, and occupational health and safety. Through the development of a high-standard supply chain management system, the Company seeks to safeguard the long-term, sustainable growth of both its own business and its supply chain partners.

Total number of suppliers:

486

171 located in China (including Hong

Kong, Macao, and Taiwan)

located overseas suppliers

Number of suppliers with quality management system

185

Number of suppliers with occupational health and safety management system certification:

Number of suppliers with environmental management system certification:

On-time payment rate for small and medium-sized

100%

Number of suppliers receiving ESG-related training annually:

Supplier Lifecycle Management



The Company maintains a transparent and open procurement policy, primarily employing independent bidding and procurement methods, complemented by various other procurement strategies. This approach ensures fairness, impartiality, and transparency throughout the procurement process, thereby protecting suppliers' rights and interests.

A cross-functional evaluation team consisting of representatives from multiple departments, assesses potential suppliers. While product quality and service remain fundamental criteria, the team also considers suppliers' performance in areas such as human rights compliance, ethical conduct, and environmental management.



Supplier Classification: Suppliers are categorized into three tiers: qualified suppliers, backup suppliers, and strategic partners. The Company implements comprehensive management approaches tailored to each category, including qualification reviews, on-site audits, remote audits, third-party audits, and annual assessments. Annual evaluations are conducted, with classifications subject to dynamic adjustment based on factors such as the supplier's geographical location, procurement volume, market competition, material characteristics, quality standards, and ESG risk profile.

Regular Supplier Evaluation: Each year, the Company establishes rigorous audit plans for all admitted suppliers. These audits scrutinize suppliers' qualifications, product and service quality, safety management capabilities, environmental management practices, and business ethics. The evaluation process employs various methods, including document reviews, questionnaires, sample quality assessments, and on-site or remote audits. In situations where on-site audits are impracticable due to force majeure, the Company utilizes remote or third-party audits to maintain comprehensive oversight and mitigate supply chain risks, thus ensuring a stable and reliable supply chain. Identified issues are promptly communicated to suppliers following the audit, with a requirement to develop and implement corrective action plans within specified timeframes.



If a supplier engages in non-compliant behavior, fails to meet supply requirements, or is unable to rectify identified deficiencies in accordance with audit standards, the Company may disqualify





Sustainable Procurement

Walvax Biotechnology has established a Procurement Committee in accordance with its Procurement Management System to oversee and make decisions on significant supplier-related matters. The Company has also developed a comprehensive Supplier Code of Conduct, which addresses key areas such as compliance and business ethics, quality management, labor rights, occupational health and safety, and environmental protection. On an annual basis, the Company conducts a thorough assessment of potential risks in its supply chain, including sustainability-related concerns. It continuously refines its management practices, with a particular focus on quality risks, while rigorously controlling ESG risks throughout the procurement process and supplier lifecycle. The implementation of sustainable supply chain initiatives is overseen by the Board's Sustainability Committee and is collaboratively executed by relevant departments, including procurement management and quality control, across various operational sites to ensure strict adherence

Walvax Biotechnology is committed to upholding the Ten Principles of the UN Global Compact and adhering to responsible supply chain management requirements. Guided by its Supplier Code of Conduct, the Company works closely with suppliers to build a reliable, quality-assured, and sustainable supply chain. To enhance supplier capabilities, the Company actively promotes supplier development initiatives. In light of the distinctive characteristics of its various technology platforms, Walvax Biotechnology regularly invites suppliers to participate in technical exchange sessions. These sessions allow suppliers to gain a thorough understanding of the Company's R&D and production technologies, quality standards, and health, safety, and environmental requirements. Meanwhile, the Company listens to supplier feedback and offers tailored guidance, working together to leverage mutual strengths in addressing key challenges in production, storage, and logistics. Through multi-dimensional dialogues, the Company facilitates timely information exchange on production needs, product quality, and policy interpretations, fostering mutual growth through open collaboration.

Walvax Biotechnology has joined

the Supply Chain **Branch of the China Association for** Vaccines, where it serves

as an Executive Council Member

Risk Type	Corresponding Measures		
Management Risk	Standardize procurement procedures and minimize dispersed purchases within the same product category to mitigate mismanagement risks associated with an excessive number of suppliers.		
Cost Risk	Determine and control procurement costs through strategic negotiations and competitive bidding processes. Avoid single-source procurement and high-cost situations to enhance company efficiency and cost-effectiveness.		
Quality Risk	Align practices with GMP system requirements and other relevant industry standards to establish quality agreements and maintain clear communication of quality requirements with suppliers. Conduct regular qualification audits and on-site inspections of suppliers. Provide quality training and facilitate technical cooperation and exchanges when necessary.		
Compliance and Ethical Risk	Mandate all suppliers to sign an <i>Anti-Commercial Bribery Agreement</i> , strengthen awareness through ongoing education and training initiatives, and conduct regular audits to ensure supplier compliance with the code of conduct. Perform due diligence, project audits, and compliance checks on partners as required.		
Environmental, Health and Safety, and Labor Rights Risks	Integrate sustainability requirements into the core of supply chain management. Clearly outline expectations for environmental management, climate change response, resource utilization, emission control, prohibition of child labor and forced labor, anti-discrimination practices, and occupational health and safety in the Company's <i>Supplier Code of Conduct</i> . Actively promote supplier compliance and encourage continuous improvement in these areas.		



Supplier Quality Management

Walvax Biotechnology has implemented a comprehensive set of internal regulations and procedures for supplier management. These include the Supplier Management Implementation Rules, Standard Operating Procedures for Supplier Management, and Inspection Guidelines for Supplier Management. These documents clearly define critical aspects such as supplier qualification validity, quality assessment methodologies and standards, material quality issue reporting, annual evaluations, and supplier audits. These measures enable effective evaluation of supplier quality status and provide standardized guidance for implementing a full lifecycle quality management system for suppliers. The Company mandates that all suppliers must be registered with relevant national authorities, possess appropriate professional qualifications for their provided services or products, and maintain a robust quality management system compliant with current laws and regulations (e.g., certification systems equivalent to ISO or GMP standards). Walvax enters into Quality Assurance Agreements with key strategic suppliers, specifying requirements across six dimensions: regulatory compliance, quality standards, logistics and transportation, accompanying documentation, batch requirements, and service response. This multi-faceted approach reinforces supply chain quality management.

Supply Chain Quality Audits

In alignment with GMP system requirements and the Standard Operating Procedures for Supplier Management, the Company' production entities develop annual supplier audit plans. These audits employ a variety of methods, including qualification assessments, questionnaire surveys, remote audits, on-site inspections, small sample quality evaluations, and regular raw material quality checks, to conduct comprehensive assessments of suppliers. Key suppliers undergo annual on-site audits or alternative forms of evaluation (remote audits, third-party audits, or questionnaire surveys), while major suppliers are subject to similar audits biennially. Dynamic audits are conducted in response to quality issues or other anomalies. These audits encompass various aspects, including quality management, organizational structure and personnel, facilities and equipment, material management, production processes, quality control, and quality assurance. Each audit culminates in a detailed report. For suppliers with identified deficiencies, a formal process is initiated. They are required to complete a deficiency record form and submit a corrective action plan within seven days. This ensures that suppliers take prompt measures to address issues and meet compliance requirements within a reasonable timeframe. Unqualified suppliers are removed from the approved list, fostering a fair, transparent, and high-quality supply chain.

On-site Supplier Audit Process













Verify completion of supplier

	Audit Type	Number of Audits in 2024
Cumplier Quality Audite	Remote audits	167 suppliers
Supplier Quality Audits	On-site audits	28 suppliers
	Third-party commissioned audits	9 suppliers

In 2024, Yuxi Walvax executed its audit plan with precision, conducting annual evaluations of 103 suppliers, questionnaire surveys of 64 suppliers, and on-site audits of 10 suppliers. The Company achieved a 100% pass rate, with all audited suppliers deemed compliant and effective, maintaining their status as qualified suppliers. For distributors, the Company completed 8 on-site audits, 3 remote audits, and 21 document audits.

Supply Chain Quality Training

In the realm of quality management, the Company has established comprehensive supplier training management protocols. The Quality Department, working in tandem with relevant divisions, develops annual training plans tailored to various supplier categories. These initiatives aim to ensure suppliers gain a thorough understanding of the technical specifications and quality standards required for the Company's R&D products. Leveraging supplier evaluation outcomes and insights gleaned from audits, the Company provides targeted guidance and recommendations, thereby fostering holistic improvements in suppliers' quality management systems. When quality concerns emerge during routine procurement processes, the Company employs a continuous improvement methodology encompassing "feedback - quality root cause analysis meetings - solution formulation - preventive measures implementation." This proactive approach engages suppliers in collaborative problem-solving for product quality and safety issues, ultimately enhancing their product quality and technical service capabilities. Throughout the reporting period, the Company's supplier quality assurance training program successfully encompassed key suppliers across all categories.



Case | Walvax Biotechnology 2024 Online Supplier Training Conference

In December 2024, to reinforce the quality assurance and regulatory compliance of raw and auxiliary materials supply, the Company's Supply Chain Center, in collaboration with the Audit and Inspection Department and Quality Management Center, organized the Walvax Biotechnology 2024 Online Supplier Training Conference for key material suppliers. This conference, grounded in the principles of the Vaccine Administration Law of the People's Republic of China and GMP regulations, offered comprehensive insights into supplier quality management protocols, supplier selection criteria, and methodologies for supplier evaluation. The symposium delineated explicit quality responsibilities and requirements for suppliers, emphasizing the imperative to ensure document authenticity and legality, maintain rigorous product quality control, facilitate timely and precise supply, and guarantee safe delivery. Furthermore, the critical nature of prompt information exchange was underscored to maintain quality control throughout the entire supply chain process.



Resilient Supply Chain

Developing a resilient supply chain and safeguarding business continuity are paramount to the Company's sustainable supply chain strategy. We have implemented a sophisticated risk analysis model and assessment mechanism to conduct comprehensive evaluations of various supplier categories. This approach focuses on risk identification, potential loss quantification, and specific mitigation strategies. By proactively refining our supply chain safeguards, we effectively mitigate potential risks throughout the supply network. In 2024, the Company maintained uninterrupted raw material supplies, avoiding any production disruptions due to material shortages.



Enhancing Supply Chain Contingency Plans

Our supply chain risk assessments are grounded in the criticality of materials to production processes and the probability of supply interruptions. We develop tailored safeguarding strategies that consider the severity of impact on production activities, the likelihood of supply delays, and the detectability of such disruptions. High- and medium-risk materials are subject to intensified monitoring to ensure timely availability for commercial production projects.



Implementing Dual Sourcing Strategy

To counteract upstream supply disruption risks stemming from climatic, geographical, or regulatory factors and to ensure production continuity, we adhere to principles of "compliance, stability, timeliness, cost-effectiveness, and strategic importance." Our management policy mandates at least two suppliers for each material. We have diversified our key raw material supplier base across different regions, securing a minimum of two domestic and international suppliers for critical materials, while also identifying backup suppliers. We have established preventive measures to mitigate supply delays and over-dependence on single, high-cost suppliers, thus further reducing production vulnerabilities in the supply chain



Maintaining Stable Partnerships

To hedge against price volatility and ensure superior aftersales service, we engage in annual agreements with suppliers based on long-term collaboration principles or establish strategic alliances. This approach prioritizes the procurement of scarce materials and minimizes distribution risks.



Establishing Safety Stock Levels

We have implemented inventory management systems for production-critical materials, including raw materials and key consumables, featuring safety stock alert mechanisms. These systems enable real-time monitoring and dynamic management of material inventory data. Our risk mitigation strategies encompass early demand forecasting and strategic stockpiling, with particular emphasis on enhancing early warning controls and increasing inventory levels for critical materials



Timely Communication and Information Sharing

We have established multi-channel communication platforms with suppliers, including email, telephone, video conferencing, and in-person meetings. A Delivery Warning Notification protocol has been implemented, initiating supplier engagement at least one month prior to contractual delivery dates to assess readiness. We provide formal monthly written feedback to suppliers on delivery performance, facilitating continuous improvement in on-time delivery. Proactive communication with suppliers addresses potential issues identified during monitoring, such as supply shortfalls. We promptly arrange meetings with suppliers experiencing constraints to collaboratively develop solutions, ensuring optimal inventory management and supply stability.



Promoting Local Sourcing and Domestic Substitution

We conduct comprehensive assessments of import material supply risks, considering historical delivery performance and inventory levels. We actively explore opportunities for domestic substitutes and local sourcing, particularly for critical materials, evaluating technical specifications, commercial viability, production capacity, and accessibility to enhance our supply chain resilience. During the reporting period, Yuxi Zerun, Walvax Biotechnology' subsidiary, achieved 100% domestic substitution for single-use sterile storage bags, with ongoing initiatives to localize the sourcing of filters and consumables

Community Co-development, Shared Health Benefits

Products exported to

22 countries/regions

Annual exports to developing countries/regions: exceeding

million doses

Annual charitable donations:

RMB **5.1069** million



Health Accessibility

Governance

The WHO recognizes immunization as one of the most effective and cost-efficient health interventions. Health accessibility is a strategic priority for Walvax Biotechnology. The Company's Board of Directors bears ultimate responsibility for the concept, goals, strategies, structure, and implementation of health accessibility initiatives. The Sustainable Development Committee, operating under the Board, comprehensively oversees the advancement of health accessibility strategies, while the Health Accessibility Working Group is tasked with formulating and implementing action plans. The Company has also established key policies including the Walvax Biotechnology Co., Ltd. Health Accessibility Policy, Walvax Biotechnology Co., Ltd. Fair Pricing Policy, and Walvax Biotechnology Co., Ltd. Statement on Addressing Antimicrobial Resistance. These policies integrate relevant requirements into company operations, aligning with the UN SDG of "Good Health and Well-being."

Board of Directors

Hold ultimate responsibility for the Company's health accessibility concept, goals, strategies, structure, and implementation.

Sustainable Development Committee

Review health accessibility strategies and goals, approve implementation plans, promote goal achievement, and conduct regular reviews.

Health Accessibility Working Group

Formulate, execute, evaluate, and optimize health accessibility implementation plans, coordinating across departments to advance health accessibility goals; Report progress and achievements to the Sustainable Development Committee, ensuring alignment with health accessibility objectives.

Strategy and Approach

Walvax Biotechnology is committed to the principle of "Help Everyone Live a Healthy Life" and consistently leverages innovation as its driver and high-quality vaccine products as its foundation. It accelerates vaccine R&D processes while promoting local cooperation, enhancing product accessibility and affordability, and strengthening public health capabilities in operational areas. Through these efforts, a more robust and sustainable business model has been in place to extend the benefits of vaccine products to a broader population. The Company has developed a five-year health accessibility strategy. By fully utilizing our R&D and product advantages through diversified business operations and continuous international expansion, we aim to better serve global public health initiatives and improve health accessibility worldwide.

Expanding Vaccine Coverage to More Developing Countries

Walvax Biotechnology continually expands its international market presence through direct operations and strategic licensing partnerships. Our business now spans emerging markets and developing countries across, Southeast Asia, South Asia, Central Asia, Latin America, and Africa, consistently delivering high-quality, cost-effective, and accessible vaccine products to developing nations. In 2024, the Company maintained its focus on low- and middle-income countries in Asia, Africa, and Latin America. We prioritized meeting public market demands for pneumococcal, meningococcal, and cervical cancer vaccines in these regions, while also addressing emergency procurement needs and private market opportunities. For countries seeking to develop local capabilities,

we offered technical cooperation services to support the establishment of self-reliant vaccine production facilities, collaboratively addressing disease-related challenges. Throughout 2024, the Company actively participated in numerous international conferences and events organized by UN agencies, including WHO, UNICEF, and PAHO. demonstrating our commitment to providing affordable, high-quality vaccines to low- and middle-income countries. Furthermore, the International Cooperation Division of the Yunnan Provincial People's Government Foreign Affairs Office established a collaborative mechanism with the Company, aiming to leverage strong government-enterprise cooperation to promote our international market expansion.









- Annual overseas business revenue reached RMB 570 million, representing a 98% increase from 2023 and emerging as a new growth driver.
- Products exported to a cumulative total of 22 countries/regions, with registration processes ongoing in I9 countries and 16 valid registration certificates (including all dosage forms); inaugural exports to Afghanistan and Burkina Faso.
- Cumulative exports to developing countries/regions surpassed 55 million doses, with over 9 million doses exported in 2024 alone, achieving a IOO% vaccine delivery rate.
- PCV13 vaccine exported for the first time to Indonesia, the Philippines, and India; signed a PCV13 cooperation agreement with Mexico, marking our first contract in the Latin American market.
- Successful commercial production of the bivalent HPV vaccine project, continuing to secure bids for HPV vaccine procurement in multiple domestic provinces; the bivalent HPV vaccine obtained WHO-PQ and achieved its overseas registration in Indonesia and Nepal, laying the foundation for global promotion of our vaccine products.

72

Enhancing Local Production Capabilities

Localized production enables developing countries to establish self-sufficient vaccine industries. For years, Walvax Biotechnology has actively promoted local vaccine production, fostering the development of regional vaccine industry chains, and working to reduce vaccine costs for populations in emerging markets and developing countries. The Company has explored localization models with countries including Indonesia, Morocco, and Egypt, offering tailored solutions. In 2024, several technology transfer projects made significant progress, such as the Indonesian and Moroccan PCV13 projects. These key projects involved localizing bulk filling and testing technologies, with expert staff and project managers deployed for on-site guidance. Furthermore, the Company engaged in discussions with international organizations like PATH to promote vaccine localization in low- and middle-income countries, aiming to bolster their capacity to address public health challenges.



Case | Empowering Egypt's Local Vaccine Production Capabilities

In November 2024, Walvax Biotechnology participated in the inaugural conference of the "Egyptian Vaccine Manufacturers Alliance," signing memoranda of understanding with two Egyptian pharmaceutical companies for localized vaccine production. Leveraging its extensive technology transfer expertise, the Company will collaborate on advancing the local production of Group A and Group C meningococcal conjugate vaccine, PCV13, and bivalent HPV vaccine. It will assist in establishing production systems, provide technical innovation support, offer guidance on production technology and quality control, and deliver solutions for issues related to samples, reagents, equipment, and raw materials. This partnership aims to equip local manufacturers with advanced vaccine production technologies, fostering Egypt's vaccine self-sufficiency and sustainable industrial growth.







Case | Joint Establishment of an Innovative Vaccine Manufacturing Base in Southeast Asia

Indonesia has been a key focus in Walvax Biotechnology's internationalization strategy for over a decade. Since 2021, the Company has initiated localization projects with Indonesian pharmaceutical firms for PCV13, bivalent HPV vaccines, etc. The technology transfer of polysaccharide/conjugate vaccine platforms and recombinant protein vaccine platforms has progressed steadily. This collaboration supports Indonesia in developing an integrated platform for innovative vaccine R&D and production, along with a robust evaluation system. The goal is to create a global center for cutting-edge vaccine R&D and production, enhance Indonesia's vaccine supply security, and expand the reach of "Made in Indonesia" vaccines across ASEAN and Muslim countries, thereby contributing to global health. In 2024, the Company successfully facilitated the technology transfer for PCV13 to its Indonesian partner. This localized product not only received market approval in Indonesia but also obtained Halal certification from MUI, a globally recognized authority in Halal certification.







Updating the Vaccine Supply Chain

Walvax Biotechnology constantly improves its vaccine supply chain, empowering local suppliers to enhance their capabilities in product transportation and storage. This approach ensures a compliant, safe, and efficient supply chain that guarantees vaccine safety and accessibility.



The Company adopts a "trunk transportation + regional warehousing + regional distribution" logistics model. Each product is fully traceable via an electronic supervision code, ensuring the timeliness and safety of vaccine delivery and achieving zero complaints related to supply chain security.

- Through the "regional warehousing + regional distribution" model, branch distributors deliver vaccines from regional warehouses to counties and districts across the country. This expands delivery coverage and ensures timely vaccine access in remote areas, thereby enhancing vaccine
- The Company uses a comprehensive vaccine tracking system to achieve end-to-end visibility from production to final delivery, further enhancing vaccine safety.



The Company defines transportation and storage protocols prior to shipment, with real-time temperature monitoring throughout the process using advanced temperature recorders. During supply and delivery, while prioritizing product safety and efficacy, we optimize the selection of export ports, airlines, and routes to improve supply efficiency. Delivery solutions are refined to minimize transportation costs and enhance supply chain reliability while maintaining optimal transport conditions.



Advancing Post-Marketing Pharmacovigilance

Walvax Biotechnology has established a dedicated Vaccine Safety Committee to advance its life-cycle pharmacovigilance system. This system meticulously collects, monitors, identifies, and evaluates adverse reactions following vaccination globally, ensuring vaccine safety throughout the product lifecycle. Recognizing the potential resource and technical limitations in developing countries, the Company collaborates closely with local partners on pharmacovigilance while expanding its international business. This approach supports developing countries in establishing comprehensive pharmacovigilance systems, ensuring thorough monitoring and assessment of vaccine safety post-marketing in overseas countries. Consequently, this allows for timely and appropriate measures to address safety concerns, safeguarding the health and safety of vaccinated populations.

- Before market launch, distributors are required to complete a comprehensive Pharmacovigilance Service Provider Questionnaire. A professional team conducts rigorous qualification audits of service providers, focusing on their capacity to conduct pharmacovigilance activities in terms of personnel, equipment, resources, and management systems. Identified issues are promptly addressed to ensure compliance with internal and local pharmacovigilance standards. Safety Data Exchange Agreements (SDEAs) are signed with distributors to establish robust communication mechanisms and work systems between pharmacovigilance teams, strengthening joint monitoring
- After the market launch, dedicated pharmacovigilance officers are appointed to work with local partners. Throughout the product lifecycle, these teams conduct continuous in-depth analysis, evaluation, and information exchange of collected safety data, jointly enhancing risk control and ensuring all data and reports comply with local and international pharmacovigilance standards. In 2024, we exchanged safety data 151 times with overseas distribution partners, with no new safety risk signals related to vaccine use detected, demonstrating excellent safety performance.
- The Company advances both internal and external pharmacovigilance audits and supports developing countries in establishing robust vaccine safety monitoring systems. In 2024, comprehensive pharmacovigilance audits were conducted on three overseas distributors, covering organizational structure, PV systems, personnel qualifications, and PV policies and procedures. These audits meticulously evaluated the effectiveness of pharmacovigilance systems and identified areas for improvement, helping local companies develop mature pharmacovigilance management systems and mechanisms. These efforts have contributed to assisting developing countries in enhancing their post-marketing pharmacovigilance capabilities.



Increasing Product Affordability

In an effort to foster a fair and equitable marketing environment and extend the benefits of high-quality vaccine products to a wider population, Walvax Biotechnology has developed the Walvax Biotechnology Co., Ltd. Fair Pricing Policy. In alignment with the World Health Organization's guidelines on fair pricing, the Company adopts a value-based and transparent pricing strategy that balances product quality with affordability. Sustainable pricing models are explored across various markets, with pricing policies extended to downstream distributors to ensure consistent implementation and improved product accessibility. Our comprehensive pricing model takes into account global market demands, considering factors such as vaccine research and production costs, market supply and demand dynamics, and pricing of comparable vaccine products. We employ a tiered pricing strategy, offering more favorable rates to economically disadvantaged countries and populations, thereby extending the benefits of vaccine innovation to underserved regions. Detailed information on our fair pricing principles can be found in the Walvax Biotechnology Co., Ltd. Fair Pricing Policy and the Walvax Biotechnology Co., Ltd. 2023 Sustainability & ESG and Social Responsibility Report.

Domestic Market

In the domestic market, the Company complies with relevant legal regulations, ensuring fair and reasonable pricing for its highquality vaccines, with consistent pricing nationwide. Prices are publicly available and transparent across all regions, accessible via provincial-level platforms. We strive to balance scale and efficiency, offering vaccine products at competitive prices. For successful bid products, we strictly adhere to regulations by promptly publishing information on the central government procurement website. As of the end of the reporting period, two of our marketed vaccine products are included in the national immunization program, with procurement prices regulated and guided by the state, provided free of charge to residents. In 2024, the procurement volume for these two immunization program vaccines exceeded 7.5 million doses. Moreover, we actively address the needs of specific populations by participating in various local welfare procurement projects and offering substantial corporate concessions. Currently, both our bivalent HPV vaccine and 23-valent pneumococcal vaccine have secured bids in multiple government procurement projects. Furthermore, we monitor end-of-supply chain prices to prevent price gouging and welcome public scrutiny.

Our self-developed bivalent HPV vaccine was initially priced at RMB 329 per dose at launch. Compared to the imported bivalent HPV vaccine already on the market, this can result in savings of approximately RMB 812 for a complete 3-dose regimen. In 2024, the price of this vaccine in some regions was reduced by about 40.43% from our initial recommended price, potentially saving approximately RMB 399 for a complete 3-dose regimen. This allows more people to access equally safe and effective high-quality vaccines at a lower cost.

Overseas Markets

In overseas markets, the Company adheres to local pricing regulations and tax policies and has established the Walvax Biotechnology Co., Ltd. Overseas Sales Pricing Management Measures. We have developed accessible pricing strategies tailored to the needs and economic development levels of different countries or regions. Our approach considers factors such as national or regional economic development, local vaccine production and supply, public healthcare investment, individual healthcare costs, vaccine procurement budgets and policies, and the overall benefits of vaccines to populations and healthcare systems. We implement differentiated pricing models and tiered strategies. While ensuring necessary profit margins, product quality, and stable supply, we offer more favorable vaccine prices to economically disadvantaged countries and populations. For instance, we provide vaccines at lower prices to low-income African countries such as Mauritania and Burkina Faso compared to other international markets

The Company recognizes the vital role that centralized procurement plays in reducing costs, improving vaccination coverage, and advancing public health. To this end, we actively promote the inclusion of our vaccine products in local immunization programs. As of the reporting period's end, our products have been successfully incorporated into the immunization programs of Morocco and Egypt. Concurrently, we are expanding cooperation with other countries and regions, strengthening vaccine product certifications, and supplying vaccines through international organizations like PAHO and UNICEF. We are also working to reduce minimum purchase quantity requirements for developing country customers, aiming to make our vaccine products accessible to a broader range of populations in need.





Boosting Public Health Capabilities

Walvax Biotechnology consistently implements a range of initiatives including professional vaccine training, public health education, and charitable healthcare activities. The Company actively donates vaccines to developing countries and remote, underdeveloped regions, striving to enhance public health capabilities in areas where its vaccine products are utilized. For a comprehensive overview of our health-related charitable activities, please refer to the "Heartwarming Charity" section.

In partnership with the China Primary Health Care Foundation, Walvax Biotechnology has established the "Live Healthy Public Welfare Fund." This initiative provides financial support and vaccine donations to remote areas, with the aim of reducing the incidence and mortality rates of relevant diseases and improving overall health standards in rural regions. The "Live Healthy Public Welfare Fund" is dedicated to: 1) Supporting targeted vaccination programs, enhancing medical service capabilities, and conducting scientific education and awareness campaigns; 2) Facilitating medical research, establishing scientific research projects, disseminating research outcomes, and organizing relevant academic exchanges; 3) Sponsoring training programs for specialized disease control management personnel and grassroots public health workers; 4) Supporting the enhancement and improvement of service capabilities in medical institutions.

Strengthening Healthcare Worker Training

The Company tailors its training programs and communication efforts to meet local development needs. Our initiatives include delivering specialized training to disease control centers that utilize our vaccine products, cultivating local talent in vaccine production and quality control, providing professional development opportunities for local vaccine industry professionals, and conducting training and knowledge-sharing sessions for local agents. These efforts are aimed at elevating medical service standards in developing countries.

- We have conducted comprehensive professional training on disease burden, product usage, and product data for vaccine industry professionals in various countries, including Indonesia, Thailand, the Philippines, Belarus, Egypt, Chile, Malaysia, and Saudi Arabia. These programs are designed to enhance the expertise of relevant personnel.
- As the sponsor of the post-market clinical trial for PCV13 in Indonesia, we provide ongoing, structured training on research protocols, procedures, operations, and management. This training is targeted at on-site researchers (medical professionals responsible for biological sample collection, adverse reaction monitoring, and case tracking) and local research partners (including research organizations and local agents). Our goal is to enhance the capabilities of disease prevention and control personnel in Indonesia, with a particular focus on Jakarta and Bali.
- In 2024, we further strengthened our collaboration with the Chinese Preventive Medicine Association. We jointly organized four leadership development training sessions for district and countylevel disease control institutions at our Innovation and Education Science Popularization Base, benefiting nearly 500 participants. The comprehensive curriculum covered various aspects, including public health policies, vaccine technologies, and legal interpretations, aiming to deepen local understanding and knowledge of relevant vaccine products.



Public Education

The Company collaborates closely with local health institutions to provide comprehensive vaccine education. Information is provided to recipients on how vaccines work, differences between various types of vaccines, and potential side effects. To broaden public reach, we utilize diverse media platforms, conduct vaccine knowledge seminars, and organize forum events. These initiatives aim to disseminate both fundamental vaccine information and cutting-edge epidemiological insights. We regularly invite experts to address public concerns about vaccines, thereby enhancing awareness of disease prevention and promoting individual health management skills. In partnership with non-governmental organizations, we have developed tailored vaccine training programs for specific demographic groups, such as expectant mothers and individuals with chronic conditions. Through this multi-tiered approach to vaccine education, we strive to elevate society's overall understanding of vaccines and contribute to public health protection. During the reporting period, we organized 16 national academic conferences, 53 provincial-level academic conferences, and approximately 6,000 other conferences related to disease prevention and control. Additionally, we conducted 120 consumer education events.

Vaccine Donations

In 2020, the World Health Organization released the Global Strategy to Accelerate the Elimination of Cervical Cancer. That same year, at the Gavi Pledging Meeting and the Global Vaccine Summit, Walvax Biotechnology made a solemn commitment: upon receiving WHO-PQ for its bivalent HPV vaccine, the Company would allocate more than half of its production capacity to fulfill Gavi's procurement needs. Gavi is an international organization dedicated to improving access to vaccines for children in low-income countries. This commitment aligns with Gavi's 5.0 strategic plan, which aims to benefit 84 million females aged 9-14 globally. In August 2024, our bivalent HPV vaccine received WHO-PQ, marking a significant step towards contributing to the global effort to eliminate cervical cancer. The Company is actively exploring international vaccine donation channels. In 2024, we participated in the bidding process for the Chinese government's vaccine aid project to Afghanistan and continue to monitor vaccine aid and donation opportunities for other countries.



Walvax Biotechnology recognizes antimicrobial resistance (AMR) as one of the major threats to global public health. Multiple factors have contributed to the decreased sensitivity to antimicrobial drugs among patient populations, presenting significant challenges for clinical treatment. As a hightech biopharmaceutical company specializing in the R&D, production, and sale of human vaccines, the Company advocates for the judicious and appropriate use of antibiotics and other antimicrobial drugs. Our strategy consistently prioritizes vaccine categories that reduce antibiotic use while also focusing on the development of innovative vaccines. We aim to serve human health with cutting-edge vaccine technologies and superior products, while addressing the AMR threat through groundbreaking solutions.

Bacterial vaccines are a cornerstone of Walvax Biotechnology's product portfolio. Since its establishment, the Company has maintained a dedicated focus on the discovery and development of vaccines to combat infectious diseases. As of the end of 2024, the Company has 7 approved bacterial vaccine products on the market, including pneumococcal, meningococcal, and Haemophilus influenzae type b vaccines. These bacterial vaccines effectively prevent diseases caused In response to the Healthy China Initiative 2030 and the Action Plan for Accelerating the Elimination of Cervical Cancer (2023-2030), the Company launched the "HPV Vaccine Public Welfare Donation Project" in 2024. This initiative involves developing a comprehensive and sustainable HPV vaccine donation plan, with the goal of donating over 160,000 doses of bivalent HPV vaccine to over 10 provinces and municipalities across China, including Henan, Hubei, Jiangxi, Shandong, Shaanxi, Sichuan, Tianjin, and Yunnan. The project aims to reduce the financial burden of cervical cancer vaccination for eligible women in these areas. Furthermore, in collaboration with the Wu Lien-teh Public Foundation, we initiated the "China Low Health Resource Areas Cervical Cancer Elimination Demonstration Project". In 2024, Yuxi Zerun donated about 14,000 doses of bivalent HPV vaccine to areas with limited health resources, aiming to improve health standards in rural

by bacterial infections, thereby significantly reducing the need for antibiotics in clinical settings. Our independently developed PCV13 has emerged as the world's second and China's first domestically developed product of its kind. Three years postlaunch, studies have demonstrated that this vaccine provides robust long-term immunity across all age groups, with a low incidence of fever and an excellent safety profile. In our investments in vaccine development at other laboratories, we continue to prioritize strategies that minimize antibiotic use. For more comprehensive information on our approach to AMR, please refer to the Walvax Biotechnology Co., Ltd. Statement on Addressing Antimicrobial Resistance.

Furthermore, the Company has implemented a specialized AMR education and training program to enhance employee awareness of antibiotic resistance internally. Externally, we leverage various channels including official WeChat accounts, websites, academic conferences, and vaccine recipient education to bolster AMR awareness among vaccine users and healthcare professionals. We also actively collaborate with governments, regulatory bodies, manufacturers, and healthcare providers to forge joint commitments and implement collective actions in tackling AMR challenges.



Impact, Risk, and Opportunity Management

Walvax Biotechnology consistently monitors domestic and international macroeconomic trends, policy developments, and industry updates. The Company maintains ongoing tracking and analysis of emerging technologies that could potentially influence vaccine industry development, new product creation, and iteration. By keeping pace with the latest product and technological advancements in the sector, the Company has gradually established and improved its procedures for identifying, assessing, controlling, monitoring, and improving strategic risks. This approach enables us to clearly comprehend the risks and opportunities associated with health accessibility issues, allowing us to continuously optimize, promptly adjust, and substantially enhance our risk control strategies and measures, thereby ensuring the effectiveness and adaptability of our risk management efforts.

Analysis of Risks and Opportunities in Health Accessibility Issues

- · Policy risks (The domestic pharmaceutical industry is transitioning through industrial restructuring; regulatory changes may impact corporate R&D, production, and sales; compliance challenges emerge in overseas markets)
- Market and technological risks (Competitive market pressures, R&D pipeline homogenization, technological obsolescence, etc.)
- Natural risks (Vaccine demand fluctuations due to disease epidemic trends, raw material supply chain vulnerabilities,
- Management and operational risks (Quality control challenges, supply chain disruptions, cold chain transportation issues, talent acquisition and retention difficulties, etc.)

Opportunities

- Substantial unmet needs persist in the global vaccine sector; government initiatives are actively promoting innovation and biopharmaceutical industry growth, presenting significant expansion potential
- Breakthroughs in disruptive technologies such as mRNA, gene editing, synthetic biology, artificial intelligence, and big data are propelling high-quality industry development

Response Strategies

- · Vigilantly monitor policy developments, regularly assess the impact of regulatory changes on company operations, and proactively foster collaborative relationships with regulatory authorities, industry associations, and international organizations to ensure compliance while advocating for supportive policies.
- Maintain a dual-focus strategy on "technology & market," aligning with the vaccine industry's future trajectory "from pediatric to adult, prevention to treatment, and populationwide to personalized care." Implement a development model that balances in-house research, collaborative partnerships, and strategic acquisitions, concentrating resources on accelerating key vaccine product development and fostering new quality productive forces.
- Steadily enhance business continuity planning and bolster product safety and quality control systems. Evaluate and refine risk control measures to improve the safety. efficacy, and quality assurance of our vaccine products, thereby strengthening market confidence.
- Actively explore innovative marketing approaches, enhance academic partnerships, and improve posttender and after-sales support. Capitalize on global market opportunities through flexible and effective strategies, including tailored country-specific approaches, targeted coverage in key regions of core markets, technology transfer initiatives, and pursuit of international certifications to expand our global footprint and better contribute to worldwide public health efforts.

Indicators and Targets

Indicators and Targets

2024 Achievement Status

Annual expansion into one new low- or middle-income country for exports, with active participation in public market procurement across various nations

Target achieved. Exports successfully expanded into two new low- and middle-income countries. We actively engaged in vaccine public procurement programs in countries such as Egypt and Algeria. Overseas markets maintained robust growth trajectories.

Proactive promotion of localized vaccine production, fostering local vaccine industry chain development, and facilitating vaccine industry advancements in developing countries/regions

Target achieved. In 2024, three technology transfer projects were successfully advanced. We collaborated on developing vaccine evaluation systems in China and Indonesia. The localized PCV13 product in Indonesia received market approval and secured MUI Halal certification. Additionally, memoranda of understanding for local vaccine production were signed with two Egyptian pharmaceutical companies, contributing to Egypt's vaccine self-sufficiency and sustainable industry growth.

Ongoing enhancement of partnerships with developing country governments and global health organizations, with active involvement in multiple national immunization programs, expanded immunization initiatives, and other health capacity development projects in developing nations

Target achieved. Our two national immunization program vaccines are procured through unified bidding by the national disease control system and are provided free of charge to residents. In 2024, the bid volume exceeded 7.5 million doses. Our self-developed bivalent HPV vaccine has won bids in multiple government welfare procurement projects, supporting the Action Plan for Accelerating the Elimination of Cervical Cancer (2023-2030). The 13-valent pneumococcal conjugate vaccine has been included in Morocco's Expanded Program on Immunization (EPI) and is being supplied steadily. For seven consecutive years, we have consistently delivered Group A and C meningococcal polysaccharide vaccines to Egyptian customers for their

Acceleration of research and production capabilities for multiple high-impact products to ensure a consistent supply of high-quality, costeffective and sustainable vaccine varieties to low- and middle-income countries

Target achieved. Our products have now reached 22 countries/regions PCV13 made its debut in Indonesia, the Philippines, and India, A landmark PCV13 cooperation agreement was signed with Mexico, marking our first contract in the Latin American market. Notably, the bivalent HPV vaccine Walrinvax® obtained WHO-PQ in August 2024, paving the way for its entry into the international market and extending its benefits to a broader global

Heartwarming Charity

While pursuing its own growth, Walvax Biotechnology remains steadfast in its commitment to social responsibility. The Company proactively explores philanthropic models that resonate with contemporary societal needs, viewing each project as an opportunity for shared community development. We endeavor to extend warmth and care to those in need, safeguarding public health and well-being. In 2024, we continued to advance our health education initiatives and vaccine donation programs, reinforcing our dedication to protecting public health

Total charitable donations:

RMB **5.1069** million





Case | "Baby-Friendly Initiative - Discharge Health Guidance from Baby-Friendly Hospitals"

Since 2023, Walvax Biotechnology has donated a total of RMB 5.45 million to the "Baby-Friendly Initiative - Discharge Health Guidance from Baby-Friendly Hospitals" public welfare project, jointly organized by the Chinese Preventive Medicine Association and the Chinese Red Cross Foundation. This donation supports professional training for healthcare workers and health education for inpatient mothers and their families. Through large-scale training sessions for Baby-Friendly Hospitals, guided WeChat support groups for mothers, and expert health advice on immunization for infants, the project aims to enhance maternal and child health services and increase families' awareness of crucial health practices. These efforts align with the Healthy China Initiative 2030. In 2024, the project successfully conducted 7 events, focusing primarily on breastfeeding and immunization. These sessions shared best practices related to the "Baby-Friendly Initiative" and provided skill enhancement training for various levels of hospital personnel, reaching over 1,000 participants.





- To bolster professional capabilities in maternal and child health services, the project delivered a series of specialized training sessions for obstetrics and pediatrics staff. These covered breastfeeding techniques, precautions, common issues and their solutions, as well as immunization principles, procedures, and contraindications. By engaging authoritative experts and employing diverse teaching methods, including case studies and simulations, the project equipped healthcare providers with the skills to offer enhanced care to mothers and infants.
- To improve health literacy among families, the project organized various educational activities for inpatient mothers and their relatives. These included targeted lectures, distribution of informative materials, and personalized consultations, effectively communicating the importance and correct methods of breastfeeding and immunization to each family, ensuring every infant can thrive with proper health knowledge.

Case | "Rose Action - Adolescent Health Education" Charitable Initiative

Since 2022, Walvax Biotechnology has been collaborating with the China Women's Development Foundation to enhance cervical health awareness among adolescent girls and their families, aiming to advance cervical cancer prevention and reduce its incidence. To date, we have donated RMB 11.5 million to support the "Rose Action - Adolescent Health Education Charitable Initiative" and the "Caring for Hospital Nurses Charitable Initiative". In 2024, the project distributed over 330,000 "Rose Action" promotional manuals, conducted 43 cervical health knowledge lectures for students, and distributed over 7.000 "Rose Action" care packages for educators





Inclusive and Diverse Workplace

Walvax Biotechnology values the recruitment of diverse talent and is committed to building a high-caliber, inclusive, and diverse professional workforce through an open and inclusive talent philosophy. The Company fosters a workplace environment characterized by equality, openness, and harmony, contributing to a positive and healthy organizational ecosystem.

Compliant Employment

The Company regularly conducts strict audits on its recruitment and hiring processes to ensure compliance with laws and regulations at every stage. We encourage employees to report any actions that violate company policies or regulations through public channels. All reported violations will be carefully investigated and handled with seriousness by the Company. When appropriate, corrective actions will be taken, which may include, but are not limited to, warnings, reprimands, formal disciplinary actions, or termination of the employment contract. During the reporting period, Walvax Biotechnology did not experience any incidents involving child labor or forced labor.



Number of employees recruited during the reporting period

Employee labor contract signing rate

100%

100%

Social insurance

coverage rate

Employee voluntary turnover rate

7 24%



Walvax Biotechnology adheres to the principles of equality, respect, fairness, and justice in employment practices. The Company strictly complies with international human rights standards, including the International Bill of Human Rights, the International Labour Conventions, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, and the Ten Principles of the United Nations Global Compact. It also abides by relevant national laws and regulations such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and the Law of the People's Republic of China on the Protection of Labor Rights and Interests. To ensure compliance and standardize employment procedures, the Company has developed internal policies such as the Walvax Recruitment Management Measures and the Walvax Labor Contract Administration Regulations. These policies regulate the entire recruitment and employment process, emphasizing capability-based candidate evaluation and job matching. Discrimination on the basis of gender, educational background, age, ethnicity, family status, religious belief, or cultural background is strictly prohibited. The Company forbids child labor, forced labor, and all forms of employment that violate laws or policies, as well as any form of discrimination or harassment. Additionally, it strictly prohibits the unlawful collection of candidates' personal information, thereby promoting fair and equitable employment opportunities.

Total number of employees 932 Female employees 1 070 Number of employees by gender employees 862 employees Senior 1.729 management mployees by 37 hierarchical Middle management 166 **Employees** aged 31-50 Employees aged 51 and above 1.044 Number of employees by age **Employees** aged 30 and below 850 Overseas employees Number of employees by region **Employees** with graduate/ with bachelor's MBA degree or above Number of 760 employees by 221 **Employees with** associate degree or below 951

Diversity and equal opportunities

Walvax Biotechnology upholds the principles of diversity, equity, and inclusion (DEI), and fully respects the diversity and individuality of its employees. The Company has formulated the Walvax Biotechnology Co., Ltd. Employee Diversity Policy and actively fosters a diverse and inclusive corporate culture. Diversity-related training sessions are regularly conducted for all employees, and DEI principles are embedded into recruitment, employment management, and training practices to ensure equal opportunities and broad career development platforms for every employee. The senior management team oversees the development of a diverse and inclusive culture, as well as the performance of DEI-related initiatives. Diversity and inclusion indicators are integrated into internal surveys and evaluations to facilitate targeted improvements in related practices.

Proportion of female employees

Proportion of newly hired female employees

Proportion of minority employees

55.38%

50.75%

20.08%

Proportion of employees with

the backup management talent

Proportion of female employees among Proportion of female employees in middle management

0.1%

52.73%

53.01%

Proportion of female employees in senior management

Proportion of female employees in STEM positions

43.24%

59.3%

Recruitment and Hiring

Walvax Biotechnology actively recruits and attracts talent from diverse backgrounds. All job postings are required to be based solely on job qualifications and competency requirements, with strictly no discriminatory content of any kind. We encourage individuals from all walks of life-regardless of their education, work experience, nationality, gender, age, marital or parental status, ethnicity, or religion—to apply and join our team. We evaluate candidates strictly according to the job requirements and competency criteria. Through the implementation of efficient processes and mechanisms, we ensure that candidates from diverse backgrounds are treated fairly and impartially during the recruitment process, avoiding any potential discrimination or bias. This helps create a diverse, inclusive, and equitable workplace environment for our employees. During the reporting period, female employees accounted for 55.38% of the workforce, ethnic minority employees made up 20.08%, and there were four foreign nationals employed. Overall, the Company's workforce structure continues to demonstrate a trend toward greater diversity.

Diversity Training and Activities

To support its internationalization strategy, Walvax Biotechnology integrates the concept of diversity into its corporate culture. In alignment with the Walvax Biotechnology Co., Ltd. Employee Diversity Policy, the Company organizes annual diversity training programs covering all employees, along with a series of initiatives including theme-based seminars on diversity, mental health lectures, diversity workshops, and offline events. These initiatives aim to help employees understand, internalize, and comply with relevant principles and policies, while fostering cultural integration and promoting more effective team collaboration.

Material and Welfare Support

Walvax Biotechnology implements fair and equitable employee development programs, ensuring transparency and fairness throughout processes related to compensation, training, and promotion. The Company's management team embraces an open and inclusive mindset, values diverse perspectives, and conducts performance evaluations and promotion decisions in an objective and unbiased manner, preventing any form of discrimination or bias.

The Company is committed to providing equal career development opportunities for female employees and to strengthening the protection of women's labor rights. This includes ensuring equal pay for equal work and offering equitable access to training and promotion opportunities. The Company actively supports the advancement and skills development of female employees, encourages women to take on managerial roles, and works to break the glass ceiling, ensuring greater participation and development opportunities for women across all functions and management levels. In addition, the Company strictly complies with the Special Provisions on Labor Protection for Female Employees, providing paid leave for prenatal check-ups, maternity leave, paternity leave, breastfeeding leave, and parental leave. Facilities such as mother-and-baby rooms and dedicated refrigerators are available for nursing mothers. The Company also regularly provides benefits for International Women's Day, menstrual hygiene subsidies, and customized health screening packages for female employees, helping to safeguard their health and well-being.

Labor Rights

In line with the International Bill of Human Rights, the ILO Conventions, and the Guiding Principles on Business and Human Rights of the United Nations, the Company has developed the Walvax Biotechnology Statement of Human Rights, the Recruitment Management Measures of Walvax Biotechnology, and the Management Measures of Walvax Biotechnology for Employee Attendance and Leave. These documents have collectively constituted the risk assessment and prevention framework of human rights to guard against human rights risks, and safeguard labor rights in the core business activities effectively. Notably, the Statement of Human Rights sets out no forced labor, no child labor, no freedom of association, collective bargaining, diversity, inclusion and anti-discrimination, among other things. The Statement is applicable to all full-time and spare-time employees, as well as all suppliers, subcontractors, service providers, customers, and other partners that have business ties with us.



Human Rights Due Diligence Management

Identification and Assessment of Human Rights Risks

Identify and assess human rights risks in accordance with applicable international standards laws, regulations and certification requirements of human riahts.

Prevention of Human Rights Risks

Formulate and implement human rights policies, business ethics, and the code of conduct for suppliers, and step up training to prevent human rights risks

Mitigation and Remediation Measures

Perform regular risk assessments in operation, work out action plans for improvement within specified time according to assessment results, and take mitigation and remediation measures targeting critical issues.

Performance Supervision and Feedback

Establish a feedback mechanism to follow up on the effect of measures for sustained optimization and improvement: open up smooth complaint and appeal channels to identify and address human rights issues effectively

Training and Competence Development

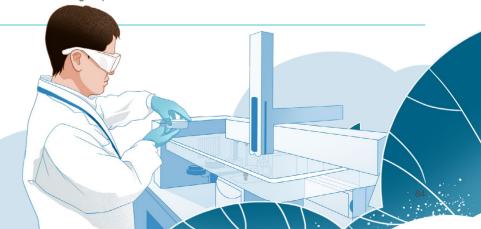
Walvax Biotechnology regularly organizes multiple training sessions concerning labor and human rights policies among all employees to help employees gain more understanding of human rights and engage in good practices. Besides, the Company assigns employees to receive human rights training sessions conducted by external organs on a regular basis.

Case | Training Session of Risk Control in Labor Relations Management for the Bacterial

The key to corporate governance of human rights risks is building a compliant labor relations management system. In June 2024, Walvax Biotechnology concluded the Training Session of Risk Control in Labor Relations Management targeting managers and above in the Bacterial Vaccine BU. The session interpreted the legal boundaries of the probation period in the labor contract, the attendance and leave compliance standard, and the core modules of the standard-based personnel management process. Focusing on high-risk employment scenarios, the session presented policy explanation and compliance guidance to promote the full compliance of management practices with laws and regulations, and establish a well-performing human rights risk prevention system.

Case | The Recombinant Protein BU Fortifies A Defense Line for Protection of Labor Rights

The Recombinant Protein BU strictly implements monthly risk reporting within the labor filing system to identify and track potential employment-related risks, establishing a closed-loop management mechanism that integrates monitoring, early warning, and rectification. The Human Resources team actively participated in the Human Resources Compliance Practical Training organized by the High-tech Industrial Development Zone and simultaneously obtained qualifications as certified labor law supervisors through the labor union. By combining in-depth policy study with hands-on practice, the Recombinant Protein BU has built a comprehensive risk prevention and control framework that spans institutional design, process execution, and supervisory feedback, significantly enhancing the professionalism and effectiveness of labor rights protection.







Prevention of Human Rights Risks

Issues of Concern



· Implement the Recruitment Management Measures, and govern the employment process in accordance with the local laws and regulations of operating sites, strictly verify the authenticity of applicants' identities, and provide anonymous reporting channels to ensure all employees have reached the legal age for employment.

Prevention or Mitigation Measures



Prohibition of forced labor

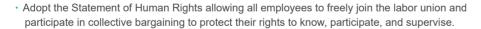
Employees are free to sign and terminate labor contracts.

· Recruit sufficient employees catering to business development needs, execute the Management Measures for Employee Attendance and Leave, allocate tasks properly through workload saturation analysis, and manage and track working hours.



Anti-discrimination anti-harassment

- · Combat discrimination and harassment in any forms according to the diversity policy and the Statement of Human Rights, and strengthen publicity and training among all employees.
- · Set a clear complaint reporting process, and work out corrective or punitive measures to impose strict legal penalties on verified violations.





Freedom of association and collective bargaining

Sign collective labor contracts, including wage-targeted collective contracts, and collective contracts for the protection of female employees' rights. Under the guidance of the labor union, the Recombinant Protein BU has signed the collective consultation contract and the collective contract for the protection of the special rights and interests of female employees.



Health and safety

Develop and maintain a robust occupational health and safety management system, conduct regular safety risk assessments and detections of occupational disease hazards, organize safety training and drills among all employees, and foster a safe and healthy workplace. For details, please see the "Occupational Health and Safety" section hereof.

Human Capital Development

Governance

The Company has formulated and implemented a series of management measures and regulations including the Training Management Measures of Walvax Biotechnology, the Management Measures of Walvax Biotechnology for Career Development (Trial), and the Performance Management Regulations of Walvax Biotechnology (Trial). Effectively planning human resources, these documents enable employees to unleash their potential according to their abilities, and prevent organizational risks caused by the flow or loss of key talents.

The employee development strategy of Walvax Biotechnology is formulated by the Human Resource Department and submitted to the Board of Directors for approval. The Company keeps refining the human resource management system to ensure its alignment with the overall strategic goals. The Remuneration and Evaluation Committee under the Board of Directors is responsible for formulating and overseeing the remuneration policy and appraisal standard for executive directors and senior executives. The Chief Officer of Human Resources is tasked with devising human resource planning based on the overall corporate strategy of the Company, and providing support and suggestions for strategic decision-making from the human resource perspective. The Human Resource Department is charged with working out and implementing human resource plans, target plans, policies and processes. All BUs have set out their own human resource departments to perform specific human resource tasks, and bolster talent development.

Strategy and Tactic

Acknowledging that "the most competitive employees in their positions are remarkable talents", Walvax Biotechnology has developed the efficient and forward-looking talent development strategy and plan, and deepened its tactic of training existing talents and introducing new talents to meet the needs of inter-disciplinary and diversified talent teams for effectively practicing the corporate strategy and boosting business development.

Upholding the principle of "cultivating high-integrity, highcaliber, high-drive, and high-efficiency talents and promoting the growth of all employees," the Company has established Walvax College and, guided by strategic goals, developed a scientific and well-structured talent management model. This includes a tiered and categorized training system, a sound and merit-based promotion mechanism, and open internal communication channels. To this end, the Company fully implements the "Ever-Thriving Walvax" talent cultivation system, which is designed to develop key talent capable of supporting sustainable corporate growth and responding flexibly to market demands. The system helps enhance talent depth and quality, optimize the talent structure, and strengthen the Company's overall competitiveness.

Received the 2024 Employer Brand Best Practice Award under

the 2024 China Human Resources Venus Awards





Talent Attraction

Walvax Biotechnology adopts demand-oriented strategic talent pool planning. To this end, the Company redoubles efforts to launch regular talent and organizational assessments according to its strategic blueprint and business development direction, proactively design talent layout, actively predict recruitment needs, and comprehensively evaluate recruitment channels in terms of their efficiency and costs. In the recruitment process, we champion scientific planning, targeted recruitment, standard-based employment, and fair appraisal to attract diversified talents. Our recruitment channels have been extended to university-enterprise cooperation programs, internship programs, campus recruitment, social recruitment, headhunting recruitment, and internal referral to expand talent reserves. Besides, advanced information technology has been applied to enhance recruitment efficiency and job-matching accuracy. During the reporting period, the Company pushed ahead with employer branding by promoting precise publicity across 48 universities, and building its employer image from multiple dimensions. The recruitment achievement rate reached 91.43%.

. University Enterprise Cooperation **Programs**

- · The Company has established the Modern Biomedical Industry College jointly with Kunming Medical University to cultivate high-quality, innovative, versatile, and application-oriented talents through deepening the integration between industry and education. In 2024, internal experts were assigned to participate in discipline development, curriculum planning, and joint compilation of training materials, forming a talent development model more aligned with industry needs.
- The Company has designated its experts to participate in professional master training and discipline program discussions, and share practical experience at lectures in multiple universities such as Yunnan University, and Kunming University of Science and Technology to broaden channels for attracting talents.

Internship **Programs**

· The Company implements a diversified growth program for interns, categorizing internships into cognition internships, general internships, and fixed-post internships. The program enhances workplace exposure for interns while supporting talent development and reserve for the Company.

Campus Recruitment

- · In the spring campus recruitment of 2024, the Company concluded offline Job briefing sessions at a number of universities including Shenyang Pharmaceutical University, Peking University, China Pharmaceutical University, Fudan University, and Sichuan University.
- · The synergy of offline campus recruitment presentations and information delivery at third-party recruitment platforms and employment websites of major universities has expanded our employer brand reach and attracted more fresh graduates to submit resumes.

Social Recruitment · The Company adheres to the principles of fairness, impartiality, and openness in recruitment, with reasonable evaluation of position needs and development of annual recruitment plans to accurately identify and attract suitable talent.

Internal Referral

· The Company has established a fair and transparent internal referral process, encouraging employees to recommend outstanding candidates and thereby enriching the Company's talent pool.

Case | Employer Brand Building

Since 2021, Walvax Biotechnology has been continuously strengthening its employer branding efforts. During the reporting period, the Company built a multi-dimensional communication matrix centered on the main visual design of "Around the Clock - My Life in Walvax", incorporating contemporary and youth-oriented elements. The Company also developed the personified IP image "Dr. Walvax" and a set of workplace-themed emojis, which were promoted across universities to enhance emotional connection with young talent. In addition, the Employer Value Proposition (EVP) was further implemented and translated into a visual communication system. Through formats such as horizontal scrolling graphics, promotional brochures, and a dedicated campus recruitment website, employee value commitments were effectively visualized and conveyed. These efforts contributed to stronger brand recognition and emotional resonance among prospective talents. supporting the Company's talent attraction and reserve strategy.

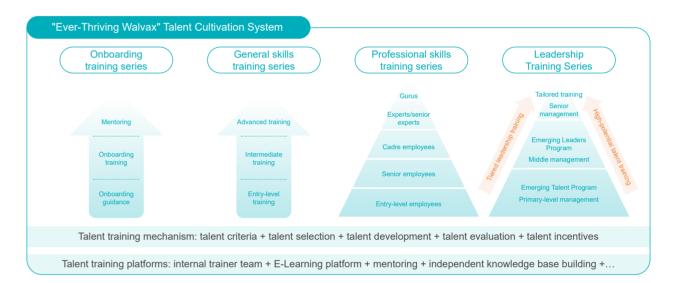


"Dr. Walvax" IP Image

Employee Training

Guided by strategic objectives, Walvax Biotechnology has established Walvax College as the core platform for building the "Ever-Thriving Walvax" talent cultivation system. This system features a "Learning Panorama Map" that systematically covers four key training modules: onboarding for new employees, general competencies, professional expertise, and leadership development. The program is supported by a dual-track mechanism that integrates the "4+1" training principles and the "2345" management model. It is designed to enhance employees' professional capabilities and leadership skills in a structured and progressive manner, thereby strengthening the talent pipeline and improving overall talent quality and depth.

To maximize training effectiveness, the Company employs a multi-dimensioned assessment and feedback mechanism for training courses. Training outcomes are directly linked to the annual performance appraisal in accordance with the learning credit and training management measures, and the learning performance of trainees is subject to annual assessment. What the Company does is to foster a learning-oriented organization, and provide high-caliber, vigorous and efficient talents with moral integrity for management innovation and business growth. In addition, training specialists have been appointed to gather feedback and assess training effect through questionnaires or other survey methods, and constantly refine training courses according to the collected insiahts.





"4+1" Principles: Defining a Unified Value Orientation

"Moral integrity" lays a strong ethical foundation; "high caliber" reinforces professional expertise; "high-drive" stimulates innovation vitality; "high efficiency" enhances work performance. Together, these four principles align with the core goal of "growth for all employees," serving as a long-term driver of enhanced employee competitiveness.



"2345" Model: Structuring the Training Implementation Framework

The model consists of two core training modules—shared values and shared energy field—supported by a three-tier structure involving Walvax College, Branch of Walvax college, and functional departments/teams. A four-dimensional evaluation system covering virtue, professionalism, competence, and performance ensures training effectiveness. Five training formats—in-class learning, reading sharing, public speakingand debate, paper writing, and case study—provide employees with diverse and integrated learning experiences.



Case | E-learning Platform of Walvax College

The E-learning platform of Walvax College is open to the Headquarters of Walvax Biotechnology, and its wholly-owned and holding subsidiaries. By integrating internal and external resources, the platform has provided employees with an access to independent learning, knowledge accumulation, and innovation. In 2024, the E-learning platform introduced engaging activities such as the online learning camp and the reading festival, and launched the "Learning Consulting" and "Community Interaction" modules, allowing experience sharing and communication among employees. The platform upgrade has brought better interaction and more practical functions, thus strengthening the learning-oriented organization capabilities of the Company.

Total courses launched:

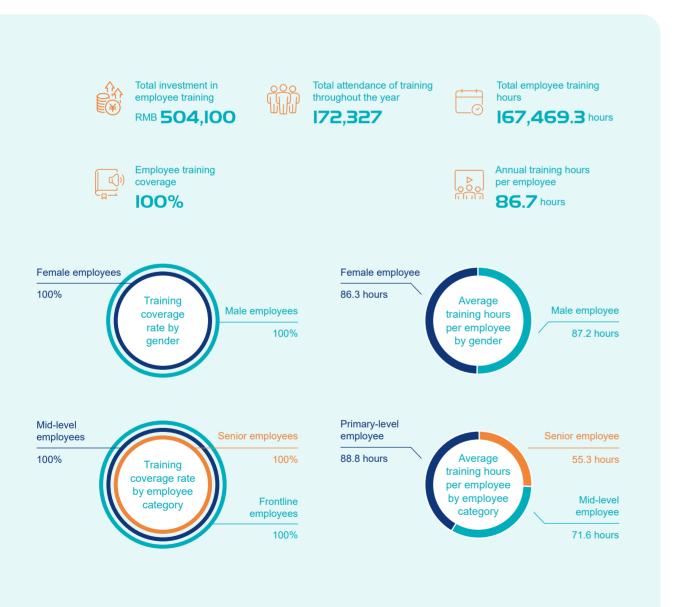
Total views:

Total learning hours:

1.000+

7,933

IIO,000+

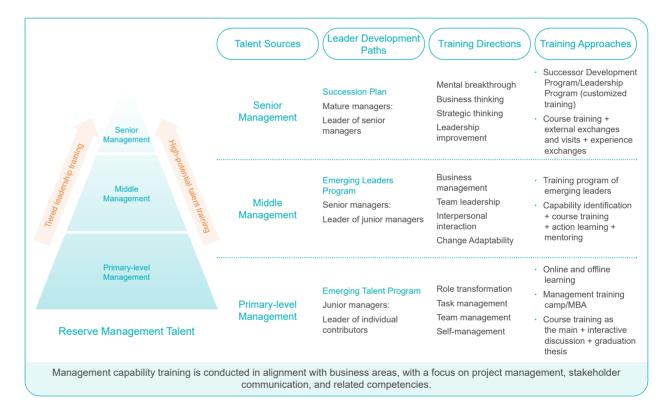


Onboarding Training

Highlighting employee growth, Walvax Biotechnology has customized training programs for new employees to meet their development needs throughout the growth cycle. The specific training sessions involve our corporate values and guidelines, industry trends and corporate strategies, product knowledge, quality management, cross-department process analysis, as well as career planning paths. Additionally, training sessions on GMP fundamentals, aseptic operation procedures, and safety management have been designed especially for new employees in production positions. These systematic training programs help new employees fit into their work environment easily, perform their duties according to standards, and collaborate effectively and grow continuously in their roles. Furthermore, we provide one-on-one mentoring throughout the probation period of new employees so that they can integrate into the team smoothly.

Leadership Training

In line with organizational development needs, Walvax Biotechnology continues to implement its talent succession program, integrating leadership competencies into the "1+3" job competency model to identify and develop high-potential managers. Respecting employees' personal aspirations, the Company has built a business-aligned, tiered leadership development system that supports forward-looking leadership cultivation across senior management, middle management, frontline management, and reserve managerial talent, providing employees with opportunities to step into leading roles. In 2024, targeted training was provided for managers at different levels, focusing on mindset, behavioral patterns, and leadership capabilities.



Case | Successful Conclusion of EMBA/MBA Classes in Walvax College

To adapt to industry trends, build strategic talent reserves, and boost the standard-based, intelligent and international development of the Company, Walvax College concluded two EMBA/MBA classes in February 2024, with 177 trainees from the middle-level and frontline management. Focusing our core business areas, the classes introduced courses integrating business administration theory with our corporate values to enhance the practical skills of trainees in standard-based and intelligent management, and crossdepartment collaboration. With graduation thesis, trainees were guided to propose effective solutions to problems based on the job duties and the strategy of the Company, thus elevating their overall competence and problem-solving abilities.

Case | Training Camp for Improvement of Project Management Capacity

To step up the leadership and project management capabilities of project managers, the Company organized a two-month project management training camp in 2024. At the offline training sessions, experts were invited to deliver lectures on project management systems, overall planning, risk control, and organizational coordination. Case study, hands-on exercises, and results-oriented models were adopted to guide trainees to generate five major deliverables, namely project charter, work breakdown structure (WBS), schedule, stakeholder register, and risk register. Senior internal experts also shared hands-on experience, strengthening participants' ability to apply theoretical knowledge and solve realworld problems. The program helped trainees gain a deeper understanding of the essential logic and practical methodology behind effective project execution.



Case | Training on Product Management and Manager Competence

In 2024, Walvax Biotechnology launched a dedicated training program titled "Successful Product Managers," focusing on product management and managerial competencies. The program aimed to systematically enhance the competitiveness and innovation capacity of the product management team, while strengthening business collaboration and the development of a robust product management system. In collaboration with Changsha Hanrunpu Enterprise Management Co., Ltd., the Company also introduced a series of courses and reading activities under the theme "The Gentleman's Character and Managerial Cultivation," designed to deepen ethical awareness and leadership development among managers, and to promote the integration of corporate values into everyday management practices.



Training on General Skills

Walvax Biotechnology places strong emphasis on enhancing scientific literacy in vaccines among all employees and continues to strengthen its training system for general skills. Focusing on key areas such as vaccine R&D, production, and quality control, the Company regularly offers scientific knowledge and practical skill-building courses. In alignment with industry trends and regulatory updates, a hybrid learning approach has been adopted—integrating theoretical instruction, case studies, and simulation exercises embedding scientific literacy into the Company's overall development framework of comprehensive skills for all employees. Since its launch in 2020, Walvax College's Basic Training Program on Vaccine Scientific Literacy has been conducted in four sessions. The fourth session, held in 2024, comprised 21 courses (48 class hours) covering essential topics including vaccine fundamentals, industry-specific knowledge, and the Company's operational processes. The program is designed to help non-technical staff better understand technical concepts and promote cross-functional collaboration. The Marketing Module of the First Session of the Advanced Training Program on Vaccine Scientific Literacy featured four key components: classroom lectures, observation-based learning, knowledge assessments, and practical exercises. In addition, practical insights from frontline sales were introduced through the integration of the "Shishuo Xinyu" initiative, enhancing cross-departmental collaboration through a combined "theory + practice" model



Training on Professional Expertise

To support the professional growth of employees, Walvax Biotechnology develops annual professional expertise training plans for departments aligning with the development goals of the Company. These training plans cover multiple business links such as R&D, clinical trial, production, quality, EHS, supply chain, and marketing. Tailored to evolving business needs, job requirements, and competence models, our training programs equip employees with the professional skills necessary to enhance their "tangible strengths" in career development. In addition, departments allocate dedicated training funds in their respective annual budgets, enabling employees to participate in external professional expertise programs as needed.

R&D employees

• The Stellar Training Program for R&D Talents (First Session) was launched with a focus on the "learning – thinking – practicing" development model. A variety of learning methods have been adopted, including structured coursework, collective book reading, mentoring, department rotation, and implementation of action-based learning. The program is designed to support the development of a strong and sustainable talent pipeline within the R&D departments.

Production and quality control employees

New employees are required to complete both general knowledge and professional training sessions, as specified in the departmental training matrix, within the first 20 days of employment. Assessments are administered upon completion of each module. Regular training on quality control and product safety is also provided for all employees. For more details, please refer to the "Innovation-Driven Health Empowerment / Product Quality and Safety" section of this report.

Employees engaged in special operations

In addition to internal training and assessment requirements outlined in the departmental training matrix, employees engaged in special operations are required to undergo professional training at accredited third-party institutions in accordance with external training regulations. Certificate renewal is subject to periodic re-assessment, in compliance with the Management Regulations on Safety Technology Training and Assessments for Special Operations Personnel.

Joint Training with External Partners

Walvax Biotechnology actively leverages high-quality external training resources to support employees in deepening their expertise and advancing their professional capabilities. In 2024, we partnered with multiple external institutions to launch a range of training programs, providing strong support for employee development across various disciplines.

- On-site practical training for middle-level and frontline managers were delivered in colaboration with Yunnan Chenwen Technology Co., Ltd. to invite certified project management experts (PMI-PMP/PgMP/ACP) who have contributed to national standard development.
- In partnership with Jiangsu Yunxuetang Network Technology Co., Ltd., the Emerging Talent Program-New Manager Training Camp (First Session) and the Training Camp for Improvement of Project Management Capacity were launched. These programs leveraged Yunxuetang's professional curriculum ecosystem to accelerate the growth of our management talent.
- We also invited professors from Hunan University, Southwest Forestry University, and Kunming Medical University to serve as instructors for the Training Program on Vaccine Scientific Literacy, incorporating academic expertise to enhance the specialization and credibility of the training curriculum.

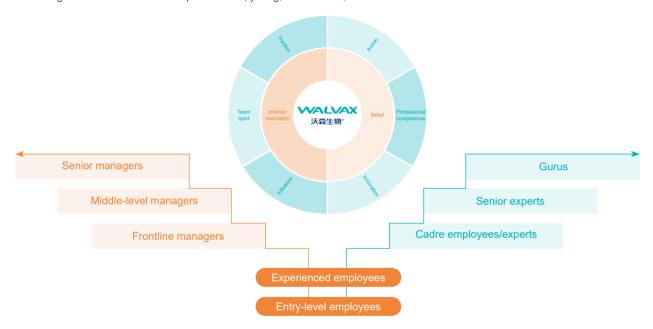
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Employee Development

Career Development

Anchored in the "Walvax Eight Competencies." Walvax Biotechnology has systematically defined talent criteria aligned with its future strategic direction. Based on this framework, the Company has established a tiered and role-specific "1+3" job competency model, which has been deeply integrated into performance management, talent recruitment, training, and development processes serving as a cornerstone for optimizing the overall talent management system. In line with the Management Measures for Career Development of Walvax Biotechnology, the competency model and corporate values are embedded throughout the career development framework. This provides employees with clear, structured career pathways, enabling them to leverage their strengths and create greater value in their roles.

In 2024, the Company continued to advance its dual career development pathways, enabling employees to pursue growth and promotion opportunities in both management and technical pathways, thereby removing the "ceiling" that hinders employees' career advancement. A new job grading system, aligned with the Company's strategic framework, was successfully implemented to promote consistency in talent management philosophy and practices across the Headquarters and its subsidiaries. In addition, a series of enhancement initiatives targeting the core management team were carried out, supporting the Company's goal of cultivating a workforce that is more "professional, young, international, and Walvax-featured."



Academic and Professional Credential Support

Walvax Biotechnology encourages and supports both full-time and part-time employees in pursuing academic degree enhancement, professional certifications, and professional title attainment, with the goal of continuously improving their professional competencies. According to the Credit Management Measures and the Management Measures for Professional Titles of Walvax Biotechnology, employees may earn credits through training participation, title examinations, and on-the-job academic programs. These credits are incorporated into performance evaluations and considered as factors in promotion and salary adjustment decisions. Upon approval, employees are eligible for expense reimbursement and paid training leave, and may receive rewards for obtaining recognized professional titles. These initiatives are designed to foster motivation for continuous self-development and encourage professional growth across all regular employees, with 100% coverage. In addition, the Company actively collaborates with higher education institutions to support employees in obtaining advanced degrees and job-related qualifications, further empowering their professional development.

During the reporting period, 1 employee in the R&D division was awarded the title of Senior Research Fellow (Full Professor Level); 10 employees were granted the title of Assistant Researcher (Intermediate Level); and 2 employees received Junior-Level professional titles. Multiple professional certifications were also newly obtained, including pressure vessel operation licenses. 6 employees from the Bacterial Vaccine BU completed academic degree upgrades and applied for subsidies provided by the High-tech Industrial Development Zone. In the Recombinant Protein BU, 34 employees passed the junior-level professional title evaluation in pharmacy. 1 employee was financially supported to pursue a master's degree at Fudan University, and core team members were encouraged to participate in intermediate- and senior-level title training programs organized by the Shanghai Municipality.

Overarching Remuneration and Benefit Packages

Remuneration Incentives

Walvax Biotechnology has established a structured remuneration system in accordance with its Remuneration Management Regulations, based on the 3P principle (Position, Performance, and Person). The system applies to all employees—including nonmanagement and non-sales personnel—and consists of both fixed and variable components. Variable income includes performancebased pay, bonuses, and allowances, which are closely linked to individual and organizational performance to maximize the incentive function of the remuneration mechanism. For senior management, compensation is determined based on their position, responsibilities, capabilities, and prevailing market salary benchmarks. The variable portion of their compensation is further tied to the Company's operational performance and individual appraisal results, aligning their interests with the Company's long-term growth. For general employees, variable income is linked to the Company's performance, departmental results, and individual contributions. A dynamic adjustment mechanism is in place, allowing compensation to increase or decrease in accordance with performance outcomes. This system ensures that all employees receive remuneration commensurate with their work results, while supporting a decent work experience and high quality of life.

We regularly monitor and assess market salary levels each year, and develop salary adjustment plans according to the market data collected and our operating performance to maintain competitive pay packages, and attract more talents for our crucial and strategic positions. All employees and departments undergo regular performance appraisals in an objective manner. By referring to the appraisal results, we determine and adjust the salaries for all positions, and design short-term and long-term incentive plans. Therefore, all managers and primary-level employees including non-sales employees receive fair and competitive remuneration that fully reflect their performance and contributions.

Performance Feedback and Appeals

In accordance with the Performance Management Regulations of Walvax Biotechnology (Trial), the Company adheres to the principles of fairness, openness, and impartiality in evaluating employee and departmental performance. We adopt a multidimensional appraisal system that integrates self-evaluations, assessments by direct supervisors, and feedback from crossfunctional teams, supported by multiple evaluation tools. The performance appraisal process is grounded in objective evidence and takes into account a balance of results and responsibilities, behaviors and processes, short- and long-term objectives, as well as internal and external benchmarks. This comprehensive and structured approach ensures that employees' contributions are accurately recognized and fairly rewarded.

The Company has established a robust performance communication and coaching mechanism, ensuring employees receive timely, continuous, and constructive feedback throughout the entire appraisal cycle. This supports employees in aligning with organizational goals and driving performance improvement. During the planning and implementation stages, departments are required to set transparent objectives and define measurable outcomes. Managers provide feedback through both formal and informal channels. offering quidance and actionable suggestions. The Company also reinforces the PDCA (Plan Do Check Improve) closed-loop control of the overall performance management, promoting accountability at all levels. The Human Resources Department is responsible for reviewing, consolidating, and communicating performance evaluation results, as well as following up on identified issues to ensure timely corrective actions. An appeal mechanism is in place for employees to raise concerns or disagreements regarding appraisal outcomes, thereby reinforcing procedural fairness and continuous improvement across the performance management system.

If employees have objections to their performance appraisal results or are unclear about specific details, they may submit a Performance Appraisal Appeal Form to their direct supervisor or the Human Resources Department within three working days of receiving the results, in accordance with the Company's Performance Appraisal Appeal and Feedback Procedures. Supervisors or the Human Resources Department are required to handle the appeal and provide a formal response within seven working days. Upon conclusion of the appeal process, the Human Resources Department will promptly record any necessary corrections and ensure they are applied to the final appraisal results. In 2024, the Company launched the President's Email Inbox, which allows for anonymous or real-name submissions. Strict confidentiality protocols are enforced to protect employee information. These efforts jointly contribute to a performance management system that ensures fair evaluations, effective appeals, and timely feedback.

Employee Stock Ownership

Walvax Biotechnology launches stock ownership and stock option incentive plans targeting senior executives and core employees to align their remuneration expectations with the long-term goals and interests of the Company. These plans help attract top talents and retain key employees, and promote mutual development and benefits between the Company and its employees. In addition, the Company has formulated a development-adapted recall and adjustment policy for employees' performances. In the stock incentive plan, it is stipulated that if the assessment results suggest incentive targets fail to meet specified standards at the company level or individual level, the corresponding stock incentives will be recalled. For details on employee stock ownership, please refer to the 2024 Annual Report of Walvax Biotechnology Co., Ltd.

Employee Benefits

The Company has developed an efficient benefit system for all employees. Apart from mandated basic benefits, a wide range of non-salary benefits have been provided to enhance employees' sense of belonging and happiness, and foster a warm and happy workplace.



Basic benefits

Social insurance package, housing provident fund, and paid leaves (including sick leave, work-related injury leave, marriage and funeral leave, prenatal check-up leave, maternity leave, paternity leave, breastfeeding leave and annual leave)



Allowances

Housing allowance, reimbursement of women's health fees, travel allowance, and employee canteen



Employee health

Annual physical examination, supplementary medical insurance (including accidental injury insurance, accidental medical insurance, and major disease insurance), and reimbursement of vaccination fees Vaccines (for employees, their children and spouses, as well as parents of both employees and their spouses), and medical mutual aid



Holiday benefits

Physical or cash benefits for holidays (such as Women's Day benefits and reimbursement of women's health fees)



Work pressure relief

Organize a variety of cultural and entertainment activities, and establish the "Fitness Center" to encourage physical exercise; provide psychological counseling services to guide employees to learn psychological selfregulation



Care for special employee groups

Care for special employee groups such as pregnant women, employees with disability, and employees in difficulty through various benefits and assistance initiatives to alleviate their difficulties with true and warm



Case | "WALVAX STYLE" - Leisure & Wellness Experience for Employees

To enrich employees' daily experience and strengthen their sense of belonging, Walvax Biotechnology launched the "WALVAX STYLE" brand series, covering catering, entertainment, sports, arts, and cultural activities. In 2024, the W COFFEE organized a variety of themed campaigns tied to holidays and company culture, such as "Back to Work Day", "Crazy Thursday", "Women's Day Celebration", seasonal product launches, and the "W COFFEE Anniversary". To meet employees' dining needs, the Café launched a new range of sandwiches, burgers, and cakes. It also developed a series of freshly made juice products with distinctive flavors and healthy nutritional ingredients, encouraging employees to maintain a proper balance between work and rest and to better enjoy both work and

























Employee Communication and Engagement

Communication and Grievance Reporting

Walvax Biotechnology provides employees with smooth, diversified communication channels and secure, confidential grievance reporting mechanisms. These include the Workers' Congress, communication and exchange meetings, internal hotlines, reporting mailboxes, the President's email inbox, an online feedback platform, employee suggestion boxes, rationalization proposal initiatives, and comprehensive evaluations of middle managers' adherence to corporate values and codes of conduct. The Company continuously improves its reporting procedures and handling processes, ensuring that all employee feedback is duly acknowledged and responded to in a timely and effective manner.

The Workers' Congress	A labor union has been established, alongside the formulation of the Regulations of the Workers' Congress of Walvax Biotechnology Co., Ltd. Regular workers' congresses and employee assemblies are held to fully incorporate feedback from employees and the labor union.	Quarterly / Semi- Annually / Annually
President's E-mail Inbox	The inbox is personally managed by the President, who independently accesses and follows up on messages. All information from individuals submitting opinions or suggestions is handled with strict confidentiality.	Regular
Employee Feedback Platform	Both online and offline suggestion boxes are available, allowing employees to submit feedback at any time. Anonymity and confidentiality are strictly protected, and all submissions are addressed and responded to within a specified timeframe. The online platform remains accessible 24/7 for continuous employee engagement.	Regular

The Company has established a formal, accessible, and confidential grievance reporting mechanism that covers all full-time and part-time employees. Employees are encouraged to promptly report any instance of unfair treatment to their immediate supervisors or the Human Resources Department. Designated personnel are responsible for receiving and handling grievance and whistleblowing reports. The Human Resources Department serves as the primary center for grievance management and, in collaboration with the Audit and Supervision Department, is responsible for case acceptance, investigation, resolution, and follow-up. Upholding the principles of authenticity, confidentiality, and effectiveness, we ensure that all legitimate reports are promptly accepted and independently investigated. Strict confidentiality is maintained regarding the identity of complainants and the content of their reports. We also take necessary measures to protect the safety and lawful rights of complainants. Any verified act of retaliation or information leakage will be dealt with seriously in accordance with relevant policies. In addition, the Company regularly audits the operation of its employee communication and feedback systems to ensure that communication channels remain unimpeded and that employee concerns and grievances are effectively addressed.

Employee Engagement Survey

The Company conducts regular employee engagement surveys, focusing on three dimensions and eight behavioral indicators of engagement, along with four key drivers. These surveys comprehensively collect employees' opinions and suggestions. Based on data analysis and employee feedback, we constantly improve our management practices.

Management Enhancement Strategies Based on the 2024 Employee Engagement Survey

- o In 2024, the Company launched a strategic and organizational capacity building project, which promoted a systematic organizational upgrade through current-state diagnostics, organizational restructuring, and a series of transformative initiatives
- o The President's E-mail Inbox was established to widely solicit feedback and suggestions from all Walvax employees regarding the Company's steady operations and development. This initiative fosters a culture of broad participation in corporate governance, supervision, and continuous improvement in management efficiency.
- o A front-middle-back office structure was established as part of organizational transformation efforts, aimed at enhancing cross-functional collaboration, reducing communication costs, and improving work efficiency.
- Workload saturation analysis was carried out to enable balanced task allocation. A fast-response mechanism for employee feedback was put in place, allowing for timely adjustments to work arrangements and strengthening employees' sense of
- o In response to relatively low satisfaction with welfare benefits identified in the engagement survey, the Global Business Unit enhanced employee involvement in benefits design and introduced diversified delivery methods, including physical/ non-physical/cash incentives. As a result, welfare satisfaction increased by 12% year-on-year.

Impact, Risk, and Opportunity Management

Walvax Biotechnology places significant emphasis on human capital risk management. We precisely pinpoint key human capital risk domains and, with a strategic-goal-oriented approach, persistently conduct the identification, assessment, response, and monitoring of human capital risks. Leveraging employee engagement surveys, we consistently refine our human resources management strategies across the entire spectrum of talent acquisition, development, deployment, and retention. This guarantees that human capital development risks remain firmly within the controllable scope, enabling high-quality development to be realized by means of a top-notch talent workforce.

Analysis of Human Capital Risks

Coping Strategies

- · Risks of strategic and organizational transformation
- · Scarcity of international-minded, multiskilled and highly-proficient talents
- Insufficient talent reserve for long-term development
- · Risks of diversity and inclusion
- Inadequate training and development
- Performance management risks
- · Lack of competitiveness in
- · salary and welfare or cost overruns
- · Risks related to compliance
- · Risks in organizational culture
- · Risks of brain drain

- · Refine the mechanism for identifying and assessing human capital risks, and keep the human capital risk inventory up-to-date on an ongoing basis.
- · Build a scientific human resources management system and implement a demand-driven strategic talent pool plan. Regularly conduct talent and organizational evaluations in line with the Company's strategic plan and business development directions. Effectively manage risks through avoidance, mitigation or transfer.
- Define performance standards clearly, beef up communication and feedback, and keep optimizing performance management tools and
- Implement the talent development strategy of Internal Cultivation and External Recruitment, establish the "Ever-thriving Walvax" talent cultivation system, and supply the Company with high-integrity, highcaliber, high-drive and high-efficiency talents for its management innovation and business growth.
- Build a job competency model with Walvax's Eight Competencies as the core benchmark. Intensify talent assessment and talent succession planning. Boost employee engagement by means such as employee engagement surveys, thereby reducing organizational risks.

Indicators and Targets

Indicator	Target	2024 Achievement Status
Coverage rate of employee performance evaluation	100% among regular employees	
Coverage rate of employee training	100% for all employees	Target achieved
Frequency of performance management optimization	At least once	

100

Occupational Health and Safety

Walvax Biotechnology strictly complies with applicable laws and regulations, including the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Provisions on the Supervision and Administration of Occupational Health in the Workplace, the Regulations on the Safety Administration of Hazardous Chemicals, and the requirements of the ISO 45001 Management System. The Company has formulated a series of management policies, procedures, and standard operating guidelines, including the Walvax Biotechnology Work Safety Responsibility System and the Walvax Biotechnology Safety Risk Classification and Control System, which apply to all employees, contractors, and suppliers. Health and safety indicators are incorporated into the annual performance assessments of both senior executives and all employees, contributing to a strong and accountable safety foundation. In line with the principle of "safety first, preventionoriented, and integrated governance," the Company has established the Safety Risk Evaluation Leadership Group, responsible for the overall planning and oversight of safety risk prevention and control. Under this group, a safety risk prevention and control task team has been formed to implement a dual-prevention mechanism that integrates hierarchical safety risk management with the identification and rectification of potential hazards. In addition, the Company maintains Individual Occupational Health Monitoring Files for all employees to strengthen occupational health and safety risk management. For contractors, the Company enforces strict occupational health risk control measures throughout the entire business process—from contractor selection, contractual disclosure, and entry requirements to training, ongoing supervision, and performance evaluation. During the reporting period, 100% of employees in positions exposed to occupational hazards underwent health examinations. No new or suspected cases of occupational diseases were reported.

	Occupational Health and Safety Targets	2024 Achievement Status
Occupational Health Check-up	100% of employees receive pre-employment physical examinations 100% of in-service employees receive regular health check-ups 100% of employees undergo exit physical examinations 100% filing rate of individual occupational health monitoring files	
Workplace Inspection	100% inspection coverage of workplaces with occupational hazard factors 100% coverage of hazard warning signs in all workplaces; test result boards are prominently displayed in main production areas	_
Protective Measures	100% distribution and usage rate of personal protective equipment (PPE) 100% coverage of safety management qualifications and hazardous chemical operation certificates across all R&D departments	Target achieved
Occupational Disease Incidence Rate	0% incidence rate of occupational diseases in the workplace 0 major personal or equipment safety incidents 0% incidence rate of acute poisoning	
Production Safety	0 fire or explosion accidents 0 major safety accidents and 0 electric shock accidents 0 electric shock accidents 0 poisoning accidents 0 biosafety incidents 0 work-related fatalities	

Investment in health and safety:

The injury rate per million working hours:

0.44%

Shanghai Zerun has been certified under the

Health and Safety Management System

RMB 4 4947 million

Amount invested in work-related injury

RMB 13504 million

Coverage rate of work-related injury insurance among employees:

100%



of Health and afety Risk

We have established a systematic hazard identification and assessment mechanism. The results are directly applied to key decision-making processes, including design optimization, process selection, production layout, and equipment procurement, ensuring risk control is integrated throughout the entire business chain.

We classify health and safety risks into four levels-major, relatively major, moderate, and low—and implement tiered control measures accordingly. For major and relatively major risks, we develop dedicated mitigation plans using diverse technical, engineering, and managerial approaches such as design optimization, substitution, risk transfer, and isolation.

We conduct routine inspections to identify potential safety hazards. Once identified, we take immediate corrective actions and implement real-time monitoring to ensure complete resolution. During the reporting period, we rectified 80 such hazards.





We have developed policies such as the Comprehensive Emergency Response Plan for Production Safety Incidents, and continue to improve contingency plans for various safety accidents and public health emergencies. Regular emergency drills are carried out on scenarios including fire safety, hazardous substance spills, as well as combating terrorism and preventing violence







We foster a strong safety culture through initiatives such as Safety Production Month campaigns, safety knowledge competitions, recognition of outstanding safety performers, and regular safety training. In 2024, health and safety training covered 100% of employees, with 4,547 total participants and 6,413 cumulative training hours.

Green Development and Environmental Stewardship

Annual increase in environmental protection investment:

RMB **2.9732** million

Greenhouse gas emission intensity:

o. 5 tons of CO₂ equivalent/RMB

10,000 revenue

Compliance rate for wastes emissions:

100%



Environmental Management Enhancement

Walvax Biotechnology rigorously complies with environmental protection laws and regulations, including the Law of the People's Republic of China on Environmental Protection, Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, Energy Conservation Law of the People's Republic of China, Law of the People's Republic of China on Water Pollution Prevention and Control, and Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste. The Company aligns its practices with standards such as ISO 14001 Environmental Management System and ISO 50001 Energy Management System to develop the Walvax Biotechnology Environmental Management Policy and Walvax Biotechnology Emergency Response Plan for Sudden Environmental Incidents. We commit to environmental objectives through signed responsibility agreements, ensuring all operations adhere to applicable environmental regulations in our areas of operation while minimizing ecological impact. During the reporting period, the Company recorded no environmental pollution incidents, no exceedances in environmental monitoring, and received no environmental administrative penalties.

Total environmental protection investment:

RMB **2.9732** million

Environmental protection training coverage:

100%

General or above-level environmental accidents:



Shanghai Zerun achieved

50 400 Environmental



Environmental Management Structure

Walvax Biotechnology integrates environmental management as a strategic priority at the Board level. The Board of Directors regularly assesses environment health safety (EHS) management implementation, assuming ultimate responsibility for climate and environmental management policies. objectives, strategies, structures, and execution. The Board empowers the Sustainability Committee to comprehensively oversee climate and environmental issues, including reviewing environmental plans, examining policy implementation, and monitoring progress towards goals. The EHS Working Group, reporting to the Sustainability Committee, tracks legal and regulatory developments, formulates and implements EHS objectives and action plans. EHS departments are established at headquarters and all production units, with the Company's senior leadership taking primary responsibility for environmental protection.

The EHS management system encompasses 100% of company operations. We conduct regular reviews and evaluations of the environmental management system's performance, incorporating it into overall performance appraisals. Violations of national laws, regulations, or our Articles of Association resulting in significant decision-making errors, major safety incidents, or environmental accidents that cause substantial adverse effects or economic losses to the Company are subject to performance deductions based on

Environmental Management Objectives

The Company systematically evaluates the environmental impact of its operations, establishes clear environmental protection targets, and regularly reviews goal attainment and progress, aiming at enhancing its environmental performance through closed-loop management.

Achievement of environmental management objectives: 100%

- 100% legal compliance in all operations, with 0 major environmental pollution incidents or complaints
- 100% coverage of environmental education and training for all employees
- 100% compliance rate for "three wastes" emissions and boundary noise levels
- Annual growth rate of water and electricity expenditure below the increase in management expenses
- Proactive adoption and development of environmentally friendly technologies, minimizing potential environmental impacts throughout the product lifecycle, from R&D and procurement to production, distribution, and end-use

Environmental Certification and Auditing

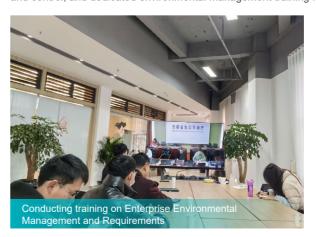
Walvax Biotechnology has implemented a comprehensive internal EHS audit mechanism that conducts regular environmental audits across all production units. These audits encompass a wide range of areas, including EHS compliance, pollution control facility operations, emissions of the three primary waste types, waste storage and disposal procedures, hazardous chemical management, environmental risk assessments, and emergency response planning and drills. The audit process is multi-faceted, comprising headquarters-led evaluations, cross-audits among subsidiaries, and stringent monthly self-inspections that involve senior management participation. To ensure objectivity, we also engage qualified third-party monitoring firms to conduct standardized selfmonitoring assessments. In addition to internal measures, each operational base actively collaborates with regulatory agencies and external stakeholders to facilitate various external environmental audits. This ensures the ongoing suitability and effectiveness of our environmental management system. The Company employs a tiered approach to addressing audit findings, setting correction deadlines based on the severity of issues identified. Dedicated departments are tasked with tracking the implementation of improvements to ensure timely resolution. For pollution prevention facilities operated by third-party companies, including online monitoring equipment, we conduct rigorous supervisory spot checks at least once a week. These inspections focus on the third-party company's performance, the accuracy and timeliness of record-keeping, and the operational status of facilities. Detailed inspection records are maintained, and clear responsibilities and deadlines for improvements are established. During the reporting period, 100% coverage of all production units was achieved through internal environmental audits and external inspections by third-party organizations. A total of 8 environmental audits were completed across all plant areas, and 11 external environmental inspections were carried out by qualified third parties. All identified issues were rectified within the specified timeframes. Notably, the subsidiary Shanghai Zerun successfully obtained ISO 14001 Environmental Management System certification.

Environmental Risk Prevention, Control, and Emergency Management

The Company continues to refine its environmental risk control mechanisms in alignment with ISO 14001 Environmental Management System requirements. We conduct thorough environmental monitoring based on robust policies, including the Walvax Biotechnology Online Monitoring Operation and Maintenance Management System and the Walvax Biotechnology Online Monitoring Data Anomaly Handling Management System. These measures enable us to strengthen our assessment and control of various environmental risk factors inherent in production and operations, thereby enhancing our environmental risk prevention capabilities. To ensure emergency preparedness, the Company has developed an Emergency Response Plan for Sudden Environmental Incidents along with corresponding response cards. An emergency response team has been established and equipped with necessary materials and tools. Regular, targeted environmental emergency training and drills are conducted to maintain operational readiness. During the reporting period, 100% of the Company's environmental monitoring data met compliance standards, and four environmental emergency drills were conducted.

Environmental Protection Training and Promotion

The Company places strong emphasis on environmental protection training and awareness. Employees are engaged through various learning formats covering environmental laws, regulations, standards, internal policies, and implementation of environmental management practices. In addition, awareness of environmental protection is reinforced through campaigns and internal promotional activities, fostering a culture of environmental responsibility across the organization. The Company also actively participates in external training programs organized by the Department of Ecology and Environment of Yunnan Province. These include video training sessions on province-wide automated pollution source monitoring, online training on key areas of soil pollution prevention and control, and dedicated environmental management training for industrial parks.





Climate Change Mitigation

Walvax Biotechnology adheres to the framework recommendations outlined in the IFRS S2 Climate-related Disclosures and the Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation). The Company is committed to exploring innovative green and low-carbon development pathways, offering solutions to address health needs arising from climate change, and enhancing its capacity to respond effectively to climate risks.

Governance

The Company has integrated climate change considerations into its sustainable development governance structure. The Board's Sustainability Committee spearheads the management of climate change-related matters, refining processes for identifying, assessing, managing, and disclosing climate risks and opportunities. Members of the EHS Working Group bring extensive professional knowledge and practical experience to the table, enabling them to comprehensively and promptly identify climate change risks and opportunities, formulate effective environmental protection policies and emission reduction plans, and ensure their thorough implementation.

Decision-making Level

Board of Directors and Sustainability Committee

- o Review ESG-related risk and opportunity assessments, with a particular focus on climate change topics
- o Approve climate-related plans, targets, and response strategies, while overseeing their implementation
- Evaluate the effectiveness of climate change risk management and internal control systems

Management Level

ESG Office

- o Coordinate the development of climate change-related action strategies, policies, regulations, and target indicators
- Conduct thorough assessments and analyses of climate change risks and opportunities
- Orchestrate and drive the implementation of climate change actions
- o Regularly compile, track, and report on climate change-related data and progress towards targets

Execution Level

EHS Working Group

- o Ensure adherence to climate change-related action strategies, policies, regulations, and target indicators
- o Develop and implement specific plans to advance climate-related actions and support the realization of company-level climate strategies and plans
- o Conduct regular statistical compilation and reporting of relevant information and data

Strategy and Approach

Walvax Biotechnology is dedicated to integrating climate risk management into its overall risk management system. This ensures that addressing climate change issues is a fundamental consideration in its strategic decision-making processes. The Company has positioned green and low-carbon development as a core element of its sustainable development strategy, integrating these principles throughout the entire lifecycle of projects, from initial planning and design through to construction and operation. This comprehensive approach serves to boost our climate adaptation capabilities.



Walvax Biotechnology conducts comprehensive analyses of the risks and opportunities arising from climate change. The Company develops targeted response measures to ensure its climate management strategy aligns with policy trends, market developments, and customer needs, thereby enhancing its resilience to climate risks.

Category		Risk/Opportunity Description	Potential Financial Impact	Response Measures
Physical Risks	Acute Risks	Extreme weather events such as heavy rainfall, heatwaves, typhoons, and floods resulting from climate change may adversely affect company operations and supply chain continuity. Stringent temperature control requirements for vaccine production, storage, and transportation pose challenges, as high temperatures and humidity fluctuations may compromise vaccine stability. Additionally, extreme weather events are likely to increase operational costs.	Operating revenue Operating costs Fixed asset value	Closely monitor climate change trends, develop comprehensive emergency plans for extreme weather events, enhance emergency response capabilities, and maintain strict EHS risk controls. Incorporate regional climate risk assessments into site selection, planning, and design processes for new projects. Install off-grid lithium battery energy storage systems to ensure emergency power supply for critical equipment during power fluctuations or abnormal situations. Implement safety stock strategies and diversify suppliers to build a resilient supply chain.
	Chronic Risks	Sea level rise Water resource scarcity	Operating costs 1	Regularly assess and track changes in water resources and public utilities.
0	Policy and Regulatory Risks	Ongoing implementation of climate change mitigation policies and regulations, gradual advancement of carbon emissions trading mechanisms, and more stringent environmental protection requirements are leading to increased constraints and costs for project development and operations.	Operating costs 1	 Closely monitor changes in international and domestic environmental and carbon-related policies, mitigate risks through enhanced management practices, and ensure regulatory compliance. Achieve green and low-carbon development by improving process equipment, optimizing energy structure, and enhancing production efficiency, thereby bolstering energy security.
Transition Risks	1 126 2 127 1 10 1	Operating revenue ↓ Operating costs ↑	Monitor and assess the potential impact of climate change and natural disasters on disease patterns. Focus on cuttingedge technologies in the vaccine industry, strengthen feasibility studies on new technology applications, and foster industry collaborations to proactively address challenges brought by evolving disease spectrums. Conduct thorough cost-benefit analyses and feasibility studies before implementing low-carbon transition projects, selecting the most viable solutions.	
	Products and Services	Identifying new business opportunities in disease areas affected by climate change, developing innovative vaccine solutions, and expanding into emerging markets.	Operating revenue 1	Develop and provide cutting-edge vaccine products to address emerging health needs while enhancing market competitiveness.
Climate Opportunities	Resource Efficiency	Optimizing both energy structure and efficiency to achieve long-term stable power supply and realize energy- saving benefits.		 Explore emission reduction potential and minimize energy consumption costs through the construction of proprietary photovoltaic facilities and implementation of robust energy management systems.

Energy Management

Walvax Biotechnology strictly complies with relevant legislation, including the Energy Conservation Law of the People's Republic of China and the Law of the People's Republic of China on the Promotion of Clean Production. The Company has issued institutional quidelines such as the Walvax Biotechnology Energy Conservation and Emission Reduction Management System, and actively promotes energy consumption and efficiency management in line with ISO 50001 Energy Management System standards. Employees are encouraged to adhere to clean production processes, and energy control indicators and targets are integrated into annual performance evaluations as part of our proactive approach to climate change mitigation.

Energy Management Strategy

The Company has established a standardized energy management system and set up a dedicated equipment and energy management team to enable refined management of energy indicators and continuously improve its overall energy management performance.

Energy Planning Management

- Develop and refine plans to maximize o usage efficiency
- Implement rational energy use planning o to reduce production costs Conduct thorough bill verification to • streamline expense payment and

Data Statistics and Analysis

settlement processes

Maintain detailed logbooks for energy o consumption and metering instruments Implement robust energy consumption • monitoring to ensure optimal equipment

> Perform in-depth data analysis and o evaluation to inform energy-saving measures



Energy-saving Strategy Formulation

- Enhance monitoring of energy-consuming equipment to improve utilization efficiency
- Implement integrated management of energy supply and consumption for optimal usage
- · Conduct regular inspections to identify and eliminate energy waste

Compliance Management

- Facilitate effective coordination with government departments and external
- Ensure accurate and authentic reporting to energy consumption systems
- Monitor regulatory and policy changes, providing timely support and guidance

Energy Conservation and Emission Reduction Initiatives

The Company has established and implemented carbon reduction targets, continuously advancing energy conservation and emission reduction initiatives. It also encourages suppliers to align with its environmental policies, fostering joint efforts to address climate change



Case | High-Temperature Condensate Recovery

Yuxi Walvax has implemented an innovative condensate recovery system that collects and transports high-temperature condensate from the industrial park to the boiler room. After treatment to meet required standards, it is repurposed as boiler make-up water. This project achieves thermal energy recovery from condensate and promotes circular use of boiler water, significantly enhancing energy utilization efficiency and reducing industrial water consumption.

Annual condensate recovery and utilization

Boiler thermal efficiency improvement

Annual industrial steam

CO₂ emission reduction:

76,000 tons

15%

5,500 tons

1,580 tons

· Capitalize on Yunnan's abundant hydroelectric resources by prioritizing low-carbon locations during site selection Source approximately 70% of electricity from hydropower · Install large-capacity photovoltaic power stations on industrial park rooftops, enabling selfgeneration and self-consumption to boost economic benefits and energy security **Energy Structure** · Substantially increase the use of clean energy sources, such as natural gas and electricity Optimization (leveraging Yunnan's high proportion of hydropower), to replace traditional energy sources, thereby expanding the share of clean energy usage. During the reporting period, the Company successfully transitioned from coal-fired to electric boilers, enhancing thermal efficiency and energy conservation benefits. · Streamline production management by strategically activating and deactivating HVAC for clean areas, steam generators, and pharmaceutical water systems based on production requirements; implement additional operational monitoring systems to regulate the activation and deactivation of refrigeration units and pumps based on chilled water pipeline temperatures, minimizing energy consumption · Utilize HVAC systems for clean areas with real-time temperature and humidity monitoring, intelligently adjusting ventilation frequency and air volume; implement specialized gas monitoring systems to enhance equipment automation control strategies, preventing Management unnecessary waste Energy Conservation Implement upgrades to the Building Management System (BMS) and Environmental Monitoring System (EMS) within the pneumonia vaccine bulk production workshop, ensuring stable control and real-time monitoring of temperature, humidity, and pressure differentials through automated control and precision adjustments to reduce energy consumption · Conduct regular energy conservation training sessions for employees to improve overall awareness and operational proficiency

Technical Energy Conservation

- · Implement large-capacity condensate treatment units to enhance industrial steam system condensate collection, treatment, and reuse, boosting energy utilization efficiency and reducing carbon emissions
- Install standalone off-grid lithium battery energy storage systems in key production buildings within the industrial park, featuring optimally designed capacity and operational control strategies to achieve "valley charging and peak discharging," optimizing energy allocation and smoothing peak demand
- · Establish regionalized centralized heating, introducing an energy trusteeship management model that combines biomass and natural gas heating, utilizing a dual-energy complementary approach to supply steam for industrial park production, improving energy utilization efficiency and mitigating environmental impact
- Integrate heat recovery units into air conditioning systems to harness waste heat from direct exhaust systems for heating or cooling fresh air, reclaiming thermal energy or cooling capacity

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Sustainable Procuremen · Foster green supply chain development by prioritizing energy-efficient equipment during the selection process

Green Logistics

· Enhance digital and intelligent infrastructure, implementing comprehensive vaccine traceability and control systems throughout the entire process, while optimizing strategies to reduce existing logistics-related carbon emissions

Impact, Risk, and Opportunity Management

To address potential risks and opportunities arising from climate change, Walvax Biotechnology has implemented a comprehensive process and framework for managing climate-related risks and opportunities. This approach aims to identify, analyze, assess, and clearly understand the scope of climate change risks and opportunities, enabling more effective screening and management of significant climate-related issues, thereby enhancing our climate resilience.

Identification of Climate Risks and Opportunities

o Drawing on recommendations from frameworks such as the IFRS S2 Climate-related Disclosures, we identify a range of climate risks and opportunities. This includes transition risks such as policy and regulatory risks, technology risks, market risks, and reputational risks, as well as acute and chronic physical risks.

Materiality Assessment of Climate Risks and Opportunities

• We employ internal and external environmental research and risk management tools to assess the likelihood of risk occurrence, the degree of potential impact, and the level of financial implications. This assessment helps us determine the most significant climate change risks and opportunities facing our organization.

Management of Climate Risks and Opportunities

- o For identified significant climate change risks and opportunities, we develop tailored response strategies, managing them through a combination of avoidance, mitigation, and adaptation
- Various functional departments, business divisions, and subsidiaries within the Company conduct targeted risk management and response activities, regularly monitoring and tracking the implementation progress of these strategies.

Indicators and Targets

Indicator	Target	2024 Achievement Status
Greenhouse gas emission intensity (Scope 1 and Scope 2)	8% reduction by 2025 compared to 2023 baseline	7.3% reduction in annual comprehensive energy consumption equivalent value of Yuxi Walvax, the Company's primary production base, compared to 2023

Indicator		Unit	2024
	Diesel	Tons	87
Energy Consumption	Natural gas	10,000 cubic meters	340.87
	Purchased electricity	10,000 kWh	6,496.28
	Total energy consumption	Tons of standard coal equivalent	12,652.10
	Energy consumption intensity	Tons of standard coal equivalent/ RMB 10,000 revenue	0.0448
		1	

Pollution Prevention and Ecosystem Protection

Emissions and Waste Management

Walvax Biotechnology strictly adheres to relevant regulations, including the Regulations on Administration of Pollutant Discharge Permits. Environmental protection requirements have been integrated into the Company's development strategy and corporate governance processes. Systematic management measures have been formulated for exhaust gas, wastewater, and solid waste, with continuous monitoring of the treatment and discharge of these waste types. Monitoring data are reported and disclosed via the National Pollutant Source Monitoring Data Management and Sharing System. The Company is committed to establishing an industrial environment characterized by "no visible emissions, no detectable odors, no audible noise, and no perceptible dust." For detailed information on environmental protection permits, pollutant emissions, environmental emergency management, and selfmonitoring plans, please refer to the Walvax Biotechnology Co., Ltd. 2024 Annual Report and Walvax Biotechnology Environmental Management Policy.

During the reporting period, the Company experienced no major environmental incidents, nor did it face any penalties or legal action from environmental authorities. There were no instances of excessive or illegal emissions of exhaust gases or wastewater pollutants, and no violations related to waste disposal.

Compliance rate for wastes emissions:

100%

Indicator	Target	2024 Achievement Status
Sulfur dioxide emissions per RMB 10,000 output value	1% reduction from previous year	
Nitrogen oxides emissions per RMB 10,000 output value	1% reduction from previous year	_
Particulate matter emissions per RMB 10,000 output value	1% reduction from previous year	_
Chemical oxygen demand emissions per RMB 10,000 output value	0.5% reduction from previous year	Target achieved
Ammonia nitrogen emissions per RMB 10,000 output value	0.5% reduction from previous year	
Compliant disposal rate of hazardous and non-hazardous waste	100% compliance	
Waste generation	Enhance the resource utilization of waste during the production process to reduce waste generation per RMB 10,000 of output value	

Indicator		Unit	2024
	Direct greenhouse gas emissions (Scope 1)	Tons of CO ₂ equivalent	7,643.23
Greenhouse Gas	Indirect greenhouse gas emissions (Scope 2)	Tons of CO ₂ equivalent	34,859.04
Emissions	Total greenhouse gas emissions (Scope 1 and Scope 2)	Tons of CO ₂ equivalent	42,502.27
	Greenhouse gas emission intensity	Tons of CO ₂ equivalent/RMB 10,000 revenue	0.151

- 1. Total energy consumption is calculated in accordance with GB/T 2589-2020, as specified by the State Administration for Ma Standardization Administration of China.

112



⁰♦♦ Wastewater Management

The Company's wastewater is primarily generated from domestic sewage, discharges from the circulating cooling system, and effluents from research and production activities. It strictly complies with relevant laws and regulations, including the Law of the People's Republic of China on Water Pollution Prevention and Control, Discharge Standard of Industrial Water Pollutants, and Discharge Standards of Water Pollutants for Pharmaceutical Industry Bio-pharmaceutical Category. The Company has also implemented a series of internal quidelines, such as the Walvax Biotechnology Waste Liquid Disposal Standard Management Procedure, which regulate wastewater treatment procedures, monitoring protocols, and operational requirements.



Our drainage system separates rainwater from sewage, and clean water from wastewater. All biologically active wastewater undergoes high-temperature inactivation (121°C for over 30 minutes) before being mixed with other production wastewater and domestic sewage. This ensures that all wastewater is collected through sealed pipelines and fully treated in septic tanks and wastewater treatment facilities, meeting the Discharge Standards of Water Pollutants for Pharmaceutical Industry Bio-pharmaceutical Category (GB21907-2008) before discharge into the municipal sewage network.



We have implemented an online monitoring system for real-time wastewater discharge surveillance. The Company operates 3 discharge outlets: 1 main wastewater outlet and 2 rainwater outlets. Data from the main wastewater outlet is linked to national, provincial, and municipal environmental protection departments, enabling joint monitoring of wastewater flow, pH value, chemical oxygen demand, ammonia nitrogen, and other discharge parameters.

In 2024, Yuxi Walvax continued to enhance its investment in wastewater treatment facilities, implementing advanced MBR (Membrane Bioreactor) technology for further processing of aerobic tank effluent. This initiative not only ensured compliance with discharge standards, further reduced concentrations of pollutants such as ammonia nitrogen, significantly improving the overall effectiveness of wastewater treatment. A comprehensive upgrade of the existing wastewater treatment system was undertaken, including the addition of aerobic tank media and a full automation overhaul. These improvements boosted wastewater treatment capacity while simultaneously enhancing the industrial park's aesthetic appeal. The minimal odors generated by the wastewater treatment plant are naturally absorbed by surrounding vegetation, further mitigating



Indicator	Unit	2024
Total wastewater discharge	Tons	279,723.76
Chemical oxygen demand	Tons	7.71
Ammonia nitrogen discharge	Tons	0.25



Exhaust Gas Management

The Company's air emissions primarily consist of volatile organic compounds (VOCs), sulfur oxides (SOx), nitrogen oxides (NOx), and particulate matter generated during R&D and production processes. The Company strictly complies with applicable laws and regulations, including the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Emission Standard of Air Pollutants for the Pharmaceutical Industry, and the Emission Control Standard of Volatile Organic Compounds for Industrial Enterprises. To further reduce emissions beyond regulatory requirements, the Company continues to optimize its environmental treatment processes and has installed a range of high-efficiency end-of-pipe control systems. These include high-performance air filters, UV photocatalytic oxidation units, activated carbon adsorption systems, and biological deodorization equipment. All five air emission outlets have been designed and installed in accordance with national standards. Exhaust gases are treated through high-efficiency filtration before being released into the atmosphere. In addition, real-time online monitoring systems are in place to continuously track emissions and ensure full regulatory compliance.

Indicator	Unit	2024
Total exhaust gas emissions	Tons	24,566.23
- Volatile Organic Compounds (VOCs) emissions	Tons	15.17
- Nitrogen Oxides (NO _x) emissions	Tons	26.39
- Sulfur Oxides (SO _x) emissions	Tons	21.08
- Particulate Matter (PM) emissions	Tons	4.70
- Ammonia emissions	Tons	0.12
- Non-methane Hydrocarbons	Tons	12.12



Waste Management

The Company generates a wide variety of waste, including general production solid waste, domestic waste, laboratory effluents, waste organic solvents, waste alcohol, discarded hazardous chemicals, spent activated carbon, waste reagents, biological waste from R&D and testing, as well as pharmaceutical waste and expired drugs. In strict compliance with relevant laws and regulations, such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and the Measures for the Administration of Hazardous Waste Transfer, the Company has established internal protocols including the Walvax Biotechnology Hazardous Waste Management Procedure and the Waste Disposal Standard Operating Procedure. These guidelines ensure comprehensive control of solid waste across the entire lifecycle, covering generation, storage, transportation, and final disposal.



The Company maintains dedicated hazardous waste storage facilities. Temporary storage of hazardous waste strictly adheres to the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2023) and local regulations at each operational site. Specialized personnel are responsible for managing hazardous waste.

Pharmaceutical waste, infectious hazardous waste, organic solvent waste, chemical reagent bottles, waste filters from contaminated areas, spent ion exchange resins, and spent activated carbon undergo on-site disinfection or sterilization. These are then stored separately from other hazardous waste in designated areas before being transferred to qualified disposal facilities.

Annual self-audits of hazardous waste management are conducted to identify and catalog hazardous waste. Timely disposal is arranged through certified contractors, ensuring proper treatment of all solid waste in the project area.

Waste

General production solid waste and packaging materials are collected and recycled as renewable resources by authorized waste collection stations. Waste from purified water preparation systems and spent filters from sterile areas are regularly collected and disposed of by municipal sanitation departments.

Domestic solid waste is uniformly collected and regularly disposed of by sanitation departments. Waste oil from grease traps is periodically removed by qualified contractors, while septic tank sludge is regularly cleaned and disposed of by local sanitation authorities.



The Company adheres to the principles of reduction, resource utilization, and harmless treatment. We actively explore green, environmentally friendly technologies, optimize production processes, and prioritize the use of low/non-toxic chemicals to reduce process steps and hazardous waste generation. The material warehousing process has been optimized: after successful inspection and release approval, materials are now stored in their original packaging. This eliminates the previous need to remove and repackage materials into logistics boxes, enhancing operational efficiency and minimizing environmental impact. Production-sales coordination has been strengthened to improve finished product yield and minimize pharmaceutical waste, contributing to a continued reduction in hazardous waste emissions.



Improve resource utilization efficiency to reduce waste generation at the source



Promote circular economy practices and increase waste recycling rates



Enhance supply chain management of hazardous waste

Indicator	Unit	2024
Non-hazardous waste generated	Tons	1,941.35
Non-hazardous waste recycled, utilized, and disposed	Tons	1,941.35
Hazardous waste generated	Tons	338.92
- Medical waste (HW02)	Tons	197.53
- Pharmaceutical waste (HW03)	Tons	77.33
- Other hazardous waste	Tons	64.06
Hazardous waste recycled, utilized, and disposed	Tons	338.92
Hazardous waste emission intensity	Tons/RMB 10,000 revenue	0.0012

Biodiversity Protection

Walvax Biotechnology strictly adheres to biodiversity protection-related laws, regulations, and international conventions, including the Forest Law of the People's Republic of China, the Wildlife Protection Law of the People's Republic of China, and the United Nations Convention on Biological Diversity. The Company conducts regular assessments of its operational dependence on and impact to natural resources and integrates biodiversity protection practices across the full project lifecycle—from planning and design to construction and operation. Management requirements are clearly outlined in the Walvax Biotechnology Environmental Protection Management System. At each critical stage, including site selection, construction, implementation, and project acceptance, emphasis is placed on protecting original vegetation and natural habitats within project development areas. A precautionary strategy of "avoid, reduce, restore, and offset" is adopted to minimize ecological disruption. Furthermore, we strictly implement the "Three Simultaneities" system, ensuring that environmental protection facilities for new, renovated, or expanded projects are designed, constructed, and commissioned simultaneously with the main project. This approach aims to minimize the impact on surrounding land and biological habitats during construction.





Resource Utilization and Circular Economy

Water Resource Management

Walvax Biotechnology rigorously complies with the water resource management requirements outlined in its Environmental Management Policy. The Company regularly conducts water risk analyses and implement a series of water conservation management and technical measures focused on improving water resource utilization efficiency. Efforts are also made to strengthen employee awareness of water conservation, with the overarching goal of maximizing water resource utilization and minimizing environmental impact. During the reporting period, no major water resource-related compliance incidents occurred at any of our operating facilities.

Water Risk Management

Walvax Biotechnology utilizes advanced online analysis tools such as the World Wide Fund for Nature's Water Risk Filter and the World Resources Institute's Aqueduct Water Risk Atlas to assess water risks for its production units. Based on the assessment results, targeted risk prevention and mitigation measures have been developed to safeguard business continuity. The evaluations indicate that the Company's major production and operational sites with higher water consumption are located in regions classified with low water resource risk.

Assessment Process for Water Resource Risk

Establish water indicator databa	<i></i>	duct risk exposure assessment	Perform vulnera assessi	bility	Develop water risk matrix	Formulate response strategies
	Water Stress		Water Conservation Measures			
Production Base	Level	Reclaimed water reuse	Rainwater reuse	Concentrated water reuse		Other water-saving technical modifications
Yuxi Walvax	Low	•	Ø	②	②	②
Yuxi Zerun	Low	•	Ø	Ø	Ø	⊘

- We employ a dual-circuit water supply system to prevent production and operational disruptions caused by water
- Our comprehensive, interconnected pipeline network forms a closed loop across various parts of the water supply system. This design minimizes the impact of maintenance-related water shutoffs, significantly enhancing water supply stability in the park and effectively meeting the facility's water load requirements.
- We conduct regular inspections and maintenance, activating and deactivating water equipment and systems as needed based on production conditions, to ensure that water supply can consistently support necessary production operations.

Walvax Biotechnology incorporates industry best practices into its business operations and services. The Company conduct comprehensive water balance analyses to design and implement efficient water resource management measures, aiming to achieve our water resource management objectives.

Water conservation goal

To progressively reduce municipal water withdrawal per unit of revenue year-on-year



in our factory production processes. Based on these findings, we develop targeted measures to improve water resource utilization efficiency.

· We perform water balance analyses to measure and evaluate water supply, usage, and discharge



- We enhance precision control of water usage by selecting water-efficient facilities and devices during project construction and operation, thereby reducing water resource consumption.
- · We maintain detailed water usage records, categorizing and classifying water consumption statistics to accurately monitor usage patterns and optimize water resource allocation and utilization.
- We conduct regular, comprehensive inspections, renovations, and repairs of pipelines. We also prioritize the maintenance of water and special gas systems, promptly addressing leakage issues to prevent unnecessary waste.



Recycling

- · Where environmentally permissible, we install rainwater reuse systems in our facilities. These systems utilize clean rainwater for road cleaning, landscaping, and toilet flushing, thereby improving our overall water recycling rates.
- Condensate water reuse: We actively promote water recycling technology in our projects, utilizing condensate recovery units. All generated condensate is recovered, treated to standard at the boiler room, and reused. Our Yuxi Walvax park saves approximately 76,000 tons of water annually
- · Concentrated water reuse: We automatically recover a portion of concentrated water within our purified water preparation system, increasing the overall wastewater recovery rate to over 80%.
- · Reclaimed water reuse: We have established a reclaimed water treatment and reuse system. Treated wastewater is used for landscape irrigation, achieving zero discharge of production wastewater while reducing water resource consumption. Hot water, after natural cooling, is expected to save 85,000 tons of water annually when reused.

Annual water savings through condensate water reuse: approximately

Overall wastewater recovery rate: over

Projected annual water savings from reusing naturally cooled

76,000 tons **80**%

85,000 tons



115

We organize underground water supply pipeline leak detections, utilizing advanced technologies such as micro-detection probes and small robots. These tools allow us to comprehensively examine our entire underground pipeline network for wear and deterioration, enabling prompt identification and repair of leaks and severely worn sections, thus reducing or preventing water resource waste.

Indicator	Unit	2024
Total water withdrawal	Tons	692,940.39
- Tap water/Municipal water withdrawal	Tons	692,940.39
- Surface water withdrawal	Tons	0
- Groundwater withdrawal	Tons	0
Total water discharge	Tons	282,373.85
- Municipal sewage network discharge	Tons	282,373.85
- Surface water discharge	Tons	0
- Other discharge methods	Tons	0
Total water consumption	Tons	410,566.54
Recycled water volume	Tons	87,476
Water recycling rate	%	11.21%

Green Packaging

The Company has established the Walvax Biotechnology Environmental Management Policy to define and enforce green packaging requirements. Our ongoing efforts focus on improving the utilization efficiency of packaging materials, contributing to the development of a resource-conserving society. Throughout our packaging design, production, distribution, transportation, and sales processes, we prioritize the use of recyclable materials. While ensuring compliance with GMP requirements, we aim to simplify packaging as much as possible. Through internal circulation, resource recovery, and reuse initiatives, we promote the reduction of packaging materials throughout the product lifecycle, thereby minimizing our use of natural resources and our impact on the ecological environment.





Key Performance Table

Indicator	Unit	2022	2023	2024
Total assets	billion RMB	15.328	15.589	14.724
Operating revenue	billion RMB	5.086	4.114	2.821
Net profit attributable to shareholders of the listed company	billion RMB	0.729	0.419	0.142
Total tax payment	billion RMB	1.072	0.297	0.139
Annual R&D investment	million RMB	1,052.8096	910.6104	700.4222
R&D investment as a percentage of operating income	%	20.70%	22.14%	24.82%
Number of R&D personnel	persons	179	216	172
Proportion of female directors	%	18%	18%	18%
Anti-corruption training coverage	%	100%	100%	100%
Effective report resolution rate	%	100%	100%	100%
Labor contract signing rate	%	100%	100%	100%
Social insurance coverage rate	%	100%	100%	100%
Number of employees recruited during the reporting period	persons	755	400	67
Total number of employees	persons	2,249	2,388	1,932
Incidents of labor discrimination	cases	0	0	0
Training coverage rate	%	100%	100%	100%
Total employee training hours	hours	897,246.1	270,079.9	167,469.3
Annual production safety incidents	cases	0	0	0
Employee physical examination coverage rate	%	100%	100%	100%
Occupational disease incidence rate	%	0%	0%	0%
Total number of suppliers	companies	324	418	486
Number of suppliers certified to quality management systems	companies	113	146	185
Number of suppliers certified to occupational health and safety management systems	companies	39	51	61
Number of suppliers certified to environmental management systems	companies	54	69	71

Indicator	Unit	2022	2023	2024
Customer complaint response rate	%	100%	100%	100%
Customer complaint resolution rate	%	100%	100%	100%
Annual product recall rate	%	0%	0%	0%
Total number of countries and regions exported to	No.	18	19	22
Annual exports to developing countries and regions	million doses	7.5	6+	9+
Total cash donations for charity throughout the year	million RMB	7.05	9.1818	5.1069
Annual incremental environmental investment	million RMB	10+	2.1645	2.9732
General or above-level environmental incidents	cases	0	0	0
Total chemical oxygen demand emissions ¹	tons	4.12	5.83	7.71
Total ammonia nitrogen emissions ²	tons	0.22	0.26	0.25
Total particulate matter emissions	tons	3.91	2.92	4.70
Total nitrogen oxide (NO _x) emissions	tons	18.9	30.76	26.39
Total energy consumption	tons of standard coal equivalent	13,352.10	13,466.91	12,652.10
Energy consumption intensity	tons of standard coal equivalent/ RMB 10,000 revenue	0.0263	0.0327	0.0448
Direct greenhouse gas emissions (Scope 1)	tons of CO ₂ equivalent	11,288.34	10,331.04	7,643.23
Indirect greenhouse gas emissions (Scope 2)	tons of CO ₂ equivalent	29,888.4	35,682.25	34,859.04
Total greenhouse gas emissions (Scope 1 and Scope 2)	tons of CO ₂ equivalent	41,176.74	46,013.29	42,502.27
Greenhouse gas emission intensity	tons of CO ₂ equivalent/RMB 10,000 revenue	0.081	0.112	0.151
Total water withdrawal	tons	506,360.9	713,256.75	692,940.39
Recycled water volume	tons	1	61,040	87,476
Water consumption intensity	tons/RMB 10,000 revenue	0.996	1.734	1.455
Total volume of hazardous waste discharged	tons	421.602	356.62	338.92
Hazardous waste emission intensity	tons/RMB 10,000 revenue	1	0.0009	0.0012

Notes 1 & 2: Due to increased production demand, the total volume of wastewater discharged in 2024 increased, resulting in a moderate rise in the total discharge of chemical oxygen demand compared to 2023. However, with the commissioning of a new wastewater treatment station equipped with ammonia nitrogen removal processes, the efficiency of ammonia nitrogen reduction was significantly improved, leading to a decrease in total ammonia nitrogen discharge compared to 2023.



Index Table

Reporting Framework	Shenzhen Stock Exchange Sustainability Reporting Guidelines	GRI Standards 2021 (Referenced Framework)
Message from the Chairman	I	2-22/2-23
About Walvax Biotechnology	1	2-1/2-2/2-4/2-6/2-16/2-28/201-1
Sustainable Development Management	Article 12, Article 13, Article 14, Article 15, Article 17, Article 18, Article 51, Article 52, Article 53	2-12/2-13/2-14/2-16/2-19/2-22/2-29/ 3-1/3-2/3-3
Strengthening Governance for	or Sustainable Growth	
Guidance Through Party Building	I	_
Corporate Governance	1	2-9/2-10/2-12/2-15/2-27/405-1
Business Ethics and Anti- corruption	Article 11, Article 19, Article 54, Article 55, Article 56	2-27/3-2/205-1/205-2/205-3/206-1
Information security and privacy protection	Article 11, Article 19, Article 48	418-1
Innovation-Driven Health Em	powerment	
R&D Innovation	Article 11, Article 19, Article 41, Article 42, Article 43	2-6/2-27/416-1
Product quality and safety	Article 11, Article 19, Article 47	2-25/2-27/3-2/416-1/416-2/419-1
Professional Customer Service	Article 44, Article 47	2-27/417-1/417-2/417-3/418-1
Sustainable supply chain	Article 11, Article 19, Article 44, Article 45, Article 46	2-6/3-2/204/308-1/414-1/414-2
Community Co-development	, Shared Health Benefits	
Health Accessibility	Article 47	2-23/2-27/203-1/203-2
Heartwarming Charity	Article 38, Article 40	3-2/203-1/203-2/413-1/415-1
Empowering People, Energiz	zing the Workplace	
Workplace Diversity and Inclusion	Article 49, Article 50	2-7/401-1/405-1/406-1
Human Capital Development	Article 11, Article 19, Article 50	401-2/404-1/404-2/404-3
Occupational Health and Safety	Article 50	403-1/403-2/403-3/403-4/403-5/403-6/ 403-7/403-8/403-9/403-10
Green Development and Env	vironmental Stewardship	
Environmental Management Enhancement	Article 29, Article 33	3-2/2-27/307-1
Climate Change Mitigation	Article 11, Article 19, Article 20, Article 21, Article 22, Article 23, Article 24, Article 25, Article 26, Article 27, Article 34, Article 35	201-2/302-1/302-3/302-4/302-5/305-1/ 305-2/305-4/305-5
Pollution Prevention and Ecosystem Protection	Article 11, Article 19, Article 29, Article 30, Article 31	2-27/304-3/305-7/306-1/306-2/306-3/ 306-4/306-5/307-1
Resource Utilization and Circular Economy	Article 34, Article 36	2-27/303-1/303-3/303-5

About This Report

This is the eighth Social Responsibility / ESG / Sustainability Report (hereinafter referred to as "this report") published by Walvax Biotechnology Co., Ltd. (hereinafter referred to as "Walvax Biotechnology"). This report adopts an open and transparent approach to disclosing the Company's sustainability philosophy, management practices, and key performance, in order to effectively address issues of concern to stakeholders.

Reporting Scope

Organizational Scope: The scope of this report aligns with that of the annual consolidated financial statements of the Company.

Time Range: This report covers the period from January 1, 2024, to December 31, 2024. Some information may be appropriately extended to previous or subsequent years where relevant. This is an annual report; the previous edition was released in March 2024.

Basis of Preparation

This report has been compiled according to the GRI Standards by the Global Sustainability Standards Board, the Shenzhen Stock Exchange's Guideline No.17 on Self-Regulation for Listed Companies — Sustainability Reporting (Trial) and the Guideline No. 3 on Self-Regulation for Listed Companies — Preparation of Sustainability Reports (Trial), the European Sustainability Reporting Standards (ESRS), the national standard Guidance on Social Responsibility Reporting (GB/T36001-2015), and the United Nations Sustainable Development Goals (SDGs).

Source of Information

All data and information presented in this report are derived from the Company's official documents, statistical reports, financial statements, and sustainability-related data submitted by various business units and consolidated and verified by the Company's sustainability management department. Unless otherwise specified, all monetary figures in this report are denominated in RMB.

Assurance of Accuracy

The Company assures that there are no false records, misleading statements, or significant omissions in the contents of this report, and is responsible for its truthfulness, accuracy, and completeness. This report has been reviewed and approved by the Board of Directors and is released to the public.

Definition of Terms

For ease of reference and reading, "Walvax Biotechnology Co., Ltd." is also referred to in this report as "Walvax Biotechnology," "the Company," or "we."

Reporting Principles

This report follows the principles of materiality, quantification, balance, and consistency.

Materiality: Walvax Biotechnology conducts materiality assessments to identify and evaluate ESG issues that are significant to our business operations and to both internal and external stakeholders. The key material topics identified through this process are highlighted in this report. For more details on the materiality assessment process and results, please refer to the "Materiality Assessment" section in this report

Balance: This report presents an objective and balanced view of the Company's ESG performance by disclosing both positive and negative information without bias. No significant negative events requiring disclosure were omitted during the reporting period.

Quantification: ESG performance indicators are disclosed in quantitative terms, and measurable performance targets have been set when appropriate. The methodologies, assumptions, measurement standards, calculation tools, and sources of conversion factors used for key performance indicators are explained in the relevant sections of the report, where applicable.

Consistency: The statistical methods and disclosure approaches for the same indicators remain consistent across reporting periods. Any changes to the statistical or disclosure methodologies are fully explained in the report's notes to ensure meaningful analysis and evaluation by stakeholders.

Report Availability

This report is available in both printed and PDF electronic formats. The electronic version can be accessed on the official website of Walvax Biotechnology at https://www.walvax.com. To continuously improve our reporting practices, we welcome your feedback and suggestions. If you have any questions or comments regarding this report, please contact us via email at ir@walvax.com or by phone at +86 871-68312779.



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Help Everyone Live a Healthy Life



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