



2025

Environmental, Social and Governance (ESG) Report

Anhui Huaheng Biotechnology Co., Ltd.



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About this Report

Report Introduction

This report is the third publicly released Environmental, Social and Governance (ESG) Report of Anhui Huaheng Biotechnology Co., Ltd. (Stock Code: 688639.SH) (hereinafter referred to as "AHB", "the Company", or "we"). This report aims to disclose our strategic vision, initiatives, and performance in environmental, social and governance areas for 2025 to our stakeholders.

Reporting Scope

This report covers Anhui Huaheng Biotechnology Co., Ltd. and its subsidiaries, and the scope of the report is consistent with that of our Annual Report. The time range is from January 1, 2025 to December 31, 2025, and the release cycle is once a year, which is consistent with the fiscal year.

Reporting Standards

This report is prepared in accordance with the "Guidelines No.14 of Shanghai Stock Exchange (SSE) for Self-Regulation of Listed Companies—Sustainability Report (Trial)" (hereinafter referred to as the "Guidelines No.14"), and refers to the "Guide No.13 for Self-Regulatory Supervision on Listed Companies of the SSE STAR Market—Compilation of Sustainable Development Reports", the "Global Reporting Initiative (GRI) Standard for Sustainability Reporting" issued by the Global Sustainability Standards Board, and the Chemical Industry Standards released by the Sustainability Accounting Standards Board (SASB), among other relevant documents.

Data Sources

The content, data, and cases disclosed in this report are sourced from internal company documents, original internal ledgers, publicly available website information, and third-party review reports. Some economic performance data come from our 2025 Annual Report and have been organized, edited, and reviewed by the Company's ESG Report preparation team. Unless otherwise specified, the currency unit used in this report is RMB.

Commitments and Statements

AHB undertakes to supervise the contents of this report and ensure that there are no false records or misleading statements. The Board has reviewed and approved this report and guaranteed the authenticity, accuracy and completeness of the contents of this report.

Obtain This Report

Stakeholders can view and download this report on the official website of AHB (www.huahengbio.com). This report is available in both Chinese and English for readers to refer to. In case of any ambiguity or inconsistency due to language, the Chinese version shall prevail.

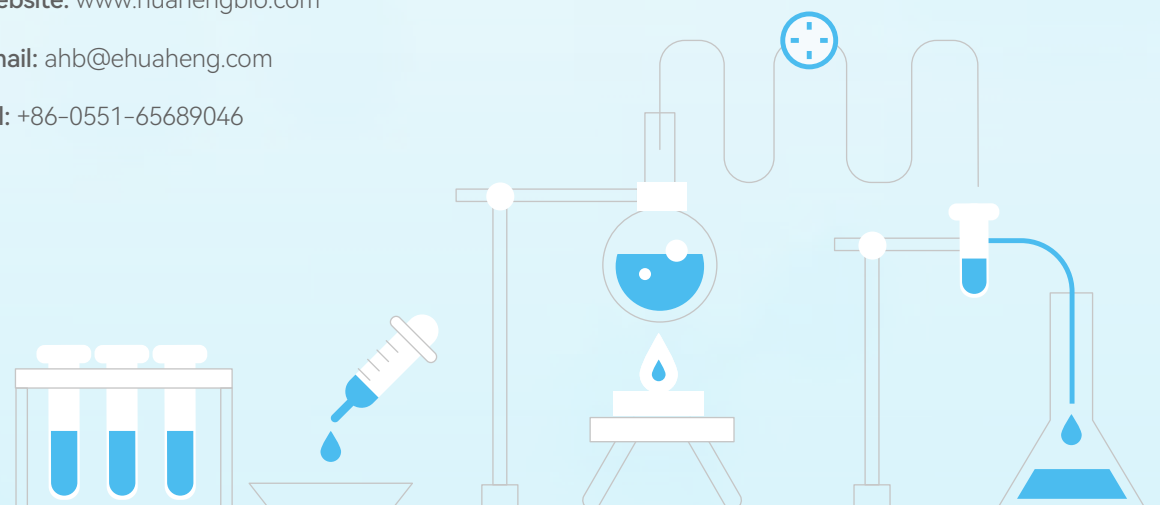
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Message from the Management

2025 marks the 20th anniversary of AHB persistent cultivation and dream-driven advancement, as well as a pivotal year for the synthetic biomanufacturing industry embracing high-quality development. We have always upheld our original aspiration and mission of "advanced biotechnology for healthy life and sustainable world", anchored our development vision to become a global leader in the biotechnology industry, and fully integrated ESG principles into every link of our corporate strategic planning and daily operation and management. We break new ground through green innovation, pursue lasting progress via responsible practice, and secure steady growth with sound governance. We have delivered solid results across Environment, Social and Governance dimensions, contributing our strength to the sustainable development of the biotechnology industry.

Advancing Green and Low-Carbon Development to Consolidate the Ecological Foundation

We adhere to the development pathway of replacing non-renewable petrochemical resources with renewable biological resources, and replacing energy-and-pollution-intensive petrochemical processes with green and clean biological manufacturing techniques. We implement the "Triple Zero" Strategy (Zero Carbon Emission, Zero Waste, Zero Petrochemical Resource). Leveraging synthetic biotechnology, we conduct large-scale production of L-alanine, bio-based 1,3-propanediol (PDO) and other products using renewable feedstocks such as glucose. Our core production processes feature low carbon footprints and environmental friendliness, and our bio-based PDO has obtained certification for exemptions under the European Union (EU) Carbon Border Adjustment Mechanism (CBAM). We continuously upgrade production techniques and scale up renewable electricity adoption. We have jointly established a wetland protection station to honor our low-carbon commitments via a "technology + ecology" model, supporting the delivery of China's national "Dual Carbon Goals".

Boosting Innovation Leadership to Unleash New Industrial Growth Drivers

We pursue integrated innovation of biology and AI (Artificial Intelligence), and consistently ramp up research and development (R&D) investment. Thirty-three new patents were newly granted throughout the year, and we were named one of the first batch of National biomanufacturing Pilot-Scale Capacity Building Platforms designated by Ministry of Industry and Information Technology (MIIT). This has opened up a full-chain transformation channel covering laboratory research all the way to commercial industrialization. We deepen our footprint in the bio-based new material track, facilitating the application of 1,3-propanediol and other products in high-end materials, daily chemicals and other sectors to accelerate the popularization of green materials. By advancing "Biology + AI" integrated innovation, we have built an intelligent R&D system and overcome core technical hurdles including strain construction and fermentation control. We spearhead industrial upgrading through technological breakthroughs, delivering our insights to fuel the development of new quality productivity.

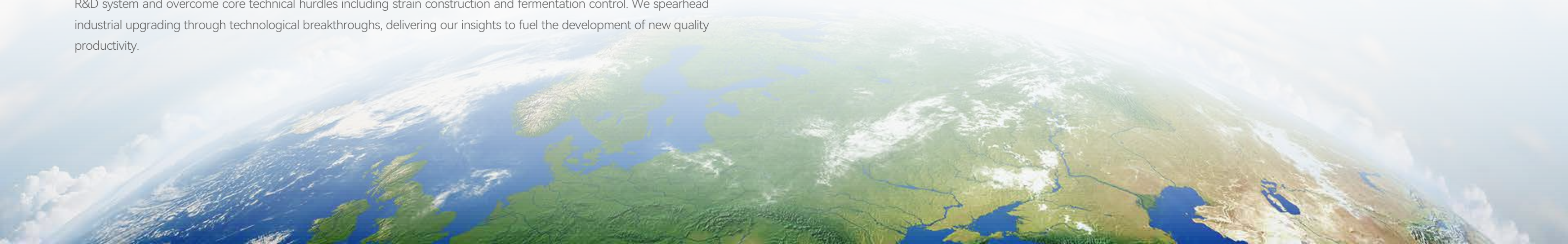
Honoring Social Responsibilities to Carry Forward Our People-Centered Original Intention

Guided by the people-oriented philosophy, we have built a comprehensive talent training and incentive framework to cultivate international interdisciplinary professionals and empower our employees to grow in their careers. Committed to win-win outcomes across the industrial chain, we cooperate with global partners including BASF and Evonik to build a sustainable industrial ecosystem and drive coordinated development of upstream and downstream participants. We actively engage in public welfare initiatives spanning educational support, flood disaster relief and ecological protection, launching multiple charitable donation programs to embody corporate care through tangible actions. We have rolled out a penetrative ESG supply chain management system, encouraging upstream and downstream partners to jointly adopt sustainable development practices and fully embody our identity as a responsible corporate citizen.

Reinforcing Governance Foundations to Safeguard Stable Long-Term Growth

We keep refining our modern corporate governance structure. We set up the Strategy and ESG Committee and optimized the setup of all special board committees. We operate in full compliance with the newly revised Company Law of the People's Republic of China, while upgrading our internal control and information disclosure systems. We uphold the principle of win-win shared benefits, maintain a high cash dividend payout ratio, and deliver tangible returns to shareholders. Relying on transparent governance and efficient administration, we secure stable corporate growth and lay solid institutional groundwork for sustainable development.

Twenty years of remarkable growth lie behind us, and we march firmly into a brand-new journey. Despite multiple headwinds in 2025, including supply-demand volatility across the industry and mounting international trade barriers, we press steadily ahead, taking innovation as our blade and corporate responsibility as our sail. Standing at the new milestone of our 20th anniversary, we will hold fast to our green development aspiration, stay focused on our core synthetic biotechnology business, and prioritize technological innovation, global layout and ESG implementation as our key workstreams. We aim to create value for shareholders, enable employee career advancement, chart the development roadmap for the whole industry, and contribute our share to society, writing a brilliant new chapter of sustainable development for AHB over the next two decades.



About AHB

Company Profile



Anhui Huaheng Biotechnology Co., Ltd. is a high-tech enterprise centered on synthetic biology, dedicated to green technological innovation and the creation of green value. Until now, our main products include amino acid series (alanine series, L-valine, isoleucine, tryptophan, arginine, etc.), vitamin series (D-calcium pantothenate, D-panthenol, inositol), bio-based new material monomers (1,3-propanediol, succinic acid), and other products (malic acid, arbutin). These products can be widely applied in intermediates, animal nutrition, personal care, human nutrition & flavor, plant nutrition, and many other fields. After years of innovative development, AHB has become a global leader in the manufacturing of bio-based products.

AHB upholds the concept of green environmental protection, developing cutting-edge synthetic biology technology. We have successfully undertaken the National Development and Reform Commission's Biotechnology Industry Demonstration Project and won the title of Champion in Manufacturing by the MIIT. Currently, AHB owns the AHB Synthetic Biology Research Institute, which possesses sustainable innovation capabilities, as well as four major production bases in Changfeng, Qinhuangdao, Bayannur, and Chifeng, all known for high-quality delivery capabilities.



Main Business and Products

As a global leader in bio-manufacturing, AHB continues to make efforts in synthetic biology innovation and R&D, and has gradually formed a business layout of amino acids, vitamins, bio-based new material monomers and other products.

Multiple Categories	Multiple Products			Applications
Amino Acids	Alanine series	L-Valine	Isoleucine	Intermediates
	Tryptophan		Arginine	
Vitamins	D-Calcium Pantothenate	D-Panthenol	Inositol	Animal nutrition
				Personal care
Bio-based New Materials Monomers	1,3-Propanediol (PDO)	Succinic Acid		Human nutrition & flavor
Other Products	Malic Acid	Arbutin		Plant nutrition

Development Strategy



Vision

To become the global leader in a new biomanufacturing paradigm.



Mission

Advanced biotechnology for healthy life and sustainable world.



Core Values

Drive Customer Achievement,
Champion Mutual Success,
Excellence through Innovation,
Powered by Dedication.



Development Path

Replacing non-renewable petrochemical resources with renewable biological resources, and replacing energy-and-pollution-intensive petrochemical processes with green and clean biological manufacturing techniques.

Honors and Certifications

In 2025, AHB actively improved in four dimensions: environment, labor and human rights, business ethics and sustainable procurement, and won the silver medal in EcoVadis rating¹.



Qualifications

ISO 14001 Environmental Management Systems Certification

ISO 50001 Energy Management System Certification

ISO 9001 Quality Management System Certification

ISO 22000 Food Safety Management System Certification

ISO 45001 Occupational Health and Safety Management System Certification

ISO 27001 Information Security Management System Certification

GB/T 29490-2023 Intellectual Property Compliance Management System Certification

China National Accreditation Service for Conformity Assessment (CNAS) Laboratory Accreditation Certificate

Honors

High-performance Bioreactors Innovation Task "Open Bidding for Selecting the Best Candidates" (Participating Unit)

National MIIT Landmark Product in Bio-manufacturing (L-alanine)

National biomanufacturing Pilot-Scale Capacity Building Platforms

National Specialized, Refined, Differential and Innovative "Little Giant" Enterprise (Bayannur Huaheng)

First Batch of High-tech Enterprise in Hebei Province 2025 (Qinhuangdao Huaheng)

Anhui Province Synthetic biomanufacturing Industry Innovation Center

National Postdoctoral Research Workstation

Provincial "Triple Firsts" Product of Hefei (L-alanine)

2025 Anhui Province Future Industry Landmark New Product (High-Yield Inositol via Green Biosynthesis)

First Batch of "Three New" Products Certified in 2025 (New Product: Bio-based L-valine)

Top 30 Biostimulant Enterprises in China

Top 50 Listed Companies in China for New Quality Productivity

ESG Performance

ESG Recognition

Young Professionals SDG Innovation Accelerator Certification
United Nations Global Compact (UNGC)

The 3rd Guoxin Cup · ESG Carbon Neutrality Golden Bull Award
China Securities Journal

SSE Eagle Golden Quality Award - Top 100 ESG Enterprises
Shanghai Securities News (China Securities Network)

2025 ESG Pioneer Individual Award
CCX Green Finance

2025 Best ESG Innovation Award
CCX Green Finance

ESG Rating

Wind ESG Rating
A

CCX Green Finance ESG Rating
A

¹ AHB won the Silver Award in March 2026. Search link: <https://recognition.ecovadis.com/Rrb0BaLXtE-riJ2PLaOJqg>

ESG Development Strategy

AHB regards ESG management as a core strategy and deeply integrates the concept of sustainable development into all aspects of AHB's operations. By establishing a sound ESG governance structure, formulating a clear sustainable development strategy, and actively communicating and collaborating with all stakeholders, AHB continuously optimizes the management and analysis of material topics and promotes the systematization and standardization of ESG practices.

Board Statement

The Board of Directors of AHB actively integrates ESG into our supervision and management, including participating in decision-making on major ESG-related matters, overseeing the direction of the ESG strategy, and managing ESG-related risks and opportunities. The Board of Directors will continue to improve our corporate governance structure, refine our internal control system, standardize corporate operations, and ensure our steady and sustainable progress on the path of sustainable development.

The Board of Directors requires the management to implement environmental management policies to reduce the ecological footprint, improve resource utilization efficiency, and lower pollutant emissions, thereby protecting the health of the environment and ecosystems and aligning our long-term development with social and environmental interests. The Board of Directors undertakes to actively fulfill its social responsibilities, attract talents with an open and inclusive attitude, and safeguard the legitimate rights and interests of employees. Meanwhile, we will focus on our core business of synthetic biology, enhance the industrialization capability of key technologies, and revitalize industrial vitality.

ESG Management System

AHB has established a sound three-tier ESG governance structure, comprising the Board of Directors, the Strategy and ESG Committee, and the ESG Working Group, to ensure that the concept of sustainable development runs through all corporate operations. Through a clear division of responsibilities, the roles and functions of the Board of Directors and its subordinate Strategy and ESG Committee are strengthened in researching and formulating our ESG strategy, identifying material topics, managing ESG risks and opportunities, driving ESG performance management, and enhancing capital market rating performance.

ESG Governance Structure

ESG-related Functions

Board of Directors

As the highest decision-maker for our ESG management, the Board of Directors is responsible for formulating the overall strategic direction of ESG management, overseeing the progress of ESG initiatives, and ensuring the deep integration of the sustainable development concept with our long-term development goals.

Strategy and ESG Committee

Under the leadership of the Board of Directors, the Strategy and ESG Committee is responsible for conducting in-depth research and formulating our ESG strategic plans, identifying material ESG topics relevant to our business, and assessing ESG risks and opportunities. Meanwhile, the Committee is also responsible for guiding the construction of the ESG performance management system, promoting the close integration of ESG goals with business operations, and overseeing the implementation of ESG-related policies to ensure the effective execution of strategies.

ESG Working Group

The ESG Working Group, as the implementation level of the ESG strategy, is responsible for concretely implementing the decisions of the Board of Directors and the Strategy and ESG Committee. The main functions include: carrying out daily ESG management, coordinating various departments to advance ESG projects, collecting and analyzing ESG data, compiling ESG reports, and communicating ESG progress with internal and external stakeholders. In addition, the Working Group is tasked with tracking the latest developments in the ESG field, putting forward improvement suggestions, and driving the continuous optimization of our sustainable development practices.

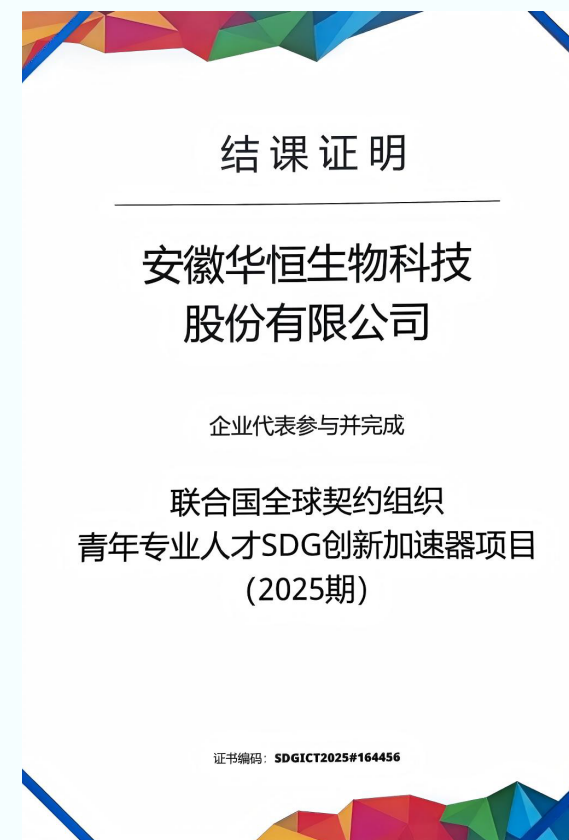
ESG Strategic Planning

AHB takes "Green Source Reborn, Carbon Recycling for the Future" as the core of its ESG strategy, committed to driving resource recycling and regeneration and contributing to global sustainable development through green innovation in synthetic biology technology. Biosynthetic technology is not only a key pathway to replace traditional chemical processes but also an important force in achieving carbon reduction targets. We hope to set a benchmark for the industry through breakthroughs in green technologies and contribute our part to the sustainable development of the planet.

AHB's ESG strategy is closely aligned with the Sustainable Development Goals (SDGs) of UNGC and centers on four pillars: G—Responsible Governance, E—Green Operation, S—Craftsmanship Products, and S—Humanistic Care. Starting from within AHB and gradually extending to partners, communities, and society, this framework reflects AHB's grand vision of driving industry transformation through green technology and co-creating a better future. Through continuous innovation and responsible practices, AHB will not only deliver higher-quality products to customers but also inject more green momentum into the sustainable development of the planet, joining hands with global partners to move toward a better future together.



Case AHB Received "Young Professionals SDG Innovation Accelerator" Certification from the UNGC



"Young Professionals SDG Innovation Accelerator" Certification

AHB actively advances the SDGs and promotes the deep integration of ESG strategy with global sustainable development issues. During the reporting period, AHB was certified by the UNGC as part of its Young Professionals SDG Innovation Accelerator, marking that AHB's contribution to the SDGs through its young talent development model has received international authoritative recognition.

Stakeholder Communication

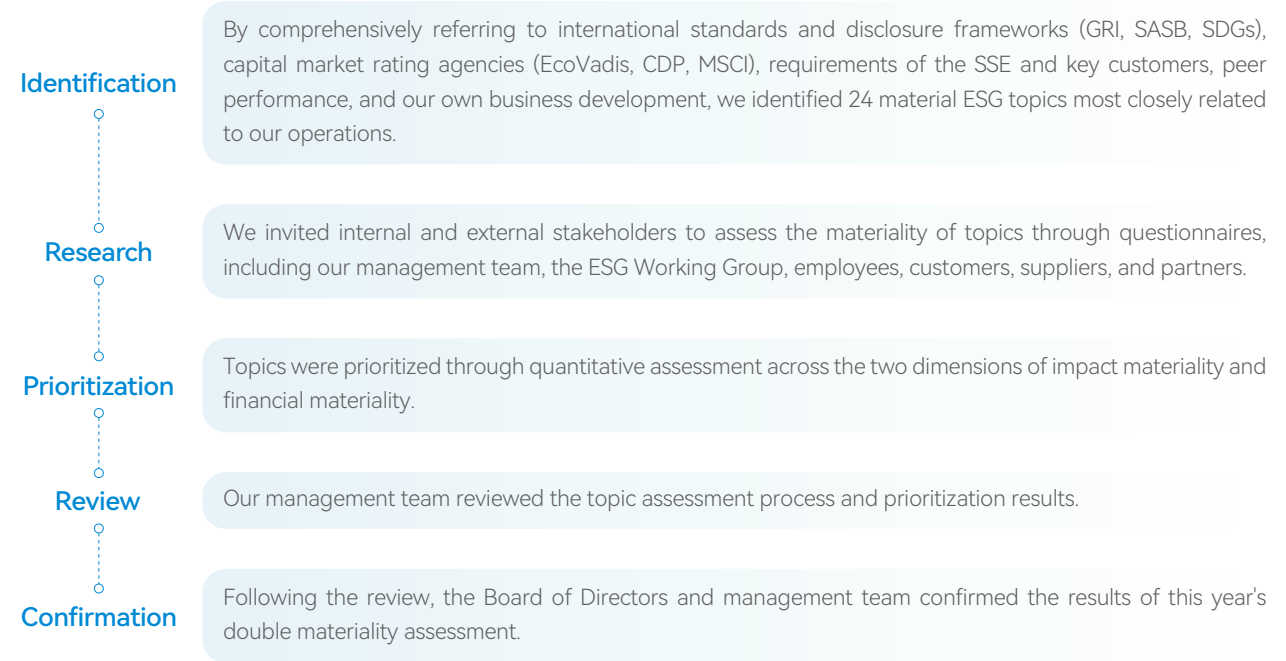
AHB values the expectations and needs of its stakeholders and is committed to establishing a systematic and regular communication mechanism. AHB maintains close ties with stakeholders including government and regulatory agencies, shareholders and investors, employees, customers, suppliers and partners. Through various channels, we extensively collect and carefully listen to the opinions of all parties. Meanwhile, we continuously optimize communication channels to gain an in-depth understanding of the impact of our operations on stakeholders, address challenges posed by ESG risks, enhance trust among all parties, and collectively advance the achievement of sustainable development goals.

Stakeholders	Expectations and Demands	Communication Channels and Mechanisms	Stakeholders	Expectations and Demands	Communication Channels and Mechanisms
 Government and Regulatory Agencies	Compliance Pay taxes according to law Anti-corruption	Supervision and inspection Meeting exchange Open consultation	 Suppliers and Partners	Sustainable supply chain Product quality and safety Intellectual property protection Business ethics	Supplier selection and evaluation Supplier communication meetings Strategic cooperation Research visits
 Shareholders and Investors	Protection of shareholders' equity Good corporate governance Increase return on investment High quality information disclosure Risk management Business ethics	Information disclosure announcement Shareholder's meeting Daily phone and email communication Exchange on the SSE e-interactive platform Performance presentation Investor research	 Industry Associations	Product R&D and innovation Industry development	Industry communication On-the-spot investigation
 Employees	Employee rights protection Employee compensation and benefits Employee health and safety Staff training and development	Workers' congress Staff training Performance evaluation Complaint and feedback mechanism	 Community	Public welfare charity Community development Environmental protection	Public welfare activities Community visits Employee volunteer service
 Customers	Product quality and safety Sustainable product Quality service Information security and privacy protection	Customer visits and communication Customer satisfaction survey Exhibition customer communication Industry communication and discussion activities	 Universities and Research Institutes	Scientific research and innovation Talent cultivation	Cooperation between school and enterprise Academic research

Assessment of Double Materiality Topics

We use a double materiality topic assessment method in ESG management practice to scientifically and systematically identify and prioritize the most critical ESG topics for us and stakeholders. In 2025, we collected a total of 69 valid responses through a questionnaire survey, and extensively collected feedback and suggestions from various stakeholders, including the Company's directors, senior management, employees, and suppliers. The assessment is conducted from two dimensions: impact materiality (i.e., the impact on environment and society) and financial materiality (i.e., the impact on AHB's financial performance).

The 2025 material topics for AHB were identified through the following processes:

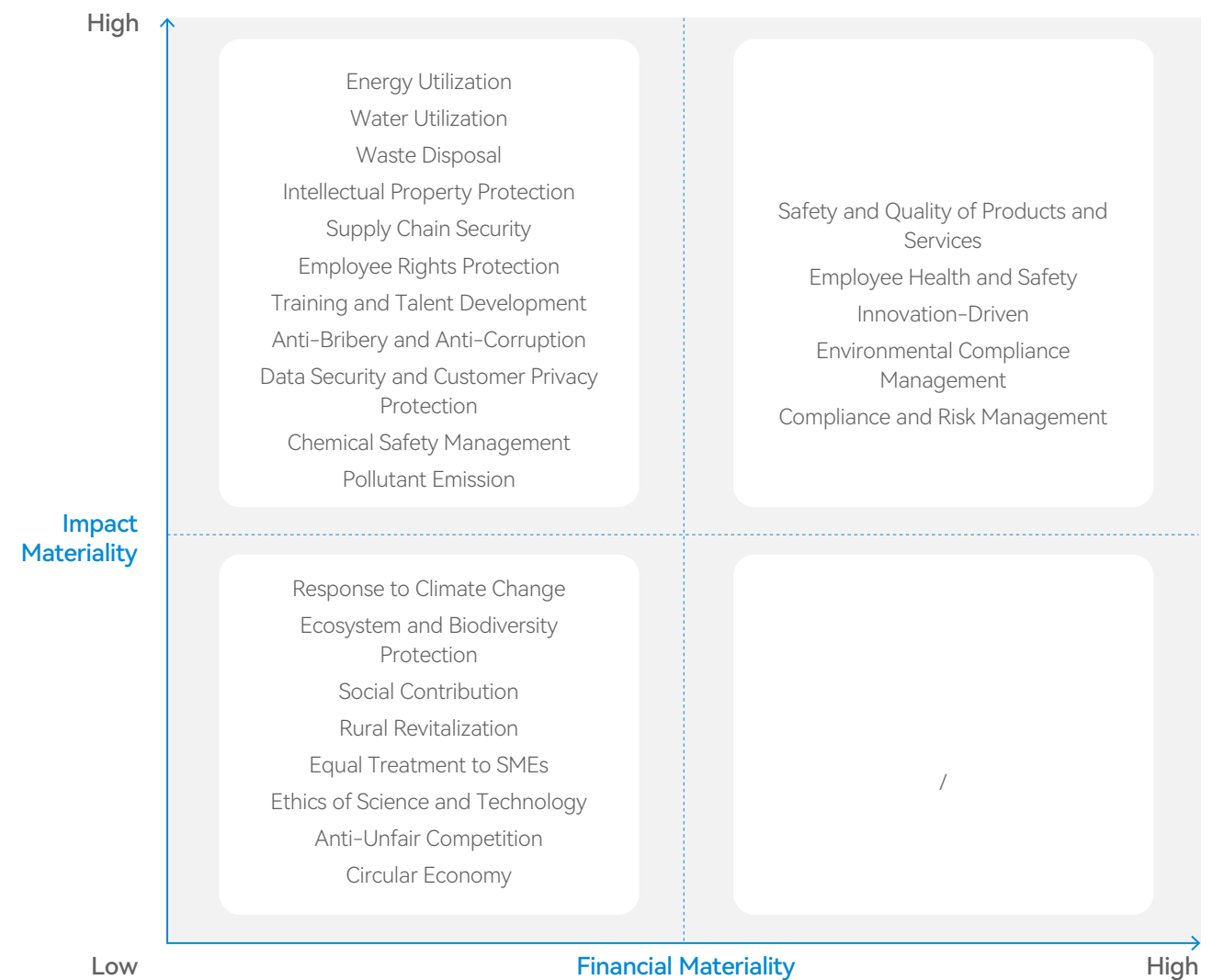


In 2025, we implemented multi-dimensional adjustments to the list of material topics in compliance with the Guidelines No.14 issued by the SSE. Three removed topics are no longer presented as standalone items, and the relevant content has been integrated into corresponding sections of the report for disclosure. The specific adjustments are set out below:

	2024 Version	2025 Updated
Naming Adjustment	Climate Change and Greenhouse Gas Emissions	Response to Climate Change
	Energy Management	Energy Utilization
	Water Resource Management	Water Utilization
	Research and Innovation	Innovation-Driven
	Sustainable Supply Chain	Supply Chain Security
	Biodiversity Conservation	Ecosystem and Biodiversity Protection
	Data Privacy and Security	Data Security and Customer Privacy Protection

	2024 Version	2025 Updated
Topic Integration & Split	Customer Service, Product Quality and Safety, Responsible Marketing	Safety and Quality of Products and Services
	Human Rights and Labor Rights Management, Employee Compensation and Benefits, Diversity, Inclusion and Equality	Employee Rights Protection
	Business Ethics and Anti-Corruption	Anti-Bribery and Anti-Corruption, Anti-Unfair Competition
	Waste Management	Waste Disposal, Pollutant Emission
Deleted Topics	Clean Technology Opportunities, Corporate Governance, Investor Rights Protection	
Added Topics		Environmental Compliance Management, Ethics of Science and Technology, Rural Revitalization, Equal Treatment to Small and Medium-sized Enterprises (SMEs)

The results of AHB's 2025 double materiality assessment are as follows:



01 Responsible Governance

Strengthen the Foundation of the Enterprise



- Strengthen Standardized Governance
- Enhance Compliance Code
- Adhere to Business Ethics

SDGs Aligned with This Chapter

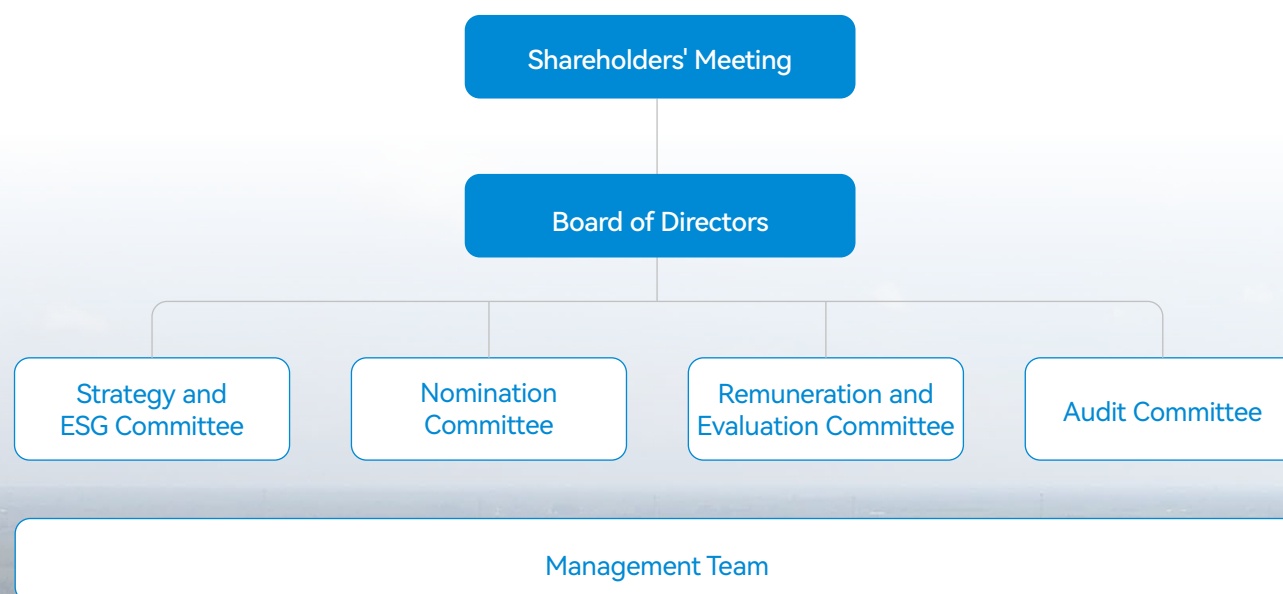


Strengthen Standardized Governance

Governance Structure

AHB continues to deepen the reform of its governance system. In 2025, in accordance with relevant laws and regulations including the *Company Law of the People's Republic of China* and the *Transitional Arrangements for the Implementation of Supporting Systems and Rules under the New Company Law*, AHB abolished the Board of Supervisors. We clarified a management structure composed of the Shareholders' Meeting, the Board of Directors and the Management Team, and defined the duties and powers of each tier. The powers and functions previously exercised by the Board of Supervisors are now undertaken by the Audit Committee of the Board of Directors. Meanwhile, we formulated and continuously revised corporate governance documents such as the Rules of Procedure for the Shareholders' Meeting of AHB and the Rules of Procedure for the Board of Directors of AHB. We have continuously improved the corporate management system and ensured standardized operation through institutionalized checks, balances and coordination.

Corporate Governance Structure



In 2025, the Shareholders' Meeting, the Board of Directors and the Management Team exercised clear rights and responsibilities, performing their respective duties, checking and balancing one another while maintaining coordination.



Shareholders' Meeting

As the supreme decision-making body, it decides on the appointment and removal of directors and supervisors, refinancing, major external investments, connected transactions and other material matters. The convening, proposal submission, holding, voting and resolution of Shareholders' Meeting sessions are all witnessed by on-site lawyers, who issue legal opinions confirming legality and compliance.



Board of Directors

Accountable to the Shareholders' Meeting, it determines our business plans and investment proposals, implements resolutions of the Shareholders' Meeting, and strengthens its functions in strategic decision-making and risk control. The Board of Directors has four subordinate committees: the Strategy and ESG Committee, the Remuneration and Evaluation Committee, the Audit Committee and the Nomination Committee.



Management Team

Accountable to the Board of Directors, it oversees our daily production, operation and management in accordance with its job responsibilities and within the scope of authority delegated by the Board of Directors.

In 2025

Number of Shareholders' Meeting held

5 times

Number of Proposals deliberated at Shareholders' Meetings

29 items

Number of Board of Directors held

9 times

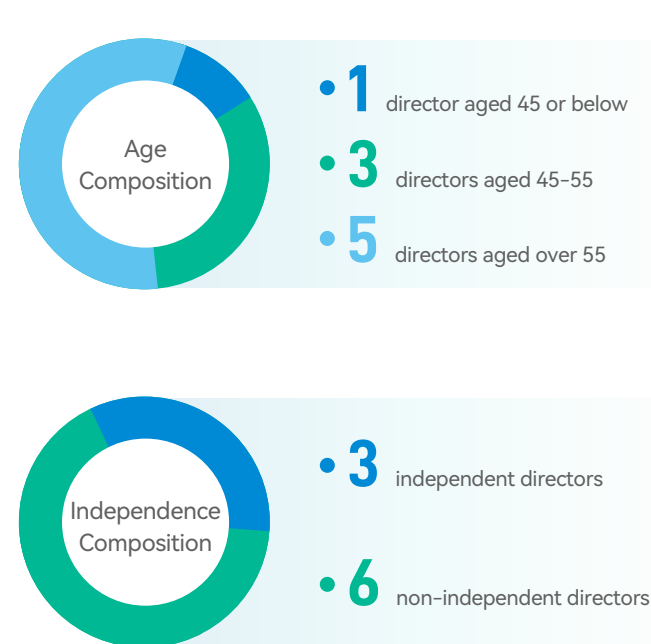
Number of Proposals deliberated at Board of Directors Meetings

68 items

Diversified Governance

AHB attaches great importance to the independence and diversity of the Board of Directors, and continuously refines the Working Rules for Independent Directors. Meanwhile, AHB emphasizes diverse backgrounds (such as gender, age, professional expertise, etc.) in director nominations. All Board members possess extensive industry experience covering fields including biochemistry, applied science, accounting, and finance.

Board Composition:



Investor Relations Management

AHB attaches great importance to investor relations management. Upholding the principles of "Compliance and Transparency, Equality and Integrity, and Efficient Interaction", AHB has established management systems including the Investor Relations Management Policy and the Information Disclosure Management Policy, and strictly complies with regulatory requirements to standardize the entire process of investor communication and information disclosure. We always adhere to fair treatment of all investors, and in particular create opportunities for minority investors to participate in activities. At the same time, we build a diversified online and offline communication platform, relying on various forms such as the SSE e-interactive platform, investor relations email and hotline, performance presentations, and investor research visits to unblock communication channels with investors. We timely and accurately disseminate information on our operations, governance and sustainable development, effectively enhancing investors' understanding and recognition of us, and building a sound investor relationship based on mutual trust and win-win cooperation.

Enhance Compliance Code

Compliance and Risk Management

● Governance

AHB has established a comprehensive risk management system and formulated systems including the Control Procedures for Risk and Opportunity Response Measures, the Management Procedures for Internal and External Environmental Analysis, and the Internal Audit Management Specifications, to standardize the entire risk management process. The Board of Directors and its special committees are responsible for overall risk oversight and management. The Audit Committee regularly reviews internal control and audit-related policies and the effectiveness of their implementation, and evaluates the performance of external audit institutions. The Legal and Audit Department is dedicated to identifying and breaking down compliance risks in business operations, implementing special prevention and control measures, and promptly following up on and handling various compliance issues fed back internally and externally. At the same time, in accordance with the latest laws and regulations, the requirements of the enterprise internal control standard system, and our own business practices, we continuously evaluate, update and improve our internal control system.

● Strategy

AHB has specially formulated risk management procedures to systematically identify, assess and address various risks that may adversely affect sustainable development goals and daily operations. AHB adheres to establishing, improving and effectively implementing an internal control system. By enhancing internal control management, we improve the efficiency of business management and decision-making, ensure legal and compliant operations and the security and integrity of assets, consolidate the authenticity of financial reports and related information, and effectively support the implementation of our development strategy.

● Impacts, Risks and Opportunities Management

AHB comprehensively manages internal and external risks involved in business activities through special risk assessments, internal audits and other methods, and implements corresponding working procedures and control measures to achieve effective risk control.

Risk Control Procedures

To help us better identify, assess and address risks that may adversely affect our sustainable development goals and operations, we have formulated risk management procedures.

Risk Identification



We shall have insights and analysis of risks related to macro external environment, segment, industry, technology, law and other fields, and identify potential risks that may affect our medium- and long-term development according to the expectations or needs of stakeholders.

Risk Assessment



An assessment is conducted to determine the level of identified risks.

Risk Monitoring and Reporting



Potential compliance risks are identified in a timely manner through monitoring and early warning, and reported to the relevant responsible personnel in a timely manner.

Risk Response and Control



The risk owner is designated to formulate a work plan and take effective measures to respond to the risk in a timely manner to reduce the adverse impact.

Strengthening
Internal Control

Our internal control covers major aspects of business management. During the reporting period, we focused on supervising and evaluating high-risk areas, including the sales and collection process, procurement and payment process, project management process, and information system management process. There were no material deficiencies affecting our business development, and no material omissions were found in the entities and businesses included in the scope of evaluation. Our internal control system is sound and reasonable, and its implementation is effective.

End-to-End
Seal Control

To prevent compliance and legal risks related to seal use, AHB strictly implements closed-loop control over the entire process of seal engraving, custody, use, off-site carrying, and destruction in accordance with the Seal Management Specifications. A seal management mechanism of "centralized oversight, separation of approval and usage, decentralized custody, and full-process traceability" has been established.

Internal Audit
Supervision

Based on the Internal Audit Management Specifications, the Legal and Audit Department conducts regular internal audits, including annual audit projects and special investigation projects. Audit projects are carried out in strict accordance with the full process of planning, project initiation, implementation, rectification, and filing. The Department promptly follows up on and addresses compliance issues raised internally and externally, maintains a ledger of audit findings, and tracks rectification progress to ensure timely resolution of various potential risks and continuously enhance the effectiveness of internal control supervision.

● Indicators and Targets

AHB attaches great importance to the practical implementation and closed-loop management of compliance control, fully incorporates compliance performance into departmental and individual performance assessments, and ensures that all employees fulfill their compliance responsibilities.

Key Performance

During the reporting period

11 compliance audit projects
were completed.

Data Privacy and Security

AHB attaches great importance to data asset protection and privacy compliance management. Adhering to the principles of security first and compliance-oriented, we have built a comprehensive data security governance framework, establishing robust safeguards in terms of institutional systems, technical protection, and employee awareness. We fully prevent risks such as data leakage and misuse, and effectively protect the information security and legitimate rights and interests of the enterprise, employees, and partners.

● Policy and Certification

AHB strictly complies with laws and regulations including the *Cybersecurity Law of the People's Republic of China* and the *Data Security Law of the People's Republic of China*. Guided by the International Standard for Information Security Management System (ISO/IEC 27001), we have established a comprehensive and end-to-end institutional system for data security and informatization management control. We have set up the Information Security Management Department under the Process Information Center, which is responsible for the overall construction of the information security system, policy formulation, maintenance of technical security protection systems, handling information security incidents, and organizing cultural development activities such as information security training and red-blue exercises. Quarterly regular inspections are conducted based on information security checklists to achieve closed-loop management of potential risks. In 2025, we issued and implemented a series of rules and regulations, including the Information Security Management Specifications, Process and Informatization Management System, Master Data Management Specifications, IT Operation and Maintenance Management Specifications, and Digital Project Implementation Management Specifications, providing solid institutional guarantees for data security, privacy protection, and compliant informatization operations. At present, AHB and its subsidiaries have obtained ISO 27001 Information Security Management System Certification.

● Customer Privacy Protection Measures

AHB has built a customer privacy protection institutional system centered on the Information Security Management Specifications, clarifying control requirements for the entire lifecycle of customer information, including collection, storage, use, transmission, and deletion. In terms of data management, AHB implements classified and tiered data management, dividing data by sensitivity level and enforcing differentiated access control. In customer information processing, we strictly follow the minimum necessity principle, collecting only business-related necessary information and clearly informing customers of the purpose and scope of information use. All customer information is stored in encrypted form, and strict permission control ensures that only authorized personnel can access it in accordance with their duties, effectively safeguarding customer privacy and security.

● Information Security Management Measures

Optimization of
Information
Security System

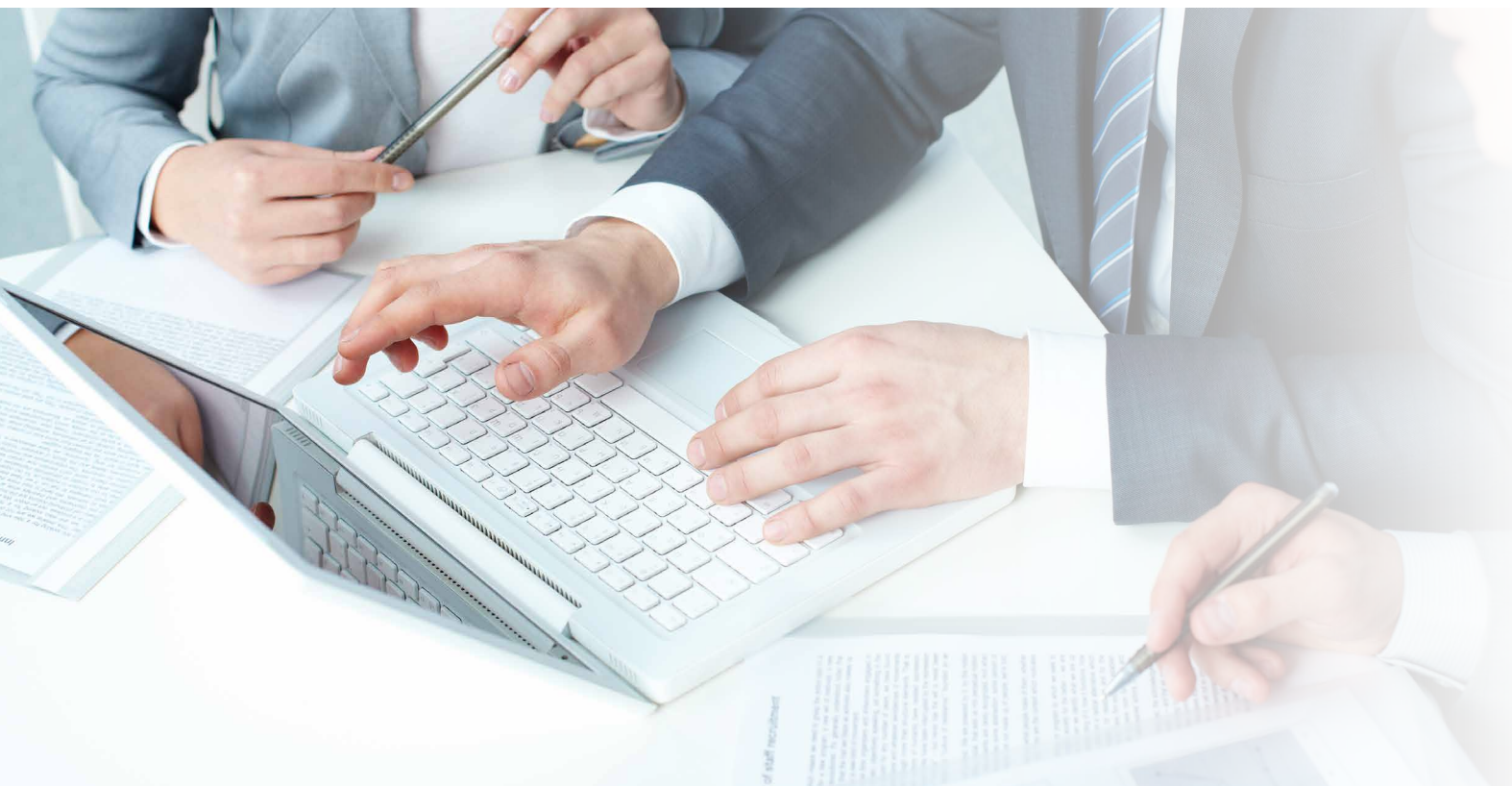
We have established a sound information security inspection mechanism. We regularly conduct in-depth inspections of business processes, system architectures, and network facilities, accurately identifying potential security vulnerabilities, configuration deviations, and abnormal operations through a combination of automated detection tools and manual reviews. A list of identified issues is immediately assigned for rectification, followed by tracking and re-inspection to achieve dynamic elimination of information security risks.

Upgrading of
Information
Security
Technologies

We have introduced advanced network access control systems to strengthen network security defenses. We optimize firewall rules to intelligently identify and block complex attacks such as Advanced Persistent Threats (APT) and malware propagation, defending against external network risks. We continuously improve data leakage prevention technologies to effectively block unauthorized external data transmission and further reduce data leakage risks. A bastion host system has been deployed to effectively mitigate brute-force attack threats to remote login.

Information
Security Training

We require all new employees to complete information security training during onboarding to enhance their awareness of information security protection. Information security culture is integrated into daily operations, such as incorporating information security knowledge into training materials for projects like SAP (System Applications and Products). Through information security knowledge promotion across various training scenarios, comprehensive coverage is achieved from employee onboarding to daily business training. In 2025, we conducted 4 information security training sessions with a cumulative attendance of 1,339 person-times. The training covers multiple modules including security awareness building, risk prevention and security incident response, to comprehensively reinforce our information security defenses.



Adhere to Business Ethics

AHB has formulated a sound code of business ethics and an internal supervision system, continuously strengthening the compliance and ethical awareness of all employees and partners, and fully consolidating the foundation of corporate business ethics and anti-corruption governance.

Integrity Construction

Complying with the requirements of laws and regulations including the *Company Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, AHB has formulated and continuously improved internal systems such as the Code of Business Conduct for Employees and the Integrity and Compliance Policy, regulating professional conduct, clarifying compliance standards, and covering all employees and external partners. Meanwhile, a robust responsibility mechanism for integrity building has been established. The Audit Head and the Audit Department are responsible for supervising and managing integrity work, including following up on major integrity projects, managing integrity documents and information, guiding various departments in conducting integrity risk assessment and prevention, promoting the latest integrity regulations and practices, and handling and investigating integrity complaints and reports. Integrity officers implement and promote integrity policies, raise anti-corruption awareness among employees in their respective departments, conduct integrity risk assessment and prevention related to business processes, consolidate primary responsibilities at all levels.

● Integrity Construction Initiatives

Regular Reviews by the Audit Committee

The Audit Committee regularly reviews the implementation of internal systems and norms and provides policy guidance.

Employee Commitment and Training

AHB provides all employees with the Code of Business Conduct for Employees and the Employee Integrity Commitment Letter, requiring all employees to familiarize themselves with and study relevant content. The Human Resources Center organizes all employees to sign the Employee Integrity Commitment Letter, achieving a 100% signing rate.

Anti-Corruption Risk Position Assessment

Led by the Legal and Audit Department, AHB conducts integrity risk assessments for high-risk positions including procurement, sales, production, R&D, finance, engineering, human resources, and audit. AHB grades relevant risks and implements corresponding control measures.

Anti-Corruption Promotion

AHB launches anti-corruption poster campaigns during major festivals. Integrity promotional boards and public notice boards are set up at base construction sites to comprehensively enhance employees' anti-corruption awareness. AHB plans to expand the scope of integrity promotion, establish an accountability mechanism for major liability accidents within AHB, and form an effective deterrence.

Anti-Corruption Training

AHB regularly organizes anti-corruption and integrity compliance training for all employees. During the reporting period, a total of 2 anti-corruption training sessions were held.



Integrity Practice and Risk Prevention Training



Case-Based Compliance Lectures by External Experts

● Reporting Channels

AHB issued and implemented the Complaint and Reporting Management Specifications, establishing reporting channels for misconduct including commercial bribery and corruption, embezzlement and fraud, conflicts of interest and self-dealing, and violations of business ethics, to effectively protect the legitimate rights and interests of employees, suppliers, customers and other stakeholders.

Email: shenji@ehuaheng.com

Complaint and Reporting Hotline: 0551-65388639

Mailing Address: Legal and Audit Department, No. 197 Chang'an Road, Baiyan Science Park, High-tech District, Hefei City

Protection for Reporters: AHB maintains strict confidentiality of the identities of reporters and witnesses, as well as the content of reports, throughout the process. Reporting materials are managed as top-secret documents with restricted access; disclosure of relevant information to the reported party or unauthorized personnel is strictly prohibited. Meanwhile, retaliation in any form is expressly forbidden. Violators will be seriously disciplined for gross misconduct, and those suspected of criminal offenses will be referred to judicial authorities in accordance with the law.

Key Performance

Timely rate of reported complaints

100 %

Business ethics and anti-corruption reported incidents

0 cases

Corruption-related litigation cases

0 cases

Anti-Unfair Competition

AHB always abides by the requirements of laws and regulations including the *Anti-Unfair Competition Law of the People's Republic of China*, continuously optimizes internal management documents such as the Code of Business Conduct for Employees, and consolidates the compliance foundation for anti-unfair competition work. AHB explicitly prohibits all forms of unfair competition, including false advertising, monopolistic practices, commercial fraud, and infringement of trade secrets. Meanwhile, AHB strictly complies with integrity codes and specific norms formulated by the countries/regions where it operates, industry regulatory authorities and relevant organizations, ensuring full-process compliance of business activities.

We require all employees to adhere to high standards of integrity and conduct, treat others with sincerity and act in good faith, and refrain from any unethical practices that violate the bottom line of business ethics.

In addition, we actively conduct training on anti-unfair competition, continuously strengthen all employees' compliance awareness and capabilities to prevent and control unfair competition risks, and build a solid ideological defense line for integrity-based operations. In 2025, there were no litigation or major administrative penalties resulting from our unfair competition practices.

02 Green Operation

Promote Low-carbon Transformation



- Implement Climate Action
- Optimize Resource Recycling
- Protect Ecological Balance

SDGs Aligned with This Chapter



Implement Climate Action

Response to Climate Change

The ESG Working Group of AHB undertakes the core responsibility of identifying climate-related risks. By submitting relevant topics to the Board of Directors, it effectively ensures that the Board of Directors and the Management Team supervise the potential impacts and opportunities of climate risks. AHB has systematically assessed climate-related risks and opportunities and formulated targeted response strategies. We actively collaborate with all stakeholders to jointly address climate challenges and fulfill sustainable development commitments through initiatives such as researching and promoting eco-friendly products and advocating resource recycling.

Climate Change Risks and Opportunities

Type	Risk/Opportunity Description	Potential Financial Impact	Impact Time Horizon ²	Response Measures
Physical Risks				
Acute	• Frequent occurrence of extreme weather events (such as hurricanes, floods, etc.) may affect the construction and operation of our projects to some extent.	• Business and supply chain disruptions can lead to lower earnings.	Short-term	• Develop special inspection system and emergency plan for natural disasters to deal with unforeseen weather conditions and protect corporate property from the impact of climate change.
Chronic	• The continued rise in global and regional average temperatures and long-term changes in precipitation patterns result in increased cooling energy consumption in our fermentation processes, mounting pressure on industrial water use, and reduced supply stability of agricultural raw materials.	• The cost of water resource compliance is rising, agricultural raw material prices are experiencing structural increases, and there may be impairment risks due to existing assets failing to adapt to climate change.	Long-term	• Upgrade water-saving and cooling facilities, and select strains with high temperature resistance and low water consumption to reduce production sensitivity to climate conditions.
Transformation Risks				
Policies and Regulations	• Changes in domestic and foreign climate change policies may result in additional costs for us to ensure compliance.	• The adoption of new technologies to adjust daily operations may result in increased operating costs and resources required.	Medium-term Long-term	• Implement energy saving measures and use energy saving equipment to reduce carbon emissions in daily operations and adapt to higher environmental requirements.

² Impact time horizon: short-term refers to within 1 year (including 1 year), medium-term refers to 1 to 5 years (including 5 years), and long-term refers to more than 5 years.

Type	Risk/Opportunity Description	Potential Financial Impact	Impact Time Horizon	Response Measures
Market	• Consumer preferences and needs are constantly changing.	• The market has higher requirements for products, and we may face more competitive pressure.	Medium-term Long-term	• Adhere to our sustainable development concept, optimize the level of production technology, in order to provide better quality products to meet the needs of the market and consumers.
Technology	• The update and iteration of emerging technologies may result in investing more costs in research and development and training professionals.	• More resources are needed for the low-carbon transition (such as the use of low-carbon energy and technology, and the purchase of low-carbon equipment).	Long-term	• Optimize the technical update of production bases and expand the application of our technical solutions, replacing energy-and-pollution-intensive petrochemical processes with green and clean biological manufacturing techniques.
Reputation	• Failure by us to fulfill social responsibilities and take appropriate measures to manage the potential impacts of climate change may affect the evaluation of us by various stakeholders.	• Reduced revenue due to reduced demand for goods/services.	Short-term Medium-term	• Adhere to our sustainable development concept, conduct social responsibility training within AHB and take appropriate measures to manage the impact of climate change in a timely manner.
Opportunities				
Energy Sources	• In the medium to long term, improving energy efficiency can lead to direct cost savings for operations and contribute to limiting global carbon emissions.	• Reduce operating costs and achieve cost reduction and efficiency improvement.	Medium-term Long-term	• Take measures to optimize equipment and processes, reduce energy waste, and promote employee participation in energy conservation actions; Promote the use of green electricity.
Products and Services	• Innovation and development of low-carbon products and services can improve market competitiveness, such as customers' preference for more environmentally friendly service providers or products, and investors' tendency to concentrate on investing in green enterprise.	• Increase revenue by meeting customer demand for low emission products and services.	Medium-term Long-term	• Promote the innovation and upgrading of "synthetic biology and animal nutrition"; Accelerate the low-carbon transition and actively participate in low-carbon construction; Reduce packaging materials and use biodegradable materials.

Case AHB Launched Product Carbon Footprint Reduction Training

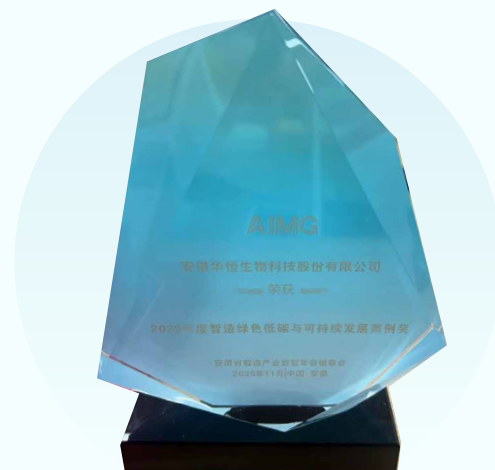
In September 2025, AHB launched product carbon footprint reduction training covering five departments: Sales, Procurement, R&D, Production, and Environmental Management. Taking an amino acid product as an example, the training demonstrated the full life cycle carbon accounting process from raw materials to packaging. This training laid a solid foundation for cross-departmental collaboration in product carbon footprint accounting and the formulation of emission reduction implementation paths.



Product Carbon Footprint Reduction Training

Case AHB Received the "2025 Case Award for Green, Low-carbon and Sustainable Development in Intelligent Manufacturing"

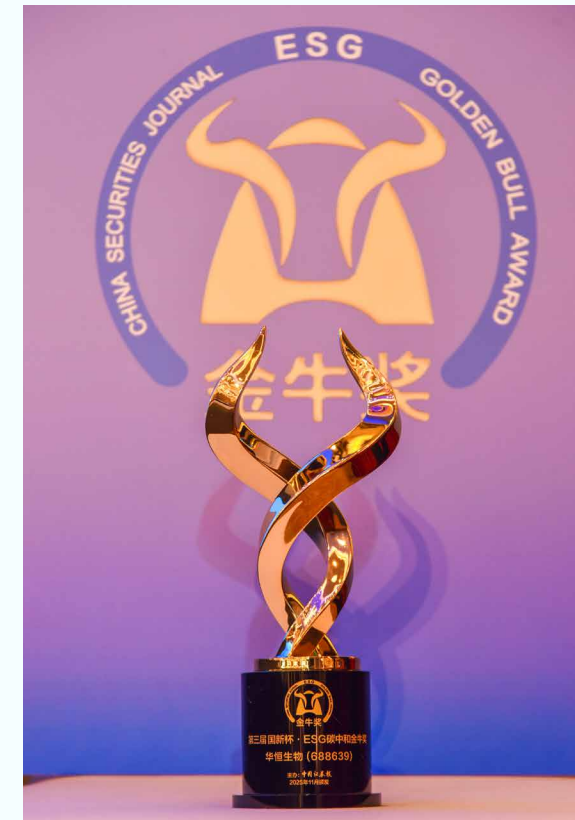
In November 2025, at the AIMG 2025 Anhui province Intelligent Manufacturing & Digitalization Annual Gala guided by China Communications Industry Association, the HMOM Intelligent Management System independently built by AHB won the "2025 Case Award for Green, Low-carbon and Sustainable Development in Intelligent Manufacturing". The system covers two sections: environmental protection facility operation management and safety and environmental compliance management. This award marks AHB's high recognition by the industry in refined green manufacturing, EHS (Environment, Health and Safety) digital management, and systematic sustainable development.



Trophy for the 2025 Case Award for Green, Low-carbon and Sustainable Development in Intelligent Manufacturing

Case AHB Won the 3rd "Guoxin Cup · ESG Carbon Neutrality Golden Bull Award"

In November 2025, AHB won the "ESG Carbon Neutrality Golden Bull Award" by virtue of AHB's outstanding practices in environmental, social and governance (ESG) and firm commitment to carbon neutrality with remarkable results.



"Guoxin Cup · ESG Carbon Neutrality Golden Bull Award"



● Carbon Emission Reduction Measures

Our independently developed anaerobic fermentation technology has successfully achieved industrialization breakthroughs, subverting the dependence on traditional petrochemical routes. We have innovatively built a microbial cell factory using renewable glucose as raw material, and through the large-scale production process of anaerobic fermentation, we have achieved dual reduction of carbon footprint at the raw material source and in the production process, setting a green transformation benchmark for the biomanufacturing industry.

AHB actively adopts multi-dimensional carbon emission reduction measures. By continuously improving production processes (such as optimizing separation and concentration processes, applying new boiler combustion technology) and comprehensively upgrading production equipment (such as introducing magnetic suspension compressors, electric forklifts and national first-class energy efficiency equipment), we have significantly reduced carbon emission levels. In terms of energy structure optimization, we vigorously promote the green transformation of energy, through the construction of rooftop photovoltaic power generation projects, the implementation of biogas and waste heat recovery and utilization, and the development of green power transactions, etc., to greatly increase the proportion of clean energy use.

Case Biogas-to-steam Project at Changfeng Base

The Changfeng Base implemented the "Biogas-to-steam (0.5T) Workshop Heating Energy-saving Project" for anaerobic biogas produced during the treatment of production wastewater. The biogas, originally safely vented, is purified and sent to a biogas steam generator to produce saturated steam for workshop use. This not only avoids the greenhouse effect caused by direct methane emissions but also significantly reduces the plant's carbon emission intensity by replacing fossil fuel heating.

In 2025, AHB engaged external organizations to conduct a systematic organizational carbon inventory in compliance with ISO 14064-1:2018, covering both direct greenhouse gas (GHG) emissions and energy-related indirect greenhouse gas emissions.

2025

Scope 1 GHG emissions

293,122.36 tCO₂e

Total GHG emissions

498,264.30 tCO₂e

Scope 2 GHG emissions

205,141.94 tCO₂e

GHG emission intensity

174.11 tCO₂e / million RMB revenue

Calculation explanation:

- The accounting of greenhouse gas emissions is based on the emission factor method. The emission factors selected for Scope 1 are derived from the "2006 IPCC Guidelines for National Greenhouse Gas Inventories", while the lower heating values are obtained from the "China Energy Statistical Yearbook (2022)", actual measurements by enterprises, or data provided by suppliers.
- The Scope 2 GHG emissions are calculated using market-based methodologies. The power sector emission factors are derived from Table 4 of the "2023 Power Sector Carbon Dioxide Emission Factors" published by the Ministry of Ecology and Environment, which presents the national average carbon dioxide emission factors for electricity generation (excluding non-fossil energy electricity generated through market-based transactions). The purchased heat supply emission factors are based on the "Guidelines for Greenhouse Gas Emission Accounting and Reporting for Enterprises in Other Industrial Sectors (Trial)".
- Total GHG emissions equal Scope 1 plus Scope 2 (market-based).

Optimize Resource Recycling

Energy Management

AHB has established a sound governance system for energy management. We have set up a special energy management team with a clear centralized management department (Production Department). The senior management (General Manager) leads the energy management work in an all-round way, approves and issues the energy policy, objectives and management plans, and regularly hosts management reviews to ensure the effectiveness of the energy management system. We have established an institutionalized information communication and reporting process. The energy management team is required to report the system operation and energy performance to the top manager in accordance with regulations, and through fixed mechanisms such as monthly assessment, internal audit and annual management review, ensure that the governance agency can obtain energy management information in a timely and accurate manner.

Methods for Obtaining Energy Management Information:

- Monthly energy statistical statements and assessment results of energy performance parameters.
- Internal audit reports and management review reports.
- Special meetings, minutes, briefings and other internal information exchange carriers.
- Regular energy management system performance reports.
- Annual Energy Management Performance Evaluation Report and Compliance Evaluation Form.

Energy Management Information Acquisition Process:

- 01

Data Collection

Each department monitors daily energy targets and indicators, implementation of management plans, energy performance parameters, and energy consumption of major energy uses in accordance with responsibilities, and summarizes and reports data to the Production Department monthly.
- 02

Statistics and Analysis

The Production Department summarizes AHB's energy statistical ledger, inspects and assesses the completion of each department, and feeds back the evaluation results to all departments.
- 03

Performance Report

The management representative regularly reports the operation performance and energy performance improvement of the energy management system to the General Manager.
- 04

Management Review

The General Manager organizes at least one management review every year. The Production Department prepares the Management Review Plan, and relevant units submit written input documents (including energy performance data, audit results, compliance evaluation, follow-up of previous measures, etc.). The management review meeting comprehensively evaluates the energy management system and issues the Management Review Report after review by the management representative and approval by the General Manager.

● Energy Management System Certification

Three production bases under AHB have passed the ISO 50001 Energy Management System Standard Certification, and issued a series of norms such as Energy Management Manual and Implementation Management Measures for Energy Conservation and Resource Conservation.



ISO 50001 Energy Management
System Certification of AHB

● Clean/Renewable Energy Use

AHB attaches great importance to the application of clean and renewable energy. We have laid out photovoltaic power generation projects in Changfeng Base, Qinhuangdao Base and Bayannur Base, and systematically promoted the development and utilization of solar energy resources. At the same time, all four production bases actively participate in Green Electricity Certificate transactions, covering wind power generation and solar power generation. Through the large-scale use of green power, We have significantly reduced the environmental impact of energy consumption, and effectively improved our own green competitiveness and sustainable development level.



AHB Green Electricity Certificate Transaction Vouchers

● Energy Conservation and Emission Reduction

Energy-saving Measures at Changfeng Base

- Improve the separation and concentration process to significantly reduce steam consumption.
- Upgrade workshop air compressor equipment for fermentation by replacing conventional screw-type compressors with high-efficiency magnetic levitation compressors.
- Optimize the variable frequency control system of water pumps to improve overall energy efficiency at production bases.
- Construct photovoltaic power generation systems and biogas boiler facilities to supply clean electricity and realize efficient recovery and utilization of biogas resources.
- Phase out all diesel-powered forklifts and complete the green transition to zero-emission electric forklifts.

Energy-saving Measures at Chifeng Base

- Optimize building orientation and spacing to leverage natural ventilation and daylight via architectural design and cut building energy consumption.
- Adopt new high-efficiency energy-saving MVR (Mechanical Vapor Recompression) evaporators.
- Apply high-performance thermal insulation materials for heat exchangers and high/low-temperature pipelines.
- Deploy high-yield fermentation strains in production to boost fermentation acid conversion rate and unit yield, saving energy and raw materials.
- Prioritize procurement of motors, water pumps, transformers, fans and air compressors that meet National Class I energy efficiency standard.

Energy-saving Measures at Bayannur Base

- Utilize biogas generated from wastewater treatment stations as boiler fuel via burners; biogas and waste heat recovery projects help substantially cut coal and steam consumption.
- Scale up new-energy power adoption to displace partial coal-fired energy consumption.
- Complete installation of 3.1MW photovoltaic facilities, which generated 1,457.76 MWh of electricity in 2025.
- Replace legacy motors with high-efficiency energy-saving alternatives.

Energy-saving Measures at Qinhuangdao Base

- Launch the construction of a biomass combined heat and power project equipped with a 4.5MW steam turbine, matching generator sets and electrical equipment. Generated power is supplied to the whole plant via the Phase III high-voltage power distribution room, with an estimated annual power output of 20.3849 million kWh. A supporting heat supply pipeline network is built simultaneously to cover a heating area of 6,800 square meters.
- Recover and reuse waste heat from production processes via plate heat exchangers, achieving a waste heat recovery rate exceeding 90%.
- Adopt high-low differential speed circulating fluidized bed boiler combustion technology to improve fuel efficiency and cut operating costs.
- Carry out technical transformation of the air compressor system.

Indicators and Targets

Target

Comprehensively introduce clean energy and finally realize 100% green electricity supply.

Progress in 2025

Photovoltaic power generation projects have been carried out at Changfeng, Qinhuangdao and Bayannur bases, among which the Qinhuangdao base has achieved both 100% green electricity coverage and 100% steam supply sourced from biomass fuels.

2025

Direct Energy

Coal
162,364.03 tons

Liquefied petroleum gas
15.06 tons

Gasoline
33,367.10 liters

Natural gas
2,750,924.00 m³

Diesel
158,667.49 liters

Biomass fuel
46,559.16 tons

Indirect Energy

Purchased electricity (non-renewable energy)
322,450.18 MWh

Self-used on-site green power
3,049.66 MWh

Purchased electricity (renewable energy)
176,339.54 MWh

Steam
78,897.35 GJ

Total direct energy consumption
146,481.12 tce

Total indirect energy consumption
64,368.04 tce

Total comprehensive energy consumption
210,849.16 tce

Comprehensive energy consumption intensity
73.68 tce / million RMB revenue

Clean energy consumption
52,290.94 tce

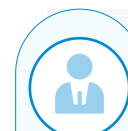
Note: The low calorific value of various energy types and the conversion coefficient of standard coal in the calculation formula of comprehensive energy consumption are derived from China Energy Statistical Yearbook and General Principles for Calculation of Comprehensive Energy Consumption GB/T 2589-2020.

Water Resource Management

AHB has established a Water Conservation Leading Group directly managed by senior management, with a Water Conservation Office affiliated to the Equipment and Energy Department, and each department is responsible for the implementation of water conservation work.

Water Resource Management Structure

Water Conservation Leadership Group



Be responsible for implementing national water-saving policies, establishing a sound water-saving management system, approving water-saving plans, supervising implementation, and administering rewards and penalties.

Water Conservation Office



Be responsible for formulating water conservation plans and annual plans, developing management systems, organizing and convening water conservation work meetings, and overseeing technical renovation projects, etc.

Water Conservation Working Group



Implement AHB's water conservation systems and plans, organize labor competitions for water saving and consumption reduction, strengthen equipment maintenance and optimized operation, and conduct water conservation inspections and indicator analysis, etc.

We are committed to promoting the conservation and efficient use of water resources, continuously improving the water resource management system, formulating Enterprise Water Use Management System, Water Conservation Management System and Water Conservation Management Quota Reward and Punishment System. By implementing total water use control, refining water use plans, and decomposing water conservation objectives and tasks level by level to relevant departments and workshops, and supporting the establishment of incentive and restraint mechanisms, we fully mobilize the enthusiasm of employees to participate in water conservation management. The water conservation competent department of AHB regularly counts, analyzes and publishes the water use and water conservation status of each department. Each department shall submit the annual water use and water conservation statistical report of the previous year to AHB before January 1 of each year, and the semi-annual water use and water conservation statistical report before June 30 of each year.

AHB actively promotes the establishment of water-saving enterprises and has successfully obtained the certification of "Anhui Province Water-saving Enterprise".

Water Resource Management Initiatives

AHB focuses on substantial water resource risks and conducts risk identification via the Aqueduct Water Risk Assessment Tool developed by the World Resources Institute (WRI). All our production bases are located in regions with high or extremely high baseline water stress. Given long-term variations in regional precipitation patterns, natural evolution of groundwater resources, and extreme weather events driven by climate change, we need to continuously coordinate efforts to ensure the security of industrial water supply. None of our operation sites are near water source areas, and water resources are mainly from municipal water supply. We continuously optimize the comprehensive management of water resources. By formulating the production process water system management regulations and promoting process transformation, we have innovatively developed and applied water-saving process technologies such as wastewater evaporation, condensed water reuse, reclaimed water reuse and fermentation circulating water reuse.

"Four-stage Water Hierarchical Utilization" Model



First-stage Circulation

Reuse of fermenter cleaning water

Second-stage Circulation

Recovery of primary condensate to boiler system

Third-stage Circulation

Closed-loop operation of process cooling water

Fourth-stage Circulation

Reuse of evaporated condensate after high-temperature membrane treatment

Case Water-saving Measures at Bayannur Base

- During construction, rationally construct according to the site conditions to avoid damage to water resources.
- Adopt various automatic control and regulation measures and formulate water consumption plans to rationally conserve process and domestic water.
- Install water-saving sanitary fittings; ban cast-iron valves and spiral-lift faucets while popularizing ceramic-sealed faucets.
- Select cost-effective pipes and equipment for water supply and drainage networks, and conduct regular maintenance on facilities and pipelines to prevent water leakage and eliminate water waste fundamentally.

2025

Total water withdrawal

4,764.29 million liters

Water consumption intensity

0.12 million liters / million RMB revenue

Total water consumption

350.36 million liters

Circular Economy

AHB has built a green circular system covering the whole life cycle of "raw materials-production-application-recycling", driving resource value reshaping through technological innovation. From agricultural waste to end products, we expand the depth and scope of circular utilization driven by technological empowerment to revitalize various resources within a closed-loop system.



Raw Material



We innovatively adopt agricultural residues including straw and corn cob as feedstock to develop a conversion route of "biomass-amino-acid-high-value-materials". This approach cuts arable land occupation, raises farmers' income and lessens reliance on petrochemical resources.



Production



We launch water-saving initiatives such as intermediate water reuse, condensate recovery and fermented circulating water recycling. Rooftop photovoltaic installations lift the proportion of renewable power intake and enable high-efficiency circular utilization of energy and resources.



Application



Our bio-based material monomers, including L-alanine and 1,3-propanediol manufactured via biological processes, are produced from renewable biomass and widely applied in sectors such as new chelating agents and new fiber materials. Looking ahead, we will also collaborate with upstream and downstream enterprises across the industrial chain to further drive the development of an industrial closed loop.



Consumption



We follow the 5R principles (Reduce, Reuse, Recycle, Recover, Responsibility). Source reduction is realized via optimized packaging materials and upgraded production processes. Partnerships with professional recyclers improve packaging recycling rate and build a full-life-cycle green packaging system covering design, manufacturing and waste disposal.

Case Improved the Long-term Mechanism of "Repair and Reuse of Waste Materials"



Polishing, Cutting, and Reusing Stainless Steel Pipes



Repair of the Explosion-Proof Electric Adjustment Actuator

AHB fully implements the circular economy philosophy and integrates the 3R principles of Reduce, Reuse and Recycle into the entire production and operation process to systematically roll out full-lifecycle management of equipment and supplies. We have established and refined a long-term mechanism for "repair and reuse of waste materials". Through technical restoration, component reassembly and functional remodeling, the enterprise reintroduces idle or scrapped equipment and materials into production cycles, effectively extending resource service life, cutting raw material consumption and reducing waste generation.

2025

Volume of waste recycled and reused³

6,445.44 tons

³The main types of recycled waste include used packaging bags, fine ash, and scrap materials.

Protect Ecological Balance

Environmental Management

● Governance

To fully fulfill environmental responsibilities, the Company has set up an EHS (Environment, Health and Safety) Center to conduct comprehensive control over waste gas, wastewater and waste. Guided by the Board of Directors' strategies, the General Manager is tasked with formulating and implementing management policies and targets, rationally arranging management departments and allocating sufficient supporting resources. The Management Team rigorously enforces various environmental management policies. By shrinking ecological footprint, boosting resource utilization efficiency and cutting emissions of three types of industrial wastes, we strive to realize harmonious coexistence between corporate development and ecological protection.

Decision-making Level: EHS Committee

Composed of our EMT (Executive Management Team) members, key principals of each production base, the headquarters EHS Center, employee representatives, and other relevant personnel. The core responsibilities are to hold EHS meetings every six months, review the implementation and performance of the EHS management system, and make overall decisions and arrangements on major EHS matters, response measures for critical regulations, and rectification of major hidden dangers.

Management Level: EHS Center

As the core management and supervision department for environmental affairs, it is mainly responsible for the formulation, revision and improvement of environmental management systems, and conducts comprehensive supervision over environmental management work such as waste gas, wastewater, solid waste and chemicals at all production bases.

Execution Level: Functional Departments of the Group and Production Bases

The EHS Department of each production base comprehensively coordinates the compliant control of pollutants such as waste gas, wastewater and solid waste, as well as the supervision of environmental protection facility operation. It is also responsible for the full life cycle supervision of chemicals, the development of emergency response systems, and the environmental assessment and review of new projects. All other functional departments (including production, equipment, administration, procurement, warehouse, quality and other departments) shall cooperate to strictly implement environmental management requirements for waste gas, wastewater, solid waste and chemicals into their respective specific business processes.

By the end of the reporting period, our four major production bases have fully passed GB/T 24001-2016/ISO 14001:2015 Environmental Management Systems Certification, achieving 100% certification coverage.



AHB Environmental Management System Certification

AHB strictly abides by environmental protection laws and regulations represented by the *Environmental Protection Law of the People's Republic of China*, and has formulated and improved a complete set of internal environmental management systems, including the Rules of the EHS Committee, the Administrative Specifications for EHS Rewards and Penalties, and the Control Procedures for Identification, Evaluation and Management of Environmental Aspects.

● Strategy

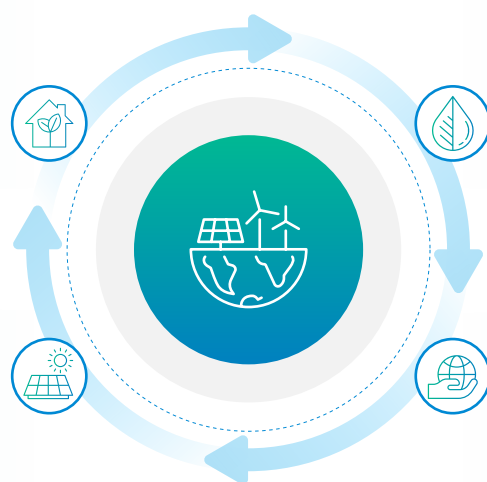
Centered on the Triple Zero (Zero Carbon Emission, Zero Waste, Zero Petrochemical Resource) strategic goals, we advance sustainable development across our full value chain. By accelerating the deployment of zero-carbon technologies, circular economy initiatives and renewable energy solutions, we actively drive the industrial transition toward circular, integrated and sustainable long-term growth.



Environmental Protection Policy

Strictly abide by national and local laws and regulations, and conduct environmental management in accordance with internal formulated procedures.

Reduce energy consumption, conserve resources, and promote resource recycling and reuse.



Prevent and control pollution and hazardous sources, reduce pollutant emissions, and prevent the occurrence of related accidents.

Carry out internal environmental protection and green publicity and education, and deepen the concept of green office.

Environmental Strategic Goals

Zero Carbon Emission



- **Zero Carbon Supply:** Establish a data management platform for digital and intelligent supply chain, integrate green procurement into the process of raw material and equipment procurement, and require all supply chain partners to meet ISO 26000 standards in the next step, and provide guidance to promote continuous improvement.
- **Zero Carbon Factory:** By 2025, 2 bases have been recognized as National Green Factory, and 1 base has been recognized as Autonomous Regional Green Factory. In the future, we will continuously optimize the underlying biotechnology and processes, increase the application of anaerobic fermentation technology, and commit to fully eliminating carbon dioxide emissions from the production process of all products.
- **Zero Carbon Logistics:** Integrate electric logistics trucks, electric forklifts and electric ships into the whole process of logistics system from raw material purchase to product delivery, and plan to increase the construction of green logistics infrastructure, and finally achieve a development mode of net zero carbon emission.

Zero Waste



- **Circular Economy:** By recycling and fermenting yeast liquid, fermented biomass, etc., it can be transformed into efficient green fertilizer products and reused in the growth of renewable raw materials such as corn. In the future, we will strive to achieve 100% recycling.
- **Sustainable Water Resources:** Innovate and develop water-saving technologies such as waste-water evaporation, condensate reuse, reclaimed water reuse and fermentation circulating water reuse, implement sustainable water resource management in all related production bases, and the recycling rate of process wastewater reaches more than 90%.
- **Recyclable Materials:** In cooperation with sustainable packaging solutions companies, we will increase the proportion of green packaging materials that can be reused or degraded year by year, and recycle and utilize the packaging of each customer's order.
- **Lean Production:** Since 2023, WCM (world-class manufacturing) has been implemented in all production bases to build a world-class smart factory and move towards the goal of zero accidents, zero failures, zero short stops, zero complaints and zero defects.

Zero Petrochemical Resource



- **Renewable Raw Materials:** AHB's products are all made from renewable resources such as corn, and it has set a grand goal of producing more than 50% of its products from non-grain carbon source renewable raw materials.
- **Green Electricity:** Green electricity and green-certificate transaction has been carried out in four bases. Since 2022, rooftop photovoltaic power generation construction projects have been gradually launched in each base. In the future, solar energy, wind energy and other green power sources will be fully introduced to achieve green electricity supply.
- **Biomass Fuel:** The Qinhuangdao base takes the lead in fully replacing petrochemical fuel with biomass fuel, including heating and gas supply. In the future, the use of biomass fuel will be promoted in all bases.

Contents

● Impacts, Risks and Opportunities Management

• Environmental Factor Identification

In the construction and operation of the environmental management system, AHB always takes the identification and evaluation of environmental factors as the cornerstone of risk prevention and control. In accordance with the provisions of our Environmental Factor Identification and Evaluation Management Procedure, we have established a dynamic identification and evaluation mechanism covering the entire group. The system requires all departments to start from the entire life cycle from raw material acquisition to finished product delivery and scrapping, comprehensively consider the time dimensions of "past, present and future" and the state dimensions of "normal, abnormal and unexpected", and comprehensively check eight types of environmental impacts including air emission, water pollution, waste management and energy resource consumption. On this basis, through quantitative evaluation rules, we accurately screen out the major environmental risks that need to be focused on, and formulate special control measures accordingly, and dynamically update them every year or when major changes occur, ensuring the systematic, scientific and effective environmental management.

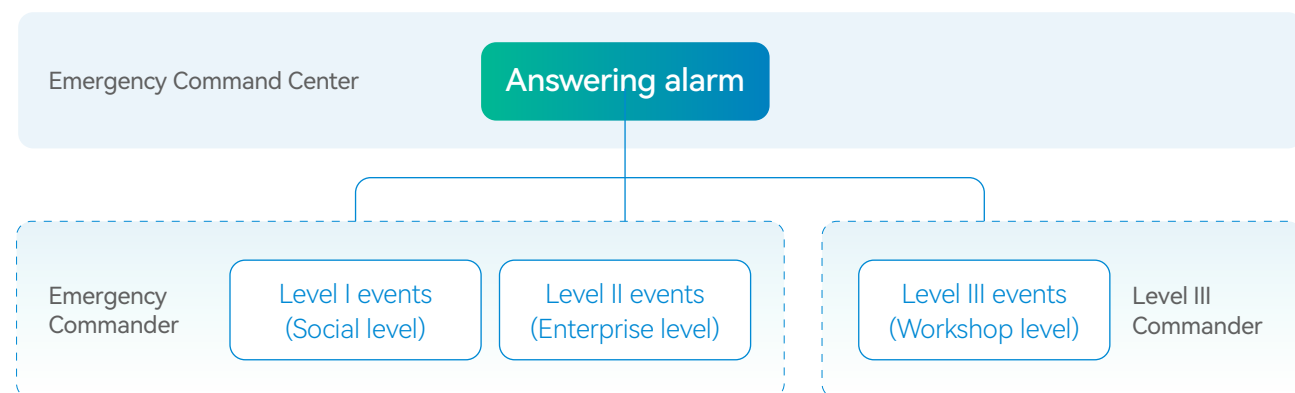
• Actively Respond to Environmental Regulation

AHB always regards paying taxes in accordance with the law and operating in compliance as the cornerstone of the steady development of the enterprise, and strictly complies with the national and local laws and regulations on environmental protection taxes and fees. AHB has established a sound tax compliance management system to ensure accurate accounting, timely declaration and full payment of environmental protection tax and other related taxes and fees. In 2025, AHB paid 760,400 RMB for environmental protection tax and 1,183,500 RMB for water conservancy fund. All environmental-related taxes and fees were paid in accordance with laws and regulations, truly reflecting the performance of environmental responsibilities in the production and operation process.

• Environmental Emergency Management

AHB strictly follows national relevant laws and regulations such as the *Emergency Response Law of the People's Republic of China* and the *Measures for the Record Management of Emergency Plans for Sudden Environmental Events of Enterprises and Institutions (Trial)*, and closely combines with AHB's own operation reality, and has comprehensively revised and optimized the Emergency Plan for Sudden Environmental Events. Focusing on environmental protection, the plan focuses on specific risk scenarios such as methanol tank leakage, leakage of hazardous chemicals and liquid materials, and natural gas leakage, and has formulated highly targeted special response measures.

To ensure the efficient implementation of the plan, we have built a complete emergency response system, specially set up an emergency work leading group and office, to ensure that personnel can quickly assemble, rescue and aftermath work can be efficiently promoted in an emergency. Once a sudden environmental event occurs, we will immediately launch the emergency monitoring mechanism of professional institutions, quickly find out the cause of the accident; at the same time, synchronously launch the environmental restoration plan, through the formulation and implementation of scientific restoration plans, to minimize the impact on the ecological environment, and effectively protect the safety of the enterprise and the surrounding community.



To effectively improve the level of environmental emergency management, AHB has built an emergency training and drill system, supported by a clear reward and punishment incentive mechanism, fully mobilizing the enthusiasm of employees to participate in emergency management. Through regular simulation actual combat drills for various sudden environmental events, we not only effectively tested the scientificity and operability of the emergency plan, but also comprehensively tempered the employees' rapid response capability and cross-departmental collaborative operation level in emergency situations.

• Green Manufacturing

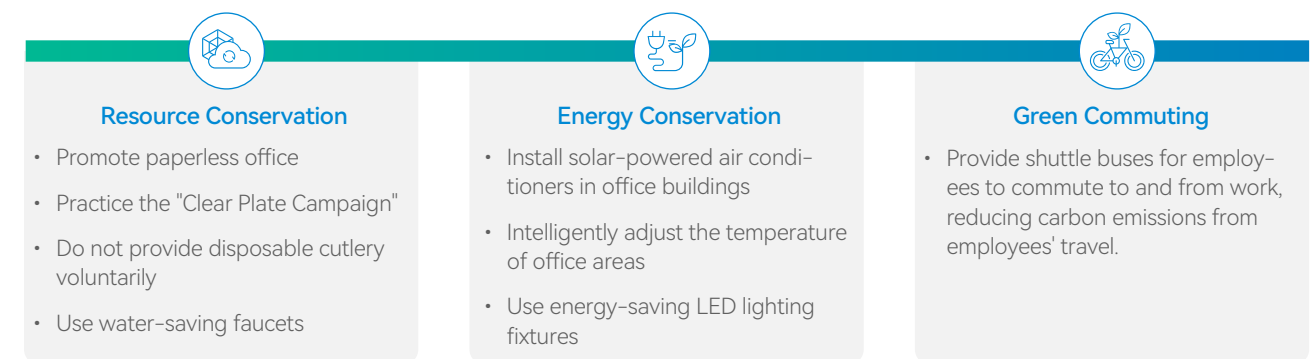
The Changfeng Base carried out cleaner production audit in accordance with government requirements, put forward 17 cleaner production programs and implemented all of them, and has completed the cleaner production acceptance of the Department of Ecology and Environment of Anhui Province.

We actively create green factories. As of the end of the reporting period, three production bases have obtained Green Factory Certification, among which Changfeng Base and Qinhuangdao Base have won the National Green Factory title, and Bayannur Base has won the Autonomous Regional Green Factory title.



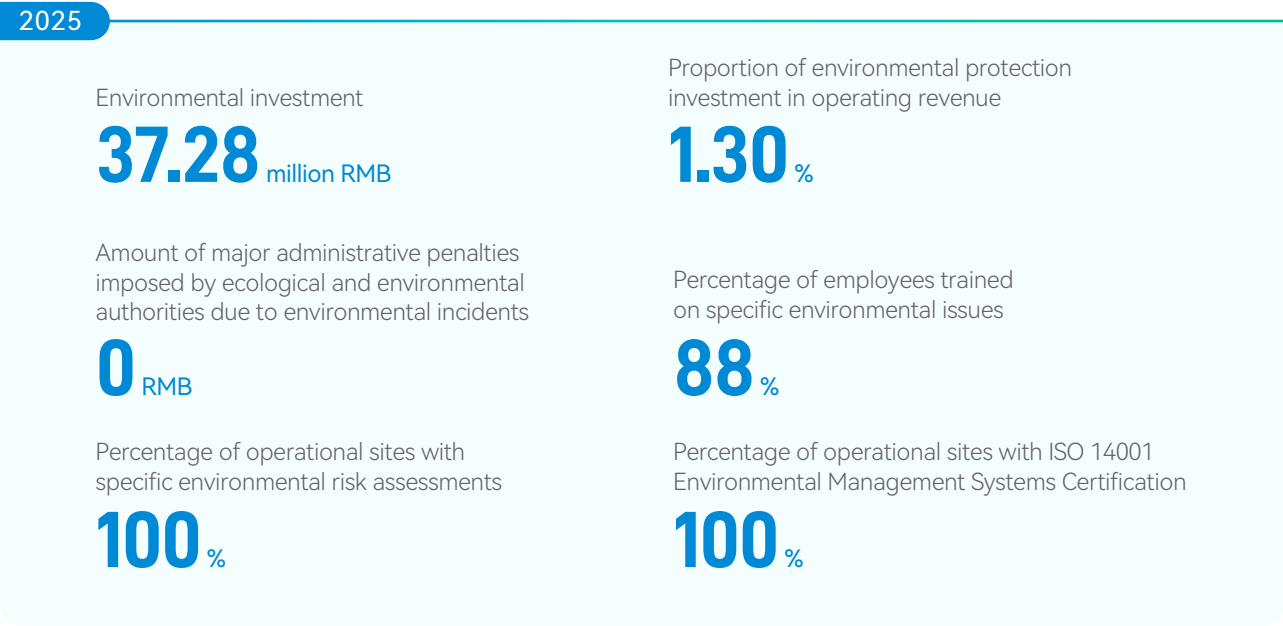
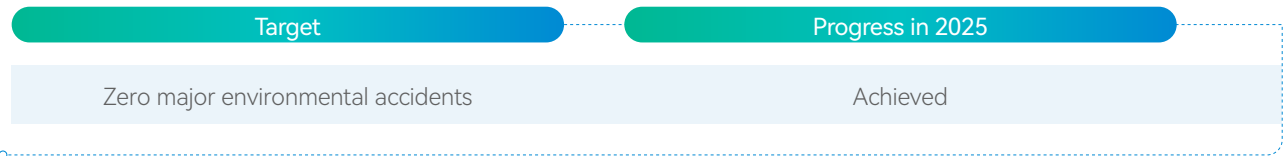
• Green Office

AHB continuously carries out employee environmental protection theme publicity and education activities, systematically popularizes green and low-carbon concepts, and strives to build a low-carbon, healthy, safe and dynamic modern office environment. AHB actively promotes digital transformation, relies on the intelligent office platform to promote efficient internal and external collaboration, vigorously promotes the online video conference mode, effectively reducing carbon emissions caused by business trips and offline meetings; at the same time, the implementation of the financial electronic file management system has significantly reduced paper resource consumption, empowering employees to practice low-carbon office concepts in all aspects.



● Indicators and Targets

By continuously optimizing the environmental protection and sudden environmental event emergency management system, AHB successfully achieved the goal of "zero occurrence" of environmental accidents throughout the year.



Chemical Safety Management

In accordance with the Chemical Safety Management Specification, AHB has built a chemical compliance management system covering the entire life cycle, ensuring that every link from introduction, procurement, transportation, storage to use and waste disposal is controlled and traceable.

AHB strictly implements the new chemical safety assessment and approval process, follows the order and principle of "non-toxic, risk-free, controllable, governable, low-toxic, low-risk, difficult to control, difficult to govern", and implements strict license and filing management for special chemicals such as precursor chemicals and explosive precursors. In the storage and use link, AHB implements the requirements of classified zoning and quantitative storage, ensures that all workplaces are equipped with complete safety technical specifications and safety labels, and provides employees with adaptive personal protective equipment and emergency supplies.

In addition, we regularly organize hidden danger investigation, and through institutionalized training and practical drills, continuously improve employees' awareness of chemical hazard and emergency response capabilities for accidents such as sudden leakage and fire, effectively ensuring employee health, production safety and environmental compliance.

Case Hazardous Chemical Leakage Emergency Drill



In May 2025, AHB conducted a full-scale emergency drill for hazardous chemical leakage. The drill simulated a scenario where a forklift collision triggered hazardous chemical leakage and subsequent personnel poisoning. AHB immediately activated the plant-level emergency plan. All teams worked in efficient coordination and completed a full set of responses including leakage containment, first aid treatment, sewage interception and traffic control. The post-drill review identified areas for improvement in the dilution treatment process. In response, AHB has rolled out targeted special training programs to further strengthen frontline employees' practical operational skills and safety awareness, and effectively upgrade the team's collaborative emergency handling capabilities.

Pollutant Management

Closely aligning with national environmental protection laws and regulations and the actual situation of business operations, AHB continuously revises and improves a series of pollutant control systems such as Waste Gas Management System and Wastewater Control Procedure of Wastewater Station. By continuously strengthening the pollutant emission control throughout the operation process, AHB strictly ensures that all indicators such as wastewater, waste gas and noise meet the national and local emission standards.

● Wastewater Management

Wastewater Monitoring

Each production base is equipped with a complete wastewater treatment station, and introduces a real-time online monitoring system and abnormal early warning mechanism to monitor various water quality indicators around the clock, ensuring that wastewater discharge is fully compliant throughout the process.

Wastewater Treatment

Relying on data-driven and equipment technological transformation, we continuously optimize the treatment process. On the premise of ensuring that the effluent quality fully meets the standards and is uniformly discharged into the pipe network, we effectively reduce the dosage of chemical agents through precise control, preventing the risk of secondary pollution from the source. In 2025, all our wastewater pollutants were discharged up to the standard, and no violations related to water quality permits, standards, or regulations occurred.

Source Reduction

We have comprehensively upgraded the water pollution prevention and control system, committed to improving the water resource recycling rate to reduce the total wastewater discharge. Each base, combined with its own production characteristics, implements refined management in the links of source reduction, process control and end treatment, and fully realizes the efficient use of water resources and the standard discharge of wastewater.

2025

Total wastewater discharge

4,413.93 million liters

Total discharge of pollutants in water

576.94 tons

Total phosphorus (TP)

10.90 tons

Ammonia nitrogen (NH₃-N)

9.99 tons

Wastewater discharge intensity

1.54 million liters / million RMB revenue

Chemical oxygen demand (COD)

336.58 tons

Total nitrogen (TN)

90.95 tons

Biochemical oxygen demand (BOD₅)

128.51 tons

Waste Gas Management

Emission
Monitoring

AHB has established a strict waste gas control system, and regularly entrusts qualified third-party professional institutions to conduct compliance monitoring on the atmospheric emission concentration of the production bases. Through precise control of monitoring data, we can grasp the dynamics of waste gas emission in real time, and dynamically adjust and optimize the production process accordingly, reducing the impact on the surrounding environment from the source.

Waste Gas
Treatment

We are fully equipped with advanced environmental protection facilities such as bag dust collectors, desulfurization towers and SCR (Selective Catalytic Reduction) denitration facilities, using cutting-edge exhaust gas treatment technology to deeply purify nitrogen oxides, sulfur oxides and particulate matter generated in the production process, minimizing the emission of pollutants and ensuring that waste gas is discharged up to the standard.

2025

Nitrogen oxides (NO_x)

159.87 tons

Particulate matter (PM)

75.67 tons

Sulfur oxides (SO_x)

128.42 tons

Volatile organic compounds (VOCs)

8.63 tons

Waste Disposal

AHB has formulated and strictly implemented a series of waste management specifications such as Solid Waste Management System, and implemented refined classification, transfer and disposal standards for different types of waste, ensuring that all wastes are harmlessly treated and completely eliminating environmental hidden dangers. At the same time, we fully launched the "Solid Waste Whole Life Cycle Management Platform", implementing digital closed-loop supervision of the whole process of various solid wastes from generation, storage, transfer to final disposal. In 2025, the compliance disposal rate of our waste reached 100%.

Non-hazardous
Waste

Mainly including general industrial solid waste such as sludge and ash residue as well as daily domestic waste. In strict accordance with the requirements of the Solid Waste Management System, we implement centralized standardized management of the above wastes, and uniformly entrust local environmental protection departments and qualified third-party institutions to conduct compliant transfer and harmless disposal.

Hazardous
Waste

We continuously strengthen the internal control mechanism to prevent harmful wastes such as waste engine oil, waste paint buckets, laboratory waste liquid and hazardous chemicals from polluting the soil environment. We have set up a hazardous waste storage room. All harmful wastes are strictly entrusted to legally qualified third parties for final disposal, and are supervised by local environmental protection departments throughout the process. In addition, to ensure that front-line employees strictly comply with laws, regulations and environmental protection requirements in the process of hazardous waste treatment, we regularly organize special compliance training to comprehensively improve employees' awareness and ability of environmental protection operations.

Target

Progress in 2025

100% compliant disposal rate of solid waste

Achieved

2025

Total amount of non-hazardous waste discharge

95,715.64 tons

Total amount of hazardous waste discharge

62.68 tons

Non-hazardous waste discharge intensity

33.45 tons / million RMB revenue

Hazardous waste discharge intensity

0.02 tons / million RMB revenue

Ecosystem and Biodiversity Protection

AHB attaches importance to ecological protection and deeply integrates ecological concepts into the whole process of enterprise development. In the early stage of project planning, we simultaneously carry out environmental impact and biodiversity assessment, strictly abide by the ecological protection red line, ensuring that operation activities are in harmony with the regional ecological environment and develop in compliance. We actively practice ecological responsibilities, and signed the Cooperation Agreement on Wildlife Protection Public Welfare Activities with Hanggin Rear Banner Forestry and Grassland Bureau to systematically promote a number of biodiversity protection work.

Habitat Maintenance

Every year, AHB organizes employees to go to Tushenze Wetland Park to regularly clean up wetland garbage in the river channel and surrounding forest areas, continuously improving the habitat conditions of wild animals.

Species Protection

Innovatively set up the "AHB Wildlife Protection Studio", providing professional temporary rescue and conservation for wild animals that are injured or trapped in the wild and need help.

Research Support

Equipped with professional field observation equipment, we actively cooperate with the competent authorities to carry out regional biodiversity surveys, providing scientific basis for ecological governance.

Public Education

Combined with activity nodes such as "World Wildlife Day" and "Bird Week", we continuously carry out ecological science popularization publicity, and advocate the environmental protection concept of harmonious coexistence between human and nature through exhibitions and distribution of science popularization manuals.

Case AHB's Special Action for World Earth Day

In April 2025, AHB launched the "Under the Wings, Life Thrives" bird protection activity at Tushenze Wetland, an important ecological node of the Yellow River Basin. We also jointly established the "Tushenze Wetland Protection Station" with the Hanggin Rear Banner Forestry and Grassland Bureau. AHB's volunteers went deep into the wetland to clean up plastic pollution and restore the habitat for migratory birds. In the future, the Protection Station will systematically carry out work such as habitat restoration, ecological monitoring and public education, to build an ecological co-governance model of "technology enterprise + local government".



World Earth Day Activity



Tushenze Wetland Joint Protection Station

03 Craftsmanship Products Create Outstanding Quality



- Ensure Product Safety
- Prioritize Sustainable Products
- Promote Research and Innovation

SDGs Aligned with This Chapter



Ensure Product Safety

Governance

AHB regards product quality and safety as its lifeline. We have established the Quality Center, alongside a standardized management team and a clear responsibility framework. Adhering to the principles of transparency, accountability and continuous improvement, we exercise strict control over the entire product production process.

Governance Structure and Responsibilities

Quality Center

Formulates our quality policy and quality management objectives, and administers relevant management plans.

Quality Departments at each production base

Implement quality management objectives and management plans, and conduct monitoring and inspection of product quality.

In compliance with national and international standards and in light of its actual business conditions, AHB has built a sound management system covering quality, food safety and feed safety. A series of rules and regulations on product quality and safety have been developed and enforced, including Food Safety Management Specifications, Food and Feed Safety Protection Plan, Raw Material Acceptance Management Specifications, Non-conforming Product Management Specifications, Product Release Management Specifications and Change Management Specifications. These measures ensure rigorous control over every link from raw materials to finished products, enabling AHB to deliver safe and reliable products to customers. Meanwhile, we keep promoting the optimization and upgrading of the corporate quality management system.

During the reporting period, in accordance with requirements specified in GB/T 19001-2016 idt ISO 9001:2015 Quality Management Systems—Requirements, ISO 22000:2018 Food Safety Management Systems—Requirements, CNCA/CTS 0020-2008A (CCAA 0014-2014), BRCGS Global Standard Food Safety (Issue 9), FAMI-QS European Feed Additives and Pre-mixtures Quality System and EFFCI GMP 2017, we revised the A16 Edition of Management Manual for Quality, Environment, Occupational Health and Safety, Food Safety, Feed Safety and Cosmetic Raw Materials and related procedural documents. By continuously refining and improving the management system, we ensure the consistent delivery of products that satisfy customer demands and comply with applicable laws and regulations.

By the end of the reporting period, AHB has obtained the GB/T 19001-2016/ISO 9001:2015 Quality Management System Certification. Some of our cosmetic raw materials have passed the EFFCI GMP Certification. In addition, our product quality has been recognized by other international organizations, including CNAS Laboratory Accreditation, REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) Certification and COSMOS (Cosmetic Organic Standard) Certification.



Quality Management
System Certification

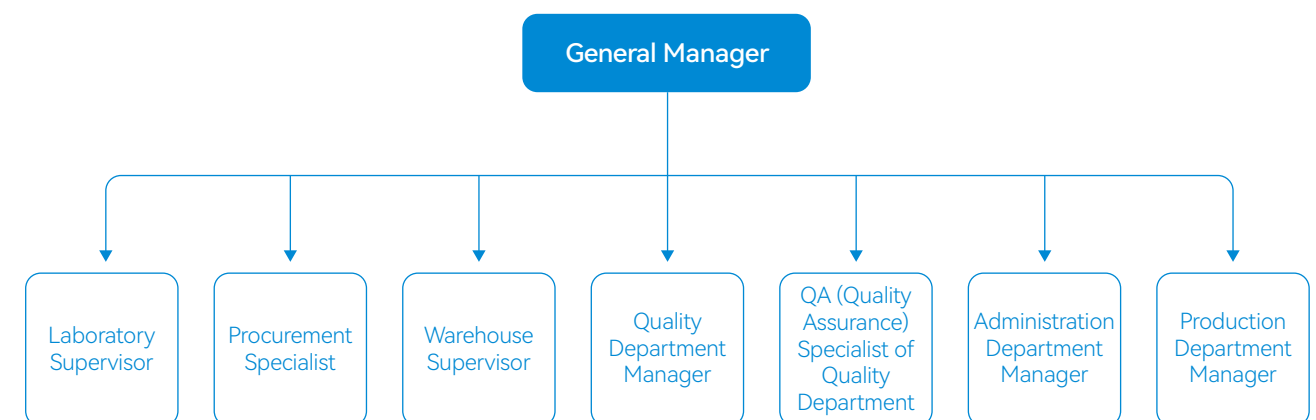
IQNET Certificate of
Quality Management System

EFFCI GMP Certification

• Food Safety Management

To prevent food safety incidents and safeguard food safety, each production base has set up a Food Safety Protection Team with clearly defined responsibilities for staff at all levels. Tailored to our respective production workflows and technical processes, we have formulated the Food and Feed Safety Protection Plan to minimize risks of intentional contamination and sabotage of food products.

Food Safety Protection Team



By the end of the reporting period, AHB has obtained the ISO 22000 Food Safety Management System Certification. Our products have also been awarded BRCGS Food Safety Certification, KOSHER Certification, Halal Certification and FAMI-QS Feed Safety Certification.



BRCGS Food Safety
Management System Certification



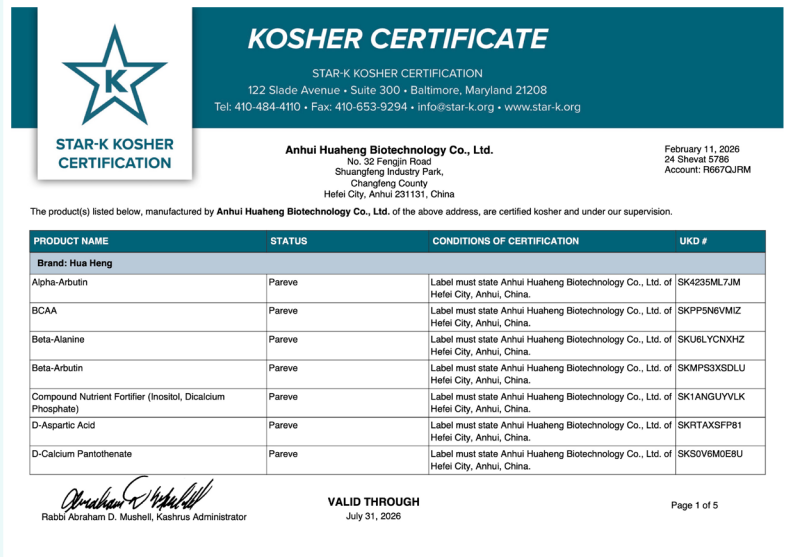
IQNET Certificate of Food Safety
Management System



HALAL Certification



FAMI-QS Certificate of Feed Safety
and Quality Management System



KOSHER Certification

During the reporting period, AHB successfully underwent an unannounced inspection conducted by the U.S. Food and Drug Administration (FDA) and passed with zero deficiencies. This fully demonstrates that our food safety management system, production specifications and quality control have met stringent international standards, laying a solid foundation for our global development strategy.

Strategy

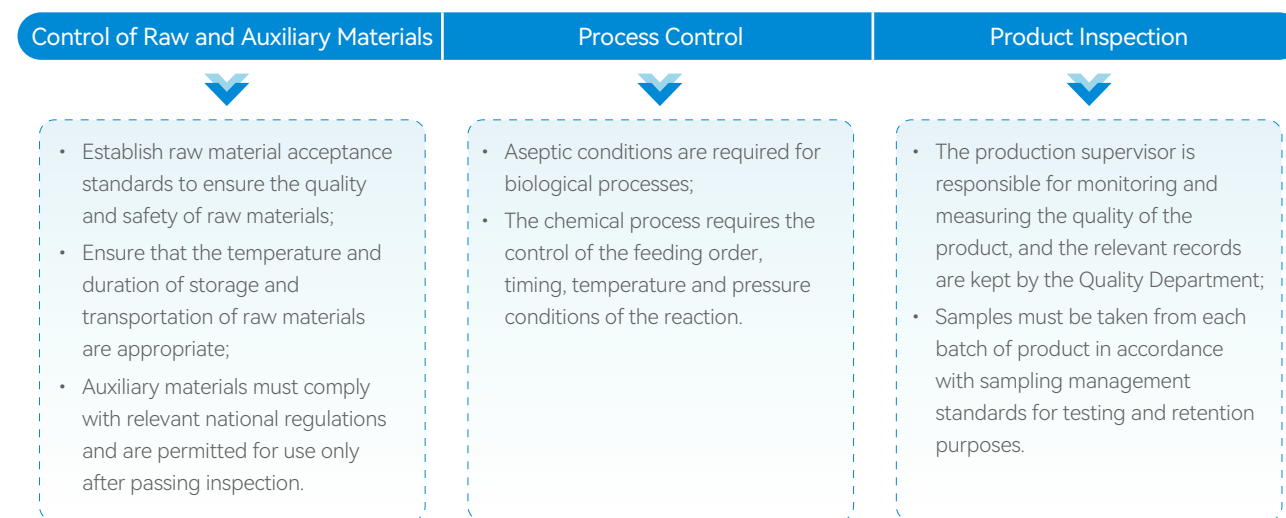
We continuously improve our quality risk management system and establish a robust governance framework for quality risk management. We embed a pre-assessment mechanism for quality and food safety at the early stage of product design, develop tiered risk response plans, and transform our quality management model from post-incident remediation to proactive prevention and active end-to-end control throughout the entire process. We implement a long-term strategy for tiered raw material management and build a full-lifecycle supplier management system. Benchmarking against applicable regulations, we have systematically developed a comprehensive internal control standard system that covers the entire chain of R&D, production and finished product inspection, while planning for the iterative upgrading of testing capabilities in parallel. Meanwhile, leveraging in-depth customer demand research, we map out customized product R&D roadmaps to precisely address diversified quality requirements and systematically consolidate the foundation for the long-term development of product safety.

Type	Risk/Opportunity	Risk/Opportunity Description	Impact Time Horizon
Risk	Direct and Indirect Quality Issues	- Risks such as returns, scrapping, and rework caused by product quality issues. - Problems arising from improper logistics/storage conditions or package damage during product transportation.	Long-term
	Changes	Changes in product raw and auxiliary materials, packaging materials, production processes, formulations, production sites and equipment, finished products and packaging, testing standards and methods, or laws and regulations may trigger quality-related risks.	Long-term
	Overseas Market Compliance	Customers in different countries are subject to varying quality standards, leading to high certification maintenance costs. Raised or adjusted quality standards by customers may result in product quality compliance risks.	Long-term
Opportunity	AI Technology Empowerment	Designing high-tolerance strains through AI to reduce fermentation by-products, improve purity stability, and minimize quality fluctuations at the source.	Medium-to-long term
	Green and Low-Carbon Products	AHB's products feature strong low-carbon attributes that align with the EU CBAM and US IRA (Inflation Reduction Act) requirements. Both international and domestic customers tend to prioritize the procurement of low-carbon, high-quality products.	Long-term

Impacts, Risks and Opportunities Management

• Quality Management Procedures

AHB maintains rigorous control over product quality, with every procedure from raw and auxiliary material incoming inspection to production testing performed in strict accordance with established standards. Prior to production, equipment operators inspect equipment status in compliance with the Equipment and Facilities Control Procedures to ensure all facilities meet production requirements. During production, workshop supervisors conduct full-process supervision. Semi-finished and finished products are tested strictly in accordance with the Product Monitoring and Measurement Control Procedures to guarantee quality compliance. In case non-conforming products are found, we will dispose of them properly following the Non-conforming Product Control Procedures, so as to consistently provide high-quality products to customers.



• Product Quality Training

We steadily advance the development of a professional quality talent team. We have established a complete quality training management system, improved the assessment mechanism for systematic quality training, formed an in-house lead instructor team, integrated various training resources and built a dedicated knowledge base. We conduct systematic training on a regular basis for relevant personnel including quality managers, physical and chemical inspectors, and microbiological inspectors. In 2025, a total of 51 training sessions were held, aggregating 75 hours with 2,857 participant-times. The training covered all relevant positions in quality, inspection, production and other functions, with courses focusing on compliance systems, safety regulations, on-site management and control, and instrument operation. The training is accompanied by a standardized assessment procedure, with results recorded in the Training Implementation and Effectiveness Evaluation Records. These efforts continuously strengthen the professional practical capabilities and quality control competencies of frontline personnel, comprehensively consolidating the defense line for product quality control.

• Change Management

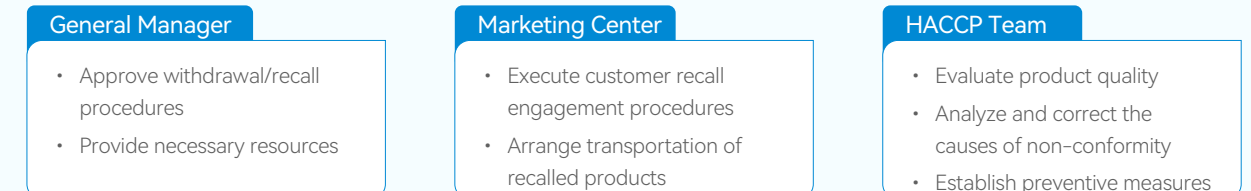
In view of change risks arising from customer and market demands, updates to laws, regulations and standards, technological innovation, product optimization, cost reduction and efficiency improvement, production capacity expansion, renewal of qualifications and certificates, as well as supply chain adjustments, we have formulated the Change Management Specifications and established standardized procedures. All changes that may affect product quality, EHS performance, product stability and regulatory compliance are subject to identification, assessment, approval, implementation and notification. This ensures all changes are carried out under effective control and relevant risks are minimized.

To ensure the effectiveness of the change control system, we conduct an annual review and audit of the system. Core assessment indicators include timeliness of change processing, completion rate of action plans, post-change product quality trends, deviations, complaints or recalls caused by changes, and findings from regulatory inspections. We continuously improve the change control system based on the review and audit results.

• Product Recall Management

AHB always prioritizes customer health and safety. We strictly comply with the Product Withdrawal/Recall Management Specifications to ensure recall procedures meet regulatory requirements and practical needs. In the event of batch non-conformities or safety hidden dangers in products, we will immediately activate the recall procedure, coordinate across teams to fully contain the affected products, and handle them in accordance with the Non-conforming Product Control Procedures. Even if no actual recall is required, we conduct annual simulation exercises to verify the timeliness and effectiveness of the procedures. Since 2025, there have been no product recalls or customer health and safety incidents at AHB.

Division of Responsibilities for Product Recall Management



AHB has established standardized procedures to ensure that non-conforming raw materials, intermediate products, semi-finished products, finished products, and packaging materials identified during production, inspection, storage, and transportation are promptly and effectively identified, isolated, evaluated, disposed of, and documented. This prevents the unintended use, release, or delivery of non-conforming products.



• Customer Complaint Management

To standardize the management and assessment of customer quality complaints, we have formulated the Customer Quality Complaint Assessment Management Specifications. With the product quality complaint rate as the core assessment indicator, we have built a collaborative management system involving the Quality Center, Base Quality Departments, Finance Center, and Base Human Resources Departments. The specifications standardize the process of complaint data source verification, confirmation, adjudication, appeals, and assessment. Complaint assessment indicators are incorporated into Key Performance Indicators (KPIs) and decomposed to relevant departments and personnel, driving continuous improvement in product quality and delivery management across all departments to reduce complaint rates.

• Responsible Marketing

AHB has established the Product Labeling and Traceability Management Specifications, which clearly define the types of product labels, their usage methods, and management responsibilities. During the reporting period, we revised this system and added labeling requirements for material abnormalities. At each production stage, we clearly record product and service information, including product name, production date, batch number, quantity, and operators, to achieve full-chain traceability. This ensures effective quality control, rapid traceability, and compliance with regulatory and customer requirements.

In addition, we implement refined management of product and service labels to ensure they are clear, standardized, and uniformly compliant with relevant laws and standards. All finished product packages are printed with the product name and a unique identification number, enabling traceable control for each bag. Key information such as usage precautions, inspection seals, and Halal Certification is also labeled to ensure complete and traceable product information.

We conduct regular QA routine inspections to discuss non-conformities, define temporary corrective actions and preventive control measures, conduct ongoing follow-up on rectification, and track the effectiveness of action completion.

Indicators and Targets

AHB has formulated annual quality objectives under the quality policy of Quality-oriented Development, Green & Health Focus, Continuous Improvement and Customer Satisfaction. The performance of all objectives as of the end of the reporting period is set forth below.

Indicator	Target	2025
Incidents of non-compliance concerning the quality and safety impacts of products and services	N/A	0
Number of products recalled for quality and safety reasons	0	0
Number of complaints due to quality and safety reasons	N/A	27
Rate of quality complaints	≤1.2%	1.18
First-pass yield rate	≥99%	97.27
Food safety incidents	N/A	0
Transportation incidents	N/A	0
Critical Control Points (CCP) monitoring effectiveness rate	100%	100
Incidents of non-compliance concerning product and service information and labeling	N/A	0
Incidents of non-compliance concerning marketing communications	N/A	0

Prioritize Sustainable Products

Clean Technology Opportunities

Centering on two core production technologies, namely fermentation and enzymatic synthesis, the AHB Research Institute steadily expands AHB's product lineup in the field of synthetic biology and builds a cluster of core technologies for synthetic biology applications. Leveraging the inherent advantages of clean biomanufacturing processes, none of our products contain substances classified as hazardous to human health and the environment under Category 1 and Category 2 of the Globally Harmonized System of Classification and Labelling of Chemicals (GHS). Green concepts are embedded throughout all links from R&D and design to industrial-scale production, continuously consolidating the competitiveness of green products and fully unlocking the sustainable value of clean technologies at the product end.

• Fermentation Technology

L-alanine

As the world's first enterprise to achieve large-scale commercial production of L-alanine via microbial anaerobic fermentation, AHB adopts renewable glucose to replace petrochemical feedstocks in this process. No additional carbon dioxide is generated during fermentation. Compared with conventional technologies, the production of one ton of L-alanine can cut carbon emissions by 0.5 tons. This technology reduces the consumption of fossil resources and delivers substantial reductions in carbon emissions and environmental pollution.

L-valine

Compared to aerobic fermentation, AHB's anaerobic fermentation technology for L-valine achieves lower energy consumption, lower costs, and higher conversion rates, significantly enhancing production efficiency and economic benefits. At the same time, this technology reduces carbon dioxide emissions, minimizes environmental impact, promotes green manufacturing and sustainable development, bringing dual value of environmental protection and economic benefits to the industry and society.

1,3-Propanediol

Traditional chemical methods for synthesizing 1,3-Propanediol mainly include the acrolein method and the ethylene oxide method. The former is complex and involves highly toxic, flammable, and explosive materials, while the latter requires high-temperature and high-pressure conditions, making it technically challenging and costly. In contrast, AHB has utilized synthetic biology technology to construct a microbial cell factory using glucose as the raw material. The fermentation process is mild, safe, and controllable, with a simple and efficient procedure. Additionally, the raw material price is stable, further controlling production costs.

Case L-Alanine Honored as Landmark Product in Bio-manufacturing by MIIT

Our core product, L-alanine, has been successfully selected into the first batch of the List of Landmark Product in biomanufacturing issued by the MIIT. Leveraging our world's pioneering anaerobic fermentation technology, we took the lead in realizing large-scale biomanufacturing of L-alanine. Compared with traditional chemical synthesis routes, this technology boasts core advantages including simple process, low carbon footprint and high efficiency, achieving an organic integration of economic and environmental benefits. Following the recognition as a National Single Champion Product in Manufacturing, this selection further validates our national-level recognition, establishing it as an industry benchmark product.

• Enzymatic Method

α-Arbutin

The enzymatic production process of α-Arbutin by AHB effectively addresses the common issues in traditional processes, such as low enzyme activity, high extraction and purification costs, and high impurity content, delivering a prominent leading technological edge. The green synthesis via enzymatic catalysis operates under mild reaction conditions, eliminates the use of strong corrosive reagents and organic solvents, and substantially reduces by-product generation and pollutant discharge. Meanwhile, we strictly control harmful residues in products to establish an environment-friendly clean production system.

In the future, we will continue to optimize production paths in the following areas to reduce environmental pollution, improve resource efficiency and reduce carbon emissions:

Clean Fuel Substitution



- Continue to optimize the biogas recovery device of sewage station, replace the traditional coal-fired boiler with biogas boiler, and effectively reduce greenhouse gas emissions
- Optimize the pipeline design to realize the full recycling of waste heat and achieve energy saving and emission reduction

Energy Optimization



- Optimize the material temperature control process, use preheated materials to reduce steam use, and realize energy saving
- Optimize the air-condition temperature and humidity control in the production workshop, eliminate backward equipment, and improve energy efficiency
- Increase the proportion of electricity generated from biomass and photovoltaic energy

Process Optimization



- Continuous chromatography process is adopted to reduce energy consumption
- High and low differential speed circulating fluidized bed boiler combustion technology is adopted

Water Recycling



- Conduct deep treatment on wastewater station discharge, reuse treated water in production and cut process water costs.
- Optimize the production process, adopt the "Zero chemicals" scheme, and use circulating water as the fermentation formula water, which reduces the frequency of shutdown cleaning of the circulating water station and the amount of wastewater discharge
- Deploy recovery pumps to collect condensate water produced by evaporators, reuse such condensate for other applicable production processes and achieve water conservation

Product Carbon Footprint

AHB adheres to the scientific carbon reduction path of "exploring the bottom, identifying potential, implementing emission reductions, and green transformation", continuously advancing the carbon footprint calculation and assessment of core products, conducting carbon footprint calculations for key products such as L-valine and β-alanine, scientifically quantifying their lifecycle carbon impacts to precisely align with the coordinates of green development. In recent years, we have successfully completed three rounds of carbon footprint certification for our L-alanine products, with the product's carbon footprint registering a progressive decline across each round. Meanwhile, AHB integrates carbon management capacity building into organizational capacity enhancement. By launching specialized training on product carbon footprint reduction with supporting assessments, the initiative covers employees across the entire business chain. In 2025, a total of 2,269 person-times of employees participated, driving the deep integration of carbon footprint calculation methodologies and emission reduction concepts into all operational links.

Promote Research and Innovation

Innovation-Driven

● Governance

AHB attaches great importance to technological innovation and R&D. We have established the AHB Synthetic Biology Research Institute, three R&D centers (Systems and Synthetic Biology Center, Precision Fermentation Engineering Technology Center, and Enzyme Catalysis and Synthesis Center) and two management platforms (High-Throughput Platform and Strain Platform). Clarifying R&D functions and management responsibilities, we improve the full-cycle R&D management system, collaborate with four production bases to build a global innovation ecosystem, and integrate the entire synthetic biology chain from design to industrialization.

AHB prioritizes standardized and systematic R&D management, and has issued documents including the Management Specifications for Technological Innovation Achievements of the Research Institute, Project Management Specifications, R&D Control Management Specifications and Patent Incentive Measures. These documents cover the entire process from project research, lab-scale trial planning and experiments, pilot-scale trial planning and experiments to project conclusion. Through standardized R&D process control, systematic management mechanisms and innovation incentives, AHB continuously enhances R&D efficiency and achievement transformation capabilities. During the reporting period, we revised the Product R&D Control Management Specifications, refining and improving the control and management requirements for the entire product design and development process. Meanwhile, as a major drafting unit, we participated in formulating two group standards, Biostimulant Peptides and Biostimulants—Terminology and Classification, further strengthening our industry influence.

In 2025, our subsidiary, Bayannur Huaheng was recognized as a National Specialized, Refined, Differential and Innovative "Little Giant" Enterprise. This marks the second national honor of this kind for us, following the recognition of Qinhuangdao Huaheng in 2022, fully affirming our technological innovation and high-quality development capabilities in the synthetic biology field.

● Strategy

AHB has always regarded technological innovation and R&D as the core driving force for corporate development, adhering to an innovation strategy that combines independent R&D with open collaboration. We deepen cooperation with renowned domestic and international universities and research institutions to build an efficient open R&D system. On the one hand, we focus on multi-field applications of synthetic biology technology and increase R&D investment in high-value-added, eco-friendly products. On the other hand, we continuously expand the deployment of AI-powered digital laboratories and recruit specialized talents to drive integrated innovation of "Biology + AI", with a key focus on the R&D of AI-driven biomanufacturing and the construction of pilot demonstration bases. Leveraging our proprietary strain R&D platform, process engineering scale-up system and strengths in large-scale production, we streamline the translation pipeline from cutting-edge technologies to end products, accelerating the industrial rollout of high-value innovation outcomes. In the future, we will continue to strengthen the development of pilot platforms, maintain high investment in R&D, develop more new bio-based products, and consolidate our leading technological edge in the industry.

Type	Risk/Opportunity Description	Potential Financial Impact	Response Measures
Risk of Technological Obsolescence	• Failure of core processes to adapt to revolutionary new technologies may lead to the risk of substitution and weakened competitiveness.	• Declining market share, falling revenue and profits, and unrecoverable R&D investment.	• Track cutting-edge technologies, increase R&D investment, deploy multi-technology routes, and deepen industry-academia-research cooperation.
Risk of Core Technology Leakage	• Despite confidentiality and intellectual property protection measures, there remains a risk of leakage of core technologies or trade secrets.	• Reduced competitiveness, potential legal disputes and compensation claims, and increased financial burden.	• Strictly enforce confidentiality systems, standardize R&D processes, strengthen intellectual property protection, and conduct employee training.
Risk of Core Technical Talent Atrophy	• Shortage of high-end talent and fierce industry competition may lead to the loss of core technical personnel, affecting R&D and production.	• Delayed R&D, reduced efficiency, increased talent recruitment and training costs, and unstable revenue and profits.	• Improve incentive mechanisms, optimize the talent environment, strengthen R&D team building, and enhance employees' sense of belonging.
Opportunity of Technological Breakthrough	• Deep integration of synthetic biology and bio-manufacturing, upgrades in tool technologies, and cost reduction through combining gene sequencing, genome editing with AI, to facilitate technology commercialization.	• Improve R&D efficiency, reduce costs and increase efficiency, drive the launch of high-value-added products, capture market share, and enhance profitability.	• Upgrade the R&D system, deepen the integration of "Biology + AI", optimize processes, and keep up with industry trends.
Opportunity of Industry-Academia-Research and External Cooperation	• Deepen industry-academia-research cooperation, expand external R&D partnerships, and enhance technological and industrialization capabilities.	• Boost technological competitiveness, expand business scope, and drive revenue growth.	• Strengthen collaborative partnerships, focus on core technology R&D, and accelerate the industrialization of technological achievements.

Case

AHB Selected for the First Batch of National biomanufacturing Pilot-Scale Capacity Building Platforms

Leveraging our accumulated biomanufacturing technologies and industrialization capabilities, we have been selected for the first batch of "biomanufacturing Pilot-Scale Capacity Building Platforms" jointly recognized by the MIIT and the National Development and Reform Commission. The platform integrates four core functional modules: molecular and synthetic technology, precision fermentation, separation and purification, as well as testing and inspection. It has provided pilot-scale verification services for 15 industry-academia-research projects, successfully advancing the industrialization process of multiple products. Going forward, the platform will integrate artificial intelligence and digital information technologies to further improve its full-chain service capabilities covering strain design through to mass production verification.

● Impacts, Risks and Opportunities Management

• Technological Innovation

We deepen innovation in synthetic biology technologies and have delivered significant achievements in both product compliance breakthroughs and industry-university-research collaborative efforts to tackle core technologies, providing solid support for the high-quality development and green transition of the synthetic biology industry.

Case β-Alanine Approved as One of China's First Food Nutrient Fortifiers

AHB's β-alanine (AH BIOSUS™ BETA) has been approved by the National Health Commission for use as a nutrient fortifier in sports nutrition foods, making us one of the first enterprises in China to obtain approval for β-alanine as a new food nutrient fortifier variety. This official authoritative certification enables us to deliver compliant and safe bio-based nutritional solutions to the sports health industry.

Case Key Technology Project for Non-Grain Synthetic biomanufacturing of Platform Chemicals

The project Development and Industrial Application of Key Technologies for Non-Grain Synthetic biomanufacturing of Platform Chemicals, which we jointly developed with Hubei University, Dalian University of Technology and other institutions, has won the First Prize of the Science and Technology Award issued by the China Council for the Promotion of Science and Technology Industrialization. Leveraging synthetic biology technology, the project has built an innovative pathway for the efficient production of platform chemicals from non-grain feed-stocks, supporting the upgrading of the biomanufacturing industry and the realization of the Dual Carbon Goals.

• R&D Cooperation

AHB actively builds an open and collaborative R&D cooperation system, engaging with domestic and international universities, research institutions and industry enterprises to expand the application boundaries of synthetic biology technology. We focus on the R&D of high-value-added products and continuously improve R&D efficiency and achievement transformation capabilities by refining the R&D project management mechanism. Leveraging the Hefei Synthetic Biology Innovation Research Institute, we gather high-quality industry talent resources to build an open R&D ecosystem and promote interdisciplinary collaboration and knowledge sharing. Meanwhile, we deepen strategic cooperation on the industrial side, expand into the crop nutrition sector and develop eco-friendly products. By closely aligning with market demands and industry development trends, we empower industrial upgrading through technological and product innovation, contributing to human health and ecological environmental protection.

Research
Institute
Cooperation

Collaborate with domestic and international research institutes including the Tianjin Institute of Industrial Biotechnology and Institute of Microbiology under the Chinese Academy of Sciences (CAS) to jointly conduct R&D and tackle key problems, and realize the transformation of scientific and technological achievements into economic and social value.

University-
Enterprise
Cooperation

Conduct in-depth cooperation with universities including Shanghai Institute of Technology, Donghua University, Zhejiang University of Technology and Hefei University; co-establish joint laboratories, academician workstations, etc., to jointly advance the transformation of scientific and technological achievements and professional talent cultivation.

Enterprise
Cooperation

Work with leading enterprises in the industry to drive innovation and improvement in all links of the synthetic biology industrial chain.

Customer
Cooperation

Launch multiple innovative projects with core customers to continuously advance product innovation, industrial upgrading and partnership enhancement.

Case Shortlisted as a Partner Unit for the National High-Performance Bioreactor Innovation Task

As a consortium member, AHB has been successfully shortlisted for the "Open bidding for selecting the best candidates" initiative under the MIIT's High-Performance Bioreactor Innovation Task, participating in the R&D of "Microbial Parallel Bioreactors". Together with industry-university-research partners including Suzhou Womei Biology company, Suzhou Institute of Biomedical Engineering and Technology under the CAS, Tsinghua University, and CABIO, AHB focuses on breakthroughs in key bioreactor technologies. This initiative helps enhance China's indigenous controllability and supply security capabilities for core biomanufacturing equipment, demonstrating AHB's technological strength and collaborative innovation advantages in the field of core biomanufacturing equipment.

• R&D Team Building

AHB brings together high-level scientific research and technical talents in the industry to build a robust, high-quality talent pipeline, providing solid talent support for accurately assessing cutting-edge trends in synthetic biology and rapidly iterating innovative products tailored to market needs. Leveraging the industry-university-research integration model, we have established long-term, in-depth cooperation with research institutions including Tianjin Institute of Industrial Biotechnology under the CAS, Institute of Microbiology under the CAS, Beijing University of Chemical Technology, and Zhejiang University of Technology. We carry out multi-dimensional collaboration in joint talent training, basic scientific research, technological achievement transformation, and professional talent training, continuously strengthening our basic research capabilities and industrialization technology reserves.

Case AHB Awarded National Postdoctoral Research Workstation

In 2025, AHB was officially approved to establish a National Postdoctoral Research Workstation, marking a national-level upgrade of its high-level innovative talent recruitment and development platform. Relying on this platform, we will recruit and cultivate young core researchers with both solid theoretical foundations and strong R&D capabilities, consolidate our innovative talent pipeline, and provide solid talent support for breakthroughs in synthetic biology technology and high-quality development.

● Indicators and Targets

AHB attaches great importance to technological innovation and the accumulation of independent intellectual property rights, continuously increasing R&D investment, expanding our innovative talent team, and improving our intellectual property management system. During the reporting period, AHB added 22 invention patents and 11 utility model patents, with innovation achievements being continuously realized.

2025

Total R&D investment

151.20 million RMB

Ratio of R&D investment to main business revenue

5.28 %

Number of R&D employees

285 persons

Ratio of R&D personnel to total company employees

12.66 %

Ethics of Science and Technology

AHB's research and development activities, including gene synthesis and gene editing, are strictly confined to industrial bio-manufacturing. Such activities are primarily undertaken to optimise metabolic pathways in industrial microorganisms, develop production strains and improve fermentation performance for the manufacture of small-molecule products (e.g. amino acids, organic acids and other fermentation-derived ingredients). AHB does not conduct any R&D or application involving (i) human clinical trials or clinical gene therapy, (ii) human embryo or germline editing, or (iii) the use, development or enhancement of highly pathogenic microorganisms or other activities with significant ethical controversy, thereby maintaining a clear technology boundary and reducing ethical and biosecurity risks. AHB uses non-pathogenic industrial microorganisms with a long-standing history of safe industrial fermentation use and, together with closed-system operations and mandatory inactivation prior to disposal, assesses the residual biosafety risk to be low and manageable.

From a biosafety perspective, AHB prioritises non-pathogenic industrial microorganisms with an established history of safe industrial use and applies internal biosafety assessment procedures for strain selection, handling and retention. Where an R&D activity, strain or product falls within regulated food/feed or other relevant application scenarios, AHB will conduct compliance assessment and/or confirmations in accordance with applicable regulatory frameworks (e.g. the safety histories of underlying chassis strains under the US Food and Drug Administration's (FDA) Generally Recognized as Safe (GRAS) framework or the European Food Safety Authority's (EFSA) Qualified Presumption of Safety (QPS) approach, or obtaining relevant PRC "new food raw materials/food additives" approvals, as applicable).

To ensure robust oversight and compliance with applicable PRC requirements, including the *Biosecurity Law of the People's Republic of China* and the *Regulations on the Biosafety Management of Pathogenic Microorganism Laboratories*, AHB has established a tiered risk assessment and multi-level project approval mechanism for R&D projects involving genetic modification. Such projects are subject to risk identification and biosafety/ethics considerations at the project initiation stage and may only proceed after review and approval by relevant functions under AHB's internal authorisation procedures (including R&D, biosafety/laboratory management, legal/compliance and management oversight). Projects that exceed internal risk thresholds or present sensitive factors are subject to escalated review, and unapproved projects are not permitted to commence.

Operationally, AHB's engineered strains are used only in controlled laboratory environments and closed fermentation systems. AHB enforces standard operating procedures (SOPs) covering, among others, strain management, sample transfer, containment, waste treatment and mandatory inactivation prior to disposal, to reduce risks of leakage, cross-contamination and environmental release and to achieve closed-loop controls over key biosafety risk points.

Intellectual Property Protection

AHB attaches great importance to the protection and management of intellectual property (IP). AHB has established a governance system with overall decision-making by the Intellectual Property Management Committee, centralized implementation by the Intellectual Property Center, and coordinated collaboration among all departments, clarifying full-process IP management requirements as well as departmental responsibilities and authorities. For high-value patent management, a dedicated High-Value Patent Review Committee has been set up to perform core tasks including formulating high-value patent standards and conducting review and classification. In 2025, we updated and consolidated documents including the Intellectual Property Management Manual, and issued the Intellectual Property Management Specifications and issued the High-Value Patent Management Specifications concurrently. Focusing on patent mining, we precisely cultivate high-value patents with advanced technology and outstanding market value, improve supporting incentive mechanisms, and promote the efficient creation, strict protection and scientific operation of intellectual property.

AHB has obtained the GB/T 29490-2023 Intellectual Property Compliance Management System Certification, continuously consolidating the foundation for compliant operation. The Intellectual Property Center, in collaboration with the Research Institute, production bases and sales divisions, regularly conducts special training on patent layout, infringement risk identification and other topics. We have also built an IP learning system to provide employees with professional guidance on patent application, trademark registration, laws and regulations, comprehensively enhancing all employees' IP awareness and compliance literacy.



Intellectual Property Compliance
Management System
Certification of AHB



Intellectual Property Compliance
Management System
Certification of Bayannur Base



Intellectual Property Compliance
Management System Certification
of Qinhuangdao Base

• Intellectual Property Management Measures

Patent Application and Trademark Utilization

- Set KPIs to actively file patent applications, and conduct analysis and application of patent information
- Conduct trademark management in line with market needs to ensure effective use of trademarks

Technology Roadmap Protection

- Plan the technology roadmap in advance during the R&D phase and formulate supporting intellectual property protection measures

Risk Management and Control

- All employees in core positions sign confidentiality agreements
- Conduct technical searches and FTO (Freedom to Operate) analysis to assess infringement risks
- Mitigate intellectual property risks through pre-assessment and post-event reviews

Collaborative R&D Oversight

- Implement full-process risk planning for intellectual property to proactively mitigate potential risks
- Adopt risk control measures such as purchasing patent hedges and conducting infringement analysis via third-party institutions

Patent Portfolio Strategy

- In cooperation with universities and academic professors, focus on the risk of duplicate R&D and work with partners to implement risk management
- During collaborative R&D, monitor publications to balance intellectual property protection with the needs of cooperative research
- Deploy patent portfolios across the entire business chain, covering the full process from R&D strains to product manufacturing
- Focus on core synthetic biology technology links to deploy high-barrier, high-value patents, building a strong technical moat to support the competitiveness of core products

04 Humanistic Care Create a Better Life



- Gather Enterprising Talents
- Foster Collaborative Success with Partners
- Contribute to Social Welfare

SDGs Aligned with This Chapter



Gather Enterprising Talents

AHB always regards talents as the most valuable assets and the source of core competitiveness. While drawing on advanced international experience in talent governance, we fully integrate our distinctive development features and continuously optimize mechanisms for talent introduction and development, delivering solid talent support for high-quality development.

Employee Rights Protection

AHB always upholds the philosophy of lawful employment, respect for human rights and labor rights, as well as diversity, inclusion and equality, and integrates these principles into all aspects of corporate management.

We firmly believe that protecting employees' legitimate rights and interests is the fundamental guarantee to stimulate their enthusiasm, initiative and creativity, and also serves as the core foundation for win-win development between AHB and employees. To this end, we have further improved the employee rights protection system and continuously optimized a diverse and inclusive workplace ecosystem, fully respecting employees' individual differences and diverse backgrounds. We strictly comply with sound employment standards and provide all employees with equal opportunities for competition and career development, enabling talented personnel to stand out, fully leverage their strengths and deliver value to the enterprise.

● Compliant Employment

AHB signs labor contracts with all employees in accordance with the *Labour Law of the People's Republic of China* and other relevant laws and regulations, and implements full staff labor contract management. We firmly oppose all forms of employment discrimination and prohibit child labor. We ensure that all employees enjoy equal rights in recruitment and hiring, remuneration, career promotion and other aspects, and shall not receive differential treatment based on ethnicity, race, national origin, gender, religious belief, age, sexual orientation, political affiliation or marital status. We adhere to the talent employment principle of establishing positions based on job requirements and selecting talents according to position needs, and provide all employees with equal and fair opportunities for job rotation and promotion.

Institutional System	
Compliant Employment Management Norms	Anti-Discrimination Policy
Entry, Departure and Labor Contract Signing Norms	Layoff Management Norms
New Employee Probation Period Management Norms	Professional Qualification Certification Management Norms
Working Hours Management Norms	Salary Management Norms
Prohibition of Child Labor	Women's Rights and Labor Protection Management Norms
Recruitment Management Norms	

• Practical Measures

Category	Measures
Internal Recruitment	Internal Recommendations: Encourage internal employees to actively recommend candidates based on job recruitment needs, broaden recruitment channels, and reward successful recommendations with varying amounts of compensation according to the rank of the hired individual. The principle of "relative avoidance" is also applied, meaning that recommenders cannot participate in interviews, and department heads must not have a direct hierarchical relationship with the recommended individuals, ensuring fair and just hiring practices.
External Recruitment	Social Recruitment: Introduce senior talents through diversified forms such as online recruitment information, job fairs and headhunting recommendations. Campus Recruitment: Special campus recruitment is carried out from August each year to attract outstanding graduates from all kinds of majors to join AHB and inject new strength into the sustainable development of AHB.

● Responsible Employment

AHB adheres to reasonable employment practices. Approved and registered by relevant government departments, AHB implements standard working hours system, comprehensive working hours system, and flexible working hours system, eliminating employee fatigue and overwork. Office staff operate under the standard working hours system. Due to production needs, departments such as production, engineering, EHS, and quality adopt the comprehensive working hours system, while marketing, procurement, and senior management use the flexible working hours system.

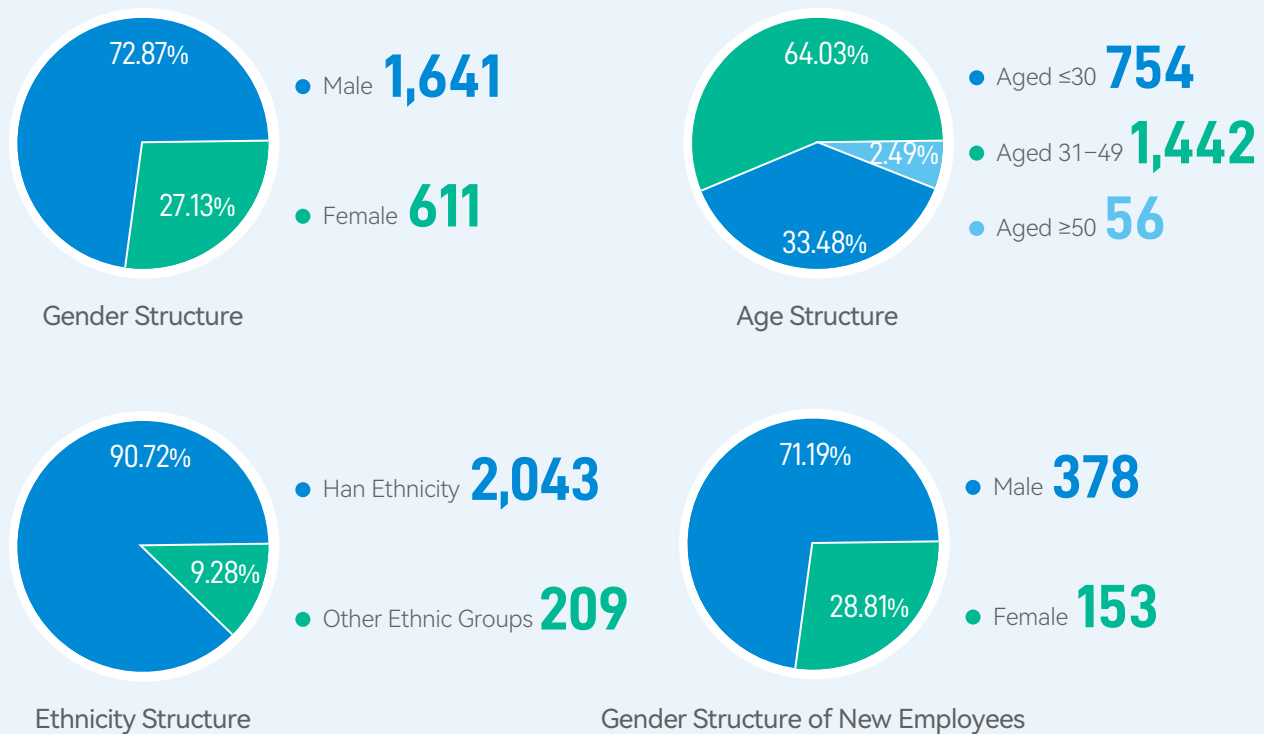
Standard Working Hours System
In strict compliance with the <i>Provisions of the State Council on Employees' Working Hours</i> .
Comprehensive Working Hours System
Within the comprehensive calculation cycle, the total actual working hours shall not exceed the total statutory standard working hours. The actual working hours on a single day or week may exceed 8 hours or 40 hours respectively. Any excess hours shall be deemed as extended working hours, and overtime remuneration shall be paid in full accordance with relevant provisions of the <i>Labour Law of the People's Republic of China</i> . The average monthly extended working hours shall not exceed 36 hours.
Flexible Working Hour System
This working hour system applies to roles whose workload cannot be measured by standard working hours and require flexible assignments. AHB implements a voluntary overtime policy. Forced overtime is strictly prohibited, and no punishment or disciplinary sanctions shall be imposed on employees who decline to work overtime. Where shift rotation is arranged, employees shall be guaranteed a rest period of no less than 12 hours before returning to work.

● Diversity, Inclusion and Equality

AHB strives to build an equal and inclusive workplace environment, places particular emphasis on supporting female career development, and firmly puts an end to age discrimination. We offer employees from diverse backgrounds a fair platform for growth and career advancement. As of the end of the reporting period, AHB had a total of 2,252 employees, including 531 new hires recruited in the current year. By fostering a diversified and integrated talent team, we continuously stimulate organizational innovation vitality and inject enduring momentum into our high-quality development.



Employee Structure



AHB resolutely eliminates age discrimination. While introducing young talents, we do not set a threshold of 30+ years old. By the end of 2025, the proportion of employees over 30 years old in our workforce reached 66.52%.

AHB adheres to the principle of establishing positions based on job requirements and selecting talents according to position needs at its headquarters and all bases, which effectively drives employment in local areas. We strictly comply with the Anti-Discrimination Policy and the Management Standards for Women's Rights and Labor Protection and other relevant regulations. We eliminate all discrimination and unfair treatment caused by any factors, fully respect employees' ethnic customs, and actively foster a working atmosphere featuring diversity, equality and inclusion. As of the end of the reporting period, there were 209 ethnic minority employees among full-time staff, representing 9.28% of the total full-time workforce.

● Employee Welfare

AHB protects employees' rights to leave and welfare in accordance with applicable laws, optimizes various subsidies and improves the welfare system. AHB fully delivers leave benefits related to childbirth. Beyond statutory requirements, AHB grants female employees an extra 60 days of maternity leave and offers male employees 30 days of paternity leave. Meanwhile, parental leave benefits are equally available to all employees irrespective of gender. As explicitly specified in the Employee Handbook, employees are entitled to 10 days of parental leave per year before their children turn six years old, enabling staff to strike a good balance between work and family. These people-oriented welfare measures effectively strengthen employees' sense of belonging and work initiative. In 2025, 137 employees met the eligibility criteria for parental leave, and all 137 employees took the leave, marking a 100% uptake rate. The return-to-work rate of employees who resumed duty after leave also reached 100%, which reflects employees' high recognition of AHB.

Employee Leave

Statutory Holidays, Paid Annual Leave, Marriage Leave, Home Visit Leave, Sick Leave, Maternity Leave, Paternity Leave, Parental Leave, Bereavement Leave, Personal Leave...

Employee Welfare

Complimentary Staff Meals, Physical Check-ups, Accommodation, Festival & Birthday Benefits, High-temperature Allowance, Afternoon Tea...

AHB processes social insurance and housing fund for employees in accordance with national regulations, and delivers a wide range of welfare benefits. In addition, AHB is equipped with a gymnasium and lounge areas to help employees relax and unwind after work.

● Remuneration Management

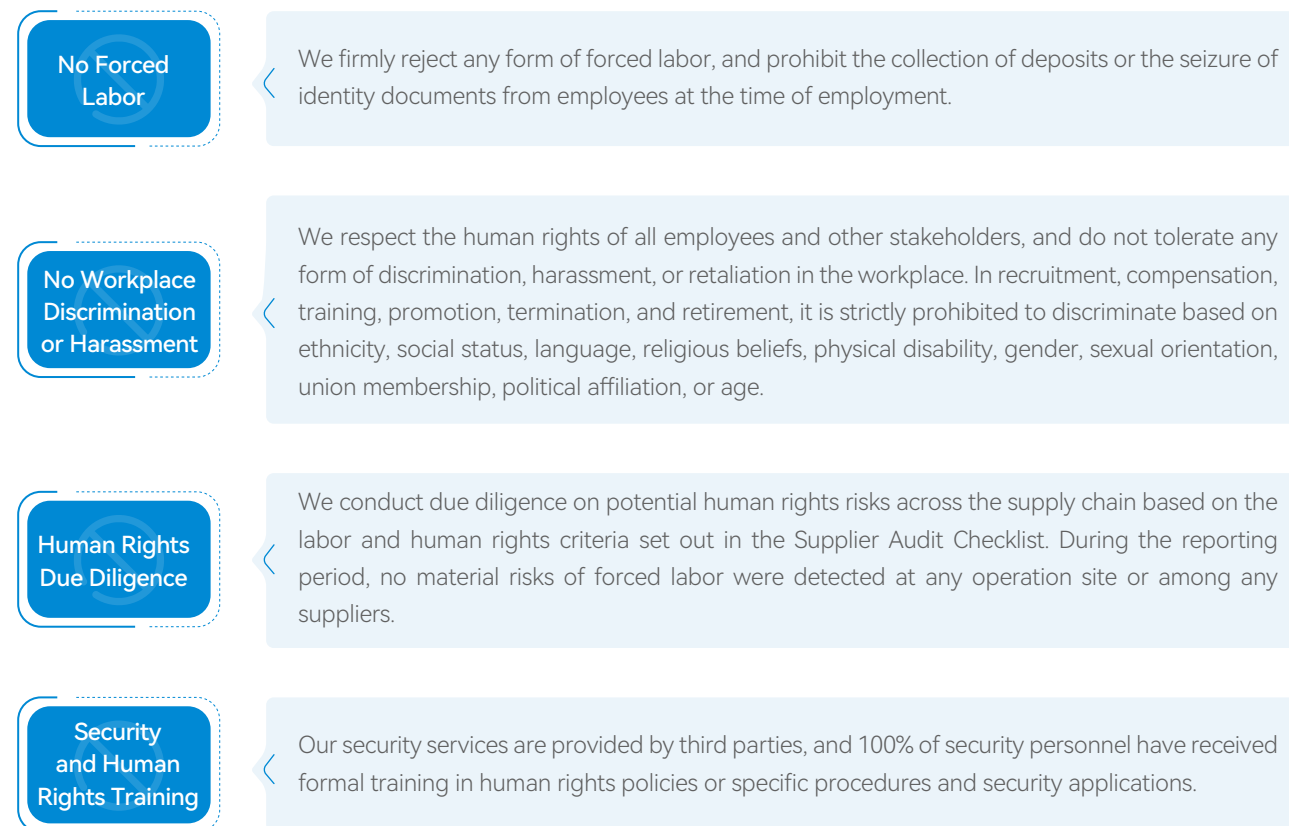
AHB adheres to the principle of equal pay for equal work and continuously revises and improves the Salary Management System and the Performance Management System. In terms of compensation management, we uphold the dual principles of internal equity and external competitiveness. Internally, we ensure consistency between job compensation and job grade through a standardized compensation framework. Externally, we benchmark compensation data against target markets and our actual situation to determine our compensation levels, thereby enhancing competitiveness and increasing our appeal to key talent. We pay salaries in full and on time, and provide employees with detailed pay statements to ensure a clear understanding of salary components, bonuses, and various benefits. In terms of compensation structure, we adopt a mix of fixed and variable pay, with differentiated fixed-to-variable ratios based on job characteristics, and pay overtime wages in accordance with applicable laws. Furthermore, we implement dynamic salary adjustments each year based on employee performance ratings, giving due preference to high-performing and high-potential talent to continuously strengthen compensation competitiveness and organizational vitality.

During the reporting period, AHB further enriched its diversified incentive system. In addition to the regular year-end bonus, we established multiple special incentives to recognize individuals and teams that have made outstanding contributions in different areas. At the same time, AHB continues to implement its equity incentive plan, deeply aligning employee interests with AHB's long-term development to achieve mutual growth and shared success.

● Human and Labor Rights Management

AHB has further improved the internal management systems, including the Recruitment Management Norms, Salary Management Norms, Entry, Departure and Labor Contract Signing Norms, Working Hours Management Norms, Training Management Norms, Women's Rights and Labor Protection Management Norms, Professional Qualification Certification Management Norms, Layoff Management Norms, Anti-Discrimination Policy, and Prohibition of Child Labor. We ensure that all systems are strictly implemented to comprehensively protect the legitimate rights and interests of our employees.

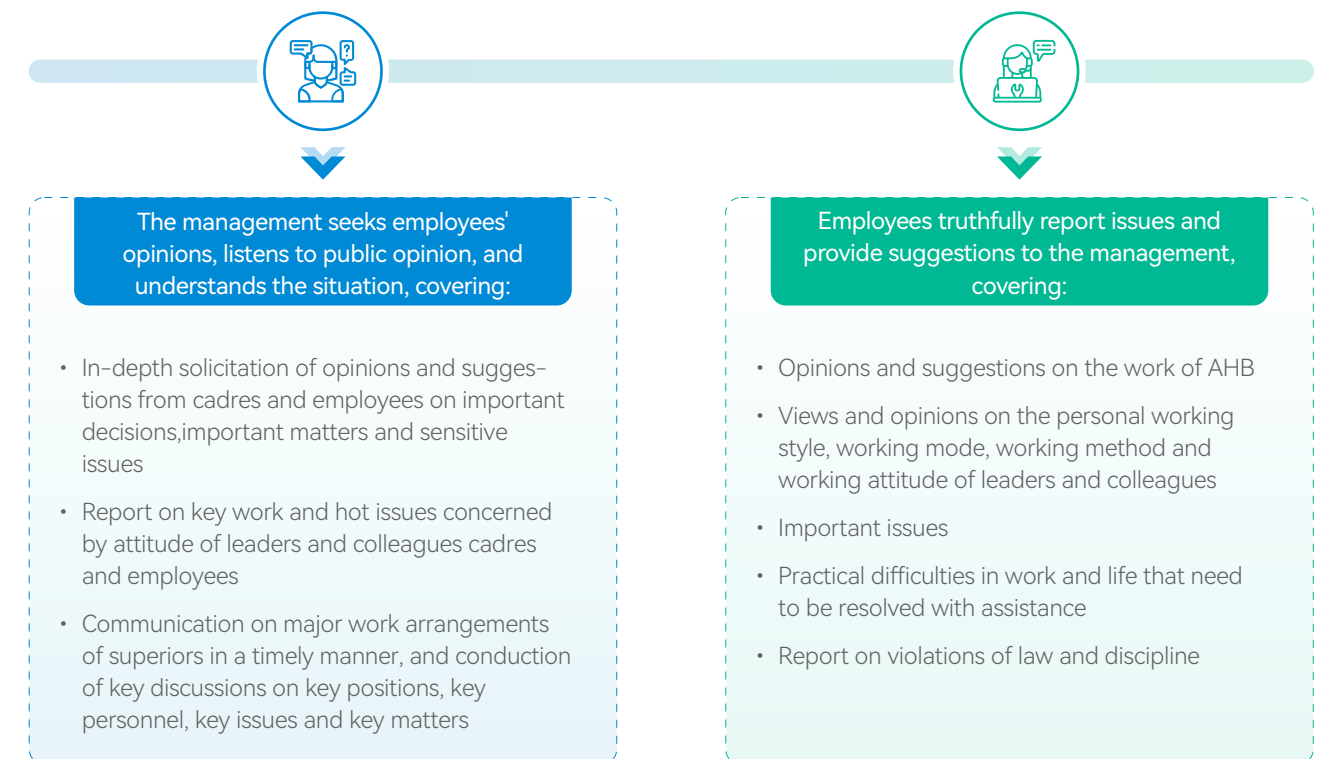
• Implementation Measures



● Democratic Management

AHB continuously improves institutional norms including the AHB Enterprise Collective Negotiation System, the AHB Democratic Management System, and the Employee Representative and Collective Negotiation Dialogue Mechanism Document. We fully uphold the spirit of democracy and respect employees' opinions. Our Trade Union effectively safeguards employees' rights to collective bargaining. All work is carried out in strict accordance with the *Trade Union Law of the People's Republic of China* and the *Constitution of the Chinese Trade Unions*. The trade union plays a vital role in affairs disclosure, employee participation in corporate democratic management, and the review of major matters concerning employees' vital interests. Through proactive communication and dialogue, the trade union effectively addresses employees' practical issues and reasonable demands, and further promotes corporate harmony and sustainable development.

• Two-way Communication Mechanism for Democratic Dialogue

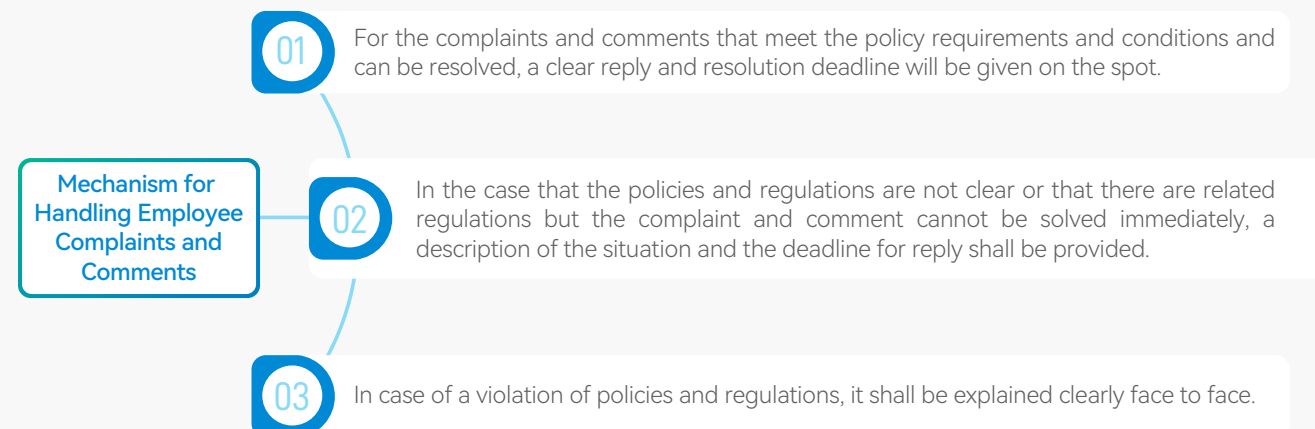


2025

Labor contract signing rate is

100 %

The coverage rate of social insurance payable is

100 %

Training and Talent Development

AHB has always firmly believed that talent is the core driver of corporate development, and we continuously improve our talent cultivation and development mechanisms. We have established a comprehensive training system, a scientific performance appraisal mechanism, and clear career development pathways, committed to providing employees with holistic support for growth. During the reporting period, we further optimized training content, offering diverse learning opportunities that align with employees' actual needs and development goals, helping them enhance their professional skills and overall competencies. At the same time, through a fair and transparent performance appraisal system, we provide employees with clear directions for growth, and closely link appraisal results with promotions and salary adjustments to ensure that every employee's contributions are duly recognized. Furthermore, we have designed well-defined career development paths for our employees, enabling each individual to find a suitable direction for growth—whether deepening professional expertise or pursuing managerial advancement.

Employee Training

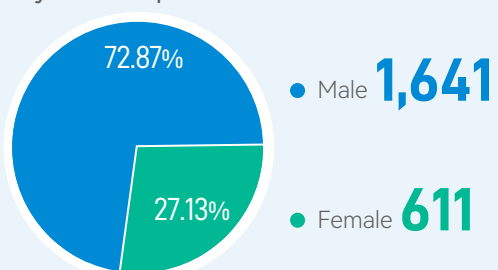
In terms of employee training, we actively build our training management system and broaden development pathways. During the reporting period, we further revised and improved the Training Management Norms, comprehensively utilizing various training formats such as internal and external training to enhance employees' skills and professional knowledge, optimize the employee growth and development system, and inject new momentum into our talent reserve.

In 2025, AHB provided training to 2,252 employees, representing 100% of all employees. The total training hours for production bases employees reached 241,010 hours, with an average of 107 training hours per employee.

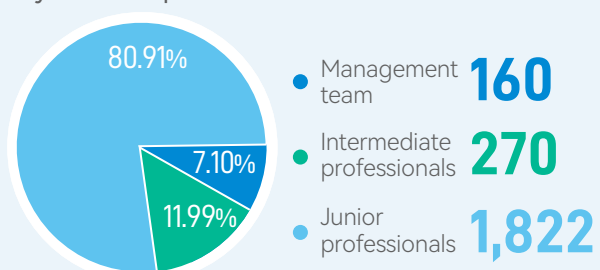
Employee Training Structure

Total Number of Trained Employees

By Gender (persons)

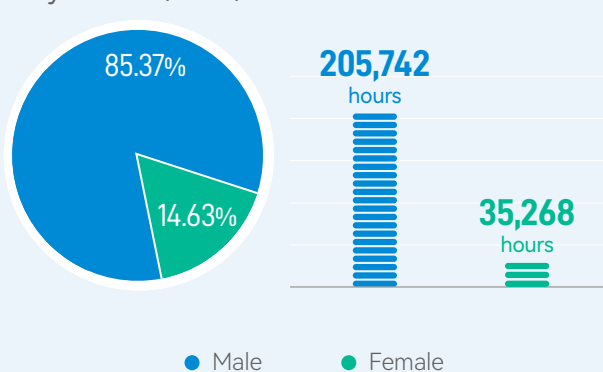


By Position (persons)

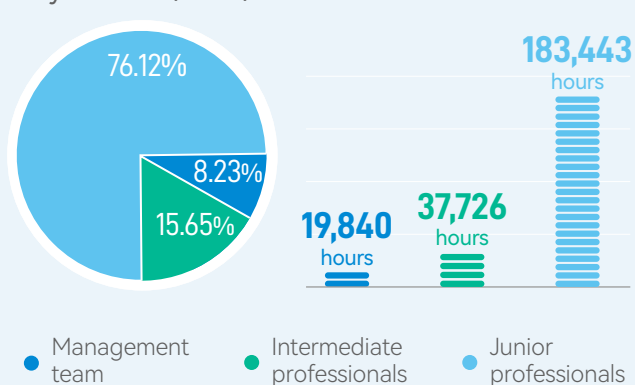


Total Duration of Training

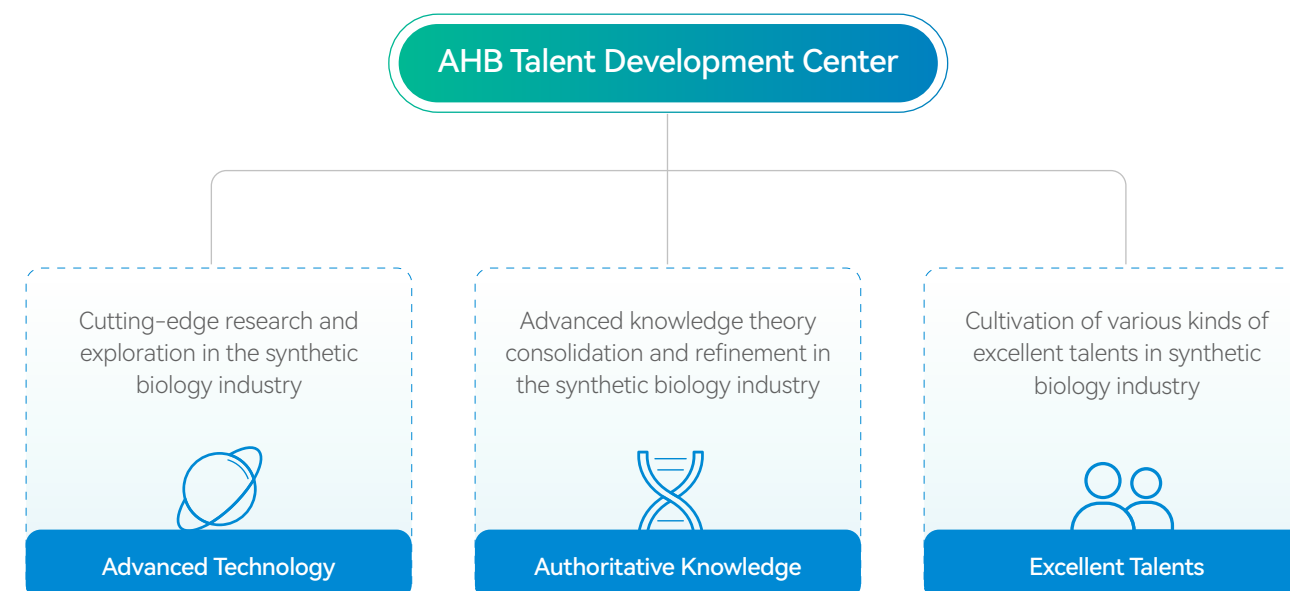
By Gender (hours)



By Position (hours)

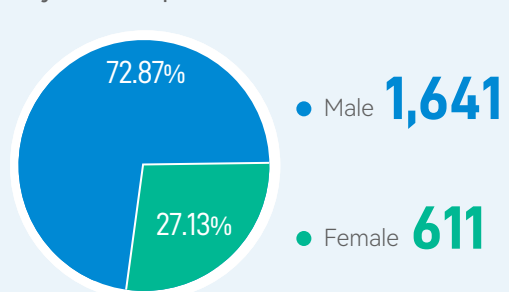


We established the AHB Talent Development Center, focusing on enhancing internal professional capabilities. By integrating case studies with theoretical practice, we have built an educational platform that combines research and study. This place is not only a hub for knowledge dissemination but also an incubator for talent. AHB Talent Development Center comprehensively covers business talents, production talents, professional talents and management talents, characterized by high standards, internationalization, AI technology application and professionalism, constantly innovating talent cultivation mechanisms. At the same time, we closely integrate talent cultivation with performance evaluation to ensure that employees' growth is in line with our development goals.

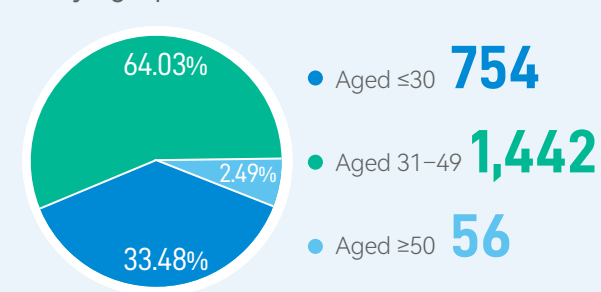


AHB regularly conducts performance and career development assessment for employees to motivate them to give full play to their potential, improve work efficiency and quality, promote the cooperation and efficiency of the whole team, and provide better training and development opportunities for employees. During the reporting period, a total of 2,252 employees received performance and career development assessment, the specific data is as follows:

By Gender (persons)



By Age (persons)



● Career Development

In terms of career development, we offer a diversified career path for our employees, including the "Stellar Plan" program for new graduates and a dual-track talent development system covering all employees. We are committed to building clear career ladders for every employee, helping them realize their self-worth in professional fields or management positions.

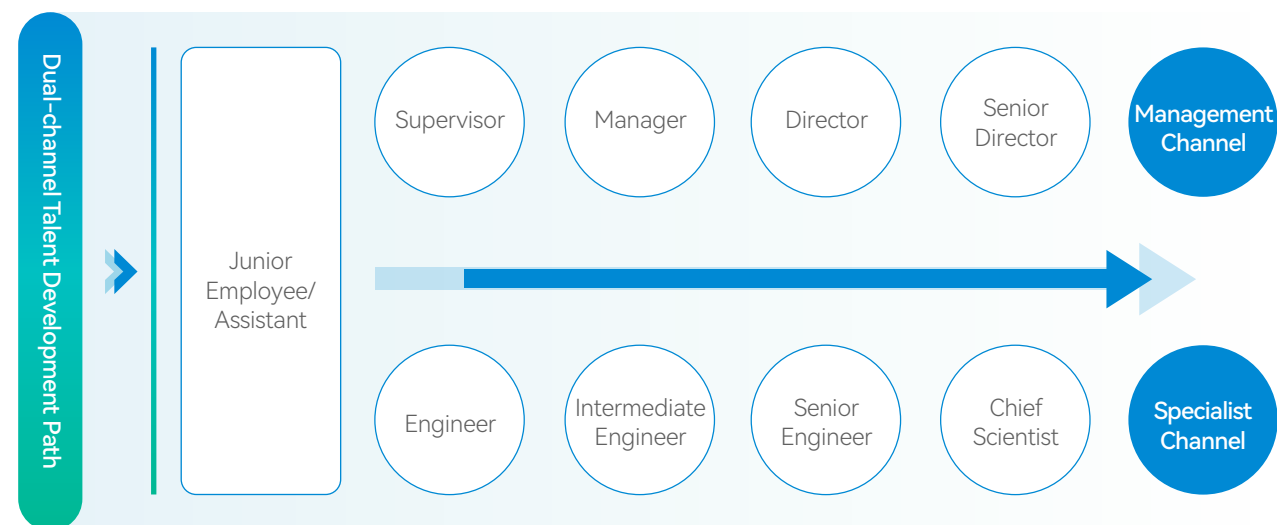


The Stellar Plan: a seamless transition from campus to the workplace

To meet our mid-to-long-term strategic needs for talent, and to build a high-quality team through talent ladder construction, AHB has launched the "Stellar Plan" campus recruitment and training plan. This plan integrates theoretical knowledge with practical activities, specifically comprising six chapters: Preparatory Warm-up, First Impression of AHB, Integration, Growth & Leaps, Internal Dual Selection, and Competency Development. Through systematic training and cultivation, it aims to help newly hired college graduates quickly establish a sense of belonging, enhance their professional competence, and successfully complete the role transformation from students to corporate employees.

Dual-track Development: a parallel growth path of specialization and management

AHB always regards talent cultivation as the top priority, formulating a five-year development plan and implementing the "4221" talent strategy. We have established a dual-channel talent development path and qualification system, providing employees with two career development directions: management channel and specialist channel. This meets our human resource needs for development while also creating a clear growth ladder for employees. Whether it is delving deeper into specialized fields or advancing to management positions, employees can find suitable development paths at AHB, realizing their career aspirations.



2025

Total annual training expenditures

2.66 million RMB

Total number of employees trained

2,252 persons

Average training hours per employee

107.02 hours

Total number of employees under performance and career development assessment

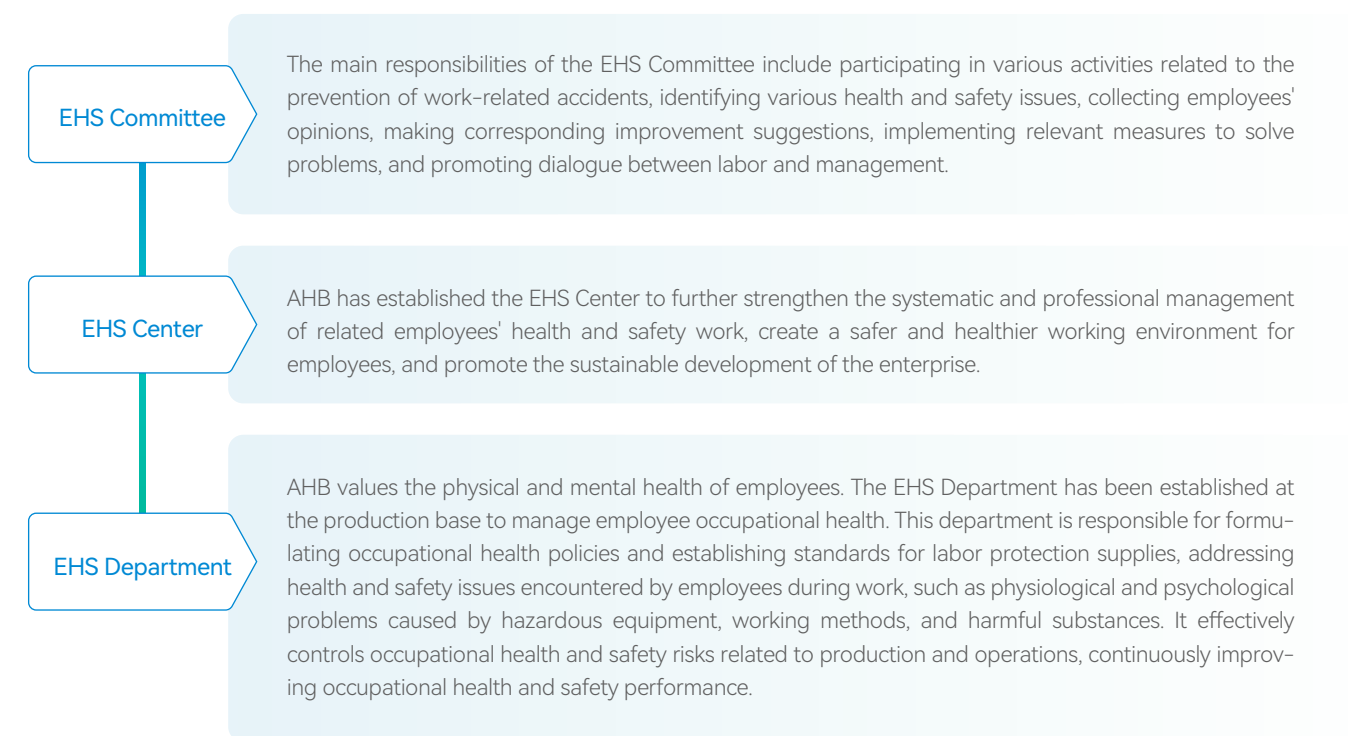
2,252 persons

Employee Health and Safety

● Governance

AHB always regards employees' life safety and physical and mental health as the top priority, and delivers comprehensive protection for their occupational health and safety. AHB has established and improved the EHS communication and coordination mechanism. A Corporate EHS Committee is set up at the headquarters, which convenes EHS meetings semi-annually. These meetings serve to discuss key EHS matters and make decisions on major issues. The agenda includes EHS work reports and arrangements for all bases, dissemination of key laws and regulations, and follow-up on the rectification of major hidden dangers. Such arrangements ensure that safety management requirements are passed down level by level and fully implemented.

• Management Structure



- Institutional System and Certification

AHB strictly adheres to laws and regulations such as the *People's Republic of China Law on Work Safety*, earnestly managing safety issues. Taking each base as a unit, we have established standards like the Accident Management Regulations, Fire Safety Management Regulations, Work Safety Responsibility System Management Regulations, Occupational Health Management Regulations and Chemical Management Regulations to ensure worker operational safety and chemical safety management. Meanwhile, AHB rolled out the EHS Reward and Punishment Management Regulations. AHB fully implements EHS responsibilities, strengthens group-level EHS objective management, and establishes a complete EHS incentive and restraint mechanism to steadily improve overall EHS performance. The four production bases of AHB—Changfeng, Bayannur, Qinhuangdao, and Chifeng—have all obtained ISO 45001 Certification for their occupational health and safety management systems.



ISO 45001 Occupational Health and Safety Management System Certification

● Strategy

AHB adheres to the principle of "Safety First, Prevention Prioritized and Comprehensive Management", coordinating the simultaneous advancement of the overall EHS framework across all production bases. Embracing a proactive risk control approach, we carry out forward-looking planning for key tasks such as workplace environment inspections, source prevention and control of occupational diseases, and full-process management of hazardous chemicals. In parallel, we establish a system for cultivating a safety culture and a mechanism for regular health protection. We comprehensively identify and assess various risk sources that may cause personal injury in production scenarios, thereby building a stable and long-term protection system for occupational health and safety.

Risk Type	Risk Description	Impact Time Horizon	Potential Financial Impact	Response Measures
Work Safety	During production and operation, violations of work safety operating procedures by employees, inadequate on-site control over production processes, force majeure such as natural disasters and other unexpected incidents may all lead to work safety accidents. Such incidents will exert adverse impacts on our normal production & operation order and operating performance.	Short-term Medium-term	Revenue Decline	- Establish, improve and strictly enforce work safety management systems - Upgrade safety protection facilities for equipment and equip relevant personnel with professional personal protective equipment (PPE) - Intensify work safety training and inspection of hidden dangers, and organize emergency drills on a regular basis
Occupational Health	Irregular use of PPE, long-term exposure to environments with excessive noise, excessive occupational psychological stress and other issues may cause occupational diseases or impair employees' physical and mental health. This will not only weaken employees' working capacity, but also trigger legal disputes, bringing adverse effects on corporate operations.	Short-term Medium-term	Revenue Decline	- Arrange regular occupational health examinations for employees, and establish occupational health records as well as personal health surveillance files for employees - Strengthen occupational health training, education and skill assessments - Conduct testing and evaluation on occupational hazard factors at workplaces

- Impacts, Risks and Opportunities Management

AHB regularly carries out various work including work safety training, inspection and rectification of hidden dangers, and emergency drills. We continuously strengthen work safety objective management and inherent safety development, so as to comprehensively improve all employees' safety knowledge and standard operating skills. Meanwhile, we attach great importance to the prevention and treatment of occupational diseases. We strictly implement the company-wide occupational health examination system to effectively safeguard employees' rights to physical and mental health.

- Occupational Health Management Measures

Hazard Identification and Occupational Health Examinations

AHB fully considers occupational hidden dangers during production and operation processes. We conduct health check-ups for employees in five major categories of occupational health examinations—dust, high temperature, noise, coal dust, welding fumes, industrial frequency electric fields, hydrogen sulfide, methanol, ammonia, phosphorus and its inorganic compounds, lead and its inorganic compounds, manganese and its inorganic compounds, ultraviolet light, acetic anhydride mist, nitrogen oxides, hydroquinone, and other types (such as special operations)—before they start work and during their employment. AHB also provides free health check-ups to employees who have been with AHB for more than six months. Additionally, we have established a channel for psychological guidance and organized mental health training sessions, such as "Caring for Female Mental Health" to help employees manage psychological stress.

• Production Safety Management Measures

Production Safety Management

AHB strictly implements the work safety responsibility system. We enhance risk prevention and control capacity by organizing regular fire drills and safety training, stepping up inspection and maintenance of facilities, standardizing operating procedures and conducting staff drills. We ensure all safety facilities remain intact and effective, so as to prevent and mitigate accident risks from the source.

Safety Inspections and Accident Handling

AHB has always adhered to safe production and the elimination of work-related accidents. We have established a production safety management mechanism that includes safety awareness training, safety warning reminders and measure optimization, emergency response to safety incidents, and management and penalties for accident responsibilities. Regular safety inspections are conducted. In 2025, we promptly rectified the safety hidden dangers identified through safety inspections, achieving a 100% rectification completion rate.

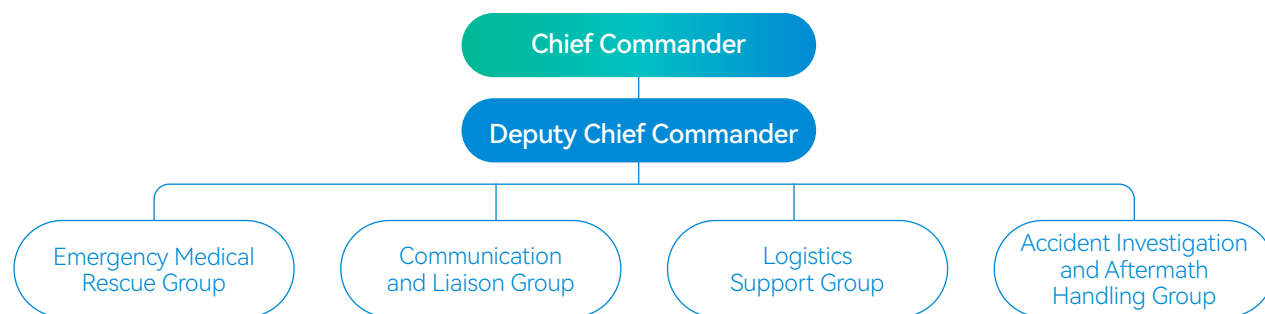
Safety and Occupational Health Training

AHB establishes a regular safety training mechanism in accordance with the EHS Training and Education Implementation Plan and Work Safety Training and Education Management Regulations. All production bases hold regular work safety meetings and organize company-wide training on EHS laws and regulations, hazard source identification, dust explosion control and other relevant topics. Combining the formulation and training of SOP, AHB comprehensively enhances employees' safety awareness and operational skills. In 2025, we conducted a total of 556 safety-themed training sessions.

Emergency Safety Management

AHB has established the Production Safety Accident Emergency Plan, aimed at enhancing rapid response capabilities to production safety incidents. This plan seeks to promptly implement effective measures before, during, and after an accident occurs, controlling the occurrence and development of emergencies and minimizing the harm to personnel, the environment, and property as much as possible. AHB has set up an Accident Emergency Rescue Command Center, which comprises four teams: the Emergency Medical Rescue Group, Communication and Liaison Group, Logistics Support Group, Accident Investigation and Aftermath Handling Group. The Command Center is headed by a Chief Commander and Deputy Chief Commander, with all employees serving as members of the rescue organization. AHB regularly organizes special emergency drills for fire, fire and explosion, and hazardous substance leakage to improve practical response capabilities, and ensures that all emergencies can be dealt with promptly, in an orderly manner and efficiently.

Emergency Organization Structure



Case Changfeng Base Held the 2025 Work Safety Month Campaign

Centered on the theme "Everyone prioritizes safety, everyone masters emergency response – Identify hidden safety hazards around you", the 2025 Work Safety Month activity of Changfeng Base ran from June 1 to 30 in three phases: launch & arrangement, implementation & advancement, and review & improvement. Upholding the guideline of "putting safety first, focusing on prevention and implementing comprehensive management", the base set up a leading group chaired by the General Manager. A series of special activities were organized, including thematic training, safety warning education, safety knowledge contests and forklift safe operation competitions. Meanwhile, the base rolled out three-level safety education and closed-loop rectification for all detected hidden dangers. The campaign achieved a 100% hazard rectification rate and a 100% staff safety awareness rate. Through post-event review, merit commendation and standardized document filing, the base effectively boosted employees' emergency response capabilities and enriched the corporate safety culture.

Case Bayannur Base Conducted Fire Extinguishing and Evacuation Emergency Drill

Bayannur Base carried out an emergency drill for fire suppression and personnel evacuation in June 2025. Taking an electrical fire at the No.4 Packaging Section as the simulated scenario, the drill activated Level II emergency response, which verified the practicability of the emergency plan and the coordination efficiency of each working group. The drill featured proper on-site command and timely emergency activation. However, multiple deficiencies were exposed: inaccurate positioning of trapped personnel, single type of communication equipment, tangled fire hoses and unsecured stretchers. Rectification responsibilities and completion deadlines have been fully assigned to resolve these problems. Comprehensive assessment confirmed the drill achieved all expected goals, effectively raising employees' emergency awareness and rescue proficiency.



Emergency Drill at Bayannur Base

● Indicators and Targets

Target	Progress in 2025
Occupational health examination coverage 100%	Achieved
The number of employees with work-related injuries of Grade 8 and above is zero	Achieved
The number of work-related fatalities is zero	Achieved

2025

Workplace safety investment amount

5.43 million RMB

Total safety training hours

32,102 hours

Foster Collaborative Success with Partners

Collaborate with Suppliers to Create the Future

Supply chain management is critical to our stable operation and long-term development. AHB upholds the philosophy of sustainable development, conducts procurement of products and services in a responsible manner, and continuously drives mutual growth and sustainable development alongside suppliers.

● Supply Chain Management

• Management System

AHB has established a comprehensive supply chain management system to identify environmental and social risks in the supply chain. We have formed contractual, standardized, and routine management mechanisms for product delivery schedules, quality control, and technical confidentiality. We have formulated and revised relevant supply chain management documents, including the AHB Supplier Code of Conduct, AHB Supplier Management Standards, AHB Procurement Management Standards, and AHB Bidding Management Standards. We also steadily improve the supplier assessment system, so as to form a complete procurement management framework.

AHB has established an admission and assessment mechanism covering the full life cycle of suppliers. We regularly evaluate supplier performance, and require suppliers that fail to meet relevant standards to carry out continuous improvement, or impose cooperation suspension and elimination when necessary. Assessment results serve as a key basis for supplier qualification review, quota adjustment and cooperation decisions. This helps further standardize supplier conduct and realize full-process closed-loop management. Meanwhile, we strengthen supervision and assessment over suppliers to effectively prevent procurement risks and drive the sound and sustainable development of the supply chain.

• Practical Measures



Supplier
Access

AHB formulates relevant guidelines and explanatory documents for supplier selection and supplier behavior standards. AHB manages new suppliers according to institutional documents such as the Supplier Basic Information Survey Form, Supplier Audit Checklist, and Supplier On-site Audit Form. The due diligence process covers various aspects of relevant qualification materials, including business licenses, production permits, system certificates, third-party inspection reports, and REACH registration information, as well as elements of business ethics, environmental, labor, and human rights standards. This ensures that suppliers meet procurement requirements through a comprehensive evaluation system.



Supplier
Evaluation

AHB implements tiered supplier management and establishes a cross-departmental review team. In principle, performance evaluations are conducted quarterly for strategic, leverage and bottleneck suppliers. Suppliers with low order frequency are assessed semi-annually or annually. The evaluation covers five dimensions: quality, delivery, service, cost and social responsibility. The overall score is calculated and supplier tiers are classified in accordance with the Supplier Performance Evaluation Standard Template. Based on annual review results and material classification, AHB formulates the Annual Supplier Audit Plan. In case of any irregularities from suppliers, the review team may launch ad-hoc special audits after discussion and confirmation. This enables AHB to respond promptly, adjust procurement strategies and optimize the supply chain structure.



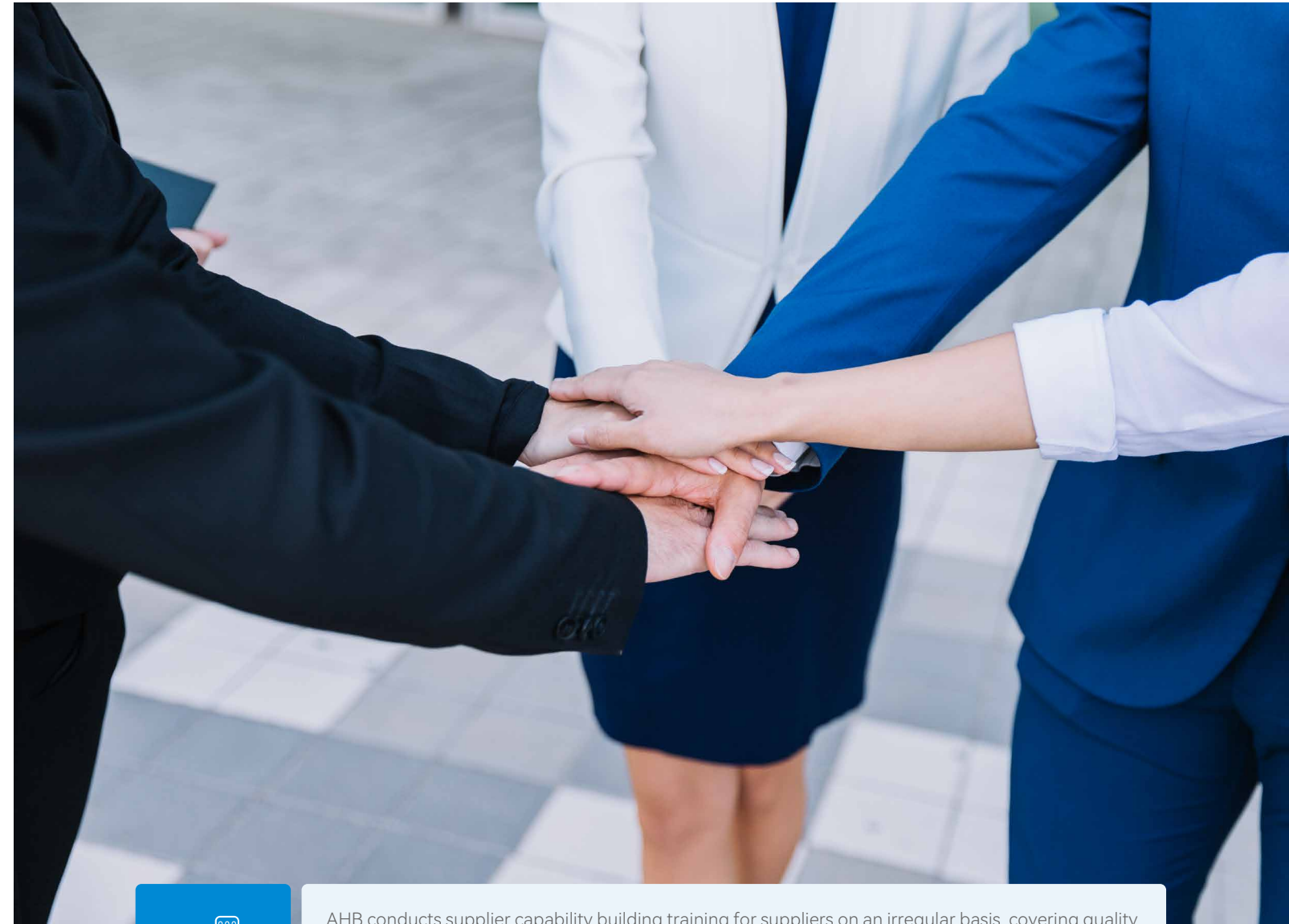
Supplier
Training

AHB conducts supplier capability building training for suppliers on an irregular basis, covering quality, business ethics, environment, labor, and human rights. We also continuously monitor the subsequent capability building and performance of suppliers, using these as reference dimensions for annual supplier evaluations. During the reporting period, 763 suppliers participated in improvement actions or capacity-building initiatives.



Supplier Integrity
Management

AHB is committed to maintaining a fair and ethical business environment. We sign the Supplier Integrity Cooperation Agreement and the Statement of Compliance with AHB Supplier Code of Conduct with our suppliers, clearly defining core requirements such as anti-bribery, anti-corruption, conflict of interest management, and data privacy protection. AHB has established a supply chain transparency mechanism, set up dedicated reporting channels, and implemented anonymous whistleblower protection and a strict confidentiality system. At the same time, AHB regularly conducts integrity supervision and audits of suppliers, promotes self-inspection, self-correction, and continuous improvement, and organizes integrity-themed briefings for suppliers to communicate integrity requirements, disseminate the code of conduct, and strengthen suppliers' compliance awareness.



● Sustainable Supply Chain

Based on supplier management, we deeply integrate the concept of sustainability into our collaborations, prioritizing environmentally friendly suppliers and products. We consistently uphold principles of human rights, labor rights, and social equity, ensuring that every worker in our supply chain enjoys fair treatment and a safe working environment. We strongly oppose the use of child labor or forced labor and consider it a key criterion for selecting suppliers. In 2025, we conducted child labor screenings for some of our suppliers, and no violations were identified. Additionally, AHB has established the AHB Supplier Code of Conduct, which sets comprehensive standards and imposes strict requirements on suppliers in areas such as quality, business ethics, environment, and human rights.

• Implementation Measures



Supplier Sustainability Requirements

AHB encourages suppliers to establish high standards of social responsibility, promoting continuous improvement in business ethics, environmental protection, and labor rights. To strengthen suppliers' awareness of social responsibility, we have clearly defined their obligations in the Procurement Contract through specific clauses, requiring them to appoint an independent social responsibility management representative to oversee the operation of the social responsibility system, ensuring it is not interfered with by other organizations.



Supplier Sustainability Investigation

To ensure that suppliers actively fulfill their ESG responsibilities, AHB follows the Supplier Sustainable Procurement Management Manual and conducts systematic sustainability surveys on suppliers using the Supplier Audit Checklist. The survey covers 13 assessment items (child labor, forced labor, discrimination, working hours and wages, business ethics, fire safety, chemical safety, equipment safety, dormitory and canteen, environmental protection, management system, and red line items), comprising over 100 checkpoints.

The Procurement Center implements the following procedures during supplier admission and annual periodic evaluations:

- Self-Assessment: New and key suppliers are required to complete a self-assessment form and submit relevant supporting documents.
- On-Site Audit: The category procurement lead conducts on-site evaluations and scoring for each item, with particular focus on basic human rights compliance and adherence to laws and regulations.
- Result Evaluation: Based on the comprehensive score (out of 100 points) and compliance with red line items, suppliers are classified into grades ranging from A+ to D.
- Rectification and Re-Evaluation: Suppliers rated B or C must complete rectification within a specified timeframe; suppliers rated D will have their business cooperation terminated.



Sustainable Raw Materials

We have strict requirements on the raw materials used by suppliers. Suppliers should ensure that the parts and materials supplied meet the environmental protection requirements in our purchasing data. We encourage suppliers to use environmentally friendly reusable or recyclable packaging materials as far as possible, and carry out REACH registration. Regarding conflict minerals management, we require our suppliers to conduct responsible sourcing due diligence for controlled minerals as defined by the RMI, including tungsten, tantalum, tin, gold, cobalt, and lithium, to ensure that the sources of raw materials are legal and compliant.



Local Procurement

We actively promote the localization of our supply chain, giving priority to sourcing raw materials and services from areas surrounding our production bases. During the reporting period, we had a total of 1,177 production and operation suppliers. Our total local procurement⁴ amount reached RMB 343 million, accounting for 79.05% of the total annual procurement amount.

⁴ Local procurement defined as procurement from suppliers registered in the same province as AHB.

● Digital Intelligence Supply Chain

AHB is accelerating the digital and information transformation, deeply integrating digital technologies with supply chain management to fully unlock digital value. AHB has launched the SRM (Supplier Relationship Management) system, injecting new momentum into supply chain management through digital means. During the reporting period, we continuously optimized system functions to enhance supply chain transparency and collaboration efficiency, achieving full-process digital coverage from supplier selection and cooperation management to performance evaluation. We are committed to building equal, fair, and mutually beneficial partnerships with suppliers. Leveraging the dual integration of automation and information technology, we have created a one-stop procurement platform that standardizes procurement processes, shortens procurement cycles, improves procurement efficiency, reduces procurement costs, comprehensively optimizes all aspects of supply chain management, and lowers communication costs with suppliers, driving the supply chain toward digital, intelligent, and efficient development.

Equal Treatment to SMEs

AHB treats SMEs equitably throughout the entire process of supply chain management and business collaboration, adhering to the principles of fairness, transparency, and openness in building an industrial ecosystem. In procurement and cooperation, we strictly follow market rules and uphold business ethics, implementing unified standards in access criteria, pricing mechanisms, and payment term management to protect the legitimate rights and interests of SMEs. During the reporting period, we continuously improved our cost control and revenue-expenditure management systems, and no overdue payments to SMEs occurred.

Focus on Partner Cooperation and Development

AHB is committed to deepening industry exchanges and cooperation, promoting the open sharing of technologies, resources, and knowledge, and working with global partners to foster a healthy and orderly industry ecosystem. We aim to accelerate scientific research and biotechnological innovation, continuously empowering the sustainable development of the industry.

Case

Anhui Provincial biomanufacturing Industry Alliance Officially Established, AHB Elected as the First Chairperson Unit



On September 12, 2025, the inaugural conference of the Anhui Provincial biomanufacturing Industry Alliance (hereinafter referred to as "the Alliance") was successfully held in Hefei, Anhui Province. With the mission of "integrating and optimizing industrial resources, strengthening industry-university-research collaborative innovation, breaking through key core technology bottlenecks, expanding application scenario development, and promoting green economic transformation", the Alliance has 41 founding member units covering the entire biomanufacturing industrial chain. The conference reviewed and approved the Alliance's charter, and unanimously elected AHB as the first Chairperson Unit. As the Chairperson Unit, AHB will lead the Alliance in playing a bridging and bonding role, promoting industrial collaborative innovation, and driving the high-end, intelligent, and green development of Anhui's biomanufacturing industry.

Case AHB Joined Anta Group's Sports Goods Industry Innovation Consortium

In November 2025, AHB joined the Sports Goods Industry Innovation Consortium led by Anta. As an innovative enterprise focusing on the development of bio-based new materials and committed to synthetic biology R&D, AHB will contribute advanced bio-based monomers and other materials and technologies to the Consortium. Through collaborative innovation with consortium members, AHB will help drive the sports goods industry toward high-end, green, and technology-enabled development, injecting new momentum into the Consortium's mission of "achieving industry breakthrough and fostering win-win partnerships".



Signing Ceremony for New Members of the Sports Goods Industry Innovation Consortium

Case Strategic Cooperation with Evonik to Expand the Global Animal Nutrition Market

AHB signed a Strategic Cooperation Memorandum with Evonik, a global chemical company, focusing on collaborative development in the field of animal nutrition and health. Leveraging AHB's advantages in synthetic biology technology and bio-based amino acid production capacity, combined with Evonik's industry experience and global marketing network, the two parties complement each other's strengths and integrate resources to jointly provide green bio-based amino acid products. This cooperation supports the low-carbon and sustainable development of the global animal nutrition and feed industry, and accelerates the global deployment of green biomanufacturing technologies.

• Exhibition Communication
Case PISC 2025 Forum

On March 18, 2025, AHB presented at the PISC Forum held in the United States. The forum brought together leading companies and industry leaders from the global feed and pet food ingredient sectors to discuss supply chain innovation, sustainable development, and industry frontier trends. As one of the pioneering companies in the synthetic biology field, AHB engaged in in-depth exchanges with international partners to promote innovative development of the global bioeconomy. Our participation not only demonstrated AHB's international influence but also provided an important opportunity for industry collaboration and technological advancement.

Case CPHI China 2025

In June 2025, at the CPHI China 2025 exhibition, AHB showcased its breakthrough applications in green manufacturing to global customers under the theme "Green Technology Empowering a New Industry Ecosystem". As a firm practitioner of sustainable development, we attracted significant attention at the exhibition with our "Triple Zero" strategy. Our booth not only presented technological achievements but also served as a platform for industry partners to discuss low-carbon transformation. During the exhibition, we engaged in in-depth discussions with customers on innovative applications of biomanufacturing technologies in pharmaceuticals, nutrition, materials, and other fields, further deepening their understanding of the full-chain quality control system and customized solution capabilities.



CPHI China 2025 Exhibition

Case PU China 2025

From September 3 to 5, 2025, the 21st China International Polyurethane Exhibition (PU China 2025) was grandly held at the Guangzhou Poly World Trade Center Expo. AHB made a remarkable appearance at the exhibition, showcasing its AH Synova™ bio-based monomer products (1,3-PDO, succinic acid, etc.), providing high-quality raw materials and sustainable innovation solutions for application areas such as sustainable chemicals, bio-based materials, and pharmaceutical intermediates, and demonstrating to global customers the innovative practices of bio-based materials in carbon reduction and emission mitigation.



The 21st China International Polyurethane Exhibition

Case AHB Showcased Four Scenario-Based Solutions at Sports Nutrition Innovation Conference

From December 18 to 19, 2025, the 3rd Sports, Nutrition Food Technology and Application Innovation Conference was held in Shanghai. AHB made a prominent appearance with the BIOSCENTIST™ series of innovative applications. Driven by scenario-based needs, AHB launched four core nutrition solutions, injecting technological momentum into the sports nutrition industry.



The 3rd Sports, Nutrition Food Technology and Application Innovation Conference

Contribute to Social Welfare

In 2025, AHB continues to regard social welfare initiatives as a core part of our corporate culture. While achieving steady business operations and creating sustained economic value, we deeply integrate social responsibility into our development strategy, proactively building mutually trusting and cooperative partnerships with the communities in which we operate. We fulfill our corporate social responsibilities through concrete actions. By actively initiating and deeply participating in various charitable and public welfare activities, we are committed to local social causes, striving to give back to society and promote regional sustainable development, thereby realizing a true win-win situation for AHB and society. We firmly believe that every small effort will eventually converge into a positive force for social change, and AHB is always dedicated to being a steadfast practitioner of this force.

Charitable Initiatives

AHB actively engages in charitable and public welfare activities, paying close attention to and supporting vulnerable groups in society. AHB proactively makes donations and provides assistance to multiple public welfare institutions, schools, and disaster relief organizations, thereby supporting educational development, community livelihood improvement, and emergency disaster response through concrete actions, fulfilling our social responsibilities. During the reporting period, AHB donated a total of RMB 1.97 million to organizations including the Anhui University Education Foundation, Inner Mongolia Hanggin Rear Banner Fendou Middle School, Beijing Sunshine Health Foundation, Hefei Women and Children Care and Love Foundation, China Nationality Culture Foundation, Hefei Women's Federation, Anhui Sino-German Education Cooperation Foundation, and the Red Cross (for flood prevention and relief efforts). We firmly believe that every act of kindness and every effort will converge into a force that makes society warmer and better.

Community Building

As a technology-driven enterprise rooted in the regional economy, AHB has established a community co-building and sharing mechanism. Through industrial spillover effects, we continuously expand the supply of job opportunities, particularly by cultivating new technical occupations in the biomanufacturing sector, helping to create a "happiness employment circle" right at the doorsteps of local residents. Guided by the principle of full life-cycle carbon management, we integrate cleaner production and circular economy concepts into every aspect of our operations, and work with local governments to explore a development path that harmonizes industrial ecologicalization and ecological industrialization, providing a replicable low-carbon solution for achieving regional Dual Carbon Goals.

Upholding the value of "technology for good", AHB has established a systematic public science education system, offering free regular public lectures on safety, health, and first aid, as well as seminars on synthetic biology. This two-way empowering corporate social responsibility practice not only strengthens the foundation for our sustainable development but also helps build a new type of industry-agriculture, urban-rural relationship characterized by "thriving industries, sound ecosystems and prosperous residents". Under the ESG governance framework, AHB writes a new chapter of responsibility for private enterprises in the new era.

Appendix

Laws and Regulations

Dimension	Applicable Laws
Governance	Civil Code of the People's Republic of China
	Company Law of the People's Republic of China
	Securities Law of the People's Republic of China
	Accounting Law of the People's Republic of China
	Criminal Law of the People's Republic of China
	Anti-Monopoly Law of the People's Republic of China
	Anti-Unfair Competition Law of the People's Republic of China
	Law of the People's Republic of China on the Preservation of State Secrets
	Basic Standards for Internal Control of Enterprises
	Data Security Law of the People's Republic of China
	Cybersecurity Law of the People's Republic of China
	U.S. Foreign Corrupt Practices Act (FCPA)
	U.S. Federal Trade Commission Act
	U.S. Data Protection Act
	EU General Data Protection Regulation (GDPR)
Environmental	Law of the People's Republic of China on the Promotion of Cleaner Production
	Environmental Protection Law of the People's Republic of China
	Law of the People's Republic of China on Environmental Impact Assessment
	Law of the People's Republic of China on Prevention and Control of Water Pollution
	Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution
	Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste

Dimension	Applicable Laws
Environmental	Law of the People's Republic of China on Prevention and Control of Soil Pollution
	Law of the People's Republic of China on Prevention and Control of Noise Pollution
	Regulations on the Safety Management of Hazardous Chemicals
	Law of the People's Republic of China on Energy Conservation
Social	Biosecurity Law of the People's Republic of China
	Production Safety Law of the People's Republic of China
	Emergency Response Law of the People's Republic of China
	Copyright Law of the People's Republic of China
	Advertising Law of the People's Republic of China
	Fire Protection Law of the People's Republic of China
	Law of the People's Republic of China on Tenders and Bids
	Labour Law of the People's Republic of China
	Labour Contract Law of the People's Republic of China
	Employment Promotion Law of the People's Republic of China
	Social Insurance Law of the People's Republic of China
	Special Provisions on Labor Protection of Female Employees
	Law of the People's Republic of China on the Protection of Minors
	Law of the People's Republic of China on the Prevention and Control of Occupational Diseases
	Law of the People's Republic of China on Donations for Public Welfare

ESG Key Performance Indicators

• Governance Performance

Indicators	Unit	2025
Corporate Governance		
Number of Shareholders' Meetings held	times	5
Number of Proposals deliberated at Shareholders' Meetings	items	29
Number of Board of Directors Meetings held	times	9
Number of Proposals deliberated at Board of Directors Meetings	items	68
Total number of whistleblowing reports received	times	0
Anti-Bribery and Anti-Corruption		
Corruption risk assessment coverage of operational sites	%	100
Corruption incidents	cases	0
Timely rate of reported complaints	%	100
Anti-corruption training hours	hours	1,815
Percentage of directors trained on anti-corruption competition	%	100
Percentage of management trained on anti-corruption competition	%	100
Percentage of general employees trained on anti-corruption competition	%	86
Coverage rate of worksites/departments under business ethics risk assessment	%	100
Coverage rate of worksites/departments in business ethics internal audit	%	100
Anti-Unfair Competition		
Amount of lawsuits and major administrative penalties related to unfair competition	million RMB	0
Total hours of anti-unfair competition training	hours	1,815
Percentage of directors trained on anti-unfair competition	%	100
Percentage of management trained on anti-unfair competition	%	100
Percentage of general employees trained on anti-unfair competition	%	86

• Environmental Performance

Indicators	Unit	2025
Environmental Compliance Management		
Environmental investment	million RMB	37.28
Amount of major administrative penalties imposed by ecological and environmental authorities due to environmental incidents	million RMB	0
Percentage of employees trained on specific environmental issues	%	88
Percentage of operational sites with specific environmental risk assessments	%	100
Percentage of operational sites with ISO 50001 Energy Management System Certification	%	60
Percentage of operational sites with ISO 14001 Environmental Management Systems Certification	%	100
Response to Climate Change		
Percentage covered under emissionslimiting regulations	%	0
Scope 1 GHG emissions	tCO ₂ e	293,122.36
Scope 2 GHG emissions	tCO ₂ e	205,141.94
Total GHG emissions	tCO ₂ e	498,264.30
GHG emission intensity	tCO ₂ e / million RMB revenue	174.11
Energy Utilization		
Coal	tons	162,364.03
Natural gas	m ³	2,750,924.00
Liquefied petroleum gas	tons	15.06
Diesel	liters	158,667.49
Gasoline	liters	33,367.10
Biomass fuel	tons	46,559.16
Purchased electricity (non-renewable energy)	MWh	322,450.18
Purchased electricity (renewable energy)	MWh	176,339.54
Self-used on-site green power	MWh	3,049.66
Steam	GJ	78,897.35

Indicators	Unit	2025
Total direct energy consumption	tce	146,481.12
Total indirect energy consumption	tce	64,368.04
Total comprehensive energy consumption	tce	210,849.16
Comprehensive energy consumption intensity	tce / million RMB revenue	73.68
Percentage of grid-purchased electricity in total electricity consumption	%	29.07
Total self-generated electricity	MWh	3,049.66
Clean energy consumption	tce	52,290.94
Percentage of renewable energy consumption	%	23.06
Water Utilization		
Total water withdrawal	million liters	4,764.29
Percentage of water withdrawal in high or extremely high baseline water stress	%	100
Total water consumption	million liters	350.36
Percentage of water consumption in high or extremely high baseline water stress	%	100
Water consumption intensity ⁵	million liters / million RMB revenue	0.12
Pollutant Emissions		
Waste Gas		
Nitrogen oxides (NOX)	tons	159.87
Sulfur oxides (SOX)	tons	128.42
Particulate matter (PM)	tons	75.67
Volatile organic compounds (VOCs)	tons	8.63
Hazardous air pollutants (HAPs)	tons	1.70
• Hydrogen sulfide	tons	1.56
• Mercury and its compounds	tons	0.14
Wastewater		
Total wastewater discharge	million liters	4,413.93
Wastewater discharge intensity	million liters / million RMB revenue	1.54
Total discharge of pollutants in water	tons	576.94
Chemical oxygen demand (COD)	tons	336.58

Indicators	Unit	2025
Total nitrogen (TN)	tons	90.95
Total phosphorus (TP)	tons	10.90
Ammonia nitrogen (NH ₃ -N)	tons	9.99
Biochemical oxygen demand (BOD ₅)	tons	128.51
Waste Management		
Hazardous Waste		
Total amount of hazardous waste discharge	tons	62.68
Hazardous waste discharge intensity	tons / million RMB revenue	0.02
Percentage of hazardous waste recycled	%	0.00
• Waste transferred from disposal (recycle)	tons	0.00
• Waste for direct disposal (incineration, with energy recovery)	tons	0.00
• Waste for direct disposal (incineration, without energy recovery)	tons	62.68
• Waste for direct disposed (landfill)	tons	0.00
• Waste for direct disposed (other operations)	tons	0.00
Non-hazardous Waste		
Total amount of non-hazardous waste discharge	tons	95,715.64
Non-hazardous waste discharge intensity	tons / million RMB revenue	33.45
• Waste transferred from disposal (recycle)	tons	6,445.44
• Waste for direct disposal (incineration, with energy recovery)	tons	0.00
• Waste for direct disposal (incineration, without energy recovery)	tons	3,405.59
• Waste for direct disposal (landfill)	tons	10,669.99
• Waste for direct disposal (other operations)	tons	75,194.62
Circular Economy		
Volume of waste recycled and reused	tons	6,445.44
Proportion of waste recycled and reused	%	6.73

⁵ The accounting scope for water consumption intensity has been adjusted compared with last year. Water consumption intensity = total water consumption / revenue per million RMB.

• Social Performance

Indicators	Unit	2025
Employee Rights Protection		
Total employees	persons	2,252
• Male employees	persons	1,641
• Female employees	persons	611
• Management team (Grade 5 and above)	persons	160
• Intermediate professionals (Grade 4)	persons	270
• Junior professionals (Grade 1-3)	persons	1,822
• Employees aged ≤30	persons	754
• Employees aged 31-49	persons	1,442
• Employees aged ≥50	persons	56
• Employees in China (incl. Hong Kong, Macao, Taiwan)	persons	2,246
• Employees in other countries	persons	6
• Han ethnicity employees	persons	2,043
• Other ethnic groups employees	persons	209
Local management recruitment ratio	%	53
Female ratio in management	%	27
Labor contract signing rate	%	100
Social insurance coverage rate	%	100
Demobilized personnel	persons	67
New hires	persons	531
• New male hires	persons	378
• New female hires	persons	153
• New hires aged ≤30	persons	277
• New hires aged 31-49	persons	249
• New hires aged ≥50	persons	5
Employee turnover rate	%	11.57
Employees eligible for parental leave	persons	137
Employees took parental leave	persons	137
Employees returned to work after taking parental leave	persons	137

Indicators	Unit	2025
Employee Training and Talent Development		
Total annual training expenditures	million RMB	2.66
Average training expenditure per employee	RMB	1,200
Total number of employees trained	persons	2,252
Employee training coverage rate	%	100
• Number of male employees trained	persons	1,641
• Number of female employees trained	persons	611
• Number of management team (Grade 5 and above) trained	persons	160
• Number of intermediate professionals (Grade 4) trained	persons	270
• NumTotal employee training hours	persons	1,822
Total employee training hours	hours	241,010
• Total training hours for male employees	hours	205,742
• Total training hours for female employees	hours	35,268
• Total training hours for management team (Grade 5 and above)	hours	19,840
• Total training hours for intermediate professionals (Grade 4)	hours	37,726
• Total training hours for junior professionals (Grade 1-3)	hours	183,443
Average training hours per employee	hours	107.02
• Average training hours per male employee	hours	125.38
• Average training hours per female employee	hours	57.72
• Average training hours per management team (Grade 5 and above)	hours	124.00
• Average training hours per intermediate professionals (Grade 4)	hours	139.73
• Average training hours per junior professionals (Grade 1-3)	hours	100.68
Total number of employees under performance and career development assessment	persons	2,252
Percentage of employees under performance and career development assessment	%	100
Number of male employees under performance and career development assessment	persons	1,641
Number of female employees under performance and career development assessment	persons	611
Employees aged ≤30 under performance and career development assessment	persons	754
Employees aged 31-49 under performance and career development assessment	persons	1,442
Employees aged ≥50 under performance and career development assessment	persons	56

Indicators	Unit	2025
Percentage of employees trained on diversity, discrimination and harassment	%	100
Percentage of operational sites with human rights impact and risk assessment conducted	%	100
Percentage of operational sites with ISO 45001 Occupational Health and Safety Management System Certification	%	100
Number of occurrences of child labour employment	times	0
Employee Health and Safety		
Workplace safety investment amount	million RMB	5.43
Total number of safety training sessions	times	556
Total safety training hours	hours	32,102
Number of work-related fatalities	persons	0
Number of occupational health examinations	persons	1,273
Coverage rate of occupational health examinations	%	100
Percentage of operational sites with health & safety risk assessments	%	100
Lost time serious incident rate	%	0
Total recordable incident rate (TRIR)	%	0.86
Process Safety Incidents Count (PSIC)	cases	2
Process Safety Incident Severity Rate (PSISR)	%	0.09
Safety and Quality of Products and Services		
Incidents of non-compliance concerning the quality and safety impacts of products and services	cases	0
Number of products recalled for quality and safety reasons	pieces	0
Number of complaints due to quality and safety reasons	times	27
Rate of quality complaints	%	1.18
First-pass yield rate	%	97.27
Food safety incidents	cases	0
Transportation incidents	cases	0
Critical Control Points (CCP) monitoring effectiveness rate	%	100
Incidents of non-compliance concerning product and service information and labeling	times	0
Incidents of non-compliance concerning marketing communications	times	0
Percentage of products by revenue that contain genetically modified organisms (GMOs)	%	0

Indicators	Unit	2025
Innovation-Driveny		
Total R&D investment	million RMB	151.20
Ratio of R&D investment to main business revenue	%	5.28
Number of R&D employees	persons	285
Ratio of R&D personnel to total company employees	%	12.66
Total valid patents	items	310
• Invention patents	items	100
• Utility model patents	items	88
• Others ⁶	items	122
Supply Chain Security⁷		
Total number of suppliers	/	1,177
Total procurement from local Suppliers	million RMB	343
Local supplier procurement ratio	%	79.05
Number of target suppliers ⁸ signed to Supplier Code of Conduct	/	820
Percentage of target suppliers signed the Supplier Code of Conduct	%	69.67
Number of target suppliers assessed for Corporate Social Responsibility (CSR)	/	763
Percentage of target suppliers assessed for CSR	%	64.83
Number of suppliers with on-site CSR audits	/	103
Percentage of suppliers with on-site CSR audits	%	8.75
Number of suppliers with environmental, labor and human rights contract clauses	/	820
Percentage of suppliers with environmental, labor and human rights contract clauses	%	70
Number of suppliers trained in ESG/sustainability	/	763
Percentage of Suppliers trained in ESG/sustainability	%	65
Number of procurement employees	persons	30
Number of procurement employees trained on sustainable procurement	persons	30
Percentage of procurement employees trained on sustainable procurement	%	100

⁶ "Others" refers to the number of trademarks and other rights acquired by AHB.
⁷ The statistical scope of all suppliers is defined as the number of production and operation suppliers.
⁸ Target suppliers refer to qualified production and operation suppliers.

Indicators	Unit	2025
Data Security and Customer Privacy Protection		
Coverage percentage of worksites/departments under information security risk assessment	%	100
Coverage percentage of worksites/departments via internal information security audit	%	100
Percentage of operating sites certified with the ISO 27001 Information Security Management System	%	100
Number of verified information security incidents	cases	0
Number of information security training sessions conducted	times	4
Number of employees trained in information security	persons	1,339
Social Contribution		
Total amount of charitable donations	million RMB	1.97

Content Index

• Index Based on the SSE Guidelines No.14

Dimension	SSE Topic	Corresponding Chapter
Environment	Response to Climate Change	Implement Climate Action
	Pollutant Emissions	Protect Ecological Balance
	Waste Disposal	Protect Ecological Balance
	Ecosystem and Biodiversity Protection	Protect Ecological Balance
	Environmental Compliance Management	Protect Ecological Balance
	Energy Utilization	Optimize Resource Recycling
	Water Utilization	Optimize Resource Recycling
	Circular Economy	Optimize Resource Recycling
	Rural Revitalization	No relevant special initiatives during the reporting period; all charitable donations are consolidated and disclosed in the Contribute to Social Welfare chapter
Society	Social Contribution	Contribute to Social Welfare
	Innovation-Driven	Promote Research and Innovation
	Ethics of Science and Technology	Promote Research and Innovation
	Supply Chain Security	Foster Collaborative Success with Partners
	Equal Treatment to SMEs	Foster Collaborative Success with Partners
	Safety and Quality of Products and Services	Ensure Product Safety
	Data Security and Customer Privacy Protection	Enhance Compliance Code
	Employees	Gather Enterprising Talents
Governance	Due Diligence	Enhance Compliance Code
	Stakeholder Communication	ESG Development Strategy
	Anti-Bribery and Anti-Corruption	Adhere to Business Ethics
	Anti-Unfair Competition	Adhere to Business Ethics

• GRI Content Index

Statement of use: AHB has reported in accordance with the GRI Standards for the period from 1 January 2025 to 31 December 2025.

Statement of use: AHB has prepared this report with reference to the Global Reporting Initiative (GRI) Sustainability reporting

GRI Disclosure Title	Corresponding Chapter
GRI 2: General Disclosures 2021	
2-1 Organizational details	About this Report, About AHB
2-2 Entities included in the organization's sustainability reporting	About this Report
2-3 Reporting period, frequency and contact point	About this Report
2-4 Restatements of information	ESG Key Performance Indicators
2-5 External assurance	Assurance Statement
2-6 Activities, value chain and other business relationships	Foster Collaborative Success with Partners
2-7 Employees	Gather Enterprising Talents
2-9 Governance structure and composition	Strengthen Standardized Governance
2-10 Nomination and selection of the highest governance body	Strengthen Standardized Governance
2-11 Chair of the highest governance body	Strengthen Standardized Governance
2-12 Role of the highest governance body in overseeing the manage-ment of impacts	ESG Development Strategy, Strengthen Standardized Governance
2-13 Delegation of responsibility for managing impacts	Enhance Compliance Code
2-14 Role of the highest governance body in sustainability reporting	ESG Development Strategy
2-16 Communication of critical concerns	ESG Development Strategy
2-18 Evaluation of the performance of the highest governance body	Please refer to the Annual Report
2-19 Remuneration policies	Please refer to the Annual Report
2-20 Process to determine remuneration	Please refer to the Annual Report
2-22 Statement on sustainable development strategy	Message from the Management, ESG Development Strategy
2-27 Compliance with laws and regulations	Laws and Regulations
2-29 Approach to stakeholder engagement	ESG Development Strategy
2-30 Collective bargaining agreements	Gather Enterprising Talents
GRI 3: Material Topics 2021	
3-1 Process to determine material topics	ESG Development Strategy
3-2 List of material topics	ESG Development Strategy
3-3 Management of material topics	ESG Development Strategy

GRI Disclosure Title	Corresponding Chapter
GRI 101: Biodiversity 2024	
101-2 Management of biodiversity impacts	Protect Ecological Balance
GRI 201: Economic Performance 2016	
201-1 Direct economic value generated and distributed	Please refer to the Annual Report
201-2 Financial implications and other risks and opportunities due to climate change	Implement Climate Action
201-3 Defined benefit plan obligations and other retirement plans	Gather Enterprising Talents
GRI 204: Procurement Practices 2016	
204-1 Proportion of spending on local suppliers	Foster Collaborative Success with Partners
GRI 205: Anti-Corruption 2016	
205-1 Operations assessed for risks related to corruption	Adhere to Business Ethics
205-2 Communication and training about anti-corruption policies and procedures	Adhere to Business Ethics
205-3 Confirmed incidents of corruption and actions taken	Adhere to Business Ethics
GRI 302: Energy 2016	
302-1 Energy consumption within the organization	Optimize Resource Recycling
302-3 Energy intensity	Optimize Resource Recycling
302-4 Reduction of energy consumption	Optimize Resource Recycling
302-5 Reductions in energy requirements of products and services	Optimize Resource Recycling
GRI 303: Water and Effluents 2018	
303-1 Interactions with water as a shared resource	Optimize Resource Recycling
303-2 Management of water discharge-related impacts	Optimize Resource Recycling
303-3 Water withdrawal	Optimize Resource Recycling
303-4 Water discharge	Protect Ecological Balance
303-5 Water consumption	Optimize Resource Recycling

GRI Disclosure Title	Corresponding Chapter
GRI 305: Emissions 2016	
305-1 Direct (Scope 1) GHG emissions	Implement Climate Action
305-2 Energy indirect (Scope 2) GHG emissions	Implement Climate Action
305-4 GHG emissions intensity	Implement Climate Action
305-5 Reduction of GHG emissions	Implement Climate Action
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Protect Ecological Balance
GRI 306: Waste 2020	
306-1 Waste generation and significant waste-related impacts	Protect Ecological Balance
306-2 Management of significant waste-related impacts	Protect Ecological Balance
306-3 Waste generated	Protect Ecological Balance
306-4 Waste diverted from disposal	Protect Ecological Balance
306-5 Waste directed to disposal	Protect Ecological Balance
GRI 308: Supplier Environmental Assessment 2016	
308-2 Negative environmental impacts in the supply chain and actions taken	Foster Collaborative Success with Partners
GRI 401: Employment 2016	
401-1 New employee hires and employee turnover	Gather Enterprising Talents
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Gather Enterprising Talents
401-3 Parental leave	Gather Enterprising Talents
GRI 403: Occupational Health and Safety 2018	
403-1 Occupational health and safety management system	Gather Enterprising Talents
403-2 Hazard identification, risk assessment, and incident investigation	Gather Enterprising Talents
403-3 Occupational health services	Gather Enterprising Talents
403-4 Worker participation, consultation, and communication on occupational health and safety	Gather Enterprising Talents
403-5 Worker training on occupational health and safety	Gather Enterprising Talents
403-6 Promotion of worker health	Gather Enterprising Talents
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Gather Enterprising Talents
403-8 Workers covered by an occupational health and safety management system	Gather Enterprising Talents

GRI Disclosure Title	Corresponding Chapter
403-9 Work-related injuries	Gather Enterprising Talents
403-10 Work-related ill health	Gather Enterprising Talents
GRI 404: Training and Education 2016	
404-1 Average hours of training per year per employee	Gather Enterprising Talents
404-2 Programs for upgrading employee skills and transition assistance programs	Gather Enterprising Talents
404-3 Percentage of employees receiving regular performance and career development reviews	Gather Enterprising Talents
GRI 405: Diversity and Equal Opportunity 2016	
405-1 Diversity of governance bodies and employees	Strengthen Standardized Governance, Gather Enterprising Talents
GRI 408: Child Labor 2016	
408-1 Operations and suppliers at significant risk for incidents of child labor	Gather Enterprising Talents, ESG Key Performance Indicators
GRI 409: Forced or Compulsory Labor 2016	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Gather Enterprising Talents
GRI 414: Supplier Social Assessment 2016	
414-2 Negative social impacts in the supply chain and actions taken	Foster Collaborative Success with Partners
GRI 416: Customer Health and Safety 2016	
416-1 Assessment of the health and safety impacts of product and service categories	Ensure Product Safety
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Ensure Product Safety
GRI 417: Marketing and Labeling 2016	
417-1 Requirements for product and service information and labeling	Ensure Product Safety
417-2 Incidents of non-compliance concerning product and service information and labeling	Ensure Product Safety
417-3 Incidents of non-compliance concerning marketing communications	Ensure Product Safety
GRI 418: Customer Privacy 2016	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Enhance Compliance Code

• Sustainability Accounting Standards Board (SASB) Standards Content Index

Topic	Metric	Code	Corresponding Chapter
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	RT-CH-110a.1	Implement Climate Action, Protect Ecological Balance, ESG Key Performance Indicators
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CH-110a.2	
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	RT-CH-120a.1	Protect Ecological Balance, ESG Key Performance Indicators
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable and (4) total self-generated energy	RT-CH-130a.1	Optimize Resource Recycling, ESG Key Performance Indicators
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CH-140a.1	Optimize Resource Recycling, ESG Key Performance Indicators
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	RT-CH-140a.2	Protect Ecological Balance
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	Optimize Resource Recycling, Prioritize Sustainable Products
Hazardous Waste Management	(1) Amount of hazardous waste generated, (2) percentage recycled	RT-CH-150a.1	Protect Ecological Balance, ESG Key Performance Indicators
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	ESG Development Strategy, Protect Ecological Balance, Gather Enterprising Talents, Contribute to Social Welfare

Topic	Indicators	Code	Corresponding Chapter
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	RT-CH-320a.1	ESG Key Performance Indicators
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	Gather Enterprising Talents
Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency ⁹	RT-CH-410a.1	No relevant numbers
Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonised System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	RT-CH-410b.1	Prioritize Sustainable Products
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human or environmental impact	RT-CH-410b.2	Protect Ecological Balance, Prioritize Sustainable Products
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	RT-CH-410c.1	ESG Key Performance Indicators
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	Message from the Management, Protect Ecological Balance
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	RT-CH-540a.1	ESG Key Performance Indicators
	Number of transport incidents	RT-CH-540a.2	ESG Key Performance Indicators
Activity Metric	Production by reportable segment	RT-CH-000.A	For details, please refer to the Production and Sales Volume Analysis Table in the annual report.

⁹ As of the end of the reporting period, the statistical calibers for relevant indicators remain a work in progress and are not yet aligned to a reportable standard.

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ASSURANCE STATEMENT

REPORT ON SUSTAINABILITY ACTIVITIES IN THE ANHUI HUAHENG BIOTECHNOLOGY CO., LTD.'S ESG REPORT FOR 2025

NATURE OF THE ASSURANCE/VERIFICATION

SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as SGS-CSTC) was commissioned by Anhui Huaheng Biotechnology Co., Ltd. (hereinafter referred to as Huaheng Biotechnology) to conduct an independent assurance of the ESG Report for 2025 (Chinese version) for the period of January 1, 2025 to December 31, 2025.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Huaheng Biotechnology's Stakeholders.

RESPONSIBILITIES

The sustainability information in the ESG Report for 2025 and its presentation are the responsibility of Huaheng Biotechnology's ESG governing body and the management. SGS-CSTC has not been involved in the preparation of any of the material included in the ESG Report for 2025.

Our responsibility is to express an opinion on the sustainability performance information within the scope of assurance based upon sufficient and appropriate objective evidence.

SGS-CSTC hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS Group ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the ISAE 3000.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard	Level of Assurance
ISAE 3000	Limited

SCOPE OF ASSURANCE

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed in the Huaheng Biotechnology's ESG Report for 2025 and evaluation of adherence to the following reporting criteria:

Reporting Criteria
GRI Standards 2021 (With Reference to)
SASB CHEMICALS INDUSTRY Sustainability Accounting Standard (VERSION 2023-12)

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees on-site at No. 197, Chang'an Road, Baiyan Science and Technology Park, High-tech Zone, Feixi County, Hefei City, Anhui Province, China, including documentation and record review and validation where relevant. This assurance engagement was restricted to the group level of Huaheng Biotechnology and did not include traceability of all original data from subordinate institutions.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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LIMITATIONS AND MITIGATION

Data drawn directly from independently audited financial accounts and intensity data calculated based on financial data has not been checked back to source as part of this assurance process.

The greenhouse gas emission related data in the ESG Report for 2025 has been directly adopted from the independent third party verification data and has not been double verified in this audit.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. As an affiliate of SGS Group, SGS-CSTC affirm our independence from Huaheng Biotechnology, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the assurance engagement performed, no inaccuracies or reliability issues were identified within the scope of the sustainability performance information covered by the Huaheng Biotechnology's ESG Report for 2025.

ADHERENCE TO GRI STANDARDS 2021

The assurance team concludes that the Huaheng Biotechnology's ESG Report for 2025 has been prepared with reference to the requirements of GRI Standards 2021.

ADHERENCE TO SASB INDUSTRY SUSTAINABILITY ACCOUNTING STANDARD

The assurance team concludes that the Huaheng Biotechnology's ESG Report for 2025 has been prepared in accordance with the requirements of SASB CHEMICALS INDUSTRY Sustainability Accounting Standard (VERSION 2023-12).

Signed:



For and on behalf of SGS-CSTC

David Xin
Sr. Director – Business Assurance
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China

Jun. 16th, 2026
WWW.SGS.COM



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