CATHAY
INDUSTRIAL BIOTECH

Cathay Biotech

2025 Environmental, Social and Governance & Sustainability Report



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Report Preparation

Report Description

This Cathay Biotech 2025 Sustainability Report is the first sustainability report (hereinafter referred to as "this Report") published by Cathay Biotech Inc., following four consecutive years of corporate social responsibility reports. It presents the sustainability concepts, management practices and performance of Cathay and its subsidiaries in 2025, focusing on the Company's environmental, social and governance (ESG) performance.

This Report is the first report issued in compliance with the Shanghai Stock Exchange Listed Company Self-Regulatory Guideline No. 14 - Sustainability Report (Trial), with disclosed data based on the 2025 fiscal year.

Reporting Scope

This Report covers Cathay Biotech Inc. and its subsidiaries, primarily including:

- Cathay (Jinxiang) Biomaterial Co., Ltd.
- Cathay (Wusu) Biomaterial Co., Ltd.
- Cathay (Wusu) Biotechnology Co., Ltd.
- Horizon (Taiyuan) Biomaterial Co., Ltd.
- Cathay (Taiyuan) Biomaterial Co., Ltd.
- Cathay (Taiyuan) Biotechnology Co., Ltd.
- Cathay (Taiyuan) Bioscience and Technology Co., Ltd.
- Shanxi Synthetic Biology Institute Co.,Ltd.
- Cathay (Shanghai) Science and Biotechnology Co., Ltd.
- Cathay (Hong Kong) Biomaterial Co., Ltd.
- Anhui HeXian Biomaterial Co., Ltd

The reporting period is January 1 to December 31, 2025. Certain content may extend beyond this scope.

Basis of Preparation

This Report has been prepared in accordance with Shanghai Stock Exchange STAR Market Stock Listing Rules, SSE STAR Market Listed Company Self-Regulatory Guideline No. 1 - Standardized Operation, Shanghai Stock Exchange Listed Company Self-Regulatory Guidelines No. 14 - Sustainability Report (Trial) and other applicable regulatory documents. It also references the GRI Sustainability Reporting Standards published by the Global Sustainability Standards Board (GSSB) and the United Nations Sustainable Development Goals (UN SDGs), taking into account the Company's industry characteristics and actual situation during the reporting period.

Reporting Principles

This Report follows the principles below:

Materiality

In line with the double materiality approach defined in the Shanghai Stock Exchange Listed Company Self-Regulatory Guidelines No. 14 - Sustainability Report (Trial), the Company identifies ESG factors of concern to stakeholders through communication and surveys with internal and external stakeholders, thereby determining the scope of reporting topics.

Balance

The Report presents information objectively, avoiding selective disclosure or biased statements.

Accuracy

All qualitative and quantitative information is sourced from Cathay's public disclosures, internal documents, and statistics, with explained measurement or calculation bases.

Consistency

Statistical methods are consistent with prior years. Any changes to methods, KPIs or other factors affecting comparability are clearly noted. All monetary amounts are in RMB unless otherwise stated.

Reference

For ease of presentation, the following abbreviations are used in the report.

Cathay Biotech, Cathay, the Company, We	Cathay Biotech Inc.
Shanghai Technology	Cathay (Shanghai) Science and Biotechnology Co., Ltd
Cathay Shanghai	The combined name of Cathay Biotech Inc. and Shanghai Technology
Cathay Jinxiang	Cathay (Jinxiang) Biomaterial Co., Ltd.
Wusu Biomaterial	Cathay (Wusu) Biomaterial Co., Ltd.
Wusu Biotechnology	Cathay (Wusu) Biotechnology Co., Ltd.
Cathay Wusu	The combined name of Wusu Biomaterial and Wusu Biotechnology
Cathay Taiyuan	Horizon (Taiyuan) Biomaterial Co., Ltd Cathay (Taiyuan) Biomaterial Co., Ltd. Cathay (Taiyuan) Biotechnology Co., Ltd Cathay (Taiyuan) Bioscience and Technology Co., Ltd Shanxi Synthetic Biology Institute Co.,Ltd.
Anhui HeXian	Anhui HeXian Biomaterial Co., Ltd.
LCDA	Long-chain dicarboxylic acid
PDA	Pentamethylenediamine
Bio-PPA CFRT	Bio-based Polyamide Continuous Fiber Reinforced Thermoplastic
SSE	Shanghai Stock Exchange
CSRC	China Securities Regulatory Commission

Report Preparation Process

PROJECT APPROVAL → MATERIAL COLLECTION → DRAFTING AND REVISION → REVIEW BY SENIOR MANAGEMENT → REVIEW BY THE BOARD → EXTERNAL DISCLOSURE

The Report is prepared based on the Company's corporate social responsibility practices, following the process of "project approval - material collection - drafting and revision - review by senior management - review by the Board- external disclosure." During the project approval and drafting stages, the Company actively communicates with relevant stakeholders to study and determine the report framework and content.

Report Release

The electronic version of the Report is available on the Shanghai Stock Exchange website (www.sse.com.cn) and Cathay's official website(www.cathaybiotech.com). This Report is written and published in Chinese, with an English version provided. In case of any inconsistency between different language versions, the Chinese version shall prevail.

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Message from the Chairman

In 2025, we accelerated our bio-manufacturing capabilities and further strengthened our competitive position.

In the core product area, the annual production and sales of our bio-manufactured long-chain dicarboxylic acids surpassed 100,000 tons for the first time, while our bio-based piperidine product has taken a leading position in China. The bio-based polyamide modification production line in Hefei High-tech Zone was partially completed, and the bio-based polyamide composite production line in joint venture with China Merchants Innovation and Technology, Hefei Industry Investment, as well as the battery case production line in joint venture with Puquan Capital's investment platform and Hangzhou Coleitec Composites Technology Co.,Ltd., have all entered the equipment commissioning stage. These key advances have further solidified the Company's scale competitiveness in the synthetic bio-manufacturing field.

We have worked closely with downstream partners to jointly promote the development of downstream applications and industrial layout of bio-based materials, including: establishing a new materials industry innovation joint laboratory with China Merchants Highway and China Merchants Transport; and reaching strategic cooperation agreements with China Merchants Leasing and a leading new energy company.

Our sustained competitiveness relies on strong R&D capabilities. We continue to upgrade our full-industry-chain R&D and industrialization high-throughput system for bio-based materials, developing new products such as novel bio-manufactured long-chain dicarboxylic acid varieties and their derived high-performance bio-based materials, non-grain crop value-added products, and new large-scale potential application scenarios for composite materials, continuously enriching our product matrix. At the same time, we are strengthening the construction of an AI-empowered high-throughput R&D platform.

By forming an internal professional AI team and increasing our equity stake in "MolecularMind", we are accumulating greater energy in the field of AI-empowered synthetic bio-manufacturing.

On the capital side, China Merchants Group's nearly RMB 6 billion private placement has been completed. Supported by stable sales profit, this has built solid and sufficient capital reserves, laying a sound financial foundation for business expansion.

Based on the above progress, we have built a full-industry-chain layout from non-grain crops to bio-based material application scenarios. The upstream and downstream synergy loop has taken shape steadily, injecting systematic competitive advantages for low-cost, large-scale development.

Entering 2026, we will continue to invest in the R&D of new bio-manufacturing products and strengthen intellectual property protection. While ensuring steady growth of the core monomer business, we will focus on key scenarios including automobiles, construction and new energy via investment, mergers and acquisitions, and in-depth cooperation with leading downstream enterprises, to build successful commercial cases for bio-based polyamide and accelerate the development of a bio-based material market ecosystem.

Product & R&D innovation, collaborative development and sustainable governance will remain key priorities for the Company. By continuously unlocking the green and low-carbon value of bio-based materials, we will explore a sustainable development path for bio-manufacturing and create positive green impact for the industry, society and the planet.

Chairman of Cathay Biotech Inc.

Basic information

About Cathay

Founded in 2000, Cathay Biotech Inc. (stock code: 688065.SH) develops, produces, and commercializes bio-based materials through synthetic biology and bio-manufacturing. Our large-scale, industrialized biotechnologies include bio-manufactured long-chain dicarboxylic acids (LCDAs), bio-butanol, bio-based pentamethylenediamine (PDA), bio-based polyamides(PA), and composite materials.

Cathay's bio-manufactured LCDAs have been industrialized since 2003, successfully replacing chemically synthesized counterparts in the market and expanding market share several times over to become the world's leading supplier. The product has been recognized as "Single Champion Product in Manufacturing" by the Ministry of Industry and Information Technology. The Company also achieved the world's first industrial production of bio-based PDA(derived from renewable biomass) and a series of bio-based polyamides. These bio-based materials feature "renewable feedstock, recyclable products, and competitive costs" and are now used in products ranging from automobiles and mobile phones to apparel, tire cord fabrics, auto parts and electronics. Notably, Cathay's exclusively developed high-performance bio-based polyamide continuous fiber-reinforced composite series and related technologies are applied in new energy equipment, lightweight transportation, green construction, and other fields, providing cost-effective solutions and low-carbon technology alternatives for conventional industries.

With large-scale adoption of bio-based products, Cathay is actively advancing sustainable pathways for bio-manufacturing feedstock. The Company is developing technologies for high-value utilization of biomass waste (e.g., crop straw, a non-food stock), and applies the resulting products to the development of bio-based materials, thereby enabling large-scale bio-manufacturing that "does not compete with people for food or with farmland for cultivation."

Cathay is headquartered in Shanghai, with two R&D centers and four production bases across China. The Company has built a full-industry-chain R&D system spanning gene editing technology to bio-based material application development. It has achieved a series of major breakthroughs in both research and industrial technology in the field of bio-based materials.

In the future, Cathay will continue to drive the iteration and innovation of bio-based products and technologies, contributing to the development of the synthetic biology and bio-manufacturing industries and leading the sustainable development of technology and the sector as a whole.

MISSION

Committed to being a pioneer in the synthetic biology industry.

VISION

Reshape low-carbon life for humanity through bio-intelligent manufacturing.

VALUES

Continuous innovation, Truth-seeking and Pragmatism.

Cathay's 25th Anniversary ▶



Technological breakthrough in the industrialization of bio-based PDA and bio-based polyamides

2014



Industrialization of bio-manufactured ultra-long chain hexadecanedioic acid (DC16) and octadecanedioic acid (DC18)

2007



Industrialization of bio-butanol

2006

2003



World's first industrialization of bio-manufactured polymer-grade dodecanedioic acid (DC12)

Shandong plant established

2001

2000

Founded in Shanghai



World's first industrialization of bio-based polyamide and its monomer

2021

2020

Listed on the Shanghai Stock Exchange (STAR Market)



2022

World's first industrialization of bio-manufactured sebacic acid (DC10)





2023

2024

World's first completion of industrial-scale construction for bio-based piperidine

2025

Partial commercial application of bio-based polyamide composite materials and continuous development of new application scenarios

Main Products

Bio-based Long-Chain Dicarboxylic Acids (LCDAs)

Since achieving bio-manufactured production of LCDAs in 2003, Cathay has continuously expanded its product portfolio and production capacity, becoming the world's leading supplier of long-chain dicarboxylic acids. It currently provides bio-manufactured C10-C18 long-chain dicarboxylic acid products. In 2022, the 40,000-ton/year bio-manufactured sebacic acid project was successfully put into operation at Taiyuan base and launched commercially. Compared with conventional chemically synthesized sebacic acid, Cathay's bio-manufactured sebacic acid delivers over 40% carbon footprint reduction. In 2023, the Company achieved a technological breakthrough in green diacid products derived from plant-based renewable raw materials, which is expected to further lower the product carbon footprint.

Bio-based Pentamethylenediamine (PDA)

The Company manufactured bio-based PDA from renewable biomass. In 2021, the Company achieved the world's first large-scale production of an odd-carbon diamine and completed the new substance registration with the Ministry of Ecology and Environment. Verified by international downstream customers, it has been successfully used in automotive coatings and received the European New Material Award (ECS Innovation Award). As an important C5 platform chemical, PDA can be widely used in the development of bio-based materials. Compared with conventional hexamethylenediamine products, it significantly reduces the carbon footprint while delivering unique and excellent performance for downstream materials.

Bio-based Polyamide(PA)

The Company produces a series of bio-based polyamide products by polymerizing its self-produced bio-based PDA with various dicarboxylic acids. In 2021, it achieved the world's first industrial production of bio-based polyamides, which can be widely used in textiles, automobiles, electronics, new energy, transportation & logistics, and other fields. For textile and engineering material applications, the Company has launched the textile fiber brand "TERRYL®" and the engineering material brand "ECOPENT®". In addition, the Company has exclusively developed high-performance bio-based polyamide thermoplastic continuous fiber composites, which offer advantages such as lightweight, high strength, temperature resistance and corrosion resistance. These composites could widely replace conventional steel, aluminum, and other metals as well as non-recyclable thermosetting materials, representing a landmark breakthrough in both synthetic biology and new materials.

Recognition and Awards

Key Cultivation Enterprise for Independent Intellectual Property Advantages
Shanghai Customs
Cathay Biotech Inc.

Top 100 Brand Value of Shanghai Specialized and Sophisticated SMEs (2025)
Shanghai Specialized and Sophisticated SME Brand Value Evaluation Committee
Cathay Biotech Inc.

China Fiber Fashion Trends 2025/2026
Consumer Goods Industry Department, Ministry of Industry and Information Technology
Cathay Biotech Inc.

2025 Shanghai Hardcore Technology Enterprises Top 100 list, Intellectual Property Top 50
Shanghai Industrial Technology Innovation Promotion Association
Cathay Biotech Inc.

Innovation Award - 8th China Eco-Fabric Design Competition 2025
China Textile Information Center, Textile Product Development Center
Cathay Biotech Inc.

Sustainable Development Pioneer Award
Lvjie
Cathay Biotech Inc.

China Listed Companies Yinghua Award - STAR Market Technology Innovation Case 2025
China Fund News
Cathay Biotech Inc.

Shanghai Securities News Eagle · Gold Quality · Technology Innovation Award
Shanghai Securities News
Cathay Biotech Inc.

EcoVadis Bronze Medal
EcoVadis
Cathay Jinxiang

2025 Key Performance

Financial

Operating revenue: RMB 3,295.05 million
Net profit attributable to parent company: RMB 560.72 million

R&D

R&D expenditure: RMB 237.89 million, up 1.95% year-on-year
R&D expenditure accounted for 7.22% of operating revenue, with a compound annual growth rate (CAGR) of 12.24% since 2021.
As of the end of 2025: 434 invention patents granted, 128 utility model patents granted

Environmental

Environmental management expenditure[1]: RMB 25.45 million

Social

Total employees: 1,761; R&D personnel accounted for 20.22%; ethnic minorities accounted for 9.39%
Employee training: Total training expenditure RMB 278,300; average training hours 42.01/person; average training expenditure RMB 162.86/person
Labor contract signing rate: 100%, Social insurance coverage rate[2]: 100%; Occupational health examination rate: 100%
Occupational health and safety production expenditure[1]: RMB 19.48 million

Scholarship funding: RMB 22,000
Charitable donations: RMB 145,650

[1] Scope: Data covers the main production bases and R&D centers.
[2] This value excludes rehired retirees and employees whose social insurance accounts have not yet been transferred from previous employers.

Materiality Assessment

Stakeholder Communication

Stakeholders are critical to the Company's development. Cathay prioritizes two-way communication and engagement with its stakeholders, listening to their concerns and suggestions in a timely and comprehensive manner, identifying actual or potential impacts, risks and opportunities, and continuously improving its governance and operations based on internal management conditions.

Stakeholder Communication Matrix

Stakeholder	Areas of Concern	Cathay's Responses and Actions	Communication Channels
Shareholders and Investors	Compliance management; integrity management; risk management and internal control	Enhancing profitability; strengthening communication with shareholders and capital markets; strengthening internal controls and supervision	General meetings; investor site visits; corporate announcements; email and hotline; SSE e-interaction platform
Government / Regulatory Authorities	lawful and compliant operations; job creation; local economic and social development; industrial innovation	Complying with laws and paying taxes in full; creating/increasing local employment; strengthening communication with authorities; enhancing industry chain cooperation	Information disclosure; corporate website and announcements; press releases
Environment	Energy conservation and emission reduction; bio-based materials; local environmental management	Green factory operations; low-carbon material R&D; rigorous environmental management	Routine monitoring
Suppliers /	**Mutual**	**Providing fair**	**Regular visits**
Partners	Quality customer service; product quality; information security	Customer satisfaction surveys; regular visits and customer hotline; strict quality management; enhanced information security	Regular visits; online communication
Customers	Quality customer service; product quality; information security	Customer satisfaction surveys; regular visits and customer hotline; strict quality management; enhanced information security	Regular visits; online communication
Employees	Protection of basic rights; occupational health and safety; growth and development	Fair, respectful, and inclusive workplace; competitive compensation and benefits; career development resources	Staff meetings; email and hotline; suggestion box; employee activities
Communities	Public welfare; job creation; community engagement	Charitable donations; poverty alleviation; science education; participation in community co-development	Public activities

Double Materiality Analysis

Materiality Identification and Management

In accordance with the Shanghai Stock Exchange Listed Company Self-Regulatory Guidelines No. 14 – Sustainability Report (Trial), the Company systematically identifies, analyzes and manages material topics through a process of "topic identification – list creation – double materiality assessment – conclusion analysis – result disclosure," thereby clarifying the focus and direction of sustainability management.

Assessment Process

01 Background Information Analysis

Review the Company's business activities and development plans, and conduct a comprehensive analysis of the external market environment and industry trends to define development direction and goals.

02 Develop Material Topic (Impact, Risk and Opportunity) List

Based on the 21 topics set out in the SSE Guidelines, and taking into account regulatory requirements, key topics of concern to rating agencies for the chemical industry, disclosure practices of peer companies, and the Company's own business characteristics, a topic list is identified and established.

03 Double Materiality Assessment

- **Impact Materiality**

Topics are scored from four dimensions: scale of impact, scope of impact, remediability, and possibility. An impact materiality threshold is set, and topics are ranked accordingly to identify those that may have a significant impact on the Company.
Financial Materiality: Considering the financial input, the degree of financial impact of potential risks, and frequency of occurrence, a net profit threshold is set based on financial analysis. Topics are then ranked to identify those that are critical to the Company's business development.

- **Financial Materiality**

Considering the financial input, the degree of financial impact of potential risks, and frequency of occurrence, a net profit threshold is set based on financial analysis. Topics are then ranked to identify those that are critical to the Company's business development.

04 Materiality Matrix and Disclosure

Based on comprehensive analysis and research results, a double materiality matrix is developed. The results of the materiality analysis are reported internally, and after review and confirmation by the Board of Directors, topics of different materiality dimensions are disclosed in accordance with the SSE Guidelines.

Conclusion of Materiality Analysis

In 2025, the Company conducted its first materiality identification in accordance with the SSE Guidelines. Based on the Company's industry and operational context, **19** topics were selected for double materiality assessment. Of these, **8** topics are double material, **11** are impact material, and **4** topics are not disclosed. The details are as follows:

Double Materiality

Environmental (3 topics)	Social (4 topics)	Governance (1 topic)
• Climate Change Response • Environmental Compliance Management • Energy Utilization	• Innovation • Supply Chain Management • Product Quality and Customer Service • Occupational Health and Safety in Production	• Corporate and Sustainability Governance

Impact Materiality

Environmental (5 topics)	Social (3 topics)	Governance (2 topics)
• Pollutant Emissions • Waste Management • Water Management • Circular Economy • Ecosystem and Biodiversity Protection	• Intellectual Property Protection • Employees • Social Contribution	• Materiality Assessment • Anti-commercial Bribery and Anti-corruption • Information Security Management

Not Disclosed

Environmental	Social (3 topics)	Governance（1 topic）
	• Technology Ethics • Equal Treatment of SMEs • Rural Revitalization	• Due Diligence

Reasons for non-disclosure:

Technology Ethics: The Company's products are commercial applications and do not involve life sciences or related technology ethics. This topic is not applicable.

Equal Treatment of SMEs:

As of the end of the reporting period, the Company's accounts payable (including notes payable) balance did not exceed RMB **30** billion, nor did it exceed **50%** of total assets. Additionally, there is no overdue unpaid information for SMEs on the National Enterprise Credit Information Publicity System. This topic is not applicable.

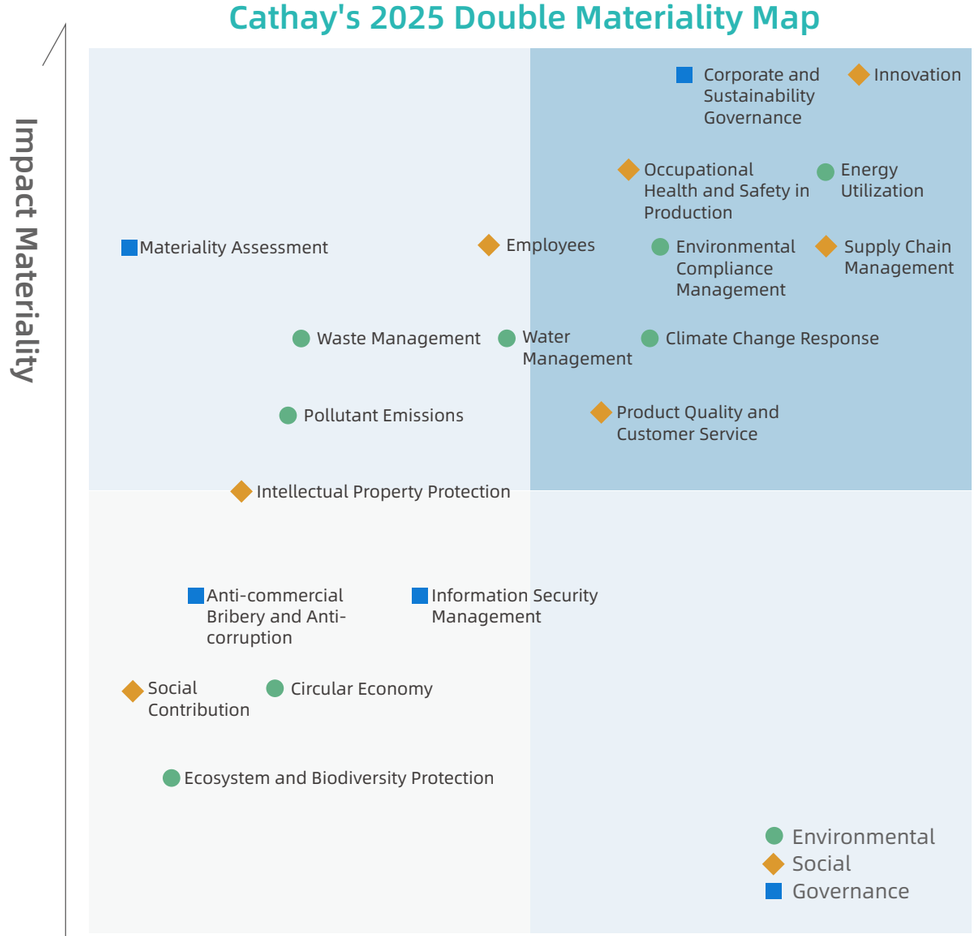
Rural Revitalization:

The Company's core business is the R&D and production of bio-based materials, and its operations are located in industrial parks, with no business presence in rural or poverty-alleviated areas. After assessment, this topic does not have financial materiality or impact materiality.

Due Diligence:

After assessment, this topic does not have financial materiality or impact materiality.

Cathay's 2025 Double Materiality Map





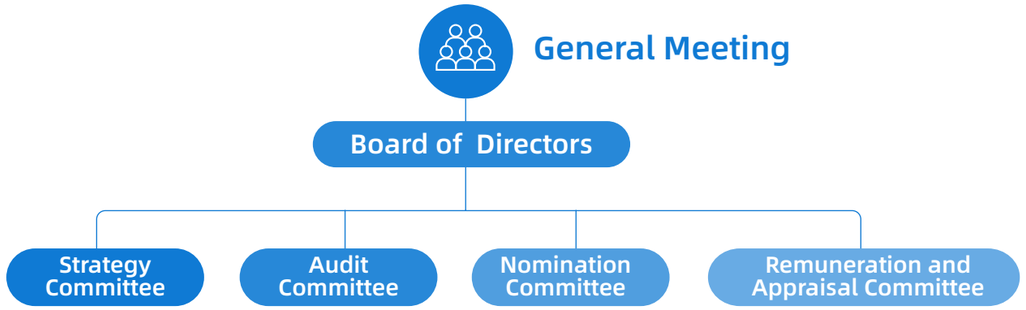
01 GOVERNANCE





Corporate and Sustainability Governance

Cathay strictly complies with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and other laws, regulations and regulatory documents, continuously enhances its corporate governance framework to ensure a sound, scientific and effective governance structure. Cathay has established a corporate governance framework centered on the shareholders' general meeting, the board of directors and its special committees, with each governance body having clearly defined powers and responsibilities, operating in a standardized manner, and fully performing its duties to ensure the Company's lawful and compliant operations.



Cathay attaches high priority to and actively advances ESG initiatives. We integrate sustainable development into R&D, production and sales, earnestly fulfill our ESG responsibilities and promote our sustainable, high-quality development.

ESG Governance Structure

To further integrate ESG into daily operations and ensure effective implementation of ESG management measures, Cathay has established a top-down ESG governance structure, which comprises the Board of Directors, the Strategy Committee, the ESG department and ESG working groups. The Board of Directors, as the highest ESG governance body, oversees and reviews the ESG strategy, policies and implementation progress. The Strategy Committee provides guidance and oversight for ESG governance, and reviews matters related to sustainable development strategy and risk assessment, policy formulation and management, target setting and performance evaluation, and sustainability information disclosure. The ESG Department collaborates with ESG Working Groups at headquarters and production bases to jointly advance ESG governance-related work, laying a solid foundation for the Company's sustainable development.



Cathay has established an internal information reporting mechanism. The ESG Department and ESG Working Groups regularly report to the Strategy Committee and senior management on progress. In addition, special reports are prepared to analyze policy updates and changes in topic-specific risks, ensuring that the governance level receives timely information. The Board of Directors and the Strategy Committee review the annual ESG report each year and oversee the ESG progress, ensuring closed-loop management.

Risk and opportunity identification

Cathay integrates ESG into its long-term development strategy, with the vision of "Reshape low-carbon life for humanity through bio-intelligent manufacturing." Leveraging its three major product segments, Cathay is deeply engaged in synthetic bio-manufacturing, adhering to innovation-driven development and clean, efficient production, actively pursuing green practices and exploring sustainable development pathways. In line with the characteristics of the bio-based materials industry, Cathay actively implements international frameworks such as the United Nations Sustainable Development Goals (UNSDGs) and applicable national policy requirements. Closely following its strategic objectives, Cathay has established an ESG sustainable development indicator system tailored to its own and the industry's characteristics, clarifying key management priorities and action directions, and striving to become a pioneer in the synthetic bio-industry.

Impact, Risk and Opportunity Management

In accordance with the requirements of the Shanghai Stock Exchange Listed Company Self-Regulatory Guideline No. 14 – Sustainability Report, Cathay is gradually enhancing its internal ESG risk management policies and procedures, identifying and assessing risks in daily production and operations, and strengthening the risk management system.

In 2025, we identified and evaluated the following material ESG risks using our ESG workflow, double materiality assessment, departmental interviews, surveys and financial analysis.

Cathay 's ESG risk Identification Results

ESG Risk	ESG Risk Description
Climate Change Risk	Greenhouse gas emissions from our operations contribute to climate change, which in turn creates potential risks for our business, strategy and policies.
Environmental Compliance Risk	Improper collection, storage, transport and disposal of waste and other pollutants generated during production may cause negative environmental and ecological impacts.
Energy Risk	Energy supply and price fluctuations may affect the Company's operating costs and production management.
Innovation Risk	During technology and product development, risks such as excessive R&D costs, commercialization value below expectations, or mismatch with market demand may arise.
Supply Chain Risk	Dependence on raw materials may lead to supply instability and price fluctuations, affecting operating costs and production management.
Product Quality and Customer Service Risk	Quality risks caused by product performance not meeting standards or customer expectations.
Occupational Health and Safety in Production Risk	Legal or reputational risks arising from employee rights issues; safety accidents during production that may harm employees or contractors, and risks to their health and safety.

Indicators and Targets

Cathay sets and continues to track the following indicators and targets around key sustainability topics:

Topic	Targets
Climate Change Response	Continuous reduction of greenhouse gas emission(GHG) intensity
Environmental Compliance Management	Zero major environmental incidents or regulatory violations; environmental monitoring compliance rate 100%; total pollutant emissions controlled within the approved limit;
Energy Utilization	Continuous reduction of energy intensity; continuous reduction of water consumption intensity
Innovation	Continuously increase R&D investment; maintain a competitive level of R&D investment as a percentage of revenue
Supply Chain	**100%** coverage of supply chain risk management training and business
Management	ethics training; continuously optimize supplier structure, promote green procurement and improve supply chain transparency
Product Quality and Customer Service	Continuously improve customer satisfaction; customer complaint resolution rate **100%**; zero major safety and quality accidents related to products and services
Occupational Health and Safety in Production	Zero major safety accidents; hazard identification and rectification rate **100%**; occupational health examination coverage rate **100%**

Investor Relations and Compliance Information Disclosure

Investor Relations Management

Cathay has adopted an Investor Relations Management Policy, set up an investor relations position, and standardized investor relations management. We enhance communication with institutional and retail investors through multiple channels such as the SSE website, SSE E-Interaction platform, general meetings, results briefings, online/offline research, telephone and email, fully ensuring investors' equal access to company information.

2025 Meetings Held and Attendance

MEETING	NUMBER OF MEETING HELD	TOTAL PROPOSALS CONSIDERED	ATTENDANCE RATE
General Meeting	4	18	100%
Board of Directors	12	57	100%
Strategy Committee	1	1	100%
Audit Committee	8	13	100%
Nomination Committee	4	11	100%
Remuneration and Appraisal Committee	4	7	100%

During the reporting period, we held **4** general meetings with a total of **18** proposals considered; **12** board meetings with a total of **57** proposals considered. The convening, holding and voting procedures of the Company's three kinds of meetings complied with applicable regulations.

Compliance Information Disclosure

Cathay places high priority on information disclosure management. Cathay strictly complies with the Company Law of the People's Republic of China, the SSE STAR Market Stock Listing Rules, the Administrative Measures for Information Disclosure of Listed Companies and other relevant requirements to fulfil information disclosure obligations, continuously strengthens awareness of information disclosure responsibilities, and ensures the truthfulness, accuracy, completeness and fairness of information disclosed.

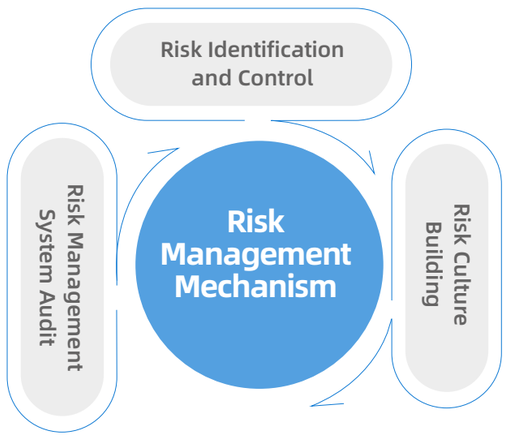
During the reporting period, we disclosed 4 periodic reports and 63 interim announcements, achieving truthful, accurate, timely and complete information disclosure, and was not penalized for any violation of information disclosure rules.

For the 2024-2025 period, we received the highest "**A**" grade rating in the SSE's information disclosure evaluation, in recognition of its outstanding performance in information disclosure quality and investor relations management.

Risk and Internal Control Management

Cathay systematically strengthens its risk and internal control systems, conducts regular risk assessment and internal audits, implements risk prevention and response, and comprehensively manages various risks in daily operations. Based on the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and applicable laws and regulations, combined with our own production and operation status and management needs, Cathay has established a series of internal control policies and procedures including the Internal Audit and Compliance Management Policy and the Reward Policy for Reporting, covering procurement, production, EHS, quality, suppliers, warehousing, sales and other operational links, clarifying risk management objectives and response measures, and continuously enhancing the internal control system.

Cathay has built a comprehensive risk management system with "risk management mechanism" at its core and three pillars: "risk identification and control", "risk management system audit", and "risk culture building".



Risk Identification and Control

Cathay has established a graded accountability system for risk management, defining the specific responsibilities of each level in risk identification and control:

Internal Audit & Compliance Department	Through a combination of special audits and regular audits, the Internal Audit & Compliance Department independently supervises business operations, internal control and risk management, including monitoring economic activities, evaluating internal control implementation, proposing improvements and promoting rectification.
Internal Audit & Compliance Department	Review and control compliance risks in areas such as law, finance, and safety production; improve the legal risk management system; coordinate internal control management processes; organize policy development and compilation; track policy implementation.
Business Departments	Identify and assess risks and issues in daily work; optimize operating standards and processes; develop standardized documents; establish and dynamically update departmental risk lists and response measures.

Risk Management System

Cathay has established a major risk early warning system and emergency response mechanism, clarifying risk warning standards. Cathay has developed emergency plans for possible major risks or emergencies, specifying responsible persons and procedures to ensure timely and proper response.

In 2025, the Internal Audit & Compliance Department, together with various business departments, improved relevant policies and procedures, conducted special audits in areas such as R&D and technical modification budget implementation, intellectual property protection, internal corruption, and abuse of authority, and formulated preventive inspection and training plans. For audit findings such as supplier affiliations, Cathay promptly took corrective measures to continuously improve the internal control system.

During the reporting period, the Internal Audit & Compliance Department completed **28** special audits and **3** investigations of special matters and reports. The follow-up audit completion rate for 2024 special audits reached **100%**.

Risk Culture Building

Cathay provides regular risk awareness training for all employees, strengthening their understanding of risk management and its importance; meanwhile, it provides risk management training for senior executives for their respective business units, enhancing their professional risk management capabilities.

In 2025, we organized several special training sessions, including special training for technical modification project and production leaders; anti-fraud risk training for procurement tendering personnel; and procurement compliance training for R&D employees, further strengthening risk prevention awareness and operational compliance among key positions.

Information Security Management

Cathay complies with the Cybersecurity Law of the People's Republic of China and other laws and regulations, continuously promoting information security management.

Policy Development

Cathay has established and implemented a series of information security management policies, including the Enterprise Information Security Management Policy, the Cathay Biotech Confidentiality Policy, the Information Security Emergency Plan Management Policy, the Cathay Biotech Intellectual Property Management Regulations, and the Employee Handbook, strictly regulating information flow, permission levels, ownership, emergency response and other processes. During the reporting period, one new management process specification was added.

Risk Management

Cathay conducts periodic identification of information system risks and vulnerability, assesses their impact on information asset security, and regularly records and updates corresponding management strategies and measures. During the reporting period, we regularly conducted data recovery drills, and no data security or customer privacy breaches occurred.

Incident Response and Emergency Management

Cathay has established the Information Security Incident Management Policy to establish an information security incident reporting and response mechanism, monitors in time, detects promptly, and defines a graded handling process to ensure that different incidents are reported to the responsible persons at the appropriate level as quickly as possible, minimizing losses and preventing escalation. After incident handling, Cathay imposes penalties or grants rewards to relevant personnel according to the Employee Handbook.

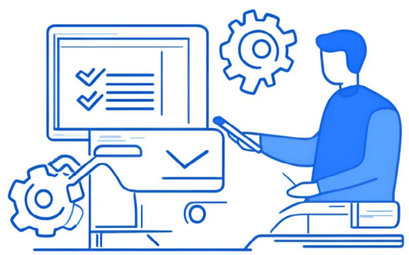
Infrastructure and Software Assurance

Cathay continuously upgrades security infrastructure and software, and safeguards information and network security through access rights management, confidential data encryption, regular backups, etc. In 2025, we employed one CISP-certified specialist.

Information Security Training

Cathay organizes information security training courses to ensure that all employees have information security awareness and understand and comply with applicable policies and procedures. In 2025, all employees participated in online information security training.





Anti-commercial Bribery and Anti-corruption

Business ethics are fundamental to sustainable corporate development. Cathay strictly complies with the Anti-Unfair Competition Law of the People's Republic of China and the Anti-Monopoly Law of the People's Republic of China and applicable laws and regulations. Cathay has established an anti-commercial bribery and anti-corruption governance structure supervised by the Board of Directors, with clear division of responsibilities among departments. Cathay upholds business ethics and strives to build a fair, just, honest and trustworthy business environment and ethical culture, and adopts a "zero tolerance" attitude towards any conduct that violates business ethics.

All employees are prohibited from accepting any form of commercial bribery, engaging in improper business interactions or activities, seeking improper benefits or embezzle, participating in money laundering or insider trading, and must oppose any unfair competition or monopoly behavior.

Management System

In 2025, we integrated and revised its existing policies to issue the Company Integrity and Self-Discipline Work Policy, which refines core requirements on fair dealing, conflicts of interest, gifts and hospitality management, asset utilization, and confidential information protection. Relevant business ethics content was also integrated into the Employee Handbook, ensuring that employees understand, recognize and strictly comply with business conduct through systematic reinforcement.

In the supply chain management process, Cathay requires suppliers and partners to sign an Integrity Commitment Letter, committing to full compliance with business ethics laws and regulations during cooperation. For employees or partners who violate the rules, disciplinary actions are taken based on the severity of the violation. Cathay implements a regular rotation mechanism for core procurement positions and has formulated the Code of Conduct for Employee-Supplier Interaction to regulate daily interactions between employees and suppliers, thereby enhancing the supply chain integrity management system. Additionally, Cathay issues regular integrity reminders during holidays to strengthen employee compliance awareness.

Risk Assessment

The internal audit department continuously identifies and assesses risks related to business ethics, focusing on high-risk areas such as procurement and tendering, sales and marketing, expense reimbursement, gift management, and third-party cooperation, systematically mapping possible corruption and unfair competition risk points, and forming a dynamically updated risk register.

Management Measures

Training and Awareness:

Cathay conducts business ethics training for employees and supply chain parties, including contractors, suppliers and partners, promoting and emphasizing management standards on anti-commercial bribery, anti-corruption, anti-monopoly/anti-competition, anti-money laundering, anti-insider trading, conflicts of interest, information security, while enhancing basic legal literacy and risk prevention awareness. This ensures all participants understand and comply with the Business Conduct Guide. In 2025, all employees completed training on the newly revised Company Integrity and Self-Discipline Work Policy and passed an examination on the Cathay online learning platform.

Reporting and Protection:

Cathay has established and implemented the Reward Policy for Reporting, explicitly stipulating that when employees or suppliers discover any suspected violation of law or Company policy, they are obliged to report to their immediate supervisor, or through the Company's business conduct hotline or reporting email. The policy details reporting methods, confidentiality mechanisms, response timelines, verification procedures, etc., and all employees receive training on it. To safeguard whistleblowers, Cathay has implemented a strict protection mechanism: it maintains full confidentiality of reporters' information, mandates the recusal of auditors with family, personal, or interest-related ties to the reported party, and strictly prohibits any form of retaliation against reporters. Additionally, reporters are eligible for rewards based on the substantiation of their reports, and all verified violations are handled in accordance with relevant regulations. During the reporting period, a serious internal violation was substantiated following an employee's real-name report; the involved employee was dismissed, and the associated supplier was added to the Company's blacklist. 。

Rectification and Improvement

Cathay has established a "simultaneous investigation and audit" working mechanism, wherein the internal audit department cooperating with legal department, Human Resources department and other relevant teams to ensure accurate characterization of issues and thorough rectification. By conducting in-depth analyses of typical cases, Cathay analyses policy loopholes and management weaknesses, continuously improves the internal control system, and promotes the shift from case-by-case handling to systematic governance—ultimately achieving long-term, institutionalized management of business ethics.

02 ENVIRONMENTAL



Climate Change Response

Governance

Cathay places high priority on climate-related risks and opportunities, integrating climate action into ESG management system and committing to achieving carbon neutrality by 2060. Cathay has established a three-tier climate governance structure: "Governance/Decision-making - Management - Execution" to advance climate action from the top down.

Board of Directors

Governance/ Decision-making

- The Board of Directors is the highest decision-making body, responsible for: supervising the identification and assessment of climate-related risks and opportunities;
- reviewing climate-related strategies and targets, approving the Company's climate policies, and overseeing its performance in climate change response;
- regularly reviewing the Company's climate change performance.

Strategy Committee

Management

- Responsible for: formulating climate-related strategies and targets;
- assessing significant risks and opportunities affecting the Company's business and reporting to the Board regularly;
- reviewing major climate-related matters.

ESG Department and ESG Working Group

Execution

- Responsible for: coordinating implementation of the Company's climate strategy, targets and plans, and managing climate-related daily operations;
- regularly identifying climate risks and opportunities based on Company development, industry conditions and policy changes, and developing relevant policies;
- regularly reporting to the Strategy Committee on climate disclosure requirements and related matters.

Risk and Opportunity Identification

Cathay has a structured process to identify climate related risks and opportunities across short, medium and long term horizons. Each year, we assess potential impacts on our operations and develop response strategies to build climate resilience.

Acute Risk				Solutions
Extreme Precipitation / Flooding	Heavy rainfall or flooding may cause water accumulation in the plant, leading to equipment failure or transport instability	May result in loss of fixed assets and increase operating costs	Impact degree: medium impact period: long term	Develop emergency plans; conduct regular emergency drills
Extreme Heat	Extreme heat may increase the risk of safety accidents	May increase operating costs	Impact degree: medium impact period: long term	Strengthen regular inspection and maintenance of the facilities
Extreme Cold/ Snowstorm	May increase safety risks and cause production suspension	May increase operating costs and affect supply chain stability	Impact degree: medium impact period: long term	Formulate logistics and inventory contingency plans; adjust emergency arrangements according to weather conditions
Water Scarcity	May affect production stability	May lead to capacity reduction and increase operating costs	Impact degree: medium impact period: long term	Optimize production processes, apply water recycling technologies, continuously improve water efficiency

Transition Risk				Solutions
Carbon Emission Cost	China carbon emission trade exchange has been implemented and is expected to include all major industries by 2030	May increase compliance costs if the Company is included	Impact degree: large impact period: long term	Carry out various energy-saving technical modifications; gradually reduce carbon emission intensity
Export Carbon Cost	The EU Carbon Border Adjustment Mechanism (CBAM) will be formally implemented in 2026	May increase export costs if the Company's products are brought under CBAM	Impact degree: large impact period: long term	Continuously monitor international policies and regulations; cooperate with relevant departments and consider the risk of future carbon cost increase
Product Carbon Footprint	Policies or customers may impose requirements on product carbon emissions	May require additional investment in R&D, technical modifications and clean energy	Impact degree: medium impact period: long term	Consider life cycle carbon emissions at the R&D stage

Market Risk				Solutions
Raw Material Stability	Climate change may cause volatility in raw and auxiliary materials or cost increases	May increase the Company's procurement costs	Impact degree: medium impact period: long term	Optimize supplier network, strengthen raw material reserves, explore alternative raw materials and energy
Policy and legal risk	Global climate governance may lead to stricter domestic and international regulatory requirements	May require additional investment in R&D, technical modifications and clean energy.	Impact degree: medium impact period: long term	Continuously monitor domestic and international market policies; identify and address climate change related risks in advance

Opportunity				Solutions
Policy Opportunity	Government introduces policies supporting green and low-carbon development, such as tax reductions, low-interest loans, financing incentives.	Lower financing costs	Impact degree: medium impact period: long term	Monitor green finance policy; adjust investment and financing strategies.
Technology Opportunity	Development of clean energy and energy-saving equipment promotes application of energy-saving and emission-reduction technologies	Reduce product per unit consumption and energy costs	Impact degree: medium impact period: long term	A identify energy- saving potential; improve resource utilization through technical modification projects; increase R&D in green and low-carbon technologies and products
Market Opportunity	Increased market demand for green and low-carbon products; consumers tend to choose such products and services	Increase operating revenue	Impact degree: medium impact period: long term	Build a responsible brand image; deepen customer cooperation; continuously improve ESG disclosure quality

**Note: Cathay defines short, medium and long term as 1 year, 3-10 years, and more than 10 years respectively.*

Based on the above identified climate risks and opportunities, Cathay will further refine its climate change risk management framework, build a carbon data management system, promote emission reduction coordination across both its own operations and value chain, support green and low-carbon development, continuously monitor climate-related risks and opportunities, conduct regular plan reviews and adjustments, and steadily enhance its climate change management level.

During the reporting period, climate-related risks and opportunities did not have a material impact on the Company's current financial position, including operating results, cash flow. As the chemical industry may be included in China's carbon emission trading market, Cathay anticipates increased carbon compliance costs. Additionally, the implementation of the EU Carbon Border Adjustment Mechanism (CBAM) may pose potential impacts if the Company expands its export business to cover certain chemical products. In response, Cathay will continue to promote technical modification projects, closely monitor policy developments, and make proactive preparations to mitigate potential financial risks.

Impact, Risk and Opportunity Management

Cathay has established a continuous monitoring mechanism for climate-related risks and opportunities, regularly assesses changes in internal and external environment, and adjusts response plans periodically to ensure dynamic alignment between climate risk management and corporate strategy.

Identification
- Understand the internal and external environment of the Company's operations, identify climate-related risks and opportunities it is facing.
- Consider risk types including physical risks (acute, chronic) and transition risks (policy & legal, technology, market, reputation).

Assessment
- Assess the possibility and impact degree of climate-related risks and opportunities over short, medium and long term horizons.
- Construct a climate risk and opportunity matrix based on assessment results and determine priorities.

Response
- Establish an early risk warning system and emergency response mechanisms.
- Formulate and implement response plans for climate-related risks and opportunities.
- Hold regular meetings to summarize implementation progress.

Climate Change Response Measures

Cathay proactively addresses climate change by integrating low-carbon transition into its overall strategy, and continues to advance the following initiatives:

Strategy and Resource Allocation: Cathay incorporates climate-related risks into strategic decision-making processes, supports low-carbon R&D and promotions, and allocates dedicated resources to facilitate the transition.
Emission Reduction Initiatives: Cathay continues to carry out energy-saving technical modifications, optimize production processes, improve energy efficiency; actively promotes clean energy development and large-scale application, increases investment in energy-saving equipment and upgrades, facilitating low-carbon and clean transition of the entire production and operation process. For further details, refer to the Energy Utilization section.
Supply Chain Collaboration: Cathay pays attention to value chain carbon emissions, collaborates with suppliers to explore emission reduction pathways, promotes green procurement and low-carbon logistics, and gradually extends emission reduction actions to the value chain. For details, please see the Supply Chain Management section.
Progress Evaluation: Cathay regularly assesses the direction and implementation of green and low-carbon initiatives, and dynamically adjusts relevant measures in response to policy changes and technology advancements to ensure steady progress towards the low-carbon targets.

GHG Emissions Data Management

Cathay's operational greenhouse gas(GHG) emissions primarily stem from fuel combustion, fire extinguishers, refrigerant refills, and purchased electricity and heat. The types of GHG involved mainly include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and hydrofluorocarbons (HFCs). During the reporting period, we gradually established a carbon emissions data management system, revised the Greenhouse Gas Emission Management Procedure, and conducted Scope 1 and Scope 2 GHG inventories for the parent company and 7 subsidiaries under ISO 14064-1:2018.
In 2025, we implemented various technical modification projects at its key production bases, replacing and upgrading equipment related to steam, natural gas, electricity and other key nodes, with technical modification investment of RMB 3.6595 million and a cumulative emission reduction of 2,954.21 tons CO_2eq.

Low-Carbon Culture

Cathay regularly organizes training on climate change, carbon emissions and low-carbon products to enhance the professional capabilities of relevant personnel. During the year, multiple green and low-carbon product trainings were conducted for employees in production, procurement, sales and other departments, with over 600 people participated in online learning sessions covering the Company's sustainable development initiatives and low-carbon products.

Indicators and Targets

Indicator	Unit	2025
Scope 1 direct GHG emissions	tons CO_2eq	444,485
Scope 2 indirect GHG emissions	tons CO_2eq	391,187
Total GHG emissions	tons CO_2eq	835,672
GHG emissions intensity	tons CO_2eq/ RMB million revenue	253.61

**Scope: Data covers the main production bases and R&D centers. Scope 1 and Scope 2 GHG emissions are calculated in accordance with ISO 14064-1:2018 and the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions in China's Chemical Production Enterprises.*

Based on the GHG emissions results, combined with the climate-related risks and opportunities identified and the Company's development path, Cathay has set carbon reduction targets and conducts annual GHG inventories to quantify progress towards these targets.

Target	2025 Progress
Continuous reduction of GHG intensity	Ongoing

Environmental Compliance Management

Environmental management is a core pillar for Cathay's sustainable development. Cathay continuously adheres to the management policy of "environmentally friendly and comprehensive resource utilization" , establishes and refines environmental management structures and mechanisms, with a commitment to becoming a leading green enterprise.

Governance

Cathay strictly complies with national and local environmental laws and regulations, including the Environmental Protection Law of the People's Republic of China and the Law on the Prevention and Control of Solid Waste Pollution of the People's Republic of China. It has formulated a series of regulation documents, such as the Environmental Rewards and Penalties Regulation, Environmental Control Management Procedures, and Procedures for Identification and Evaluation of Environmental Factors, and continues to maintain and standardize the environmental management system. Cathay closely monitors the promulgation and updating of local environmental laws and regulations, and promptly organizes relevant departments at each production base to conduct training on new policies to ensure environmental management compliance.

Environmental Management System

To ensure the standard operation of the Company's environmental management system, Cathay has established a three-tier environmental management structure: "Governance/Decision-making - Management - Execution" . The Environmental Protection Committee, as the highest decision-making body, is responsible for approving environmental management strategies and annual targets. The Environmental Protection Office and the EHS Department are dedicated functional departments for environmental matters and project implementation. Environmental specialists in each workshop and functional department are responsible for environmental supervision, inspection, assessment and daily management in production and office areas, implementing daily environmental management and monitoring measures. Through this three-tier structure, Cathay systematically develops policies on environmental protection, environmental risk management, pollutant discharge control, environmental monitoring, environmental facility operation, potential hazardous waste management, etc., allocates environmental protection funds in the annual budget, encourages and supports environmental technology innovation, and integrates environmental performance indicators into the employee performance appraisal system.

Risk and Opportunity Identification

Based on the current industry development trends and Company's operational realities, Cathay has conducted a comprehensive assessment and analysis of the environmental risks, opportunities and potential impacts it faces.

Risk				Solutions
Pollution Exceedance/ Environmental Accidents	Improper treatment or excessive discharge of exhaust gas, wastewater, solid waste and hazardous waste may affect the surrounding environment	May lead to fines	Impact degree: medium impact period: long term	Conduct regular monitoring and testing, strictly control pollutant discharge, continuously reduce pollutant emissions
Policy Changes	Continuously improving environmental standards lead to stricter emission requirements	Increase pollutant treatment costs	Impact degree: small impact period: medium term	Continue to carry out technical modification and R&D to reduce pollutant generation and emissions

Opportunity				Solutions
Clean Technology Upgrade	Technology upgrades and modifications reduce pollutant generation and emissions	Lower pollution treatment costs	Impact degree: medium impact period: medium term	Strengthen environmental technology R&D and application; monitor environmental policies

**Note: Cathay defines short, medium and long-term as 1 year, 3-10 years, and more than 10 years respectively.*

Impact, Risk and Opportunity Management

Comprehensive and accurate identification of environmental impacts helps us formulate targeted pollution prevention measures, improve the reliability and effectiveness of environmental management, which is the basis for scientific environmental management.

Environmental Risk, Impact Identification and Management Process

Identification

- We have established the Procedures for Identification and Evaluation of Environmental Factors to identify, evaluate, update and manage environmental factors in production, products, services and other processes.
- Each production base organizes its business units to issue an Environmental Factor Identification and Evaluation Form according to the procedures, and after summarizing and reviewing, issues a List of Significant Environmental Factors. Cathay reviews environmental factor identification annually and updates the list as needed.

Assessment and Prioritization

- Conduct compliance, risk level, and importance assessment of environmental factors, then prioritizes accordingly.

Management Measures and Operational Control

- Transform external regulations into internal policies and operating procedures; implement special management, operational control, emergency plans and regular drills; manage contractors, suppliers and other related parties;
- set environmental targets and technical modification/recycling schemes.

Monitoring, Inspection and Review

- Conduct compliance monitoring, key parameter monitoring, and emissions/disposal monitoring;
- regularly inspect facility operation, track performance, and set up abnormal warning mechanisms and periodic performance audits.

Improvement and Enhancement

- Investigate causes of non-conformities and take corrective and preventive actions;
- regularly review the system to continuously improve the environmental management system;
- disclose information according to law.



Environmental Impact Management System Document

Environmental Impact	Management System Document
Wastewater treatment	Pollutant Discharge Permit Management Regulation, Environmental Control Management Procedures, Waste Management Regulation
Energy utilization	Energy Conservation Management Regulation, Energy Management Procedural Documents
Exhaust emission	Environmental Facility Operation Management Regulation, Environmental Control Management Procedures
Non-hazardous waste discharge	Environmental Control Management Procedures, Waste Management Regulation
Hazardous waste discharge	the Waste Management Regulation, Hazardous Waste Management Regulation, Hazardous Waste Personnel Training Regulation, Environmental Control Management Procedures
Noise	Noise Management Regulation, Environmental Control Management Procedures
Biodiversity	Biodiversity Protection Management Procedures

Environmental Management Mechanisms

Mechanism	Main Measures
Strengthen Environmental Monitoring	According to applicable laws, regulations and technical requirements, each production base uses a combination of "manual testing + online automatic monitoring" to conduct regular self-monitoring. Projects that cannot be self-tested are regularly outsourced to qualified third-party testing agencies. At the same time, Cathay regularly assesses the safety of environmental facilities.
Environmental Emergency Management	Each production base completes the filing of emergency response plans for environmental accidents in line with applicable laws and regulations, and strictly follows the plans for training and drills, evaluating and summarizing drill results to improve emergency response capabilities.
Environmental culture building	Cathay regularly upgrades environmental facilities to improve pollutant treatment efficiency and reduce emissions. It values the dissemination of environmental knowledge through publicity, education, and internal and external specialized training to enhance environmental awareness of all employees, professional capacity of environmental staff, and management capability of environmental managers. During the reporting period, we regularly organized environmental training covering environmental factor identification, solid waste management, pollutant control, etc.
Environmental Performance Appraisal	We have established the Environmental Rewards and Penalties Appraisal Regulation to supervise and assess the environmental management indicators of departments and workshops.

During the reporting period, our main production bases all obtained GB/T 14001-2016/ISO 14001:2015 environmental management system certification.









Indicators and Targets

Indicator	Unit	2025
Environmental Investment	RMB million	25.45
Major Environmental Accidents/Violations	time	0
Number of Factories with ISO Certification		4
Environmental Monitoring Compliance rate	%	100%

**Scope: This table covers Jinxiang Cathay, Wusu Cathay and Taiyuan Cathay, a total of 4 enterprises included in the list of enterprises required to disclose environmental information according to law.*

Target	2025 Progress
Zero major environmental incidents or regulatory violations; environmental monitoring compliance rate 100%; total pollutant emissions controlled within the approved limit; 100% compliance disposal of solid and hazardous waste	Achieved

Pollutant Emissions

Management System

Cathay strictly complies with the Environmental Protection Law of the People's Republic of China, the Law on the Prevention and Control of Air Pollution of the People's Republic of China, the Law on the Prevention and Control of Water Pollution of the People's Republic of China, the Law on the Prevention and Control of Solid Waste Pollution of the People's Republic of China, and other applicable laws and regulations. It has established a comprehensive waste management system spanning compliance oversight, risk identification, facility operation, pollution control, environmental monitoring, emergency response, training and performance evaluation. Cathay has also developed supporting policies and procedures including the Environmental Control Management Procedures, Noise Management Regulation, Environmental Facility Operation Management Regulation, Online Operation Unit Assessment Management Regulation, and Pollutant Discharge Permit Management Regulation. Cathay advances green production and low-carbon operations, strengthens pollutant emission controls, and implements a range of measures: self-monitoring, process upgrades, third-party verification, routine maintenance and emission recycling. These efforts ensure effective discharge management, enhance treatment efficiency, reduce emissions and improve environmental performance.

Exhaust Gas Emission Management

Cathay is committed to steadily reducing exhaust emission intensity, with clear targets and ongoing monitoring for all production processes. Through on-site treatment, real-time monitoring and regular third-party verification, Cathay ensures reliable operation of exhaust treatment systems and full compliance with emission standards.

Self-treatment

Strictly manage exhaust gas and odor treatment facilities. For tail gas, use activated carbon adsorption, bag filters, multi-stage absorption towers, spraying, desulphurization and denitrification and other means to meet emission standards.

Online Monitoring

Exhaust pipes are equipped with online monitors connected to the environmental protection authorities. The online equipment operates normally with no exceedances. During the reporting period, all monitoring results were qualified and there were no environmental incidents causing odor nuisance.

Third-party Verification

Regularly entrust third parties to test workshop noise and exhaust gas; data is valid and meets standards. Entrust qualified and experienced third-party companies to manage and regularly maintain, calibrate and compare online monitoring equipment.

Wusu Cathay replaced and upgraded dust removal equipment, effectively improving particulate removal efficiency, reducing particulate emissions by **1.245** tons during the reporting period.

Indicators and Targets

Indicator	Unit	2025
Volatile Organic Compounds (VOCs)	tons	7.441
Particulate Matter	tons	9.31
Sulphur Dioxide	tons	20.69
Nitrogen Oxides	tons	31.965

**This table covers Jinxiang Cathay, Wusu Cathay and Taiyuan Cathay, a total of 4 enterprises included in the list of enterprises required to disclose environmental information according to law.*

Target	2025 Progress
Total pollutant emissions controlled within the approved limit	Achieved

Wastewater Discharge Management

The wastewater treatment facilities at each production base operate normally, strictly implementing the wastewater indicator control procedures for each process.

Jinxiang	Taiyuan	Wusu
The production and domestic wastewater from the plant enters the factory wastewater treatment station. After treatment, all water is reused, achieving zero wastewater discharge.	All wastewater generated in the plant is directly piped to the industrial park wastewater treatment plant. After treatment, the reclaimed water is reused in production.	Production wastewater from the plant enters the factory wastewater treatment. After pretreatment and reaching standards, it is discharged to the industrial park wastewater treatment plant for further treatment.

Indicators and Targets

Indicator	Unit	2025
COD	tons	72.97
Ammonia Nitrogen	tons	3.32
Total Nitrogen	tons	14.98
Total Phosphorus	tons	11.06

**This table covers Jinxiang Cathay, Wusu Cathay and Taiyuan Cathay, a total of 4 enterprises included in the list of enterprises required to disclose environmental information according to law.*

Target	2025 Progress
Total pollutant emissions controlled within the approved limit	Achieved



Waste Management

For solid waste management, Cathay implements classified and standardized storage, and has adopted the Waste Management Regulation, Hazardous Waste Management Regulation, Hazardous Waste Personnel Training Regulation. Cathay has also established a full-lifecycle management system covering waste generation, collection, storage, transportation and disposal.

Waste Whole-Process Management Measures

Measure	Non-hazardous Waste	Hazardous Waste
Main Sources	Domestic waste, packaging materials and etc.	Hazardous chemicals, packaging materials and etc.
Storage	Standardized management, fixed point storage, regular disposal.	Hazardous waste storage facilities built in strict compliance with the Standard for Pollution Control on Hazardous Waste Storage, meeting requirements for rain protection, anti-seepage, anti-loss, etc.
Transport	Regularly transferred or transported by qualified units for disposal.	Strictly implement the transfer manifest system, entrust qualified units for transport.
Disposal/Utilization	Prioritize recycling and reuse; waste that cannot be recycled is entrusted to relevant units for centralized removal and sanitary landfill.	Entrust qualified units for harmless disposal, use standardized packaging to prevent risks during transport.

Indicators and Targets

Indicator	Unit	2025
Non-hazardous Waste	tons	118017.27
Hazardous Waste	tons	3006.654
Non-hazardous Waste Intensity per Million Revenue	tons / RMB million	35.82
Hazardous Waste Intensity per Million Revenue	tons / RMB million	0.91

**This table covers Jinxiang Cathay, Wusu Cathay and Taiyuan Cathay, a total of 4 enterprises included in the list of enterprises required to disclose environmental information according to law.*

Target	2025 Progress
Total pollutant emissions controlled within the approved limit; 100% compliant disposal of solid and hazardous waste	Achieved



Energy Utilization

Cathay recognizes the risks and opportunities arising from energy scarcity and transition, and advances energy and resource conservation.

Governance

Cathay has formulated energy management and conservation policies and procedures, including the Energy Conservation Management Regulation, Energy Conservation Rewards and Penalties Regulation, Energy Conservation Production Assessment Regulation, and Energy Management Procedural Documents. These policies define and assign energy conservation responsibilities and annual targets, ensuring delivery of the Company's energy and environmental strategies. Cathay has introduced an Energy Management System(EMS) to enable intelligent energy management.

Cathay operates a three tier energy governance structure. The Energy Conservation Leading Group, as the highest decision making body, reviews and approves energy strategic and annual targets. An inter departmental Energy Management Group coordinates planning, system building and major technical modifications. The cross functional Energy Management Group coordinates planning, system development and major technical upgrades.

At the start of each year, we work with department heads to set key indicators, including total consumption, intensity and unit consumption, and issues these targets across all departments to clarify accountability. Cathay conducts monthly reviews of energy target performance, and uses assessment and incentive mechanisms to drive continuous improvement in energy management.

Risk and Opportunity Identification

Risk				Solutions
Energy Price Fluctuation	Energy prices and supply stability are affected by policies, natural weather, market supply-demand	May affect production costs	Impact degree: large impact period: medium term	Establish an energy risk early warning mechanism, monitor price trends and policy changes, prepare response plans in advance
Energy Interruption	Extreme weather or natural disasters may cause energy supply interruptions	May affect production stability	Impact degree: large impact period: long term	Formulate emergency management regulations and production emergency plans, establish a rapid response mechanism
Water Shortage	Droughts, floods and other natural disasters may cause water supply shortages	May affect production stability	Impact degree: medium impact period: long term	Increase water recycling ratio, reduce water dependence

Opportunity				Solutions
Green Energy Opportunity	Production bases actively support the use of renewable energy such as green electricity	May affect energy procurement costs	Impact degree: medium impact period: medium term	Monitor government policies and green electricity market price changes, adjust production arrangements at regular intervals
Energy Efficiency	The Company continuously promotes energy-saving technical modifications and efficient use of energy and resources	May affect production operating costs	Impact degree: medium impact period: long term	Continuously monitor opportunities for energy efficiency improvement, carry out technical modification projects

**Note: Cathay defines short, medium and long-term as 1 year, 3-10 years, and more than 10 years respectively.*

Impact, Risk and Opportunity Management

Cathay delivers end-to-end comprehensive energy management by establishing emergency and equipment maintenance systems, enforcing energy efficiency procurement standards, practicing daily energy-saving behaviors, promoting equipment and process upgrades, expanding cascaded resource use, and optimizing power systems. These efforts drive cost reduction, efficiency gains and the low-carbon transition.
Cathay has established an energy risk and opportunity management framework covering "identification - assessment - prioritization - monitoring - management", ensuring systematic and forward-looking energy governance.

Identification At the beginning of each year, Cathay systematically identifies energy-related factors through energy reviews, policy interpretation, etc., forms an Energy Factor Identification List, conducts quantitative evaluation and graded management from dimensions such as personnel, equipment, process, environment, and uses product life cycle methods to identify environmental factors, ensuring scientific and systematic risk control and improvement opportunity identification.

Assessment Uses risk matrix method and benefit-cost analysis to quantitatively assess and grade risks (risk coefficient based on severity, frequency, detectability) and opportunities.

Prioritization Follows the principle of "Prioritize risks, seize opportunities".

Monitoring Dynamically tracks changes through energy online monitoring system and market research.

Management Develops response plans for high-level risks and implementation plans for high-value opportunities, and achieves closed-loop management through regular review and continuous improvement.



Energy and Production Emergency Management

Cathay has developed emergency response procedures for energy supply disruptions, equipment failures, etc., to ensure fast, organized responses and ensuring stable production operations. In procurement, Cathay strictly control energy efficiency standards to reduce energy consumption at the source. In case of equipment fails, timely repairs are arranged to resume operations. For water, power or steam supply disruptions, targeted mitigation measures are in place to minimize operational disruption.

During the reporting period, our main production bases all obtained GB/T 23331-2020/ISO 50001:2018 energy management system certification.









Indicators and Targets

Indicator	Unit	2025
Comprehensive energy consumption	10,000 tce	27.17
Direct energy	10,000 tce	17.46
Coal	10,000 tons	15.54
Natural gas	10,000 m^3	4756.27
Diesel	10,000 liters	24.47
Petrol	10,000 liters	4.51
Indirect energy	10,000 tce	9.70
Electricity	GWh	558.16*
Steam	GJ	833,428.93
Energy use intensity	tce / RMB million revenue	82.44

**Scope: Data covers the main production bases and R&D centers. Energy consumption calculation follows GB/T 2589-2020 General Rules for Calculation of Comprehensive Energy Consumption.*
**57,000 green certificates were purchased, corresponding to 57,000 MWh of clean energy electricity, supporting the development of green power.*

Target	2025 Progress
continuous reduction of energy intensity	ongoing



Green Office

Cathay embeds environmental principles into daily operations, implementing a range of green initiatives. These efforts guide employees to conserve energy, reduce emissions and protect the environment, creating a green workplace and atmosphere, and aligning employees with sustainable social development and low-carbon future.

Promote environmental awareness	Energy conservation	Digital office and green commuting
Deliver waste sorting training and awareness campaigns, standardize waste storage and minimize waste generation;	Gradually promote the use of solar/ wind street lighting;	Encourage paperless office; advocate double-sided printing to minimize waste;
Install water and electricity conservation signage in office areas;	100% use LED lighting;	Develop AI digital management tools and platforms to boost efficiency and reduce paper usage;
Run regularly environmental and energy conservation public activities.	Select high-efficiency office equipment, such as low-energy printers;	Make full use of online collaboration tools for daily meetings and prioritize video conferences;
	Regularly maintain and inspect office utilities to prevent leakage or waste;	Expand use of electric vehicles for employee commuting.
	New office buildings adopt smart grid management for automated, efficient energy use.	

In 2025, Taiyuan Cathay upgraded its office cooling and heating system by switching to waste heat heating mode, effectively reducing office electricity use.

Use of Proprietary Bio-Based Materials

Cathay capitalizes on the low-carbon attributes of bio-based materials and advances their internal application.

In 2025, we produced **1,520** sets of bio-based work uniforms, 428 pairs of safety shoes with bio-based safety toe cap for factory use and 2,000 bio-based summer quilts for employee, along with bio-based tote bags, backpacks and cosmetic bags as corporate gifts. Cathay uses bio-based polyamide safety helmets in all production areas and bio-based carpets in office areas.In the future, we plan to use its bio-based materials in more labor protection products and corporate brand derivatives, practicing low-carbon concepts in daily actions.



Water management

Water management is critical to the Company’s production and operations. Cathay places high priority on water management and promotes responsible water use across all sites to gradually reduce water consumption and improve water efficiency.

Water Management

In line with the Water Law of the People's Republic of China and other regulations, we have issued our internal Regulations on Economical Use of Water Resources. Each production base has set up a water-saving leading group that supervises water conservation and integrates it into daily operations. Through annual plans and regular assessment of water use data, the Company analyses abnormal issues and advances water saving targets.

Withdrawal and Use

Establish water consumption norms for each department, strictly enforce quota management, and include excess consumption in assessment. Through the EMS energy management system, monitor water consumption data of main production equipment in real time, achieve automatic early warning of abnormal energy consumption, and avoid water waste.

Water Saving Measures

Strengthen water saving management through daily inspection and maintenance of water supply facilities, standardize water use operations, include water saving in assessment and supervision, and eliminate waste.
Strengthen water management in office areas, dormitories, canteens, etc., post water-saving signs, guide employees to develop water-saving habits. Regularly inspect domestic water facilities, repair damaged parts; rationally plan greening water use,prioritize spray and drip irrigation.

Recycling

Adjust chemical dosing levels according to different recirculating water quality requirements; reduce blowdown and fresh water make-up. Actively promote water recycling strategies at various bases; carry out process modifications such as reclaimed water reuse and zero wastewater discharge projects; continuously improve water reuse rates; reduce dependence on fresh water. Currently, Jinxiang Cathay has achieved zero wastewater discharge, with all treated wastewater reused; Taiyuan Cathay wastewater is treated in the park wastewater treatment plant and also reused.

Indicators and Targets

Indicator	Unit	2025
Total water withdrawal	tons	6,285,247.66
Fresh water	tons	6,076,667.66
Reclaimed water	tons	208,580.00
Wastewater discharge	tons	3,545,297.60
Total water consumption	tons	2,737,781.06
Water consumption intensity	tons / RMB 10,000 revenue	8.31
Circulating water volume	tons	292,322,084.89
Cumulative circulating water proportion	%	97.9

**Scope: Data covers the main production bases and R&D centers.*

Target	2025 Progress
Continuous reduction of water consumption intensity	Ongoing

Circular Economy

Cathay adheres to circular economy principles to drive efficient resource utilization and closed-loop recycling throughout procurement, R&D, production and logistics processes.

Resource Recycling

Cathay continuously optimizes R&D and production workflows to boost energy and water efficiency and expand reclaimed water reuse coverage (see Energy Utilization and Water Management Chapters for details). Regarding waste heat and pressure, Cathay fully considers utilization at the project design stage, and uses steam balance analysis, site inspections, etc., to maximize waste heat recovery potential.

Green Packaging Materials

Cathay facilitates internal circulation and reuse of reusable packaging materials and transport pallets.End-of-life packaging and pallets are centrally collected and transferred to qualified recyclers forproper recycling, reducing raw material consumption and packaging -related environmental impacts. In 2025, about 36,000 pallets were recycled at main production bases.

Waste Recycling and Comprehensive Utilization

Cathay's products are mainly bio-manufactured using engineered microbes as cell factories for large-scale targeted material synthesis. The process generates almost no hazardous waste, yielding only biological sludge. In collaboration with partners across production sites, Cathay recycles such sludge in line with the principles of waste reduction, resource recovery and harmless disposal.



Ecosystem and Biodiversity Protection

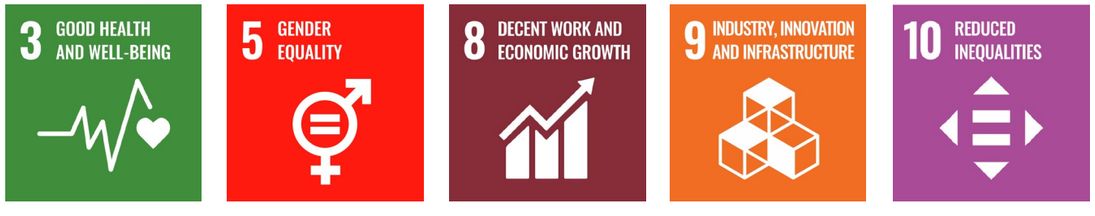
All production facilities of Cathay are located within industrial parks, outside ecological redlines and sensitive conservation areas, and cause no material adverse impacts on wildlife habitats, ecosystems or biodiversity. Sites follow dedicated biodiversity management protocols, with the EHS team routinely monitoring wastewater, groundwater and exhaust to regulate pollutant emissions and mitigate ecological risks. Staff receive biodiversity protection training and are prohibited from damaging wild flora and fauna. They are also encouraged to participate in afforestation and ecological conservation initiatives, including invasive species prevention.
In line with green factory standards, Cathay optimizes waste governance and emission reduction alongside on-site landscaping, improving local micro-ecology and supporting regional biodiversity preservation while embedding environmental stewardship into training systems.







03 SOCIAL

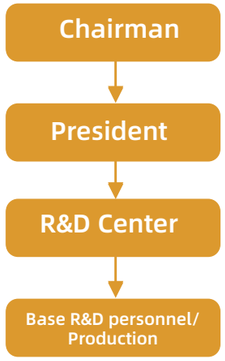

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES

Innovation

Governance

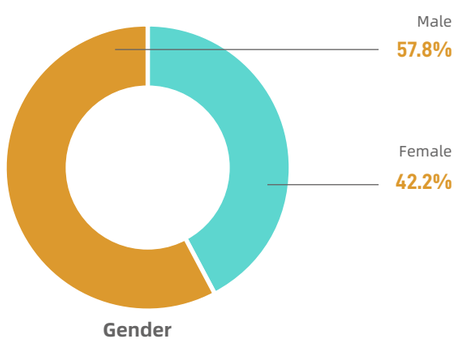
R&D Governance Structure

Continuous technological innovation is core to Cathay's competitiveness. Cathay pursues an R&D-driven strategy, focusing on synthetic biology, industrialization and application developments, enhancing core competitiveness through product, technology and service innovation to drive industry progress. Cathay continuously optimizes its R&D governance structure, with the Chairman as the highest leader and all R&D teams operating in coordination.

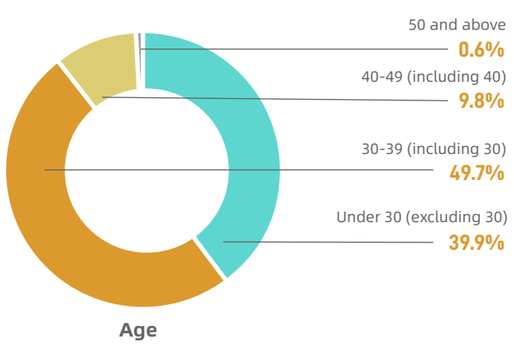


R&D Team Building

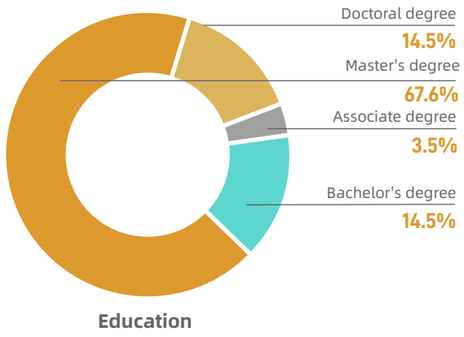
Cathay strengthens its R&D system, establishes internal communication and knowledge sharing mechanisms, encourages technical discussions and exchange of cutting-edge industry insights and milestone, and creates a collaborative research atmosphere. Through internal and cross-team communication, Cathay builds an interdisciplinary team integrating fundamental R&D, applied processes and specialized technologies, pooling elite talents across synthetic biology, polymer and downstream application segments.



Gender



Age



Education



As of the end of the reporting period, we had 173 key R&D personnel* (*Scope: This data covers the Shanghai R&D Center and Shanxi Research Institute).

Risk and Opportunity Identification

We will keep focusing on cutting-edge synthetic biology, raise R&D investment, track industry and market trends, regularly adjust our R&D direction, and continue to pursue industrialization breakthroughs.

Risk				Solutions
Staff Turnover Risk	The Company's business involves bio-manufacturing, requires a continuous innovative team; talent loss may occur due to various factors.	May increase R&D investment	Impact degree: medium impact period: long term	The Company attaches great importance to talent development and improves employee motivation and cohesion through salary, benefits, equity incentives, etc.
Core Technology Leakage Risk	core technology leakage or loss may lead to competitors obtaining or imitating it	May reduce revenue	Impact degree: large impact period: long term	Improve patent portfolio, protect core technology and trade secrets, strengthen IP protection; prevent technology leakage through hardware, software, permission settings, etc.
Technology R&D Lag Risk	The level of technology and industrialization in synthetic biology continues to improve, increasing market competition	Profitability may decline	Impact degree: large impact period: medium term	Continuous increase in R&D investment, follow technology advances in relevant fields

Opportunity				Solutions
Industrialization Technology Breakthrough	Breakthroughs in synthetic biology technology bring new research directions and product innovation opportunities, improving production efficiency.	May reduce production costs	Impact degree: medium impact period: long term	Continuous increase in R&D investment, focus on cutting-edge technology progress
Industry Progress	Industrial technological progress brings more resources and talent, shared resources, creating more innovation and cooperation opportunities	May reduce production costs	Impact degree: small impact period: long term	Actively participate in industry activities, maintain close contact with upstream and downstream partners, jointly promote industry progress

**Note: Cathay defines short, medium and long-term as 1 year, 3-10 years, and more than 10 years respectively.*

Impact, Risk and Opportunity Management

Cathay systematically manages the impacts, risks and opportunities related to R&D innovation through three key steps:

Identification Combine industry trends and market demand to identify potential risks such as technology, market, talent; combine the Company's strategy, national policy and industry development orientation to identify strategic opportunities such as innovation breakthroughs, product upgrades, market expansion.

Assessment Assess key drivers (technology maturity, competition, talent stability, etc.) and their potential impact on R&D cycle, cost control, market share and brand image, and clarify the time horizon of impact.

Response For risks, formulate response measures such as technology cooperation, talent incentives, market research; for opportunities, promote the Company's development through increased R&D investment, resource allocation optimization, acceleration of results commercialization, etc.

Industry Collaboration

Cathay actively advances industry-university-research collaboration, conducting joint R&D with East China University of Science and Technology, Shanxi University, Fuzhou University, Sichuan University of Light Chemical Technology, etc.
In 2025, we contributed to the publication of 1 industry standard, the development of 3 industry standards and 2 national standards, and the drafting of 2 international standards and 2 group standards, continuously bringing technical expertise to the bio-based materials field.

Indicators and Targets

R&D investment: RMB **237.89** million, up **1.95%** year-on-year.
R&D investment as percentage of revenue: **7.22%**, with a compound annual growth rate of **12.24%** since 2021.

Target	2025 Progress
Continuously increase R&D investment, maintain a competitive level of R&D investment as a percentage of revenue	Ongoing

Core R&D Directions and 2025 Innovation Breakthroughs

Cathay develops bio-manufactured and bio-based products as substitutes for fossil-based products, and reduces energy use and emissions via efficient bio-manufacturing processes, continuously delivering innovative low-carbon sustainable solutions to meet current and future market demands.

Bio-manufactured Dicarboxylic Acids(LCDAs)

As the world's leading supplier of LCDAs, Cathay leverages proprietary synthetic bio-manufacturing technology to deliver a portfolio of medium to long chain dicarboxylic acids (C10-C18) at scale, precisely meeting monomer requirements for high performance polyamides. With industry leading product innovation capability, Cathay addresses the core needs of different downstream application scenarios, carry out targeted technology R&D and product customization, and continuously create value for customers.

Compared with chemically produced LCDAs, Cathay's bio-manufactured products leverage proprietary synthetic bio-manufacturing core technologies, improving production efficiency through the construction of efficient cell factories, and feature mild and green reaction processes with low-carbon production. Among them, Cathay's bio-manufactured sebacic acid has been certified by an international third-party verification body –under ISO 14040:2006 and ISO 14044:2006 standards, the product achieves a carbon footprint reduction of more than 40% compared with chemically produced sebacic acid using castor oil. Carbon emission reductions for other dicarboxylic acids generally exceed 50%, highlighting the core advantages of bio-manufacturing.

Cathay has driven sustainable innovation through continuous technological breakthroughs across its product lineup. Cathay has launched non-food biomass-derived green dicarboxylic acids with up to 100% bio-based content and stable supply capacity. By capitalizing on the carbon sequestration and circular attributes of plant-based feedstocks, as well as the high-efficiency, low-carbon strengths of bio-manufacturing, Cathay accelerates the large-scale industrialization of its sustainable product portfolio.

In 2025, Cathay broadened its product portfolio by developing new dicarboxylic acids and derivatives, and enhancing industrialization capabilities, aligning synthetic biology innovation with global market demand for green, high-performance materials. It delivers customized integrated solutions for automotive, electronics, textiles and engineering plastics, driving industry-wide green innovation.

Bio-based Pentamethylenediamine(PDA)

Cathay's self-developed bio-based PDA, features a unique odd-carbon molecular structure, delivering differentiated performance compared with chemically produced hexamethylenediamine with industry-leading core metrics.

Cathay bio-based PDA is produced using a bio-process, with its core raw materials 100% derived from renewable bio resources. The product is widely used in bio-based polyamides, epoxy curing agents, isocyanates, coatings and other fields. Surface coating made from PDA deliver excellent resistance to solvents such as gasoline, engine oil and alcohols, and have stronger structural stability after hardening. The related applications have received the European ECS Innovation Award. The downstream polyamide products prepared from PDA also perform excellently in textiles and engineering materials, showing superior performance advantages like excellent melt flow ability over conventional materials in many fields.

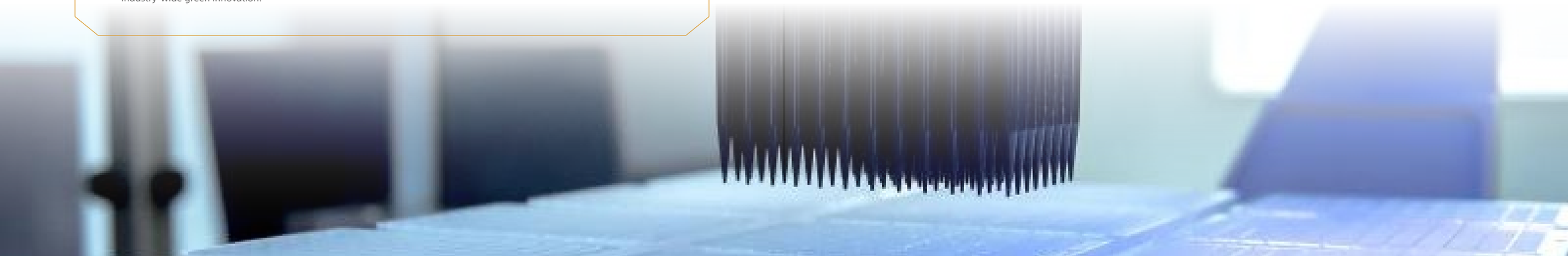
To secure stable raw material supply for large-scale bio-manufacturing, Cathay prioritizes the high-value utilization of non-grain biomass. Cathay advances industrial innovation and R&D by leveraging agricultural straw, waste oils and other bio-waste feedstocks. Such practices lower production costs, improve resource efficiency, enable waste-to-value circularity, and effectively reduce product carbon footprints.

Bio-based Piperidine

Piperidine is a high-value chemical intermediate with broad industrial applications. It is widely used as intermediates for the synthesis of the plant growth regulator mepiquat chloride, serving as an organic synthesis solvent and dehydrating agent, an epoxy curing agent for resin production, a key raw material for pharmaceutical synthesis, and a foundational component for preparing rubber pre-dispersed accelerator DPTT.

Conventional chemical piperidine is produced via pyridine hydrogenation, a complex, harsh process. Cathay has developed an industrial bio-based piperidine technology that can convert biomass raw materials into piperidine through a biological conversion process under mild conditions.

In 2025, bio-based piperidine achieved commercialization. It delivers equivalent quality to conventional petroleum-based alternatives while offering lower carbon footprints, positioning it to drive the green transformation of relevant industrial sectors.



Bio-based Polyamide(PA)

Cathay develops a full portfolio of bio-based polyamides (bio-PA) through polycondensation of self-produced bio-based PDA and various dicarboxylic acids. Cathay launched the world's first 10,000-ton bio-PA production line in 2014 and achieved the world's first 100,000-ton commercial-scale production in 2021. Unique odd-carbon diamine molecular structures differentiate Cathay's bio-PA materials, delivering superior performance and processability. Featuring renewability, recyclability and eco-friendliness, the products combine lightweight, high strength, high-temperature resistance and corrosion resistance, providing high-performance, low-carbon material solutions for diverse industrial applications.

For textile, Cathay launched the bio-based PA brand TERRYL®. Its various fiber products feature excellent spinning ability and finishing characteristics, serving sportswear, underwear, cotton/linen/silk/wool blends, luggage and carpets; industrial fiber fields such as tire cord fabric, airbag yarn and release fabric; and non-woven fields such as face masks and hygiene products.

For engineering materials, Cathay launched the bio-based PA brand ECOPENT®, which includes products with melting points ranging from 200° C to 310° C, covering general, high-temperature, long-chain and transparent grades. Its better durability and special application characteristics can meet the performance requirements of different application scenarios. It can be used in automotive parts, electronic and electrical appliances, cable ties, films, thermal insulation strips, pipes and other fields. In addition, Cathay launched the long-chain bio-based PA brand BIOSYNAMID®, the bio-based PA powder brand BIOSINT®, and the bio-based PA elastomer brand PENTELAST® to meet requirements in different forms and shapes.

In 2025, Cathay expanded bio-PA portfolio in modified plastics field. With advantages such as high flow, low warpage, flame retardancy, chemical resistance and light weighting, as well as a full range of resins covering general, high-temperature, long-chain and transparent grades, Cathay's series of bio-based PA can be customized through glass fiber reinforcement, toughening, flame retardancy and other modifications, precisely matching the needs of multiple scenarios such as new energy vehicles, electronic and electrical appliances, industrial equipment and cold chain logistics, providing downstream customers with low-carbon, high-performance material solutions. Key products have received an international third-party carbon emission verification, showing carbon emission reductions of generally more than 30% compared with conventional chemically-based modified polyamide products, and more than 60% for some certain products.



Bio-based Thermoplastic Composite Materials

Cathay's bio-based composite materials integrate continuous carbon/glass fiber with various bio-based PA to achieve excellent mechanical performance for metal substitution. With a density of merely one-quarter of steel and two-thirds of aluminum, the composites generate lower carbon emissions than conventional materials while retaining recyclable properties. They address key industry pain points, including the poor recyclability of conventional thermosetting materials and associated environmental pressures. They enable the dual requirements of lightweight and high-performance for complex working conditions, diverse designs and high-end application scenarios. This supports industrial upgrading and green transformation of "plastic-for-metal" and "thermoplastic-for-thermoset" replacement. In 2024, Cathay launched the bio-based PA composite material brand BIOMAGICOM® and focused on differentiated application scenario development, initiating commercialization pilots in multiple application fields.

In 2025, Cathay scaled industrial application and market promotion for bio-based composite materials. It debuted at the JEC Composites Show, receiving global recognition. Cathay also secured multiple commercial breakthroughs across new energy, lightweight structural components, building materials, photovoltaic modules and logistics transport, accelerating the large-scale commercialization of bio-based composite materials and providing sustainable solutions for high-end manufacturing and low-carbon material substitution.

Moving forward, Cathay will continue to drive R&D and process innovation to meet the rising downstream demand. By optimizing product performance and expanding high-value application scenarios, Cathay will strengthen the core competitiveness of its composite products, cater to market needs for low-carbon, recyclable and high-performance materials, and further empower the green transformation of downstream industries.

Application Scenarios

Aviation temperature-controlled container

Cathay supplied low-carbon, high-performance Bio-PPA CFRT for the RAP-AT1 active aviation temperature-controlled container of Haier Biomedical's Qingdao Honghu Aviation Technology Co., Ltd. The material enables light-weighting, thermal insulation and strength, effectively reducing energy consumption and carbon emissions during air transport under conditions of high-efficiency insulation and high strength and wear resistance, providing strong support for the green and sustainable development of the air cold chain.





Refrigerated container

Cathay's Bio-PPA CFRT materials were applied for the first time to key container components such as inner ceiling panels and inner side panels.

Intellectual Property Protection

As core intangible assets of the Company, intellectual properties are highly prioritized. Cathay attaches great importance to intellectual property protection, safeguarding our own innovation achievements in various forms such as patents and trade secrets. Cathay safeguards its rights in accordance with the law, continuously strengthens employees' awareness of IP protection, advocates and promotes customers and partners to respect innovation and jointly maintain a harmonious and orderly business environment.

Organizational Structure and System Safeguards

Cathay has established a dedicated intellectual property department to manage the full lifecycle of IP, covering core functions such as IP strategy formulation, IP layout, search and application, operation and rights protection, ensuring that R&D technologies are effectively protected and maintaining market competitive advantages. Cathay follows internal policies such as the Employee Handbook, the Cathay Biotech Confidentiality Policy, the Information Security Confidentiality Policy, and the Cathay Biotech Intellectual Property Management Regulations, clarifying employee confidentiality responsibilities and obligations, detailing the reward mechanism for inventions, and making complete agreements on IP ownership and confidentiality responsibilities in upstream and downstream cooperation, achieving standardized IP management.

Global Patent Layout and Risk Control

Cathay focuses on core technologies and key products across the bio-based polyamide industrial chain, systematically promoting the globalization of its IP portfolio, continuously improving patent and trademark coverage in major domestic and international regions, ensuring that patent protection covers the Company's key technological achievements and that trademark layout matches the market promotion needs of key products.In 2025, Cathay completed 12 intellectual property risk assessments, identifying 3 high-risk projects and rolling out 8 control measures, effectively reducing various potential risks and protecting its innovation achievements.

Strengthening Protection Awareness

Through system advocacy, special training and IP standardization implementation, Cathay continuously enhances employees' awareness and professional capability regarding intellectual property protection, guiding employees to actively participate in the IP protection work. During the reporting period, we launched 3 IP-related courses and organized 5 online training sessions.



In 2025, we successfully passed the mid-term assessment of GB/T 29490-2023 Enterprise Intellectual Property Compliance Management System certification, further consolidating the whole-lifecycle IP management process, improving standardized management, and laying a solid compliance foundation for market expansion.

	2025		Cumulative	
	Applications	Granted	Applications	Granted
Invention patents	57	44	854	434
Utility model patents	18	16	159	128

On 31 December 2025, the Company received the final second-instance judgements from the Supreme People's Court in the case of Cathay Biotech against Shandong Hilead and its legal representative and former employees of Cathay for infringement of trade secrets [Case No.: (2022) Supreme People's Court, Final Civil Judgement No. 445], and the case of Cathay Biotech against Shandong Hilead and Shandong Graceland Biotechnology Co., Ltd. (hereinafter "Shandong Graceland") for infringement of invention patent rights [Case No.: (2023) Supreme People's Court, Final Civil Judgement No. 3178]. The two cases awarded compensation to Cathay of RMB 28.87 million and RMB 30 million respectively, which applied 2x punitive damages in the patent infringement case. These are the two highest compensation amounts obtained by Cathay in intellectual property rights protection litigation.

In 2025, Cathay achieved a major breakthrough in litigation against infringing activities in Europe:

The District Court of Amsterdam formally ruled that the conduct of Dutch importer Wegochem B.V., which had purchased and distributed infringing long-chain dicarboxylic acids (LCDAs) originating from Shandong Laiyang in Europe since 1 June 2019, constitutes unlawful conduct. It ordered the immediate cessation of related import and sales activities, required the publication of an infringement notice on its website, and will determine the amount of damages in subsequent proceedings. This victory represents the Company's first successful rights protection action outside China, effectively blocking the path of infringing conduct and establishing a legal barrier for fair competition and sustainable innovation in the bio-manufactured long-chain dicarboxylic acid and bio-based polyamide industrial chain.
This achievement is not only an important milestone in the Company's more than ten years of continuous rights protection efforts, but also demonstrates Cathay's firm determination to protect the innovation ecosystem and its own legitimate rights and interests on a global scale. The Company will take this opportunity to further improve its global intellectual property layout and risk control system, continue to promote the compliant application and green development of bio-manufacturing technologies, and provide reliable, low-carbon bio-based material solutions to global customers, helping the polyamide industry achieve sustainable development.

Supply Chain Management

Governance

Cathay strives to build an agile, resilient and sustainable supply chain. Robust governance and dynamic risk management underpin the safe, stable and efficient operation of its supply chain, laying a solid foundation for the delivery of Cathay's strategic and ESG objectives.
In 2025, we restructured the construction and procurement functions to align with business development needs, establishing material procurement, bidding procurement and engineering construction management centers. Through three levels (management level – group company – subsidiaries), it is responsible for Cathay's procurement strategy and system building, procurement strategy formulation and procurement business implementation.

Risk and Opportunity Identification

Risk				Solutions
Market and Price Risk	Severe fluctuations in key raw material prices; large exchange rate fluctuations	Increase production costs	Impact degree: large impact period: medium term	Strengthen supplier cooperation to ensure stability of raw material prices and supply; optimize supplier network, adjust procurement strategies according to market conditions.
Operation and Supply Risk	Volatility in raw material supply; single-source dependency; logistics bottlenecks and capacity shortages	Increase production costs	Impact degree: large impact period: short/ medium term	Implement supplier diversification strategy, reduce single-source dependency; establish safety stocks; optimize procurement and logistics systems, promote digital supply chain.

Opportunity				Solutions
Policy Support	Green and low-carbon transformation of raw material supply chains	Green emission reduction	Impact degree: medium impact period: long term	Closely monitor policy dynamics to build a green supply chain.
Green Raw Materials	Tendency of the market and customers to choose green products	Increase revenue	Impact degree: medium impact period: long term	Build a responsible brand image, deepen customer cooperation.

**Note: Cathay defines short, medium and long-term as 1 year, 3-10 years, and more than 10 years respectively.*

Impact, Risk and Opportunity Management

Suppliers serve as core value chain partners of Cathay. Cathay has implemented the Procurement Center Management Regulations and the Supplier Management Regulations, governing key processes such as supplier access, management and review, procurement contracts, raw material sourcing and warehouse acceptance, to achieve standardized management of suppliers and procurement behaviors and processes. At the same time, Cathay leverages digital tools to integrate and upgrade supply chain data, enhancing procurement and supplier management efficiency.

Identification

- Identify risks from multiple dimensions: macroeconomic and policy research reports, industry risk databases, feedback from procurement and quality departments, supplier audit reports, logistics anomaly data, and ESG rating information.

Assessment

- Quantitatively assess identified risks and combine with the urgency of the risk and the Company's strategic relevance to classify into major, medium and general levels.

Management

- **Dynamic monitoring:** The Procurement Management Center monitors major risks monthly; functional departments review medium risks quarterly. Real-time data from key suppliers is integrated through a supply chain digital dashboard for monitoring.
- **Closed-loop management:** Assign responsible persons, response strategies and deadlines for identified risks, and record them in a risk management ledger.
- **Risk early warning:** Set early warning indicators through monitoring and historical data analysis to improve accuracy and timeliness of warnings.
- **Communication:** Establish information sharing mechanisms with suppliers and logistics partners, hold regular supply chain meetings to discuss potential risks and response measures.

Supplier Management Measures

Supplier Access

Cathay develops new suppliers through multiple channels. Before onboarding, a supplier must pass a comprehensive assessment covering background checks, qualification audits, sample testing and quality/service reviews. ESG performances, including environmental and labor practices, are also evaluated. Only those meeting our criteria are added to approved supplier list.

Tiered Management:

Cathay operates a tiered supplier management system. Suppliers are classified into four categories (A, B, C, D) according to the type of procurement materials; and into four grades according to service quality, ESG implementation and overall performance. All procurement is conducted from the approved supplier list.

Review and Assessment

Ongoing supervision:

Cathay conducts irregular performance evaluations of supplier product and service quality every year, communicates the results to suppliers, and requests corrective actions within a specified period. Suspected procurement fraud triggers immediate notification to internal audit, compliance or legal department. The internal audit and compliance departments conduct investigations according to the policy and report the findings to the responsible Vice President and President.

Annual review:

Annual supplier review evaluates from product/service quality, cost, delivery performance, etc., determine annual qualification and tier renewal.

Integrity management:

Cathay requires suppliers and partners to sign an Integrity Commitment Letter, promising to comply with laws and regulations related to business ethics in production and operations, and to receive ESG-related training on anti-corruption, human rights, conflict of interest, etc.

On-site audit:

For key raw material suppliers, at least one on-site factory audit is conducted every three years.

Risk mitigation:

Cathay maintains at least three suppliers for each type of raw material, sets safety stock levels to mitigating monopoly or corruption risks and ensures supply chain safety and stability. Single-source materials require special approval. Single-source supplier of key raw materials undergoes enhanced review.

Removal

Suppliers shall address quality issues with corrective actions in time. Severe breaches, fraud or failed reviews result in removal from the approved supplier list or blacklisting for serious cases.

Promoting Sustainable Supply Chain Management

Cathay prioritizes sustainable supply chain management and has adopted the Sustainable Procurement Management Regulations. Cathay requires suppliers to meet standards in environmental management, compliance and business ethics, labor rights, product safety, resource management, and risk management. Cathay strengthens two-way communication for identified risks and opportunities, driving suppliers to jointly practice sustainable development and enhance collective competitiveness.

Specifically, suppliers are required to deliver environmentally compliant products free from prohibited substances and within allowable limits for restricted substances, abide by environmental laws, regulations and international labor standards, and uphold sound business ethics. They must ensure reliable product and service quality while prioritizing employee and consumer safety. Cathay also encourages suppliers to adopt green energy and reduce transportation emissions to lower carbon footprints.

Cathay maintains proactive two-way communication with suppliers on product carbon footprint data and certification of raw materials and packaging, promotes its sustainable strategy, and encourages suppliers to strengthen recycling, circular use and energy conservation awareness in their own operations.

Sustainable Practice

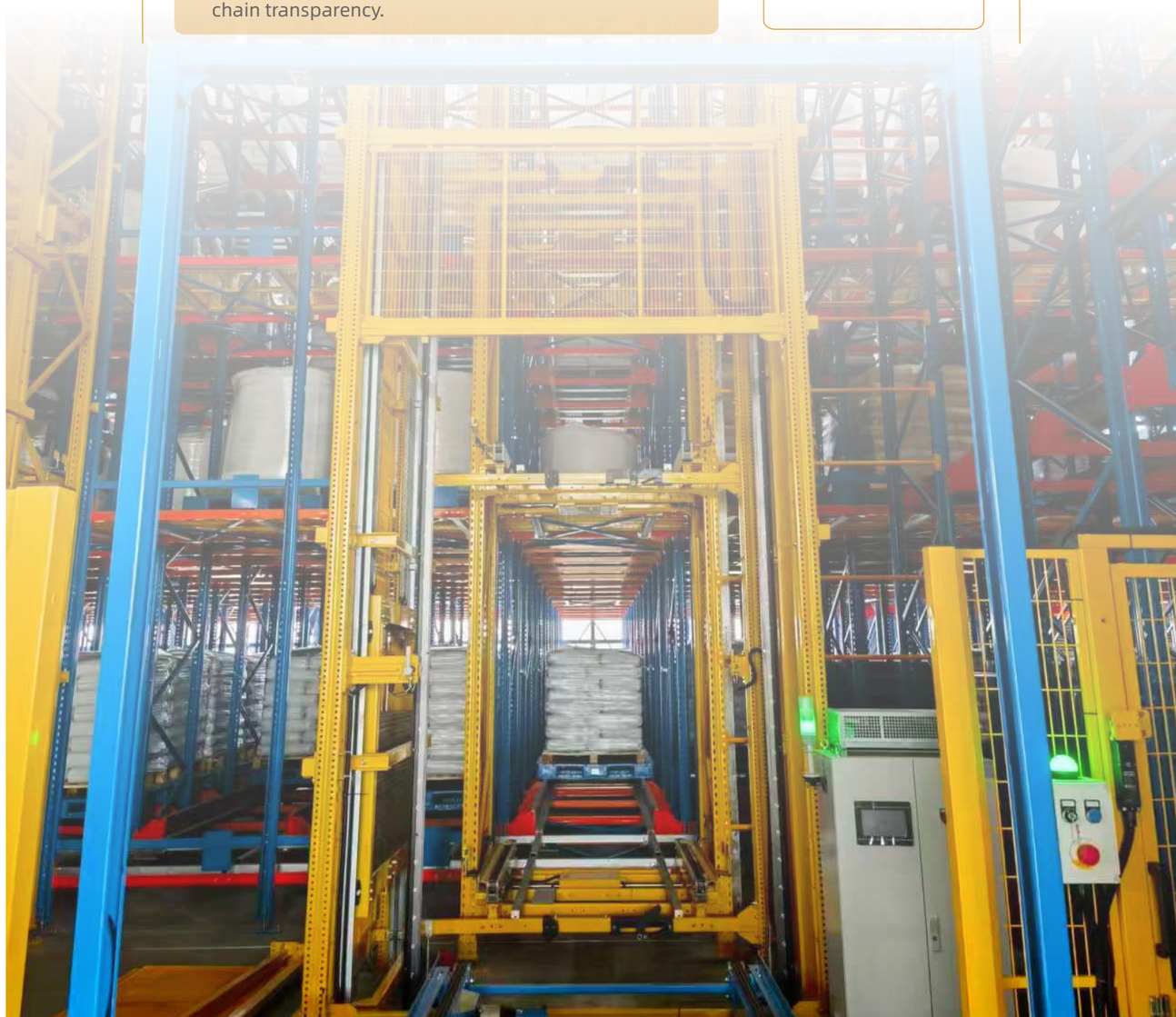
Cathay requires packaging material partners to use water-based inks instead of oil-based inks to reduce the potential negative impact of high VOC content on the environment and human health. For logistics service providers, Cathay requires vehicles to meet at least China V emission standards to minimize exhaust pollution, and encourages the adoption of biodiesel and electric vehicles where applicable. Several of Cathay's logistics suppliers have obtained authoritative certifications including AEO, EcoVadis and ISO 9001, demonstrating robust and sustainable operational capabilities.

Indicators and Targets

In 2025, to standardize supplier management and procurement processes, we updated its SRM system and systematically reviewed existing suppliers, eliminating disqualified and long-term inactive suppliers. After the review, there were **709** active suppliers over the past five years, including **706** domestic suppliers and **3** international suppliers. The 2025 annual supplier performance evaluation was completed, and **13** suppliers that failed the audit were removed.

In 2025, the supplier code of conduct signing rate was **100%**, and the business ethics training coverage rate was **100%**.

Target	2025 Progress
100% coverage of major supplier's risk assessment; procurement department employees **100%** receive supply chain risk management training; continuously develop and introduce new qualified suppliers; improve supply chain stability; promote green procurement and improve supply chain transparency.	Ongoing



Product Quality and Customer Service

Product Quality Management

Cathay upholds quality as its top priority. By enforcing strict quality control from the source, the Company continuously consolidates and enhances its core competitive advantages.

Governance Framework

Cathay strives to establish a robust quality management system, ensuring that necessary resources for quality management are in place.
As the primary person in charge, the general manager of each production site takes overall charge of product quality control. Each production site has set up a Technical Quality Department to oversee the planning and implementation of quality management system. In close collaboration with various business units, quality requirements are embedded in whole workflows: R&D, production, inspection and sales. Each Technical Quality Department, based on actual production, develops a quality manual, management policies and SOPs. These documents cover incoming material inspection, in-process control, finished product testing, etc., clarifying product quality standards, process specifications and operating guidelines for each procedure. Cathay has established an incentive mechanism to encourage employees to propose quality improvement suggestions, giving corresponding rewards for the projects.

During the reporting period, our main production bases all obtained GB/T 19001-2016/ISO 9001:2015 quality management system certification.



Risk and Opportunity Identification

Risk				Solutions
Product Quality Risk	Quality problems caused by disqualified raw materials, product contamination, inspection errors, etc.	Increase production costs, reduce revenue	Impact degree: medium impact period: medium term	Formulate quality inspection standards, strengthen process monitoring and quality testing.
Customer Complaint Risk	Customer complaints or even product recalls caused by disqualified products, transport contamination, labelling errors, etc.	Reduce revenue	Impact degree: medium impact period: medium term	Agree on supply standards with customers, conduct strict inspection and verification before shipment, handle and follow up on complaints immediately.

Opportunity				Solutions
Market Opportunity	Products obtain certifications, gaining customer recognition and market trust.	Increase revenue	Impact degree: medium impact period: long term	Strengthen compliance management, actively apply for qualification certification, carry out market promotion.

Impact, Risk and Opportunity Management

Cathay has established measures to cope with internal and external risks and opportunities that may affect system operational results, so as to enhance risk resilience:

Identification Systematically identify potential risks from personnel capability, testing facilities and methods, quality control, data analysis and new product development, focusing on changes in laws/regulations and customer requirements, product after-sales, process failures, and other quality-affecting factors.

Assessment Quantitatively assess identified risks, determine risk levels, and regularly evaluate the effectiveness of control measures for risks.

Monitoring and Management The Company has established a risk monitoring and dynamic management mechanism, organizing at least one risk and opportunity review per year to verify the effectiveness of control measures. According to the assessment results, it adopts risk acceptance, reduction, avoidance and other response methods. When control measures do not achieve expected results, it uses PDCA cycle analysis to find causes and continuously optimize, achieving closed loop management.

Full-process Quality Control Measures

Cathay has established a sound quality management mechanism by setting clear quality targets for raw material sourcing, production and delivery, and strictly implementing in-process monitoring to ensure product quality throughout the entire process.

Measure
Establish procurement and supplier management systems, audit supplier quality, and define acceptance standards and inspection procedures to control quality at source.
Conduct on-site inspections of key raw material suppliers.
For new suppliers of critical raw materials, establish an entry procedure of "sample testing - pilot testing - supplier factory audit - small-batch production test - inclusion in supplier database".
Annual review and assess existing suppliers; disqualified suppliers would be downgraded and notified to rectify within a deadline; serious ones would be removed from the Qualified Supplier List.

Incoming material control
Implement the full process inspection from raw materials to outbound loading to ensure quality.
Formulate process control inspection and testing control plans, clarify key control points and indicators, rely on automated management systems for real-time detection and adjustment.
Strictly implement a "self-inspection + spot inspection" quality supervision system.
Each production base, according to the Production Process Supervision and Inspection Management Procedure, prepares an Inspection Summary Table, conducts regular self-inspections and irregular spot inspections, timely reports disqualified items, rectifies within a deadline, and includes results in performance assessment, achieving PDCA closed-loop management.

Product testing
Establish monitoring and measurement control procedures for products, and SOPs for testing raw materials, intermediate processes and finished products. Inspect according to these standards to ensure product quality compliance.

Disqualified products and recall
Finished products are inspected according to the Company's internal control standards. Disqualified products are handled according to the Non-Conforming Product Management Procedure and are not allowed to leave the factory.
Establish a product return and recall management system, conduct regular recall drills.

Information reporting mechanism
The Company has established a quality information management system for real-time data sharing. When inspection results are abnormal, they are reported according to the procedure, the cause would be investigated, and a quality analysis meeting would be held to formulate improvement.

Internal and external audits
The Company develops an annual quality internal audit plan covering all elements of the management manual and all departments, promptly identifying problems and weak links in the quality management system and production processes, and taking measures for continuous improvement. The Company conducts regular management reviews to verify the conformity, adequacy and effectiveness of the current quality management system, ensuring continuous improvement. According to requirements, a surveillance audit is conducted annually, and a recertification audit every three years.

Quality Culture and Training

Based on Cathay's training system, an annual training plan is formulated, with regular training on quality management, process and inspection SOPs, equipment management, etc., improving employees' quality awareness and management capabilities.



High-Quality Customer Service

While focusing on product innovation and consistent quality, high-quality customer service is also an important topic for Cathay. Centered on superior customer experience, Cathay proactively collects cross-industry client feedback and requirements to develop customized products tailored to differentiated market needs. Cathay also advances in-depth industrial and market research, maintaining multi-channel, multi-form, all-round communication and feedback with customers via industry activities and various domestic and international exhibitions.

Customer Complaint Handling Mechanism

Cathay has established a tiered customer complaint resolution framework underpinned by its Incident Management System and the User Service Management Regulations. Cathay provides initial responses to customer feedback concerning environment, quality, safety and other concerns within 24 hours and produces a preliminary customer complaint quality report. Where necessary, a dedicated incident investigation team would be established to analyze, formulate a corrective plan and preventive measures, and avoid recurrence of similar problems. Relevant personnel would complete rectification within the specified time frame, compile a final incident report and inform customers of the outcomes.

Customer Service Risk and Opportunity Governance

Cathay has built an end-to-end customer service risk and opportunity management system. It identifies internal and external factors affecting service quality through customer feedback, service data, industry benchmarking and other channels, and identifies risk points such as service processes and high-frequency complaints, alongside growth opportunities such as service iteration and customer value enhancement, and assesses them according to impact level and probability of occurrence.

A regular monitoring mechanism is adopted to track changes in real time via complaint system, satisfaction surveys and service indicators, and regularly review assessment results. For identified risks, Cathay adopted tiered control measures, developed preventive arrangements and emergency plans, and clarified responsible departments and rectification deadlines. For opportunities, implementation plans are developed to drive service optimization and product value-add.

Customer Demand Response

Customer Demand	Response and Measures
Product innovation	Continuously upgrade the R&D system, strengthen the construction of high-throughput R&D facilities for the whole synthetic biology industrial chain; continuously engage in R&D innovation, optimize product structure, improve product cost-effectiveness, enrich and refine downstream application low-carbon solutions, maintain technological leadership.
Privacy protection	Sign confidentiality agreements with customers, clearly specifying the responsibility for customer information confidentiality; carry out targeted encryption of packaging, display and other channel information according to customer needs; based on specific cooperation projects, clarify each party's confidentiality requirements, set detailed confidentiality clauses, ensuring mutual protection and mutual responsibility.
Customization	Customize products/services according to customers' specific needs, maintain regular communication.
Product specifications	Improve technical means to meet different customers'requirements for environmental friendliness and production safety of products.
Packaging form	Optimize transport links, improve carrying efficiency, reduce customer transport costs; tailor packaging according to customer requirements, 100% meeting packaging requirements.
Transport timeliness	Communicate with customers in advance, pay attention to various policies and road condition information, prepare response plans in advance.

Indicators and Targets

Indicator	Unit	2025
Customer complaint resolution rate	%	100
Customer satisfaction	%	98.38
Number of major safety and quality accidents related to products and services	times	0

Target	2025 Progress
Steady improvement of customer satisfaction; **100%** customer complaint handling rate; **zero** major safety and quality accidents related to products and services**100%.**	Ongoing

Employees

Employees are Cathay's most valuable asset. Guided by its employee-centric corporate responsibility philosophy—prioritizing occupational safety and health, and fostering sustainable mutual growth between the company and its workforce—Cathay fully protects the legitimate rights and interests of its staff. The company cultivates an equal, inclusive, diverse, safe and harmonious work environment to achieve shared success with all employees.

Employee Rights and Benefits

Legal Employment, Diversity and Equality

Cathay strictly complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other applicable national laws and regulations, supports international norms such as the Universal Declaration of Human Rights, and has established a comprehensive human resource management framework. Cathay has established internal policies such as the Employee Handbook to effectively protect employees' legitimate rights and interests in recruitment and dismissal, working hours and holidays, compensation and promotion, providing strong support for the building, training, promotion and value creation of talent teams.

Cathay is deeply committed to upholding human rights and respecting individual employees. It strictly complies with national child labor bans and statutory minimum hiring age requirements, maintaining zero tolerance for child labor. The company prohibits all forms of discrimination or unfair treatment based on race, ethnicity, religion, gender, age, marital status, education, nationality, sexual orientation, or disability. Additionally, Cathay takes a firm stance against forced labor, workplace bullying, violence, and harassment.

Measures to Protect Employee Rights

Recruitment
- Implement an open recruitment system based on the Company's development plan, expand diversified recruitment channels, maximize public recruitment information, use standardized application processes, and comprehensively evaluate and select talent.
- Ensure equal opportunities for employees in career development, compensation and benefits, and ensure female employees have the right to enter different decision-making leadership levels.

Employment
- Strictly comply with applicable laws and regulations, clarify the terms and procedures for signing and terminating labor contracts through internal policies such as the Employee Handbook, and establish harmonious and stable labor relations.
- Prohibit child labor and any form of forced labor.

Working hours and leave
- Set standard working hours according to law, enjoy statutory holidays, paid annual leave, marriage leave, maternity leave, parental leave, bereavement leave and other types of leave as stipulated by national regulations.

Compensation and promotion
- Adhere to the principle of equal pay for equal work, pay wages in full and on time, and pay social insurance and housing fund for employees.
- Build a compensation distribution system matching work ability, linked to work performance, and adapted to the nature of the enterprise.
- Continuously improve the compensation increase mechanism considering market salary levels, talent supply and demand, ensuring the appropriateness and competitiveness of employee compensation in the market.

Employee communication
- The Company adheres to an open-door policy, providing channels for employees to freely discuss and express opinions to management.
- It handles all matters fairly, and has set up a President's mailbox and reporting email, encouraging employees to actively make suggestions for the Company's development, report unfair incidents or potential conflicts of interest.
- Based on employee feedback, the Company continuously improves communication mechanisms and corporate management, creating an equal and open working environment for employees.

In 2025, there were no violations of employment regulations, harassment, abuse, discrimination and other violations. There were no violations of child labor and forced labor.

The labor contract signing rate was **100%**, and the social insurance coverage rate* was **100%.**

**This indicator excludes employees rehired after retirement and those whose social insurance has not yet been concluded with previous employers. The Company separately purchases relevant commercial insurance for employees whose social insurance is still pending.*

Protection of Female Employee Rights and Interests

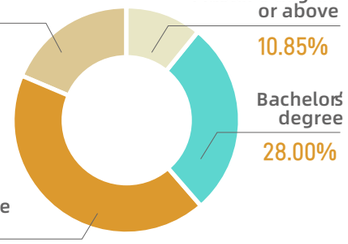
Female employees are a vital part of Cathay's workforce, driving the company's development and innovation. In adherence to applicable laws and regulations, Cathay ensures female staff receive statutory benefits including marriage leave, maternity leave, and parental leave, while also providing lactation rooms for breastfeeding employees. The company is committed to offering equal growth opportunities for women, aiming to build a more equitable and sustainable workplace.

- In 2025, we have 274 female employees, accounting for15.56%;
- In 2025, there are 193 new hires, of whom 18 are female, accounting for9.3%。
- Among key R&D personnel, 73 are female, accounting for 42.2%。
- Female proportion of senior management: 16.67%; of R&D management: 33.33%。

Employee Structure

Total employees 1761

Education



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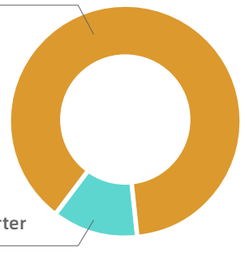
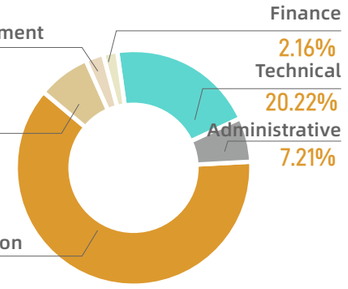
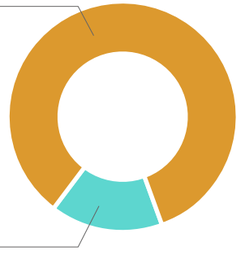


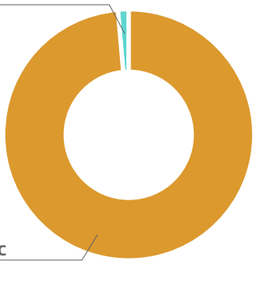
Sector



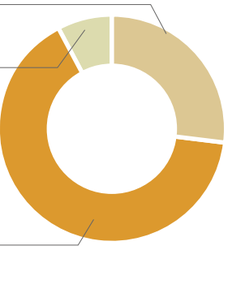
Gender



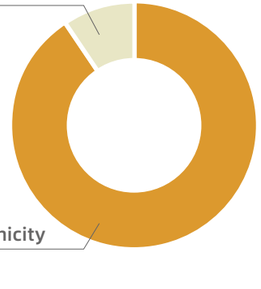
Country



Age



Ethnicity



Employee Benefits and Care

Cathay cares about the physical and mental health of every employee, regarding care and respect for employees as important parts of harmonious corporate development. Cathay provides various kinds of support to employees, continuously enhancing their sense of belonging and happiness.

Additional supplementary housing fund, lunch subsidies, shuttle bus, talent apartments, annual health check-ups and other benefits.

Assisting employees with household registration and applying for local talent subsidies.

Providing accessible restrooms and nursing rooms to meet diverse employee needs.

Providing accessible restrooms and nursing rooms to meet diverse employee needs.

Providing a cultural activity platform through employee clubs, and actively organizing employees to participate in various cultural activities, enriching their workplace life and increasing their sense of happiness.



Women's Day, Children's Day

Children's Day

Birthday activities



2025 team-building activities

free clinic activities



Employee Development and Growth

Cathay attaches great importance to employees' capability development and career growth, adhering to the talent philosophy of "Continuous innovation, Truth-seeking and Pragmatism". Cathay optimizes talent development systems, improves talent echelon construction, creates a good career ecology for talent development, continuously empowers employee growth, and injects source power into Cathay's sustainable development.

Cathay has established a standardized training system, with annual plans tailored to align with corporate strategy, job requirements, organizational culture and individual career development. Complementing offline workshops, our online learning platform Cathay Cloud School integrates internal and external resources to cover professional skills, operational competencies, workplace standards, and leadership development—empowering all employees to pursue continuous self-improvement.

Cathay continuously improves the employee promotion and development mechanism, combining a mentoring system with career pathways and professional demands, setting personalized routes for employees, and opening up vertical career development paths. At the same time, based on employees' expertise, strengths and interests, Cathay optimizes multiple horizontal promotion channels such as technical, market and management, to achieve comprehensive and holistic development of employees.

Cathay encourages employees to pursue further education, and cooperates with local educational institutions to actively create convenient and efficient learning opportunities. In 2025, 18 employees participated in education upgrading programs to achieve their own growth and development.

Employee Training System Diagram

New employee orientation plan

Arrange multiple training sessions for new employees, including induction training, job training, business ethics training, covering company's rules and regulations, culture, safety, team collaboration, etc., to help new employees better and faster understand and integrate into the Company. After joining, assign a professional mentor to clarify the learning plan, and regularly conduct assessment and learning summaries.

General training

Provide rich general training resources through a combination of online/offline and internal/external methods, covering corporate culture and strategy, project management, communication skills, workplace etiquette, as well as professional skills, technical forums, case training, etc., to help employees simultaneously improve comprehensive professional qualities. At the same time, the online platform regularly releases study plans, encouraging employees to actively learn and exchange ideas.

Professional skills training

Carry out special trades training, special equipment training, professional technical training, ISO system training, safety and environmental protection training, etc., to help technical personnel improve their professional skills and promote the building of a professional talent team.

Leadership training

The Company values developing employees' leadership, providing targeted special training on leadership and management capabilities for experienced employees and middle/senior management, expanding managers' strategic thinking, improving the leadership level of the management team, and enriching talent reserves.



2025 Taiyuan education upgrading training, employee integrity training

In 2025, our employee training expenditure was RMB **278,319.67**, total training hours were **71,786.86** hours, training participation rate was **97.05%**, average training expenditure per employee was RMB **162.86**, and average training hours per employee were **42.01** hours.

As of the end of the reporting period, the Cathay online training platform had **11** major categories, **1,331** courses, with a total course duration of **759.54** hours. Among them, **150** new courses were added in 2025, with a new course duration of **101.7** hours.

	2025	2025
	Average hours per person	Average expenditure per person (RMB)
Male	41.95	132.97
Female	42.32	327.15
Senior management	42.58	434.73
Ordinary employees	41.98	152.62

Occupational Health and Safety in Production

Governance

Occupational health and safety is foundational for all business operations. Cathay always prioritizes workplace safety and employee health.

Cathay strictly complies with the Law on the Prevention and Control of Occupational Diseases of the People's Republic of China, the Work Safety Law of the People's Republic of China, the Regulations on the Safety Management of Hazardous Chemicals and applicable laws and regulations.

Cathay develops a systematic and standardized occupational health and safety management system. It continuously improves the overall safety awareness via specialized training and regular risk education, effectively eliminates workplace hazards across all operational scenarios, and maintains a secure and stable working environment.

Cathay has built a three-tier occupational health and safety management structure of "decision making – management – execution". The Work Safety Committee led by the main responsible person of each production base is the highest decision making body, responsible for formulating policies, setting targets and reviewing major issues. The safety management department is responsible for policy execution, daily supervision and coordination. Safety duties are implemented at the front line by departmental safety supervisors and team leaders.

During the reporting period, our main production bases all passed GB/T 45001-2020/ISO 45001:2018 occupational health and safety management system certification.

Risk and Opportunity Identification

Cathay fully recognizes the importance of occupational health, work safety and chemical safety to daily production and operations. Cathay systematically identifies potential risks and opportunities in the production process, formulates scientific response measures, protects employee occupational health and safety, and achieves sustainable development.

Risk				Solutions
Update of Laws and Regulations	Newly issued standards are stricter, requiring upgrading of existing facilities or management.	Increase direct costs; fines or shutdown losses	Impact degree: medium impact period: short term	Establish an EHS laws and regulations database, conduct regular compliance evaluations.
Occupational Disease or Chronic Health Damage	Long-term exposure to dust, noise, chemicals, etc. leads to occupational diseases among employees, triggering complaints or lawsuits.	Expenditures on injury, severance payments; legal costs for arbitration and litigation	Impact degree: medium impact period: medium term	Regularly test and publish occupational hazard factors. Implement pre-employment, on-the-job and pre-departure occupational health examinations. Promote engineering control improvements.
Major Work Safety Accident	Employee serious injury or death caused by equipment failure, violation of operating procedures, management negligence, etc.	Medical compensation, equipment maintenance costs; shutdown losses; share price fluctuations	Impact degree: large impact period: long term	Establish and improve a dual prevention mechanism, strictly implement work permit systems; conduct regular emergency drills and training.
Safety Record Affecting Reputation	Poor safety records affect the Company's reputation, possibly leading to loss of investors/customers.	Decline in revenue; increased financing costs	Impact degree: large impact period: medium to long term	Publicly disclose safety performance, introduce third-party safety audit certification.
Opportunity				**Solutions**
Automation/ Intelligent Transformation	Introduce automated equipment and intelligent management methods to reduce manual work risks.	Reduce compensation for work injuries; reduce safety training and management costs.	Impact degree: large impact period: long term	Upgrade automated production equipment; promote digital and intelligent transformation
Application of Low-toxicity/Non-toxic Alternative Materials	Choose low-toxicity or non-toxic alternative materials in R&D or procurement to reduce employee occupational exposure risk.	Reduce equipment maintenance costs and hazardous waste treatment costs	Impact degree: medium impact period: long term	Establish green procurement standards, promote process optimization and substitution of toxic and hazardous raw materials.

**Note: Cathay defines short, medium and long-term as 1 year, 3-10 years, and more than 10 years respectively.*

During the reporting period, our main production bases all passed GB/T 45001-2020/ISO 45001:2018 occupational health and safety management system certification.









Impact, Risk and Opportunity Management

Cathay's occupational health management follows the principle of "prevention first, combining prevention and control", adheres to the "people-oriented" safety development concept, and fully fulfills primary responsibility for occupational disease prevention. By setting up the Occupational Health Management Committee and an Occupational Health Leading Group, Cathay has built a system covering occupational hazard monitoring, prevention and protection, regular health surveillance, employee physical examinations, emergency response and file management.

All production bases strictly adhere to relevant laws and regulations, with over ten specialized occupational health management systems and protocols in place—covering hazard identification, protective measures, health monitoring, and emergency response. By simultaneously enhancing on-site working conditions and providing certified personal protective equipment, Cathay builds a multi-layered safety framework to fully protect employees' legitimate health rights.

Occupational Health

Occupational Health Management Measures	
Hazard factor identification and monitoring	Systematically survey and regularly monitor occupational hazard factors in workplaces, establish files and implement dynamic prevention and control based on results.
Protective measures	Optimize the working environment, set up warning signs, slogans and bulletin boards, and provide emergency supplies. Provide employees with high-quality, sufficient protective masks, protective gloves and glasses, anti-dust/anti-poison masks, earplugs and other occupational protective equipment, and provide training to ensure correct use for safety protection.
Surveillance	Establish full-cycle occupational health files, strictly implement pre-employment, on-the-job and pre-departure examinations, achieving early detection and intervention of health risks.
Training and education	Popularize occupational health knowledge, train professional management teams, enhance protection awareness and management level.
Health check-ups	Entrust third-party institutions to conduct occupational health hazard medical examinations for employees, and establish occupational health file management.
Management and continuous improvement	Establish a special management organization and system processes, and promote continuous optimization of the occupational health management system through regular evaluation.
Construction project management	Strictly comply with the "three simultaneities" management system for occupational health in construction projects, ensuring that occupational health protection facilities are designed, constructed and put into production and use simultaneously with the main project during new construction or technical transformation.
R&D laboratory management	Formulate the General Principles of Laboratory Management Policy, manage through 6S management teams, provide laboratory safety standard training for R&D personnel, creating a 'scientific, standardized, safe and efficient' laboratory working environment.

Work Safety

Management System

Cathay has established a comprehensive workplace safety system, covering three core areas: production safety, fire safety and special equipment safety. Core documents includes the Safety Target Management Regulation, the Work Safety Responsibility Regulation, the Safety Education and Training Regulation, the Safety Inspection and Hazard Investigation and Treatment Regulation, the Emergency Rescue Regulation, the Accident Reporting and Investigation and Handling Regulation, the Safety Cost Withdrawal and Use Regulation, the Stakeholder Management Regulation, etc. Cathay sets clear safety management objectives, ensures that all employees sign work safety target responsibility documents, incorporates safety performance into the assessment system, strengthens safety prevention awareness, and eliminates safety hazards at the source.

Full-process Risk Management

- **Target setting and responsibility implementation:** Establish a "zero accident" target-oriented safety responsibility system for all employees. Through quantified target breakdown and responsibility signing, Cathay forms a hierarchical implementation mechanism of "whoever manages production must manage safety".
- **Risk identification and assessment:** Cathay strictly conducts hazard and risk assessment of production processes. According to the Enterprise Safety Risk Assessment Diagnostic Table, Hazard Identification, Risk Assessment and Control Management Regulation, Job Activity Risk Assessment and other documents, Cathay manages risk points by position and by area, develops job operating procedures, regularly inspects, provides feedback and makes improvements, continuously improving the safety standardized operating system.
- **On-site safety supervision:** On-site safety early warning mechanisms are fully enforced with standardized safety warning signs and reminders to mitigate workplace risks from multiple dimensions. Strict management is implemented for special and key equipment, with regular third-party inspection, maintenance and upgrade to ensure stable and safe operation.
- **Emergency management:** Cathay standardizes emergency plan management, formulates the Emergency Management Regulation, establishes emergency response organizations, prepares emergency rescue plans and annual safety drill plans, regularly conducts emergency drills to enhance emergency response capability. In 2025, we organized 34 emergency drills, fully covering key risk areas such as hazardous chemicals, key process steps, special operation scenarios and seasonal hazards.
- **Hazard inspection and rectification:** Internal safety inspections and hazard investigations are carried out on a regular basis. Standardized procedures for accident reporting, investigation and accountability measures are defined. Real-time follow-up on hazard rectification progress is conducted to realize closed-loop safety management.

Safety Culture and Professional Capability

- Cathay regularly conducts activities such as "Work Safety Month", emergency drills, and fire safety inspection days, creating a strong safety atmosphere. Through daily safety training, safety seminars and training effect evaluations, Cathay continuously enhances employee safety awareness and emergency response capability.
- Cathay attaches great importance to the professional capability of safety management. All full-time safety managers have completed professional training and assessment and obtained qualification certificates from the emergency management department. All personnel involved in the operation, management and maintenance of special equipment hold valid certificates to ensure legal, compliant and safe operation.



Emergency drills



all-employee safety training

Chemical Safety

Cathay has built a system with the Hazardous Chemicals Safety Management Regulation at its core, supplemented by special documents such as the Precursor and Explosive Chemicals Management Regulation, the Chemical Tank Farm Safety Management Regulation, and the Hazardous Chemicals Transport and Loading/Unloading Safety Management Regulation, fully covering the whole lifecycle of storage, transport, use and waste disposal. Cathay strictly complies with the Regulations on the Safety Management of Hazardous Chemicals and other legal requirements, implements the principles of "comprehensive management, all-employee participation, continuous improvement", and uses the Safety Risk Assessment Management Regulation and the Safety Inspection Regulation to achieve graded risk control and regular supervision, forming an institutionalized, documented, full-process compliance management foundation.

Chemical Safety Management Measures	
Storage	Classified, separated, dedicated storage with double-person, double-lock and minimum inventory systems. Storage environment explosion-proof, ventilated and safely controlled. Clearly mark chemical names, hazardous characteristics, firefighting methods, etc., set warning signs.
Transport	Dedicated vehicles, compliant loading/unloading, no mixing of different types.
In/out	Implement approval registration, double-person operation and ledger management to ensure match between physical stock and documentation, clear flow direction. No entry or exit without SDS and qualified packaging.
Use	Require approval and full record. Operate strictly according to procedures and equip with protection and emergency facilities. Use process safely controlled.
Disposal	Implement classified collection, ledger management, entrust qualified units for compliant disposal.
Personnel management and training	Operators and managers must undergo professional training and pass assessment before holding certificates. Regularly conduct training on safety regulations, operating skills and emergency response.

In 2025, we conducted many emergency drills related to chemicals, such as leakage, fire, burns and other scenarios, to help employees familiarize themselves with emergency plans and operating procedures, improve emergency response capability, and ensure safe and efficient production.



Indicators and Targets

- **Zero** major safety accidents; no fire or casualty accidents.
- Injury rate per million working hours: **0.39**
- Hazard identification and rectification rate: **100%**
- Number of safety and fire special inspections: **404**
- Investment in occupational health and safety production: RMB **19.48** million
- **40** certificates were obtained by main responsible persons and safety management personnel" , number of special equipment operators certified: **207**
- Safety training coverage: **100%**, pass rate: **100%**
- Occupational health examination rate: **100%**; **780** people screened for occupational diseases; occupational disease incidence: 0%

Target	2025 Progress
Zero major safety accidents; 100% hazard identification and rectification rate; 100% occupational health examination coverage.	Achieved

Social Contribution

Cathay carries forward the Chinese virtue of caring public welfare and community support, encourages all employees to participate in public welfare and volunteer activities to contribute to the society.

Public Welfare Initiatives

Shanghai Cathay

Launched a school-enterprise cooperation project with Shanghai World Foreign Language Education Affiliated Pujiang Foreign Language School. Participated in the C Star China-Africa industrial cooperation exchange event organized by China Merchants Group, sharing China's industrial innovation experience with African entrepreneurs and representatives from various sectors, assisting international science and technology cooperation.

Jinxiang Cathay

Donated RMB **10,000** to the Jinxiang County Youth Volunteer Association.

Wusu Cathay

Made multiple visits to surrounding villages and households, donating supplies worth a total value of RMB **9,270**. Participated in Red Cross public welfare activities, donating 2 automated external defibrillators with a total value of RMB **26,380**. Other external donations amounted to RMB **100,000**.



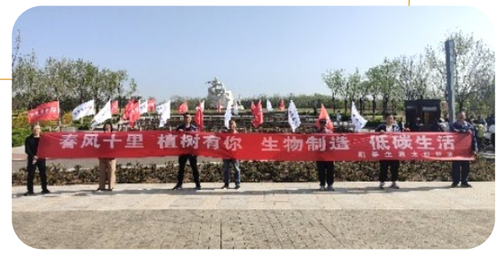
school-enterprise cooperation project

Volunteer Activities

Employees actively participated in volunteer activities, protecting the environment through weeding, tree planting and other environmental activities, with a total of 85 participants and 170 volunteer hours.



Tree planting activities



Social Contribution

To honor Mr. Zhang Qixian, one of Cathay's founders, and continue cultivating bio-manufacturing talent, Cathay established the "Zhang Qixian Award Fund" at Jiangnan University to reward outstanding students of the School of Bioengineering and outstanding young scholars in the domestic bio-manufacturing field, motivating the younger generation in bio-manufacturing to provide a continuous source of impetus for industrial development.

Since the first scholarship in 2017, **10** rounds of awards have been presented, rewarding a total of **40** people, with a total award amount of RMB **1.197** million. In 2025, the scholarship amount was RMB **22,000**, awarded to **3** people.

Local Employment

Cathay follows the principle of "adaptation to local conditions" , formulating a local recruitment system. Except for positions requiring skills not available locally or in shortage, which are appropriately recruited externally, most positions are primarily filled by local hires, effectively driving local employment growth. In 2025, the proportion of local employees at Jinxiang Cathay was **97%**; at Wusu Cathay, **82%**; at Taiyuan Cathay, **88%**.

Future Outlook

Bio-manufacturing serves as a powerful enabler for carbon neutrality. Guided by our corporate vision— "Reshape low-carbon life for humanity through bio-intelligent manufacturing" —Cathay leverages persistent R&D innovation to deliver cutting-edge technologies, innovative products and solutions, with the goal of building a greener, low-carbon, and sustainable world.

Cathay continues to advance the high-value utilization of biomass residues, unlocking added economic value from feedstocks like crop straw and waste cooking oil. By continuously overcoming technical bottlenecks and optimizing the raw material supply system—one that avoids competing with food crops for grain and arable land—Cathay aims to achieve large-scale, cost-effective bio-manufacturing. Green raw materials will serve as a core pillar for industrial development, laying a solid foundation for carbon neutrality.

Meanwhile, Cathay's bio-based polyamide and its composites are set to reshape the industrial landscape. In the future, we will expand applications in key sectors such as transportation, new energy, and green construction. Boasting lightweight properties, high mechanical strength, and a low carbon footprint, these materials hold significant potential to replace conventional fossil-based and metallic materials, driving carbon reduction and industrial chain upgrading. We are ready to collaborate with global partners to deepen industrial chain innovation, integrate bio-based new materials into more life scenarios, and jointly build a low-carbon, sustainable industrial ecosystem, turning the concept of green development into a tangible and improved way of life.

Appendix

Sustainability Report Index Table

Disclosure Topics	Corresponding Chapter
Climate Change Response	Climate Change Response
Pollutant Emissions	Pollutant Emissions
Waste Management	Waste Management
Ecosystem and Biodiversity Protection	Ecosystem and Biodiversity Protection
Environmental Compliance Management	Environmental Compliance Management
Energy Utilization	Energy Utilization
Water Management	Water Management
Circular Economy	Circular Economy
Rural Revitalization	Does not have double materiality
Social Contribution	Social Contribution
Innovation	Innovation
Science and Technology Ethics	Not applicable
Supply Chain Security	Supply Chain Management
Equal Treatment of SMEs	Not applicable
Product and Service Safety and Quality	Product Quality and Customer Service
Data Security and Customer Privacy Protection	Information Security Management
Employees	Employees, Occupational Health and Safety in Production
Due Diligence	Does not have double materiality
Stakeholder Communication	Materiality Assessment
Anti-bribery and Anti-corruption	Anti-commercial Bribery and Anti-corruption
Anti-unfair Competition	Intellectual Property Protection

GRI Content Index

GRI Standard	Disclosure Topics	Corresponding Chapter
GRI 2: General Disclosures	2-1 Organizational details	About this Report
	2-2 Entities included in the organization's sustainability reporting	
	2-3 Reporting period, frequency and contact point	
	2-7 Employees	Employees
	2-9 Governance structure and composition	Corporate and Sustainability Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	
	2-13 Delegation of responsibility for managing impacts	
	2-14 Role of the highest governance body in sustainability reporting	
	2-15 Conflicts of interest	Anti-commercial Bribery and Anti-corruption
	2-16 Communication of critical concerns	Corporate and Sustainability Governance
	2-22 Statement on sustainable development strategy	
	2-25 Remediation of negative impacts	
	2-27 Compliance with laws and regulations	
	2-29 Approach to stakeholder engagement	Materiality Assessment
GRI 3: Material Topics	3-1 Process to determine material topics	Materiality Assessment
	3-2 List of material topics	
	3-3 Management of material topics	
GRI 201: Economic Performance	201-2 Financial implications and other risks and opportunities due to climate change	Climate Change Response
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	Anti-commercial Bribery and Anti-corruption
	205-3 Confirmed incidents of corruption and actions taken	
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Intellectual Property Protection
GRI 302: Energy	302-1 Energy consumption within the organization	Energy Utilization
	302-3 Energy intensity	
	302-4 Reduction of energy consumption	
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	Water Management
	303-2 Management of water discharge-related impacts	
	303-3 Water withdrawal	
	303-4 Water discharge	
	303-5 Water consumption	
GRI 304: Biodiversity	304-2 Significant impacts of activities, products and services on biodiversity	Ecosystem and Biodiversity Protection
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Climate Change Response Pollutant Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Pollutant Emissions
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	Waste Management
	306-2 Management of significant waste-related impacts	
	306-3 Waste generated	
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management
GRI 401: Employment	401-2 Benefits provided to full-time employees	Employees
	401-3 Parental leave	
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	Occupational Health and Safety in Production
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	
	403-4 Worker participation, consultation, and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8 Workers covered by an occupational health and safety management system	
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Employees
	404-2 Programs for upgrading employee skills and transition assistance programs	
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Employees
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	Employees
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	Employees
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employees
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Social Contribution
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	Supply Chain Management

Feedback

Dear Readers,
Thank you very much for taking the time to read the Cathay Biotech 2025 Sustainability Report. We apologize for any imperfections or omissions contained in this report. We sincerely welcome your valuable comments to help us continuously improve future reports.

Multiple Choice Questions (Please tick the appropriate box)

1.Which category of stakeholder do you belong to?

☐ Shareholders/investors ☐ Government/regulatory authorities ☐ Environment ☐ Suppliers/partners ☐ Customers ☐ Employees ☐ Community

2.What is your overall evaluation of this Report?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very poor

3.How does the Report respond and disclose the issues of concern to stakeholders?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very poor

4.Do you think this Report fully reflects Cathay Biotech's performance in environmental, social and governance aspects?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very poor

5.How do you evaluate Cathay Biotech's performance in the governance dimension?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very poor

6.How do you evaluate Cathay Biotech's performance in the environmental dimension?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very poor

7.How do you evaluate Cathay Biotech's performance in the social dimension?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very poor

8.Are the information, indicators and data in the Report clear, accurate and complete?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very poor

9.Is the content arrangement and design of the Report easy to read?

☐ Yes ☐ No

Open-ended Questions

Do you have any other suggestions or comments on Cathay Biotech 2025 Sustainability Report?

Feedback Methods

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