



Incorporated in the Cayman Islands
with limited liability

Stock Code: 1521.HK



2024

Environmental, Social and Governance (ESG) Report

Frontage Holdings Corporation

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2024

Notes on the Preparation of the Report

The 2024 Environmental, Social and Governance (“ESG”) Report of Frontage Holdings Corporation (hereinafter referred to as the “Report”) is the sixth ESG report published by Frontage Holdings Corporation (together with its subsidiaries, hereinafter referred to as “Frontage Holdings”, the “Company”, or “we”). This Report summarizes the progress Frontage Holdings has made in fulfilling its ESG responsibilities in 2024.

Basis of Preparation

This Report has been prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (Dec. 31, 2023 onwards versions) issued by The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “HKEX”).

Reporting Principles

This Report has been prepared in accordance with the reporting principles of the HKEX’s *Environmental, Social and Governance Reporting Guide*, including:

Materiality

This Report uses a materiality analysis to identify the issues it focuses on and mainly reports matters related to ESG issues that are sufficiently important to investors and other stakeholders.

Balance

The contents of this Report reflect objective facts and disclose indicators involving both positive and negative information, ensuring that no selections, omissions, or presentation formats in the report inappropriately influence the reader’s decision or judgment.

Quantitative

This Report includes measurable key performance indicators “KPIs”. Quantitative information in this Report is accompanied by a narrative, explaining its purpose and impact, and giving comparative data where appropriate.

Consistency

This Report provides an explanation of the meaning of the disclosed ESG KPIs and the basis for their calculation and assumptions, and the KPIs used in different reporting periods are consistent as far as possible to depict the Company’s performance objectively.

Scope of the Report

The Report covers Frontage Holdings and its subsidiaries that are covered in the Company’s annual reports and financial statements.

This Report covers the period from January 1, 2024 to December 31, 2024.

Data Sources

The data and cases in the Report are taken from the original records or financial reports of the Company. Unless stated otherwise, USD is taken as the currency unit in this Report.

Report Languages

This Report is published in traditional Chinese and English respectively. In case of any inconsistency across versions, the English version shall prevail.

Reliability Assurance

The Board of Directors (the “Board”) represents that the contents of this Report are free from any materially false or misleading statements or major omissions.

Contact and Feedback

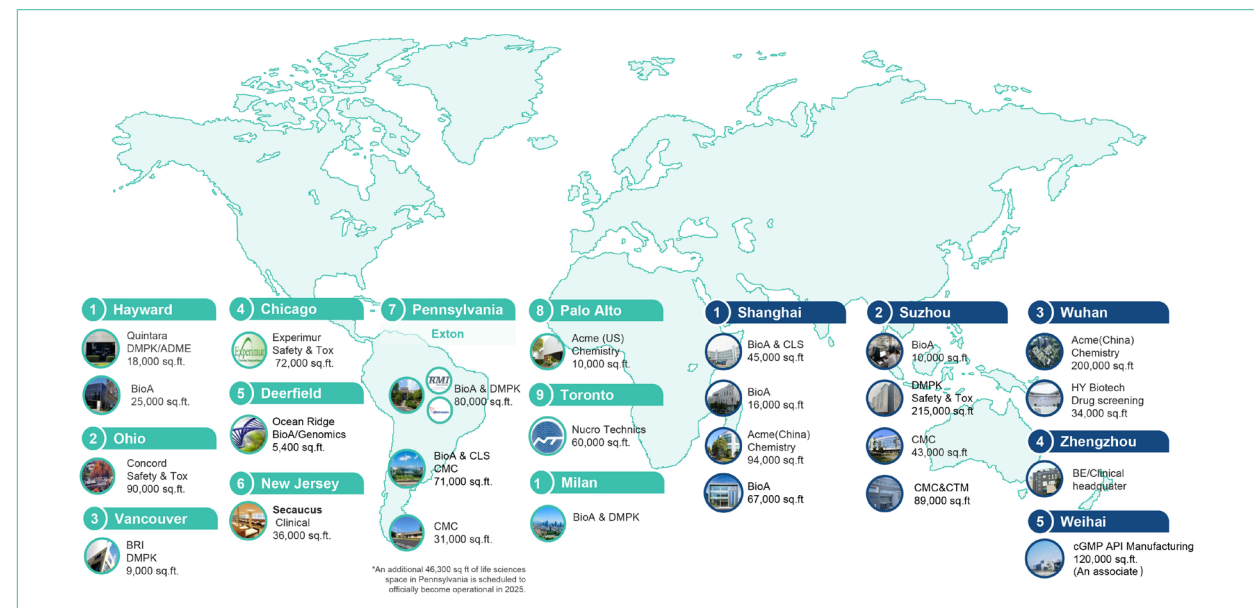
The Company values your comments and suggestions on this Report or the Company’s ESG performances. Interested parties are welcome to contact us or share their comments at any time. You can reach us at:

- Address: Building 2, No.1227 Zhangheng Road, Pudong District, Shanghai, China
- Tel.: +86 021 50796268 (Extension: 826)
- E-mail: ir@frontagelab.com.cn
- Company website: <https://www.frontagelab.com/investor-relations/investor-inquiries/>

About the Company

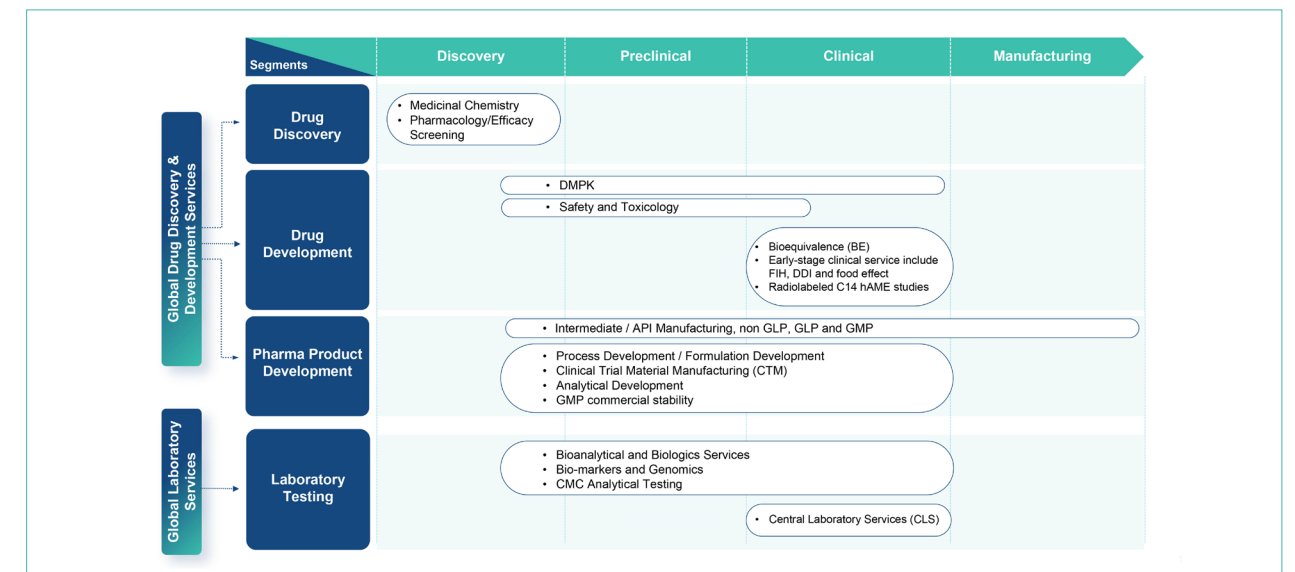
Frontage Holdings is a growing Contract Research Organization (CRO) engaged in providing a comprehensive range of research and development services to the biotechnology, pharmaceutical and agrochemical industries. We provide integrated and science-driven product development solutions, facilitating our clients to accelerate and achieve their product discovery and development goals. We operate in North America (including the U.S. and Canada), Italy, and China, providing rigorous scientific expertise and high-quality services to assist our clients in advancing hundreds of molecules through development to commercial launch. Our client base includes virtual, small, mid-sized, and large biopharmaceutical companies, biotechnology companies, CROs, agricultural and industrial chemical companies, life science companies, contract manufacturing companies, diagnostic and other commercial entities, as well as hospitals, academic institutions, and government agencies. Additionally, our customer base is geographically diverse with well-established relationships in North America, China, Europe, India, Japan, South Korea and Australia. More information about business operations can be found in our 2024 annual report.

Business Overview



We are proud to call ourselves a value-added partner, assisting our clients to solve their most significant and complex drug discovery and development challenges efficiently. We leverage our expanding portfolio of expertise and capabilities to develop pioneering solutions for our clients in addressing healthcare challenges. We offer a comprehensive portfolio of services, including drug discovery, drug development, pharmaceutical product development, and laboratory testing services.

Services Overview



ESG Management System

ESG Strategy Development

At Frontage Holdings, we are dedicated to upholding sustainability and actively exploring ways to benefit both society and the environment. Our goal is to foster a positive social influence by giving back to those in need, all while striving to drive meaningful change. Within our organization, ESG principles are fundamental to our mission. We imbue our operations with the values of "Quality, Integrity, Innovation, and Care," ensuring the integration of ESG strategy into our business activities.

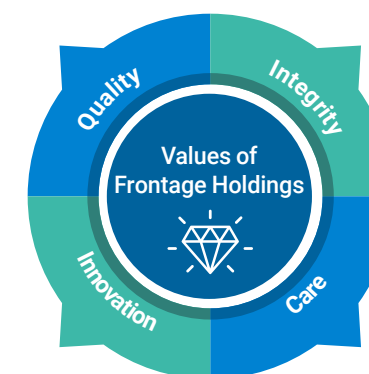
Values of Frontage Holdings



We are committed to delivering extraordinary performance with our actions



We adopt new scientific methods, technologies and procedures to offer innovative solutions to challenges of various sorts



We live up to our promises, with unwavering faith in integrity, reliability and responsibility



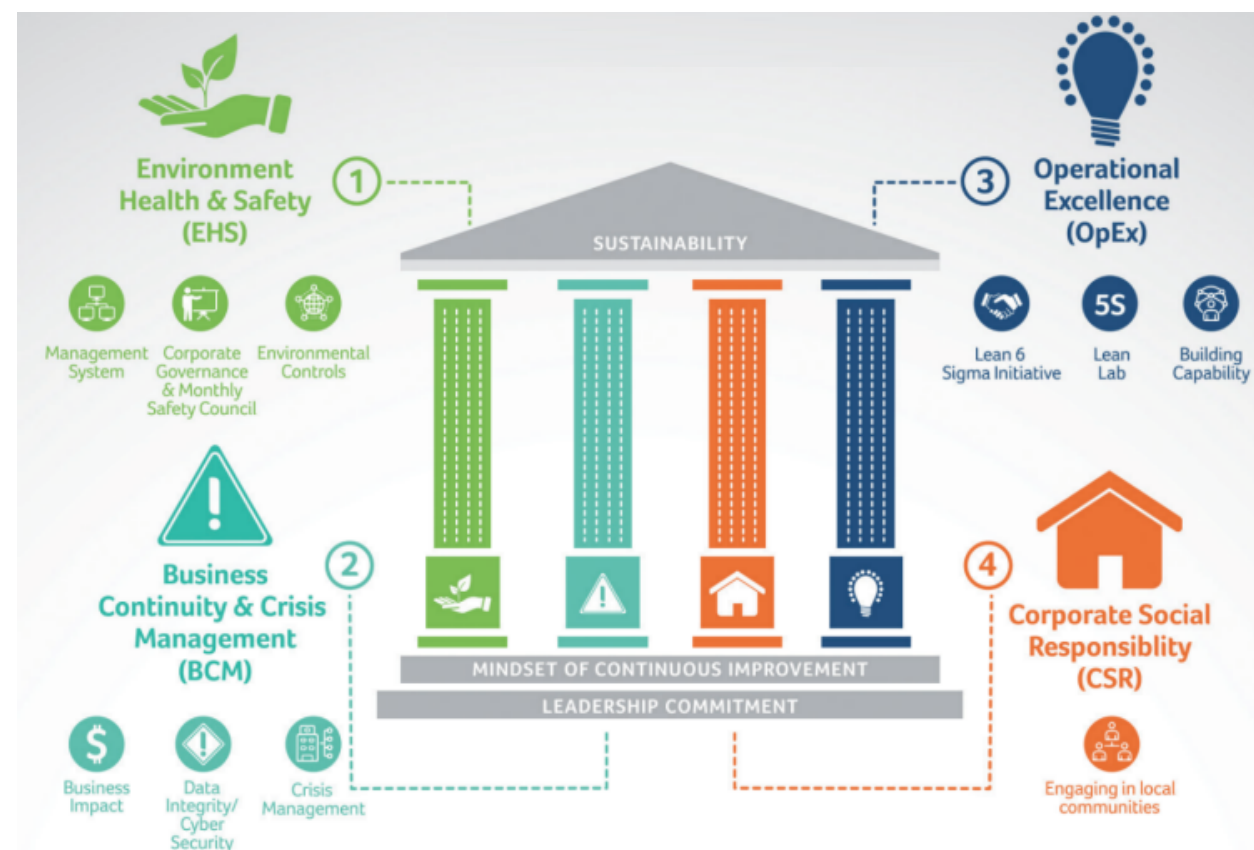
We care for our patients, customers, employees, stakeholders and communities, with a focus on environmental protection

A well-constructed ESG strategy and the solid ESG governance are essential to achieving our commitments. Our ESG strategy is designed around four key pillars, where we are uniquely positioned to address the most critical environmental, social, and governance issues facing our stakeholders. These pillars are as follows:

Environment, Health and Safety (“EHS”)
Business Continuity and Crisis Management (“BCM”)
Operational Excellence (“OpEx”)
Corporate Social Responsibility (“CSR”)

To ensure effective implementation, the Company has implemented Standard Operating Procedures (“SOPs”) under each pillar in every jurisdiction where it operates. This approach guarantees that we adhere to our ESG commitments and ensures that our stakeholders can rely on us to prioritize their interests.

ESG Strategy of Frontage Holdings



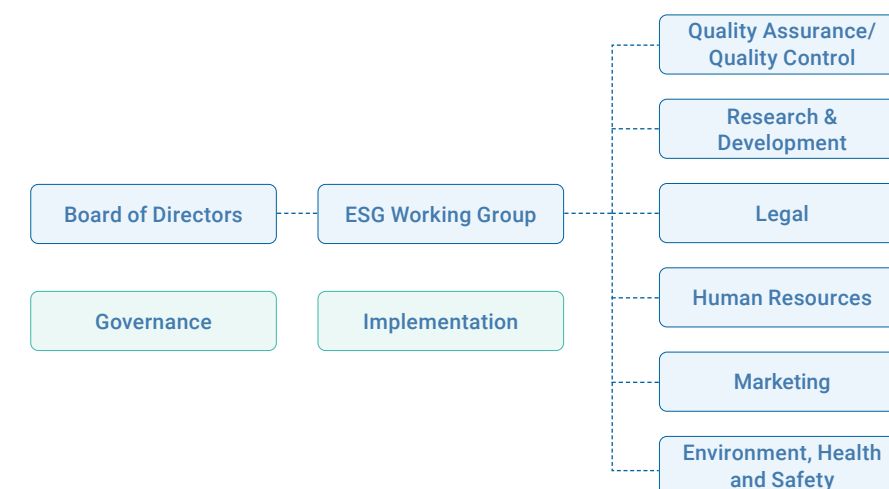
ESG Governance Structure

At Frontage Holdings, we recognize that our governance structures and processes are critical components that facilitate stakeholder relations and ensure our accountability. To this end, we have established a top-down ESG governance structure, consisting of Governance and Implementation. Our Board has provided clear guidance and delegated responsibilities to the ESG working group, ensuring the effective implementation of our ESG strategies and the optimization of our ESG performance.

Collaboration between the Board and the ESG working group is paramount in motivating all employees, suppliers, and other key stakeholders toward ESG excellence. The Board proactively takes responsibility for overseeing ESG issues and strategizing ESG plans. As part of this, the Board is involved in the processes of materiality assessment and the prioritization of key ESG issues.

Furthermore, the Board reviews ESG management progress annually, ensuring that we remain on track with our ESG commitments and that our ESG governance aligns with Frontage Holdings’ business strategy. By maintaining this focus on ESG governance, we are confident that we can foster positive relationships with our stakeholders and achieve our long-term ESG goals.

ESG Governance Structure



At Frontage Holdings, we are committed to upholding our values and demonstrating leadership and management across material issues of ESG. In line with Frontage Holdings’ Corporate Governance Principles, our Board takes on several important duties and responsibilities, including:

Guiding and supervising the development and implementation of ESG-related policies for the Company and its subsidiaries;

Establishing and maintaining a suitable and effective ESG risk management and internal control system;

Identifying and determining key ESG issues for the Company, and providing advice and necessary support for actions to be taken on these issues;

Evaluating and determining the ESG goals of the Company, and reviewing the progress achieved in our annual report;

Reviewing the Company's performance on key ESG issues yearly.

The ESG Working Group, which reports directly to the Board, is composed of representatives from all business units to ensure the efficient implementation of ESG strategies and effective oversight of ESG matters. The ESG Working Group's responsibilities include:

Executing the ESG strategic plan;

Developing short-term and long-term implementation plans;

Regularly identifying and evaluating ESG risks relevant to Frontage Holdings' operations;

Providing annual updates to the Board on ESG management progress;

Carrying out any additional ESG-related duties as delegated by the Board.

The Board and ESG Working Group work closely together to fulfill our duties and responsibilities to ESG Governance. This collaboration ensures a comprehensive approach to addressing ESG matters, integrating them seamlessly into our organizational strategies and decision-making processes, strengthening our commitment to driving positive changes and upholding sustainable practices throughout our operations.

Stakeholder Engagement

At Frontage Holdings, we recognize the importance of stakeholder management in our corporate strategies and operations. As part of our commitment to stakeholders, we strive to increase transparency by disclosing relevant ESG information and establishing effective communication channels. By doing so, we can address stakeholders' concerns and respond to their needs in a timely and efficient manner. We believe that effective stakeholder management is essential to build strong and long-lasting relationships with our stakeholders and achieving our ESG goals.

Issues of Concerns to Stakeholders and Channels of Communication

Key Stakeholders	Material Issues	Engagement Methods
 <p>Government Departments and Regulatory Agencies</p>	<ul style="list-style-type: none"> • Compliance • Business Ethics 	<ul style="list-style-type: none"> • Submission of Recorded Documents • Compliance Inspections and Checks • Regular Meetings with Local Government Representatives • Forums, Conferences and Seminars
 <p>Shareholders and Investors</p>	<ul style="list-style-type: none"> • Compliance 	<ul style="list-style-type: none"> • Company Website • Company Announcements • Annual General Meeting • Annual and Interim Reports
 <p>Customers</p>	<ul style="list-style-type: none"> • Service Safety and Quality • Privacy and Data Security • R&D and Innovation • Ethics of Clinical Trials • Animal Welfare 	<ul style="list-style-type: none"> • Company Website • Direct Communication with Customers • Customer Feedback and Complaints
 <p>Partners and Suppliers</p>	<ul style="list-style-type: none"> • Compliance • Supply Chain Management • Community Support • Business Ethics 	<ul style="list-style-type: none"> • Selection and Evaluation • Procurement Process • Performance Assessment • Regular Communication with Business Partners (e.g., Emails and Meetings)
 <p>Employees</p>	<ul style="list-style-type: none"> • Talent Management • Inclusion and Diversity • Employee Rights and Benefits • Occupational Health and Safety Protection 	<ul style="list-style-type: none"> • Introduction Trainings and Seminars • Regular Meetings, Email and Suggestion box • Employee Performance Evaluation • Team-Building Activities
 <p>Community and The Public</p>	<ul style="list-style-type: none"> • Community Support • Emission Management • Medical Waste Management • Resource Management • Mitigation and Adaptation of Climate Change • Ethics of Clinical Trials • Animal Welfare 	<ul style="list-style-type: none"> • Email • Telephone • Company Announcements • Social Network Platforms • Company Website • Social Media • Charitable Donation and Volunteer Service • Community Activities

Materiality Assessment

At Frontage Holdings, we conduct a materiality assessment with field experts to identify and prioritize the most critical ESG issues each year, taking into account the constantly changing landscape. Through this process, we have identified the following material issues that require our focus and attention for effective ESG policies and transparent reporting:

Materiality Assessment Process

Preliminary Issue Screening

- We have re-evaluated the market landscape of Frontage Holdings from an ESG perspective following its expansion into Europe in 2024.
- In accordance with the *Environmental, Social and Governance Reporting Guide* of HKEX and using Morgan Stanley Capital International (MSCI) ESG Industry Materiality Map and Sustainability Accounting Standards Board (SASB) for references, and peer analysis, 17 issues have been identified.

Stakeholder Engagement

- Conduct regular communication with stakeholders to collect their concerns on sustainability issues.

Issue Assessment

- Consulting with internal and external experts, we have assessed 17 issues. We took the level of materiality, importance and relevance to business into our consideration.

Comprehensive Analysis

- Frontage Holdings has ranked the issues based on the results of issue assessment. The Board then reviewed material issues for their completeness and accuracy.
- Issues of high materiality should be prominently disclosed in the ESG report.

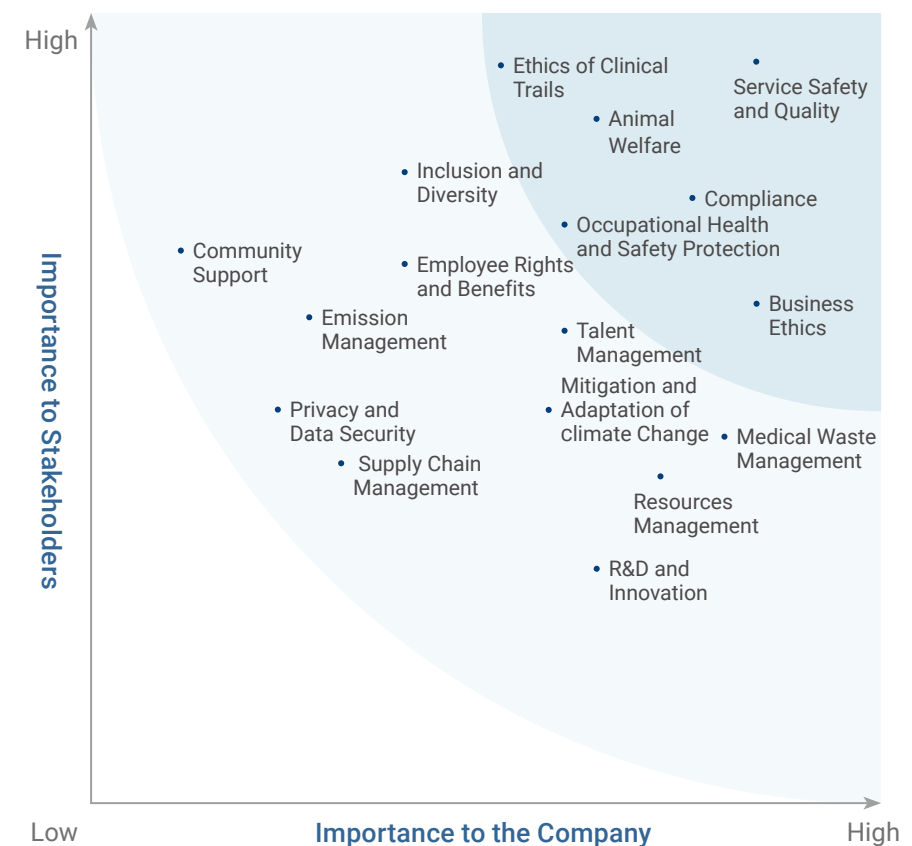
In 2024, we updated our materiality assessment by incorporating insights from policy benchmarking and peer analysis.

The issue of "Intellectual Property Rights Protection" was removed due to its relatively low materiality for the industry in recent years. In addition, a new topic, "Privacy and Data Security" was added to this report to reflect increasing emphasis regarding data security from stakeholders and the Company.

To reflect the Company's business focus more accurately, the issue formerly titled "Product and Service Quality" has been renamed "Service Safety and Quality". In addition, "Responsible Supply Chain" was updated to "Supply Chain Management" to align with the terminology used by the Hong Kong Stock Exchange.

We also re-evaluated the materiality rankings of several issues, including "Talent Management", "R&D and Innovation", and "Medical Waste Management". From the stakeholders' perspective, the importance of "Talent Management" and "Medical Waste Management" has increased, and "R&D and Innovation" has become increasingly significant for the Company.

Material Issue Matrix



ESG Performance in 2024

ESG Goals and Progress

Aspects	Goals	2024 Progression
Energy Consumption	15% total energy consumption density reduction by 2030 compared to 2019 as base year	↓ 7.46% total energy density reduction (compared to 2019)
Climate Change	15% Greenhouse Gas (GHG) emissions (scope 1+scope 2) density reduction by 2030 compared to 2019 as base year	↓ 3.62% GHG emissions density reduction (compared to 2019)
Non-hazardous Wastes	30% non-hazardous waste density reduction by 2030 compared to 2019 as base year	↓ 17.53% non-hazardous waste density reduction (compared to 2019)
Hazardous Wastes	100% compliant disposal of hazardous waste	100% compliant disposal of hazardous waste
Water Management	Progressively reducing water consumption density	↓ 23.54% Water consumption intensity reduction (compared to 2023)

Note: In 2022, we set environmental management density targets and defined the units for each target, including GHG emissions density (tCO₂e/USD'000), non-hazardous waste density (kg/USD'000).

2024 Highlights



Environmental

0

environmental violation



Social

100%

employee training coverage rate



Governance

100%

Board anti-corruption training coverage

Environment

Emission Management

Throughout our operations, Frontage Holdings strives to reduce our environmental footprint while increasing our operational excellence. We are committed to complying with all applicable laws and regulations concerning air emissions, wastewater discharge, soil pollution, and solid waste management. To achieve this, the Company combines prevention and control measures and standardizes management procedures in accordance with applicable rules and regulations. We are proud to report that throughout 2024, there have been no investigations targeting the Company by the Environmental Protection Department for environmental violations. The Company has not been subject to major administrative or criminal penalties, nor urged by relevant government departments to alter its behaviors with a time limit, suspend production, relocate or close; and has not been involved in major litigation or any seizure, detention, freezing, mortgage, or pledge of its prime assets due to environmental issues.

To ensure efficient coordination and management of environmental affairs, the Company has designated the EHS Department for this purpose. The Company has set environmental management goals of "100% waste disposal compliant rate" and "zero pollution accident rate" to reduce environmental hazards from its operations. To achieve these goals, Frontage Holdings has established a series of management policies, including the *Waste Management Policy* and the *Accountability Policy on Prevention and Control of Environmental Pollution by Waste*, to manage the generation, reduction, and treatment of emissions across its entire production cycle.

At Frontage Holdings, we are committed to addressing the impacts our business activities have on the environment. The EHS Department is designated to identify, evaluate and manage potential hazards and raise awareness of environmental protection at the Company level. Annually, the Company conducts environmental risk assessments, identifying potential risks, analyzing possible incidents and their impacts, and evaluating gaps in risk mitigation and emergency measures. Based on these assessments, investments are made in key areas such as pollution control, environmental technologies, hazardous waste disposal, and the maintenance of air and wastewater treatment facilities, alongside routine environmental monitoring.

The Company has also developed the *Emergency Response Plan for Environmental Incidents* to respond to environmental emergencies and provide unified processes for handling such incidents. Additionally, Frontage Holdings has established an early-warning system, ranking environmental issues into different levels, setting up prevention and response measures accordingly, and arranging personnel to prevent, report, and handle relevant matters, minimizing adverse impacts and avoiding accident escalation.

Wastewater Management

The wastewater discharge from Frontage Holdings' operations mainly consists of production wastewater and domestic sewage. We employ the following approaches to ensure effective wastewater management:

- Assessing the level of wastewater generated from our activities;
- Installing on-site wastewater treatment systems to remove and dissolve impurities;
- Installing an online wastewater monitoring system to continuously track key pollutants such as COD, ammonia nitrogen, total phosphorus, and pH, ensuring compliance with emission standards;
- Continuously monitoring and evaluating our wastewater generation to inform future targets and enhancing reporting; and
- Accurately calculating the necessary amount of experimental materials in medical facilities to reduce wastewater.

Wastewater Monitoring and Compliance

Types of Wastewater

- Industrial sewage, Domestic sewage

Source of Wastewater

- Offices, Labs, Laboratory Animal Facilities, etc.

Monitoring Indexes

- pH value, chemical oxygen demand (COD), suspended solids (SS), biochemical oxygen demand (BOD), ammonia nitrogen (NH₃-N), and total phosphorus (TP), etc.

Regulatory Requirements

China:

- Integrated Wastewater Discharge Standard (GB 8978-1996)
- The Discharge Standard of Pollutants for Bio-Pharmaceutical Industry (DB31/373-2010), etc.
- Emission Limits of Water and Air Pollutants for Bio-Pharmaceutical Industry (DB32/3560-2019)
- Integrated Wastewater Discharge Standard (DB31/199 -2018)

U.S.:

- The Clean Water Act

Canada:

- Ontario Environmental Protection Act
- City of Toronto Municipal Code

Air Emission Management

Frontage Holdings is not a manufacturing-intensive company and thus generates minimized air emissions from the laboratory, office operation, and R&D processes. Our exhaust gases, including volatile organic compounds and non-methane hydrocarbons, are transmitted to our treatment system for proper disposal.

The Company has established an internal *Pollution Source Emission Management Policy* for air emission management. Within our operational sites, we mitigate the generation and release of air emissions by implementing biosafety measures and utilizing technical systems such as biosafety cabinets and active charcoal absorption. These systems are instrumental in capturing biological and organic exhaust gases produced in our laboratories. We continuously monitor pollutant discharge concentrations through an online monitoring system to ensure compliance with emission standards and reduce pollutant levels.

Air Emission Monitoring and Compliance

Monitoring Process

- Collecting ----->----- Sampling ----->----- Assessing

Source of Air Emissions

- Offices, Labs, Laboratory Animal Facilities, etc.

Monitoring Indexes

- Methanol, Acetonitrile, Hydrogen Chloride, Ethanol, Non-Methane Hydrocarbon, Xylene, Toluene, Formaldehyde, Dichloromethane, Trichloromethane, Acetone, Ammonia, Hydrogen Sulfide, Sulfur Dioxide, Nitrogen Oxides, etc.

Regulatory Requirements

China:

- Emission Standards for Odor Pollutants (GB 14554-1993)
- Emission Standard of Air Pollutants for Boiler (GB 13271-2014)
- Standard for Fugitive Emission of Volatile Organic Compounds (GB 37822-2019)
- Integrated Emission Standard of Air Pollutants (DB31/ 933-2015)
- Emission Standards for Odor Pollutants (DB31/ 1025-2016)
- Integrated Emission Standard of Air Pollutants (DB32/ 4041-2021)

U.S.:

- The Clean Air Act

Canada:

- Ontario Environmental Protection Act

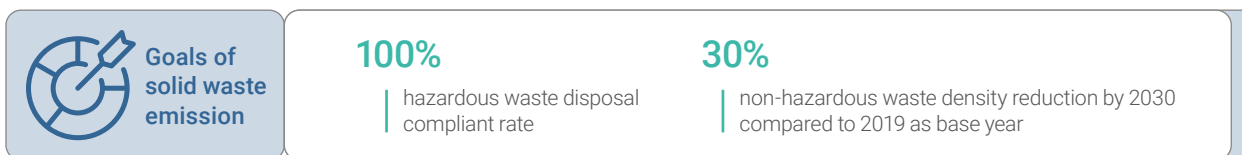
Waste Management

To manage and dispose of all kinds of waste generated during our production processes; we have formulated the *Waste Management Policy*, the *Responsibility Policy on Prevention and Control of Environmental Pollution by Waste*, and the *Laboratory Waste Treatment Process*. We strictly prohibit illegal waste outflow from any channels that may pose a potential threat to the environment and community. In addition, we have included environmental protection facilities in our production lines, equipped with pollution control facilities and technologies to reduce solid waste generation.

Waste Classification and Disposal

Classification of Wastes		Disposal Methods
General wastes	Waste paper boards, domestic wastes, etc.	<ul style="list-style-type: none"> Recycle paperboards Dispose domestic waste appropriately by environmental departments
Hazardous wastes	Waste orifice plates, waste plasma samples, waste gloves, waste medicine bottles, waste reagent bottles, waste solvents, wastewater for washing containers, waste pipette tips, waste activated carbons, waste centrifugal test tubes, waste engine oil, sewage treatment sludge, etc.	
		<ul style="list-style-type: none"> Monitor the generation, warehousing, storage, transfer and disposal of hazardous wastes, and entrusts qualified organizations for disposal

At Frontage Holdings, we have set solid waste goals that will support our waste management.



Most of the hazardous wastes produced during our operation and production are a result of clinical, biological, and chemical experiments in our laboratories. Our disposal methods consider both the waste hierarchy outlined by the U.S. EPA and other potential disposal methods.

The Company has diligently stored waste in sealed containers and securely transported it to designated storage areas to prevent pollution. In compliance with applicable laws and regulations, Frontage Holdings has appointed site safety directors and chemical waste coordinators to oversee waste disposal in line with applicable laws, regulations, and the Company's internal standards. Furthermore, qualified waste disposal contractors have been engaged to collect waste from storage sites, as mandated by relevant laws.

To reduce waste from purchased products and packaging, we prioritize suppliers that offer reusable packaging and recycling programs and encourage them to adopt digital invoicing to minimize paper waste.

Medical Waste Management

We manage medical waste carefully to protect the general public and the environment from hazardous chemicals, air, water, and soil pollution and contamination. Improper or illegal medical waste disposal can lead to pollution, threatening human survivorship and biodiversity.

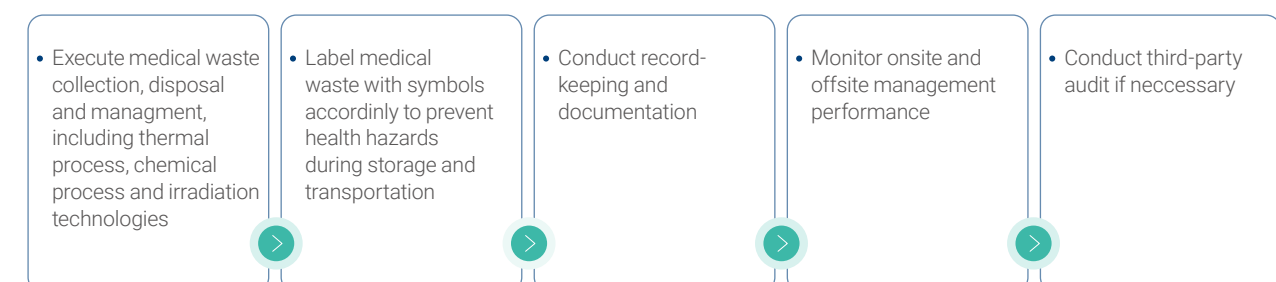
Frontage Holdings has implemented a *Medical Waste Management Policy*, *Laboratory Waste Treatment Process*, *Leakage Control Procedures* and other relevant policies. These measures ensure the appropriate management, disposal methods, and procedures for medical wastes.

Medical Waste and Disposal Methods

Classification of wastes		Disposal Methods
Sharp wastes	Chemicals (medical and industrial), used drugs, needles, scalpels, lancets, etc.	<ul style="list-style-type: none"> Place and storage in the specific containers with a clear warning label Use high-pressure steam to sanitize and transfer to the collecting point
Infectious Waste	Human/animal tissue, blood-soaked bandages, surgical gloves, cultures, stocks, swabs	
Pathological Waste	Tissues or samples of tissues that are inspected and/or examined in a laboratory to diagnose or study abnormal or diseased tissues	
		<ul style="list-style-type: none"> Place and seal in a medical bag with a clear warning label Use high-pressure steam to sanitize and transfer to the collecting point Place in a container filled with sanitizer liquid Place and seal in a yellow medical bag with a clear warning label Use high-pressure steam to sanitize and transfer to the collecting point

The Company adheres strictly to the well-designed management procedures aimed at minimizing the adverse impacts of medical waste. The Company ensures that all medical waste undergoes proper treatment before being discharged into the drainage system. We work with medical waste management companies and adhere to their policies and standards to ensure the safe handling, treatment and disposal of all medical wastes, minimizing environmental impact and safeguarding public health.

Medical Waste Management Procedures



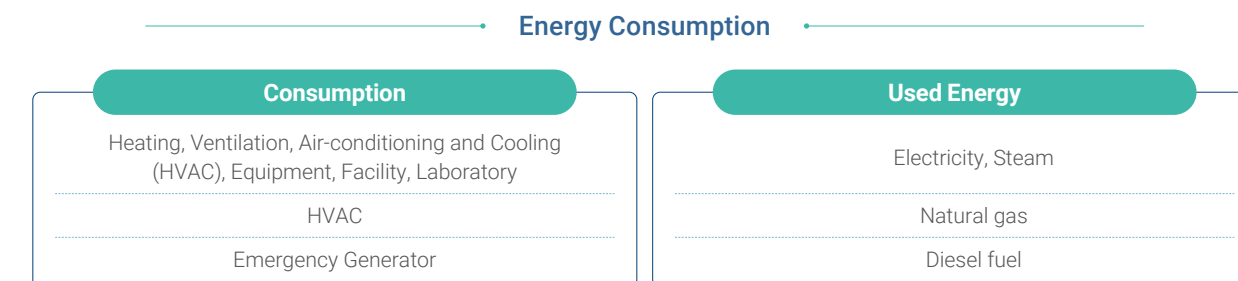
Resource Usage

Frontage Holdings is dedicated to fostering environmental responsibility at all our operational sites worldwide. The Company has established a set of management protocols to effectively oversee and regulate resource utilization and consumption reduction. We are actively taking measures to decrease our resource consumption and setting goals to align with our commitments.

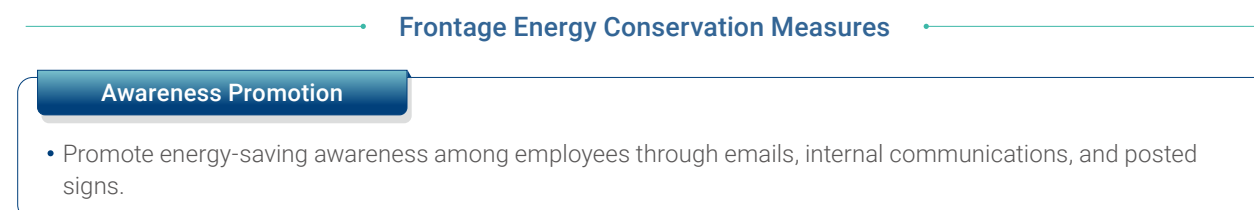


Energy Management

The EHS Department has taken a leading role in implementing energy management practices. It monitors and evaluates energy utilization at each operational site to develop energy reduction strategies. Frontage Holdings has been actively exploring green energy integration in its operations and advocating to improve energy efficiency. The main energies consumed in the production process are electricity, diesel, natural gas, and steam.



Frontage Holdings continuously advocated energy consumption intensity reduction by enhancing environmental awareness and using eco-friendly products to reduce energy consumption. Additionally, we employed clean energy to minimize our environmental footprint.



Efficiency Improvement

- Set a maximum temperature on air conditioning panels to ensure reasonable temperature control and reduce unnecessary energy consumption.
- Replace T8 bulbs with energy-efficient lighting to enhance overall energy usage efficiency.
- Install occupancy sensors for lighting to ensure lights are only turned on when spaces are in use, avoiding energy waste in vacant areas.
- Conduct area inspections after working hours to ensure timely switching off of lights, monitors, and other equipment to prevent energy wastage.

Clean Energy Utilization

- Promote the use of clean energy sources (e.g., solar, wind) to reduce reliance on traditional energy and lower carbon emissions.
- For sites in Canada, power is supplied by local utility stations, with nuclear and hydroelectric energy as the primary sources.

Water Management

Water is essential to the Company's daily operations. It plays a critical role in many aspects of our business, including sterilizing and cleaning equipment and HVAC system, specifically cooling towers. The Company has mainly relied on municipal water supply, with no inappropriate behaviours in gaining access to or using it. We are working on decreasing our reliance on municipal water supply, increasing the reuse of treated wastewater and ensure that it meets the highest standards of quality and safety.

To save water, the Company has adopted water-reducing technologies and techniques by using efficient equipment, creating a water recycling system and innovating our research techniques to improve water consumption efficiency. Likewise, Frontage Holdings has initiated a water-saving campaign to advocate water consumption reduction internally, spreading awareness among employees about the importance of water and discouraging generations of domestic sewage.

Climate Change

As the world faces increasingly severe and frequent natural disasters and extreme weather events exacerbated by climate change, Frontage Holdings' ability to plan for and respond to these occurrences has become increasingly critical. Our Company has implemented a climate change management system that follows the Consultation Paper of the HKEX on Enhancement of Climate-related Disclosures Under the Environmental, Social and Governance Framework.

Climate Change Management System

Governance

- The Board of Directors, ESG Working Group and EHS Department collaborate across the organization to identify and oversees the Company's climate change governance

Strategy

- Conduct GHG emissions review
- Set up a climate-related target
- Evaluate progression regarding climate-related target regularly

Risk Management

- Identify potential risks and opportunities
- Evaluate their corresponding potential impacts on our operations and finance

Metrics & Targets

- Disclose GHG emissions and GHG emissions intensity in ESG Report every year to evaluate its performance and make improvement plans

Frontage Holdings conducts a comprehensive review of our source of greenhouse gas emission yearly, using definition from the World Resource Institute's Greenhouse Gas Protocol's Corporate Accounting and Reporting Standards (GHG Protocol).

Sources of the Company's Greenhouse Gas Emission in Different Categories

Scope 1

- Gasoline, diesel and natural gas

Scope 2

- Steam and electricity

Scope 3

- Greenhouse gas emissions from value chains like employee commuting and purchased goods and services

The Company has adopted the methods of time series forecasting, policy benchmarking, and peer analysis using relevant data to establish our climate-change goal.



Goals of greenhouse gas emission

15%

GHG emissions (scope 1+scope 2) density reduction by 2030 compared to 2019 as the base year

We have conducted a thorough assessment of climate-related risks and developed a comprehensive strategy to prevent such risks. Through these efforts, we strive to minimize the carbon footprint of our operations to align with our efforts towards mitigating climate change.

Major Climate Change-related Risks and Opportunities Facing the Company

Physical risks

- **Acute physical risks:** Extreme weather events (flood, frost) disrupting power and water supply or inducing losses with plants and equipment; and supply chain disruptions leading to reduced or disrupted capacity (e.g., production halt, transportation difficulties, supply chain failures), write-offs and abnormal retirements of assets (e.g., damages to properties and assets at "risk" sites).
- **Chronic physical risks:** Abnormal power supply due to continuous high temperatures caused by climate change.

Transitional risks

- **Policy and legal risks:** Increased costs of compliance to meet regulatory requirements, and equipment transformation and operational changes as a result of lower emission caps and more stringent regulations.
- **Technical risks:** Application of new equipment and technologies for environmental protection.
- **Market risks:** Increased production costs from changes in raw material prices (including energy and water) and emission requirements (disposal of hazardous waste and wastewater).
- **Reputational risks:** Failure to take effective climate action and disclose information, potentially damaging the company's reputation and impacting investment, financing, and services.

Opportunities

- **Resource efficiency opportunities:** Improvement of energy and water usage efficiency in R&D and operations, leading to reduced operational costs.
- **Resilience opportunities:** Pursuit of opportunities in the low-carbon/green economy, participation in green supply chain development, business diversification, and securing a position in the transition to a low-carbon economy.

The Company has implemented the following measures to address risks and opportunities associated with climate change. For additional management measures, please refer to the "Frontage Energy Conservation Measures".

- Implement emergency and disaster recovery policies and guidelines to address potential extreme events, such as disrupting power outage and water supply;
- Continuously improve production technology and equipment by timely replacing outdated, high-energy-consuming, and low-efficiency electrical appliances with more efficient and energy-saving alternatives;
- Promote use of clean energy sources;
- Strengthen statistical management of water and electricity consumption to detect anomalies promptly;
- Regularly assess energy consumption and greenhouse gas emissions, disclose relevant performance data in a timely manner, and actively engage with stakeholders through ESG reports and related announcements;
- Enhance employees' awareness of resource conservation in their daily work.

Employment and Labor Practices

Employee Rights and Benefits

Frontage Holdings adheres to all relevant laws and regulations concerning salary, dismissal, recruitment, promotion, working hours, holidays, equal opportunity, diversity, anti-discrimination, and employee benefits and welfare. Frontage Holdings has developed corresponding management policies to ensure compliance. In 2024, there were no recorded violations of laws or regulations pertaining to the recruitment of employees within the Company.

Employment Practices

At Frontage Holdings, we take all steps to ensure and protect the rights of our employees. Our employment and business practices promote respect for all employees regardless of race, religion, gender identity or sexual orientation. Our internal employment policies underscore our commitments to fundamental labor principles, including the prohibition of child labor, the prohibition of forced labor, freedom of association and the right to collective bargaining, and protection from discrimination.

Frontage Holdings has assigned the Human Resources Department as the principal authority responsible for employee management, encompassing recruitment, training, promotion, discipline, compensation, benefits, and termination of employment.

As a full-service global pharmaceutical CRO, we deliver high-quality services to our clients and create opportunities for our employees to advance their careers in a healthy work environment.

Compliance with Labor Rules

The Company abides by the laws and regulations on child labor and forced labor where we operate, and established Management Rules of Prohibiting the Employment of Child Labour and Underage Worker for introducing child labor due diligence in operations. Human Resources Department developed management procedures and guidance on due diligence to identify, monitor and prevent child labor and forced labor. In 2024, there were no violations of laws and regulations regarding child labor and forced labor.

The Company’s Management Rules on Preventing Child Labor and Forced Labor

Pillar	Policies and Actions
Prevention of child labor	<ul style="list-style-type: none"> The Company prohibits the use of child labor in any post and observes relevant employment procedures. The Company has developed the Management Rules of Prohibiting the Employment of Child Labor and Underage Workers, formulating policies and remedies to effectively avoid recruitment of child labor in any form. Where minors aged between 16 and 18 can be recruited as applicable laws and regulations allow, the Company does so on the premise of compliance. During recruitment, the Human Resources Department strictly verifies the candidates’ identities, checking their ID cards, photos or household registration information as necessary, to confirm that their identity information is genuine before registration for entry. At the Company’s U.S. sites, job candidates are asked during the initial screening stage whether they are at least 18 years of age. During onboarding, identity and age are verified through the completion of <i>Form I-9</i>, <i>Employment Eligibility Verification</i> required by the U.S. Department of Homeland Security (DHS) and the U.S. Citizenship and Immigration Services (USCIS).

Pillar	Policies and Actions
Prevention of forced labor	<ul style="list-style-type: none"> The Company stipulates under the principle of "employment at will" in its <i>Employee Handbook</i> that the establishment of a labor relation is premised on the willingness of both the employer and the employee, and the employee is free to choose occupations at his or her own will. Forced labor shall be completely eradicated.

To support our employment, we employ a range of internal policies to ensure the fairness of our practices in recruitment, promotion, dismissal and to safeguard the legal rights of our employees.

Employment Management

Pillar	Policies and Actions
Recruitment, promotion and dismissal	<ul style="list-style-type: none"> The Company has developed Recruitment Management Rules, Management Rules on Personnel Employment Relationship, Performance Management Rules and The <i>Employee Handbook</i> to standardize the management of employee recruitment, labor relations and other personnel employment relations while working to improve employee and organizational performances sustainably. Recruitment is cooperatively completed by the Human Resources Department. In case of a vacant post, internal employees have access to the same opportunities as external candidates. Promotion and post-transfer of employees rely on the results of their performance appraisals. If any employee engages in a situation where the Company shall terminate the employment relationship as stipulated by applicable laws and regulations, the Company can do so in accordance with the laws and regulations.
Freedom of association and the right to collective bargaining	<ul style="list-style-type: none"> The Freedom of Association and the Right to Collective Bargaining states our respects for the right of all employees to freely and voluntarily establish and join group for the promotion and defense of their occupational interests. The Company actively foster a climate free of violence, pressures, fear and threats to safeguard employees’ freedom of association and expression. The Company respects the right of all employees to form and join an union of their choice without fear of intimidation or reprisal, in accordance with applicable national law. The Company executes non-discriminatory policies and procedures with respect to trade union organization, union membership and activity in such areas as applications for employment and decisions on advancement, dismissal or transfer.
Salary	<ul style="list-style-type: none"> The <i>Employee Handbook</i> specifies the structure of salary and bonus, and the rules on withholding personal income tax as well as paying social insurance and provident fund for employees according to laws. The Company purchases supplementary commercial health insurance and critical illness insurance for its employees, while providing them with meal allowances, travel allowances, wedding gift money, holiday welfare and other benefits. The Company has developed Performance Management Rules, specifying that employee salary and bonus are based on their performance appraisals. The Company issues long-term service awards and medium- and long-term incentives to employees who meet the assessment criteria for employee (especially key talent) retention purposes.

Pillar	Policies and Actions
Working hours and holiday	<ul style="list-style-type: none"> Contents on Attendance Management in the <i>Employee Handbook</i> stipulates and explains the rules of working hours, national holidays, annual leaves, sick leaves, personal leaves and other matters related to working hours and holidays. Employees enjoy national legal holidays, annual leaves, marriage leaves, maternity leaves, breastfeeding leaves, funeral leaves and additional, fully-paid sick leaves for a certain period in accordance with applicable laws. Leaves of absences are granted to employees who need personal time off for family needs, or to return to their home countries during difficult times, such as visiting a sick parent or family member. Overtime working hours as recognized by the Company shall be converted as compensatory leaves. Family and Medical Leave Act (FMLA) is provided to employees in the U.S., which allows for up to 12 weeks of leave for the birth and bonding with their newborns.
Equal access to opportunities, diversity and anti-discrimination	<ul style="list-style-type: none"> In the <i>Employee Handbook</i>, "equal employment, employment at will and fair competition" are defined as the basic principles to be observed by the Company. The principle of "equal employment" demonstrates that "any discrimination on any ground such as race, color, political or religious affiliation, nationality, gender, sexual orientation, age, marital status, family relations, disability or other legally protected situations shall be prohibited." "Policies and Measures against Discrimination and Harassment" in the handbook explains in detail the Company's diversity and anti-discrimination policies.

Employee Benefits and Care

At Frontage Holdings, we take care of our employees with a holistic and competitive welfare package to protect employees' entitled rights and to meet various needs. As such, our employees are inspired and equipped to live fully and perform at their best.

We believe every employee has the rights to feel valued, cared and loved at Frontage Holdings, whether it happens inside or outside the office. We have established a thoughtful Employee Care plan.

At the global level:

- Apply a flexible work schedule, hybrid or remote working mode to advocate work-life balance.
- Celebrate employee birthdays, work anniversaries, project milestones and employee achievement.
- Offer on-site nursery and specific health-care programs for female employees.




More Specifically:

North America	China
<ul style="list-style-type: none"> • Provide mental health care support, including both virtual and in-person psychological counseling. • Implement a wellness program featuring yoga classes, meditation trainings, and walkathons. • Provide lactation rooms for breastfeeding employees. • Offer a health insurance program that includes mental health support and stress management resources. 	<ul style="list-style-type: none"> • Provide housing accommodations for interns and non-local employees to address their housing needs. • Provide shuttle bus services to facilitate employee commuting. • Provide multiple commercial insurance plans for employees, their children, spouses, and parents. • Provide various annual health check-up options for employees and their parents. • Host annual parties to commemorate employee achievements and milestones.

Employee Engagement and Communication

As a people-oriented corporation, Frontage Holdings prioritizes employees' voices and ideas, motivating us to consistently listen and address their needs. Frontage Holdings places emphasis on communication and engagement with employees. The Company has established multiple communication and feedback channels, fostering a sense of belonging among employees in the workplace. In 2024, we launched SharePoint as our internal intranet platform to provide employees with easy access to important company information, including benefits, employee handbook, policies, procedures, etc.

Employee Communication Channels

 <p>1 on 1 conversation</p>	 <p>Email</p>	 <p>SharePoint</p>
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Inclusion and Diversity

At Frontage Holdings, we believe inclusion and diversity are the backbones of the Company and prejudice is unacceptable. We value uniqueness and differences, fostering an inclusive environment where every employee can thrive. Our steadfast commitment to Inclusion and Diversity starts at the Board, and extends throughout our Company and to industry and communities.

The Company promotes diversity at all levels and upholds and integrates the principles of inclusion and diversity: "Fairness, Equality and Employment at Will" through every aspect of business operation. Similarly, we have established a zero-tolerance policy against harassment, bullying, and discrimination, where we adopt blind hiring techniques to remove unnecessary personal information, minimizing unconscious bias and integrating the principles of inclusion and diversity.

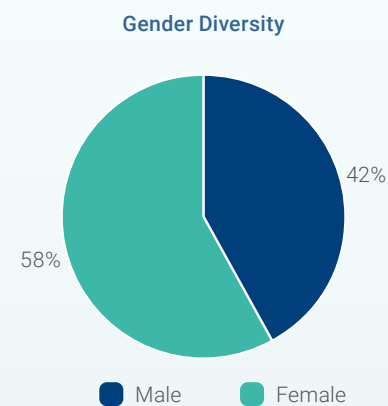
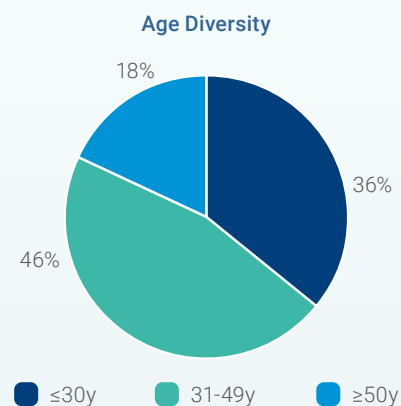
Inclusion and Diversity Policies

- Increase company-wide awareness and ability to create and sustain an inclusive and diverse working environment.
- Adopt applicable techniques to minimize unconscious bias and increase inclusion and diversity.
- Establish zero tolerance policy against harassments, bullying and discriminations.
• Establish principles of Fair Competition, Equal Employment and Employment at will in *Employee Handbook* to ensure inclusion and diversity.
- Build an international, high-performing, engaged, inclusive and diverse talent management process.

We have developed a wide range of strategies aimed at fostering diversity and inclusion in talent attractions. Our initiatives for diversity outreach, attraction and retention include:

- Collaborate with organization or platforms that facilitate career pathways for students from diverse ethnic backgrounds.
- Proactively connect with potential talents from diverse communities.
- Equip HR with resources to enhance the inclusive talent acquisition practices.
- Implement coaching and mentoring programs at all levels to promote female leadership.

Workforce Diversity in 2024¹



¹ The reporting scope included employees in operating sites in China, the U.S., Canada, and Italy.

Occupational Health and Safety

Frontage Holdings is committed to ensuring health and safety at work with the ultimate principle of "Safety first, Prevention foremost, Comprehensive governance". We have implemented the *Occupational Health Management Policy*, *Occupational Sanitary Control Policy* and *Work Safety Inspection Policy* to guarantee strict compliance with health and safety legal requirements and best practices in our daily operations. The EHS Department and HR Department work closely with regulatory agencies to monitor employee's working conditions and implement measures to ensure their safety and well-being. In 2024, the Company recorded no violations of applicable laws and regulations on employee health and safety. Additionally, no work-related fatalities have occurred over the past three years, including the reporting year.

Due to the uniqueness of the business, employees have a high likelihood of being exposed to chemical hazards and physical hazards. To uphold our policy, the EHS Department has conducted occupational hazard examinations in laboratories and facilities to identify possible hazards and has taken appropriate measures to prevent occupational disease and illness. We conducted assessments of occupational health and safety hazards and identified potential chemical risks in our laboratories that may affect employees' health and safety. In response, we provided lab-level protective equipment and delivered targeted training sessions.

Occupation Health and Safety Protections by Frontage Holdings

Types	Contents	Taken Measures
Chemical	Methanol, Acetonitrile, Dimethyl Sulfoxide, Hydrochloric Acid, Sulfuric Acid, Isopropanol, Toluene, Xylene, Dichloromethane, Ethyl Acetate, Chloroform, Methyl Tert-Butyl Ether, Ether, Ammonia, Acetone, Sodium Hydroxide, Formaldehyde, Hydrogen Peroxide, Acetic Acid, Carbon Tetrachloride, Chlorine Dioxide, Petroleum Ether, etc.	<ul style="list-style-type: none"> • Install protective devices and safety systems e.g., chemical detectors. • Provide lab cloth and approved safety goggles. • Provide occupational health and safety training.
Physical	Noise, extreme temperature.	<ul style="list-style-type: none"> • Install occupational disease prevention devices, such as fume hoods and gas detectors. • Provide approved garments and noise-canceling headsets.
Others	Isopropanol, Formaldehyde, Acetic Acid, Liquid Nitrogen, etc.	<ul style="list-style-type: none"> • Provide lab coats and approved safety goggles.

To reduce the risks associated with essential activities, Frontage Holdings has taken systemic measures as below.

Identify and monitor occupational disease risks

- Regularly identify and evaluate occupational hazard factors and vulnerable working places in various departments in accordance with applicable laws and regulations.
- Conduct EHS monthly meetings to discuss the occupation health and safety issues.
- Prepare files tracking occupational hazards based on the identification and evaluation results of such hazards.
- Conduct Evaluations of Occupational Disease Hazard Control Effectiveness to assess the impact of actions on reducing the risk of occupational diseases.
- The EHS Department declares to the government on an annual basis by filling out the "Occupational Diseases Hazardous Items Reporting System" to support supervision and audit of relevant departments.

Organize occupational health training and exercises

- Inform new employees of potential occupational hazards at work and their effects, prevention measures against occupational diseases and treatment through *Notification of Occupational Hazards*, in order to increase their safety awareness.
- Organize Induction training on occupational health and safety for new employees in accordance with applicable regulations.
- Organize corporate and departmental health and safety training at the levels of corporate and department regularly to inform employees of how to identify occupational health and safety symbols, the use of labor protection articles, and safe technical operations.
- Organize regular training in partnership with Stericycle, which includes Occupational Safety and Health Administration (OSHA) training and evaluations.
- Operate continuous monitoring of the training deadlines to make sure all employees complete the required training on time and remain compliant with regulatory requirements.

Provide occupational health protection facilities and devices

- Equip workplaces such as laboratories and animal facilities with effective protection facilities and devices and personal protective articles in accordance with occupational health and safety requirements.
- Equipped laboratories with facilities for safety protection such as fume hoods, exhaust hoods, biological safety cabins, emergency sprinklers and eyewash equipment. Employees in labs have been provided with labor protection items such as gloves and masks.

Develop special emergency plan for occupational diseases

- Develop a specific emergency plan for occupational hazards. Emergency evacuations and firefighting emergency drills are conducted on a regular basis.
- Organize self-rescue, mutual rescue, and first aid in the event of an occupational hazard or a poisoning accident as required, and immediately report to the EHS Department which coordinates accident reporting, investigation and handling.
- Report any discovery of occupational disease patients or suspected ones to the upper authorities by the EHS Department in time.

Talent Management

At Frontage Holdings, we prioritize talent cultivation, employee training and development. We recruit top talent to uphold the quality of our services globally. We equip our employees for success, offering comprehensive support from recruitment to ongoing professional development. Frontage Holdings established the *Performance Management Policy and Employee Handbook*, which specified rules for talent management. In 2024, the Company updated the Performance Management Policy to enhance the effective implementation of goals.

Talent Attraction

Frontage Holding has launched multi-channel talent attraction platforms to create an elite talent team. Additionally, we also recruit high-potential talents from different backgrounds globally. Our talent acquisition procedures are clearly outlined, offering guidance to candidates through the hiring process.

Diverse Paths of Talent Attraction

Internship Program

- Offer meaningful and practical work related to students' interests
- Provide primary insights into the CRO industry

Graduate Program

- Visit top universities and colleges to attract outstanding recent graduates

Consultant

- Hire experts in their fields as in-house consultants at Frontage Holdings

Re-employment

- Rehire appropriate former employee

Recruitment

- Internal Transfer
- Promotions
- Referral
- Advertisements on social media, Frontage Holdings company website and recruitment websites
- Headhunters

We are committed to providing a comprehensive reward package that is competitive in attracting, retaining and engaging the talents we need to drive our business growth. We regularly conduct compensation benchmarking to ensure our benefits packages remain competitive in the dynamic job market. Additionally, we have developed and implemented a share distribution plan to reward employees.

Employee Training

Employee training underscores our culture at Frontage Holdings. We invest and create an employee training system to help employees thrive at work and in life. The employee training program offers resources for job-specific training and leadership programs, addressing skills gaps of our employees.

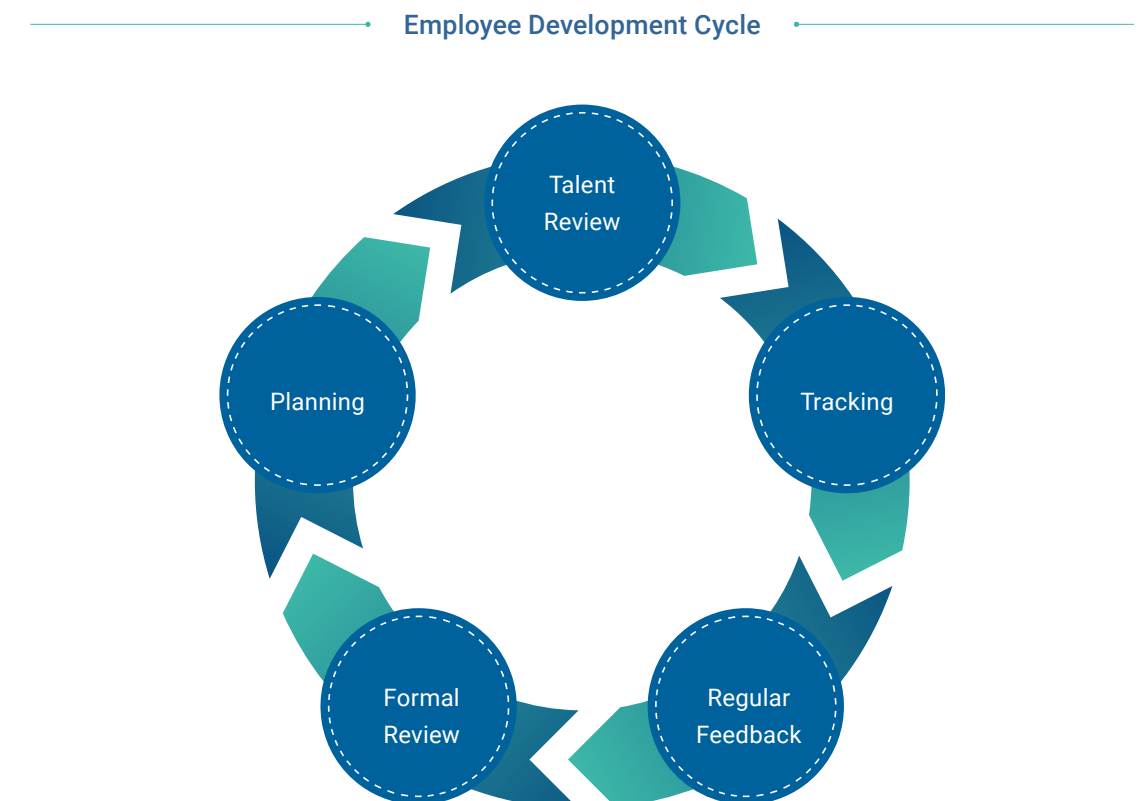
Employee Training Program		
Program	Contents	Progression in 2024 (Partial)
Onboard Training	<ul style="list-style-type: none"> Learn about the Company history, values, mission, culture. Meet with key leaders and gain insights into the Company's operations, services and business goals. Introduce internal policies, benefits and documents. 	<ul style="list-style-type: none"> Organized internal onboarding training for all new hires. Conducted a training sessions for all employees to guide appropriate professional behavior, mitigate risks, and maintain both internal and external brand image.
General Knowledge Training	<ul style="list-style-type: none"> Provide training on use of general tools. 	<ul style="list-style-type: none"> Shared tools and methods for finding and reading literature, as well as improving work skills and efficiency. Provided all employees in China with training on 2025 Employee-Selected Insurance Plan online enrollment and an introduction to the 2024 individual pension system.
Upskill Training	<ul style="list-style-type: none"> Introduce applicable laws and regulations relevant to positions. Provide technical training, including professional competence training and post-oriented skills training. 	<ul style="list-style-type: none"> Provided internal technical training, including topics such as Good Laboratory Practices (GLP), Quality Assurance (QA), analysis of common data types from patch clamp experiments, Q-PCR experimental procedures and instrument usage instructions, etc. Supported overseas employees with training opportunities at Frontage headquarters in the U.S. to enhance technical expertise, business acumen, and work skills. Supported employees to attend external training and biopharmaceutical conferences.
Leadership Program	<ul style="list-style-type: none"> Prepare talents for the rigors of leadership roles. Build high-performing teams. Immerse leaders in topics to help them build resilience. 	<ul style="list-style-type: none"> Organized internal leadership training for leaders to improve their management skills. Enhanced the operational management and analytical skills of middle and back-office staff. Developed the management capabilities of front-line supervisors, including upward communication, review tools, and case studies on their application.

In 2024, we have provided and organized training with 100% overall employee training coverage rate². Overall, average training hours per employee were 28.5 hours, with 64% increase compared to 2023 (2023:17.40 hours).

Employee Development

Frontage Holdings creates dual career paths, providing employees opportunities to explore their career paths, whether to grow professionally or managerially. The professional path branches out into product, R&D, and other professional fields. To encourage positive and conscious career growth, we seek insights to identify employee strengths and areas for improvement. Managers meet with employees regularly to provide feedback regarding their performance and abilities.

In 2024, we improved the management of new employees during their probation period (when applicable) and enhanced the performance improvement plan process for those with underperformance. We promptly recognized and rewarded outstanding employees performance and nurtured a performance-oriented corporate culture to support continuous growth of employees and the overall development of the organization.



² Note: the reporting scope of employee training coverage rate and average training hours per employee include operating sites in China, the U.S., British Columbia, Canada, and Italy.

Operating Practices

Supply Chain Management

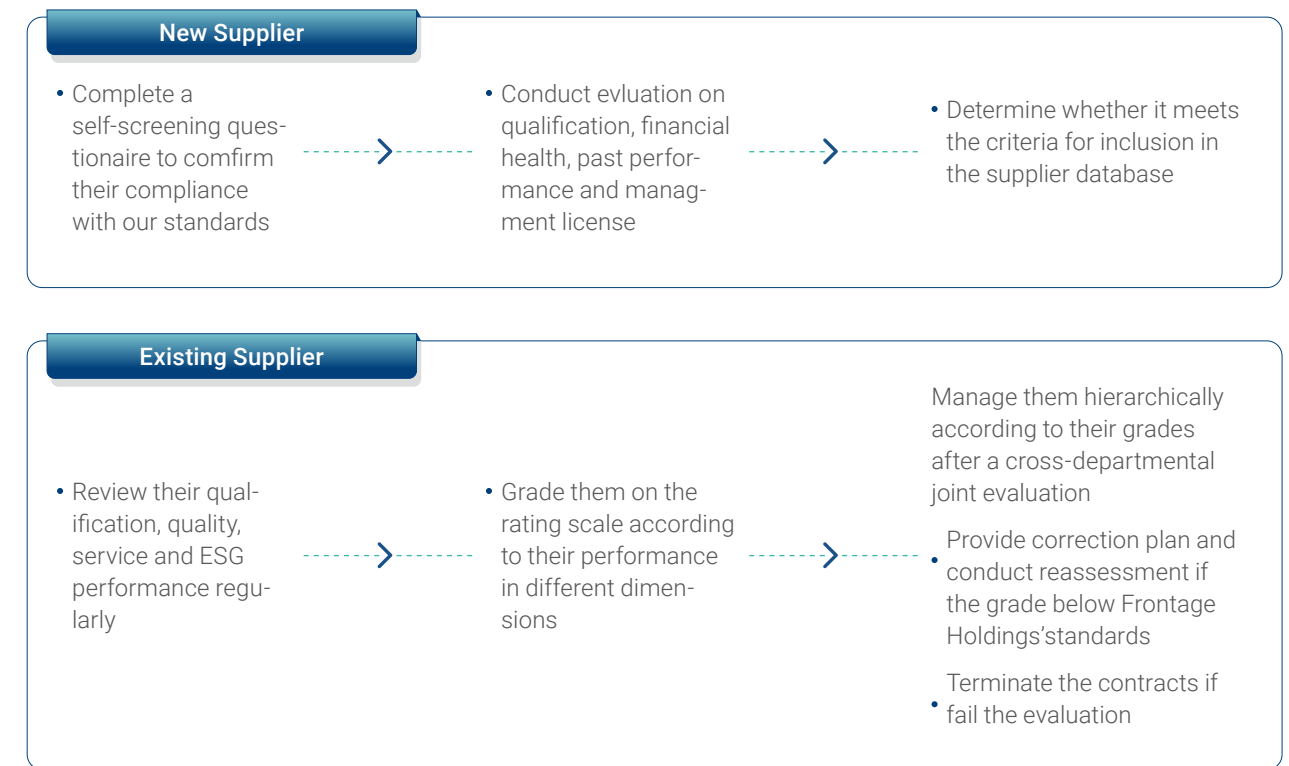
Frontage Holdings primarily collaborates with suppliers of laboratory instruments and equipment, reagents, consumables, services, software, and engineering projects, among other essential resources. To ensure a reliable and high-quality supply chain, the Company implements a rigorous supplier evaluation and approval process. Before establishing a business relationship, suppliers are required to submit relevant documentation, including business licenses, management licenses, production licenses, and other necessary certifications. The Company conducts thorough assessments of the qualifications, social credits, and past performances of suppliers to ensure compliance with internal standards and industry regulations. New suppliers are required to provide pertinent information for assessment and verification after the procurement specialist initiates new supplier applications in our system, which must then be approved by the procurement manager and the internal control department. Upon successful evaluation, new suppliers will be added to the database of alternative suppliers.



Our Supplier Code of Conduct strengthens transparency in supply chain assessments, aiming to improve the completeness and accuracy of suppliers' performance, while also enabling us to gather critical information and proactively identify potential risks. For both new and existing suppliers, we leverage our supply management procedures and key performance indicators to:

- Consistently monitor performance.
- Gather necessary data and certification for performance evaluation.
- Leverage ESG attributes, financial health, global presence and product innovation to guide purchasing decisions.

Supplier Evaluation Procedures



In 2024, we enhanced our supplier performance evaluation by integrating comprehensive assessments of Service Level Agreements (SLAs), covering service standards, quality, and timeliness, as well as information security. This comprehensive evaluation aims to assess the resilience and ESG performance of our suppliers, enabling us to better identify potential risks in the supply chain in advance.

After the evaluation, suppliers who do not meet the company's requirements are required to implement corrective actions, supported by targeted training or on-site guidance. Those who fail to meet the standards after the corrective period may face reduced procurement volumes or removal from the supplier pool.

Frontage Holdings places a high priority on addressing product performance issues among its suppliers. We have Master Service Agreement (MSA) in place with key supplier to uphold service quality and reliability, and if deemed necessary, the Company carefully evaluates alternative sourcing options to maintain operational stability.

In 2024, Frontage Holdings conducted assessments of 245 suppliers, achieving a 100% passing rate. Core suppliers undergo multiple business reviews and scheduled meetings monthly basis to ensure continuous performance optimization.

With a commitment to long-term vision, Frontage Holdings endeavors to minimize the adverse effects originating from the Company and its external business partners. In line with this, Frontage Holdings has implemented *Supplier Code of Conduct* aimed at strengthening ESG governance and promoting cooperation with suppliers across various domains.

• **Supplier's Environmental and Social Management** •

Environment

- The environment and related management system: observe all applicable environmental protection laws and regulations.
- Waste and emissions: ensure the safe handling, movement, storage, recycling, reuse and management of waste, gas emissions and wastewater discharges.
- Environment-friendly products and services: encourage suppliers to take more actions to protect the environment and to use more environment friendly products and services.
- Environmental impacts: protect natural resources and avoid the use of hazardous substances as much as possible.

Labor

- Labor and human rights: prohibit child labor and protect employees' human rights.
- Anti-discrimination and fair treatment: ensure that the workplace is free from harassment and discrimination.
- Salaries and welfare: specify employees' working hours, wages and benefits in accordance with applicable laws.

Health and Safety

- Employee safety protection: protect employees from injuries in the workplace.
- Emergency preparedness and response: identify and assess risks in the workplace, and develop contingency measures.
- Training on hazards: provide education and training to employees that contains information on hazardous materials and other issues of such importance.

**Ethics
(Business Ethics)**

- Integrity management: suppliers shall conduct business on the premise of fair and full competition.
- Anti-corruption: sign and act in accordance with the Anti-Bribery and Anti-Corruption Commitment.
- Data protection: protect the private information of the Company and its employees, customers, suppliers and their employees or others.

Guided by our environmental awareness, the Company prioritizes collaboration with suppliers that adopt simplified packaging of raw materials and advocates them to provide environmentally friendly product options, contributing to the decarbonization of our value chain. Frontage Holdings has voluntarily strived to minimize the use of paper contracts, invoices, and other non-essential documents across all aspects of supplier management. Additionally, we actively encourage our suppliers to adopt lower-carbon packaging solutions and utilize green transportation methods to reduce the environmental impact of logistics.

Product Responsibility

Frontage Holdings is committed to becoming the first-choice R&D outsourcer for our customers, providing best-in-class services and technologies, in order to support customers in their continuous pursuit of innovation and product improvement. In 2024, the Company has not been involved in any violation of laws and regulations regarding product liability relating to health and safety, advertising, labelling and privacy matters.

Service Safety and Quality

Quality management is the cornerstone of our commitment to being a reliable and ethical partner to our clients. We adhere to all applicable regulations, ensuring that our quality management system aligns with *Good Laboratory Practices (GLP)*, *Good Clinical Practices (GCP)* and other regulations as required, including U.S. Food & Drug Administration (FDA) and National Medical Products Administration (NMPA) in China. The Company has implemented standard operating procedures such as the *Quality Management Standard Procedures* and the *Implementation of Compliance in Research* to reinforce the safety, quality and integrity of our data, research and laboratory and clinical practices. To ensure operating quality at our operating site, our sites comply with applicable global standards and regulatory bodies, such as:

- GLP and GCP by the FDA
- Policies by the NMPA
- Policies by EPA
- Policies by Health Canada and other regulatory
- ISO 9100 Quality Management System
- ISO 27001 Information Security Management System

At Frontage Holdings, a team of highly qualified and experienced professionals oversees and manages GLP, QA, QC and project management. We have developed and implemented the industry-leading SOP for quality management, covering clinical and laboratory practices, data collection and distribution, as well as research project management.

• **Project Quality Management Procedure** •

Process	Description
Initiation	<ul style="list-style-type: none"> • The project leader creates the project charter.
Planning	<ul style="list-style-type: none"> • The project leader drafts the project design plan in accordance with GLP, coordinates the project process and resource leveling to ensure the effectiveness of the project plan, and writes the project report.
Execution	<ul style="list-style-type: none"> • The Operators implement the project design plan accordingly and document the process and data in research logs for later monitoring and auditing.
Controlling	<ul style="list-style-type: none"> • The Quality Controller audits project documentation to ensure the completeness and accuracy of research information and data. • The Quality Assure audits project design plan, research sites, practices, research logs and data, reports relevant issues to the project leaders and organizational leader.
Monitoring	<ul style="list-style-type: none"> • The project leader monitors project progression, measures key performance indicators and conducts corrective actions accordingly.
Closing	<ul style="list-style-type: none"> • The project leader reviews project findings and data to complete the project report.

In 2024, a range of training programs were conducted to ensure that employees are fully informed of relevant laws, regulations, essential skills required to deliver professional services. For example, annual regulatory training was provided to personnel involved in bioanalysis, and laboratory technicians participated in multiple specialized sessions on topics such as lab notebook documentation, experiment report writing, data analysis, and various patch-clamp data types. These training initiatives not only enhance employees’ technical competencies but also reinforce the Company’s commitment to upholding high standards in research and compliance.

Additionally, as the Company’s business does not involve product manufacturing, a product recall procedure is not applicable. However, the Company remains committed to stringent quality control and risk management practices to ensure the integrity and reliability of its services.

Ethics of Clinical Trials

Frontage Holdings respects and protects the rights of every participant. As a responsible CRO services provider, we actively address stakeholders’ interests and concerns regarding the ethics of clinical trials and animal welfare at the earliest stages of our R&D process. We adhere to clear guidelines in clinical trials, ensuring compliance with application laws, regulations, and standards such as *Good Clinical Practice (GCP)*.

We are proud to disclose our policies, standards, and procedures for clinical trials in our Ethics Committee Materials Preparation and Submission process. This ensures that our implementation aligns with the applicable laws, regulations, and ethical principles of the Ethical Committee, while safeguarding participants’ rights. We have implemented necessary measures to uphold the principles of Clinical Trials: “Truthfulness, Beneficence, Autonomy and Confidentiality”. These principles guide every aspect of our clinical research, ensuring that our work not only advances scientific knowledge but also respects the dignity and rights of all individuals involved.

Applied Principles and Practices of Clinical Trials		
Principles	Definition	Actions
Truthfulness	Tell the truth to their patients.	<ul style="list-style-type: none">Establish a policy of Informed Consent.State all facets of clinical trials on the Informed Consent Form.
Beneficence	Act in the best interests of their patients.	<ul style="list-style-type: none">Purchase commercial insurance for participants to safeguard their rights.
Autonomy	Maintain the privacy of their patients.	<ul style="list-style-type: none">Create a private area for conversation, body examination and an environment conducive to a private conversation.Position the portable walls to create temporary rooms to shield participants while providing medical services.Restrict access to medical records and any participant information that is openly displayed in waiting or treatment areas.Shield participants’ personal information in the publication and written documents.
Confidentiality	Keep their patients’ medical information confidential.	<ul style="list-style-type: none">Provide additional display surfaces or editing for distributing important health notices, information on medical services, and facility hours.Shield participants’ personal information in the publication and written documents.

Additionally, we have end-to-end procedures to ensure the ethics of clinical trials and to guide practices.

Ethical Clinical Trial Management Procedures	
Material Preparation	<ul style="list-style-type: none">Authorize specialized personnel to prepare ethical review documents and monitor compliance with regulatory and policy requirements throughout the trial process.Review and examine clinical trial materials to ensure quality of information for legal and social accordance.
Employee Training	<ul style="list-style-type: none">Educate our employees about specific diseases, treatment pathways and challenging elements of protocol and practicalities of participation in addition to the needs and preferences of participants.
Clinical Trail	<ul style="list-style-type: none">Appoint professionals to supervise the practices.Engage and communicate with participants to seek their preferences and address their concerns.Ensure the investigator promptly reports to Ethics Committee (EC) / Institutional Review Board (IRB) of Serious Adverse Event (SAE), Suspected Unexpected Serious Adverse Reaction (SUSAR), Protocol Deviation.Ensure the investigator has notified the EC/IRB that the study has been closed and submitted the Site Close-Out IRB Notification to EC/IRB.

In 2024, there were no violations of the standards of clinical trial protocols.

Animal Welfare

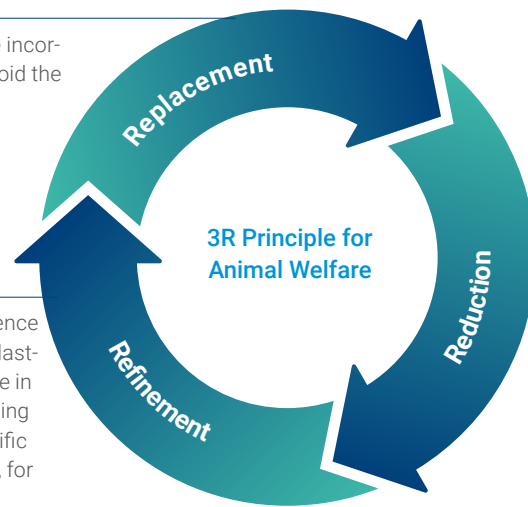
To fulfill our commitment to improving public well-being through CRO services and ensuring the efficacy and safety of laboratory animals for human use, we strictly adhere to applicable local and global laws, policies, and guidelines governing the responsible and humane use of animals. These regulations include, but are not limited to, the *Animal Welfare Act* and *Animal Welfare Regulations* issued by the United States Department of Agriculture (USDA) and the *Guide for the Care and Use of Laboratory Animals (8th Edition, 2011)*.

Frontage Holdings continuously advocates for high standards in the care and use of laboratory animals to ensure the highest quality scientific integrity. In 2024, Frontage appointed a Vice President of Global Animal Welfare and Veterinary Services to oversee and harmonize animal welfare standards and initiatives across our operations. Our policies and practices are designed to promote animal health and enrichment, genetic integrity and a containment-free environment for lab animals. We embrace the “3R principles” (Replacement, Reduction, and Refinement) in our global laboratory practices, ensuring that animals are used only when there is robust scientific evidence demonstrating that no alternative methods can produce reliable data on the basic safety and efficacy of the drugs under development. Additionally, the Company has launched a “5 Freedom” program to further enhance the welfare and well-being of laboratory animals.

3R Principle for Animal Welfare

Non-animal-based methods are incorporated to directly replace or avoid the use of animals in experiments.

Laboratory animals may experience less pain, suffering, distress, or lasting injury. Refinements are made in all aspects of animal use, including housing, feeding, and the scientific procedures performed on them, for better animal welfare.



The number of animals used is minimized in each experiment. For example, fewer animals are used in a study through experimental design improvements.

5 Freedom Plan

Animals always have access to fresh water and food and be free from hunger and thirst so that they can stay healthy and active.

Suitable environments are provided to protect them from discomforts, including shelters and comfortable places to rest.

Prevention or rapid diagnosis and treatment is provided to the animals to avoid causing them pain, injury or disease.

Adequate space, appropriate facilities, and companionship of peers are provided to allow a life as normal and natural as possible for the animals.

Conditions and treatments are provided to avoid fear, pain and mental distress.

We have established policies to ensure animal welfare and guide our practices, such as *Establishment of Humane Endpoint for Laboratory Animals*.

Animal Welfare Policies (Partial)

Policy	Description
Establishment of Humane Endpoint for Laboratory Animals	<ul style="list-style-type: none"> Predetermined physiological or behavioral signs indicating the need to terminate, minimize, or relieve pain and/or suffering in an experimental animal Detailed procedures and treatment to relieve or reduce pain for laboratory animals

Policy

Welfare and Environmental Enrichment of Laboratory Animals

Pain and Distress Recognition in Laboratory Animals

Description

- Policies and procedures to ensure welfare and living environment of laboratory animals at Frontage Holdings

- Predetermined physiological or behavioral signs indicating pain and distress of laboratory animals
- Ranking system to assess the pain and distress of laboratory animals for management

To reinforce our commitment to animal welfare, we have organized seminars at our preclinical sites, integrating our policies into the daily practices of staff. In addition, we have fostered a culture of care by displaying visible signs throughout our facilities, ensuring that our responsibility towards animals is consistently communicated and embraced by all employees.

The Company has established the Institutional Animal Care and Use Committee (IACUC) to evaluate and oversee the use of and care of animals. The committee comprises veterinarians, a vice president, scientist members, non-scientist members and representatives from the public, ensuring a comprehensive and balanced approach to animal welfare.

Duties of IACUC

- Review and approve animal use programs and related research
- Hold the utmost right to suspend or terminate any animal experimental program that violates animal welfare
- Organize meetings every quarter and conduct audits of animal using protocols (AUP) and animal-related facilities every six months as planned
- Vet suppliers of laboratory animals and animal-related products
- Provide animal welfare training for lab

In 2024, IACUC reviewed over 228 AUP and conducted on-site audits to ensure the appropriate and ethical use of animals in laboratory settings. Additionally, Frontage Holdings' IACUC received assurance and certification from the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC), which conducted on-site audit and found nothing inappropriate regarding Frontage Holdings' animal-related practices. At Frontage Holdings, Safety & Toxicology sites are AAALAC- certified and maintains strict animal policies. AAALAC international promotes the humane treatment of animals in science research through its voluntary accreditation and assessment programs.

R&D and Innovation

At Frontage Holdings, we are driven by a mission to transform drug discovery and development through innovation and excellence. We are committed to delivering innovative solutions across the entire lifecycle of drug discovery and development. The Company develops strategic plans that leverage core competencies in providing a comprehensive portfolio of product discovery and development services throughout the discovery and development continuum. These services include preclinical research (comprised of Drug metabolism and pharmacokinetics, safety and toxicology, clinical services, and drug screening), laboratory testing (comprised of bioanalytical and biologics, and central laboratory), chemistry, and CMC (Chemistry, Manufacturing, and Controls). In addition, in China, the Company offers a suite of bioequivalence and related services (such as pharmacology, medical writing and regulatory support) to support our customers with regulatory submissions.

Frontage Holdings continues to accelerate efforts to develop high-quality CRO solutions to address unmet needs with our pioneering medical technologies and skills. We invest significant resources to maintain our leadership and competitive advantages in the industry. In 2024, we invested USD \$6.04 million to sustain and enhance Frontage Holdings' competitive advantages and competencies in R&D.

Furthermore, Frontage Holdings continually invests in R&D training to advance our employees' techniques and skills, where we actively expose our employees to growing areas of laboratories, experiences, medical science and biotechnology. We organize position-specific training and medical scientific workshops for our R&D professionals. Through these initiatives, we aim to empower our employees, deliver exceptional value to our customers, and contribute to the advancement of global healthcare.

R&D Training Programs

Position-specific Training

- Study internal policies and procedures regarding R&D management
- Study drug delivery systems, approaches, and technologies, and see how improvements can lead to better patient outcomes
- Understand advances in drug discovery and development and how new therapeutics are developed
- Understand the principles governing how drugs impact the body, and see how these concepts apply to the treatment and prevention of disease

Medical Scientific Workshop

- Study current medical breakthroughs and their clinical applications
- Explore the possibilities to enhance project effectiveness and performance through case study
- Explore recent advances in disease treatment and learn about the implications for patient care

Intellectual Property Right Protection

At Frontage Holdings, we view intellectual property as a cornerstone of innovation and a key driver of scientific advancement. We firmly believe that intellectual property (IP) is a critical asset in driving innovation and scientific progress. We recognize that protecting IP is essential to fostering innovation and advancing science. We are committed to safeguarding the IP rights of our customers, vendors, and partners, and diligently adhere to best practices and industry standards as set forth by our peers in the CRO sector. In 2024, the Company did not infringe on others' intellectual property rights and was not subject to any relevant administrative penalties and court decisions.

We are committed to complying with all applicable IP laws and regulations in the countries where we operate. To ensure the protection of our customers' and vendors' IP rights, we have implemented comprehensive policies and procedures. Our IP management framework is based on internationally recognized principles and guidelines. Additionally, our legal team acts as our gatekeeper for IP protection, continuously monitoring and evaluating our IP protection practices to ensure alignment with evolving industry standards and legal requirements. Our dedication to IP protection reflects our broader commitment to ethical business practices and sustainable growth.

Our IP protection measures include, but are not limited to, the following:

- Sign confidentiality agreements with all employees, contractors, and third parties, defining the ownership, licensing and rights of the IP to ensure transparent and fair collaboration
- Create information management systems with restricted access controls and advanced encryption
- Conduct regular audits and assessments to identify potential risks and vulnerabilities
- Organize rigorous employee training and awareness programs on IP protection and its importance

Privacy and Data Security

At Frontage Holdings, we recognize the importance of privacy and data security as a cornerstone of trust and operational integrity. Our employees, clients and other stakeholders trust us to manage and safeguard their information responsibly and carefully. We are committed to protecting privacy and data security through all possible means. Our Internal *Frontage Privacy Policy* establishes clear guidelines and procedures to ensure employees handle data and information appropriately. For external stakeholders, we provide a publicly accessible *Privacy Policy*, which aligns with the requirements of the EU-U.S. Data Privacy Framework (DPF) and the Swiss-U.S. DPF. To strategically address and mitigate any potential impacts of our activities, we continue to leverage our practices and infrastructures to ensure the effectiveness of data management systems.

The company has been continually enhancing its privacy and data security system, with a comprehensive set of policies in place for IT operations management. Each site has developed its own SOPs to manage operations effectively.

• **Frontage Privacy and Data Security Management Policy (Partial)** •

Policy	Purpose
Information Technology Infrastructure Security Management	Secure core technical facilities
Video Surveillance System Management	Ensure stable operation of surveillance systems
Computer Software Management Measures	Standardize software selection and maintenance
Information Technology Asset Management Measures	Manage IT assets with precision
Information System Account and Password Management System	Enhance account and password security
Laboratory Clock System Management Regulations	Maintain accuracy of experimental data time records
Information Security Policy	Establish the overall security framework
DocuSign Electronic Signature System Management Regulations	Ensure compliant use of electronic signatures

To ensure our privacy and data security efforts, we implement the following actions:

- Specify access controls, for example, implement computer USB interfaces at the terminal control level, blocking unauthorized external devices to establish the frontline of defense for privacy and data security.
- Install a firewall and other data protection infrastructure. Integrate scattered assets across sites using a unified management approach to streamline asset tracking, improve operational efficiency and enhance resource coordination accuracy.
- Conduct continuous threat hunting, ethical phishing tests and stimulated incidents.
- Organize security training and publish regular communication among all employees, covering regulatory interpretation, hand-on exercises, and risk prevention, promoting a deep integration of information security awareness and practical skills.
- Sign a Non-Disclosure Agreement (NDA) with employees and external partners to reinforce privacy and data security in the process of information distribution.
- Provide all employees with Frontage Security Awareness Training, which includes monthly learning campaign and quarterly phishing simulation campaign.

The Company's state-of-the-art information security management system has successfully passed the ISO27001 certification audit. This achievement not only represents an authoritative recognition of the existing control systems but also serves as a "security business card" presented to the market and partners, demonstrating that the company's information security protection meets international standards.

In 2024, there were no investigations targeting the Company by relevant governmental authorities for privacy and data security violations. Additionally, Frontage Holdings has not been subject to any major administrative or criminal penalties related to privacy or data security violations, further underscoring our commitment to compliance and robust privacy and data security practices.

Customer Service Appropriateness

On the other hand, Frontage Holdings has formulated a series of management rules to improve its performance in an all-around manner, covering promotion, marketing, and customer communication, etc. The Company has strictly abided by industry norms and formulated the Rules on the Management of External Promotion and Advertisement to ensure the accuracy, appropriateness and compliance of all marketing materials regarding provided services. These measures underscore our commitment to maintaining the highest standards of professionalism and ethical conduct in all our external communications.

• **Marketing Materials Review Process** •

Material Preparation	• Draft marketing materials regarding provided services according to applicable laws and regulations
Material Review	• Establish review process for external publicity materials, ensuring that all external promotional content undergoes compliance checks by the Legal and Marketing departments to guarantee legal accordance and accuracy

To effectively manage customer complaints and improve customer satisfaction, the Company has established the *Customer Satisfaction Survey Rules* to improve customer experience by collecting feedback from customers, solving problems and addressing defects with current services. The Company conducts customer satisfaction surveys on a regular basis. The Customer Satisfaction Survey Implementation Plan and the *Customer Service Satisfaction Questionnaire* have been implemented to collect customers' opinions on the level of proficiency and the quality of service, etc. According to the results of the Customer Satisfaction Survey, each department has formulated corresponding corrective and preventive measures which have been implemented for improvements.

On the other hand, all complaints are managed with handling procedures and documented in full detail, including time, contents, dedicated personnel, etc., and we will conduct a comprehensive analysis, review and report to associated departments. Through these efforts, we aim to not only meet but exceed customer expectations, reinforcing our reputation as a trusted and customer-centric organization. In 2024, the Company recorded no violations of laws or regulations pertaining to its marketing activities.

Business Ethics and Anti-corruption

Compliance

At Frontage Holdings, we recognize that compliance with laws and regulations is not only a legal obligation but also a fundamental pillar of our corporate responsibility and ethical governance. We are committed to respecting and adhering to all applicable local laws and regulations, as detailed in our comprehensive List of Laws and Regulations. To ensure full compliance, we have established robust internal policies and standards that govern our operations and align with these legal requirements.

To further strengthen our compliance framework, Frontage Holdings has established an internal audit department tasked with conducting year-round, continuous reviews and assessments of business ethics and anti-corruption performance of procurement, sales, and other business functions. The department works closely with the leadership team to refine and enhance the audit process continually. Key audit areas include, but are not limited to, price inquiry and comparison procedures, supplier management procedures, contract management, and price management.

At the enterprise level, the Board and senior management actively monitor and address compliance matters. Our internal audit department evaluates our operations and conducts internal audits of all departments at least once a year to ensure adherence to appropriate business conduct. Throughout the year 2024, the Company underwent multiple planned audits via internal and external auditors, focusing mainly on HR, payroll, finance, benefits, onboarding and offboarding of employees, IT, etc. In 2024, the internal audit department found no violations of the Company's policies.

Our proactive approach to compliance reflects our dedication to maintaining the highest standards of integrity and accountability in all aspects of our operations. Through these rigorous measures, we aim to build trust with our stakeholders, safeguard our reputation, and contribute to a sustainable and ethical business environment.

Business Ethics

At Frontage Holdings, ethics is the core of our values and services. We have integrated business ethics into every facet of business operations, ensuring that they are not just principles but actionable practices. The Company has established a comprehensive framework of business ethics policies, which are communicated transparently across the organization through our internal policies. These policies outline both individual and collective responsibilities, reflecting our steadfast commitment to integrity and ethical conduct. By fostering a culture of trust, honesty, and transparency, we actively promote anti-corruption awareness and uphold the highest standards of ethical business practices.

Codes of Business Ethics

Our *Employee Handbook* explicitly outlines a set of critical principles that govern our workplace conduct, available in English and Chinese. The *Employee Handbook* defines specific rules for anti-corruption, anti-commercial bribery and anti-competition, reaffirming our commitment to integrity and ethical business practices. These rules align with the requirements and prohibitions set forth by relevant laws and regulations, including but not limited to the US *Foreign Corrupt Practices Act of 1977 (FCPA)*. By providing clear guidance on employee behavior and enforcing stringent procedures, the *Employee Handbook* serves as a cornerstone in preventing business ethics violations and mitigating risks related to corruption and bribery across the Company's operations.

The *Employee Handbook* is updated biennially to ensure alignment with evolving legal and compliance requirements and to incorporate industry best practices. As part of the onboarding process, all new employees are required to review

and digitally acknowledge their acceptance of these policies. Similarly, existing employees are required to review and digitally sign the updated version to reaffirm their commitment.

Compliance with the Rules on Related Party Transactions, the *Employee Handbook*, and applicable law is mandatory for all employees and Board members. All individuals are required to formally acknowledge receipt of these policies at the time of hire and on an annual basis. To further reinforce a culture of integrity, the Company provides regular training sessions to relevant employees and Board members on the Foreign Corrupt Practices Act and relevant internal policies, ensuring a deep understanding of good business ethics and compliance standards.

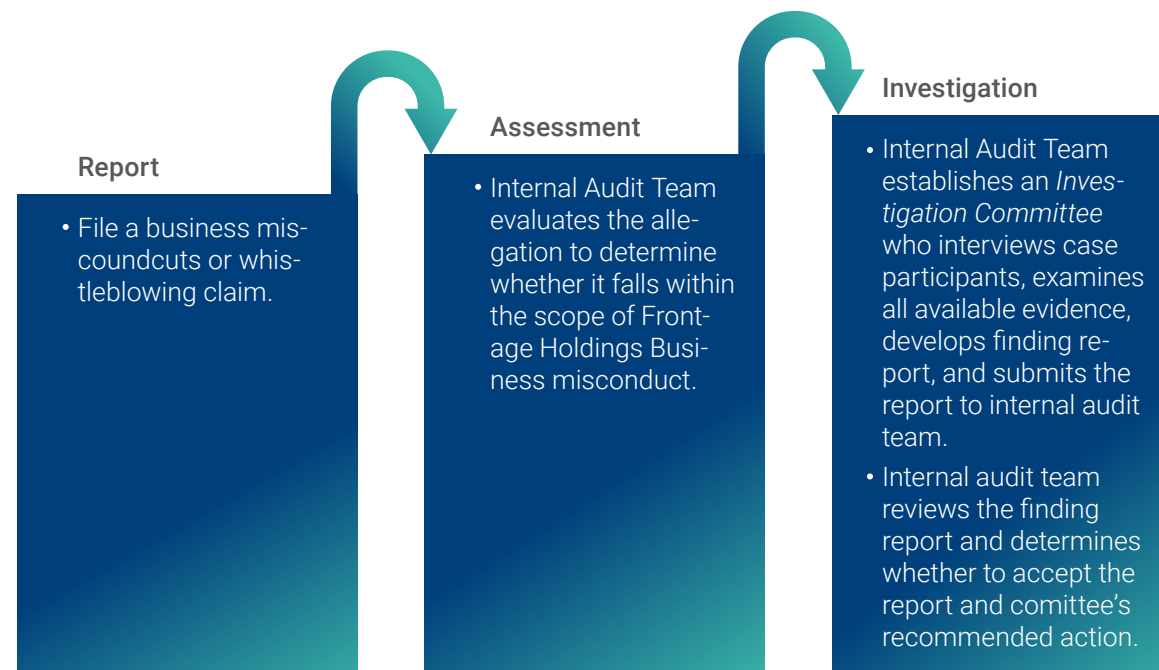


Reporting Ethical Misconduct

At Frontage Holdings, we encourage all employees and stakeholders to report actual or suspected business misconduct through multiple channels, including email, face-to-face discussions with internal personnel, telephone, and other accessible means. We maintain a zero-tolerance policy towards any form of retaliation against individuals who cooperate with investigations or submit good-faith reports of potential violations of laws, regulations, or our internal policies.

To protect whistle-blowers, we have implemented a comprehensive whistle-blower protection policy to ensure their safety, confidentiality, and anonymity. All reports of misconduct or retaliation are subject to rigorous investigation and prompt resolution, underscoring our commitment to upholding the highest standards of integrity and accountability.

Ethical Misconduct Management Process



During the reporting period, Frontage Holdings was not aware of any non-compliance or legal cases raised by violation of the US *Foreign Corrupt Practices Act*, the *Anti-Money Laundering Law of the PRC*, the *Anti-Unfair Competition Law of the PRC* and other laws and regulations relating to bribery, extortion, fraud and money laundering. No instances of non-compliance or legal cases related to these areas were identified or reported.

Community

Community Support

At Frontage Holdings, we are dedicated to enhancing community engagement and engaging in impactful initiatives that drive positive change. Guided by our commitment to corporate social responsibility, we are constantly seeking innovative and sustainable solutions in education and community services, thereby contributing to the long-term sustainability and well-being of society.

In 2024, Frontage Holdings engaged in various initiatives aimed at supporting youth education and local community development. These efforts reflect our holistic approach to creating shared value and strengthening the social fabric of the communities we serve.

Community Contributions in 2024

Education

- Donate state-of-the-art laboratory equipment to local educational institutions.
- Offer site visits and share industrial experiences with students from 18 schools, colleges and universities.
- Volunteer to build curriculums, teach courses and guide Bachelors, Masters and PhD students, at local universities.

Community Services

- Donate food supplies and financial contributions to local food banks during the Thanksgiving season.
- Organize fundraising initiatives to support the Children's Hospital.

In addition to our direct contributions, we actively promote and support our Board members and employees to participate in volunteer work with charitable or non-profit organizations of their choice. Our commitment to volunteerism reflects a broad dedication to fostering a culture of social responsibility and community engagement throughout the organization.

List of Laws and Regulations

Chinese Regulations
Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution
Integrated Emission Standard of Air Pollutants (DB31/ 933-2015)
Emission Standards for Odor Pollutants (DB31/ 1025-2016)
Law of the People's Republic of China on Prevention and Control of Water Pollution
Integrated Wastewater Discharge Standard (DB31/ 199-2018)
Environmental Protection Law of the People's Republic of China
Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste
Measures for Hazardous Waste Transfer and Management
Measures for Medical Waste Management of Medical and Health Institutions
Standard for Pollution Control on Hazardous Waste Storage (GB 18597-2001)
Classified Catalogue of Hazardous Waste (2021 Edition)
Classified Catalogue of Medical Waste (2021 Edition)
Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008)
Civil Code of the People's Republic of China
Labor Law of the People's Republic of China
Labor Contract Law of the People's Republic of China
Individual Income Tax Law of the People's Republic of China
Regulations on Paid Leave for Employees
Regulations of the State Council on Gradual Delayed Retirement Age
Special Provisions on Labor Protection for Female Employees
Law of the People's Republic of China on the Protection of Minors
Provisions on Prohibition of Child Labor
Law of the People's Republic of China on the Prevention and Control of Occupational Diseases
Provisions on the Supervision and Administration of Occupational Health at Work Sites
Work Safety Law of the People's Republic of China
Regulations on Work-Related Injuries Insurance
Product Quality Law of the People's Republic of China
Pharmacopoeia of the People's Republic of China
Advertising Law of the People's Republic of China
Measures for the Administration of Internet Advertising
Regulations on the Protection of Computer Software
Trademark Law of the People's Republic of China
Data Security Law of the People's Republic of China
Cryptography Law of the People's Republic of China

Regulations on the Security Protection of Critical Information Infrastructure
Measures for Security Assessment of Data Exits
Regulations on the Administration of Human Genetic Resources of the People's Republic of China
Law of the People's Republic of China on Biosecurity
Measures for the Administration of Experimental Animal License (Trial)
Animal Epidemic Prevention Law of the People's Republic of China
Regulations for the Administration of Affairs Concerning Experimental Animals
Guidelines on the Humane Treatment of Laboratory Animals
Good Clinical Practice for Clinical Trials of Drugs
Good Manufacturing Practice for Pharmaceutical Products
Good Laboratory Practice for Non-clinical Drug Trials
Patent Law of the People's Republic of China
Copyright Law of the People's Republic of China
Criminal Law of the People's Republic of China
Company Law of the People's Republic of China
Anti-Unfair Competition Law of the People's Republic of China
Law of the People's Republic of China on Donations for Public Welfare
Anti-Money Laundering Law of the People's Republic of China
U.S. Regulations
Clean Air Act
Clean Water Act
Solid Waste Disposal Act
Uniformed Services Employment and Reemployment Rights Act
Pay Transparency Non-discrimination Provision
Employee Rights for Workers with Disabilities Paid at Special Minimum Wages
Fair Labor Standards Act
Title VII of the Civil Rights Act
Age Discrimination in Employment Act
Occupational Safety and Health Act
Family and Medical Leave Act
Section 503 of the Rehabilitation Act
Animal Welfare Act and Animal Welfare Regulations
PHS Policy on Humane Care and Use of Laboratory Animals
Foreign Corrupt Practices Act

Canadian Regulations
City of Toronto Municipal Code
Ontario Environmental Protection Act
Health Canada Good Manufacturing Practices regulations
Ontario Employment Standards Act
Ontario Human Rights Code
Ontario Occupational Health and Safety Act
European Regulations
Italy Legislative Decree No. 135 of 4 September 2024 (implementing Directive (EU) 2022/431)
Other Regulations
Guide for the Care and Use of Laboratory Animals
AVMA Guidelines for the Euthanasia of Animals
Paris Convention for the Protection of Industrial Property
Berne Convention for the Protection of Literary and Artistic Works
Universal Copyright Convention
OECD Good Laboratory Practice Regulations
Patent Cooperation Treaty
General Data Protection Regulation

ESG Databook

Environmental Performance ^[1]

Indicators	Unit	2022	2023	2024
Resources				
Electricity consumption ^[2]	MWh	27,900.16	30,270.55	38,621.89
Renewable electricity consumption	MWh	/	1,113.07	3,025.13
Electricity consumption density ^[2]	MWh/ USD'000	0.1114	0.1165	0.1515
Natural gas consumption	cubic meter	1,451,012.00	1,450,857.00	1,146,521.05
Natural gas consumption density	cubic meter/ USD'000	5.7957	5.5833	4.4978
Steam consumption	ton	169.79	22,040.00	17,860.00
Steam consumption density	kg/USD'000	0.6782	84.8164	70.0647
Gasoline consumption	liter	10,943.00	11,065.69	8,345.51
Diesel consumption ^[3]	liter	1,291.29	1,376.00	4,916.41
Total energy consumption ^[4]	MWh	43,884.90	48,116.78	52,800.79
Total energy consumption intensity	MWh/ USD'000	0.18	0.19	0.21
Water consumption	ton	100,686.09	156,763.51	117,582.22
Water consumption density	ton/ USD'000	0.4022	0.6033	0.4613
Emissions				
Emissions of exhaust gases ^[5]	cubic meter	937,544,200.00	3,771,401,193.00	4,092,535,455.13
Industrial wastewater discharge	cubic meter	46,354.85	60,436.95	29,901.64
Chemical oxygen demand (COD) discharge	ton	3.08	173.18	149.35
Biochemical oxygen demand (BOD) discharge	ton	0.12	0.56	0.15
Ammonia nitrogen (NH ₃ -N) discharge	ton	0.26	2.68	2.43
Amount of hazardous waste generated	ton	268.34	317.93	537.77
Hazardous waste generation density	kg/USD'000	1.0718	1.2235	2.1097
Amount of non-hazardous waste generated	ton	218.64	248.75	309.00
Non-hazardous waste generation density	kg/USD'000	0.8733	0.9573	1.2122
Non-methane hydrocarbon emissions	kg	1,914.67	3,357.79	4,757.62

Indicators	Unit	2022	2023	2024
Greenhouse gas emissions ^[6]	tCO ₂ e	18,628.36	17,949.94	19,089.26
Scope 1 greenhouse gas emissions ^[7]	tCO ₂ e	2,816.76	2,883.15	2,286.78
Scope 2 greenhouse gas emissions ^[8]	tCO ₂ e	15,811.61	15,066.80	16,802.48
Greenhouse gas emission intensity	tCO ₂ e/ USD'000	0.0744	0.0691	0.0747

Note:

[1] The reporting scope of environmental data for 2022 and 2023 is consistent with the scope of the consolidated financial statements. In 2024, the reporting scope of environmental data included operation sites in China, the U.S. (namely, Pennsylvania, Illinois, California, Florida, Ohio and New Jersey) and Canada (namely Ontario and British Columbia). The laboratory in Milan, Italy, which was acquired in 2024, is not included in this year's environmental performance reporting scope due to difficulties in obtaining relevant data.

[2] Due to operation expansion, there were increases in electricity consumption and electricity consumption density.

[3] The increase in diesel consumption this year is primarily due to the inclusion of diesel used in electric backup generators. This is the first year such stationary sources have been included in the calculation, supplementing the vehicle diesel consumption already reported in previous years.

[4] Total energy consumption includes electricity, natural gas, steam, gasoline and diesel.

[5] Due to operation expansion, there were increases in emissions of exhaust gases.

[6] GHG emissions are calculated with reference to Appendix II: Environmental Key Performance Indicators Reporting Guidelines.

[7] For the Scope 1 emission of operating sites in the U.S., the emission factor of natural gas and stationary diesel combustion from the U.S. Environmental Protection Agency (EPA)'s *Emission Factors for Greenhouse Gas Inventories*. As for Scope 1 emission of operating sites in China, the emission factors of natural gas, gasoline, and diesel are from the *Corporate Greenhouse Gas Emissions Accounting Methodology and Reporting Guide for Power Generation Facilities (Revision 2022)*. As for Scope 1 emission of the operating site in Ontario and British Columbia, Canada, the natural gas emission factor is from the National Inventory Report 1990-2022: Greenhouse Gas Source and Sinks in Canada, Part 2, Table A6.1-2, "Emission Factor for Non-Marketable Natural Gas."

[8] Scope 2 emission refers to location-based one where green energy is included for GHG emission calculation. For the Scope 2 emission of the operating sites in the U.S., the purchased electricity emission factor is from the U.S. Environmental Protection Agency's Emission Factors for Greenhouse Gas Inventories, which is 0.559 tCO₂e/MWh in 2022, 0.389 tCO₂e/MWh in 2023, and 0.375 tCO₂e/MWh in 2024.

For the Scope 2 emission of the operating sites in China, the purchased electricity emission factor refers to the data in the *Notice on the Management of Greenhouse Gas Emission Reporting for Power Generation Enterprises from 2023 to 2025*, which is 0.5703 tCO₂e/MWh in 2022. For 2023, the purchased electricity emission factor is 0.5568 tCO₂e/MWh, based on the *Announcement on the Release of the 2021 Electricity CO₂ Emission Factor*, jointly issued by the Ministry of Ecology and Environment and the National Bureau of Statistics of China. For 2024, the purchased electricity emission factor is 0.5366 tCO₂e/MWh, based on the *Announcement on the Release of the 2022 Electricity CO₂ Emission Factor*, jointly issued by the Ministry of Ecology and Environment and the National Bureau of Statistics of China. On the other hand, 0.11 tCO₂/GJ is used for the steam gas CO₂ emission factor for 2022, 2023 and 2024, which is from the *General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises*.

For the Scope 2 emission of the operating site in Ontario, Canada, the electricity emission factor is from the *National Inventory Report 1990-2022 Greenhouse Gas Source and Sinks* in Canada, Part 3, Table A13-7, 2022 values, which is 0.045 tCO₂e/MWh. For the Scope 2 emission of the operating site in British Columbia, Canada, the electricity emission factor is from the *National Inventory Report 1990-2022: Greenhouse Gas Source and Sinks* in Canada, Part 3, Table A13-11, 2022 values, which is 0.014 tCO₂e /MWh.

Employee Performance ^[1]

Indicators	Unit	2022	2023	2024
Employment				
Total number of employees (Including Part time)	person	1,707	1,825	1,605
Number of employees: Full-time	person	1,647	1,764	1,554
Number of employees: Part time	person	60	61	51

Indicators	Unit	2022	2023	2024
*Note: The following figures do not include part-time employees ^[2]				
Male	person	688	660	645
Female	person	959	949	909
≤30y	person	777	787	555
31-49y	person	634	622	722
≥50y	person	236	200	277
General employees ^[3]	person	1,240	1,199	1,041
Junior-level employees ^[3]	person		212	261
Mid-level employees ^[3]	person	346	158	176
Senior-level employees ^[3]	person	61	40	39
Mainland China	person	966	908	721
Hong Kong, Macau, Taiwan and others	person	681	856	833
Employee turnover rate ^[4]	%	31.33	21.77	32.88
Turnover rate of male employees	%	35.17	29.39	37.05
Turnover rate of female employees	%	28.57	20.13	29.92
Turnover rate of employees ≤30y	%	35.52	25.54	42.88
Turnover rate of employees of 31-49y	%	29.34	22.35	27.70
Turnover rate of employees ≥50y	%	22.88	21.50	26.35
Employee turnover rate in mainland China	%	26.92	24.56	46.32
Employee turnover rate in Hong Kong, Ma- cau, Taiwan and others	%	37.59	18.93	21.25
Occupational Health and Safety				
Number of workdays lost due to work-related injuries	day	197	35	123
Number of employees who died as a result of work-related injuries	person	0	0	0
Number of penalties for violating employment and labor laws and regulations	count	0	0	0
Employee Training ^[3]				
Employee training coverage rate ^[5]	%	100	100	100
Training coverage rate for male employees	%	100	100	100
Training coverage rate for female employ- ees	%	100	100	100
Training coverage of general employees	%	100	100	100

Indicators	Unit	2022	2023	2024
Training coverage of junior-level employees	%	100	100	100
Training coverage of mid-level employees	%	100	100	100
Training coverage of senior-level employees	%	100	100	100
Training hours per employee ^[6]	hour	16.74	17.40	28.20
Training hours per male employee	hour	13.00	17.90	30.04
Training hours per female employee	hour	19.42	19.90	26.90
Training hours per general employee	hour	17.29	18.95	29.76
Training hours per junior-level employee	hour		19.53	32.01
Training hours per mid-level employee	hour	14.84	19.87	22.84
Training hours per senior-level employee	hour	16.26	17.44	15.88

Note:

[1] The scope of statistics of employees includes full-time labor contract employees, full-time labor dispatch employees and part-time employees.

[2] In 2024, the reporting scope included employees in operating sites in China, the United States, Canada and Italy.

[3] Due to local requirements, the Italian site adopted a different grading system from other regions in the reporting year. As a result, employee data by job grade for Italy was not included in this year’s disclosure. We will continue exploring further standardization across regions in the future, while ensuring compliance with applicable local laws and regulations.

[4] Employee turnover rate = number of employees in each category lost during the reporting period / number of employees in each category at the end of the reporting period × 100%.

[5] Employee training coverage rate = number of employees trained in each category during the reporting period / total number of employees in each category at the end of the reporting period × 100%.

[6] Due to disclosure cost considerations, our Ontario site currently does not report employee training hours. In addition, to protect the privacy of ethnic minorities, it has opted not to disclose training participant figures this year.

Product Performance

Indicators	Unit	2022	2023	2024
Percentage of sold products recalled due to safety and health issues	%	0	0	0
Number of complaints received about products and services	count	15	94	85
Complaints handling rate for products and services	%	100	100	100

Supply Chain

Indicators	Unit	2022	2023	2024
Total number of suppliers	count	2,370	2,616	2,877
Number of suppliers in Mainland China	count	1,768	1,854	1,802
Number of suppliers in Hong Kong, Macau, Taiwan and others	count	602	762	1,075
Proportion of suppliers evaluated for environmental, labor, and ethical issues ^[1]	%	34.60	9.25	8.52
Proportion of suppliers who passed environmental, labor, and ethical assessments ^[2]	%	74.15	100	100

Note:

[1] Proportion of suppliers evaluated for environmental, labor, ethical issues = Number of suppliers evaluated for environmental, labor, ethical issues / Total number of suppliers × 100%.

[2] Proportion of suppliers who passed environmental, labor, and ethical assessments = Number of suppliers who passed environmental, labor, and ethical assessments / Number of suppliers who received environmental, labor, and ethical assessments × 100%.

Community Support

Indicators	Unit	2022	2023	2024
Charitable contributions	USD’000	0	0	11.19
Hours of volunteer service	hour	100	15	92

Anti-corruption

Indicators	Unit	2022	2023	2024
Number of anti-corruption lawsuits filed against the Company and employees and concluded	count	0	0	0
Proportion of board members covered by anti-corruption training	%	100	100	100

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Mandatory Disclosures	Report Sections
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Reporting Principles	Notes on the Preparation of the Report
Reporting Scope	Notes on the Preparation of the Report

Dimensions, General Disclosures and Key Performance Indicators	Report Sections
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KPI A1.1	Emission Management, ESG Databook
KPI A1.2	ESG Databook
KPI A1.3	ESG Databook
KPI A1.4	ESG Databook
KPI A1.5	Emission Management, Climate Change
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General Disclosure A2	Resource Usage
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KPI A2.2	ESG Databook
KPI A2.3	Resource Usage
KPI A2.4	Resource Usage
KPI A2.5	Non applicable as Frontage Holding only provides services and thereby with no usages of packaging materials of finished products.
General Disclosure A3	Emission Management, Resource Usage, Climate Change
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General Disclosure A4	Climate Change
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General Disclosure B8	Community Support
KPI B8.1	Community Support
KPI B8.2	ESG Databook



Address: Building 2, No.1227 Zhangheng Road, Pudong District, Shanghai, China

Tel.: +86 021 50796268 (Extension number: 826)

E-mail: ir@frontagelab.com.cn

Company website: <https://www.frontagelab.com/investor-relations/investor-inquiries/>