



康宁杰瑞

ALPHAMAB ONCOLOGY

ALPHAMAB ONCOLOGY 康寧傑瑞生物製藥

(Incorporated in the Cayman Islands with limited liability)

Stock code : 9966



恩维达®

恩沃利单抗注射液
Envafolimab Injection



2021 ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT

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Environmental, Social and Governance Report 2021

About the Report

- **Reporting Period**
The Environmental, Social and Governance (“ESG”) Report (the “Report”) covers the period from January 1, 2021 to December 31, 2021, with some of the contents extending forward or backward moderately. The period covered herein are consistent with that in our 2021 Annual Report.
- **Coverage**
The entities covered herein are consistent with that in our 2021 Annual Report including Alphamab Oncology and its subsidiaries.
- **Reporting Basis**
The Report is prepared in accordance with the *Environmental, Social, and Governance (“ESG”) Reporting Guide* (“The Guide”) contained in Appendix 27 of the Listing Rules of the Stock Exchange and its major amendments. The Report has been reviewed and approved by the Board of Directors (“the Board”) of the Company. Readers can refer to the last chapter of the Report, “Appendix – Index of the Environmental, Social and Governance Reporting Guide” for quick reference.
- **Source of Information**
The qualitative and quantitative information adopted in the Report is exclusively from public information, internal documents and relevant statistical data of the Company.
- **Basic Principles**
The report considers the materiality, quantitative, balance and consistency of the key ESG performance indicators.
Materiality: Identify issues that are important to stakeholders through the Stakeholder-Company Development Model.
Quantitative: The disclosed Key Performance Indicators (“KPIs”) can be measured.
Balance: Objectively present the Company’s work on ESG.
Consistency: Adopt the same data disclosure method as previous years, and compare the data from different years, showing the changes of statistical methods and KPIs.
- **Pronominal Reference**
For the sake of easy presentation and reading, “Alphamab Oncology” is also referred to in this Report as “Alphamab”, “the Company” or “We”. Unless otherwise defined, capitalized terms and definitions used in the Report shall have the same meaning as defined in the 2021 Annual Report.
- **Form of Release**
The online version of this Report is available for viewing and downloading from the websites of the Stock Exchange (www.hkex.com.hk) and Alphamab Oncology (www.alphamabonc.com).

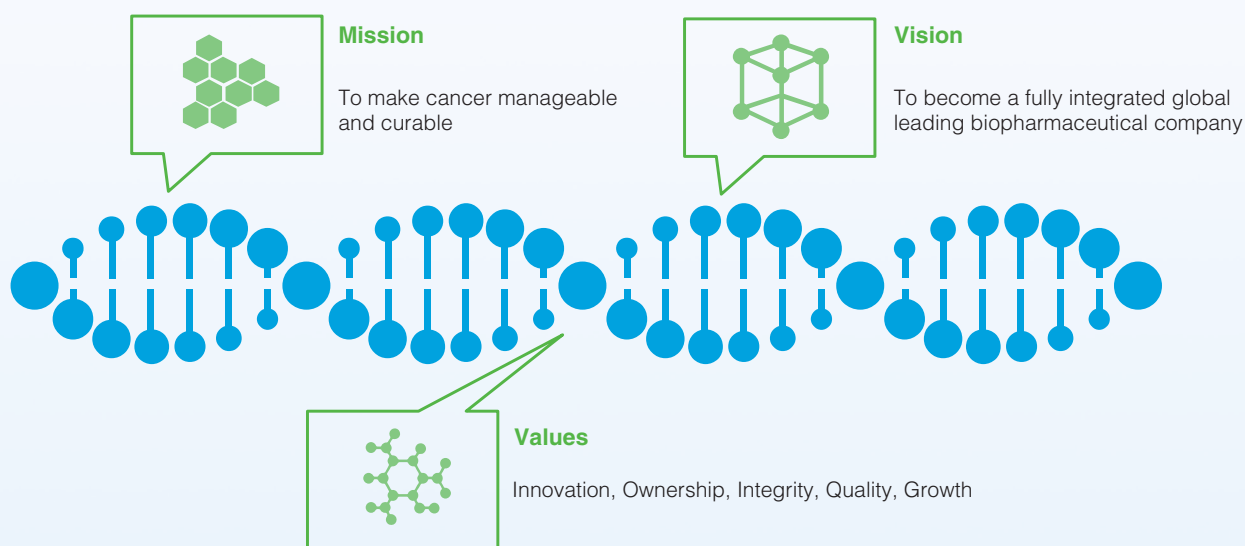


About Alphamab Oncology

Company Overview

Alphamab Oncology was founded in 2015, focusing on R&D, manufacturing and commercialization of innovative macromolecular drugs, and its products cover tumor, autoimmune, antivirals, etc. On December 12, 2019, Alphamab Oncology was listed on the Main Board of the Stock Exchange.

Since its establishment, the Company has been committed to solving the unmet clinical needs of tumor patients around the world and exploring the next generation of multi-functional innovative drugs. The Company takes “to make cancer manageable and curable” as its mission, takes solving patients’ pain as its responsibility, is employee oriented and focuses on continuous innovation. It is committed to building a biopharmaceutical company with life, conscience and to create real value for the society, and contributes to the achievement of China’s pharmaceutical industry.



Company's Mission, Vision and Values

The Company focuses on the field of innovative oncology drugs and has established a fully integrated industrial chain platform that can support R&D, manufacturing and commercialization.

- In-house Proprietary Technology Platforms
In the field of biological macromolecular drugs, the Company has independently developed several in-house proprietary technology platforms which integrate discovery, R&D and manufacturing, among which the development of protein/antibody engineering platform, antibody screening platform and multi-functional antibody development platform have been completed.

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- Differentiated and Highly Competitive Product Pipelines

Leveraging its advanced technology platforms, the Company's product pipelines focusing on innovative antitumor drugs have won a place in the global market with a high degree of differentiation and competitiveness. The Company's main product pipelines include new anti-tumor drugs such as monoclonal antibodies, bispecific antibodies and antibody conjugates. In 2021, the Company has made significant progress in several product pipelines. Among them, one product (Envafolimab Injection, brand name: ENWEIDA, 恩維達®) has been approved for marketing by the National Medical Products Administration of China ("NMPA"); three products are in late clinical stage; two products have received the Investigational New Drug ("IND") approval or in schedule for IND submission. In addition, two products have been selected for the national "Major New Drug Creation" program; and three products have been awarded four Orphan Drug Designations ("ODD") by the Food and Drug Administration of the United States ("FDA"). The following chart is an overview of the Company's product pipelines:

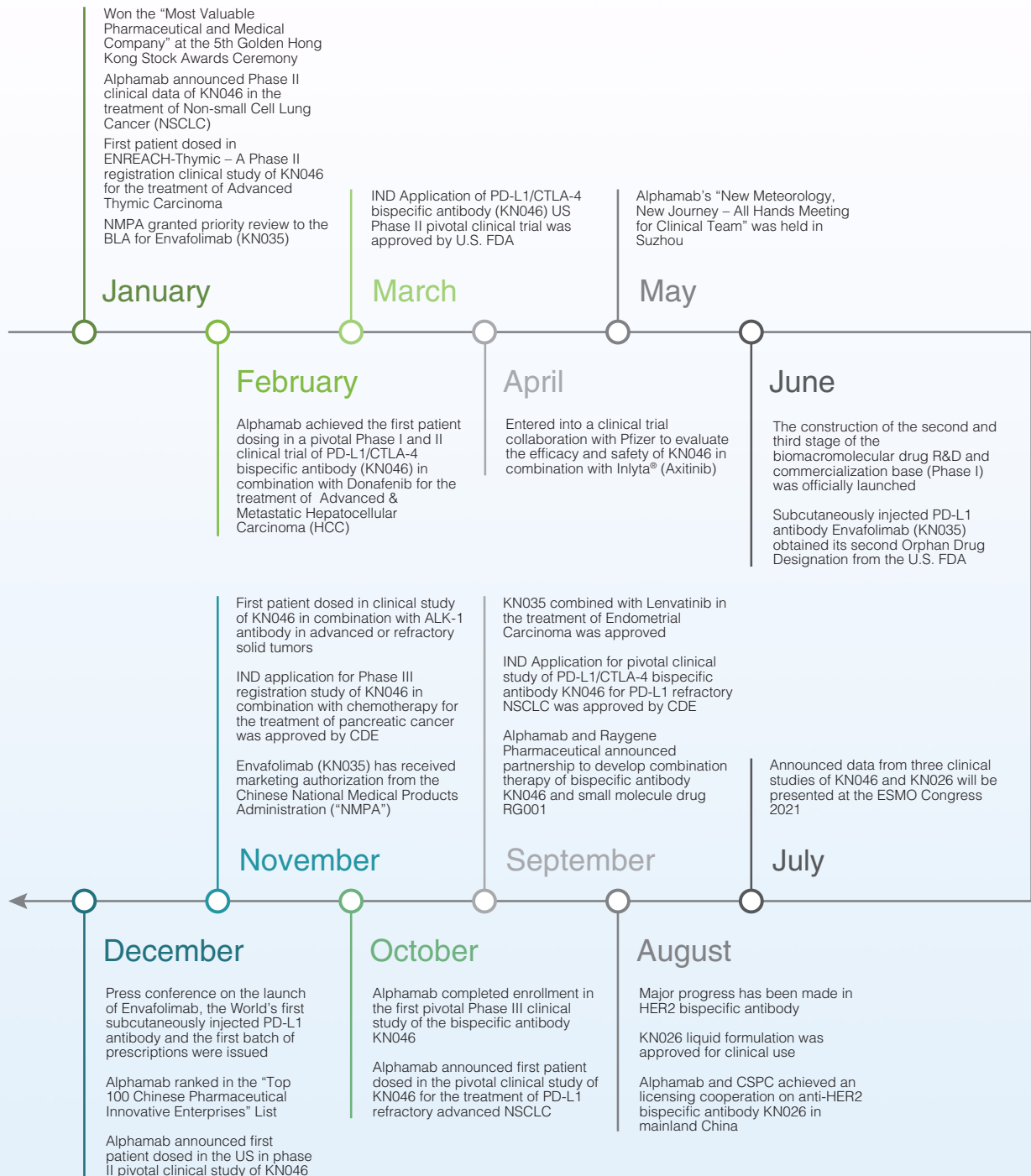
Stage	Drug Candidates	Target(s)	Platform	Rights	Key Indications	Pre-clinical	Dose Escalation	Proof of Concept	Pivotal	NDA
Late-Stage	KN046	PD-L1/CTLA-4 bispecific	sdAb/mAb	Global	1L sq NSCLC, PD-L1 Refractory NSCLC, Thymic carcinoma, PDAC, HCC, ESCC, TNBC	Interim Analysis				
	KN026	HER2/HER2 bispecific	CRIB	Global	HER2-positive BC, GC/GEJ					
	KN026 +KN046	Target therapy +IO combo	Biomarker driven	Global	HER2-positive solid tumors					
	KN019	B7	Fusion protein	Global	Autoimmune	Phase II ongoing				
On the market	KN035	subQ PD-L1	sdAb/mAb	Global Co-development	MSI-H, BTC, Sarcoma, TMB-H, MSS endometrial	launched				
IND	KN052	PD-L1/OX40 bispecific	CRIB	Global	Solid tumors					
Pre-IND	JSKN-003	HER2 ADC	BADC	Global	HER2 solid tumors					
Pre-clinical	JSKN-001	Undisclosed	CRIB	Global	Solid tumors					
	JSKN-002	Undisclosed	GIMC	Global	Solid tumors					
	JSKN-004	Undisclosed	TIMC	Global	Solid tumors					
	JSKN-005	Undisclosed	CIMC	Global	Solid tumors					
	JSKN-006	Undisclosed	BIMC	Global	Solid tumors					
	JSKN-008	Novel Structural CTLA-4 mAb	sdAb/mAb	Global	Maintenance therapy for solid tumors					

Pipelines Overview

- High-standard GMP Biologics Manufacturing Site

The Company has built a modern biological macromolecule drug R&D and manufacturing site in Suzhou Industrial Park, covering a total area of 75 mu (a Chinese unit of area, 1 mu = 0.0667 hectares) with a total expected capacity of over 40,000L, which meets the standards of Good Manufacturing Practice ("GMP") of NMPA, FDA and European Medicines Agency. On July 6, 2020, we obtained a drug production license from Jiangsu Drug Administration for the first stage of Phase I of the new manufacturing facilities. The pilot plant and preparation workshop of the second stage of Phase I was completed in 2021. The construction of the third stage of Phase I production line has been started and expected to be put into use in 2022.

Events of 2021



Events of 2021

2021 Awards

As an innovative pharmaceutical company, we adhere to the original mission of “to make cancer manageable and curable”, focusing on development, manufacturing and commercialization of anti-cancer biological innovative drugs, steadily promoting the construction of our technology platforms, product pipelines and manufacturing facilities, laying a solid foundation for rapid growth and continuous innovation. In 2021, we received the following awards:

Case: Alphamab Oncology was awarded “The Most Valuable Pharmaceutical and Medical Company” at the 5th Golden Hong Kong Stocks Awards Ceremony



On January 6, 2021, “the 5th Golden Hong Kong Stocks Awards Ceremony” was held in Shenzhen. Alphamab Oncology was awarded “The Most Valuable Pharmaceutical and Medical Company”.

The event was jointly organized by Zhitong Caijing (智通财经) and Tonghuashun Caijing (同花顺财经), the leading Hong Kong and U.S. stock information platforms in Mainland China. The award aims to commend Hong Kong-listed pharmaceutical and medical companies with healthy corporate governance structure, significant industry position, well-operated core business, and capable of providing investors with sustainable and stable returns. The award demonstrates the industry’s attention and recognition of the Company’s R&D and operation advantages, and also affirms the Company’s long-term development potential.

Case: Alphamab Oncology Once Again Listed as One of the Top 100 Chinese Pharmaceutical Innovative Enterprises



The 2021 China Healthcare Summit of Entrepreneurs, Scientists and Investors (referred to as “CHSESI”) organized by the China Pharmaceutical Enterprise Association, China Medicinal Biotech Association, and General Office of the Central Committee of Chinese Peasants And Workers Democratic Party, was held from December 21 to 23 online and announced the 2021 Top 100 Chinese Pharmaceutical Innovative Enterprises List. Alphamab Oncology was listed for the third consecutive year.

Based on model building, data collection and sorting, starting from the status quo of pharmaceutical innovation, taking enterprises as the main body, relying on hard data, from the three dimensions of innovation foundation, innovation process and innovation achievements, taking the four indications (the number of authorized patents, total number of patent citations, the number of clinical trials and the number of innovative drugs approved and commercialized) as the basis for evaluation, the award selected the “Top 100 Chinese Pharmaceutical Innovation Enterprises” representing China’s pharmaceutical innovation strength. This is the third year that CHSESI has released the list. Alphamab Oncology has been selected as one of the top 100 three times, demonstrating the Company’s outstanding innovation and sustainable development capabilities.

Environmental, Social and Governance

ESG Governance Structure and Objectives

The Company's ESG governance structure is composed of the Board, the management and functional departments. As the top governing organization of ESG management, the Board is responsible for the identification and assessment of ESG risks, the formulation of response strategies, the review of ESG policies, the formulation of annual ESG plan, the review of the achievement of ESG objectives, and the supervision of the implementation of ESG related work, and is fully responsible for the formulation of ESG strategy and the reporting of the results. The management of the Company is responsible for coordinating all departments to implement ESG strategic planning, assisting all departments to identify ESG risks, formulating ESG assessment objectives and establishing an effective feedback and communication mechanism. The specific business and functional departments, as the execution level, are responsible for implementing ESG objectives and ESG-related work in combination with the Company's operation.

In 2021, the Company has formulated emission management and resource utilization management objectives in combination with the development plan and actual situation. The Board will regularly review the implementation of relevant plans and measures based on various objectives, and supervise the completion of all objectives.

Communication with Stakeholders

According to actual business, the main stakeholders of the Company are customers/potential customers, shareholders and investors, employees, suppliers, competitors, government and regulators, and the communities. The Company attaches great importance to communication with stakeholders, actively understands and responds to the expectations and demands of stakeholders through various targeted communication channels such as daily operations, customer service, conference research, etc., and integrates the coping strategies into our ESG strategy and objectives.

Stakeholders	Expectations and Requirements	Company Response	Main Communication Channels
Customers/potential customers	<ul style="list-style-type: none"> • Ensure product quality • R&D and innovation • Protect customer privacy and rights 	<ul style="list-style-type: none"> • Quality management • R&D and innovation • Compliance in operation 	<ul style="list-style-type: none"> • Customer services • Daily operations/communications • Company website • Academic conference • Industry forum

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Stakeholders	Expectations and Requirements	Company Response	Main Communication Channels
Shareholders and investors	<ul style="list-style-type: none"> • Protection of Shareholders' rights and interests • R&D and innovation • R&D progress • Commercialization • Information disclosure and transparency • Effective risk control system • Compliance in operation • Intellectual Property Protection 	<ul style="list-style-type: none"> • Quality management • R&D and innovation • Intellectual property protection • Business cooperation • Compliance in operation • Manufacturing and safety • Supplier management • Emissions management • Resource management 	<ul style="list-style-type: none"> • General meeting • Investor roadshow • Interim and annual results conference • Business progress conference call • Brokerage strategy meeting or forum • Company website • Results announcement • Interim and annual financial reports • Other information disclosure
Employees	<ul style="list-style-type: none"> • Employee rights and benefits • Employee training and development • Occupational health and safety 	<ul style="list-style-type: none"> • Employee rights • Employee health and safety • Employee training and development • Employment, equality and diversity 	<ul style="list-style-type: none"> • Team building activities • Employee training • Performance evaluation • Employee suggestion box • Exit interview • Other communications
Suppliers	<ul style="list-style-type: none"> • Fair procurement • Standardized procurement management 	<ul style="list-style-type: none"> • Supplier management 	<ul style="list-style-type: none"> • Daily operations • Supplier access and evaluation • Supplier audit
Competitors	<ul style="list-style-type: none"> • Fair competition • Cooperative development 	<ul style="list-style-type: none"> • Business cooperation • Compliance in operation • Intellectual property protection 	<ul style="list-style-type: none"> • Industry communication • Strategic cooperation • Professional forums

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Stakeholders	Expectations and Requirements	Company Response	Main Communication Channels
Government and regulators	<ul style="list-style-type: none"> • Compliance in operation • Corporate governance • Industry development promotion • Community development support • Environmental protection • Energy saving and emission reduction 	<ul style="list-style-type: none"> • Compliance in operation • Emissions management • Resource management • Public and community contribution 	<ul style="list-style-type: none"> • Regulatory communication • Professional forum • Compliance report • Meetings and visits with the medical administrators
Communities	<ul style="list-style-type: none"> • Environmental protection • Public and community contribution 	<ul style="list-style-type: none"> • Public and community contribution • Climate change and response • Emissions management • Resource management 	<ul style="list-style-type: none"> • Community activities • Public benefit activities • Seminars

➤ *Communication with Investors*

In 2021, the Company continued to strengthen communication with investors and analysts in view of business progress, to enhance investors' and analysts' comprehensive understanding of the Company. Due to the repeated outbreak of COVID-19, a number of investor conferences focusing on the Company's business progress were held online, including the Clinical Data Interpretation Conference of the American Society of Clinical Oncology and European Society of Medical Oncology, the Authorization Cooperation Conference in relation to the collaboration with CSPC Pharmaceutical Group Co., Ltd. ("CSPC") about KN026, and Investor Conference of the launch of KN035, etc. Meanwhile, under the premise of following the local epidemic prevention policy, the Company ensures the offline communication and on-site research between investors and management. We have created a stable and good two-way communication mechanism with investors.

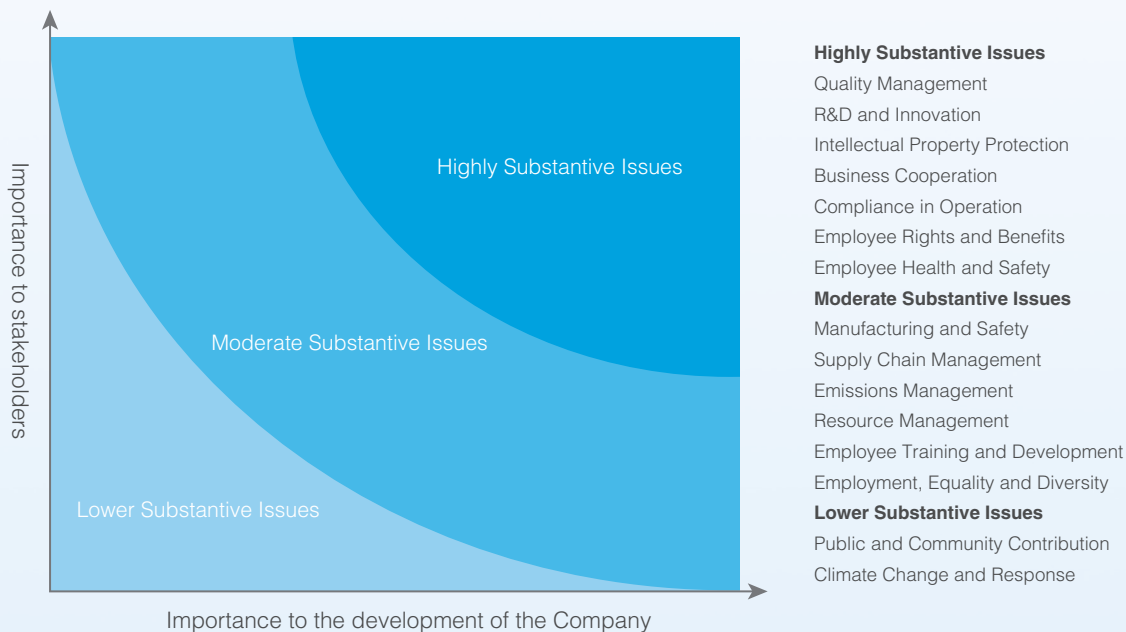
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In 2021, the Company held over 200 online and offline investor conferences, which were attended by approximately 3,000 investors. We also participated in a number of large-scale international summits and well-known brokerage strategy conferences to achieve comprehensive coverage of domestic and foreign investors.



Substantive Issues

Through active and effective communication with stakeholders, the Company understands the expectations and demands of different stakeholders, and conducts the substantive issues analysis in accordance with the requirements of the *Environmental, Social and Governance Reporting Guide*, set out in Appendix 27 of the Listing Rules. We evaluated the importance to the development of the Company and the importance to the stakeholders, and determined the substantive issues of this year.

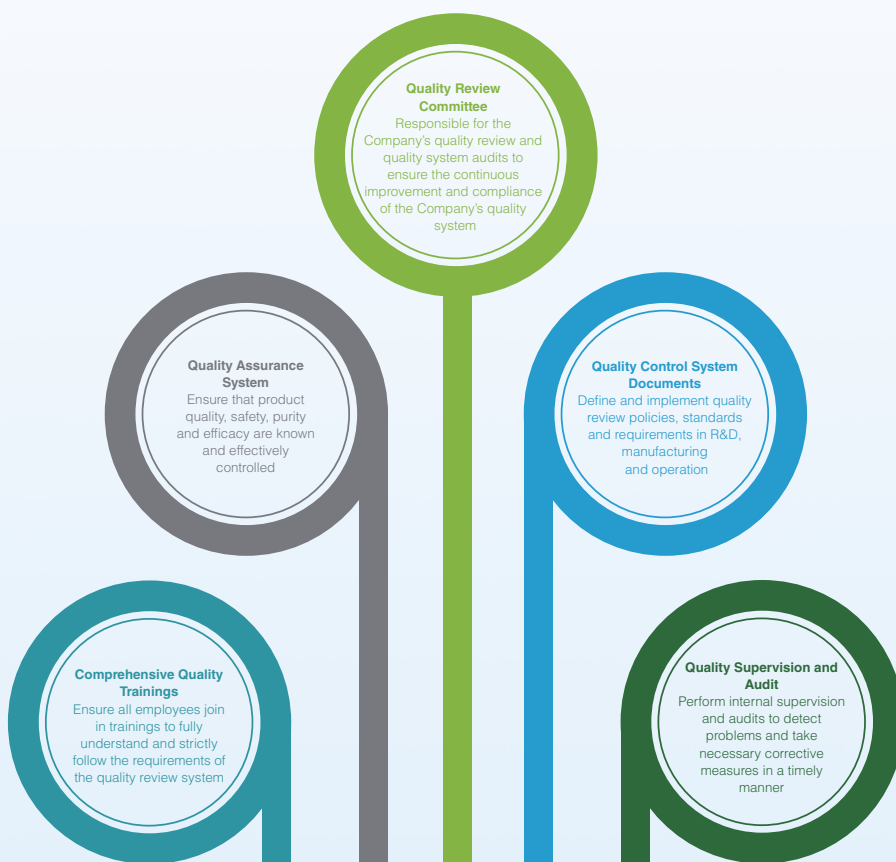


Quality First and Caring for Life

Quality Management

Ensuring product quality and safety is one of our core values and the key to enhance the core competitiveness of the Company. In the process of drug R&D, manufacturing and commercialization, the Company strictly abides by the applicable laws, regulations and rules including *the Drug Administration Law of the People's Republic of China, GMP and the Good Supply Practice, etc.* To ensure product quality and safety, we have set up a specialized Quality Review Board ("QRB"), established a quality assurance system covering the entire life cycle of drug R&D, manufacturing and operation, formulated and updated quality management system documents and carried out special training on quality management. At the same time, we have also carried out a number of internal and external quality monitoring activities. In 2021, we were subject to five external audits, one of which was conducted by the NMPA, and no material findings were identified.

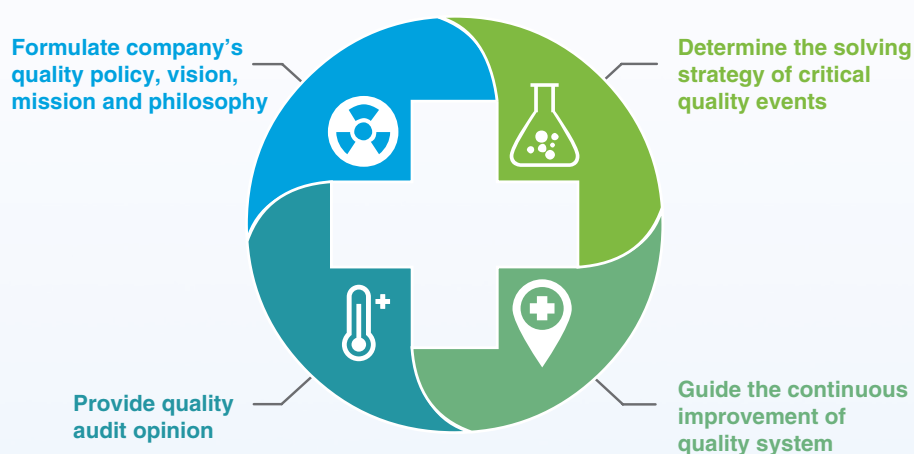
We ensure that the quality and safety of our products are effectively guaranteed through the following effort:



Five Aspects of the Company's Quality Management

➤ **Quality Review Board**

In order to ensure the adequacy and effectiveness of the quality review system and to fully coordinate and mobilize relevant resources, the Company has established the QRB, which is composed of the management and necessary personnel from relevant departments and is the Company's highest quality decision-making organization. QRB carries out the communication and decision-making of important information related to quality management through periodic meetings. Its functions include but not limited to the following:



Quality Review Board Functions

➤ **Quality Control System Documents**

In order to ensure the effective implementation of the quality management system, the Company has formulated a unified quality control system documents covering all levels, which clarifies the quality management policies and specific requirements, and is always implemented in daily business, including:

- Quality manuals: describe the Company's quality management system, including the philosophy, organizational structure, roles and responsibilities, etc., to ensure that all Good X Practice ("GxP")-related activities are in compliance with the requirements of quality control.
- Management documents: describe the guideline for managing cross-system processes, including the regulatory requirements to be followed, high-level process descriptions, roles, responsibilities, and operational standards to ensure the quality of the system.
- Operation documents: the processes that are formulated according to the requirements of management documents and in conjunction with the corresponding business activities and the standard and descriptive documents that support the process operation.
- Supporting documents: documents that record the information input or output of results/conclusions related to GxP activities according to the approved operation documents.



➤ **Quality Assurance System**

The Company has established a quality assurance system in accordance with the relevant requirements of China *GMP*, EU *GMP* and U.S. *Code of Federal Regulations* 210 & 211 to ensure that the product quality, safety, purity and efficacy are known and effectively controlled. The system includes the continuous assessment of the adequacy and effectiveness of the quality program and corrective and preventive actions taken as needed, covering key areas such as quality system, laboratory system, manufacturing system, material system, facility and equipment system, packaging and labelling system.



➤ *Comprehensive Quality Trainings*

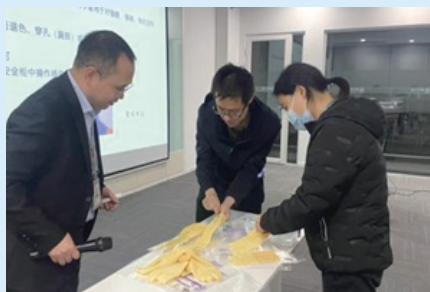
Drug quality and safety is the foundation of the Company. The Company has always firmly believed that only when every employee has a high-level awareness of quality control, can we develop and produce high-quality drugs. We actively organized and carried out trainings related to quality control. As of the end of 2021, we have conducted total of 13 forums and trainings related to quality control. At the same time, the relevant personnel completed the online trainings for their positions on time through the training system. Each department takes the initiative to carry out various forms of education activities for quality promotion and independent training according to the job requirements. Training covers all employees related to R&D and manufacturing. Among them, the participation of designated personnel in training is 100%, and 100% of the participants have obtained the qualification of quality internal auditor issued by the Company.

Case: “Quality Forum: Biosafety”

To further enhance the quality and safety awareness of employees, the Company’s Production Department gave detailed presentation on quality management knowledge of biosafety, shared quality incident cases, and conducted practices for employees in the quality forum.



“Quality Forum: Biosafety” Case Sharing



“Quality Forum: Biosafety” Practices

➤ **Quality Supervision and Audits**

Under the leadership of the QRB, Quality Department develops annual quality audit plans and conducts regular quality audits. In 2021, the Quality Department conducted 8 internal quality audits covering the main GMP-related areas including quality control lab management, facilities and equipment, production management, material management, validation and verification, quality systems, packaging and labelling. For the deficiencies identified in the quality audits, the relevant responsible personnel shall formulate specific action plans, and the Quality Department is responsible for tracking the implementation.

Manufacture and Safety

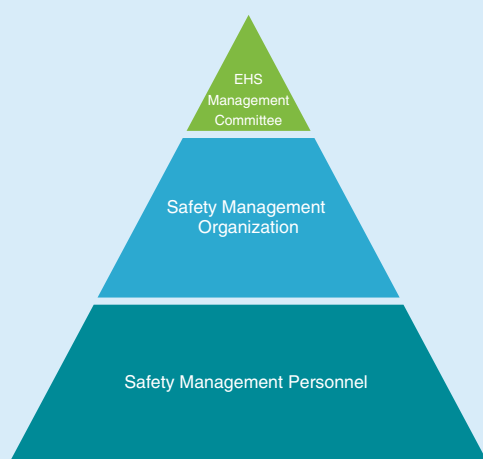
The Company has always been committed to ensuring manufacturing safety. We strictly abide by the relevant laws, regulations and rules including *the Drug Administration Law of the People's Republic of China*, *the Regulations for the implementation of the Drug Administration Law of the People's Republic of China* and *the Measures for the Administration of Drug Registration Regulation*. The R&D and manufacturing of experimental new drugs are carried out in accordance with *GMP*, *Good Clinical Practice ("GCP")* and *Good Laboratory Practices*.

➤ **Production Safety**

The Company has established an efficient health and safety management system. We have formulated 85 management policy and procedures such as *the Management Procedures for Intermediate Materials in Workshops*, *the Management Procedures for Handling Production Accidents and Abnormal Situations*, standardized the safety management requirements of each production step, to effectively prevent the occurrence of production accidents. In addition, the Environment, Health and Safety ("EHS") Department has built a safety management culture in various ways, such as establishing the EHS Management Committee, releasing EHS guidelines and standards, using information technology system to conduct safety inspections and organizing EHS trainings, so as to improve the safety awareness of employees and reduce the occurrence of accidents. From 2019 to 2021, the Company had no major casualties, and there was also no loss of working days due to employee work-related injuries during 2021.

Case: EHS Management Committee

The Company issued the *Management Policy for Establishing Safety Management Organizations and Equipping Safety Management Personnel* in November 2021, and established a top-down, unified and efficient EHS governance structure with clear responsibilities, including the EHS Management Committee, safety management organization and safety management personnel, which provides effective guarantee for safe production.



Leading Organization

- The chairman is the president of the Company, the vice president (VP) is the VP of the Production Department
- It is the leading organization of safe manufacturing which is fully responsible for the Company's safe production
- Resolve safe production related issues through regular and specific meetings

Executive Organization

- Implement relevant regulations on safety management, formulate policies, procedures and operating procedures
- Set annual safe production targets and monitor their achievement
- Carry out daily safety management, including organizing trainings, etc.
- Carry out accident investigation, cause analysis, and formulate preventive and corrective measures

Executive Staff

- Implement safety management regulations
- Participate in safe production emergency exercises
- Identify safety risks and make suggestions for improvement
- Correct behaviors that violate safety management requirements and urge the implementation of specific improvement measures

Governance Structure of the EHS Management Committee

Case: Safety Inspection Based on Informationization

In order to further improve the efficiency of safety inspection and effectively monitor the rectification of deficiencies, we have upgraded the way of safety inspection. The Company added a new module of EHS safety inspection on the DingTalk (钉钉) to motivate employees to carry out safety supervision together. Employees can report the potential risks came to their attention through the DingTalk and monitor the processing situation in real time through the system, which greatly improved the efficiency and effectiveness of safety management.



Safety Inspection System

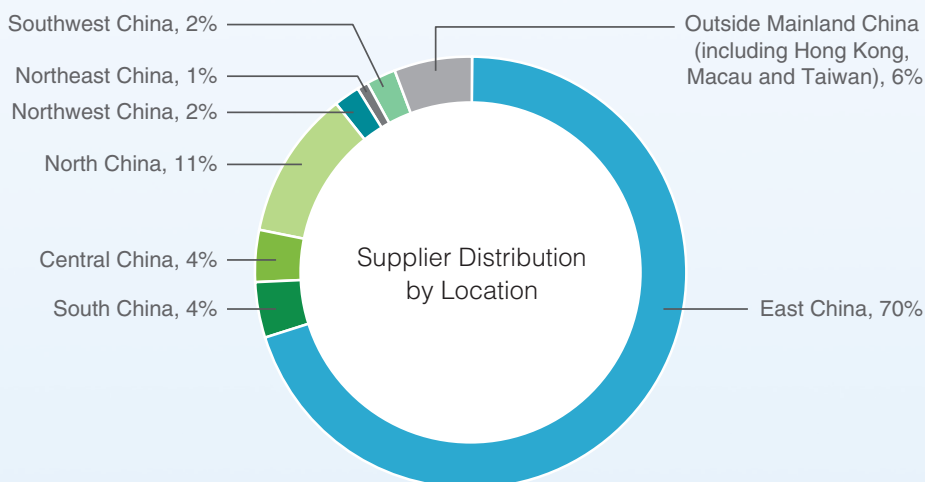
➤ **Unqualified Products Management**

It is our mission to provide excellent, safe and reliable drugs for patients and clinical research. We have established the *Unqualified Products Management Policy* to effectively manage unqualified products generated in the production process. We do not allow any unqualified products to flow into the next process, and unqualified finished products are not allowed to be sold or entered clinical research. In practice, unqualified products shall be marked and disposed of by the Quality Assurance Department (“QA”) in a timely manner, locked in the SAP system to prevent them from entering the next process or flowing to the market, and then disposed of by destroying or returning to the supplier in accordance with the policy.

Supply Chain Management

The Company attaches great importance to supply chain management, continuously optimizes and improves the supplier management system, adheres to the compliance, efficient and transparent procurement mode, and actively communicates and cooperates with suppliers. We are committed to building a competitive supply chain guarantee system and expect our suppliers to share the same green values as we do.

By the end of 2021, the Company had a total of 950 suppliers, which were mainly located in East China. The detail is as follow:



In 2021, the Company updated the *Procurement Management Process*, *Bidding Management Procedures* and *Supplier and Supplier Master Data Management Procedures* to better manage the supply chain. We have established strict supplier selection criteria and procedures. Before selecting suppliers, we will review the qualifications of potential suppliers, including the supplier’s environmental and social responsibility related performance, illegal records, etc., and conduct on-site or desktop audit according to the specific situation. Only after the audit confirms that its qualification meets the Company’s requirements, can it be included in the qualified supplier database. When selecting suppliers, we will give preference to those who are good at environmental protection. We evaluate the key suppliers annually, including the quality of products and services provided by the supplier, delivery time, order response speed, price, communication mechanism, etc., and eliminate suppliers with poor performance.

Customer Data and Privacy Protection

Based on the Tripartite Agreement on KN035 Cooperation, the Company is the exclusive manufacturer of ENWEIDA (恩維達®) and is not responsible for sales promotion, so it does not involve customer data and privacy for the time being. However, we always take improving customer satisfaction as the core of our service and firmly protect the rights and interests of customers. We comply with the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Personal Information Protection Law of the People's Republic of China*, the *Information Security Technology-Personal Information Security Specifications* and other domestic laws that protect customer data and privacy. We are currently beginning to develop the policy related to customer data and privacy protection gradually, and consider to add related trainings to next year's training plan to ensure that the employees understand and follow the Company's relevant policies.

Excellent After-sales Services

To provide customers with quality products and excellent after-sales services is the goal of the Company's unremitting efforts. In accordance with the relevant laws and regulations, we have updated the *Product Return Management Policies*, which clearly stipulates the return, changing, and recall process of our products. At the same time, according to the product supply agreements signed between the Company and its partners, we will cooperate with the Marketing Authorization Holders ("MAHs") to proceed the return requests in a timely manner after receiving the written request initiated by the exclusive promoter.

For adverse events and defective products, we have formulated the *Post-marketing Pharmacovigilance Management Process* in accordance with the *Provisions for Adverse Drug Reaction Reporting and Monitoring*, the *Guidelines for Adverse Drug Reaction Reporting and Monitoring Inspection*, the *Announcement of the National Drug Administration on Direct Reporting of Adverse Reactions by Drug Marketing Authorization Holders (2018 No. 66)* and other applicable laws and regulations. We and the drug promoter will timely inform each other of all information regarding product quality and/or quality control that is known to both parties. After receiving complaints about product quality or reports of adverse events, we will investigate the product complaints or adverse event reported with the drug MAHs, issue self-inspection reports in a timely manner and report to the regulatory authorities in strict accordance with the relevant regulatory requirements. When the drug MAHs or responsible government department decides to recall products, the MAHs will be responsible for the management of product recall, and we will also actively cooperate with the recall work. In 2021, we did not have any product returns or recalls, nor did we receive any reports of adverse events.

Innovation-driven and Win-win Cooperation

As an innovative company in the whole industrial chain of biological macromolecular drugs, innovation is the driving force of the Company. The Company has been adhering to the mission of “to make cancer manageable and curable”, never forgetting its original aspiration, focusing on the field of cancer treatment, constantly cultivating, innovating R&D ecology, gradually increasing R&D investment, adjusting organizational structure, and upgrading and renewing R&D equipment and facilities. At the same time, the Company pays attention to the protection of intellectual property rights, creates a better environment for R&D, continuously deepens international strategic cooperation and cooperation with research institutions, improves the R&D capacity, and promotes the development of the industry.

Significant R&D Progress

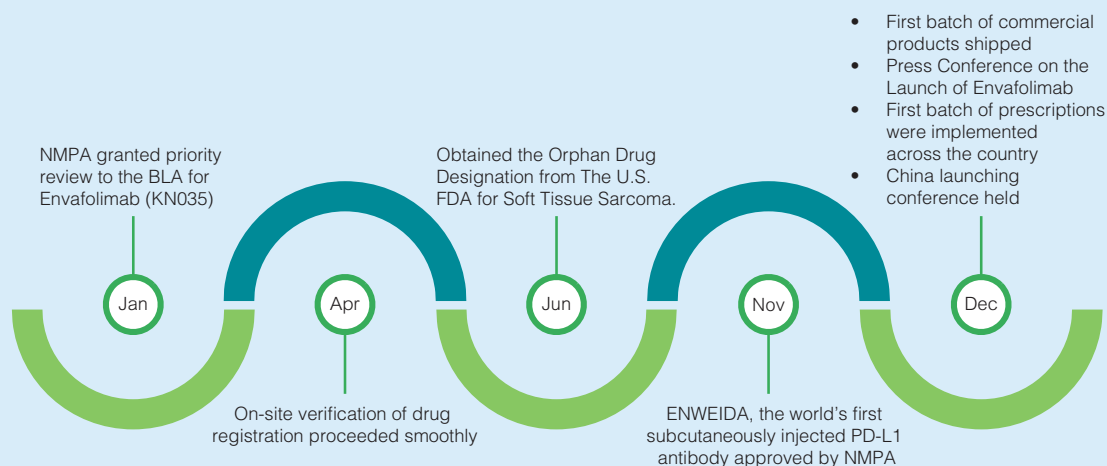
Relying on its advanced technology platforms, leading technology development capability, experienced teams, forward-looking anti-cancer immunology product pipelines and strong clinical transformation capacity, the Company has developed several drug candidates with significant differentiation and strong global competitiveness. Our R&D programs are running smoothly and product pipelines have obtained significant progress. By the end of the Reporting Period, the Company has made significant progress in many products pipelines.

➤ *ENWEIDA Has Been Approved for Marketing*

The Company's self-developed KN035 (Envafohimab Injection, the world's first subcutaneously injected programmed cell death-ligand 1 (“PD-L1”) inhibitor, brand name: ENWEIDA, 恩維達®) has been approved for commercialization in China in November 2021. ENWEIDA has been granted ODD by FDA for the treatment of Advanced Biliary Tract Cancer and Soft Tissue Sarcoma, and is the first and currently the only subcutaneously injected PD-L1 inhibitor approved for commercialization in the world. In the past, PD-L1 treatment required frequent intravenous drips, which could not meet the convenience needs of patients, but also affect patients' compliance with the drug. With the launch of ENWEIDA, patients can complete the dosage in 30 seconds without intravenous drip, which significantly shortens the dosing time and thus better improves the life quality of patients.

Case: World's first subcutaneously injected PD-L1 antibody launched

ENWEIDA (Envafohimab injection), starting a new era of chronic oncology management with 30-second dosing.



Timeline of the World's First Subcutaneous Injection of PD-L1 Antibody Envafohimab



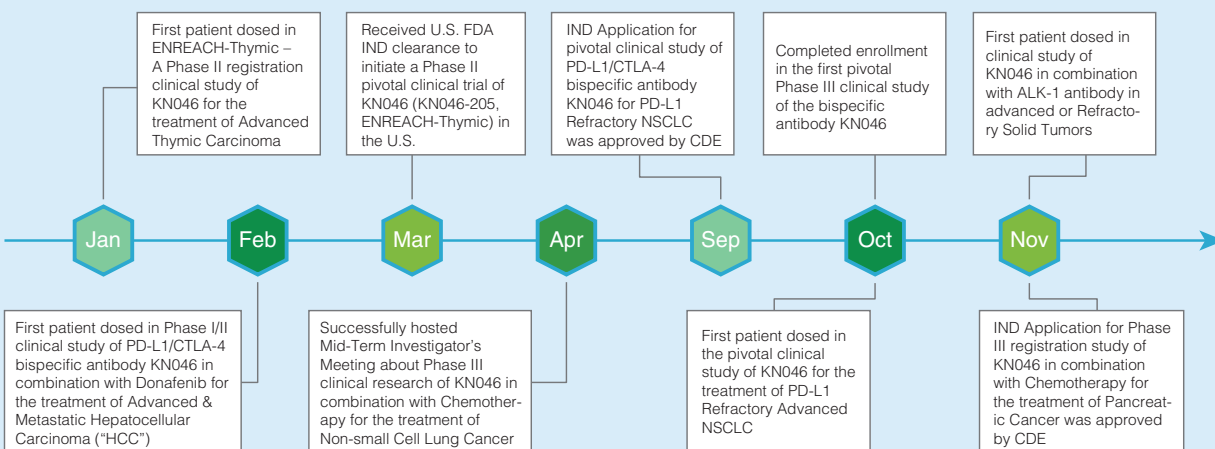
Commercial Delivery Ceremony of the World's First Subcutaneous Injection PD-L1 Antibody ENWEIDA

➤ **Excellent Performance of Core Products in Development**

During the Reporting Period, the Company also made significant progress with its core product pipelines, including the smooth progress of four key clinical studies of KN046, and the first Phase III clinical study of KN026 has been launched.

Case: Significant Progress in Clinical Development of Innovative Bispecific Antibody

The clinical trials of KN046 proceeded smoothly



Timeline of KN046 Clinical Trial

The first Phase III clinical study of KN026 has been launched



Timeline of KN026 Clinical Trial

Technology Platform Innovation

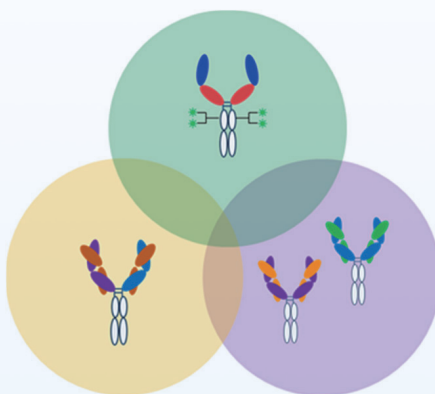
The Company attaches great importance to the construction of R&D technology platforms. Building a technology platform can not only consolidate our innovative R&D foundation, but also enable different teams to cooperate closely in key aspects of the drug R&D process, provide sufficient flexibility and diversity for screening candidate drug molecules, improve development speed and possibility of success, and reduce the development cost at the same time.

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At present, based on the in-depth understanding of the structure and function of antibodies and proteins, as well as the bioinformatics analysis and forecasts, the Company's R&D team has successfully developed technology platforms for innovative anti-cancer drugs, namely the Charge Repulsion Induced Bispecific ("CRIB") and the Charge Repulsion Induced Antibody Mixture ("CRAM"). In addition, we have developed a Glycosite-specific Antibody Drug Conjugates ("ADCs") platform in deep cooperation with the universities, which has laid a solid foundation for further R&D and innovation.

Glycosite-specific ADCs Platform

Based on the molecular characteristics of antibody endowed by cell technology in antibody production, the Company also cooperated with Nanjing University to develop a Glycosite-specific Antibody Drug Conjugates ("ADCs") platform. At present, technical route of the site-specific conjugation platform has been completed, which has been applied in the JSKN003 HER2 bispecific ADC project



CRIB Platform

Compared with monospecific antibodies, bispecific antibodies can enhance tumor specific targeting and efficacy, and are more cost-effective in clinical practice, but they were accompanied by the technical challenges of unstable quality and low yield. Through years of research, we successfully created a world-class Fc-based heterodimer bispecific platform, which can overcome the chemistry, manufacturing and control ("CMC") issues for Fc-based bispecific

CRAM Platform

It is a leading technology platform independently developed by the Company. Relying on this platform, a variety of different antibody molecules can be produced through one cell clone. Compared with other technologies, CRAM platform could effectively reduce R&D and production costs, and also reduce the cost for patients

Technology Platforms

Continuous Increase in R&D Investment

➤ *Expanding R&D Capability and Continuously Increasing R&D Investment*

A strong R&D team is the core of the Company's innovation capability. Under the leadership of our founder, Dr. Ting Xu, our R&D team has carried out a number of breakthroughs in innovative drug development. At the same time, we continue to strengthen the R&D team and actively attract and retain R&D talents through various ways such as optimizing project planning, providing competitive salaries and equity incentives, etc. In 2021, the total number of our R&D personnel was 315, representing a 25% increase over the previous year, and the Company's R&D expense was RMB481 million, with an increase of 45% over the previous year.



While continuously introducing R&D talents and upgrading the experimental environment, the Company also focuses on the improvement of professional skills and continuously strengthen the training of our R&D staff. In 2021, the Company organized 9 professional trainings on R&D skills. Through a combination of theoretical and practical trainings, from the basic knowledge level to the practical level, the overall clinical R&D capacities of the team were improved and helped the team to grow into a professional R&D talent team. In addition, the professional skills trainings not only enable new employees to grow up rapidly and better integrate into the project, but also urge the older employees to further improve themselves, supervise each other and make common progress.



Employees Participated in Trainings Organized by Clinical Development Department

➤ **Optimizing R&D Organizational Structure**

In order to further integrate R&D resources, improve R&D strength and efficiency, we have integrated and optimized the R&D structure of the Company, including measures such as setting up new professional departments, adopting a matrix structure for the project operation team, expanding the Clinical Research Associate team and upgrading the Clinical QA Department to a first-level department.

Team Structure Optimization

Combined with the progress of the Company's Phase III Clinical Trials and IND registration, the CRA team has been expanded in an orderly manner, which will be helpful to build a professional talent team and steadily improve the overall quality



Clinical QA Department Upgrade

Clinical QA department has been upgraded to first-tier department to strictly keep the quality threshold as clinical quality has always been top priority for clinical trials



Organizational Structure Optimization and Upgrade
(3 optimizations and 1 upgrade)

Department Segment Optimization

The Company has set up several departments including Clinical Pharmacology Department, Medical Writing Department, Pharmacovigilance Department, Clinical Supervision and Management Team and Genetic Office Management Team which will bring more professional personnel to do professional work efficiently



Project Management Optimization

Project operation team has adopted matrix management, set up clinical project management team and clinical monitoring management team to achieve integration and utilization of CRA resources



Organizational Restructuring of the Company's Clinical Departments

➤ **Construction of R&D and Manufacturing Base**

As a leading company in the field of innovative biopharmaceuticals, we are committed to improving the R&D and manufacturing capabilities. The Company's biological macromolecule drugs R&D and manufacturing base is located in Suzhou Industrial Park ("SIP"). As one of the technology innovation projects in SIP, the base will integrate R&D, manufacturing and sales, covering an area of 75 mu (a Chinese unit of area, 1 mu = 0.0667 hectares), with a planned total investment of over RMB2 billion. The completed construction area of Phase I is 54,007 m², and the proposed construction area of Phase II is 23,738 m², with a total construction area of 77,745 m². In 2021, we completed the construction of GMP laundry center, pilot-scale GMP drug substance production workshop and GMP drug preparation filling workshop in the 2# comprehensive production building (total area is about 7,000 m²), early R&D center of the 1# comprehensive R&D building (about 6,000 m²) and the supporting administrative office area (about 2,000 m²).

Business Cooperation

The Company believes that common values are key to long-term partnership. We have been adhering to the partnership-focused culture, win-win partnership mindset, through simple and effective approaches, actively and systematically exploring more opportunities of global business cooperation. By the end of 2021, we have established strategic and commercial cooperation with many leading global companies through various flexible approaches, including authorization, joint development, strategic cooperation and product transfer, etc. We will continue to develop more international cooperation in cancer treatment, autoimmune diseases or organ transplantation treatment, bispecific antibody and mixed antibody platforms. It will benefit more patients with our leading technology development capabilities, experienced team, forward-looking cancer immunology product pipelines and strong clinical transformation capacity.

Cooperation Projects	Cooperation Areas	Cooperation Scope
Pfizer (KN046, Apr 2021)	Clinical trials and drug supply cooperation	To evaluate the efficacy and safety of the combination therapy of KN046 and Inlyta (“Axitinib”) for first-line therapy of Non-small Cell Lung Cancer (“NSCLC”). The drug combination started with a multi-center, open-label Phase II clinical research to evaluate the efficacy, safety and tolerability of the combination therapy of KN046 and Axitinib for the treatment of terminal NSCLC. Professor Zhang Li, Cancer Hospital Affiliated to Sun Yat-sen University, served as the principal investigator, and the primary endpoint of the study was the objective response rate. As a potential chemotherapy-free regimen, the trial will bring new hope to patients with terminal.
JMT-Bio (KN026, Aug 2021)	Commercialization in Mainland China (excluding Hong Kong, Macau and Taiwan)	JMT-Bio, a wholly-owned subsidiary of CSPC, will obtain the exclusive development and exclusive commercialization license of KN026 in the indications of breast cancer and gastric cancer in Mainland China. The costs and expenses of all clinical development activities will be borne by itself, and it will become the MAH for KN026 in Mainland China. In addition, JMT-Bio has the right to combine KN026 with other drugs (including but not limited to KN046) for Breast Cancer and Gastric Cancer indications. The Company has the right to receive up to RMB1 billion in advance payments and milestone payments, as well as double-digit graded sales commissions.

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Cooperation Projects	Cooperation Areas	Cooperation Scope
Raygene Pharmaceutical (KN046, Sep 2021)	Clinical cooperation	To conduct a clinical research on the combination of PD-L1/CTLA-4 bispecific antibody KN046 and small molecule RG001 for last-line therapy of terminal hepatocellular carcinoma (“HCC”) and Terminal Colorectal Cancer live metastasis (“CRC liver metastasis”).
Kintor Pharmaceutical (KN046, Nov 2021)	Clinical cooperation	The clinical trial of PD-L1/CTLA-4 bispecific antibody KN046 in combination with Kintor’s ALK-1 monoclonal antibody (GT90001) in Taiwan, China has completed the first patient dosing. This study (NCT04984668) is a two-stage, multi-center, open-label, Phase Ib/II clinical trial to evaluate the safety, tolerability, pharmacokinetics, and antitumor activity of ALK-1 antibody in combination with KN046 in patients with advanced or refractory solid tumors, including HCC, gastric carcinoma/gastroesophageal junction adenocarcinoma, urothelial carcinoma and esophageal square cell carcinoma.
MaxiNovel (KN046, Nov 2021)	Clinical cooperation	Reaching clinical cooperation on the combination of MAX-40279 (small molecule tyrosine kinase inhibitor) and KN046 (PD-L1/CTLA-4 bispecific antibody), both parties agreed to jointly conduct cooperation of clinical study on the combination of MAX-40279 and KN046 for gastic cancer and other indications mutually determined by both parties through combination or sequential treatment to achieve mutual benefits.

Rights and Interests of Clinical Trial Subjects

The Company pays attention to protecting the rights and interests of clinical trial subjects and ensures that the clinical trial activities in compliance with the requirements of relevant regulations including *General Considerations for Clinical Studies*, *the Declaration of Helsinki*, *Good Clinical Practice of People’s Republic of China* etc. We have established the policy of *Protection of the Rights and Interests of Subjects* to fully protect the personal rights and interests of each subject. We provide insurance for all subjects, proactively address various adverse events during clinical trials, and communicate with relevant parties in a timely manner. In addition, if the subject is found to have adverse reactions, we will provide compensation from both economic and social care aspects to protect the rights and interests of patients.

Since the clinical trial activities will involve a large number of subjects' information, we attach great importance to the protection of subjects' privacy. In order to avoid leakage of private information, the Company follows appropriate procedures and takes sufficient measures actively, including but not limited to: 1) fully consider the protection of subjects' privacy during the design of clinical trial protocol to ensure that data is not leaked; 2) before the implementation of the trial, the Ethics Committee shall review the privacy and confidentiality measures of the subjects in the trial, and the clinical trial can only be carried out after passing the review; and 3) the Company signs agreements on privacy protection with hospitals, researchers, and suppliers. By the end of 2021, the Company has not been involved in any leakage or serious accidents relating to subjects' privacy information during clinical trials.

Intellectual Property Management

The Company strictly abides by *the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Patent Cooperation Treaty* and other domestic and foreign laws and regulations related to intellectual property, and closely follows the updates in relevant provisions. We have formulated the *Patent Management Policy* to enhance intellectual property protection and management, improved the Company's patent management system, and encouraged scientific and technological innovation to boost the enthusiasm for invention and creativity of employees.

Focusing on the development of biological macromolecular drugs, core technology platforms and product pipelines, the Company has developed patent layouts in more than 20 countries/regions around the world, including China, the United States, Japan, Europe, Canada, South Korea, Russia to protect the Company's core technologies/products from multiple dimensions.

We are committed to continuous investment in R&D and expand our intellectual property portfolio. By the end of 2021, the Company has already submitted more than 60 invention and Patent Cooperation Treaty ("PCT") patent applications around the core technology platforms and product pipelines, of which 19 have been authorized. In 2021, the Company has submitted 10 invention and PCT patent applications, and obtained 4 granted patent. The authorized patents cover China, the United States, Europe, Japan, Australia, Korea, Russia, New Zealand and other countries/regions. In addition, the Company has obtained 16 registered trademarks and for 23 trademarks are under application.

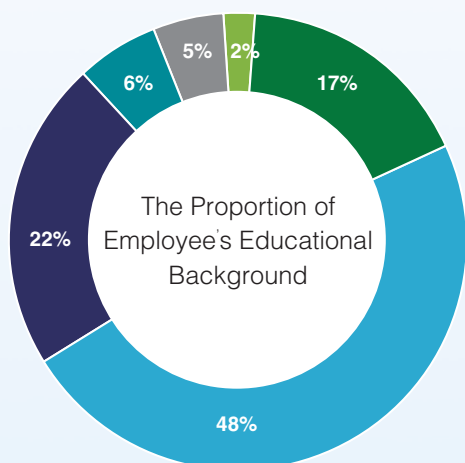
We attach great importance to the protection of intellectual property and trade secrets of our own as well as others, and prohibit employees from improper acquisition, disclosure, use and disposal of others' trade secrets. We carry out analysis through regular retrieval and novelty search, and issue retrieval and analysis reports to avoid infringement of intellectual property rights of others. In 2021, The Company has no litigation or dispute caused by infringement of intellectual property.

People-oriented and Healthy Development

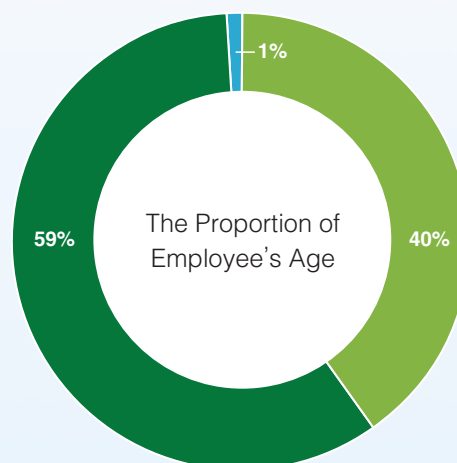
The Company believes that employees are the core assets for a company's sustainable growth and success. As a company focusing on R&D, manufacturing and commercialization of innovative anti-tumor drugs, we are committed to providing extensive opportunities for more outstanding talents. The Company aims to ensure the health and safety of employees and create a friendly and harmonious employment relationship, and establish a talent team that is in line with the Company's culture and strategic development.

By the end of 2021, the total number of employees in the Company was 459, of which approximately 51% are female and 49% are male. In addition, our staff structure is dominated by young force, and the proportion of young employees is increasing, with about 40% of employees under 30 years old. Please refer to Appendix II for the number of employees by employee level, employment type and region.

When an employee leaves the Company, we will interview the departing employee to understand the reasons for departure and conduct internal evaluation based on the feedback, so as to improve the Company's employee management system and human resources policy.



- Doctor
- Master
- Bachelor
- College
- High School
- Secondary School



- Age ≤ 30
- Age 30-50
- Age ≥ 50

Health and Safety

Adhering the people-oriented philosophy, the Company cares about the physical and mental health and safety of employees, and strives to create a healthy and safe working environment. The Company ensures the occupational safety and health of employees by providing periodic medical examination, safety trainings, occupational health control and “dual control” system.

➤ *Safeguard Occupational Health*

The Company provides pre-job and off-job medical examinations to employees who may be exposed to occupational hazards to ensure their occupational health. In June 2021, the Company evaluated and accepted the occupational health control results of existing projects. The results showed that, the measured concentrations of hazardous chemical factors in major occupational health exposure posts (including workshop manufacturing personnel) did not exceed the occupational exposure limits stipulated in the *Occupational Exposure Limits for Hazardous agents in the Workplace Part 1: Chemical Hazardous Agents (GBZ 2.1-2019)*; the concentration of physical factors measured at each testing post did not exceed the occupational exposure limits specified in the *Occupational Exposure Limits for Hazardous Agents in the Workplace Part 2: Physical Agents (GBZ 2.2-2007)*.

➤ *Conducting Fire Emergency Drills*

On June 22, 2021 and November 18, 2021, the Company's Fangzhou Road plant carried out emergency drills such as “evacuation and escape”, “use of fire extinguishers” and “use of fire hydrants”, with 180 and 185 participants respectively.



Fire Emergency Drills

Development and Training

The Company pays attention to training and improvement of employees' knowledge, skills and professional accomplishment. The Company has established a mature training, promotion and development mechanism, aiming at improving the professional knowledge, technical level and professional quality of employees and creating promising career development opportunities.

In view of business needs, the Company has formulated and implemented a comprehensive staff training plan from the aspects of company policy, company culture, professional skills and the education of technical knowledge. Training attendance rate has reached 100% this year, please refer to Appendix II for detailed training data.

Case: The Training on Policies and Procedures for All Employees

In July 2021, the Company provided a training on company's policies and procedures for all employees, aiming to enable employees to fully understand the Company's policies and procedures and better adapt to company's development. The training covers *Employee Handbook*, *Attendance Management Policy*, *Performance Management Policy*, *Employee Code of Conduct*, *Award and Punishment Management Policy*, etc. Employees gained a better understanding of the policies. The training also promotes interaction and communication among different departments, and improves work efficiency in an all-round way.



Training on Company's Policies and Procedures for All Employees

Case: Skill Training for Clinical Department Employees

The Company attaches great importance to cultivating employees' rapid learning ability. In October 2021, the Company conducted multi-level professional skill trainings for new employees in the Clinical Department as well as employees from other departments who are interested in. The trainings cover many topics including company policies and procedures, financial knowledge, drug development strategy, manufacturing process, basic knowledge of tumor and current treatment plan, GCP, data management, Center for Drug Evaluation/FDA communication meetings and clinical registration of IND procedures, etc. Through these trainings, employees had more comprehensive understanding of policies and procedures, clinical technology and practice, better improved their professional capabilities, and enhanced cross-functional communication and collaboration.



Training of Clinical Department

In addition, the Company conducted 8 times of orientation training for new employees in 2021, which covering HR, administration, IT, finance, EHS, anti-fraud, manufacturing, quality and other fields, to help new employees improve their skills rapidly after entering the Company.

Compensation and Benefits

A sound and effective employee compensation system can effectively enhance employee loyalty and lower employee turnover rate. The Company provides competitive compensation and benefits for all employees. In addition, the Company has formulated the *Employee Handbook and Salary Management Policy*, stipulating that performance evaluations will be conducted twice a year, and the evaluation results will be used as the basis of annual salary adjustments and year-end bonus. In order to better protect employees, the Company also purchased additional supplementary medical insurance for employees, and provided communication subsidies, birthday benefits, employee physical examination and other benefits to effectively carry out the people-oriented philosophy.

Employee Promotion

The Company is committed to providing equal, fair and transparent promotion channels for each employee. The Company has formulated *the Performance Management Policy and the Employee Change Management Policy*, which clarifies the promotion conditions, promotion quota, promotion evaluation procedures, etc., and provided a clear career development path for employees.

Safeguarding the Rights and Interests of Employees

In strict accordance with the *Labour Law of the People's Republic of China*, the Company signs labor contracts with employees in a timely manner, pays social insurance and housing provident fund in time and with full amount for regular employees, with payment amount calculated based on the statutory ratio and basis stipulated by the applicable laws and regulations, and protects the legitimate rights and interests of employees. To actively promotes its own operation and development, the Company has established *the Employee Handbook, the Recruitment Management Policy and the Labor Contract Management Policy* to protect legitimate rights of employees, provides equal employment opportunities, and prohibits any discrimination and unfair treatment. In addition, the Company abides by the national and regional laws and regulations such as the *Law of the People's Republic of China on the Protection of Rights and Interests of Women, the Provisions on Prohibition of Child Labour, the Trade Union Law* and incorporates the protection of women's rights and interests, the prohibition of child labor, the human rights principles against forced labor into management requirements. During the reporting period, the Company did not have any violations of the relevant laws and regulations on the employment of child labor or forced labor. If any violations were noted, the Company will immediately stop the relevant activities, report to relevant departments and cooperate with them to deal with the violations.

Employee Care

The Company is committed to creating a people-oriented working environment, advocating work-life balance and creating a more pleasant and relaxed working environment for its employees. The Company holds various group activities from time to time to enrich the cultural life of employees. Among them, beneficially healthy and lively recreational activities carried out by the Company's Labor Union have been highly praised by employees. In 2021, the Company set up a yoga team and a basketball team, and also carried out activities such as handmade on the Women's Day, parent-child running, "sending cool in summer" and punching on Christmas Day. Employees unanimously praised the activities. The Company has created the "Loving Mummy Cabin", aiming to effectively safeguard the special rights and interests of female employees and enhance their sense of happiness. To help employees build a healthy body after work, the Company's gym has been put into use. In addition, a variety of welfares on holidays also improved employees' sense of belonging and collective friendship, and laid a solid foundation for the construction of company culture.



Employee Care Activities

Compliance Operation and Integrity Primary

Responsible Commercial Promotion

Integrity is the core value of the Company. We prohibit any fraudulent, false or misleading information transmission. In terms of drug packaging, labelling, advertising and promotion, the Company strictly abides by *the Provisions for Drug Insert Sheets and Labels*, *the Administrative Measures for Drug Packaging*, *the Advertising Law of the People's Republic of China* and other applicable laws and regulations on drug instructions, labels, packaging and drug advertising to protect the life and health of patients.

➤ *Drug Packaging and Labelling*

The Company has established the *Commercial Printing Packaging Material Management Procedures*, *the Anti-counterfeiting Packaging Management Procedures for Commercial Products*, *the Barcode Management Procedures for Commercially Printed Packaging Materials*, etc., to ensure that drug packaging conforms to national and industrial standards. We also ensure that drug packaging meets manufacturing quality requirements through strict supplier management procedures. The Company's drug instructions and labels have been reviewed and approved by the NMPA. In order to ensure the safe use of drugs, the Company labels the drug name, ingredients, indications or functions, specifications, dosage and usage, adverse reactions, and production batch number and other necessary information.

➤ *Advertising and Promotion*

The Company takes zero tolerance attitude towards the use of false and misleading descriptions that lead to serious consequences for the public. Currently, Alphamab Oncology carries out the commercial operation of Envafolimab in Mainland China through cooperation with third parties. The Company adopts the same standards and requires the partners to strictly abide by the applicable laws, regulations and provisions such as *the RDPAC Industry Code of Conduct*, *the Drug Administration Law* and *the Standards for the Examination and Publication for Drug Advertisements*, etc. in all activities involved in the commercial operation, and all promotional materials used must be comprehensive, accurate and reasonable. False or illegal promotion is prohibited.

Compliance and Anti-fraud Management

As a biopharmaceutical company, we firmly believe that trust is the basis of reputation and winning and maintaining trust is key to success. Advocating ethics and integrity and formulating clear guidelines for business conduct will help the Company to carry out all kinds of business activities in the right way in the rapidly changing business ecosystem. As a company with rapid business growth, we actively advocate integrity and ethical business conduct, and resolutely oppose and resist any form of commercial bribery and corruption.

The Company strictly abides by *the Anti-Unfair Competition Law of the People's Republic of China*, *the Interim Provisions on Prohibition of Commercial Bribery* and other applicable laws and regulations, and has established *the Code of Business Conduct and Ethics*, *the Compliance Management Policy*, *the Anti-Bribery and Anti-Corruption Management Policy*, which clarify the Company's ethical standards and compliance requirements. At the same time, through regular risk assessment and special audits, the Company identified deficiencies and rectified them in a timely manner, continuously improved the compliance internal control system, optimized related policies and procedures, and ensured the effectiveness of the compliance system. The Company did not have any corruption lawsuits this year.

➤ *Whistle-blowing*

In order to ensure the effectiveness of information communication, the Company has established *the Anti-Fraud and Reporting Management Policy* and set up an open whistle-blowing channel. *The Anti-Fraud and Whistle-blowing Management Policy* regulates the standard operating procedures for receiving, investigating and handling reports, and establishes a whistle-blower protection mechanism to ensure that whistle-blowers are treated fairly and equitably. For all reports received, if it is necessary to carry out follow-up investigation after preliminary assessment, the Internal Control and Audit Department shall be responsible for leading and coordinating with other relevant departments such as Legal Department, Human Resources Department, to form an independent investigation team, which shall carry out investigation according to the report clues, and report investigation results to senior management.

The Company has set up a public whistle-blowing mailbox and a hotline for employees and business partners to report non-compliance incidents they have noticed. In 2021, the Company did not receive any anti-fraud related reporting information.

➤ *Anti-fraud and Anti-corruption Training*

To ensure that employees at all levels fully understand and strictly comply with the Company's attitude and requirements on compliance and anti-corruption, the Company provided multiple and diversified training sessions for senior management and employees in 2021, including laws and regulations related to compliance and anti-corruption, the company's policy, forms of fraud, whistle-blowing channels and handling procedures. In addition, the Capital Market Department send the compliance training materials of listed companies to the board directors for learning from time to time, covering anti-corruption, inside information and connected party transactions, etc. For detailed anti-corruption training data, please refer to Appendix II.



Anti-fraud Training for New Employees

Environmental Protection and Harmonious Development

The Company adheres to the green environmental protection concept of harmonious coexistence between human and nature, and is committed to reducing the impact of the Company's business operations on the environment. We strive to build a sound EHS management system, make rational use of clean energy, effectively respond to climate change, continue to advocate the concept of low-carbon office, and actively carry out environmental protection activities.

Resource Usage

➤ Energy Consumption

Energy is an important foundation for the promotion of national economy and social development. The resources consumed by the Company mainly include electricity, gasoline and clean energy natural gas. The Company strictly abides by the relevant provisions of the *Energy Conservation Law of the People's Republic of China*. In daily operation, the Company reduces energy use as much as possible, improves the awareness of energy saving and emission reduction of employees, and strengthens energy saving management in office area.

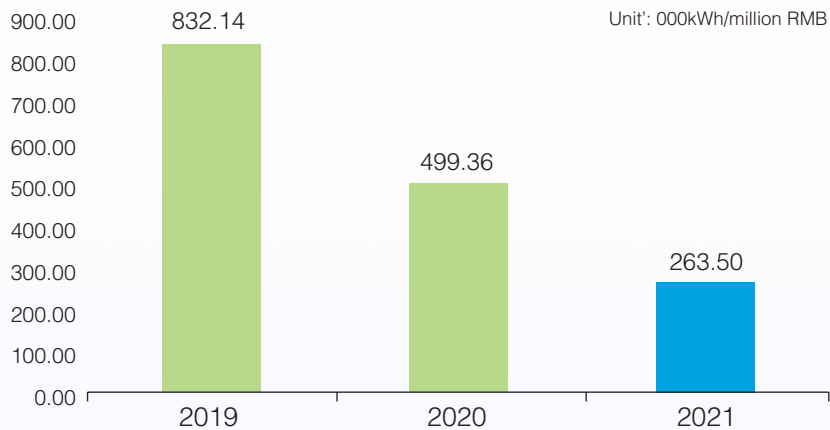
Resource consumption	Unit	2019	2020	2021
Electricity	'000kWh	1,134.70	8,602.60	10,024.20
Gasoline	tonnes	1.20	4.70	6.80
Natural gas	m ³	32,571.83	1,033,673.00	1,316,982.00
Direct energy ¹	'000kWh	367.12	11,236.89	14,326.80
Indirect energy ²	'000kWh	1,134.70	8,602.60	10,024.20
Total energy consumption ³	'000kWh	1,501.82	19,839.49	24,351.00
Energy consumption intensity	'000kWh/million RMB	832.14	499.36	263.50

Note:

1. The direct energy consumed by the Company mainly consists of gasoline and natural gas;
2. The indirect energy consumed by the Company mainly includes purchased electricity;
3. The low-level calorific value selected when calculating energy consumption refers to *the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Enterprises in Other Industries (Trial)* and *the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Chinese Land Transportation Enterprises (Trial)* proposed by the National Development and Reform Commission who is responsible for interpretation and revision. (https://www.ndrc.gov.cn/xxgk/zcfb/tz/201511/t20151111_963496.html?code=&state%20=123). The low-level calorific value for gasoline is 44.8 GJ/t, and that for natural gas is 389.31 GJ/10,000 Nm³.

In 2021, the Company built large-scale laboratories to expand manufacturing capacity, while vigorously promoting energy saving and emission reduction, replacing traditional energy with clean energy, and striving to control unit energy consumption. In 2021, the total energy consumption of the Company was 24,351 MWh and the intensity calculated based on unit of original value of public engineering facility and machinery equipment was 263.50 MWh/million RMB, representing a decrease of 47.23% as compared with that in 2020.

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Total Energy Consumption Intensity in 2019-2021

In 2021, the Company attached great importance to energy saving and emission reduction, launched a series of educational activities with the theme of “energy saving, carbon reduction and green development” and also implemented a series of energy saving and emission reduction measures, such as storing all kinds of waste separately, engaging third parties to assist in the disposal of construction waste, inspecting electricity consumption on a daily basis, encouraging off-peak electricity usage and turning off unnecessary lighting, monitors and other electrical facilities in time. The Company encourages employees to take positive actions, start from the side, start from small things, and comprehensively implement the green development route of energy saving and emission reduction.

Case: 2021 Energy Saving and Emission Reduction Seminar

In 2021, an energy saving and emission reduction seminar was held to deliver the guiding principle of the Company and determine the action plans according to the actual situation of the project. The project team launched the initiative of “Energy Saving and Emission Reduction” to all participants, encouraging them to raise awareness and take actions as the role models of the program.



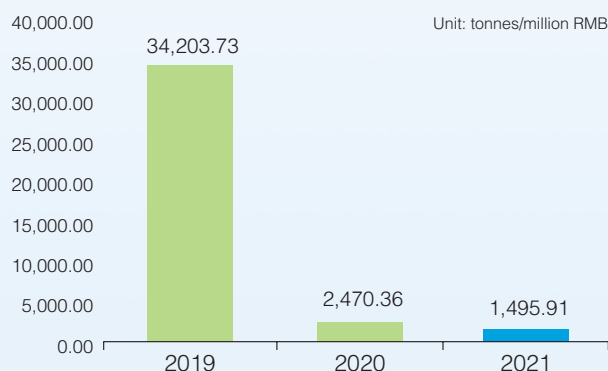
2021 Energy Saving and Emission Reduction Seminar

➤ **Water Consumption**

In the context of water scarcity, the Company strives to “reuse and save water”. In terms of resource reusing, the Company strictly abides by *the Law of the People’s Republic of China on the Prevention and Control of Water Pollution, the Regulations of Urban Drainage and Sewage Treatment* and other applicable laws and regulations. The Company has built collection and reuse systems, sewage treatment stations and other facilities, effectively realizing the reuse of resources. In terms of water saving, the Company strongly advocates water conservation among the employees during daily operation and tries to replace all kinds of water devices with water-saving models.

Resource consumption	Unit	2019	2020	2021
Running water	tonnes	61,533.00	91,873.00	128,383.00
Recycled water	tonnes	197.00	6,274.00	9,859.00
Recycling rate	%	0.32	6.39	7.13
Total water consumption	tonnes	61,730.00	98,147.00	138,242.00
Running water consumption intensity	tonnes/million RMB	34,203.73	2,470.36	1,495.91

In 2021, due to the increase in manufacturing capacity, the total water consumption of the Company was 138,242 tonnes, which was mainly stable tap water provided by the government, and it was not difficult to acquire water. The other part is 9,859 tonnes of recycled water, accounting for 7.13% of the total. The ratio of recycled water to total water consumption increased by 0.74% compared with 2020, and the amount of recycled water increased by 57.14% compared with 2020.



The water consumption intensity calculated based on the unit of original value of public engineering facility and machinery equipment was 1,495.91 tonnes/million RMB, decreased by 39.45% compared with 2020. We encourage all employees to conserve and recycle water and avoid wasting. In the production process, we also actively improve the utilization rate of water resources. At present, the recycling rate of water resources is increasing year by year.

Water Consumption Intensity in 2019-2021

➤ **Emission Management**

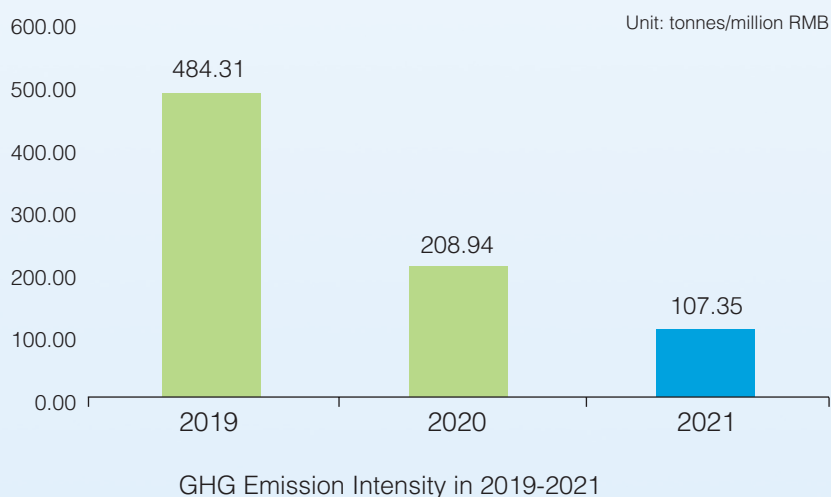
In accordance with the national environmental protection policies and relevant laws and regulations, the Company strictly manages the treatment and discharge of greenhouse gas, waste gas, waste water and solid waste to meet the regulatory standards of the place where it operates. While advocating energy conservation, we actively respond to the government’s call to gradually control the discharge of waste gas, waste water and wastes, and minimize the negative impact of various pollutants on the ecological environment.

➤ **Greenhouse Gas Emissions**

In 2021, due to the expansion of manufacturing capacity, total greenhouse gas (“GHG”) emissions rose to 9,920.39 tonnes, including 2,868.37 tonnes of direct GHG emissions and 7,052.02 tonnes of indirect GHG emissions. Despite the increase in overall GHG emissions, the emission intensity calculated based on the unit of original value of public engineering facilities and machinery equipment is 107.35 tonnes/million RMB, decreased by 48.62% compared with 2020. To further effectively control GHG emissions, we stick to our previous energy saving and emission reduction policies of the Company, including improving resource utilization efficiency while promoting large-scale manufacturing, adopting energy saving equipment that meets GMP requirements, using green materials in construction and focusing on raising employees’ awareness of protecting the environment.

Greenhouse gas emissions ¹	Unit	2019	2020	2021
Total greenhouse gas emissions Scope 1	tonnes	75.81	2,249.38	2,868.37
Total greenhouse gas emissions Scope 2	tonnes	798.26	6,051.93	7,052.02
Total emissions	tonnes	874.07	8,301.31	9,920.39
Emission intensity	tonnes/million RMB	484.31	208.94	107.35

Note 1: The greenhouse gas emission accounting methods refer to *the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Enterprises in Other Industries (Trial)* and *the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Chinese Land Transportation Enterprises (Trial)* proposed by the National Development and Reform Commission who is responsible for interpretation and revision. (http://www.ndrc.gov.cn/xgk/zcfb/tz/201511/t20151111_963496.html?code=&state=123); The global warming past (GWP) values for the conversion of methane and nitrous oxide into carbon dioxide equivalent are 21 and 310, respectively; the emission factor for purchased electricity is based on the average carbon dioxide of China’s regional grid in 2011 and 2012 published by the “China Climate Change Information Network” Emission factor (East China regional power grid) calculation, the emission factor is 0.7035 tCO₂/MWh.



➤ **Exhaust Gas Emissions**

The Company strictly follows *the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Regulations of Jiangsu Province on the Prevention and Control of Atmospheric Pollution* and other national and local laws and regulations to discharge exhaust gas. In 2021, the exhaust gases produced by the Company were mainly organic waste gas, boiler flue gas, and malodour gases from sewage treatment stations. The total exhaust gas emission is 1.56 tonnes, decreased by 6.6% compared with 2020.

The Company's various exhaust gas emissions have decreased, among which the emissions of volatile organic compounds ("VOCs") and sulfur oxides ("SOx") have decreased most significantly, by 18.2% and 15.8% respectively. In 2021, the exhaust gas emission density calculated based on the unit of original value of public engineering facility and machinery equipment is 0.02 tonnes per million RMB, decreased by 50% compared with 2020, and the exhaust gas emission control has achieved initial success.

Exhaust gas emissions ²	Unit	2019	2020	2021
Total NOx emissions	tonnes	0.04	1.25	1.2
Total SOx emissions	tonnes	0	0.19	0.16
Total PM emissions	tonnes	0.001	0.05	0.04
Total VOCs emissions	tonnes	0	0.11	0.09
Total ammonia emissions	tonnes	0	0.07	0.07
Total exhaust gas emissions	tonnes	0.04	1.67	1.56
Exhaust gas emission intensity	tonnes/million RMB	0.02	0.04	0.02

Note 2: Refer to EMFAC-HK vehicle emission calculation model of Hong Kong Environmental Protection Department ("EPD") for the statistical methods of NOx, SOx and PM generated by vehicles (http://www.cleanair.hk/eng/guidebook/guidebook_eng_r.pdf)

➤ **Waste Water Discharge**

The Company strictly follows the relevant provisions of *the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Regulations on Administration of the Taihu Lake Basin and the Regulations of Jiangsu Province on the Prevention and Control of Water Pollution of Taihu Lake* to treat the generated waste water and discharge it only when reaching the discharge standard. The waste water generated in the daily operation of the Company is mainly domestic sewage. The factory's drainage system diverts waste water from clean water and shunts rainwater and sewage, so as to enhance water recycling capability and reduce waste water discharge. In addition, the Company also regularly inspects the waste water treatment stations and drainage pipe networks to report and deal with the problems found in a timely manner.

➤ **Hazardous and Non-hazardous Waste**

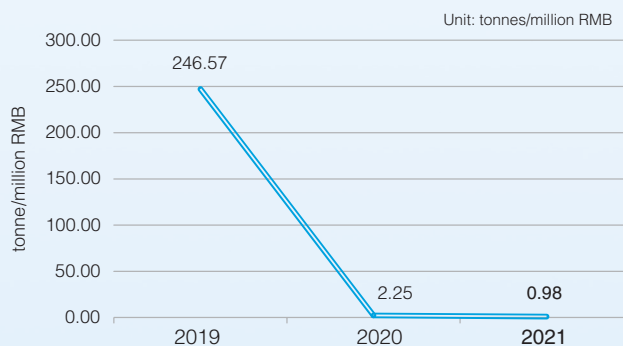
The wastes generated in the manufacturing process of the Company include hazardous waste and non-hazardous waste. The Company has established *the Hazardous Waste Management Policy, the Solid Waste Management Regulations and the Safe Operation Procedures for Hazardous Waste*, and accordingly carries out the recycling of hazardous and non-hazardous waste to reduce the impact on the environment.

Hazardous wastes include general industrial solid wastes and dangerous wastes. The Company's hazardous wastes are properly stored in the waste warehouse after being classified and collected. They are stored and managed strictly in accordance with the *Hazardous Waste Storage Pollution Control Standards*, and are regularly handed over to a qualified third-party for disposal. The Company's non-hazardous wastes are mainly construction waste and domestic waste. Construction waste and domestic waste without recycling value shall be uniformly handed over to the environmental sanitation department for collection and processing.

Waste emissions	Unit	2019	2020	2021
Hazardous waste	tonnes	1.00	69.36	73.89
Non-hazardous waste	tonnes	444.00	20.00	16.40
Total waste emissions	tonnes	445.00	89.36	90.29
Waste emission intensity	tonnes/million RMB	246.57	2.25	0.98

In 2021, the Company produced approximately 74 tonnes of hazardous waste. The waste emission of disposable reaction bags, laboratory solid waste, waste filters and filter residue is decreased compared with 2020, of which laboratory solid waste emission has decreased by approximately 30%.

The total amount of waste produced was 90.29 tonnes, and the intensity calculated based on the unit of original value of public engineering facilities and machinery equipment was 0.98 tonnes per million RMB, decreased by 57% compared with 2020.



Waste Emission Intensity in 2019-2021

Energy Saving and Emission Reduction Targets

The Company attaches great importance to sustainable development, actively responds to the national strategy of accelerating high-quality economic development and green and low-carbon transformation, and builds a clean, low-carbon, safe and efficient modern energy system in order to help build a beautiful China. For this purpose, the Company establishes energy saving and emission reduction benchmarks based on emissions (greenhouse gases, exhaust gases, hazardous and non-hazardous wastes), energy usage (direct/indirect energy) and water resources usage in 2020. We set the targets of energy saving and emission reduction based on the ratio of consumption to the original value of public engineering facilities and machinery equipment, and set the target year as 2023. By the target year, we will reduce the emission intensity by 5% and reduce the consumption intensity of energy and water by 5%.

Responding to Climate Change

2021 is a year of frequent climate disasters. The La Niña phenomenon triggered a cold wave in the United States in February, tornadoes hit Wuhan and Suzhou in May and floods hit Henan after torrential rains in July. In order to take precautionary measures and effectively deal with the impact of extreme climate change on manufacturing and operation, we have formulated *the Emergency Management Policy* and established a leading management group for emergency rescue, responsible for the organization and command of emergency rescue work at the company level. EHS department always pays attention to climate change, and promptly identifies the risk factors that may cause company shutdown, asset damage, casualties, etc. due to climate change or extreme weather. In addition, each department conducts regular security inspections, comprehensively analyses the impact of climate change on business, actively eliminates various security risks and reduces the possibility of business interruption. In 2021, there were no safety incidents or manufacturing interruptions caused by climate change in the Company.

Contribute to Public Welfare and Remain True to Our Original Aspiration

As a leading innovative anti-tumor pharmaceutical company, benefiting the public and contributing back to society has always been our goal. The Company's exhibition hall serves as a science education base in Suzhou, which is open to the public, especially primary and middle school students, for life science education. Since the exhibition hall opened in 2019, it has actively carried out educational activities through various forms such as family open days, science lectures, and student research groups, bringing life science into public's field of vision, demonstrating drug research and development technology, making biopharmaceuticals known to more people and letting more people pay attention to life and health. In 2021, the Company invested total RMB20,000 in life science education and 60 hours of science education introductions, and provided biopharmaceutical science education to more than 200 primary and secondary school students and the public in Suzhou.



Students Visiting the Exhibition Hall

Appendix

Appendix I – Index of the Environmental, Social and Governance Reporting Guide

Aspect	Description	Location
A.Environmental		
Aspect A1: Emissions		
General disclosure	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	Environmental Protection and Harmonious Development
A1.1	The types of emissions and respective emissions data.	Data Sheet
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data Sheet
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data Sheet
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data Sheet
A1.5	Description of emissions target (s) set and steps taken to achieve them.	Environmental Protection and Harmonious Development
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target (s) set and steps taken to achieve them.	Environmental Protection and Harmonious Development

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Aspect	Description	Location
Aspect A2: Use of Resources		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, storage, transportation, buildings, electronic equipment, etc.	Environmental Protection and Harmonious Development
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Data Sheet
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Data Sheet
A2.3	Description of energy use efficiency target (s) set and steps taken to achieve them.	Environmental Protection and Harmonious Development
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency goals set and steps taken to achieve them.	Environmental Protection and Harmonious Development
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Data Sheet
Aspect A3: The Environment and Natural Resources		
General disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Protection and Harmonious Development
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Protection and Harmonious Development

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Aspect	Description	Location
Aspect A4: Climate Change		
General disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental Protection and Harmonious Development
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environmental Protection and Harmonious Development
B. Social		
Aspect B1: Employment		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Environmental Protection and Harmonious Development
B1.1	Total workforce by gender, employment type (for example full- or part-time), age group and geographical region.	Data Sheet
B1.2	Employee turnover rate by gender, age group and geographical region.	Data Sheet
Aspect B2: Health and Safety		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	People-oriented and Healthy Development
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Data Sheet
B2.2	Lost days due to work injury.	Data Sheet
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	People-oriented and Healthy Development

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Aspect	Description	Location
Aspect B3: Development and Training		
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	People-oriented and Healthy Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Data Sheet
B3.2	The average training hours completed per employee by gender and employee category.	Data Sheet
Aspect B4: Labor Standards		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	People-oriented and Healthy Development
B4.1	Description of measures to review employment practices to avoid child and forced labor.	People-oriented and Healthy Development
B4.2	Description of steps taken to eliminate such practices when discovered.	People-oriented and Healthy Development
Aspect B5: Supply Chain Management		
General disclosure	Policies on managing environmental and social risks of the supply chain.	Quality First and Caring for Life
B5.1	Number of suppliers by geographical region.	Data Sheet
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Quality First and Caring for Life
B5.3	Description of practices relating to identifying environmental and social risks at every stage of the supply chain, and how they are implemented and monitored.	Quality First and Caring for Life
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Quality First and Caring for Life

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Aspect	Description	Location
Aspect B6: Product Responsibility		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality First and Caring for Life Compliance Operation and Integrity Primary
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Data Sheet
B6.2	Number of products and service related complaints received and how they are dealt with.	Compliance Operation and Integrity Primary Data Sheet
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Innovation-driven and Win-win Cooperation
B6.4	Description of quality assurance process and recall procedures.	Quality First and Caring for Life
B6.5	Description of customer data protection and privacy policies, and how they are implemented and monitored.	Quality First and Caring for Life
Aspect B7: Anti-corruption		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Compliance Operation and Integrity Primary
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Compliance Operation and Integrity Primary
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Compliance Operation and Integrity Primary
B7.3	Description of the anti-corruption training provided to directors and employees.	Compliance Operation and Integrity Primary

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Aspect	Description	Location
Aspect B8: Community Investment		
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Contribute to Public Welfare and Remain True to Our Original Aspiration
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Contribute to Public Welfare and Remain True to Our Original Aspiration
B8.2	Resources contributed (e.g. money or time) to the focus area.	Contribute to Public Welfare and Remain True to Our Original Aspiration

Appendix II – ESG Key Performance Indicators

Environment	2019	2020	2021
Emission			
Total greenhouse gas emissions (Scope 1 & Scope 2) (in tonnes)	874.07	8,301.31	9,920.39
Direct greenhouse gas emissions (Scope 1)	75.81	2,249.38	2,868.37
Indirect greenhouse gas emissions (Scope 2)	798.26	6,051.93	7,052.02
Greenhouse gas emission intensity per unit of original value of public engineering equipment and machinery	484.31	208.94	107.35
Total exhaust gas emissions (in tonnes)	0.04	1.67	1.56
NOx emissions	0.04	1.25	1.20
SOx emissions	0.00	0.19	0.16
PM emissions	0.001	0.05	0.04
VOCs emissions	0.00	0.11	0.09
Ammonia emissions	0.00	0.07	0.07
Exhaust gas emission intensity per unit of original value of public engineering equipment and machinery (tonnes/million RMB)	0.02	0.04	0.02
Total hazardous waste emissions (in tonnes)	1.00	69.36	73.89
Total non-hazardous waste emissions (in tonnes)	444.00	20.00	16.40
Total waste emissions (in tonnes)	445.00	89.36	90.29
Waste intensity per unit of original value of public engineering equipment and machinery (tonnes/million RMB)	246.57	2.25	0.98
Resource consumption			
Total water consumption (m ³)	61,730.00	98,147.00	138,242.00
Running water (m ³)	61,533.00	91,873.00	128,383.00
Recycled water (m ³)	197.00	6,274.00	9,859.00
Water consumption intensity per unit of original value of public engineering equipment and machinery (m ³ /million RMB)	34,203.73	2,470.36	1,495.91

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Environment	2019	2020	2021
Electricity ('000kWh)	1,134.70	8,602.60	10,024.20
Natural gas (m ³)	32,571.83	1,033,673.00	1,316,982.00
Gasoline (in tonnes)	1.20	4.70	6.80
Direct energy consumption ('000kWh)	367.12	11,236.89	14,326.80
Indirect energy consumption ('000kWh)	1,134.70	8,602.60	10,024.20
Total energy consumption ('000kWh)	1,501.82	19,839.49	24,351.00
Energy consumption intensity per unit of original value of public engineering equipment and machinery ('000kWh/million RMB)	832.14	499.36	263.50
Total amounts of packaging material (in tonnes)	12.00	10.47	10.57
Inner packaging material (coated rubber stopper, penicillin bottle, etc.)	11.80	10.09	10.15
Outer packaging material (product box, cork base, etc.)	0.20	0.38	0.42

Society	2019	2020	2021
Employment			
Headcount	224	336	459
By gender			
Male	115	165	226
Female	109	171	233
By age			
Under 30	110	152	182
30-50	110	178	270
Above 50	4	6	7
By employee category			
Senior management	8	29	40
Middle management	34	46	71
General staff	182	261	348

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Society	2019	2020	2021
By employment category			
Full-time	224	335	459
Part-time	0	0	0
Contract employee	0	1	0
By region			
Beijing	11	23	45
Shanghai	32	43	41
Suzhou	173	257	334
Others	8	13	39
Employee turnover rate	26%	26%	34%
By gender			
Male	31%	33%	31%
Female	20%	19%	38%
By age			
Under 30	30%	27%	41%
30-50	22%	25%	30%
Above 50	0%	40%	15%
By region			
Beijing	18%	29%	21%
Shanghai	9%	29%	81%
Suzhou	28%	26%	30%
Others	50%	10%	31%
Health and Safety			
Number of work-related fatalities	0	0	0
Rate of work-related fatalities	0%	0%	0%
Lost days due to work injury	0	0	0

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Society	2019	2020	2021
Development and training			
Percentage of trained employees	100%	100%	100%
By gender			
Male	100%	100%	100%
Female	100%	100%	100%
By employee category			
Senior management	100%	100%	100%
Middle management	100%	100%	100%
General staff	100%	100%	100%
Average training hours completed per employee	4.53	15.28	6.64
By gender			
Male	5	12	6
Female	4	18	7
By employee category			
Senior management	2	16	6
Middle management	3	18	6
General staff	5	17	7
Supply chain management			
Total suppliers	N/A ¹	591	950
By region			
Eastern China	N/A ¹	413	665
Southern China	N/A ¹	24	38
Central China	N/A ¹	24	38
Northern China	N/A ¹	65	105
North-western China	N/A ¹	12	19
North-eastern China	N/A ¹	6	10
South-western China	N/A ¹	12	19
Outside China (including Hong Kong, Macau and Taiwan)	N/A ¹	35	56

Environmental, Social and Governance Report 2021

Society	2019	2020	2021
Product Responsibility			
Percentage of total products sold or shipped subject to recalls for safety and health reasons	0%	0%	0%
Number of complaints about products and services	0	0	0
Anti-corruption			
Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees	N/A ¹	N/A ¹	0
Anti-corruption training provided to the Company's directors (hour)	N/A ¹	N/A ¹	1
Number of directors enrolled in training	N/A ¹	N/A ¹	7
Anti-corruption training provided to the Company's employees (hour)	N/A ¹	N/A ¹	8
Number of employees enrolled in training	N/A ¹	N/A ¹	277
Community investment			
Resources contributed (e.g. money or time) to the focus area			
Amount (RMB 10,000)	N/A ¹	100	2
Education	N/A ¹	0	2
Healthcare	N/A ¹	100	0
Duration (hour)	N/A ¹	0	60
Education	N/A ¹	N/A ¹	60
Healthcare	N/A ¹	N/A ¹	0

¹ Note: No disclosure is required under the Environmental, Social and Governance Reporting Guidelines for the disclosure year.