



深圳市海王英特龍 生物技術股份有限公司

SHENZHEN NEPTUNUS INTERLONG
BIO-TECHNIQUE COMPANY LIMITED*

(a joint stock limited company incorporated
in the People's Republic of China)

Stock Code : 8329

* For identification purpose only



2023

Environmental, Social and Governance Report



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I. About this Report

Purpose of the Report

The purpose of this eighth Environmental, Social and Governance (“ESG”) Report (“this Report” or “ESG Report”) issued by Shenzhen Neptunus Interlong Bio-technique Company Limited, together with its subsidiaries (“Neptunus Interlong”, the “Group” or “we”) is to disclose information related to the Group’s performance on ESG issues over the past year in an open and transparent manner to respond to the concerns and expectations of our stakeholders for the sustainable development of the Group.

Reporting Scope





The period covered in this Report is from 1 January 2023 to 31 December 2023 (the “Reporting Period” or the “Year”), which is consistent with the financial year of the Group. This Report focuses on the management policies, performance and measures of the Group regarding ESG issues. In which, the environmental key performance indicators (“KPI(s)”) and social KPIs disclosed in the Report cover the selected core functional companies¹ of the Group, including Shenzhen Neptunus Interlong Bio-technique Company Limited and its 7 subsidiaries: Fuzhou Neptunus Fuyao Pharmaceutical Company Limited, Fuzhou Neptunus Jinxiang Chinese Pharmaceutical Company Limited, Fuzhou Fuyao Medical Co., Limited, Shenzhen Neptunus Changjian Pharmaceutical Company Limited, Beijing Neptunus Zhongxin Pharmaceutical Co., Limited, Hainan Neptunus Changjian Trading Co., Limited and Zhaoqing Neptunus Changjian Trading Company Limited. Among which, Jilin Neptunus Changjian Industrial Company Limited was deregistered during the Reporting Period and Zhaoqing Neptunus Changjian Trading Company Limited was a newly established subsidiary of the Group during the Reporting Period.

Reporting Principles

This Report is prepared in compliance with the requirements set out in the “Environmental, Social and Governance Reporting Guide” (the “ESG Guide”) under Appendix C2 to the GEM Listing Rules issued by The Stock Exchange of Hong Kong Limited (“HKEx”). In the preparation of this Report, we have summarised the performance of the Group in terms of corporate social responsibility on the basis of the reporting principles of materiality, quantitative, balance and consistency. Please refer to the table below for our understanding about and responses to these reporting principles.

¹ The selected core functional companies are located in Fuzhou, Shenzhen, Beijing and Hainan and principally engaged in the core business of the Group, being the Group’s principal activities of relevant research and development, manufacturing and selling of medicines and medical devices, and the purchase and sales of medicines, healthcare food products and medical devices in the PRC.

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Reporting principles >	Definition >	Our Response
 <p>Materiality</p>	<p>It is the threshold at which the Board determines that ESG issues become sufficiently important to investors and other stakeholders that they should be reported.</p>	<p>This Report covers ESG issues that are the concern of the Group's major stakeholders. We assess the materiality of the ESG issues through communication with internal and external stakeholders and use a materiality matrix to determine the priority of the issues. We also indicate the "comply or explain" provision that no relevant disclosure is made because they are considered not applicable for the Group, and explain how the Group has arrived at this determination.</p>
 <p>Quantitative</p>	<p>The relevant historical data of KPIs need to be measurable. An issuer should set targets (which may be actual numerical figures or directional, forward-looking statements) to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.</p>	<p>This Report discloses the KPIs quantitatively and sets targets, discloses comparative data, the standards, methodologies, assumptions or calculation tools used, and source of conversion factors used, if applicable. Comparison and review are also made on ESG information disclosed in the last three years.</p>
 <p>Balance</p>	<p>The ESG report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report readers.</p>	<p>This Report discloses data in an objective manner, and discusses our achievements and challenges faced in terms of sustainable development.</p>
 <p>Consistency</p>	<p>The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.</p>	<p>This Report is consistent with that of last year as much as possible to allow for meaningful comparison of ESG performance and explains any changes to the methods used last year</p>



Sources of Information

The information disclosed in this Report are derived from the Group's official documents and statistics. The board of directors ("the Board") and senior management of the Group have reviewed and approved this Report on 12 April 2024 and guarantee the truthfulness, accuracy and completeness of this Report.

Access to this Report

This Report is prepared both in Chinese and English. In case of inconsistency, the Chinese version shall prevail over the English version. Electronic version of this Report is available for downloading from the website of the Company at <http://www.interlong.com>. For enquiry or suggestion regarding this Report, please feel free to contact us at:

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II. Message from the Chairman

In 2023, as the efficiency of enterprises gradually returned to the pre-pandemic level, business activities of enterprises and people's living resumed normal rapidly, and the national economy as a whole maintained its growth trend. Meanwhile, the pharmaceutical industry continued to deepen reforms and high-quality development was underway with the steady promotion of the State. During the year, Neptunus Interlong continued to increase investment in the research and development of consistency evaluation of generic drugs and new varieties, searched for investment opportunities in Traditional Chinese Medicine products, at the same time vigorously developed the healthcare food product market and continued to expand the business of manufacturing, purchasing and selling of medical devices.

The Group adheres to the concept of "Health creates the future". While maintaining the steady development of the Company, the Group also attaches importance to the creation of environmental and social values, adheres to product quality, and strives to fulfil its corporate social responsibility.

Quality control is an important cornerstone of the pharmaceutical and health industry. We continue to strictly control the quality control of all aspects of the product life cycle to ensure that drugs meet safety standards in research and development, production and sales. During the Reporting Period, the Group underwent on-site inspection by the Medical Products Administration and obtained the approval document for fixed site production of the diazepam tablets and alprazolam tablets.

The Group firmly believes that sustainability is the future development trend. Apart from actively exploring markets, we are also planning to implement a number of initiatives, such as using cleaner energy, upgrading our production facilities to be more environmentally friendly and energy-saving, and cultivating environmental awareness among our staff, to ensure that our subsidiaries are fully integrated into the Group's green production and low-carbon development goals and business model.

With the continuous strengthening of ESG concepts by companies in the pharmaceutical industry and investors, the Group also continues to ponder on the significance of ESG for the sustainable development of the Company. During the year, we carried out discussions and review of ESG at multiple levels of the Company, and discussed and analysed how to strengthen future work in related areas. The Group is confident that on the basis of the existing progress, it will strengthen the overall planning and practice of sustainable development work and seize new opportunities in the industry and the capital market in this regard.

Looking forward to 2024, the Group will carefully analyse the trends of the State's pharmaceutical and health policies and pay attention to the multi-faceted impact of the market environment changes on corporate compliance, business development and ESG, and actively respond to national, regional and industrial calls to formulate timely and effective strategies strictly in line with the requirements of the central and local governments, so as to create more economic and social value.

Zhang Feng

Chairman of the Board



III. About Neptunus Interlong

Business Overview

The Company was established in 1994, and listed on GEM of the HKEx (Stock Code: 08329) in September 2005. The controlling shareholder of the Company is Shenzhen Neptunus Bio-engineering Company Limited, a joint stock limited company incorporated and domiciled in the PRC and its shares are listed on the main board of Shenzhen Stock Exchange (Stock Code: 000078).

The Group has always focused on the pharmaceutical and healthcare industry and seized opportunities in the fast-growing pharmaceutical market in China. Its businesses cover several important segments in the pharmaceutical and healthcare industrial chain, which make contributions to the health of the populace in research and development, pharmaceutical manufacturing and distribution. The Group is principally engaged in the research and development, manufacturing and selling of medicines, and purchase and sales of medicines and healthcare food products in the PRC, and the medicines being sold mainly cover multiple therapeutic areas, namely oncology, cardiovascular system, respiratory system, digestive system and anti-psychiatric disorders.

The Group owns two production bases, the “Fuzhou Production Base” is located in Jin’an District, Fuzhou, Fujian Province, the PRC and “Beijing Production Base is located in Beijing Miyun Economic Development Zone, the PRC, respectively. Fuzhou Production Base owns Chinese medicines (which includes more than a dozen of dosage forms such as tablets, capsules, granules, oral solutions and tinctures) and chemical medicines (which includes various dosage forms namely tablets, capsules, granules, small volume injections and large volume injections), with a total of 366 Guo Yao Zhun Zi approval documents. In addition, the Fuzhou Production Base is the only narcotic production base in Fujian Province designated by the State. The Beijing Production Base mainly produces chemical medicines (tablets, hard capsules and powders) and holds 137 Guo Yao Zhun Zi approval documents, of which 89 products are included in the “Catalogue of Drugs for Basic National Medical Insurance” (國家基本醫療保險藥品目錄) and 60 products are included in the “National Essential Drug List” (國家基本藥品目錄). In terms of the purchase and sales of medicines, healthcare food products and medical devices, the main products distributed and sold by the Group are medicines and healthcare food products manufactured by the Group and its parent company group, which include the well-known product series of the Neptunus Ginkgo Leaves Tablets (海王銀杏葉片) and Neptunus Jinzun (海王金樽). Meanwhile, the Group initiated the distribution of medical device starting from 2022. In terms of innovation, the Group has three pharmaceutical subsidiaries which are national high-tech enterprises. Meanwhile, the Group also owns 35 invention patents and a number of products with independent intellectual property rights.





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Corporate Culture

Tenet

To contribute quality products and services and endeavor to improve the living quality of people is the sole objective for the Group's progress and development.

Mission

"Serving the health of the public": To concern about life, care for health and through our continuous efforts to provide more quality products and services for human health is the most fundamental momentum for the Group's progress and development.

Objective

To establish a flexible and efficient operating framework, adhere to the working style of being pragmatic, innovative and progressive, strive to become a world first-class enterprise and shoulder the important task of revitalizing this national industry.

Motto



Responsibility

The notion of responsibility is the core value of the Group. The Group always keeps in mind its responsibilities for the people, society and the country, and constantly improves the quality of products and services, which is the source of motivated force for the Group to keep moving on.



Honor

Every employee is proud of being a member of the Group and contributing their time and wisdom for its development. Every member will consciously integrate the interests of the individual with that of the Group, think in the direction of the Group's development goals and take the wax and wane of the Group as their own responsibility.



Motherland

Every single bit of success the Group has achieved can hardly be separated from the loving care of the Party and the government as well as the sincere help from all walks of life. The Group always concerns itself over our motherland and bears in mind the important task of returning the nation with industrial development and revitalizing national industry.



IV. Philosophy and Governance of Sustainable Development

Sustainable Governance and Development Objectives

While promoting healthy business growth, the Group regards social and environmental responsibilities as the core values in our business operation. We are committed to maintaining high quality services and operating standards while creating long-term value for all stakeholders in the society and making a profound and positive impact on the communities in which we operate. We will actively manage the impact of our operations on the environment and society and strive to fulfil our environmental and social responsibilities. Furthermore, as an environment-friendly enterprise, we will improve the sustainability and transparency of the Group and create a green and sustainable future for the next generation.

Sustainable Governance Strategies

To implement its philosophy of sustainable development, the Group has established a top-down ESG framework.



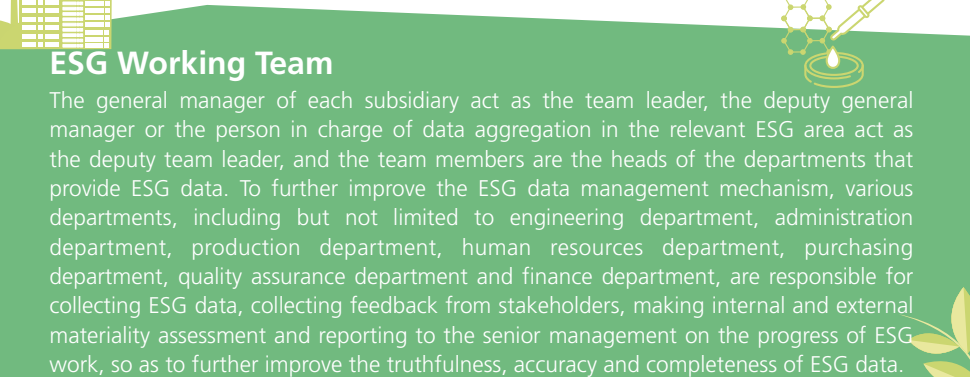
The Board

The Board is responsible for assessment and determination of the Group's ESG risks and formulate ESG strategies, ensuring the effectiveness of the Group's ESG risk management and internal control, and supervising their implementation by relevant departments and subsidiaries of the Company.



ESG Leading Team

Our chairman as the team leader and its members include the senior management and relevant ESG experts. The team coordinates and leads the ESG efforts of the Group. It also requests the "ESG Working Team" established by each subsidiary to implement ESG related policies and collect relevant data continuously, and to report to the Board on the progress of the ESG work and submit the Group's annual ESG report.



ESG Working Team

The general manager of each subsidiary act as the team leader, the deputy general manager or the person in charge of data aggregation in the relevant ESG area act as the deputy team leader, and the team members are the heads of the departments that provide ESG data. To further improve the ESG data management mechanism, various departments, including but not limited to engineering department, administration department, production department, human resources department, purchasing department, quality assurance department and finance department, are responsible for collecting ESG data, collecting feedback from stakeholders, making internal and external materiality assessment and reporting to the senior management on the progress of ESG work, so as to further improve the truthfulness, accuracy and completeness of ESG data.



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Board Engagement

The Board is committed to incorporate sustainable development into its business development, and understands its overall responsibility for overseeing the Group's ESG strategy, which includes:

- Assessment and determination of the Group's ESG related risks and opportunities;
- Ensuring appropriate and effective risk management and internal control systems are put in place;
- Formulating the Group's ESG management policies, strategies, priorities and objectives;
- Reviewing the ESG performance of the Group regularly; and
- Considering and approving the disclosures in the ESG report of the Group.

The Board regularly evaluates, identifies and manages sustainability risks and seeks to create long-term value for our stakeholders by exploring potential opportunities in compliance with regulatory requirements and industry practices. In addition, the Board regularly reviews the implementation of ESG objectives and adjusts the objectives as appropriate and practicable to ensure that the impact of corporate development on the environment and society is minimised.



V. Communication with Stakeholders

The Group upholds the mission of “serving the health of the public”, takes creating value for stakeholders as its responsibility and strives to integrate environmental and social governance considerations into our daily operations. We are committed to promote and contribute health and well-being of the public through better products and services. We believe that understanding, concern and responding to stakeholders’ opinions will provide a solid foundation for the long-term development and success of the Group. In 2023, to further understand stakeholders’ concern and needs in respect of the Group’s ESG performance, the Group actively maintained effective mutual communication and cooperation with major stakeholder groups (including the government, investors and shareholders, customers, employees, suppliers and business partners and the community) through various channels including reports, workshops, surveys or other platforms to understand their views and expectations, and took it as the basis for the improvement of our effort in sustainable development, so as to make progress and develop together.

The table below summarises the ways of communication of the Group with stakeholders, their concerns, and our plans of action:

Stakeholder group	Communication method/channel	Key concerns	Our plan of action
Government and regulatory bodies	<ul style="list-style-type: none"> Enforce relevant policies and industry standards Communicate and hold dialogue as and when required Report important matters to the relevant regulatory authorities 	<ul style="list-style-type: none"> Comply with regulatory requirements, operate in a lawful and compliant manner and proactively respond to national policies including those relating to drug administration Ensure production safety Support local economic and industrial development, and promote employment Fulfil tax obligations in accordance with the law 	<ul style="list-style-type: none"> Keep track of law and regulation updates, and strictly comply with all regulatory requirements Follow the pandemic prevention requirements of the state and local governments, and protect the safety and health of employees Cooperate with regulatory authorities in compliance checks on the production and distribution of pharmaceutical products Proactively report the progress of drug prescribing to the regulatory authorities Strengthen safety management and ensure that the production processes comply with safety standards Create job opportunities File tax returns timely and pay taxes in full and in a timely manner





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Stakeholder group	Communication method/channel	Key concerns	Our plan of action
Shareholders and investors	<ul style="list-style-type: none"> Board meeting, general meeting, presentation to investors and other meetings Publish annual reports, announcements and circulars 	<ul style="list-style-type: none"> Business strategies and financial results Information disclosures and risk control Protection of shareholders' interest Business sustainability Corporate transparency 	<ul style="list-style-type: none"> Hold regular shareholders' general meetings and investor meetings to actively listen to the views and needs of shareholders and investors Release operating data and financial results in due course Assess corporate risks regularly and formulate response plans
Customers	<ul style="list-style-type: none"> Company website and WeChat public account Customer feedback and complaints Communication software, telephone and email Sales channels and size 	<ul style="list-style-type: none"> Safety and quality protection of medicine Compliance with international quality standards High quality and efficient services Delivery and after-sales service Ease of use of products Protect consumers' rights Pharmaceutical research and development and innovation Impact of extreme weather on storage, quality and transport of goods Legal compliance in pharmaceutical operation, marketing and production 	<ul style="list-style-type: none"> Strictly control products' ex-factory indicators Optimise delivery process to enhance delivery efficiency Establish medicine alarm department, and actively collect adverse reaction cases Improve the quality of pre-sales, in-sales and after-sales services Collect customer feedback through customer satisfaction surveys Follow up and handle customer complaints promptly to improve product and service quality Develop disaster contingency plans and safe inventory level

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Stakeholder group	Communication method/channel	Key concerns	Our plan of action
Employees	<ul style="list-style-type: none"> • Training and orientation • Training and drills • Regular performance appraisal • Online learning platform • Staff caring activities • Daily work communication • Employee representatives' meeting 	<ul style="list-style-type: none"> • Reasonable salary and welfare • Employee training, promotion, and development • Care for and communication with employees • Occupational health and safety • Labour relations, employment compliance • Impact of extreme weather and natural disasters on work process and safety 	<ul style="list-style-type: none"> • Establish competitive compensation system, transparent promotion channels • Provide fair career development path • Provide regular training and build a platform for career development for employees • Listen to employees' views through various communication channels to ensure harmonious and stable labour relations • Organize physical examination on a regular basis and arrange specific operational training • Provide an equal and safe working environment • Offer birthday gifts and festive gifts to staff
Suppliers and partners	<ul style="list-style-type: none"> • Selection assessment of suppliers and performance appraisal and rating • Communication meetings and telephone discussion • Communication software and emails • On-site inspection 	<ul style="list-style-type: none"> • Reputation, management, environmental protection, qualification and scale of the Group • Fair and transparent procurement process • Good relationship with the Group • Supply chain management, and market supply and demand • Environmental compliance 	<ul style="list-style-type: none"> • Sound production safety management system • Establish open and transparent tendering system, and provide equal competition opportunity to suppliers • Build a platform for communication with suppliers and facilitate the cooperative development with suppliers in a proactive manner • Conduct supplier qualification assessments and regular audits, keep watch of market supply and demand conditions in a timely manner





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Stakeholder group	Communication method/channel	Key concerns	Our plan of action
Community	<ul style="list-style-type: none"> • Media promotion and reporting • Participate in community welfare activities • Company website • Communication software, telephone and emails 	<ul style="list-style-type: none"> • Corporate social responsibility, support social welfare, community contribution • Provide employment opportunity • Promote health awareness • Promote wealth protection awareness • Labour rights and safe production • Environmental protection 	<ul style="list-style-type: none"> • Actively participate in charity activities and community donation, encourage our staff to become volunteers for pandemic prevention and control • Create job opportunities • Promote safety knowledge of citizens in respect of food and pharmaceuticals • Check fire safety, maintain fire safety facilities and hold fire safety drills regularly • Maintain cleanliness of the environment around the plant area



VI. Materiality Assessment

In accordance with the Environmental, Social and Governance Reporting Guide of Appendix C2 of the GEM Listing Rules, the Group regularly reviews its operations and identifies relevant ESG issues through the management and staff of each of its major divisions, and assesses the impact and significance of these issues on our business and various stakeholders, to ensure that this Report fully reflects the major ESG issues of concern to Neptunus Interlong and the stakeholders. The materiality assessment process, which includes 3 steps, is as follows:

First step: identify potential ESG issues

The Group identified the following 16 ESG issues in accordance with the disclosure requirements of the ESG Reporting Guide, industrial trend, communication with stakeholders and the business characteristics and day-to-day operation of Neptunus Interlong. These issues are considered to have impacts on the environment and society in which we operate.

ESG Aspects	No.	ESG Issues
A. Environment	Aspect A1: Emissions	1 Reduction of greenhouse gas emission
		2 Handling of hazardous and non-hazardous waste
		3 Reduction of water consumption
	Aspect A2: Use of Resources	4 Energy conservation
	Aspect A3: Environment and Natural Resources	5 Impact of operation on environment and natural resources
	Aspect A4: Climate change	6 Impact of significant climate-related issues on operation
B. Social	Aspect B1: Employment	7 Employee turnover
	Aspect B2: Health and Safety	8 Employee occupational health and safety
	Aspect B3: Development and Training	9 Staff training
	Aspect B4: Labour Standards	10 Avoid child labour and forced labour
	Aspect B5: Supply Chain Management	11 Supply chain and distributor management
	Aspect B6: Product Responsibility	12 Product quality and safety
		13 Quality assurance process and product recall procedures
		14 Handling of complaints
Aspect B7: Anti-corruption	15 Anti-corruption	
Aspect B8: Community Investment	16 Community investment	



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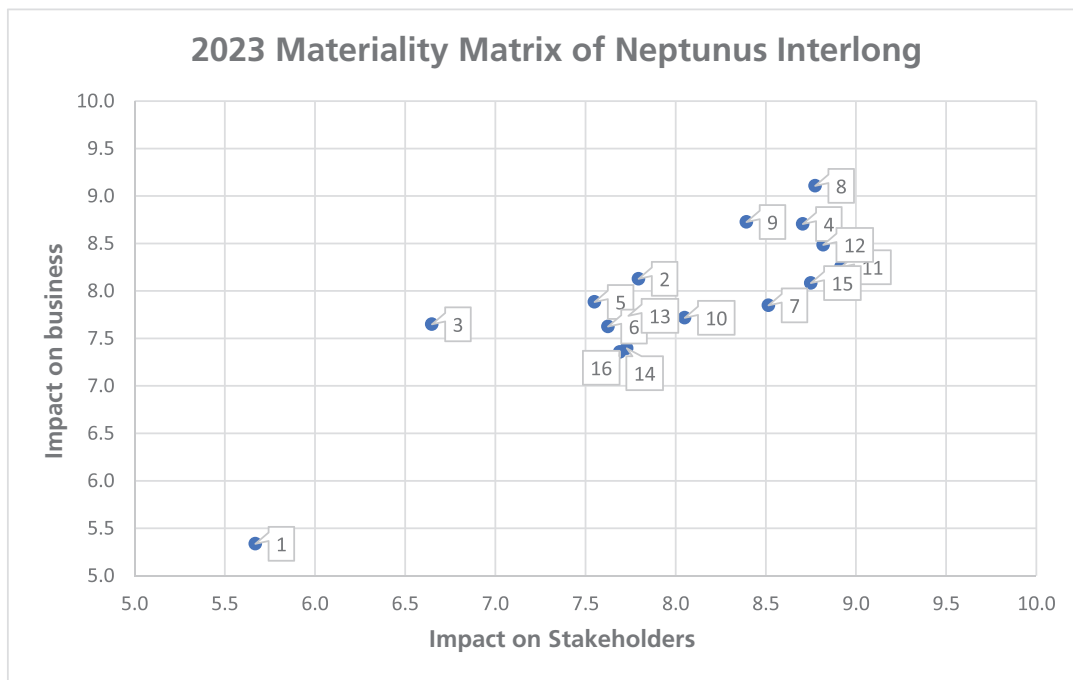
Second step: assigning priorities

We learned about stakeholders’ concern related to the Group’s issues through online questionnaires². Based on the ESG opinions gathered in the communication, the management of the Group held internal meetings and rated the relevance and materiality of each ESG issues on a scale of 0-10 (0 as not relevant; 10 as extremely material). The management of the Group prioritized the issues according to their materiality to the Group and stakeholders, which is illustrated through a matrix for materiality.

Third step: review and confirm the result of analysis of the issues

The priority and analysis of the issues were reviewed and confirmed by management of the Group and external experts. The issues are arranged on the two axes of “Impact on stakeholders” and “Impact on business” in accordance with the rating results, and a materiality matrix is prepared accordingly.

The results of this year’s ESG materiality analysis and evaluation are shown in the following matrix. The top right corner of the matrix shows issues of highest materiality, while the bottom left corner shows issues of lower materiality. As the principal activities of the Group are research and development, manufacturing and selling of medicines, and the purchase and sales of medicines and healthcare food products, our material issues for the year mainly focus on employee occupational health and safety measures, product quality and safety, energy conservation, staff training, supply chain and distributor management. The Group will pay more attention to such areas while taking environmental and social responsibility into consideration. To effectively address the concerns of stakeholders, we will focus on strengthening the examination of material issues, fully consider opinions raised by all stakeholders, and earnestly optimise our development strategy in the long run.



² The online questionnaire survey covered a total of 242 questionnaires from the management, general staff, customers, suppliers and shareholders of the Group and its subsidiaries.



TABLE OF PRIORITY OF ISSUES OF MATERIALITY OF THE 2023 ESG REPORT

CATEGORY OF ISSUES	Category of issues	Category of issues	Category of issues	Category of issues
MATERIALITY	1	Social	8	Employee occupational health and safety measures
	2	Environmental	4	Energy conservation
	3	Social	12	Product quality and safety
	4	Social	11	Supply chain and distributor management
	5	Social	9	Staff training
ISSUES OF MEDIUM MATERIALITY	6	Social	15	Anti-corruption
	7	Social	7	Employee turnover
	8	Environmental	2	Handling of hazardous and non-hazardous waste
	9	Social	10	Avoid child labour and forced labour
	10	Social	13	Quality assurance process and product recall procedures
	11	Environmental	5	Impact of operation on environment and natural resources
	12	Environmental	6	Policy relating to significant climate related issues which have impact on operation
	13	Social	14	Handling of complaints
	14	Social	16	Community investment
ISSUES OF LOW MATERIALITY	15	Environmental	3	Reduce water consumption
	16	Environmental	1	Reduce greenhouse gas emission



VII. Environmental Aspect

With the increasing impact of climate change-related issues, environmental policies and guidelines have been tightened in recent years, and green development and environmental protection issues are becoming a global corporate policy and trend. Neptunus Interlong adheres to a sustainable business philosophy and actively integrates environmental protection concepts into its core business, strictly monitoring every aspect of its operations that may have a negative impact on the natural environment, aiming to use natural resources effectively and with minimal harm to the environment. Hence, we have established internal policies and procedures such as Environmental Management Plan, Hazardous Waste Management Policy and General Solid Waste Management Policy to regulate the daily work of our staff and the disposal of waste, with an aim to reducing pollutant emissions in the production process. At the same time, we actively promote the green office concept to reduce operating costs by conserving resources and energy, thus achieving a win-win situation for both corporate development and environmental protection.

A1: Emissions

The Group strictly complies with environmental laws and regulations such as the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and Administrative Measures on Environmental Protection for Pharmaceutical Industry (《醫藥工業環境保護管理辦法》) in relation with the requirements on the management of pollutant emission and energy conservation by enterprises and has formulated and strictly implemented internal policies such as Environmental Management Plan, Hazardous Waste Management Policy and General Solid Waste Management Policy to strictly manage exhaust gas, wastewater, waste, and greenhouse gas emission generated from our office and production premises, and strives to minimise emissions produced in the course of operation and the possible damage to the environment. In addition, the Group has also commissioned third-party professional organizations to conduct tests on pollution emissions from its operation. The data generated from the air and water pollutants are not only used for monitoring purposes, but also to calculate the environmental tax payable to ensure that the Group pays the environmental tax in full and on time to comply with the requirements of the Environmental Protection Tax Law (《環境保護稅法》).

Management of Atmospheric Emission

In order to strictly comply with the laws and standards set by the PRC, the Group has established a comprehensive emission management system to meet the laws and regulations and standards such as the Air Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》), the Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》), and the Emission Standard for Air Pollutants from Boilers (《鍋爐大氣污染物排放標準》). In addition, the Group has set up internal emission treatment process and emission standards to ensure strict control of air pollutant emissions in the production and operation process. In addition to the control through operational procedures, the Group also commissions a qualified entity to conduct annual emission tests to keep track of the Group's emissions and data, including the operational status of environmental protection equipment, so as to effectively monitor and improve the progress of the Group's emission management work in order to meet the requirements of relevant environmental protection regulations. Replacing biomass fuels with natural gas at the Fuzhou Production Base from 2019 onwards, so as to reduce the emission of sulphur dioxide, nitrogen oxides and sulphur oxides in an effort to improve air quality.



The air pollutants generated from the operation of the Group mainly originate from sulphur dioxide, nitrogen oxides and dust/particulate matter from the combustion of natural gas, but still small amounts of petrol and diesel are used. The Group's emissions of sulphur dioxide and nitrogen oxides during the Reporting Period were 65 kilograms and 1,529 kilograms, representing an increase of approximately 23% and 40% respectively from approximately 53 kilograms and 1,091 kilograms in the previous year, while emissions of dust/particulate matter decreased from approximately 275 kilograms to approximately 177 kilograms, representing a decrease of approximately 36% from the previous year. The increase in sulphur dioxide and nitrogen oxide emissions during the year could be mainly attributed to the increase of Fuzhou Production Base's overall production volume and a corresponding increase in related emissions. The Group's current new construction, renovation, and expansion projects have been implemented after the environmental impact assessment was reviewed and recognised by the appropriate local ecological and environmental authorities. Looking forward, we will continue to phase out and upgrade equipment and explore additional measures to reduce the environmental impact of air pollutants emitted by the Group. Please refer to section IX-ESG KPIs Overview for details of the data.

Management of Water Emissions

The Group is committed to reducing wastewater emissions, and strictly complies with the Emission Standard for Pharmaceutical Industrial Water Pollutants from Mixing and Formulation Category (《混裝製劑類製藥工業水污染物排放標準》 "Emission Standards for Water Pollutants from Chinese Pharmaceutical Industries" (《中藥類製藥工業水污染物排放標準》), etc. The Group engages a qualified third-party entity to conduct test on water emissions annually. The pollutants in the wastewater discharged in the course of the Group's operation are mainly chemical oxygen demand (COD) and ammoniacal nitrogen. During the Reporting Period, the Group generated approximately 107,400 tonnes of wastewater and 2,782 kilograms of COD from production processes, representing an increase of approximately 3% over the previous year. Conversely, ammoniacal nitrogen emissions decreased by 52% compared to the previous year. The increase of wastewater and wastewater COD can be mainly due to the increase in the Group's production, which resulted in a corresponding increase in production wastewater.

Case – Reduction of wastewater discharge

- In July 2023, in response to the current market demand for pharmaceuticals, our subsidiary renovated and expanded the existing production lines for granules and oral liquids, utilizing the existing engineering pipe network system to renovate sewage treatment facilities and a set of sewage treatment system was added. Through the adjustment of the production line, we successfully increased the annual production capacity of the production line and achieved the reduction of production wastewater. Meanwhile, through the renovation of the sewage treatment facilities, the production wastewater can be purified by the newly installed pre-treatment system and then discharged from the sewage network into the base sewage station for deep treatment of sewage, which is further in line with the comprehensive sewage discharge standards. During the reporting period, the subsidiary has obtained the new discharge permit, completed the environmental impact report form of the production line renovation and expansion project and obtained the approval, completed the environmental protection inspection and acceptance of the production line renovation and expansion project.



Management of Solid Wastes

The Group formulated and has been implementing internal policies such as Hazardous Waste Management Policy (《危險廢棄物管理制度》) and General Solid Waste Management Policy (《一般固體廢棄物管理制度》), which clearly regulate the categories of wastes and the management process of waste collection, storage and transfer to minimize the impact of wastes on the environment. In addition, we set up centralized stacking yards in each subsidiary of the Group for the classified storage and regular disposal of wastes. The wastes generated by Neptunus Interlong mainly include medical waste and waste drugs, waste packing materials and office and domestic garbage. For recyclable waste cartons, we process them into gaskets for external packaging used in the injection workshop, while recyclable caps of waste glass bottle and glass fragments are bought back by suppliers. For non-recyclable wastes such as waste newspapers and cartons, they are disposed by professional qualified institutions.

During the Reporting Period, the Group generated hazardous waste density and non-hazardous waste density of approximately 264.08 kg/RMB million revenue and 0.62 tonnes/million RMB million revenues. The significant increase in hazardous waste density compared to that of the previous year was mainly due to the fact that our production base in Fuzhou was affected by the disaster and suffered from loss during the typhoon Anemone in 2023, and 236.06 tonnes of disposal products were scrapped, resulting the current year's information differs from that for 2022. Looking forward, the Group plans to control waste at the source, promote recycling of waste, gradually create a paperless office, and continue to strengthen the disposal of hazardous waste, so as to strive to reduce the discharge of hazardous and non-hazardous waste in the next year. Please refer to section IX-ESG KPIs Overview for details of the data.

Greenhouse Gas Emission

The Group's greenhouse gas emission consists of direct emission (Scope 1) and indirect emission (Scope 2). Due to the nature of the Group's business, our greenhouse gas direct emission (Scope 1)³ is mainly generated by natural gas combustion and fuel consumption on production facilities and vehicles, which amounted to approximately 4,982 tonne carbon dioxide equivalent during the Reporting Period, representing an increase of approximately 10% from 4,515 tonne carbon dioxide equivalent in the previous year; and greenhouse gas indirect emission (Scope 2)⁴ was mainly from purchased electricity and steam, which amounted to approximately 8,627 tonnes of carbon dioxide equivalent during the Reporting Period, representing an increase of approximately 9.6% compared to 7,874 tonnes of carbon dioxide equivalent⁵ in the previous year. As the overall business volume of the Group increased during the Reporting Period, the natural gas and electricity consumption by our production facilities also increased, both direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions showed an upward trend. Looking forward, the Group will actively consider the gradual replacement of more environmentally friendly production equipment and the adoption of various energy saving measures with a view to reducing greenhouse gas emission.

³ Scope 1 covers greenhouse gas emissions directly generated by operations owned or controlled by the Group.

⁴ Scope 2 covers "energy indirect" greenhouse gas emissions resulting from electricity and steam (purchased or acquired) consumed within the Group.

⁵ Indirect greenhouse gas emissions (Scope 2) have been calculated in accordance with the Notice on the Management of Greenhouse Gas Emission Reports of Enterprises in the Power Generation Industry for 2023-2025 issued by the Ministry of Ecology and Environment of the PRC. To ensure consistency, indirect greenhouse gas emissions data for 2022 have been recalculated.



During the Reporting Period, the Group was able to meet government standards for wastewater, waste gas and greenhouse gas emissions and hazardous waste was safely disposed of in accordance with relevant standards and systems, and some of our subsidiaries achieved reductions in exhaust gas and hazardous and non-hazardous waste compared to the previous year. However, the Group's overall emissions and waste volume increased compared to the previous year, mainly due to the increase in the overall business volume during the Reporting Period and a corresponding increase in the related emissions and waste volume. The Group has put in place relevant management systems and arranged for relevant staff to monitor the abovementioned emissions and waste volumes, and has improved production facilities and processes to reduce emissions; we strengthened production control and inventory management, used environmentally friendly packaging materials and continued to work towards a paperless office to reduce inventory waste and material consumption. The Group will continue to actively monitor the implementation and execution of its environmental objectives, with a view to further enhancing the effectiveness of the Group's environmental policies and efforts.

A2: Use of Resources

Enhancing the efficiency of resource use and saving energy consumption is an important cornerstone of the Group's efforts to become an energy-saving enterprise. The Group attaches great importance to this and has been actively responding to the call of the country for energy conservation and emission reduction by complying with laws and regulations such as Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》) and Clean Production Promotion Law of the People's Republic of China (《中華人民共和國清潔生產促進法》). Through the strengthening of internal management system for introducing environmental protection concept into our work process, and actively promoting green resource management and encouraging resource and energy conservation among our subsidiaries, we can thereby cultivate a green office concept among our staff. In addition, we will review and evaluate the efficiency and effectiveness of our environmental programmes from time to time to strike a good balance between environmental protection and business growth.

We have implemented a number of energy saving and emission reduction measures to reduce energy and resource consumption, including:

- **Saving electricity in the office:** Turning off lights and air-conditioning facilities after work; cut off power for computers and other power-consuming equipment when idling; regulation inspection on electrical wiring, appliances and other equipment, timely replacement of aging lines and repair of faulty power-consuming equipment;
- **Water conservation:** Regularly inspecting hidden water pipes to prevent leaks, inspecting internal water supply systems, repairing faulty tanks, faucets, and other water supply systems; making full use of rainwater collection ponds, and greening with collected rainwater.
- **Paper saving:** Integrating the online system to correct and save documents, promoting a paperless office, encouraging staff to print on both sides if the use of paper is necessary, and recycling used paper as much as possible;



- **Energy saving:** To ensure maximizing our investment and increasing energy efficiency, we conduct annual performance assessments of our subsidiary companies' production and environmental equipment, and upgrade and retrofit appropriate equipment;
- **Reducing travel:** We encourage our employees to reduce non-essential travel, to communicate with customers, suppliers or business partners by video conference to reduce the carbon footprint of travel by air or other means of transport;
- **Reducing car use:** We regularly record the petrol and diesel usage of our subsidiary companies' business vehicles, and encourage employees to share rides so as to enhance the efficiency of energy utilization and reduce carbon emission.

Energy Consumption

Our direct energy consumption mainly comes from natural gas, diesel and gasoline used in boilers, generators, production equipment and business vehicles; indirect energy consumption mainly comes from purchased electricity and steam. During the Reporting Period, the Group's total energy consumption intensity was approximately 37.33 MWh/million RMB revenue, representing a slight increase of approximately 2% as compared to the previous year. The Group will continue to take various energy saving measures such as replacing of energy-conserving light bulbs, reviewing the electricity using practice of employees in our offices and advocating the reduction of business trips and use of cars by our employees, and recording energy consumption and reviewing the use of energy regularly, in an effort to further reduce total energy consumption intensity in the next year.

Water Consumption

As a pharmaceutical research and development, production and sales company, we need water for our production workshops, laboratories, office areas and canteens. Our main source of water for production and office use is the water supply from the local government authorities, which is relatively stable and therefore we have not encountered any significant difficulties in obtaining water resources. During the Reporting Period, the Group's total water consumption intensity was approximately 348 tonnes/million RMB revenue, representing a decrease of approximately 24% as compared to the previous year. In order to further reduce water consumption in the coming year, the Group will continue to actively review the water consumption in production workshops and office areas, actively consider the feasibility of water recycling and post water conservation reminders at prominent locations in water-using areas to promote reasonable water consumption among staff.

Case - Wastewater recycling

- In March 2023, our subsidiary recovered the steam condensate from the distilled water machine by adding a loop pump and piping to the boiler storage tank, saving about 30 tonnes of water per day and raising the inlet water temperature by about 50 degrees.
- In May 2023, our subsidiary reused of treated post purification concentrate water generated from the mill, pulse dryer and cooling tower in the pre-processing and extraction plant as well as for flushing in the bathroom and spraying in the sewage tanks, through adding recycle and reuse facilities. The reuse of wastewater not only responds to the national initiative of saving water resources, realises multiple uses of water and reduces wastewater discharges, but also reduces daily water expenses from enterprises.



During the Reporting Period, the Group's total energy consumption increased, and total water consumption decreased as compared to the previous year. Total energy consumption increased in line with the overall business growth, while total water consumption was effectively reduced as a result of the renovation and upgrading of our production facilities in an effort to promote water conservation, thereby realising the "multi-use of water". At the same time, Beijing Production Base was awarded the "2023 Water Conservation Carrier Creation Unit Honour". The Group has put in place relevant management systems and arranged staff to monitor energy and water consumption, improved production facilities and processes to increase energy and water efficiency, and cut off power and water sources when facilities and equipment are idle to reduce wastage. The Group will continue to actively monitor the implementation and execution of its environmental objectives in the coming year, with a view to further enhancing the effectiveness of the Group's environmental policies and efforts.

A3: Environment and Natural Resources

While seeking to provide quality products and services to the public, Neptunus Interlong also attaches great importance to the ecological health and environmental impact of the Group's business. The Group strictly implements the "Three Simultaneities" system stipulated by the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), and ensures that all environmental impact assessment on projects have been approved by local environmental protection departments before their commencement, so as to minimize the impact of business operations on the surrounding environment and biodiversity. We unceasingly monitor the balance between enterprise development and environmental protection, continue to fulfil our corporate responsibility for environmental protection by taking the abovementioned measures to reduce emissions of various types of pollutants, conserve energy and resources, and undertake to deal seriously with departments or individuals who dispose of hazardous waste indiscriminately or without permission, and to pursue legal action against those involved where necessary. During the Reporting Period, there were no significant environmental violations in our production and operation sites.

A4: Climate Change

As the impact of climate change and related extreme weather events becomes more pronounced in all countries, it has become a consensus among governments and even businesses to address climate change. Neptunus Interlong is constantly aware of the risks of climate change in relation to its business and has been assessing the impact of climate change on the sustainability and stability of the Group's business in accordance with the international recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") established by the Financial Stability Board. To ensure that we are well prepared for the onset of a climate crisis, the Group has put in place policies and measures to manage climate related risks and seize opportunities based on the results of this assessment.



Environmental, Social and Governance Report

With reference to the risk classification of the TCFD framework, the climate related risks identified by the Group are as follows:

Type	Climate-related risk	Potential financial impact	Our policies and practices
Transformation Risk	Policy and Legal Risk	In 2021, the State Council of the PRC has promulgated the “Action Plan for Carbon Dioxide Peaking Before 2030”, which sets targets for carbon emissions, and the “Interim Regulations on the Administration of Carbon Emission Trading” will come into force in May 2024, the supervision, liability and penalties of emission units may result in the Group’s need to implement energy and resource saving projects to reduce emissions and may increase operational and compliance costs.	<ul style="list-style-type: none"> To keep relevant policy updates under review and assess their potential impact on operations; To improve the organisational structure to meet the latest policy requirements.
		There may also be new regulatory requirements for operations and products, resulting in increased product development costs.	<ul style="list-style-type: none"> To achieve sustainable use of energy and resources; Regular maintenance and inspection of machinery, equipment, transport vehicles, etc. to ensure compliance with regulatory requirements.
	Market Risk	The increase in consumer demand for green and low carbon products may require the Group to research and apply environmentally friendly production technologies and use those suppliers that are environmentally friendly in their production, resulting in higher product development costs. In addition, the use of unsustainable or non-reusable materials may result in less competitive products.	<ul style="list-style-type: none"> Assess the energy efficiency and sustainable use of machinery; Promote low energy consumption production, resource planning; Promote the internal reuse of materials.
Physical risk	Extreme weather and natural disasters	The impact of rainstorm, typhoons and flooding can cause disruptions in the supply chain, disruptions in logistics or reduced production capacity, resulting in reduced revenue.	<ul style="list-style-type: none"> Improve efficiency and reduce costs to reduce sourcing and production costs.



In addition, the followings are the Group's measures taken in response to actual extreme weather conditions in 2023:

Case –Damage caused by Tropical Storm HAIKUI

On 5 September, affected by typhoon "HAIKUI", Fuzhou suffered an unprecedented large-scale rainstorm, resulting in damage of the factory area, total power outage of the Company, water supply and production disruption. In response to the relevant extreme weather conditions, the Group has adopted the following methods and measures:

1. The Company organized all staff to participate in rescue and disaster relief, paid close attention to the clearing of silt and gravel on the main road of the factory area, and restored the unblocked main road and the lighting and electricity in the factory area as soon as possible;
2. The Company actively sought assistance of relevant government departments to speed up the desilting of the plant area, removal of gravel and soil and repair of high level flood drainage channels;
3. The Company set up the "HAIKUI" post-typhoon production recovery headquarters and held meeting to make specific arrangements for production recovery;
4. The Company gathered statistics of disaster situation, cooperated with the insurance company to complete onsite inspection, follow up the insurance disaster claims;
5. The Company investigated production and fire safety hazards, gradually restored water supply, power supply, steam supply, and orderly resumption of production.

In response to this extreme weather event, the Group has also put in place the following precautionary measures to ensure that losses can be minimised in the next extreme weather case:

1. Establish disaster prevention and early warning mechanism. Always pay attention to the weather situation, and deploy in advance before the arrival of extreme weather to prepare for prevention and response. Pay close attention to emergencies in important locations and areas.
2. Conduct inspection for the whole area to eliminate security risks. Organize and carry out safety hazard investigation and emergency prevention in the whole plant area, such as checking equipment and flood drainage trench, building temporary water retaining facilities, etc.
3. Strengthen guarding and prepare for emergency. Disaster prevention teams strictly implement the 24-hour on-duty system, and prepare for transferring personnel and valuables when necessary to ensure the safety of personnel lives and property.
4. Timely reporting mechanism for abnormal situations. After the occurrence of extreme weather, report to the superior authorities in time, and carry out emergency rescue and disaster relief work immediately.



Going forward, the Group will continue to monitor its environmental compliance performance, measure the risks posed by climate change and take necessary countermeasures to mitigate the impact on the Group.



VIII. Social Aspect

B1: Employment & B4: Labour Standards

The Group believes that our employees are one of the most important assets for the sustainable development of our business. The Group has always adhered to the employment principle of equal competition, providing talents with opportunities to reach their full potentials, so that they can grow and develop together with the Group. The Group has developed a series of human resource management systems, such as Human Resource Management Policy (《人力資源管理制度》), Remuneration and Benefits Management Policy (《薪酬福利管理制度》) and Work Attendance and Vacation Policy (《考勤休假制度》), etc., with internal guidelines covering salary and dismissal, recruitment and promotion, working hours, holiday, equal opportunity, diversity, anti-discrimination and other remuneration and benefits to protect the legitimate rights and interests of employees, occupational safety and health, create a good corporate culture and provide a reasonable, fair and non-discriminatory working environment for our employees and strictly protect the basic rights and interests of employees.

Recruitment and Talent Pool

The Group strictly complies with laws and regulations related to the employment of employees such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), and has formulated the Human Resource Management Policy (《人力資源管理制度》) accordingly to ensure that the Group's overall human resources can be maintained at a certain level and that the recruitment procedures comply with the requirements of laws and regulations.



We constantly improve our employment system and promote the professional ethics of law abidance, integrity, trustworthiness, dedication and cooperation in the recruitment process. We observe and assess the performance of candidates in an objective and scientific manner to determine whether their professional ethics, academic qualifications and work experience meet the Group's requirements, and avoid subjective and arbitrary assessment methods as far as possible. At the same time, we avoid using personal characteristics such as gender, age, marital status and physical qualities as essential factors in the selection process and avoid asking questions about personal privacy that are not related to job performance. The assessment of the candidates' cognitive abilities is only performed for those who apply for relevant positions.

Any form of child labour and forced labour is strictly prohibited

The Group strictly complies with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), Law of the People's Republic of China on the Protection of the Minors (《中華人民共和國未成年人保護法》) and other laws and regulations on the protection of the legitimate rights and interests of employees and the prohibition of employment of minors.

- Conducting background checks on employees during the recruitment process and examining information such as applicants' identification, academic proof and age to eliminate the illegal use of child labour;
- A Work Attendance and Vacation Policy (《考勤休假制度》) is in place, whereby employees are entitled to a variety of paid holidays to prevent forced labour and to ensure that employees have adequate rest.

Promotion and Dismissal

We uphold the principles of fairness, openness and impartiality in providing promotion opportunities for our staff. We have established the Performance Management Policy (《績效管理制度》) to provide detailed rules for staff promotion and conduct regular performance appraisals for our staff to determine whether they are eligible for promotion. We believe that communication and feedback will help to enhance the overall work performance of our staff, thereby promoting the positive development of the organisation and improving operational performance and management standards to the mutual benefit of the Group and our staff. In addition, we will conduct internal selection and rotation to provide more job and promotion opportunities for servicing employees, thereby optimising the internal allocation of human resources and standardising the process of nomination for promotion, qualification review and debriefing to achieve transparency in the promotion channel.

In the event of employee misconduct or non-compliance with the Company's rules and regulations, the Group will give warning or deduct performance appraisal points depending on the severity of the case. If there is no improvement, punishment such as reduction of salary, demotion or termination of labour contract will be given.

Working Hours and Holidays

The Group has established the Work Attendance and Vacation Policy (《考勤休假制度》) in accordance with the Regulations on Paid Annual Leave for Employees (《職工帶薪年休假條例》) and pays overtime wages to employees for overtime work in recognised circumstances. In addition, in accordance with the Work Attendance and Vacation Policy (《考勤休假制度》), our employees are entitled to various paid leaves, including statutory holidays, marriage leave, bereavement leave, maternity leave, family planning leave and annual leave, and their annual leave will be adjusted according to their length of service.

Remuneration and Benefits

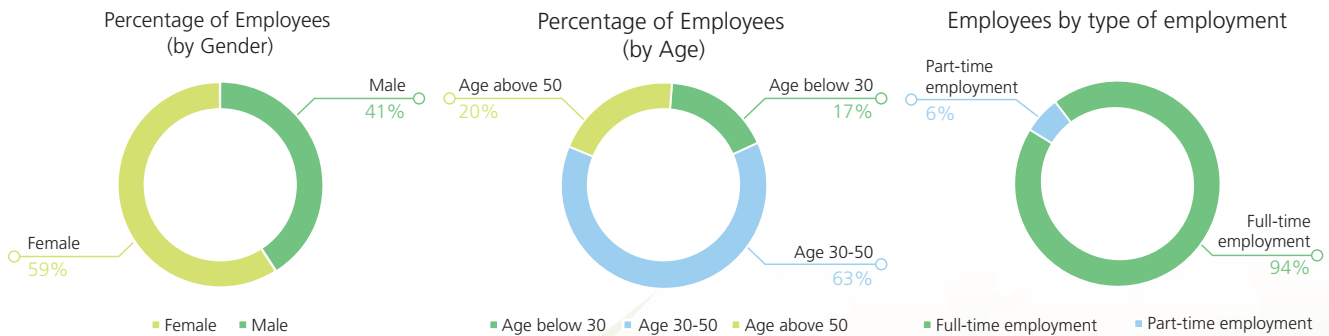
We have formulated an internal Remuneration and Welfare Management Policy 《薪酬福利管理制度》 and a Work Attendance and Vacation Policy 《考勤休假制度》 in accordance with the provisions of the Social Insurance Law of the People's Republic of China 《中華人民共和國社會保險法》 and the Regulations on Paid Annual Leave for Employees 《職工帶薪年休假條例》, which clearly set out the composition of employees' remuneration, including fixed salaries, performance pay, welfare allowances, bonuses and annual compensation for years of service, in order to motivate employees and enhance their sense of belonging to the Group. We also pay pension insurance, basic medical insurance, unemployment insurance and maternity insurance for our employees on time in accordance with the law to protect their legitimate rights and interests. In addition, the Group organises and encourages its staff to participate in various activities from time to time each year, such as company anniversary celebrations, Chinese New Year party, outing, team building, movie watching, sports events and physical exercises, etc., to enrich the spare time of our staff.

Equal Opportunities, Diversity and Anti-Discrimination

The Group adopts the principles of openness, fairness and equal competition in recruitment and performance management. In order to accurately implement the concepts of equality, diversity and anti-discrimination, our Human Resource Management Policy 《人力資源管理制度》 ensures fair treatment of our employees in terms of recruitment and promotion procedures, termination procedures, training, performance appraisal, remuneration and benefits, working hours, leave and other holidays (including marriage leave, compassionate leave and maternity leave).

The Group organizes and encourages employees to participate in various activities from time to time every year, such as company anniversary celebration, Chinese New Year party, outing, team building, movie watching, sports events and physical exercises, etc., to enrich the spare time of our employees.

As at 31 December 2023, we had 1,444 employees, of whom approximately 41% were male and 59% were female, while the employee turnover rate was approximately 22.5%, representing an increase of approximately 1% as compared to the previous year.





B2: Health and Safety

As a responsible employer, we always strictly uphold production safety as our first priority and strictly observe laws and regulations related to labour safety and health such as the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), the Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》), the Provisions on Work-Related Injury Insurance of the PRC (《中華人民共和國工傷保險條例》), the Prevention and Control of Occupational Diseases Law of the People's Republic of China (《中華人民共和國職業病防治法》) and Regulations on the Reporting, Investigation and Disposition of Work Safety Incidents (《生產安全事故報告和調查處理條例》). The Group formulates internal guidelines such as Fire Safety Management Policy (《消防安全管理制度》) and Training Materials on Basic Knowledge of Production Safety, Safety Protection of APIs (Active Pharmaceutical Ingredients) and Specific Operation (《原料藥安全防護及特定操作培訓教材》), and requires all employees to understand and comply with relevant safety instructions, whenever a safety hazard is identified at work, such as inadequate safety equipment, accidents or potential hazards, it must be reported promptly. For employees who are injured at work, we will investigate the cause of the accident and take relevant measures to prevent the recurrence of similar incidents, and where necessary, we will provide financial assistance to the injured employees or even suspend their work with pay to relieve the financial pressure of not being able to work. In addition, we endeavour to provide a comfortable and safe working environment as well as protecting employees from potential occupational hazards. The measures we have taken are as follows:

- establish Safe Production Management Committee to safeguard and supervise the production process so as to enhance safety in production premises;
- arrange professional physical check regularly each year for relevant personnel, to safeguard the health of employees;
- provide trainings covering fire safety and production safety to employees every year;
- prepare guidelines such as those on basic knowledge of production safety, safety protection of APIs (Active Pharmaceutical Ingredients) and specific operation to provide sufficient guidance and instruction for operating personnel;
- regular maintenance of machine and equipment to ensure that they are in good condition; and
- set up safety warning signs to enhance employees' safety awareness.



Case – Employee safety and protection

- In June 2023, our subsidiary set up an emergency preparedness team and prepared an “Environmental Emergency Preparedness Plan” (《突發環境應急預案》) to standardize the process for employees in case of emergency and to provide guidelines for daily environmental training. The Environmental Emergency Preparedness Plan was approved by the Fuzhou Ecological Environment Bureau for filing.
- In June 2023 we launched a “Safety Month” campaign to conduct safety inspections and supervise the rectification of potential hazards in our business departments, conducted safety training for all staff at different levels with introduction to amendment sections of Work Safety Law of the People’s Republic of China (《中華人民共和國安全生產法》), which enhanced staff’s safety awareness, understanding of the importance of production quality and compliance knowledge in safety.
- Our production bases in Fuzhou and Beijing regularly carry out various safety training and exercises every year, covering fire rescue, elevator accident, laboratory accident, safety warning of accident contaminated areas, etc. On the one hand, we organize the safety self-inspection of various departments, the company-wide inspection, and the inspection of professional institutions to find out and rectify the hidden safety hazards of the factory; On the other hand, the safety training of all personnel is carried out in the form of video teaching, on-site training guidance of firefighters, written examination and emergency drills, aiming at strengthening the fire safety awareness of employees, improving the emergency level of employees in alarm, evacuation, rescue, rush repair, environmental monitoring and injured rescue, and better playing the role of emergency plan.



B3: Development and Training

“Building an organisation of lifelong learning” is the talent training philosophy of the Group. We are committed to perfect an employee training system and develop relevant training programmes in line with the strategic objectives, financial budget and training needs of the Group, and standardise staff training and trainer qualification management by formulating the Training Management Policy (《培訓管理制度》) and Staff Handbook (《員工手冊》). We conduct various trainings for our employees based on their ranks and positions, so as to help them improve their skills and career development.



In addition, new employees will receive comprehensive training including our corporate culture and policies and the necessary techniques and skills. Furthermore, for on-the-job trainings, employees may not only obtain reimbursement for course fees and travel expenses incurred for external trainings against relevant bills, but also choose professional online training courses provided by the online business college established by subsidiaries of the Group. This enables employees to arrange continuous learning of work-related knowledge and skills flexibly and realise our philosophy of talent training.

During the Reporting Period, the total number of trainees of the Group was 1,238. The percentage of trained employees was approximately 86% and the number of training hours per capita was approximately 28. The following is the training and development of the programmes conducted by the Group for its employees during the year to enhance their understanding of job skills and knowledge:

Case – Training and development

We have always implemented the quality policy of “standardisation, quality first, brand maintenance and sustainable development” and attached great importance to the implementation of pharmaceutical regulations and quality system construction. During the Reporting Period, we not only conducted a series of internal training on drug quality management, but also sent our staff out for exchange and study, covering all positions in production, quality and technology, which greatly consolidated and improved the quality management level of the Company.

- We carried out training on basic knowledge of pharmaceutical preparations, laws and regulations of drug management, post SOP, daily behavior management of employees, quality management, workshop rules and regulations and on-site production for new employees in the form of centralized teaching, aiming at improving the production professional skills and professional theoretical knowledge of new employees through training and enhancing the cohesion and cohesive force of employees through teaching.
- In September 2023, our staff participated in the pharmacovigilance business training course for drug marketing authorization holders in Fujian Province held by the Fujian Drug Evaluation and Monitoring Evaluation Center through online training, and further learned about the writing of regular drug safety update report and the filling of adverse drug reaction report form.
- From November to December 2023, our subsidiary participated in the internal auditor training of medical device quality management system ISO13485:2016 (GB/T42061-2022) through online training and online assessment, and obtained the internal auditor certificate after passing the exam.
- In December 2023, the quality manager of our subsidiary shared the relevant knowledge and practical work operation application with the relevant personnel engaged in product quality and workshop staff in the form of online teaching, so as to ensure that the personnel know how to efficiently apply the auxiliary software to compile the annual quality review statistics.



B5: Supply Chain Management

Supplier management is an important part in the control of safe production. The Group has established a comprehensive supplier evaluation and management system, requiring suppliers to provide products and services that consistently meet our standards. We follow the principle of supplier diversification and promote the sustainable development of suppliers, so as to lower operational, environment and society risks in the supply chain and increase the competitiveness of the Group through a mature supply chain system. During the Reporting Period, the Group had a total of 418 external suppliers for materials and medicines, all of them are in Mainland China, of which, East China has the largest number of suppliers of 203, representing approximately 49%.

Supplier Evaluation and Management

To ensure the quality of products and services provided by suppliers, the Group puts in place policies such as the Quality System Assessment of Suppliers and Designated Supply Management System (《供應商質量體系評估及定點供貨管理制度》) to regulate the supplier evaluation and selection process. We maintain ongoing monitoring of suppliers' performance through the following measures:

- **Selection of suppliers:** suppliers must pass our internal evaluation and audit for doing business with us, and we only purchase from suppliers who are on our qualified supplier list;
- **Annual evaluation:** in the beginning of each year, periodic audit and performance evaluation are conducted on suppliers that have passed quality system assessment, suppliers with substandard performance may be removed from the list of qualified suppliers; and
- **On-site audits:** on-site audits are conducted every three years for suppliers of the main APIs used in products; and every five years for suppliers of other auxiliary materials and packaging materials.

In addition, we have formulated internal policies such as Supplier Management Policy (《供應商管理制度》), Material Purchasing Contract Management Policy (《物料採購合同管理制度》), Material Supply Management Policy (《物料供應管理制度》) and the Supplier Records Management System (《供應商檔案管理制度》) which cover supplier background checking requirements, contract management, supply chain management and suppliers' filing management. We have specified updated information of suppliers that need to be kept and obtained by relevant departments, such as Drug Production Permit (《藥品生產許可證》), Business License (《營業執照》) and the GMP/GSP Certificates, to ensure the suppliers which the Group deals with are compliant, legal, qualified, safe and reliable so as to increase the trust of consumers on the Group.

We understand the concept of “what is taken from the community is used by the community” and the importance of engaging suppliers who take environmental and social responsibility seriously for the sustainable development of the Group. Therefore, we strive to understand the environmental and social impacts of our suppliers' operations and will consider incorporating environmental and social performance (environmental protection, occupational health and safety, labour rights, ethics, etc.) into the criteria for selecting and evaluating suppliers, and gradually improving our Supplier Management Policy (《供應商管理制度》), Supplier Quality System Assessment and Supply Point Management System (《供貨商質量體系評估及定點供貨管理制度》) and Standard Operating Procedures for Supplier Evaluation And Approval (《供應商評估及批准標準操作規程》).



Case – Supply chain management

- During the Reporting Period, we reviewed supplier information in accordance with the Supplier Management Policy (《供應商管理制度》), the Standard Operating Procedures for Supplier Evaluation and Approval (《供應商評估及批准標準操作規程》), and the relevant requirements of GMP regulations, and added suppliers that met the requirements to the list of qualified suppliers through the process of changing procedures, quality studies, and filing and approval of relevant products, in order to broaden the procurement channels and reduce the dependence on suppliers.
- In September and October 2023, our subsidiary's procurement team conducted on-site audits of various suppliers. They evaluated and verified supplier qualification through supplier workshop audit, material field sampling, qualification field audit to ensure high quality, reliability and continuous supply capability. They determined the cooperation intention and signed the contract with the suppliers that meet the requirements.

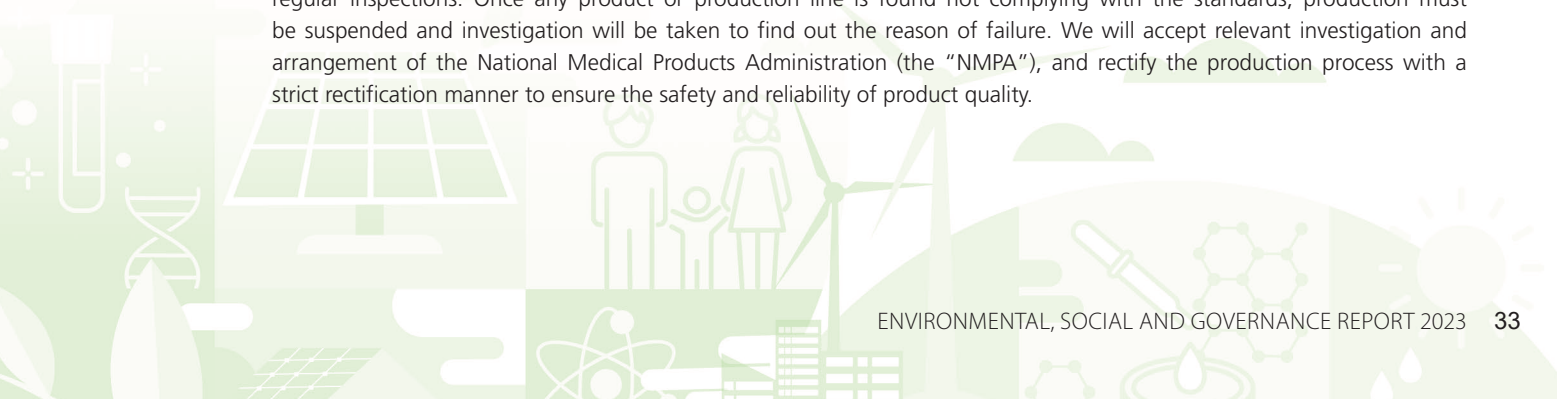
B6: Product Responsibility

The paramount task of the pharmaceutical industry is to ensure the safety and quality of products, therefore, safety and quality management are important and no mistake is allowed. In this regard, the Group has put in place comprehensive product safety and quality management mechanism, covering quality management and control, storage management, customer services, data confidentiality and customer privacy, and research and innovation, with the aim of ensuring constant improvement in the Group's product quality and service standard and establishing a safe and reliable image to earn the long-term trust of customers on the Group's brands.

Product Quality Control System

"Serving the health of the public" is the core value and corporate mission of the Group. We must maintain product safety, quality and service levels to earn our customers' trust in the long term. For this reason, we have formulated the standard operating procedures such as the Standard Operating Procedures for the Warehousing Management of Pharmaceutical Precursor Chemicals (《藥品類易制毒化學品倉儲管理標準操作規程》), Quality Risk Management Policy (《質量風險管理制度》), Quality Review and Analysis Management Policy (《質量回顧分析管理制度》), Quality Incident Report and Management Policy (《質量事故報告及處理管理制度》), Return Management Policy (《退貨管理制度》) and Drug Recall Management Policy (《藥品召回管理制度》) to regulate the quality management process of drug production, research and development, strictly control the quality and safety of our products and ensure that customers can use our products with peace of mind.

Moreover, the Group strictly complies with requirements of the Administrative Rules Governing the Certification of Good Manufacturing Practice for Drugs (《藥品生產質量管理規範認證管理辦法》) and its related documents. We perform ongoing internal control on our products and production lines, and cooperate with government departments for regular inspections. Once any product or production line is found not complying with the standards, production must be suspended and investigation will be taken to find out the reason of failure. We will accept relevant investigation and arrangement of the National Medical Products Administration (the "NMPA"), and rectify the production process with a strict rectification manner to ensure the safety and reliability of product quality.



Case – Quality control

- In January 2023, our subsidiary was subject to the special inspection of epidemic prevention and control drugs (Ibuprofen Tablets, Paracetamol Tablets, Compound Liquorice Tablets) by the Drug Production Supervision and Administration Office of Fujian Provincial Drug Administration, and successfully passed the relevant special inspection after collecting the required information for supervision.
- In March 2023, our subsidiary was subject to the daily supervision and inspection of medical devices by the Fuzhou Drug Inspection Office, and successfully passed the relevant inspection after the personnel collected the required data and process flow and other information.
- In June 2023, our subsidiary was subject to the GMP compliance inspection and pharmacovigilance inspection of high-risk varieties organized by Fujian Drug Audit and Inspection Center, and successfully passed the relevant inspection after providing the required documents for inspection.
- In October 2023, our subsidiary was subject to the “Fujian Province Two Products One Machine Supervision Inspection” and “Special Inspection on Chinese Medicine Production” by the Fujian Provincial Drug Administration and successfully passed the relevant inspections.

Pharmaceutical Warehouse Management

The Group has put in place a series of operational procedures to strictly control the production process of inspection and acceptance, inbound and outbound storage, storage and distribution of pharmaceutical products. The relevant personnel are required to work together to ensure the effectiveness of storage management by checking the quantities and specifications, and keeping strict records of the time and quantity of entry and exit. In addition, the Group’s warehouses are clearly divided into different areas according to the type and characteristics of the stock. In particular, toxic chemicals, narcotic drugs and flammable and explosive hazards are stored in separate warehouses with burglar-proof and fire-proof facilities to ensure that the quality and safety of other non-toxic, narcotic or flammable stocks are not affected.

Quality Appraisal and Product Recall

The Group strictly controls the quality of products. In terms of acceptance and quality inspection, quality inspection must be performed on outsourced materials and medicines, semi-finished products and self-produced products in accordance with standardised procedures. To ensure the supply of safe medicines for the public, materials and medicines, semi-finished and finished products not meeting quality standards will be rejected for warehousing. Self-produced products of the Group and outsourced drugs must also be checked by the quality assurance department and quality director, and their signing for approval is required for the delivery and sale of such products.

The Group has also formed a recall team and formulated the Drug Recall Management Policy (《藥品召回管理制度》), if non-conforming products are found, they must be recalled in a timely manner to reduce the impact of the product on the public. The recall team will also review the non-conforming products, record the actions taken and prepare a report to identify the quality problems and areas for improvement in order to improve the overall consistency of the product.



During the Reporting Period, the Group recorded one case of product recall for safety and health reasons. Such relevant product was voluntarily recalled in a timely manner, properly followed up and handled by the recall team, and reported to the regulatory authorities in accordance with the Medicine Management Law of the People's Republic of China (《中華人民共和國藥品管理法》), the Drug Recall Management Policy (《藥品召回管理制度》), and the Management System for the Recall of Finished Products (《成品召回管理制度》) of the Company.

Customer Services and Complaint Management

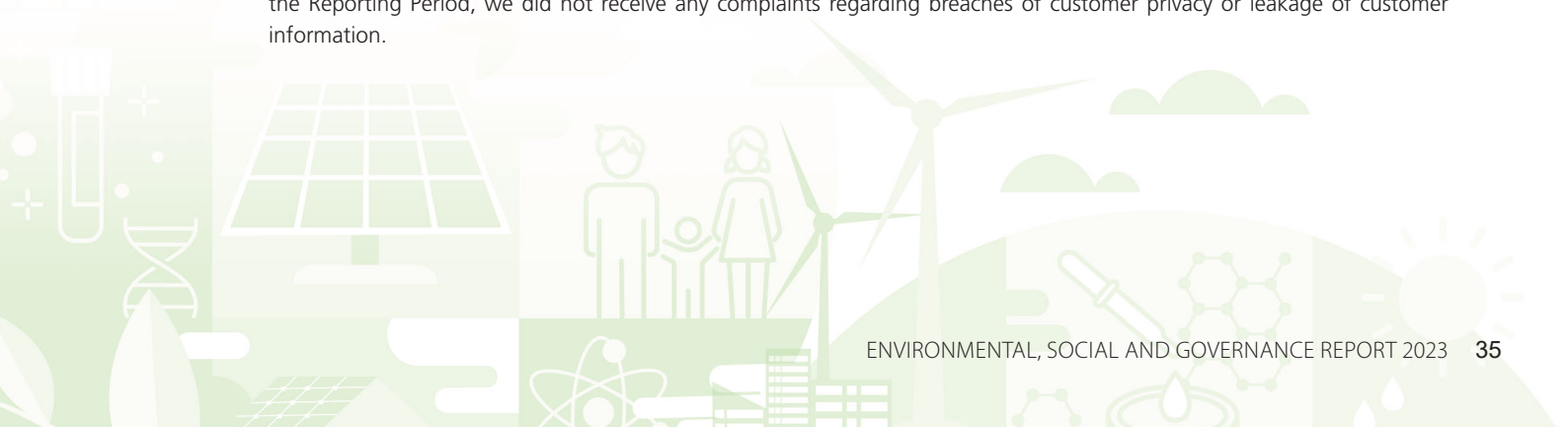
In order to continuously improve customer service quality, we collect feedbacks from customers and users and perform quantitative and qualitative analysis according to our internal guideline, Customer Satisfaction Questionnaire Management Policy (《顧客滿意度調查管理制度》), to fully understand how the customers rate us and their needs. This will enable us to make corresponding improvement in our products and services to increase customers' loyalty to our products.

Furthermore, the Group has also formulated and implemented Quality Complaint Management Policy (《質量投訴管理制度》), Adverse Reaction Monitoring and Reporting Management Policy of Drugs (《藥品不良反應監測和報告管理制度》) and other internal policies to regulate the handling procedures of customer complaints. Customers may make complaint against the product and service of the Group by telephone, email and other channels. The quality assurance department will classify the complaints based on their content, record them properly and immediately and perform corresponding investigation and follow up according to the time limit for handling until the issue is properly resolved. Reply will be made to the customer concerned promptly. If the complaint is related to the quality of products, the quality assurance department will contact the production department immediately or give immediate feedback to suppliers and the sales of such drugs should be suspended and recalled in a timely manner, in order to ensure the quality and safety of products.

During the Reporting Period, the Group received a total of 13 complaints about its products and services, which were properly handled after the relevant departments had communicated with the customers

Data Confidentiality and Privacy of Customers

The Group takes the privacy of its customers and business partners seriously and in order to ensure the information security of customers that have business contact with us, the Customer Filing Management Policy (《客戶檔案管理制度》) of the Group stipulates requirements relating to the filing and storage management of customer data and information to avoid leaking customer information. In addition, our Company Confidentiality Policy (《公司保密制度》) stipulates that employees must keep the confidential information of the Group strictly confidential, including but not limited to the Group's strategy and decision, financial information, customer information, supplier information, employee information and scientific research information, etc., in order to protect the interests and reputation of the Group. The business systems used by the Group are subject to strict authority management. Users at different levels are assigned different authorities according to their job responsibilities to ensure that confidential information can only be accessed by the appropriate post. During the Reporting Period, we did not receive any complaints regarding breaches of customer privacy or leakage of customer information.



Scientific Research and Innovation

The Group actively encourages scientific research and innovation to enhance our competitiveness in the industry, and is committed to protecting our intellectual properties against the risk of infringement. We have formulated internal policies such as the Technological Achievement Exchanges and Software Confidentiality Management Policy (《科技成果交流和軟件保密管理制度》) and Company Confidentiality Policy (《公司保密制度》) in accordance with laws and regulations such as the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) and the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) which stipulate that all employees should keep newly developed products and technologies strictly confidential. The Group also provides training related to confidentiality and intellectual property management to relevant employees. During the Reporting Period, there was no violation of laws and regulations relating to intellectual property and marketing by the Group.

Case – Drug technology research and development

- With the cooperation of various centers of the Company and the technical research and development team of the partner, one of our subsidiaries successfully completed the production of the Atropine Sulphate Injection 1ml: 0.5mg (new specification) jointly researched by the Company and the partner for pilot scale up and registration of the validation batch, and completed the filing information and submitted application as required, which obtained official acceptance from CDE after review on 29 July 2023. A supplementary notification was received in January 2024. At present, research is being carried out according to the requirements of the supplementary notification.
- After receiving the supplementary notification on sodium bicarbonate Ringer injection generic drugs issued by CDE in October 2023, one of our subsidiaries continuously produced a total of 6 batches of two specifications for registration inspection and related research verification in accordance with the contents of the supplementary notification. After completing the production information form, process information form and related data according to the requirements of the supplementary notification, supplementary data has been submitted and it is expected to obtain approval for production in 2024.
- One of our subsidiaries, in collaboration with Neptunus Research, has developed a generic Sildenafil Citrate Orodispersible Tablets (枸橼酸西地那非口崩片), a self-developed variety and received a supplementary notification from the CDE on 22 November 2023. According to the content of the supplementary notification, the company cooperate with Neptunus Research to carry out research on raw material particle size and dissolution curve comparison, and supplement the submitted stability research data, intermediate product storage time research data and other completed relevant research data. Supplementary information is expected to be submitted in 2024 and it is expected to receive approval for production.



B7: Anti-corruption

The Group operates its business with the highest ethical standards and is committed to eliminating corrupt and bribery practices. In order to operate business without undue influence, we strictly comply with laws and regulations relating to business ethics such as Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), Interim Provisions on Prohibiting Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》) and Anti-Money-laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), prohibiting operators from reaching monopoly agreements or abusing market dominance,, and formulated Integrity and Self-regulation Rules (《廉潔自律準則》) and Integrity Management Rules (《廉潔管理準則》) to provide guidelines regarding employees' acceptance of benefits and clearly regulate the acceptance of gifts and the handling of cash and non-cash gifts. During the Reporting Period, the Group did not breach any laws and regulations related to anti-corruption, and there was no corruption cases brought against the Group or its employees that have been concluded.

Case – Anti-corruption

- During the Reporting Period, our subsidiaries provided anti-bribery training to employees to enhance their understanding of the penalties for commercial bribery and to strengthen their awareness of business and professional ethics and anti-corruption through presentations on the Integrity Management Policy《廉潔管理制度》.

B8: Community Investment

The Group believes that corporations should be socially responsible and give back to the community. By actively participating in social welfare activities to enhance social cohesion, the Group can benefit the community as well as strengthen the reputation and brand awareness of the Group. During the Reporting Period, the Group made a total donation of RMB0.1422 million, a majority of which involved areas related to health and culture. Looking forward, the Group will continue to pay attention to the needs of the community and the underprivileged through more donations and charity events to fulfil its responsibilities as a corporate citizen.

Case – Community donation

- In August 2023, our subsidiary donated Berberine Hydrochloride Tablets to the Red Cross of Mentougou District, Beijing on behalf of the Company for flood relief purposes.
- In September 2023, our subsidiary donated Paracetamol Tablets to the People's Government of Yangbao Manchu Township, Hunchun City, Yanbian Prefecture, Jilin Province, to support people's livelihood and contribute to the people of Yanbian.



IX. ESG KPIs Overview

Environmental Performance¹

KPI		Unit	2023	2022	2021
A1.1 Emissions	Discharge of waste water				
	Production waste water	tonne	107,400	103,781	118,482
	Chemical oxygen demand	kg	2,782	2,698	4,517
	Ammoniacal nitrogen	kg	112	233	342
	Air emission				
	Sulphur dioxide	kg	65	53	44
	Nitrogen oxides	kg	1,529	1,091	968
	Dust/particulate matter	kg	177	275	216
A1.2 Greenhouse gas emission²	Direct greenhouse gas emission (Scope 1)	tonne carbon dioxide equivalent	4,982	4,515	4,342
	Indirect greenhouse gas emission (Scope 2)	tonne carbon dioxide equivalent	8,627	7,874	8,117
	Greenhouse gas emissions in total	tonne carbon dioxide equivalent	13,609	12,389	12,459
	Greenhouse gas emission intensity	tonne carbon dioxide equivalent/million RMB revenue	12.78	12.56	14.85
A1.3 Hazardous waste	Medical waste (HW02) and waste drugs (HW03)	kg	275,847³	29,978	32,697
	Other hazardous waste	kg	5,359	8,380	4,333
	Production of hazardous waste in total	kg	281,206	38,358	37,030
	Intensity of hazardous waste	kg/million RMB revenue	264.08	38.88	44.15

¹ Unless otherwise stated, the emission factors used to calculate the environmental KPIs in this report refer to the “How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs” issued by the HKEx.

² The electricity emission factor adopts the national average power grid emission factor for 2022 of 0.5703 tCO₂/MWh as released in the Notice on the Management of Greenhouse Gas Emission Reporting by Enterprises in the Power Generation Sector for 2023-2025 issued by the General Office of the Ministry of Ecology and Environment of the People’s Republic of China. In order to ensure the consistency, the data on indirect of greenhouse gas emissions in 2022.

³ Due to the damage and loss of the plant area of our subsidiary company in Tropical Storm HAIKUI in 2023, and the disposal of 236.06 tonnes of pharmaceutical products, the data of medical waste (HW02) and waste drugs (HW03) are significantly different from the data of 2021 and 2022.



KPI		Unit	2023	2022	2021
A1.4 Non-hazardous waste	Waste packing material	tonne	299	234	229
	Office and domestic garbage	tonne	365	417	396
	Production of non-hazardous waste in total	tonne	664	651	625
	Intensity of non-hazardous waste	tonne/million RMB revenue	0.62	0.66	0.75
A2.1 Energy⁴	Total energy consumption				
	Total energy consumption	MWh	39,755	36,090	34,189
	Total energy consumption intensity	MWh/million RMB revenue	37.33	36.58	40.76
	Direct energy consumption				
	Petrol	L	71,140	82,255	98,286
	Diesel	L	41,382	35,371	28,718
	Biomass fuel	Tonne	Nil	Nil	Nil
	Natural gas	Cubic meter	2,179,353	1,958,957	1,870,050
	Indirect energy consumption				
	Consumption of electricity purchased	kWh	13,367,477	12,614,163	11,292,718
	Steam purchased	kWh	1,759,363	1,192,789	1,498,441
A2.2 Water consumption	Water consumption in production	tonne	361,846	439,361	281,317
	Office water consumption	tonne	8,274	9,454	6,472
	Total water consumption	tonne	370,120	448,815	287,789
	Total water consumption intensity	tonne/million RMB revenue	347.58	454.87	343.09
A2.5 Packing material used	Packing materials measured by piece	10,000 pcs	73,060	73,909	48,987
	Packing materials measured by weight	tonne	356	470	279

⁴ Energy consumption was calculated based on the conversion factors in the National Standards of the PRC General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2008) and the conversion factors provided by research institution.

Environmental, Social and Governance Report

Social Performance

KPI	Unit	2023	2022	2021	
B1.1 Total number of employees	Total number of employees	person	1,444	1,458	1,401
	By gender				
	Male	person	591	631	617
	Female	person	853	827	784
	By employment				
	Full-time	person	1,355	1,376	1,327
	Part-time	person	89	82	74
	By age				
	Age below 30	person	248	294	299
	Age 30-50	person	914	892	842
Age above 50	person	282	272	260	
By region					
Mainland China	person	1,444	1,458	1,401	
B1.2 Employee turnover rate	Employee turnover rate	Percentage	22.57%	21.61%	25.62%
	By gender				
	Male	Percentage	27.67%	23.05%	27.11%
	Female	Percentage	18.54%	20.48%	24.36%
	By age				
	Age below 30	Percentage	34.11%	27.97%	31.73%
Age 30-50	Percentage	18.62%	19.44%	23.80%	
Age above 50	Percentage	21.16%	19.50%	23.39%	
B2.1 Number and rate of work-related fatalities	Number of work-related fatalities	person	Nil	1	Nil
	Rate of work-related fatalities	percentage	Nil	0.07%	Nil
B2.2 Lost days due to work injury	Number of work-related fatalities	time	1	1	2
	Lost days due to work injury	day	117	13	154
B3.1 Percentage of employees trained	By gender				
	Male	percentage	39.50%	39.65%	41.73%
	Female	percentage	60.50%	60.35%	58.27%
	By employment				
	Full-time	percentage	92.81%	94.65%	95.31%
Part-time	percentage	7.19%	5.35%	4.69%	



KPI		Unit	2023	2022	2021
B3.2 Average training hours completed per employee	Training hours per person	hour	28.11	36	31
	By gender				
	Male	hour	24.56	30	33
	Female	hour	30.56	40	30
	By employment				
	Part-time	hour	40.38	51	59
B5.1 Number of suppliers	Total number of suppliers	number	418	399	382
	By region				
	South China	number	56	34	39
	North China	number	53	57	64
	East China	number	203	204	181
	Central China	number	57	60	51
	Northeast China	number	23	23	21
	Northwest China	number	11	9	12
	Southwest China	number	15	12	14
B6.1 Percentage of products to be recalled over the total number of products sold or shipped due to safety and health reasons	Percentage of products to be recalled due to safety and health reasons	percentage	Nil	13.81%	Nil
B6.2 Number of complaints on products and services	Number of complaints on products and services	number	13	22	15
B7.1 Legal cases regarding corrupt practices	Number of filed and concluded legal cases regarding corrupt practices	number	Nil	Nil	Nil
B8.1 & B8.2 Community Investment	Monetary donation	RMB10,000	Nil	80.72	119.39
	Donation of goods	RMB10,000	14.22	Nil	Nil

⁵ The percentage of trained employee is calculated by the formula: the percentage of trained employees = Number of trained employees for that category/Total number of trained employees. In order to ensure the consistency, the data on the percentage of trained employees has been recalculated.

X. LIST OF MAJOR ESG POLICIES AND REGULATIONS

This table lists the major internal policies mentioned in the ESG Report and relevant laws and regulations identified by the Group that have a significant impact on Neptunus Interlong:

ESG aspect	Policy	Laws and regulations
A1. Emissions	<ul style="list-style-type: none"> Environmental Protection Management System (《環境保護管理制度》) Hazardous Waste Management System (《危險廢棄物管理制度》) General Solid Waste Management Policy (《一般固體廢棄物管理制度》) Emergency Response Plan for Environmental Emergencies (《突發環境事件應急預案》) Hazardous Waste Management Plan (《危險廢物管理計劃》) Environmental Protection Management Regulations (《環境保護管理規程》) Management System for Hazardous Waste Storage Areas (《危險廢物儲存間管理制度》) Hazardous Waste Incident Precautions and Emergency Preparedness Plan (《危險廢物事故防範措施及應急預案》) Emergency Response Plan for Environmental Incident (《環境事件應急預案》) 	<ul style="list-style-type: none"> Prevention and Control of Environmental Pollution by Solid Waste Law of the People's Republic of China (《中華人民共和國固體廢物污染環境防治法》) Air Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》) Detailed Rules for the Implementation of the Air Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法實施細則》) Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》) Detailed Rules for the Implementation of the Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法實施細則》) Marine Environment Protection Law of the People's Republic of China (《中華人民共和國海洋環境保護法》) Clean Production Promotion Law of the People's Republic of China (《中華人民共和國清潔生產促進法》) Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) Environmental Protection Tax Law of the People's Republic of China (《中華人民共和國環境保護稅法》) Law on Prevention and Control of Pollution From Environmental Noise of the People's Republic of China (《中華人民共和國環境噪聲污染防治法》) Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》) Administrative Regulations of the People's Republic of China on the Prevention of Marine Environment Pollution Caused by Land-based Pollutants (《中華人民共和國防治陸源污染物污染損害海洋環境管理條例》)



ESG aspect	Policy	Laws and regulations
		<ul style="list-style-type: none"> • Administrative Measures for Emergency Preparedness for Environmental Incidents of Enterprises and Institutions (Trial) (Huan Fa [2015] No. 4) (《企業事業單位突發環境事件應急預案備案管理辦法(試行)》(環發[2015]4號)) • Decision of the Standing Committee of the National People's Congress on Amending the Circular Economy Promotion Law of the People's Republic of China (Presidential Decree No. 54) (《全國人民代表大會常務委員會關於修改〈中華人民共和國清潔生產促進法〉的決定》(主席令第五十四號)) • Beijing Environmental Protection Ordinance (《北京市環境保護條例》) • Administrative Measures on Environmental Protection for Pharmaceutical Industry (《醫藥工業環境保護管理辦法》) • Directory of National Hazardous Wastes (《國家危險廢物名錄》) • Environmental Noise Emission Standards for Industrial Enterprises at Plant Boundaries (《工業企業廠界環境噪聲排放標準》) • Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》) • Technical Guidance for Environmental Risk Assessment of Construction Projects (Jiu 169-2018) (《建設項目環境風險評價技術指導》(舊169-2018)) • Emission Standard for Pharmaceutical Industrial Water Pollutants from Mixing and Formulation Category (《混裝製劑類製藥工業水污染物排放標準》) • Environmental Engineering Terminology (《環境工程名稱術語》) • Emission Standard for Air Pollutants from Boilers (《鍋爐大氣污染物排放標準》) • Risk Classification Methodology for Enterprise Environmental Emergencies from Ministry of Ecology and Environment (環保部《企業突發環境事件風險分級辦法》)





Environmental, Social and Governance Report

ESG aspect	Policy	Laws and regulations
A2. Use of Resources	<ul style="list-style-type: none"> Measures on Energy Conservation and Consumption Reduction Management (《節能降耗工作管理辦法》) Dangerous Goods Store Management System (《危險品庫管理制度》) 	<ul style="list-style-type: none"> Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》) Clean Production Promotion Law of the People's Republic of China (《中華人民共和國清潔生產促進法》)
A3. Environment and Natural Resources	<ul style="list-style-type: none"> Hazardous Waste Management Policy (《危險廢棄物管理制度》) General Solid Waste Management Policy (《一般固體廢棄物管理制度》) Solid Waste Management System (《固體廢棄物管理制度》) Implementation Plan on Separation and Reduction of Domestic Waste (《生活垃圾分類減量實施方案》) Measures on Waste Water discharge and Noise Management (《廢水排放和噪音管理辦法》) Environmental Factors Identification, Evaluation, Prevention and Control Procedures (《環境因素識別評估及預防控制程序》) 	<ul style="list-style-type: none"> Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》)
A4. Climate change	<ul style="list-style-type: none"> Environmental Risk Assessment Report (《環境風險評估報告》) 	<ul style="list-style-type: none"> Carbon Emissions Trading Management Regulations (Trial) (《碳排放權交易管理辦法(試行)》)



ESG aspect	Policy	Laws and regulations
B1. Employment	<ul style="list-style-type: none"> • Human Resource Management Policy (《人力資源管理制度》) • Staff Handbook (《員工手冊》) • Staff Notes (《員工須知》) • Compendium of Rules and Regulations (《規章制度彙編》) • Remuneration and Benefits Management Policy (《薪酬福利管理制度》) • Remuneration and Incentive Management System (《薪酬與激勵管理制度》) • Performance Management Policy (《績效管理制度》) • Staff Attendance Management System (《員工考勤管理制度》) • Labour Contract Management System (《勞動合同管理制度》) • Staff Departure Management System (《員工離職管理制度》) • Administrative Personnel System (《行政人事制度》) • Employee Lunch Subsidy Management Policy (《員工午餐補貼管理制度》) 	<ul style="list-style-type: none"> • Labor Law of the People's Republic of China (《中華人民共和國勞動法》) • Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) • Employment Promotion Law of the People's Republic of China (《中華人民共和國促進就業法》) • Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) • Tax Law of the People's Republic of China (《中華人民共和國稅法》) • Beijing Wage Payment Regulations (《北京市工資支付規定》)



Environmental, Social and Governance Report

ESG aspect	Policy	Laws and regulations
B2. Health and Safety	<ul style="list-style-type: none"> • Fire Safety Management Policy (《消防安全管理制度》) • Training materials on basic knowledge of production safety, safety protection of APIs (Active Pharmaceutical Ingredients) and specific operation (《原料藥安全防護及特定操作培訓教材》) • Safe Production and Labour Protection Management System (《安全生產和勞動保護管理制度》) • Emergency Plan for Production Safety Incidents (《生產安全事故應急預案》) • Safe Production Management System (《安全生產管理制度》) • Safety Standardization Management System (《安全標準化管理制度》) • Occupational Health Management System and Operating Procedures (《職業衛生管理制度及操作規程》) 	<ul style="list-style-type: none"> • Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) • Law of Occupational Disease Prevention and Treatment of the People's Republic of China (《中華人民共和國職業病防治法》) • Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) • Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》) • Provisions on Production Safety Incident Reporting and Investigation (《生產安全事故報告和調查處理條例》) • Provisions on Work-Related Injury Insurance of the PRC (《中華人民共和國工傷保險條例》)
B3. Development and Training	<ul style="list-style-type: none"> • Training Management Policy (《培訓管理制度》) • Internal Training Lecturer Management Policy (《內部培訓講師管理制度》) • Staff Training Management System (《員工培訓管理制度》) • Staff Training and Assessment Implementation Rules (《員工培訓考核實施細則》) 	<ul style="list-style-type: none"> • Labor Law of the People's Republic of China (《中華人民共和國勞動法》)
B4. Labour Standards	<ul style="list-style-type: none"> • Human Resource Management Policy (《人力資源管理制度》) • Work Attendance and Vacation Policy (《考勤休假制度》) • Staff Handbook (《員工手冊》) • Compendium of Rules and Regulations (《規章制度彙編》) • Administrative Personnel System (《行政人事制度》) • Staff Training Management System (《員工培訓管理制度》) 	<ul style="list-style-type: none"> • Labor Law of the People's Republic of China (《中華人民共和國勞動法》) • Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) • Law of the People's Republic of China on the Protection of the Minors (《中華人民共和國未成年人保護法》) • Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》) • Provisions on Employee Annual Paid Vacations (《職工帶薪年休假條例》)



ESG aspect	Policy	Laws and regulations
<p>B5. Supply Chain Management</p>	<ul style="list-style-type: none"> • Quality System Assessment of Suppliers and Management System for Designated Supplies (《供貨商質量體系評估及定點供貨管理制度》) • Management System for the Procurement, Transportation and Storage of Narcotic and Psychotropic Substances (《麻醉、精神藥品採購運輸、倉儲管理制度》) • Qualified Fixed Supplier Manual (《合格定點供應商手冊》) • Standard Operating Procedures for Supplier Assessment and Approval (《供應商評估及批准標準操作規程》) • Material Procurement Management System (《物料採購管理制度》) • Management System for Material Procurement Contracts (《物料採購合同管理制度》) • Management System for Suppliers' Records (《供貨商檔案管理制度》) • Material Supply Management System (《物料供應管理制度》) • Procurement Management System (《採購管理制度》) • Supplier Management System (《供應商管理制度》) • Supplier Audit Management Procedures (《供應商審計管理規程》) • Sales Department Management Regulations and Sales Personnel Regulations and Actions (《銷售部管理規定及營銷人員規定動作》) • Credit Management Regulations (《資信管理規定》) • Price Management System (《價格管理制度》) • Regulations on the Management of Goods Tampering (《竄貨管理規定》) • Sales Revenue Management System (《銷售收入管理制度》) 	<ul style="list-style-type: none"> • Contract Law of the People's Republic of China (《中華人民共和國合同法》)

ESG aspect	Policy	Laws and regulations
<p>B6. Product Responsibility</p>	<p>Product Health and Safety</p> <ul style="list-style-type: none"> • Quality Risk Management Policy (《質量風險管理制度》) • Material Quality Management System (《物料質量管理制度》) • Quality Management System for Intermediate Products and Products to be Packed (《中間產品、待包裝品質量管理制度》) • Quality Management System for Finished Products (《成品質量管理制度》) • Regulations for the Management of Flammable, Explosive, Corrosive and Other Dangerous Chemicals for Inspection (《檢驗用易燃、易爆、易腐蝕等危險化學品管理規程》) • Quality Incident Management Regulations (《質量事故管理規程》) • Quality Review Analysis Management System (《質量回顧分析管理制度》) • Management System for Rework of Products (《產品返工管理制度》) • Standard Operating Procedures for the Management of the Storage of Drug-like Chemicals (《藥品類易制毒化學品倉儲管理標準操作規程》) • Quality Incident Reporting and Handling Management System (《質量事故報告及處理管理制度》) • Management System for the Recall of Pharmaceutical Products (《藥品召回管理制度》) • Management System for the Recall of Finished Products (《成品召回管理制度》) • Management System for Monitoring and Reporting of Adverse Drug Reactions (《藥品不良反應監測和報告管理制度》) 	<ul style="list-style-type: none"> • Medicine Management Law of the People's Republic of China (《中華人民共和國藥品管理法》) • Pharmacopoeia of the People's Republic of China (《中華人民共和國藥典》) • Administrative Measures for Drug Registration (《藥品註冊管理辦法》) • Regulations on the Control of Narcotic and Psychoactive Drugs (《麻醉藥品和精神藥品管理條例》) • Code of Practice for the Quality Management of Narcotic and Psychoactive Drugs (《麻醉藥品和精神藥品生產質量管理規範》) • Good Manufacturing Practice for Drugs (《藥品生產質量管理規範》)(GMP) • Good Supply Practice for Drugs (《藥品經營質量管理規範》)(GSP) • Administrative Measures for Purchase, Sales and Transportation of Precursor Chemicals (《易制毒化學品購銷和運輸管理辦法》) • Code of Practice for the Quality Management of Pharmacovigilance (《藥物警戒質量管理規範》) • Regulations for the Supervision and Administration of Pharmaceutical Production (《藥品生產監督管理辦法》) • Administrative Measures for Changes in Drugs after Launch onto the Market (《藥品上市後變更管理辦法》) • Administrative Rules Governing the Certification of Good Manufacturing Practice for Drugs (《藥品生產質量管理規範認證管理辦法》)



ESG aspect	Policy	Laws and regulations
	<ul style="list-style-type: none"> • Management System for Monitoring and Reporting of Adverse Drug Reactions (《藥品生產質量管理規範認證管理辦法》) • Management System for Pharmacovigilance Training (《藥物警戒培訓管理制度》) • Management System for Monitoring and Reporting of Drug Safety Information (《藥品安全性信息監測和報告管理制度》) • Management System for Periodic Safety Update Reports of Pharmaceutical Products (《藥品定期安全性更新報告管理制度》) • Management System for Pharmacovigilance Records (《藥物警戒檔案管理制度》) • Deviation Management System (《偏差管理制度》) • Deviation Handling Standard Operating Procedures (《偏差處理標準操作規程》) • Corrective and Preventive Actions Management System (《糾正和預防措施管理制度》) • Standard Operating Procedures for Laboratory Overruns and Irregularities (《實驗室超標、超常處理標準操作規程》) • Retrospective Analysis Management System (《回顧性分析管理制度》) • Standard Operating Procedures for Retrospective Analysis (《回顧性分析標準操作規程》) • Management System of Work Control Products (Standard Products) (《工作對照品(標準品)管理制度》) • Management System of Water for Cultural Arts (《文藝用水管理制度》) 	



ESG aspect	Policy	Laws and regulations
	<ul style="list-style-type: none"> • Management System of Production Date and Expiry Date Determination (《生產日期、有效期至確定管理制度》) • Management System of Production Time and Abnormal Situation Handling (《生產時限及異常情況處理管理制度》) • Corrective and Preventive Measures Management System (《糾正和預防措施管理制度》) • The Drug Quality Risk Management System (《藥品質量風險管理制度》) • Certification Management System (《驗證管理制度》) 	
	<p>Product Packaging</p> <ul style="list-style-type: none"> • Filing Management Policy for Label and Instruction on Packages (《標籤說明書包裝物備案管理制度》) • Management System for the Design, Printing and Use of Drug Descriptions and Labels (《藥品說明書和標籤設計、印刷、使用管理制度》) • Management System for Three-level Quality Management Network (《三級質量管理網管理制度》) • Quality Authorized Person Management System (《質量受權人管理制度》) • Quality Policy and Objectives Management System (《質量方針、目標管理制度》) • Quality Records Management System (《質量檔案管理制度》) • Regulations on the Management of Procurement of Special Pharmaceutical Materials (《特殊藥品物資採購管理規程》) 	<ul style="list-style-type: none"> • Medicine Management Law of the People's Republic of China (《中華人民共和國藥品管理法》) • Advertisement Law of the People's Republic of China (《中華人民共和國廣告法》)



ESG aspect	Policy	Laws and regulations
	<ul style="list-style-type: none"> • Safety Management Regulations for the Warehouse of Finished Products of Special Drugs (《特殊藥品成品倉庫安全管理規程》) • Regulations on Safety Responsibility Management of Class II Psychotropic Substances (《二類精神藥品安全責任管理規程》) • Regulations on the Management of Sales of Class II Psychotropic Substances (《二類精神藥品銷售管理規程》) • Standard Operating Procedures for Product Repackaging (《產品重新包裝標準操作規程》) • Management System for the Sale of Compounded Preparations Containing Special Drugs (《含特殊藥品復方制劑銷售管理制度》) • Management System of Product Lot Numbers and Lot Number Classification (《產品批號及批號劃分管理制度》) 	
	<p>Customer interests</p> <ul style="list-style-type: none"> • Customer Satisfaction Questionnaire Management Policy (《顧客滿意度調查管理制度》) • Quality Complaint Handling and Management Policy (《質量投訴處理管理制度》) • Complaints Management Policy (《投訴管理規程》) • Return Management Policy (《退貨管理制度》) • Product Return Management Policy (《產品退貨管理規程》) • Standard Operating Procedures for Handling Returns of Finished Products (《成品退貨處理標準操作規程》) 	<ul style="list-style-type: none"> • Law on Protection of Consumer Interests of the People's Republic of China (《中華人民共和國消費者權益保護法》) • Administrative Measures for Drug Recalls (《藥品召回管理辦法》)

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ESG aspect	Policy	Laws and regulations
	<ul style="list-style-type: none"> Regulations on the Management of Returned Class II Psychotropic Substances (《二類精神藥品退貨管理規程》) Customer File Management Policy (《客戶檔案管理制度》) Customer Qualification Confirmation and Customer File Management Policy (《客戶資質確認及客戶檔案管理制度》) 	
	Protection of Intellectual Property	
	<ul style="list-style-type: none"> Intellectual Property Management Policy (《知識產權管理制度》) Technological Achievement Exchanges and Software Confidentiality Management Policy (《科技成果交流和軟件保密管理制度》) Company's Confidentiality Management Policy (《公司保密管理制度》) New Drug and Generic Drug Research and Development Management System (《新藥仿製藥研製管理制度》) Management System of the Group's Shared Laboratory Inspection Equipment (《集團共用實驗室檢驗儀器管理制度》) 	<ul style="list-style-type: none"> Patent Law of the People's Republic of China (《中華人民共和國專利法》) Law on Intellectual Property Rights of the People's Republic of China (《中華人民共和國知識產權法》) Trademark Law of the People's Republic of China (《中華人民共和國商標法》) Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) Measures for the Administration of Drug Registration (《藥品註冊管理辦法》)
B7. Anti-corruption	<ul style="list-style-type: none"> Integrity and Self-regulation Rules (《廉潔自律準則》) Integrity Management Rules (《廉潔管理準則》) 	<ul style="list-style-type: none"> Company Law of the People's Republic of China (《中華人民共和國公司法》) Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) Anti-Money-laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》) Interim Provisions on Prohibiting Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》)
B8. Community Investment	<ul style="list-style-type: none"> Community Investment Policy (《社區投資政策》) 	<ul style="list-style-type: none"> Charity Law of the People's Republic of China (《中華人民共和國慈善法》) Law on Donations for Public Welfare of the People's Republic of China (《中華人民共和國公益事業捐贈法》)



XI. Reference to HKEx ESG Reporting Guide

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure	Section/Explanation
A. Environment			
Aspect A1: Emissions			
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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste.		Disclosed	VII. Environmental Aspect, X. List of Major ESG Policies
KPI A1.1	Types of emissions and respective emissions data.	Disclosed	VII. Environmental Aspect, IX. ESG KPIs Overview
KPI 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).	Disclosed	VII. Environmental Aspect, IX. ESG KPIs Overview
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	VII. Environmental Aspect, IX. ESG KPIs Overview
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	VII. Environmental Aspect, IX. ESG KPIs Overview
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Disclosed	VII. Environmental Aspect
KPI A1.6	Description of how hazardous and nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Disclosed	VII. Environmental Aspect



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Subject Areas, Aspects, General Disclosures and KPIs		Disclosure	Section/Explanation
Aspect A2: Use of Resources			
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.		Disclosed	VII. Environmental Aspect, X. List of Major ESG Policies
KPI 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).	Disclosed	VII. Environmental Aspect, IX. ESG KPIs Overview
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	VII. Environmental Aspect, IX. ESG KPIs Overview
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Disclosed	VII. Environmental Aspect
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Disclosed	VII. Environmental Aspect
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Disclosed	VII. Environmental Aspect, IX. ESG KPIs Overview
Aspect A3: Environment and Natural Resources			
General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		Disclosed	VII. Environmental Aspect, X. List of Major ESG Policies
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	VII. Environmental Aspect



Subject Areas, Aspects, General Disclosures and KPIs		Disclosure	Section/Explanation
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		Disclosed	VII. Environmental Aspect
KPI 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.	Disclosed	
B. Social			
Employment and Labour Practices			
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.		Disclosed	VIII. Social Aspect, X. List of Major ESG Policies
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview
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.		Disclosed	VIII. Social Aspect, X. List of Major ESG Policies

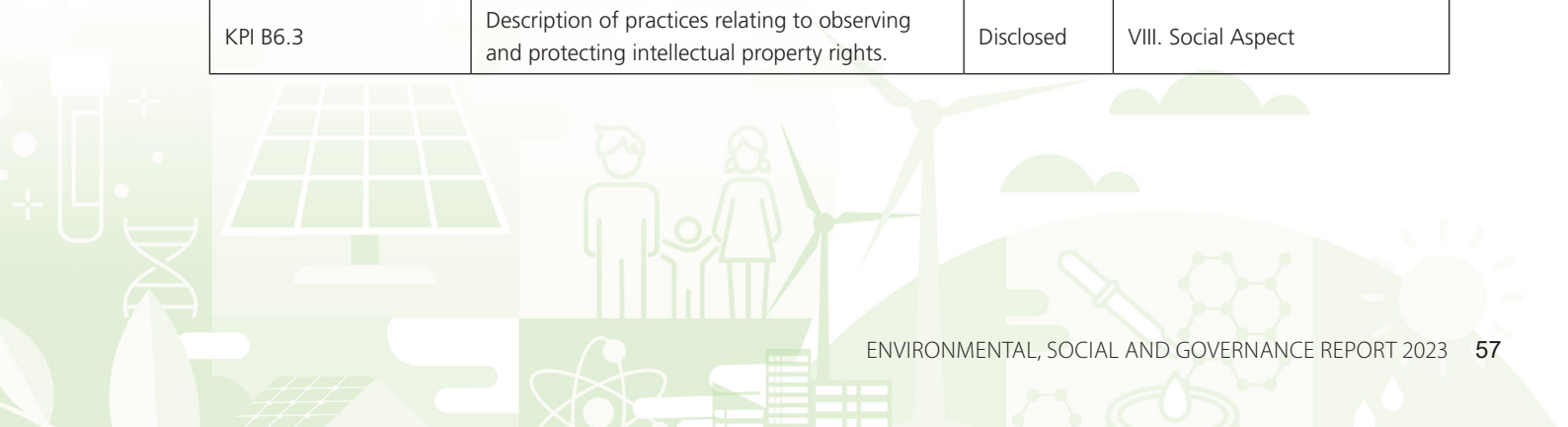


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Subject Areas, Aspects, General Disclosures and KPIs		Disclosure	Section/Explanation
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview
KPI B2.2	Lost days due to work injury.	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Disclosed	VIII. Social Aspect
Aspect B3: Development and Training			
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Disclosed	VIII. Social Aspect, X. List of Major ESG Policies
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview
KPI B3.2	The average training hours completed per employee by gender and employee category.	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview
Aspect B4: Labour 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 labour.		Disclosed	VIII. Social Aspect, X. List of Major ESG Policies
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Disclosed	VIII. Social Aspect
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Disclosed	VIII. Social Aspect



Subject Areas, Aspects, General Disclosures and KPIs		Disclosure	Section/Explanation
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure Policies on managing environmental and social risks of the supply chain.		Disclosed	VIII. Social Aspect, X. List of Major ESG Policies
KPI B5.1	Number of suppliers by geographical region.	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview
KPI 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.	Disclosed	VIII. Social Aspect
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Disclosed	VIII. Social Aspect
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Disclosed	
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.		Disclosed	VIII. Social Aspect, X. List of Major ESG Policies
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Disclosed	IX. ESG KPIs Overview
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	VIII. Social Aspect



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Subject Areas, Aspects, General Disclosures and KPIs		Disclosure	Section/Explanation
KPI B6.4	Description of quality assurance process and recall procedures.	Disclosed	VIII. Social Aspect
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Disclosed	VIII. Social Aspect
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.		Disclosed	VIII. Social Aspect, X. List of Major ESG Policies
KPI 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.	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Disclosed	VIII. Social Aspect
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Disclosed	VIII. Social Aspect
Community			
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.		Disclosed	VIII. Social Aspect, X. List of Major ESG Policies
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Disclosed	VIII. Social Aspect
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview



XII. Feedback Form

Dear readers:

Thank you for reading this report! This is the eighth Environment, Social and Governance (“ESG”) Report issued by the Company. Therefore, we sincerely wish that you could comment and provide your valuable suggestion on the report to help us improve it.

For suggestion on the ESG Report, please contact:

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Feedback Form on the 2023 ESG Report of Shenzhen Neptunus Interlong Bio-technique Company Limited

Name: _____

Organisation: _____

Position: _____

Contact No. _____

E-mail: _____

Your rating on this report: (Please tick the appropriate column))

Very good Good Average Bad Very bad





Environmental, Social and Governance Report

Do you think whether this report has reflected fully important information of the Group on environmental, social and governance aspects?

Do you think whether the information disclosed in this report is clear, accurate and complete?

Do you think whether the content and style design of this report is easy to read?

Which part of the report are you most interested in?

What information you think is needed to know but not reflected in this report? What advice do you have for the environmental, social and governance report to be issued in future?