OcuMension
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Ocumension Therapeutics
(Incorporated in the Cayman Islands with limited liability)

Stock code: 1477

# Ocumension Therapeutics

# 2020 Environmental, Social and Governance Report

# About the Report

This Report is the first Environmental, Social and Governance (ESG) report issued by Ocumension Therapeutics, aiming to introduce the Group's ESG strategies, practices, measures and results from both environmental and social perspectives to our stakeholders.

## Reporting scope

This Report covers Ocumension Therapeutics' principal operations in China, wherein the key performance indicators (KPIs) in environmental area mainly cover the Group's office buildings and laboratories in Shanghai, Suzhou, Beijing and Hangzhou, and the KPIs in social area mainly cover the Company and all its subsidiaries in China. The reporting period is from 1 January 2020 to 31 December 2020 ("Reporting Period").

## Reporting definition

For ease of presentation, Ocumension Therapeutics is also referred to as "Ocumension", "the Group", "the Company" or "we/us".

## Reporting principles

This Report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (the "ESG Reporting Guide") set out in Appendix 27 to the Main Board Listing Rules of Hong Kong Exchanges and Clearing Limited ("HKEx").

This Report follows the principles set forth in the *ESG Reporting Guide*, including:

**Materiality:** The Group identifies key ESG issues through stakeholder engagement and materiality assessment, and disclosures accordingly in the ESG report.

**Quantitative:** This Report uses quantitative data to present KPIs in environmental and social areas, with narratives provided to explain the purpose and impacts.

**Balance:** Based on this principle, the contents of this Report reflect objective facts related to the Group's ESG management.

**Consistency:** As the first ESG report disclosed by the Group, the disclosure and statistical methods applied in this Report have been confirmed and will be consistently followed in subsequent years.

## Access method

The electronic version of this Report is accessible from the official website of the Group at https://www.ocumension.com/ and the website of HKEx at www.hkexnews.hk.

This Report is provided in Traditional Chinese and English for readers' reference. In case of any discrepancy between the two versions, the traditional Chinese version shall apply and prevail.

# Table of Content

# About Ocumension

Ocumension is a China-based ophthalmic pharmaceutical platform company dedicated to identifying, developing and commercialising first- or best-in-class ophthalmic therapies. On 10 July 2020, Ocumension was listed on HKEX main board with a stock code: 1477.

Since our inception, we have been focusing on building a platform integrating specialised capabilities in each major functionality involved in an ophthalmic drug's development cycle, from research and development ("R&D"), manufacturing to commercialisation. As of the end of 2020, the Group had 17 drug assets for both front and back of the eye, covering all main eye diseases. We now have four main drug candidates that are currently under development in China and three drugs that are about to enter commercialisation.

For the society, Ocumension's key responsibility is to help patients, which is also our business philosophy that we will stick to in perpetual. Our products serve as carriers of this business philosophy, while doctors are our partners to practice.

## Our mission

To provide Chinese ophthalmic patients with excellent and comprehensive treatment solutions through continuous scientific research and innovation

## Our vision

To provide a world-class pharmaceutical total solution to address significant unmet ophthalmic medical needs in China

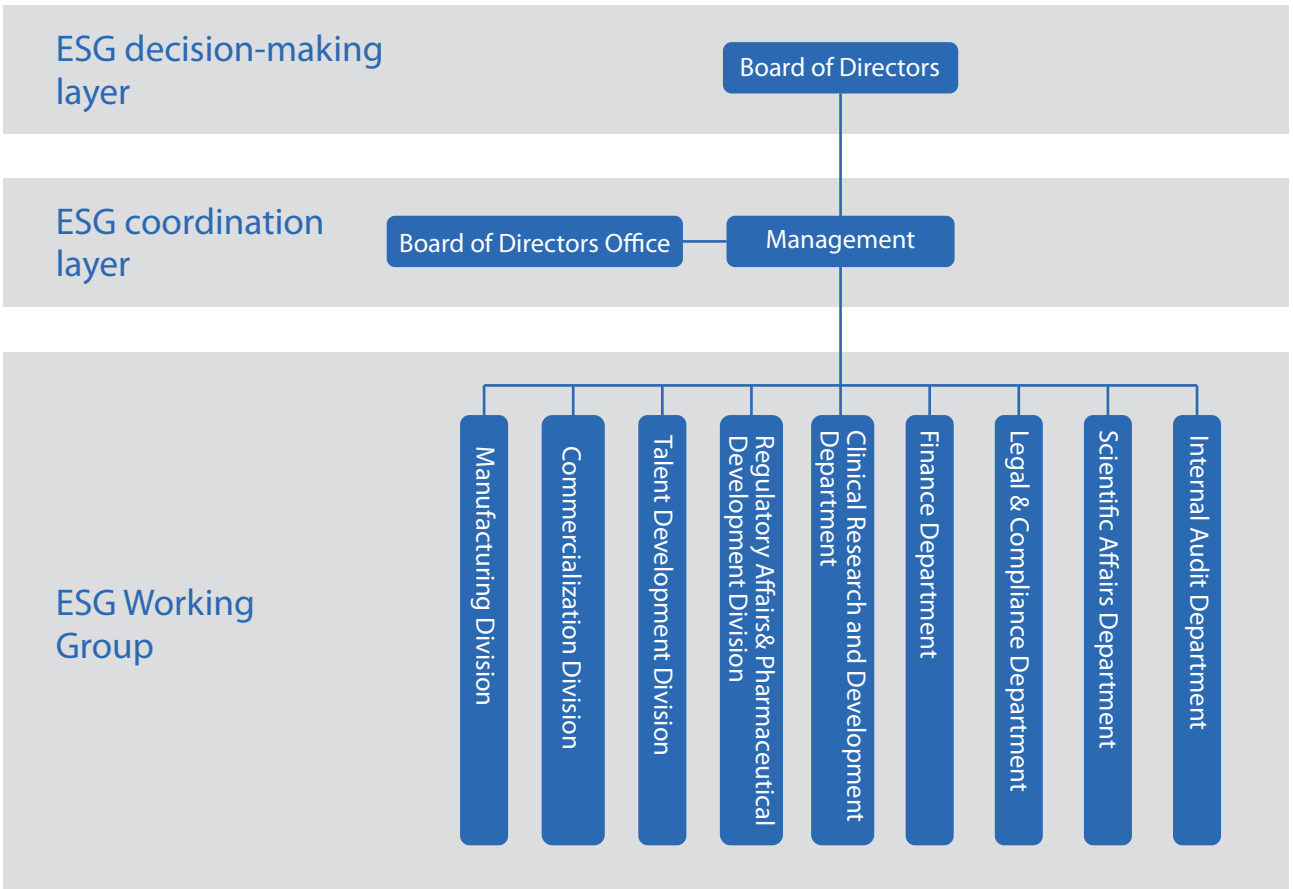
# ESG Governance

## ESG management strategy

We are committed to providing advanced and high-quality ophthalmic pharmaceutical products and services to Chinese market, meanwhile integrate the concept of sustainable development into our regular decision-making and actions to improve our internal management and bring positive and sustainable influence and contributions to the environment and society.

We have established a three-level ESG governance structure composed of the Board of Directors of the Group (**the Board**), management and an ESG Working Group composed of major departments of the Group. The Board of Directors assumes full responsibility for the Group's ESG matters, and is responsible for formulating ESG management policies, reviewing ESG-related matters on a regular basis, identifying and assessing related risks, and ensuring that the Group has established appropriate and effective ESG risk management and internal control systems. In addition, the Board of Directors regularly reviews the performance of the Group against ESG-related targets and reviews and approves the disclosures in ESG reports. During the reporting period, the Board of Directors held several meetings to discuss and review ESG-related matters such as the Group's HR budget, remuneration and benefits, product approvals and intellectual property rights (IP).

The management of the Group is responsible for implementing ESG-related risk management and internal control systems, with the Board of Directors Office taking the lead in reporting ESG progress and results to the Board. The ESG Working Group is responsible for the daily management and reporting of ESG matters.



# Communication with stakeholders

We establish diversified communication channels to learn about the demands and expectations of stakeholders in a timely manner, and to discuss and respond to their ESG-related concerns, so as to determine our ESG management focus and direction. After a series of rigorous identification procedures, the government and regulators, shareholders and investors, employees, customers/patients, partners/suppliers, peer companies/industry associations, media and communities are identified as our main stakeholders.

| Stakeholders | Expectations and concerns | Communication channels | Communication frequency |
|---|---|---|---|
| Government and regulators | Operation compliance<br>Payment of taxes<br>Leading the healthy development of the industry | Compliance management<br>Voluntary taxation<br>Complying with national policies<br>Continuous R&D and innovation<br>Risk analysis and reporting<br>Timely reporting of adverse events<br>Active participation in government projects | Multiple times per year |
| Shareholders and investors | Operation compliance<br>Return on investment<br>Standardised management and governance<br>Information disclosure | Announcements and circulars<br>Financial reporting<br>Shareholders' meeting<br>Roadshow<br>Investor meetings | Multiple times per year |
| Employees | Protection of employees' rights and interests<br>Career development channels<br>Employee upskilling<br>Healthy and safe working environment | Regular meetings and trainings<br>Employee care activities<br>Internal websites | Multiple times per month |
| Customers/ patients | Provision of high-quality products and services<br>R&D and innovation<br>Protection of customers and patients' rights and interests<br>Responsible marketing<br>Customer satisfaction and communication | Daily communication and meetings<br>Training courses<br>Academic seminar<br>R&D cooperation<br>Service hotline and email | Multiple times per month |
| Partners/ suppliers | Technical exchange and communication<br>Loyal implementation of agreements performance<br>Win-win cooperation<br>Fair and open procurement | Daily communication and meetings<br>Business visit to factories<br>Audit and performance assessment | Multiple times per month |
| Peer companies/ industry associations | Provision of safe and quality drugs<br>Exchange and cooperation<br>Listening to patient feedback | Industry exchange<br>Benchmarking | Multiple times per year |
| Media | Responsible products<br>Positive social influence | Official website<br>Daily communication | Multiple times per year |
| Community | Community involvement<br>Charitable activities | Public welfare activities | Multiple times per year |

# Materiality assessment

In order to further clarify our areas of focus in terms of ESG management, provide an important basis and guidance for future ESG management, and respond to the expectations of various stakeholders on the Group's ESG work, we conduct materiality assessment through the following steps:

### Verify the assessment results

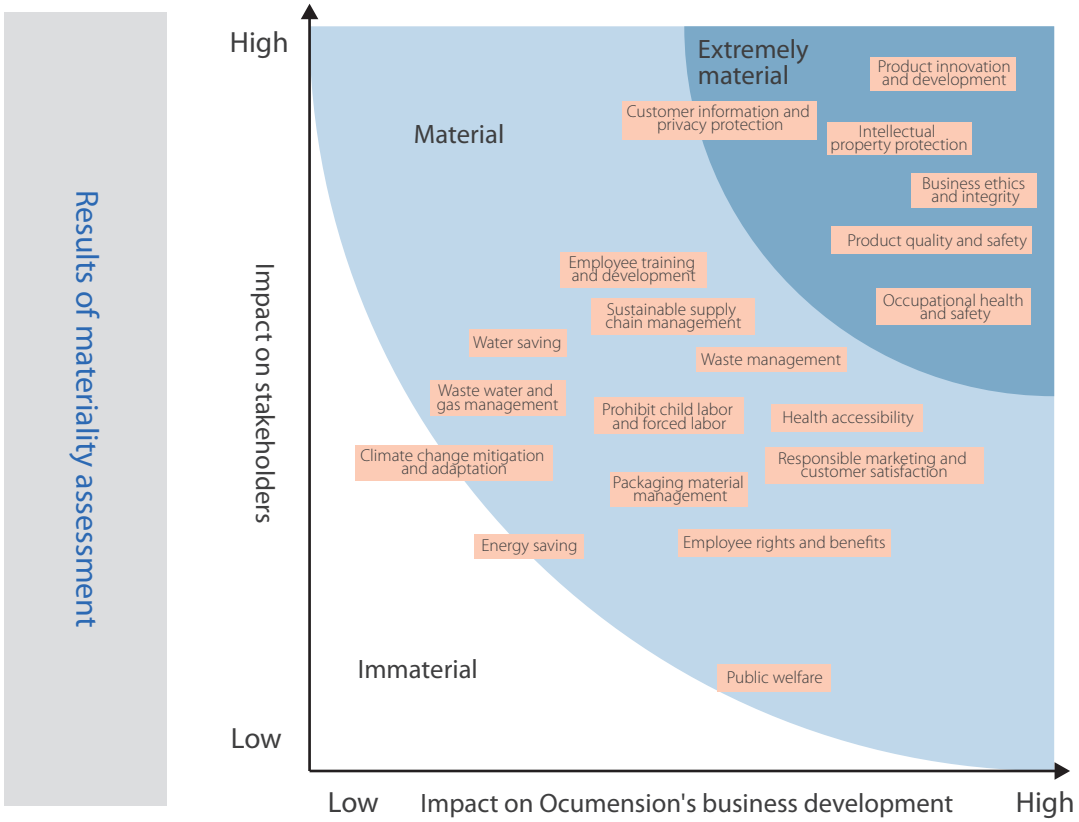
Management and the ESG Working Group reviewed and confirmed the assessment results.

### Determine the materiality

We assessed the materiality of every issue from the two perspectives of "Importance to Ocumension's business development" and "Impact on stakeholders" through interviews and materiality evaluation questionnaires with internal stakeholders of the Group, then created a materiality assessment matrix.

### Identify ESG issues

We have identified 19 ESG issues relevant to the Group in accordance with the requirements of the *ESG Reporting Guide*, and in line with peer benchmarking and expert research and judgement.



# Responsible Operation

## Health accessibility

With the responsibility of "guarding vision, restoring colour sensation, and preventing colours from becoming memories", we are committed to building a comprehensive drug portfolio for the treatment of major ophthalmic diseases by pursuing dual-source innovation strategies through authorised introduction/acquisition or internal R&D, in an effort to deliver a higher probability of success to Chinese patients with integrated solutions. As of the end of 2020, the Group had established a complete ophthalmic drug product line with 17 drug assets for both front and back of the eye. Our sales network has covered 22 provinces and cities in China including Beijing, Guangdong and Zhejiang. In the future, we will continue to further expand the sales and marketing team to meet the needs of new product launches in the next few years.

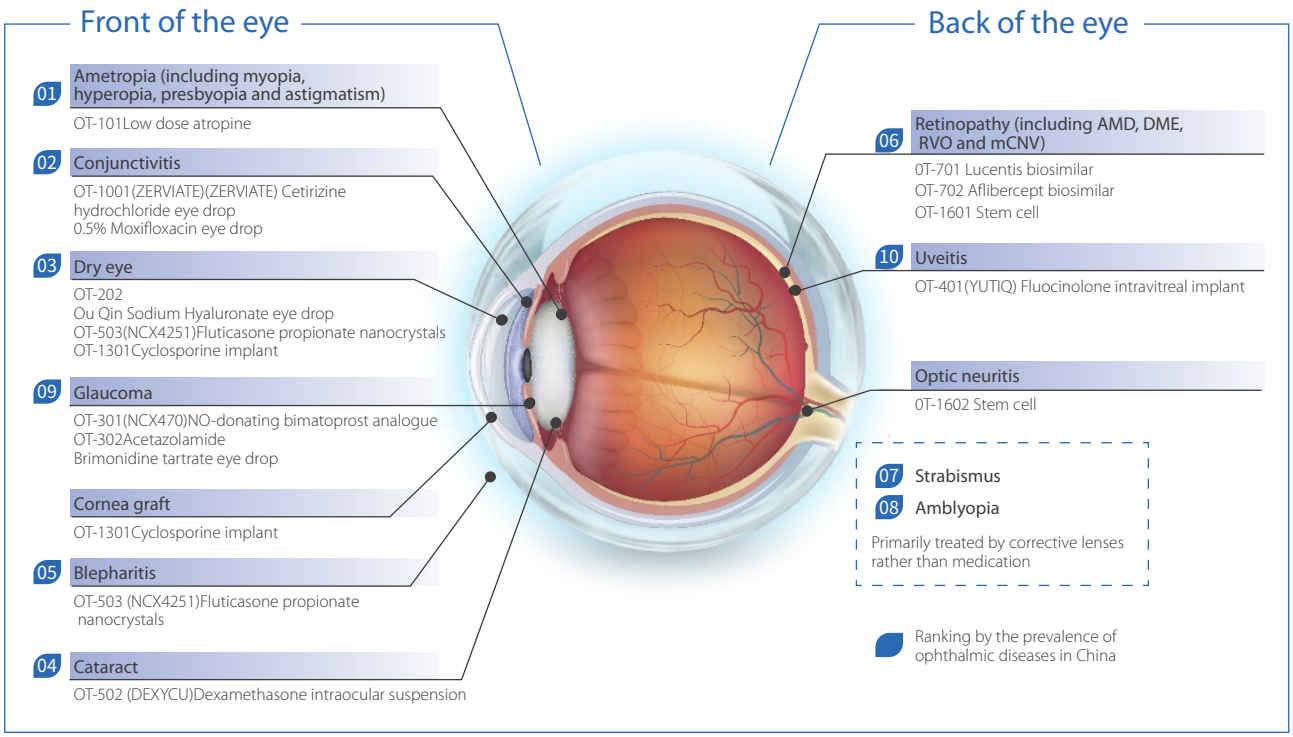
### Introduction and acquisition of authorization

When selecting licensor partners, we give priority to specialised ophthalmic pharmaceutical companies with comprehensive drug portfolios, advanced innovation capabilities and industry reputation. We also study the regulatory pathways for obtaining clinical trial approval and marketing approval in China.

### Internal R&D

We select innovative ideas of treatment and carry out potential internal development. In addition to studying new mechanisms of action, we also focus on improving drug delivery or process.

### Product pipelines



# Supplier management

Our suppliers mainly include licensors from which we obtained IP rights in respect of in-licensed drug candidates, contract research organizations (CROs), and suppliers of other materials for R&D activities, machinery and equipment. In 2020, the Group formulated the *Procurement Management Policies*《採購管理規定》*and Supplier Pool Management Policies*《供應商庫管理規定》to control the procurement process.

When selecting suppliers, we consider their product quality, industrial reputation and compliance with relevant regulations and industry standards. All suppliers must meet the supplier access requirements and provide business license, qualification certificates and other access materials before they can be added to Ocumension supplier pool. We have established a Supplier Management Committee composed of the Group's Chief Medical Officer, Director of Talent Development Department, Finance Director Officer, Purchasing Manager, etc. to be responsible for the annual approval of the supplier pool. For procurement, we assess and score suppliers, and conduct a series of online reviews to ensure that suppliers are selected fairly, objectively and comprehensively.

We conduct routine supplier appraisals on a regular basis, and the Purchasing Manager will also organise annual supplier performance assessments. Suppliers that have problems in quality, price, delivery period or service are required to implement corrective measures in a timely manner and pass the supervision and inspection of the Group. During the inspection period, suppliers that fail to contract any business for 6 consecutive months will be put into the unqualified list.

As of 31 December 2020, we had 402 suppliers, including 379 suppliers in Mainland China, mainly located in Shanghai, Beijing, Jiangsu and Zhejiang.

As of 31 December 2020

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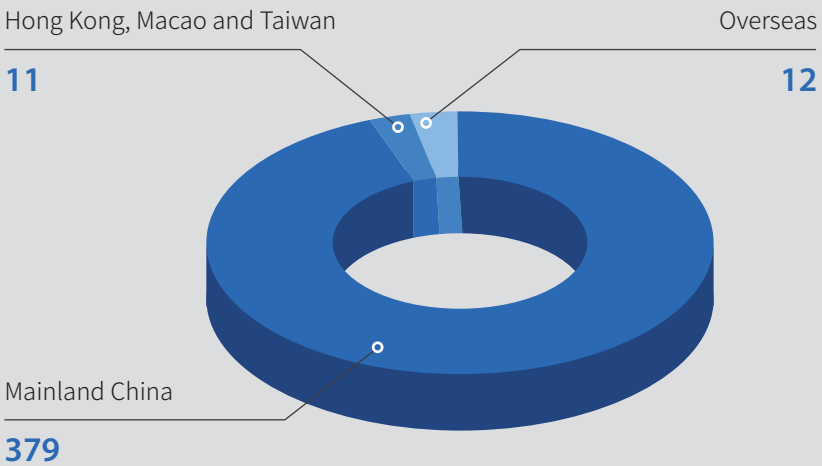
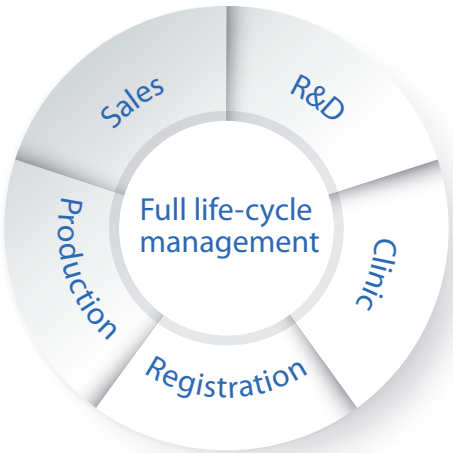
including **379** suppliers in Mainland China, mainly located in Shanghai, Beijing, Jiangsu and Zhejiang.

## Number of suppliers by geographical region



# Full life-cycle management

Ocumension has been focusing on building a platform integrating specialised capabilities in each major functionality involved in an ophthalmic drug's development cycle, from R&D, manufacturing to commercialisation. We are committed to establishing and developing fully integrated R&D capabilities, using them as an internal engine to promote our agenda of discovering, developing and commercialising the most innovative and best-in-class treatments for patients with eye diseases in China. Our R&D team members have a multi-discipline background and extensive professional knowledge in the fields of ophthalmology, pharmacology, toxicology, traditional medicine and chemistry, possessing a full range of capabilities from drug discovery and preclinical research to clinical trials. Among them, 5 members hold doctorate degree, 15 members hold master's degree, and many members have more than ten years of experience in the field of ophthalmology. In addition, we have established a Scientific Advisory Committee, chaired by prominent figures with strong influence in the field of ophthalmology in China and the United States, including Professor Richard L. Abbott, former president of the American Academy of Ophthalmology. The Committee provides advice on evaluating the scientific feasibility of drug candidates.




We strictly abide by the *Pharmaceutical Administration Law of the People's Republic of China*《中華人民共和國藥品管理法》, *Good Clinical Practice of Pharmaceutical Products*《藥物臨床試驗質量管理規範》, *Good Manufacture Practice for Pharmaceutical Products*《藥品生產質量管理規範》, *Measures for the Administration of Drug Registration*《藥品註冊管理辦法》and other laws and regulations, and carry out drug R&D, clinical research and commercial production in accordance with the law.

## Drug development

Throughout the product development, manufacturing and control process, we always adhere to and implement the *Good Laboratory Practice for Non-Clinical Laboratory Studies*《藥物非臨床研究質量管理規範》, *Good Manufacture Practice for Pharmaceutical Products*《藥品生產質量管理規範》and other laws and regulations related to various quality control measures. In the product design and R&D phase, we uphold the concept of Quality by Design (QbD). Based on a full understanding of Quality Target Product Profile (QTPP) and Critical Quality Attributes (CQAs), we conduct in-depth research on key process parameters and their relationships with CQAs and potential risk variables, and establish a design space to integrate all key process parameters that affect product CQAs, so as to strengthen the understanding of and control over the pharmaceutical process and ensure continuous control over product quality.

In order to further strengthen our R&D capability, we have established an advanced Chemical, Manufacturing and Control (CMC) research laboratory to develop innovative and generic ophthalmic drugs, such as sterile solutions, gel suspensions, nano or micro emulsions, etc.

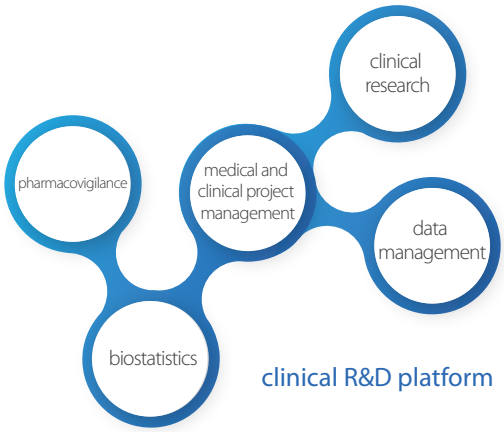
In the pre-clinical research phase of drugs, we strictly abide by the *Regulations for the Administration of Affairs Concerning Experimental Animals*《中華人民共和國實驗動物管理條例》and other laws and regulations regarding experimental animals, adhere to high standards of ethical practice and scientific behaviour in all experiments, and ensure that all work is done in compliance with relevant R&D ethics and animal ethics policies through monitoring and recording.

registered **118** trademarks
owned **2** proprietary patents,
and **29** patents licensed
from third parties.

IP is essential to the success of our business. In our *Compliance Manual*《合規手冊》, we have made detailed provisions on the ownership, transfer, application, filing, transfer and use of IP to enhance systematic IP protection. Where the Group's IP is infringed, the Group's Legal & Compliance Department will take timely action to redrive IP protection through submission of objections and filing of lawsuits. As of 31 December 2020, the Group have registered 118 trademarks, owned 2 proprietary patents, and 29 patents licensed from third parties.

## Clinical research and development

We have established a complete clinical R&D platform built with functions of clinical research, medical and clinical project management, data management and biostatistics, pharmacovigilance, etc., covering the entire clinical process from phase 1 to phase 3. We complete each clinical development project with dedicated project teams, and designate a leader to be responsible for formulating clinical development plans, designing experimental plans, and supervising trial execution. Based on the needs of the project, we may as well adopt an advanced electronic clinical trial management system to manage the daily R&D work of clinical trials.



clinical R&D platform

To ensure the quality and efficiency of clinical trials, we also engage leading professional CROs to conduct daily management and execution of clinical trials. For the selection of CROs, we have a set of rigorous review standards to assess them for their professional qualifications, research experience, industry reputation, adequacy of clinical trial equipment and data management systems, etc. Further, for each trial, we will sign a cooperation agreement with the CRO and the main researchers involved, and reach agreements in terms of service, time limit, payment, IP and risk allocation. As to the trial process, we formulated project management and clinical operation standards with detailed instructions and guidelines for CROs and clinical research coordinators, and we will conduct close supervision to ensure the integrity and authenticity of trial and research data and protect subjects' rights and interests. Besides, to facilitate the preparations for clinical trials, we will invite top experts in related fields to give trainings to researchers.

In order to ensure the safety of clinical trials, we strictly implement the *Provision for Adverse Drug Reaction Reporting and Monitoring*《藥品不良反應報告和監測管理制度》and other related requirements, and have developed relevant safety management plan, researcher manual, clinical trial manual, informed consent form, case report, risk management plan, safety data exchange protocol and guidelines for serious adverse reaction regulation. We communicate and discuss with CROs on adverse events in a timely manner, focusing on close monitoring and data reporting of adverse drug reactions. For the trial subjects, we endeavour to protect their rights and interests by means of informed consent form, periodic reporting of adverse reactions, insurance and free medication.

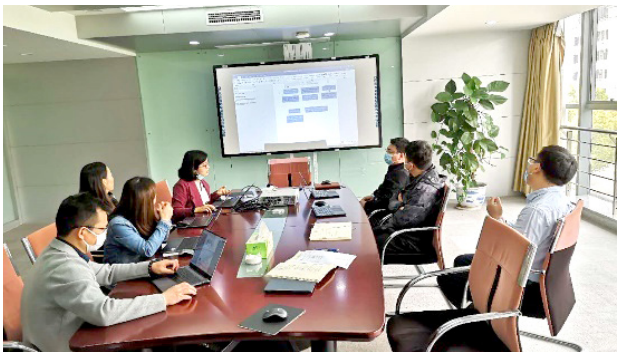
## Registration

We strictly abide by Chinese drug registration laws and regulations, such as the *Measures for the Administration of Drug Registration*《藥品註冊管理辦法》, actively follow the registration standards of regulators and communicate with relevant regulator on the approval of new drugs for clinical research. We are committed to promoting the commercialisation of our drug candidates in China with maximum efficiency, using our extensive regulatory, commercial expertise and the best regulatory channels.

We have simplified our registration strategy to a great extent, including applying for exemption from clinical trials, seeking approval of replacing new trials with bridging trials and recruiting patients who are eligible for the early acquisition program. Under this strategy, our core product, OT-401 (Yutiq) Fluocinolone intravitreal implant, has been approved for new drug registration 3 to 9 months earlier than the usual process.

## Production of products

We set up a quality management system based on the supervision laws and regulations of the regions in which the products are listed and the relevant requirements of the *Good Manufacture Practice for Pharmaceutical Products*《藥品生產質量管理規範》, and define the responsibilities, management procedures, resource management, customer relations, product realisation, quality assurance and document management of various departments in accordance with the *Quality Manual*《質量手冊》. We formulated the quality policy of "Quality Focus, Continuous Improvement, Pursuit of Excellence" and specific quality plans and objectives. We have authorised quality inspectors for the establishment, implementation and maintenance of the quality management system, thus ensuring that the system construction is set up in accordance with laws and regulations and customer requirements. Meanwhile, all personnel involved in drugs production shall undergo continuous job-specific training and evaluation to ensure that they are able to complete their work in accordance with the requirements of *Good Manufacture Practice for Pharmaceutical Products*《藥品生產質量管理規範》.



Training for Standard Operating Procedure of *Good Manufacture Practice* on 27 April 2020

Training of *Good Manufacture Practice for Pharmaceutical Products* on 27 July 2020

Quality Focus | Continuous Improvement | Pursuit of Excellence

## Customer service

We conduct quality control over the entire process of drug operations to ensure the provision of quality medicines to customers. In August 2020, we obtained the certificate of Good Supply Practice for Pharmaceutical Products, which contributed to the management of the procurement, acceptance, storage, sales and after-sales services of drugs.

We strengthened our contacts with customers through various marketing activities. By using WeChat platform "Easy Vision", we carried out doctor training and patient education and promoted corresponding drugs. In March 2020, we invited renowned ophthalmologists to hold online expert consultation activities on "Easy Vision" and answer questions for patients free of charge. We also provided a more convenient mean to communicate with doctors and patients while striving to help every patient in need.

### 1)Marketing in compliance

The Group strictly complies with relevant laws and regulations such as the *Advertising Law of the People's Republic of China*《中華人民共和國廣告法》, and the *RDPAC Code of Practice*《RDPAC行业行为准则》issued by the R&D-based Pharmaceutical Association Committee, China Association of Enterprises with Foreign Investment (RDPAC), and formulated the rules and regulations such as the *Guidelines for the Promotion of Pharmaceutical Products*《藥品推廣準則》, the *Provisions for the Promotion of Pharmaceutical Materials*《藥品宣傳資料規定》, the *Regulations on the Release of Company Publicity Materials*《對外發佈公司宣傳資料規定》, thus carrying out strict control over the marketing information published by various channels.

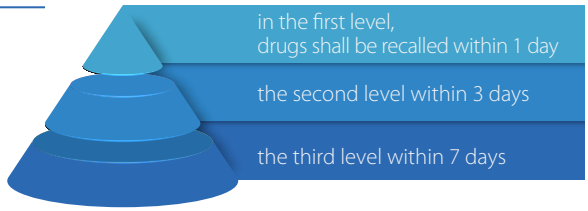
All drug publicity materials shall be submitted through internal systems and reviewed by the Marketing Department, Clinical Research and Development Department, Legal & Compliance Department, etc. to confirm that exaggerative, assertive or other expressions that violate the relevant provisions of the *Advertising Law of the People's Republic of China*《中華人民共和國廣告法》and contents of suspected fraud and inducement are not used, before they can be produced and used for publicity.

## 2)Complaints and recalls

We have made relevant provisions on the handling of product complaints and recalls in the *Quality Manual*《質量手冊》. All complaints received shall be registered in a timely manner and handled by the Quality Department. Complaints are assessed and followed up throughout the process. If necessary, we will notify the regulatory authorities promptly.

In accordance with the *Administrative Measures for Drug Recalls*《藥品召回管理辦法》and the *Good Manufacture Practice for Pharmaceutical Products*《藥品生產質量管理規範》, we have set up the *Product Recall Management Regulations*《產品召回管理規程》to ensure that products can be promptly and comprehensively recalled in case of quality problems or forced recalls, so as to safeguard the health and life safety of patients.

Based on the safety hazards and severity of potential safety hazards, the drug recall is classified into three levels:




At present, only Boao Super Hospital is on our limited sales scope. As at 31 December 2020, the Group had no product complaints or product recalls due to safety and health reasons.

### Recall initiation

Recall decisions are made through activities related to quality system such as review of stability, complaints, adverse drug reaction, etc.;

The quality assignee completes the investigation and assessment of product safety hazards, and determines whether to initiate recalls and make public warnings;

### Establishment of a recall team

Comprised of the quality assignee, Sales Department, warehouse, Production Department, Quality Department and Finance Department;

### Recall implementation

The recall team draws up a recall plan and immediately sends it to the Logistics Department and the Sales Department to implement the product recall and meanwhile reports to the Drug Regulatory Department;

The Logistics Department segregates the recall products in the "unqualified area" and registers the "product recall ledger";

### Recall close

The recall team submits the "product recall summary report" to the Drug Regulatory Department.

## Privacy policy

Information security and confidentiality are regulated in the *Compliance Manual*《合規手冊》and the *Employee Handbook*《員工手冊》.

For the collection and utilisation of personal information related to employees, patients, medical professionals, customers and contractors involved in the course of business, we will handle with care in accordance with relevant national laws and regulations, social concepts and internal rules and regulations of the Group to avoid information leakage or illegal use.

Permissions are arranged for top-secret information such as company's important plans and confidential information such as the Group's financial statements to ensure that only authorised personnel such as the CEO of the Group (**CEO**) and some designated

For trade secrets, we sign with employees the *Non-Disclosure Agreement*《保密協定》and relevant confidentiality commitments, confidentiality guarantees or confidentiality declarations and other documents according to work needs.

We also seek to safeguard the integrity and confidentiality of our data and trade secrets by maintaining the physical security of our premises and the physical and electronic security of our information technology systems. We have formulated the *Provision of Management Information Systems*《信息系統管理規定》to standardise information system management and better serve the Group's production and operation. Information system management personnel conduct annual inspections of information technology security in various departments, including whether there are any hidden risks in the local area network, whether user password settings are following the regulations, etc. In addition, information system management personnel are responsible for supervision, data backup, virus prevention and physical security of network and software systems within the Group to eliminate safety hazards. Meanwhile, we set the file server three-level authorisation of read-only, read-write, and administrator to improve the efficiency of corporate file management while ensuring security.

# People-oriented

We believe that collaborative capacity is the core competitiveness of a company, and employees are the builders and implementers of this competitiveness. Abiding by internal policies, we ensure that employees' value is maximised in the Group, provide financial support for their well-being, as well as an opportunity for them to achieve self-fulfilment so as to make them better.

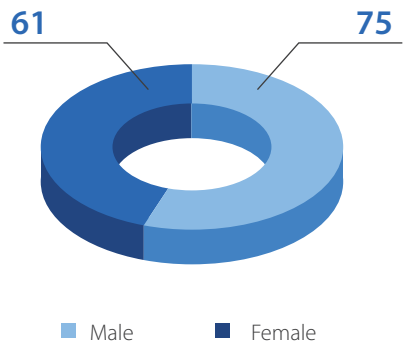
## Standardised employment

We follow close to the line of relevant laws and regulations such as the *Labour Law of the People's Republic of China*《中華人民共和國勞動法》, the *Labour Contract Law of the People's Republic of China*《中華人民共和國勞動合同法》, the *Provisions on the Prohibition of Using Child Labour*《禁止使用童工規定》. The Group's recruiting policy, practices and procedures are stipulated in the *Employee Handbook*《員工手冊》and the *Administration of Recruitment Processes*《招聘流程管理》. In addition, we conduct candidate identification in the recruitment and employment process to eliminate the use of child labour or forced labour. During the reporting period, the Group had no violations involving child labour or forced labour.

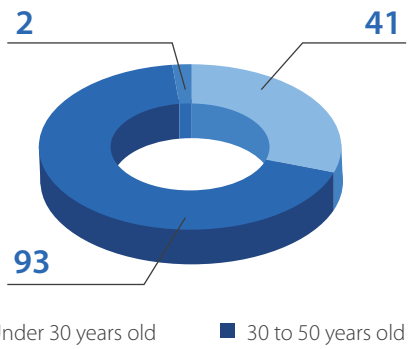
We believe that only a diversified company can maintain the vitality of development. We emphasise the diversity of our employees and provide them with equal opportunities and opportunities for personal development and outstanding performance. We treat and respect employees fairly, regardless of their gender, nationality, background and race.

As at 31 December 2020,
the Group had **136** full-time employees.

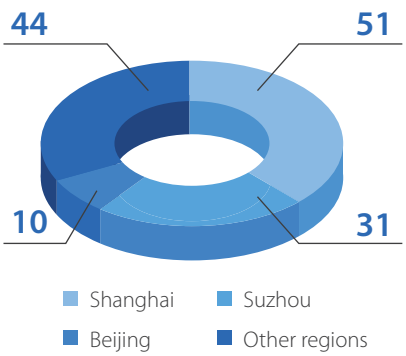
### Total workforce by gender (Unit: person)



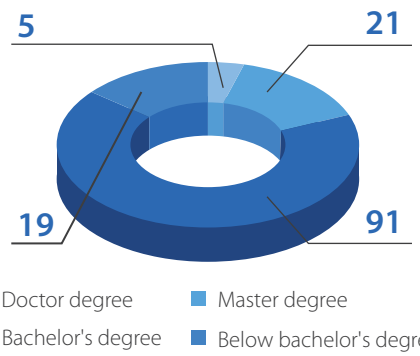

### Total workforce by age group (Unit: person)




### Total workforce by geographical region (Unit: person)



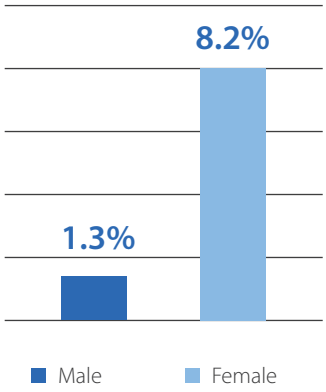

### Total workforce by academic qualification (Unit: person)



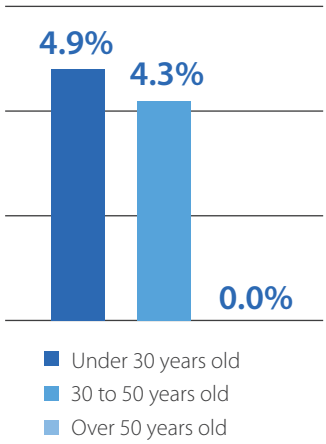
The turnover procedure is followed in strict accordance with labour contracts and laws and regulations.

During the reporting period, the Group's turnover rate was **4.4%**.

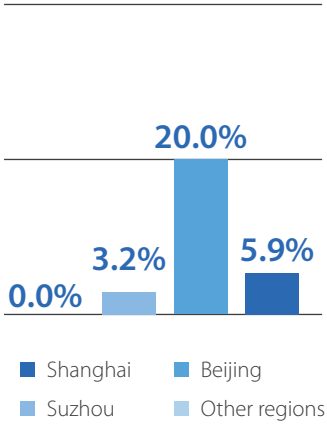
### Employee turnover rate by gender




### Employee turnover rate by age group




### Employee turnover rate by geographical region




## Emoluments and benefits

### Composition

We formulated the *Measures on Remuneration Management*《薪酬管理辦法》and establish a scientific and reasonable employee remuneration system to effectively attract, motivate and retain talent. In consideration of responsibilities and performance, personal abilities, and in line with external market levels, we establish an internal remuneration model. The remuneration comprises fixed wages, floating wages and benefits. Floating wages include performance bonus, sales bonus and other bonuses. Benefits include statutory benefits such as social insurance, housing fund, and company benefits such as paid leave, health insurance, supplementary medical insurance, supplementary housing fund and cash benefits. Cash benefits include transportation allowance, luncheon allowance, communication allowance, high-temperature subsidy/heating allowance, holiday benefits, etc.

### Employee incentive plan

In order to encourage employees to stick to their posts and participate actively in various important activities for the development of the Group, we formulated the *Implementation Plan for the CEO Special Contribution Award*《CEO特別貢獻獎實施方案》, which is intended to reward employees who have made outstanding contributions to the Group's business development, management optimisation and innovation, and brand promotion.

## Working hours and leaves

Team building of Shanghai Headquarters at Mogan Mountain in September 2020

We strictly abide by the *Labour Law of the People's Republic of China*《中華人民共和國勞動法》and eliminate forced labour. If overtime is required based on business conditions, employees shall submit a written application letter for overtime, and they can apply for compensatory leave or receive overtime pay as appropriate.

We draw up the *Leave Management Policy*《假期管理制度》to protect the employees' right to leave. Employees of the Group enjoy a variety of holidays such as weekends, national holidays, paid annual leave, marriage leave, maternity leave and home leave.

In addition, we also organise a series of staff activities to create a happy, healthy and harmonious working atmosphere.

# Health and safety

We highly value occupational health and safety, strictly abiding by laws and regulations related to health and safety, including but not limited to the *Labour Law of the People's Republic of China*《中華人民共和國勞動法》, the *Work Safety Law of the People's Republic of China*《中華人民共和國安全生產法》, and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*《中華人民共和國職業病防治法》. We formulated the *Safety Management Procedure for Hazardous Chemicals*《危險化學品安全管理規程》to standardize the safety requirements for conveyance, storage, usage, and scrapping process of hazardous chemicals, strengthen management of hazardous chemicals, and protect staff members' lives and property. From the date of incorporation to the end of the reporting period, there was no work-related fatality . In 2020, the number of lost days due to work injury was zero.

Our measures in promoting health and safety include:

- Safety education, and safety benefits and occupational health measures for employees;
- Annual influenza vaccination for all employees;
- Annual health check-up at the company's expenses;
- Staff members who use hazardous chemicals must participate in trainings and obtain relevant certification. When operating, it should be done by two persons with proper safety protective equipment.

For the Suzhou manufacturing plant under construction, we strictly comply with the requirements of laws and regulations such as the *Measures for the Supervision and Administration of Three Simultaneity Requirements for Safety Facilities in Construction Projects*《建設項目安全設施"三同時"監督管理辦法》and the *Measures for Supervision and Administration of the Three Simultaneity Requirements for Prevention Facilities of Occupational Diseases in Construction Projects*《建設項目職業病防護設施"三同時"監督管理辦法》, and complete the relevant pre-assessment of occupational hazard and pre-evaluation of safety. We equip employees exposed to occupational hazards with effective personal protective equipment, and prioritise the use of advanced production processes, technologies and non-toxic or low-toxic raw materials to reduce the hazard level.

### Case: Prevention and protection against COVID-19

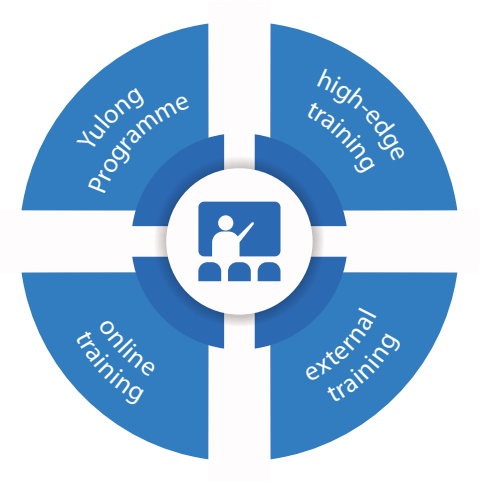
In early 2020, due to the outbreak of novel coronavirus pneumonia epidemic (COVID-19), the Group made efforts to prevent and control the epidemic to suit local conditions, actively purchased emergency materials such as masks and infrared thermometers, and promptly pushed the knowledge of epidemic prevention to employees, so as to enhance their safety risk awareness. After work resumption, we took timely prevention and control measures, including daily temperature measurement, physical condition statistics, distribution of epidemic prevention materials, and required employees to wear masks, gloves and other protective equipment. We regularly purchased and stored disinfectant, sterilising lamps, alcohol pads, masks and other epidemic prevention materials for the office area. In addition, we ensured that the commercial insurance programs purchased for employees cover relevant insurance items such as insurance for death due to disease, supplementary medical reimbursement, etc. With a joint effort from all employees, we minimised the impact of the epidemic, and there was no confirmed case within the Group during the reporting period.

## Development and training

Ocumension is committed to the establishment of a learning-oriented organisation to achieve the unity development of employee career and the Group. We have formulated the *Post Management Measures*《崗位管理辦法》and *Annual Promotion Policy*《年度晉升制度》to clarify the post system and promotion channels for each post, and encourage employees to improve their personal qualities and abilities, realise self-worth, and achieve the goal of common growth of employees and the Group.

According to the characteristics of different posts, our internal positions are divided into professional sequence and management sequence. And professional sequence is further divided into sales sequence, R&D sequence, support sequence and manufacturing sequence according to the characteristics of the specific expertise. Based on the degree of post contribution, posts rank from level 1 to level 50, and employees are rewarded according to their performance, ability and contribution to the business.

We provide employees with formal and comprehensive training and in-service training at company level, departmental level, including Yulong Programme, high-edge training, external training, online training, etc. to ensure that employees aware of and comply with our policies and procedures, and understand the Group's overall planning, learn about ophthalmic diseases, clinical trials, product, compliance, etc. The Yulong Programme is designed to help new employees get familiar with the work environment, understand the Group's business in a more effective way and optimise their on-boarding experience. We assign a colleague from the Shanghai Headquarters as a learning partner for each new employee to help them fully understand their work goals and content, and actively participate in inter-departmental communication and collaboration.

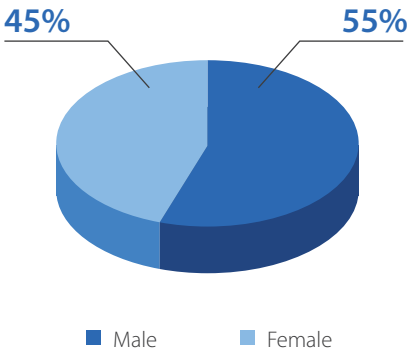




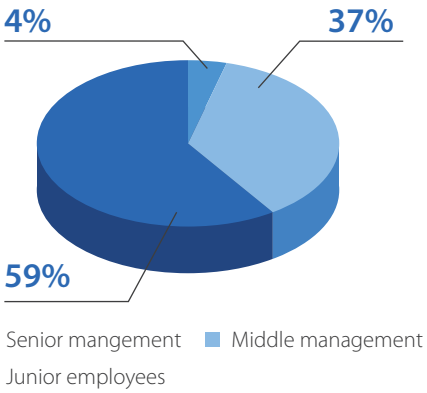
Southern District Sales Training in November 2020 and 2021 Mobilisation Meeting

In 2020, the training ratio of the employees of the Group was **100%**, and the total training hours for the year were **1,506.7** hours.

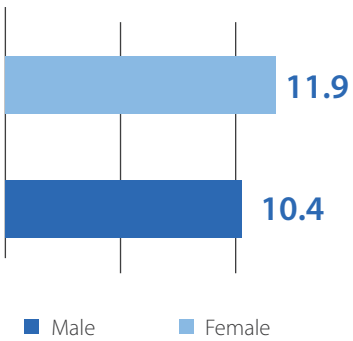
### The percentage of employees trained by gender



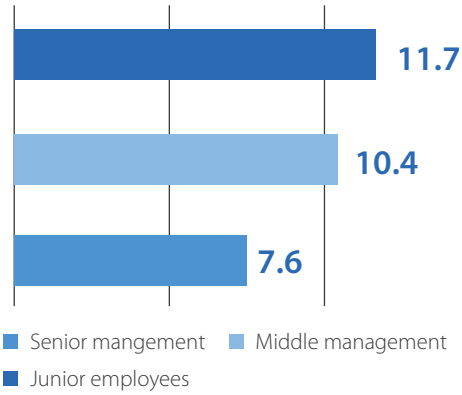

### The percentage of employees trained by employee category




### The average training hours completed per employee by gender (Unit: hours/person)




### The average training hours completed per employee by employee category (Unit: hours/person)




# Anti-corruption

The Group strictly abides by the *Criminal Law of the People's Republic of China*《中華人民共和國刑法》, the *Pharmaceutical Administration Law of the People's Republic of China*《中華人民共和國藥品管理法》, 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》and other laws and regulations, and it has established a sound risk identification and compliance management system. Bribery, extortion, fraud and money laundering are strictly prohibited. In 2020, the Group had no cases involving corruption.

We have established a compliance committee led by the CEO to guide, supervise, and coordinate the compliance management of the Group. And through the establishment of *Risk Management Manual*《風險管理手冊》, *Contract Management Regulations*《合同管理規定》and *Guidelines for the Promotion of Pharmaceutical Products*《藥品推廣準則》and other policies, we can effectively identify and actively manage and prevent compliance risks. We ensure the standard implementation of all kinds of operation activities through daily compliance supervision, reporting, cultural promotion and implementation, and carry out compliance evaluation for each employee. If violations occur during the review and supervision process, they will be included in the compliance assessment and employees involved will be punished. The assessment score of the superior leader will also be deducted in a certain degree due to joint liability. We will announce the compliance assessment and disciplinary notice of the previous month to all employees before the end of each month.

In order to create an atmosphere of professional integrity and fair competition, and prevent misconduct, we have also stipulated the behaviour of the functional personnel of the Group in contact with the supply chain in the *Guidelines for Contact with Non-medical Professionals*《與非醫療專業人士接觸準則》. The relevant functional personnel shall strictly follow such guidelines. They shall not have conflicts of interest with the supplier and shall sign a conflict of interest statement. If employees collude with distributors or conduct false sales, they will be considered serious violations of company rules and regulations, and the Group can unilaterally terminate the labour contract according to relevant laws and regulations.

The Group has set up a "compliance office" for all employees to receive compliance consultation and compliance reports submitted by all employees. We keep confidential information related to compliance consultation, compliance reports and employee.

## Reporting channels mainly include

**Corporate email**
peipei.jiang@ocumension.com

**Reporting hotline**
+86-021-61493752

In 2020, the Internal Audit Department carried out a total of **2** internal special audit projects and put forward targeted management recommendations on the audit results. All recommendations were responded to and implemented.

The Group is committed to compliance culture construction, and familiarises employees with compliance knowledge, compliance policies as well as risk prevention and control requirements by formulating compliance training plans and organising effective compliance training on a regular basis. In 2020, we launched several online training programmes to strengthen employees' compliance awareness, including all-staff training on *Compliance Manual*《合規手冊》, basic training and testing on *Guidelines for the Promotion of Pharmaceutical Products*《藥品推廣準則》and on Compliance Policies. All new joiners are required to complete the training *on Compliance Manual*《合規手冊》within one month upon getting on board, and sign *Letter of Commitment on Compliance Manual*《合規手冊承諾書》. In 2020, we also invited external law firms to provide the Board of Directors with trainings on rules and regulations of Hong Kong listed companies, duties of the Board, corporate governance, related party transactions, insider trading, etc.

# Green Operation

In strict accordance with relevant 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 the *Energy Conservation Law of the People's Republic of China*《中華人民共和國節約能源法》, and driven by the environmental goal of improving resource use efficiency and reducing emission, we actively perform our environmental protection responsibilities. We identify and analyse potential environmental factors in a timely and comprehensive manner, and make scientific preventive measures and managerial decisions therefrom.

Following the *Regulations on the Administration of Construction Project Environmental Protection*《建設項目環境保護管理條例》and relevant laws and regulations, we have completed the Environmental Impact Report Form and the Energy Conservation Report for Suzhou manufacturing plant. During the design and construction of Suzhou manufacturing plant, we have taken a series of energy conservation measures for processes, buildings, electrics, switches, etc. and water conservation measures such as rainwater reuse after taking full consideration of its environmental factors, so as to continuously optimise the way how resource is used and ensure reasonable resource utilisation. Since Suzhou manufacturing plant has not yet been put into operation, the environment-related KPIs in the Report are applicable to the Group's office buildings and laboratories in Shanghai, Suzhou, Beijing and Hangzhou, but not to Suzhou plant.

In active response to the call for "energy saving, environmental protection and low carbon economy", we strive to reduce resource consumption in offices by adopting green office measures. Meanwhile, we develop various guidelines to regulate laboratory procedures, and the handling, use, storage, treatment and disposal methods of hazardous material and waste.

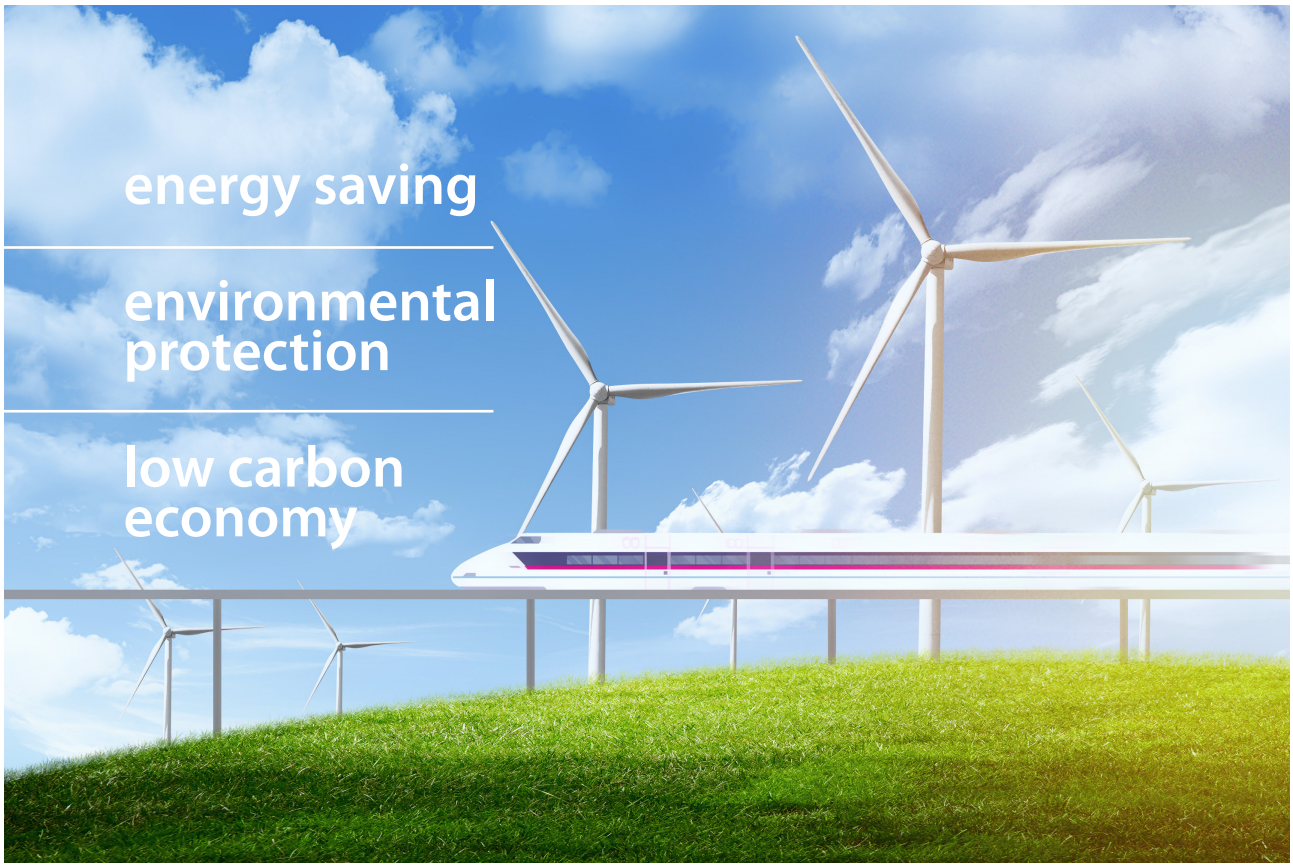
| | | | | | |
|---|---|---|---|---|---|
| Through publicity activities on energy and water saving, we encourage employees to develop self-awareness of resource saving, and put up slogans of power and water saving as reminders for employees to switch off power and water equipment in a timely manner; | We formulated *Regulations on Company Car*《公司用車管理規範》to properly manage and allocate company car as well as avoid wasting resource; | We encourage paperless office by minimising copy and printing, and advocate double-sided printing and wastepaper recycling to avoid unnecessary use of paper and reduce the amount of non-hazardous waste; | Packaging for hazardous waste should be made of easily recyclable, reusable, disposable, or biodegradable materials; | We sign disposal contracts on hazardous waste with third-party professional companies to ensure proper disposal of hazardous waste generated in the laboratory; | We actively answer to the call for garbage classification by promoting it among employees and implementing it in offices with garbage classified into four categories: residual waste, household food waste, hazardous waste and recyclable waste. |

## In 2020, the Group's environment-related KPIs are shown as follows:

| Environmental KPIs [5,6] | 2020 |
|---|---|
| Total energy consumption (MWh)1 | 234.75 |
| Total direct energy consumption (MWh) | 88.57 |
| Including: Petrol (MWh) | 88.57 |
| Total indirect energy consumption (MWh) | 146.18 |
| Including: Purchased electricity (MWh) | 146.18 |
| Energy consumption intensity (MWh per capita) | 1.73 |
| Total water consumption (tonne)2 | 138.70 |
| Total water consumption intensity (tonne per capita) | 0.16 |
| Total wastewater (tonne) | 106.76 |
| Total hazardous waste emission (tonne)3 | 0.41 |
| Hazardous waste emission intensity (kg per capita) | 3.01 |
| Total GHG emissions (Scopes 1 and 2) (tCO2e)4 | 124.95 |
| Direct GHG emissions (Scope 1) (tCO2e) | 21.66 |
| Including: Petrol (tCO2e) | 21.66 |
| Indirect GHG emissions from energy consumption (Scope 2) (tCO2e) | 103.30 |
| Including: Purchased electricity (tCO2e) | 103.30 |
| GHG emission intensity tCO2e per capita | 0.92 |

## Notes:

- 1. Total energy consumption is calculated based on the consumptions of electricity and fuel and the default parameter values related to common fossil fuel characteristics as shown in Attached Table 2 to *Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Other Industrial Enterprises*《工業其他行業企業溫室氣體排放核算方法與報告指南》issued by the National Development and Reform Commission ("NDRC").
- 2. The Group's water consumption is mainly for domestic use and sourced from municipal water system, which is sufficient for daily operation.
- 3. Hazardous wastes generated by the Group mainly include phenols wastes, organic solvent wastes, waste acid and other hazardous wastes from experiments.
- 4. Based on the nature of the Group's business operation, our GHG emissions mainly consist of direct GHG emissions (Scope 1) from gasoline consumption of vehicles and energy indirect GHG emissions (Scope 2) from purchased electricity. GHG emissions are presented in CO2 equivalents and calculated in accordance with *Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Other Industrial Enterprises*《工業其他行業企業溫室氣體排放核算方法與報告指南》and *2011 and 2012 Regional Grid Average CO2 Emission Factor for China*《2011年和2012年中國區域電網平均二氧化碳排放因子》issued by NDRC.
- 5. The Group has not yet produced pharmaceutical products and no packaging materials are used in its operation, therefore, KPI A2.5 (Total packaging material used for finished products and with reference to per unit produced) is not applicable to the Group and is therefore not disclosed in the ESG report.
- 6. Environmental impacts from offices and laboratories are relatively limited, thus KPI A1.1 (The types of emissions and respective emissions data) and A1.4 (Total non-hazardous waste produced and intensity) have no material impact on the Group's operation and are not disclosed in the ESG report. In the future, we will continuously monitor the environmental impacts of our operation and disclose relevant environmental data in future reports when appropriate.




## The environment and natural resources

Apart from matters disclosed above, we do not cause other significant environmental impacts or make heavy use of other environmental and natural resources during operation. Therefore, Aspect A3 (The environment and natural resources) and KPI A3.1 (Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them) are not applicable to the Group, and are not disclosed in the ESG report.

## Climate change

Being deeply aware of global impacts brought by climate change, Ocumension actively adheres to the green concept throughout its daily operation. After assessment, we believe that extreme weather such as typhoons and floods will have impacts on the Group's normal operation. Therefore, we formulated *Guidelines for Work Arrangements in Severe Weather*《惡劣天氣工作安排指引》, providing safety instructions for employees during typhoons, high winds, rainstorms and lightning, to avoid the impacts of extreme weather on company's operation and employees' health.

# Contributing to the Society

Guided by the principle of "Virtus et Lumen" ("Courage and Light"), we take on social responsibilities with courage and stay committed to bringing light to more patients and industries, further giving back to the society. In addition, we fulfil our corporate social responsibility through co-host free clinics, patient education, co-host academic conferences, charity donations, medical professionals sponsorship, etc., and regulate public welfare activities through *Compliance Manual*《合規手冊》to ensure such activities are conducted in compliance with Chinese laws and regulations.

## Bring the Light action

donated over
RMB **1.5** million

Uveitis is one of the main causes of blindness worldwide, especially among young adults. At present, there is no standard treatment in China for uveitis, and its relatively high recurrence rate and chronic nature make it expensive to treat. In response to urgent needs of Chinese patients suffering from ocular diseases, we speed up to commercialise our core product OT-401 (Yutiq) Fluocinolone intravitreal implant, so as to provide more patients with effective treatment solutions. In 2020, the Group donated over RMB 1.5 million in cash to enable patients with non-infectious uveitis at Boao Super Hospital enjoy a deduction or exemption of medical fees, effectively relieving patients' burden to regain a clear vision.

## Hundred-people science popularisation campaign

Ocumension Ophthalmology Hundred-people Team Science Popularisation Campaign

From August to December 2020, Ocumension joined the Ophthalmology Branch of Chinese Medical Doctor Association in organising "Ocumension Ophthalmology Hundred-people Team Science Popularisation Campaign" with support of new media platforms such as Kuaishou, TikTok and Zhihu, with the purpose of raising the public awareness of eye health and highlighting importance of eye health. Ophthalmologists from level A tertiary hospitals in Beijing, Shanghai, Jiangsu, Shandong and other provinces were invited to the event. As of 31 December 2020, a total of **55** doctors were certified and went online to promote knowledge and answer questions through live streaming.

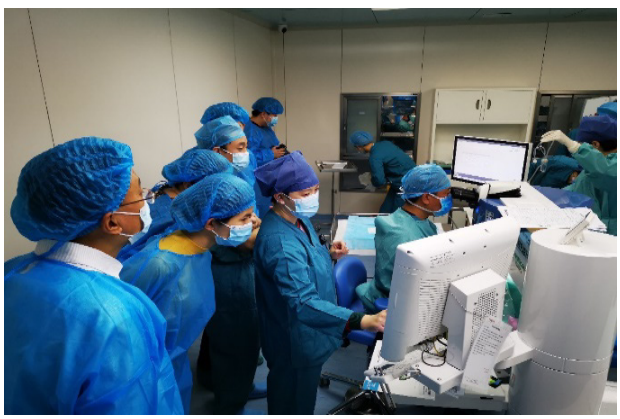
# Industry exchange

In 2020, Ocumension hosted and co-hosted various forums for ophthalmology directors, deans and experts as well as surgical demonstration activities in many provinces and cities across China, and invited experts from Massachusetts Eye Research and Surgery Institution (MERSI), the former chairman of American Society of Cataract and Refractive Surgery (ASCRS) and deans of various ophthalmology hospitals in China. Through a series of lectures, case sharing, and interdisciplinary discussions, ophthalmologists worldwide were encouraged to share experiences, further facilitating industry exchanges.


YUTIQ Conference of Hainan Boao Super Hospital on 18 September 2020


Uveitis Expert Forum on 17 October 2020


Shanghai Ophthalmology Quality Control Committee Conference on 18 October 2020



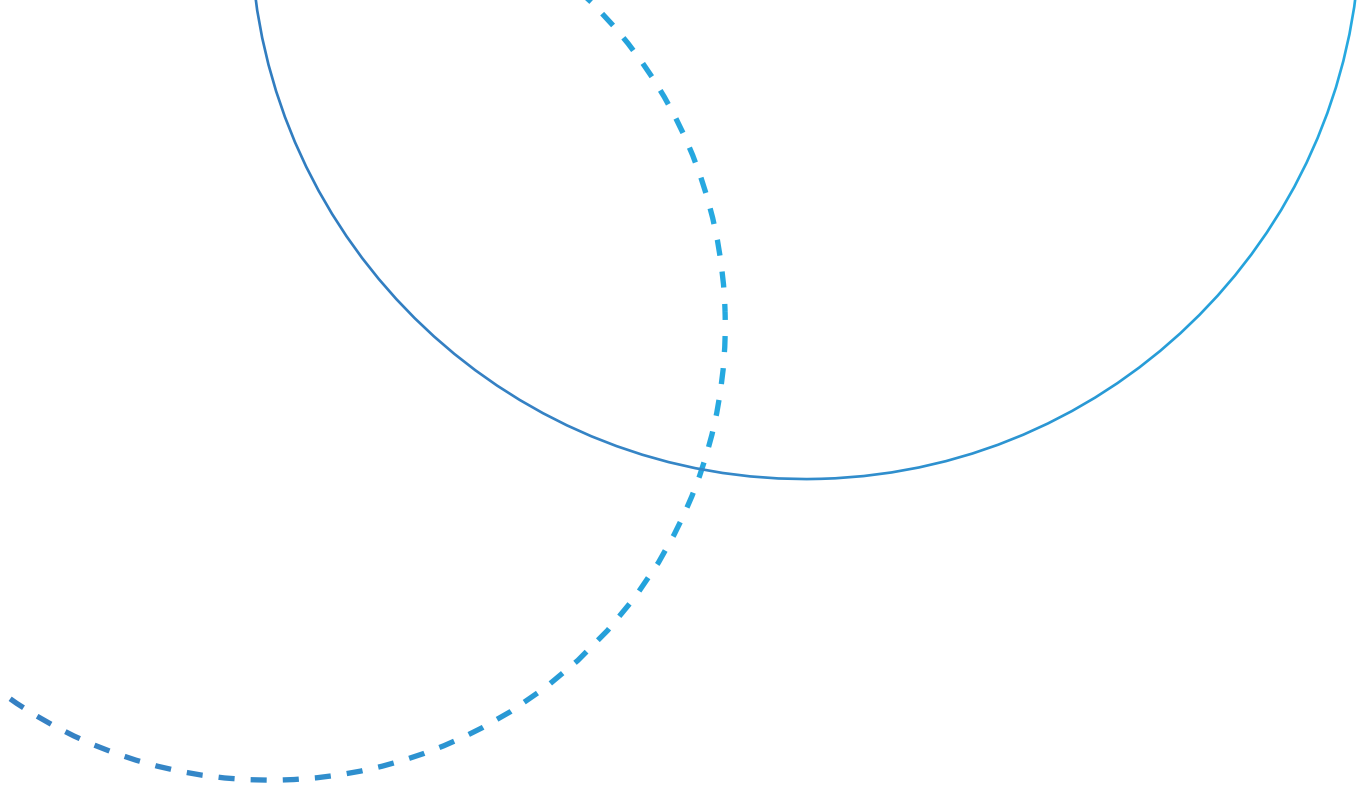
Surgical Demonstration Activities on 7 November 2020

# Appendix: Index for ESG Reporting Guide

| Aspect | Description | Title of sections |
|---|---|---|
| A1 | Emissions | Green Operation |
| General Disclosure | (a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | |
| A1.1 | The types of emissions and respective emissions data. | |
| A1.2 | Direct (Scope 1) and energy direct (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | |
| A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | |
| A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | |
| A1.5 | Description of emission target(s) set and steps taken to achieve them. | |
| A1.6 | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. | |
| A2 | Use of Resources | Green Operation |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. | |
| 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). | |
| A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | |
| A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | |
| 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. | |
| A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | |
| A3 | The Environment and Natural Resources | Green Operation-The Environment and Natural Resources |
| General Disclosure | Policies on minimising the issuer's significant impacts on the environment and natural resources. | |
| A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | |
| A4 | Climate Change | Green Operation-Climate Change |
| General Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. | |
| 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. | |

| Aspect | Description | Title of sections |
|---|---|---|
| B1 | Employment | People-oriented Value- Emoluments and Benefits |
| General Disclosure | (a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | |
| B1.1 | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. | |
| B1.2 | Employee turnover rate by gender, age group and geographical region. | |
| B2 | Health and Safety | People-oriented Value- Health and Safety |
| General Disclosure | (a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to providing a safe working environment and protecting employees from occupational hazards. | |
| B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | |
| B2.2 | Lost days due to work injury | |
| B2.3 | Description of occupational health and safety measures adopted and how they are implemented and monitored. | |
| B3 | Development and Training | People-oriented Value- Development and Training |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | |
| B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | |
| B3.2 | The average training hours completed per employee by gender and employee category. | |
| B4 | Labour Standards | People-oriented Value |
| General Disclosure | (a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to preventing child and forced labour. | |
| B4.1 | Description of measures to review employment practices to avoid child and forced labour. | |
| B4.2 | Description of steps taken to eliminate such practices when discovered. | |

| Aspect | Description | Title of sections |
|---|---|---|
| B5 | Supply Chain Management | Responsible Operation-Supplier Management |
| General Disclosure | Policies on managing environmental and social risks of the supply chain. | |
| B5.1 | Number of suppliers by geographical regions. | |
| 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. | |
| B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | |
| B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | |
| B6 | Product Responsibility | Responsible Operation-Full Life-cycle Management |
| General Disclosure | (a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | |
| B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | |
| B6.2 | Number of products and service-related complaints received and how they are dealt with. | |
| B6.3 | Description of practices relating to observing and protecting intellectual property rights. | |
| B6.4 | Description of quality assurance process and recall procedures. | |
| B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | |
| B7 | Anti-corruption | People-oriented Value- Anti-corruption |
| General Disclosure | (a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to bribery, extortion, fraud and money laundering. | |
| 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. | |
| B7.2 | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. | |
| B7.3 | Description of anti-corruption training provided to directors and staff. | |
| B8 | Community Investment | Contributing to the Society |
| 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. | |
| B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | |
| B8.2 | Resources contributed (e.g. money or time) to the focus area. | |



OcuMension

欧 康 维 视