东曜药业
TOT BIOPHARM

2020

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

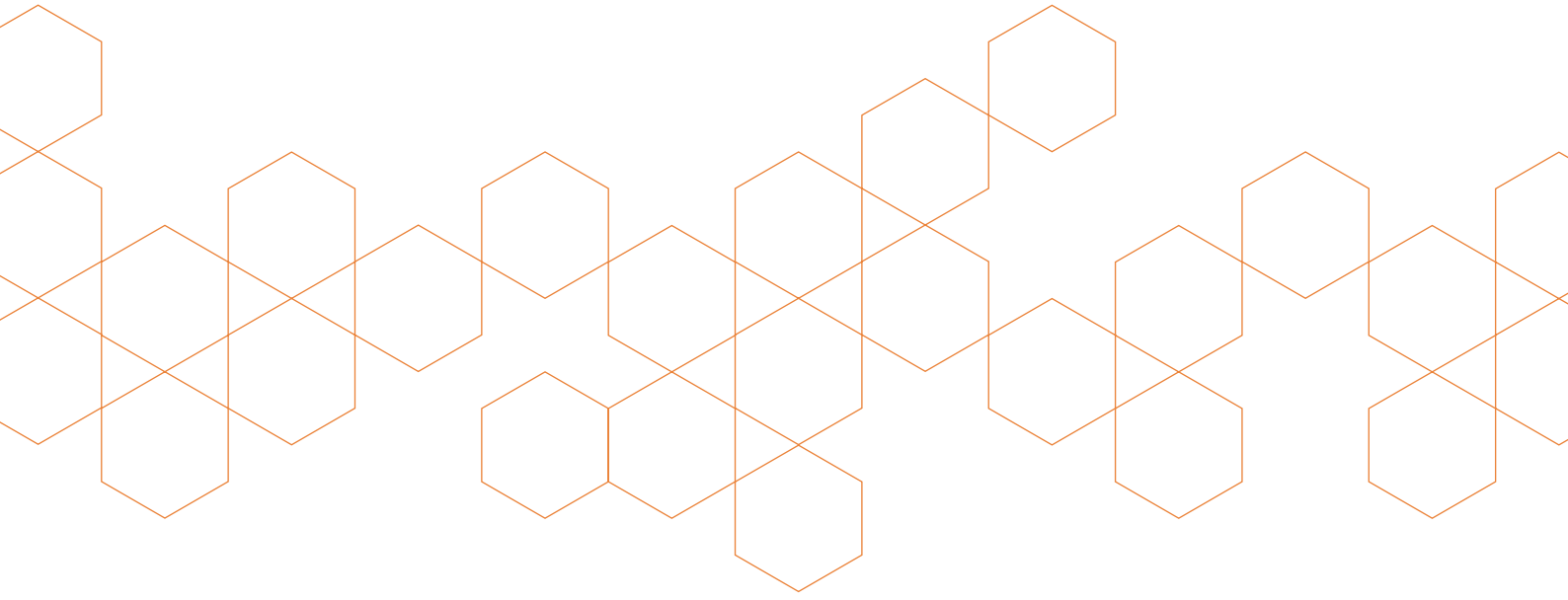
(Incorporated in Hong Kong with limited liability) (Stock Code: 1875)

TOT BIOPHARM International Company Limited

TOT BIOPHARM INTERNATIONAL COMPANY LIMITED

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

2020



Contents

ABOUT THE REPORT

Report Description

The Report is the second Environmental, Social and Governance (hereinafter "ESG") Report (the "Report") issued by TOT BIOPHARM International Company Limited (hereinafter referred to as "the Company"). The Report is published regularly on an annual basis and focuses on disclosing the Company's performance in responsible governance, product quality, innovative R&D, business partnerships and cooperation, talent development, safety in production and health, environmental protection, and social contribution.

Basis of Compilation

The Report is compiled in accordance with the *Environmental, Social and Governance Reporting Guide* as set out in Appendix 27 to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (hereinafter "HKEX")(the "Listing Rules"). The Report strictly follows the comply-or-explain principle required by the *Environmental, Social and Governance Reporting Guide*. Meanwhile, the contents of the Report have been determined under a set of established procedures, namely, identifying and ranking the significant stakeholders and material ESG issues, collecting relevant information, and reviewing the quantitative data in the Report.

Scope and Boundary of the Report

Unless otherwise specified, the information relating to the period from January 1, 2020 to December 31, 2020 (hereinafter referred to as "this year", or "reporting period") is disclosed in the Report, together with certain contents which contain information relating to prior years. The scope of the Report includes TOT BIOPHARM International Company Limited and its subsidiaries (collectively hereinafter "the Group", "TOT BIOPHARM", or "we").

Assurance on Data Sources and Reliability

Data in the Report comes from the Company's internal materials, survey and interview records, and relevant documents. The Company's Board of Directors (the "Board") undertakes that the Report does not contain any false or misleading information and accepts liability for the truth, accuracy and completeness of the contents of this Report.

Confirmation and Approval

The Report was approved by the Board on June 27, 2021 upon the confirmation by the management (the "Management").

Availability and Response to the Report

The Report is available in both Traditional Chinese and English. The electronic version of the Report is available on our official website, www.totbiopharm.cn or on the HKEX's website, www.hkexnews.hk. If there are any discrepancies between the two versions, the Chinese version shall prevail.

MANAGEMENT'S STATEMENT

The year 2020 was a crucial year in the ten-plus years of development of TOT BIOPHARM. In this year, we learned from the past and laid down the foundation for future development. Despite the impact of the COVID-19 pandemic, the Group steadfastly implemented its long-term strategic plan and directions and actively promoted the competitive edge of its principal business. The Company has made breakthroughs in various areas of business operation and achieved outstanding performance. At the same time, TOT BIOPHARM has remained committed to performing its social responsibility and mission. Whilst actively accelerating its drug development, the Company also established a reputable corporate image by assuming and performing its social responsibilities.

TOT BIOPHARM has been proactively building and maintaining an efficient governance system for sustainable development. The Company took comprehensive measures to advance its ESG performance. We continuously optimized the Company's capabilities of internal corporate governance, enhanced the transparency of information disclosure, and upheld our accountability to investors and other stakeholders. Meanwhile, we kept strengthening our capabilities in risk prevention and established a comprehensive governance system and preventive measures in areas of operational management including internal governance systems, construction of data privacy protections, anti-corruption, and so on. Treating compliance with business ethics as the prerequisite for the Company's long-term development, we have been striving to create an honest and clean business environment.

Actively investing in innovation and R&D is necessary for us in order to maintain our character as a socially responsible company. We strived to accelerate the marketing of drugs in development and constantly leveraged our competitive advantages in a market environment affected by factors including fierce competition and uncertainties caused by the pandemic. This year, we have submitted the new drug application for TAB008, our self-developed core product, while TAA013, an ADC drug, has successfully entered Phase III clinical trials, demonstrating our leading R&D progress in China. In order to further and enhance the Company's independent R&D capabilities, we established the process development department and the method development department to continuously expand the product pipeline whilst boosting the R&D of innovative anti-tumor drugs and therapies to provide patients with more cures.

While continuously advancing our R&D, TOT BIOPHARM continued to expand its capacity planning in terms of the R&D and commercialization platform that integrates monoclonal antibodies and ADC drugs, and actively developed its CDMO/CMO business, thereby generating momentum towards the coordinated development of innovative drug R&D and commercial production. We have been committed to achieving win-win development in multiple business segments and actively strengthening supply chain management. We hope to enhance the communication and collaboration with our business partners, build a healthy and sustainable business environment together, and create greater value for society.

Attracting talent is an issue of concern for TOT BIOPHARM. We continued to build a pleasant work environment - one that is safer, fairer, and more sustainable - for our employees. Based on well-rounded compensation and benefits systems, we have been committed to providing our employees with sustainable career development pathways. We also strived to enhance teamwork so as to build a better work environment. Furthermore, we organized more meaningful group activities to encourage employees to participate in social activities, raise public awareness of health, take part in charity work and strengthen our employees' sense of social responsibility.

In response to the national policies on environmental management and protection and climate change countermeasures, we paid more attention to environmental protection and adhered to the concept of green operation. The Company continuously strengthened the supervision and control of its wastewater and general waste produced during operation and production, and unswervingly practiced the philosophy of energy conservation and emission reduction.

Whether it is the breakthrough made in the anti-tumor drug market, or the accomplishment in practising its corporate social responsibility, performing the concept of green operation and staying committed to the harmonious development of mankind and society, TOT BIOPHARM has presented itself impressively this year. In the future, TOT BIOPHARM will continue to work hard to comprehensively strengthen ESG governance and management as well as actively improve its performance. While shouldering its corporate social responsibilities, the Company will continue its efforts in the realization of its corporate vision!

HONORS AND MILESTONES IN 2020

Awards and Honors

Membership of Suzhou Industrial Park Association of Shareholding Enterprises

High-tech Enterprises

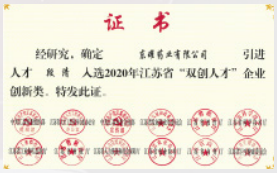
Member of Drug R&D Professional Committee in China Pharmaceutical Innovation and Research Development Association

The Most Caring Employer

Gusu Innovation and Entrepreneurship Leading Talent Enterprises

2020 China's Health New Enterprises

Standing Committee Member of Drug R&D Professional Committee in China Pharmaceutical Innovation and Research Development Association



"Innovative and Entrepreneurial Talent" Enterprises in Jiangsu Province

Outstanding Contribution Award for Donations made to COVID-19 Prevention and Control

MILESTONES

TOT BIOPHARM made important progress in terms of core product innovation, collaborative development of innovative drugs, commercial production, and CDMO/CMO business expansion in 2020.

Soon-to-be-commercialized drugs

- TAB008 (Anti-VEGF mAb)(non-squamous and non-small cell lung cancer (nsNSCLC)): Marketing application was submitted in accordance with *Administrative Measures for Drug Registration*. The application was accepted by the National Medical Products Administration (NMPA) in September 2020 for processing. Marketing approval is expected to be obtained in 2021.
- TOZ309 (Temozolomide Capsules): As a generic drug of chemical drug temozolomide, its pre-approval registration inspection was completed. Marketing approval was obtained in May 2021.
- TOM312 (Megestrol Acetate) (Cancer and AID-related cachexia): After continous techinical optimization, its commercial-scale preparation process was verified, and we successfully submitted an ANDA in Taiwan.

Clinical trial progress and results

- TAA013 (Anti-HER2 ADC) (HER2-positive breast cancer): In July 2020, the first patient was recruited for the Phase III clinical trials. It is currently in the stage of clinical recruitment and is expected to be marketed in 2023.
- TAB014 (Anti-VEGF mAb) (wet age-related macular degeneration (wAMD)): It has undergone critical Phase III clinical trials and the consulation with CDE, after which it can skip the domestic Phase II clinical trial and directly enter the Phase III clinical trial. Meanwhile, we submitted an application of Phase III clinical trial to the FDA, USA. Using clinical data and relevant clinical papers from Phase I, the application sought the approval for Phase III clinical trial without conducting Phase II clinial trial.
- TIC318 (Carboplatin) (Epithelial cell-derived ovarian cancer, small cell lung cancer, head and neck squamous cell carcinoma, testicular tumors, malignant lymphoma, cervial caner, bladder cancer and non-small cell lung cancer): Its commercial-scale preparation process was verified in the highly active drug injection workshop.

Commercial production and CDMO/CMO strategic cooperation

- The commercial production technologies have significant competitive edges in terms of cost effectiveness. The self-developed PB-Hybrid® Technology, i.e., perfusion batch-hybird technology, expands the scale of commercial production from 25 liters to 2,000 liters in the process of cell cultivation. It can also streamline the process and lower production risks while shortening production cycles, reducing costs, and greatly improving production capacity and cost advantages.
- We cooperated with several innovative drug companies including Kintor Pharmaceutical Limited in CDMO projects, in which we have continuously provided clinical trial drugs and technical support for its core product, Prokrutamide Tablets, in China and in the United States. Besides, we have supported clinical sample supplies for the R&D in relation to COVID-19 indications overseas (including United States, Brazil, etc.) and provided CDMO/CMO services to our new drug R&D business partners.

01

A GLANCE AT TOT BIOPHARM

TOT BIOPHARM, established in 2009, focuses on the development and commercialization of innovative oncology drugs and therapies, and endeavors to become a leading brand of oncology treatment trusted by patients and their families as well as medical professionals.


OLYMPUS
CX23

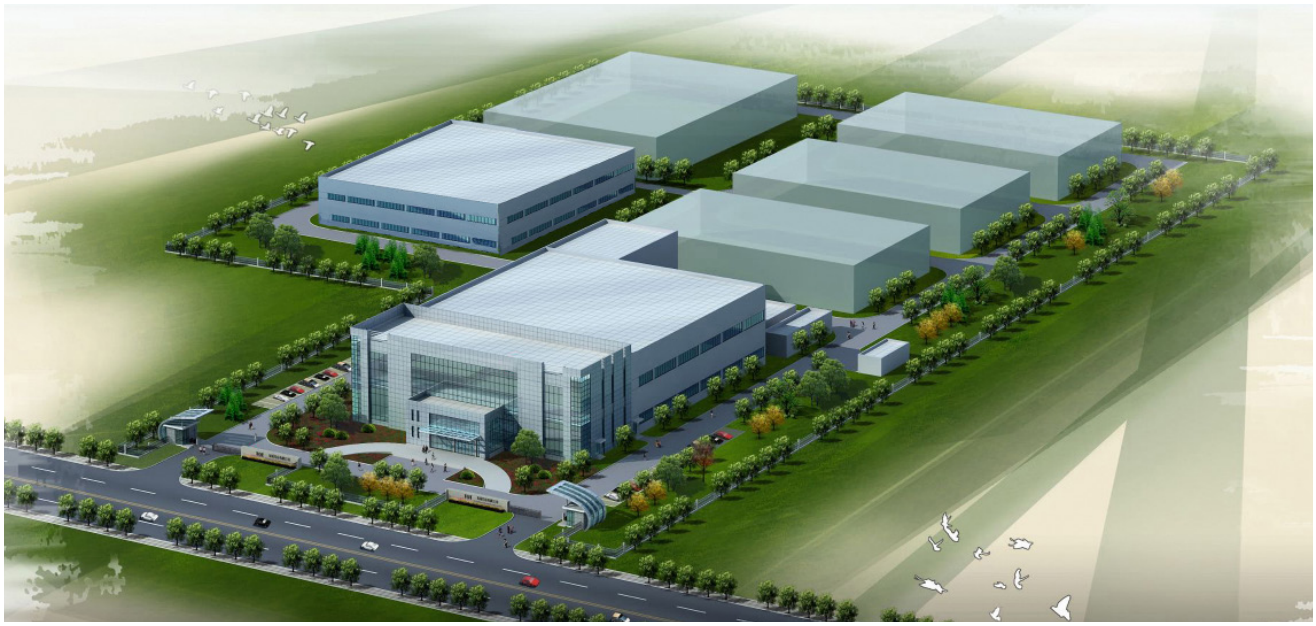
01 ABOUT TOT BIOPHARM

About Us

TOT BIOPHARM Co., Ltd. was registered and established in Suzhou, Jiangsu Province, in 2010. With years of industry experience and strategic planning, TOT BIOPHARM has been at the forefront of technological innovation and achieved outstanding results in the biotechnological industry. Specifically, the R&D technologies in relation to antibody-drug conjugates (ADC) has been a pioneer in the industry; the three self-developed R&D technology platforms (therapeutic monoclonal antibody and ADC technology platform, genetic engineering-based therapeutic technology platform, and innovative drug technology platform) and cost-effective commercial production facilities have become the core competitive edge of TOT BIOPHARM.

In 2019, TOT BIOPHARM was listed on the Main Board of the HKEX, marking the start of a new journey for the Company. Our development wins the recognition of domestic and overseas investors, and this has also accelerated the progress of the Group made in the global capital market. TOT BIOPHARM focuses on its development of anti-tumor drugs and continues to make progress in the areas where it has comparative advantages. During the reporting period, TOT BIOPHARM achieved crucial results in core product R&D, broadening the scope for cooperation and business, and accelerating commercial drug production. Consequently, our core product reached a major milestone. We proactively promoted the development of and cooperation related to innovative drugs and established an R&D and commercialization platform integrating monoclonal antibodies and ADC drugs. The Company rapidly expanded its CDMO/CMO services and gradually formed trends towards coordinated development of innovative drug R&D and commercial production.

In the future, TOT BIOPHARM will continue to adhere to its philosophy of openness, cooperation and win-win. Supported by the one-stop full value chain platform combining the processes of drug discovery, pre-clinical R&D, clinical trials and application, manufacturing, and commercialization, the Company will proactively seek strategic cooperation at home and abroad and improve market competitiveness and market share to discover new opportunities for the Group's development and create new potential for development.



Development History

2009

The Company was incorporated

2011

- Established the sales and marketing team
- Started to sell anti-cancer drug S-1 in China
- Completed the first round of financing

2012

Established our 1st plant

2015

Completed equity financing involving investors including Vivo Capital, Chengwei Capital, Formosa Laboratories, Inc., etc

2016

Became the first pilot unit for MAH collaborations in Jiangsu Province, with our quality system recognized by the national authorities. Obtained approvals for clinical trials of TAB008, TAD001 and TOZ309

2017

Commenced Phase III clinical trial for TAB008. TAB014 was approved to enter clinical trials and TAB014 was authorized to be commercialized in China

2018

TAA013 was approved for clinical trials. Established our 2nd plant and completed the Class B preferred shares issue

2019

- TAB008: recruited the patients for Phase III clinical trials
- TAA013: the first ADC product in T-DMI in the Chinese market to publish Phase I clinical data
- Listed on the Main Board of the HKEX.

2020

- TAB008: released the results of Phase III clinical research in the form of an e-poster at the ESMO ASIA in November 2020, and was filed for marketing in September 2020
- TAA013: released Phase I clinical results in the form of an e-poster at the SABCS in December 2020
- TAB014: submitted the application for Phase III clinical trial to the FDA, USA to directly commence Phase III clinical trial
- TOZ309: verified for the pre-marketing drug registration; The stock solution workshop for ADC drug commercialization was established, and the chemical drug production workshop underwent the GMP compound review

Vision & Mission

Vision

Improve the quality of life of cancer patients worldwide with innovative technology

Mission

Build a leading brand of oncology treatments trusted by patients and their families as well as medical professionals

Values

- Provide appropriate anti-cancer drugs accessible to appropriate cancer patients at the appropriate treatment stage
- Provide quality anti-cancer drugs at reasonable prices for use by cancer patients
- Aim to improve cancer patients' physical, psychological and spiritual health

Financial Performance

During the reporting period, the Company's commission income was adversely affected by the COVID-19 pandemic and the national volume-based procurement. In 2020, the turnover fell by 50%. Following the domestic stabilization of the pandemic and the successive release of self-developed products, the Group's profit is expected to grow steadily in the future. In 2020, the Group continuously increased R&D expenditures, with R&D expenses increasing 23% year-on-year. The promotion of R&D will effectively accelerate the marketing of new products of the Company and its revenue should see greater room for growth in the future.

The R&D Expenses

Unit: 1,000 yuan

02 BUSINESS DEVELOPMENT

In 2020, TOT BIOPHARM enhanced its competitive advantages in ADC, improved its ADC drug technology and development platforms, and promoted the clinical trials of key products and the marketing of new drugs. Moreover, the Company advanced the cooperation between CDMO, CMO, and innovative drugs. The specific progress is as follows: we accelerated the marketing of 5 clinical-stage products (monoclonal antibody drugs TAB008 and TAB014, antibody conjugate drug TAA013 and chemical drugs TOZ309, TOM312); we focused on our core advantages, thus optimizing early product pipelines; we strengthened our ADC platform advantages, increased our ADC product pipelines, and continuously furthered innovation; we actively expanded the CDMO and CMO business, strengthened project cooperation and created new points for revenue growth; we fully opened up our R&D technology platform and strengthened our partnerships with leading market players so as to reduce the cost and risk of new drug development, and accelerate the process of the marketing of new drugs.

The company's strategic development layout

- Focus on promoting the launch progress of five clinical-stage products: TAB008, TAB014, TAA013, TOZ309, TOM312
- Focus on core advantages and optimize early-stage product pipelines
- Strengthen the advantages of the ADC platform, increase the ADC product line, and continue to pursue more innovation
- Actively expand CDMO and CMO business, strengthen project cooperation, and create new points for revenue growth
- Fully open up the R&D technology platform and join hands with leading market players to accelerate new drug launches

Introduction of product pipeline

The following is an introduction to the 13 product pipelines, including the current key, core products that are being promoted, and their development progress.

Category	Drugs in development	Indications	Pre-clinical / Clinical Phase I / Clinical Phase II / Clinical Phase III / NDA[1]
ADC	TAA013 (anti-HER2)	HER2-positive breast cancer	
	TAE020 (innovative target)	Acute myelogenous leukemia	
Monoclonal antibody/ recombinant protein	TAB008[2] (anti-VEGF)	non-squamous non-small cell lung cancer (nsNSCLC)	
	TAB014[3] (anti-VEGF)	wet age-related macular degeneration (wAMD)	IND approved by FDA to directly enter Phase III
	TAY018 (anti-CD47)	non-Hodgkin's lymphoma, myelodysplastic syndrome, acute myelogenous leukemia, solid tumors	
	TAC020 (innovative target)	Solid tumor biliary	
	TEP119 (modified hyaluronic acid)	tract cancer, gallbladder tumor, metastatic cancer, non-small cell lung cancer (NSCLC), gastric malignant	
Chemical drug	TOZ309 (temozolomide)	Malignant brain tumor	Submitted ANDA[4]
	TOM312 (acetic acid Megestrol)	glioma and cancer and AIDS-related cachexia	BE; Submitted ANDA in Taiwan
	TIC318 (carboplatin)	pithelial cells derived from ovarian cancer, small cell lung cancer, head and neck squamous cell carcinoma, Testicular tumors, malignant lymphoma, cervical cancer, bladder cancer and NSCLC	
Oncolytic virus drug	TVP211 (genetically modified vaccinia virus)	solid tumors	
Liposome drug	TID214 (docetaxel liposome)	solid tumors	
	TIO217 (oxaliplatin liposome)	gastrointestinal tumors	

Note

- NDA is applicable to the application of new drugs and Category 5.1 imported drugs.
- TAB008 is a bevacizumab biosimilar. Bevacizumab has been approved for the treatment of non-small cell lung cancer (NSCLC), metastatic colorectal cancer (mCRC), and glioblastoma in China. Bevacizumab has also been approved in the United States and the European Union, for the treatment of indications including renal cell carcinoma, cervical cancer, ovarian cancer, liver cancer, breast cancer, etc.
- TAB014 is an ophthalmic preparation of bevacizumab, with the right of commercialization in Mainland China, Hong Kong and Macau licensed out.
- ANDA is applicable to generic drugs or category 5.2-imported drugs.

02

WITH RESPONSIBLE GOVERNANCE, CREATING THE FUTURE FOR TOT BIOPHARM

TOT BIOPHARM actively implements a standardized and efficient corporate governance system and attaches importance to the management and control of production and operation risks, as well as business ethics risks. Furthermore, the Group has established a sound ESG management system to effectively implement the communication mechanism with stakeholders. Through the collection, analysis and feedback of the opinions of stakeholders, the Group effectively ensures the integration of the development and direction of the Company's operations and the interests of stakeholders, thereby safeguarding a long-term and stable development of the Company.

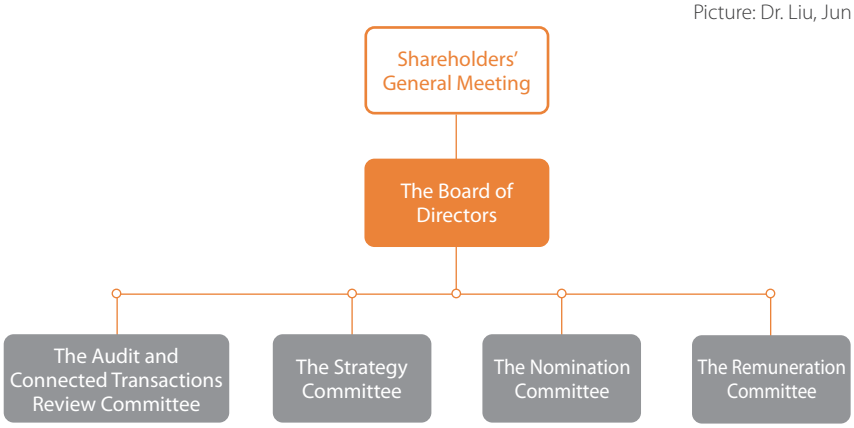
01 CORPORATE GOVERNANCE

TOT BIOPHARM has been committed to achieving high standards of corporate governance. The Company continues to optimize its internal power structure, risk management and internal control systems as well as business ethics building programs, while striving to maintain a stable and friendly relationship with investors, in order to enhance the overall company reputation and core competitiveness.

Corporate Governance

TOT BIOPHARM has been committed to achieving a high standard of corporate governance, enhanced corporate value, and responsibility. The Group complies with the *Companies Ordinance* of Hong Kong, the *Listing Rules* of HKEX and the *Corporate Governance Code*, and other laws and regulations as well as normative requirements. The Group has established a strict governance structure following modern corporate system standards and corporate governance practices to ensure fairness and impartiality in the internal control and decision-making process, and to protect the basic rights and fundamental interests of the shareholders. We have established the general meeting of shareholders as the highest decision-making authority, the Board of Directors as the decision-making and supervision body for daily business, and the management to be responsible for the management and operation of day-to-day business. The Board of Directors has established governance bodies such as the Audit and Connected Transactions Review Committee, Strategy Committee, Nomination Committee, and Remuneration Committee and have determined their respective terms of reference so as to responsibly monitor specific aspects of the Group's affairs to ensure compliance and transparency of the Company's operations.

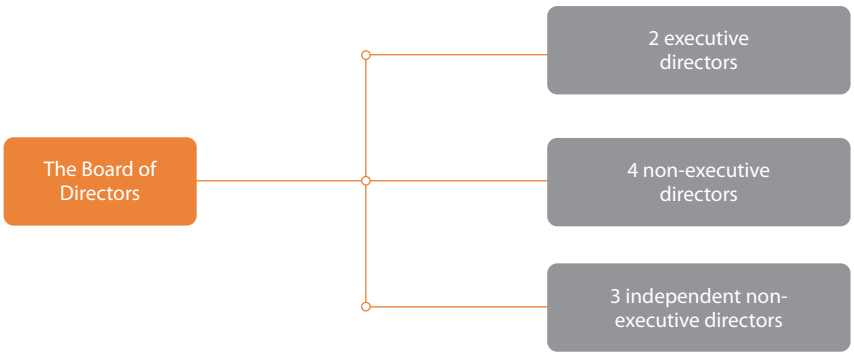
Picture: Dr. Liu, Jun



Corporate governance structure

Institution	Responsibilities
Board of Directors	Supervising the Group's business, strategic directions, and performance, and making decisions objectively based on the best interests of the Group
The Audit and Connected Transactions Review Committee	Responsible for the remuneration of internal and external auditors and terms of engagement, reviewing and monitoring the independence and objectivity of external auditors and the effectiveness of the audit process
Strategy Committee	Reviewing the Group's long-term strategic development plans, asset management projects, annual financial budget plans, final accounts, and other significant capital operation matters
Nomination Committee	Reviewing the structure, size, and composition of the Board of Directors annually, and making recommendations on any proposed changes to the board
Remuneration Committee	Developing policies and structures for remuneration of all Directors, senior management, and employees, including salaries, incentive schemes and other share option schemes

During the reporting period, the Group has held 9 board meetings and 4 meetings with the Audit and Connected Transactions Review Committee. The convening and holding of the above meetings, the discussion of significant issues by the directors, and the independent opinions expressed by the directors all complied with the requirements under laws and regulations as well as internal review and approval procedures. In 2020, we maintained a stable board member structure and achieved great governance consistency and effectiveness.



TOT BIOPHARM believes that having a diverse Board and increasing diversity at the Board level is an essential element in maintaining the Company's competitive advantage. The Group adheres to implementing the *Board Diversity Policy* and reviews the structure, size and composition of the Board of Directors annually. We also consider a number of aspects including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience, so as to maintain a balanced and diverse board composition in various dimensions. In addition, in response to the Company's needs for strategic development and a long-term succession plan, we appointed Dr. Liu Jun as the Group's CEO this year, who continues to be the Company's executive director and chief scientific officer. Ms. Yeh-Huang Chun-Ying resigned as the Company's general manager and was appointed as the vice-chairman of the Board of Directors of the Group, where she continues to support and promote the formulation and development of the Group's strategy.

The Board of Directors believes that building a professional management team with an international perspective holds the key to our success. Dr. Liu Jun has a senior international education background and extensive management experience in the pharmaceutical industry. We are confident that the appointment can promote the growth of TOT BIOPHARM in various aspects, such as R&D, cooperation and strategic development, so as to further integrate global resources, develop international cooperation, and realize the Group's future strategic goals and sustainable development.

Risk Control

Internal Control Management

Under the guidance of the *Basic Norms for Enterprise Internal Controls* and SOP documents, the Group establishes and continuously improves the Group's risk management and internal control structure in order to identify, evaluate, resolve, monitor, and communicate key risks so as to ensure the achievement of business goals and prevent major loss. During the reporting period, we have continued to coordinate with the Board of Directors, management, and related personnel to carry out internal training to acquire and promote knowledge of internal control as a way to ensure the implementation of the internal control system, and further improve our capabilities to prevent risk.

Risk management and internal control systems

In addition to the annual self-audit, TOT BIOPHARM hires an external professional company to review the implementation and specific effectiveness of the risk control system independently. The Group will take the results of both internal and external investigations into consideration to propose effective improvement measures.

Code of Ethics

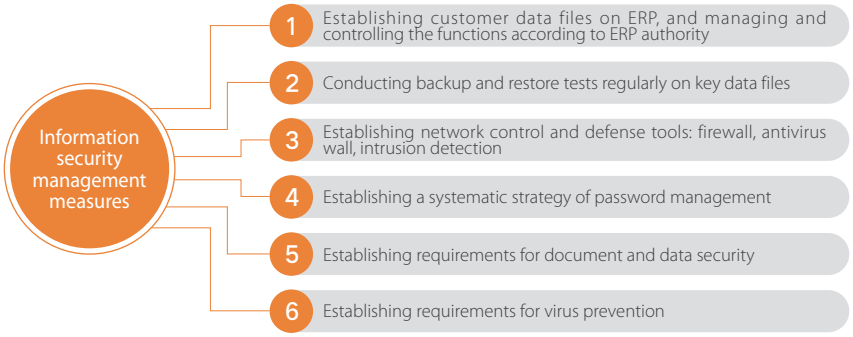
TOT BIOPHARM respects the rights and interests of clinical trial subjects and strictly abides by the *Good Clinical Practice of Pharmaceutical Products* and other laws, regulations and ethical requirements in China. Only after the review of the ethics committee can we conduct the clinical research to collect necessary personal data for legal and reasonable purposes. We also sign a standard informed consent document with each subject. Before the start of clinical research, we fully inform the subjects of the research purpose, design, risks and benefits to safeguard the subjects' rights of informed consent. During the research, we would try our best to protect the legal rights and safety of the subjects.

We have conducted the clinical research under the guidance of the *Regulations on the Management of Human Genetic Resources of the People's Republic of China* and the *Biosecurity Law of the People's Republic of China*, and have obtained approval from the Human Genetic Resources Administration of China to ensure full protection and rational use of the human genetic resources of the subjects.

Protection of Data Privacy

TOT BIOPHARM attaches great importance to the protection and security of data privacy and pays attention to the information security and trade secrets of the Company, employees, patients, subjects, and various business partners. The Company has made full use of its open platform in search of more business cooperation in areas such as CDMO/CMO with strategic partners. While advancing cooperative product development and overseas authorization, the Group continues to optimize its controlling measures in terms of data privacy and through methods such as ERP authority control, regular backup and restoration testing of crucial critical data files, and establishment of network control and defense tools and other techniques, in order to protect trade secrets of the Group and its partners through data anonymity.

During the reporting period, TOT BIOPHARM did not receive any complaints about violations of user privacy and data protection.



Business Ethics

TOT BIOPHARM is fully aware that compliance with laws, regulations and business ethics are our obligations and responsibilities to our shareholders and the public, so we are committed to maintaining open, transparent, honest, and incorruptible corporate operations through a rigorous business ethical system.

The Group strictly abides by the relevant applicable laws and regulations of the country, the industry, and the regions where we operate, including the *Criminal Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, and the *Interim Provisions on the Prohibition of Commercial Bribery*, etc., and is deeply committed to eliminate any improper conduct that violates business ethics.

We use the *TOT BIOPHARM Employee Handbook* to regulate internal employees' business dealings and improve employees' business ethics. In terms of external parties, we actively encourage suppliers to sign the *Integrity Commitment* during the contractual process to enhance suppliers' awareness of business ethics and compliance. During the reporting period, 100% of the Group's suppliers signed the *Integrity Commitment*. No cases of corruption or embezzlement have been filed or concluded against the Group.

Signing of integrity commitments with all suppliers which transacted with us

Evaluation of supplier of key raw and auxiliary materials by multiple departments

Adoption of bidding for projects with higher amount of purchase (more than 2 million yuan)

TOT BIOPHARM's Measures Against Unfair Competition

The Group has also established a comprehensive policy to protect "whistleblowers" so as to encourage employees, customers, suppliers, and other stakeholders to report any misconduct, fraud and violation within the Group in a non-anonymous manner. TOT BIOPHARM will verify the content of the report and take corrective measures promptly.

Whistleblowing channels

- Asking their immediate supervisor for advice, verbally or in writing
- Reporting in writing to the designated email

Whistleblower protection

- All whistleblowers that make truthful and appropriate reports will not be unfairly dismissed, persecuted or disciplined
- The Group reserves the right to take appropriate action against anyone who retaliate against the whistleblower or threatens to do so

False report

- In the case of any false report made maliciously, depending on the factual circumstances, the whistleblower may face disciplinary sanctions including dismissal

Communication with Investors

TOT BIOPHARM pays attention to communicating with investors and tries its best to protect their rights and interests. During the reporting period, the Group held a total of 2 shareholder meetings, organized many on-line and on-site investor roadshows and conducted in-depth exchanges with investors and stakeholders. Affected by the COVID-19 pandemic, the Company mainly held its conference activities online.

On June 24

the annual general meeting of shareholders was held

On August 21

an extraordinary general meeting of shareholders was held

On December 11

an online investor sharing meeting was held, with a focus on the Phase I clinical results of ADC product TAA013, attracting more than 500 participants

The Group also strictly complies with the "Information Disclosure" and "General Disclosure Responsibilities" requirements under the *Listing Rules* when contacting investors to maintain transparency in information disclosure. After ensuring the feasibility and pursuant to the procedures for public information disclosure and the applicable scope, the Group discloses information in an accurate and timely manner.

Internal review

- Requiring prior approval, process control, and individual responsibility
- The initiating department submits the matter for approval; the legal compliance department, the Secretary of the Board, the finance department, and other professional departments provide review opinion

Compliance audit

- Assisting the board of directors to make confirmations and disclosures
- Obtaining opinions from the compliance consultants, lawyers and other third parties

The approval from the Board of Directors

- Confirmed by the person in charge of the relavent department, reviewed by the Secretary of the Board and approved by the CEO, submitted to the Board of Directors for deliberation, and be disclosed after approval

02 ESG Management

By continuously strengthening the ESG philosophy in combination with the business strategy, TOT BIOPHARM has been improving its ESG governance system which clearly sets out the responsibilities and powers.

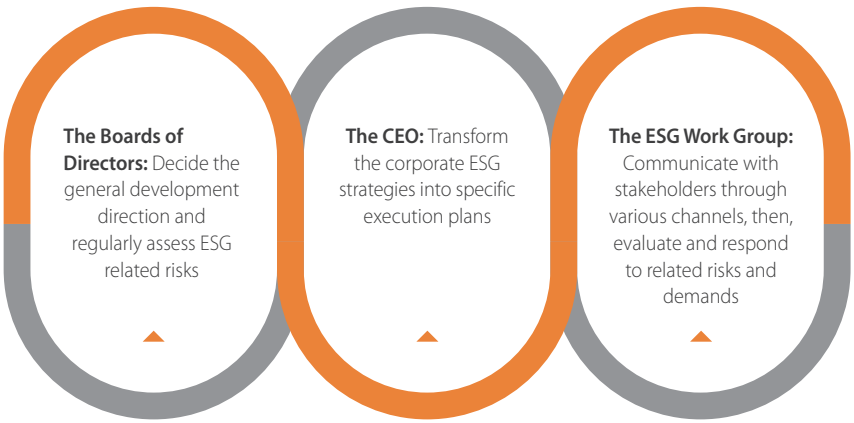
The Group maintains transparent, open, timely, and effective communication with all stakeholders to promote the Company's sustainable development across the board.

ESG Philosophy and Control

TOT BIOPHARM is an anti-cancer pharmaceutical company that balances humanity and technology.

On one hand, the Group insists on a people-oriented operation philosophy while protecting the legitimate rights and interests of employees and respecting their values. The Group also responds to the suggestions and demands of stakeholders and accelerated the diversified strategic cooperation. On the other hand, the Group follows the principle of "quality first," and continues to improve innovative R&D capacity and the ability to implement environmental protection strategies. This way, we aim to provide more high-quality, standardized, and safer products and services as well as create sustainable value for society.

To make sure the ESG strategy and corporate development move toward the same direction, TOT BIOPHARM's ESG governance system is led by the Board of Directors, with the CEO as the key figure, and supported by the ESG working group composed of designated personnel from the Operations Management Center, the Comprehensive Management Office, the Human Resources Department, and other departments for implementing relevant decisions. The ESG working group regularly evaluates ESG-related risks and proactively communicates with stakeholders so as to give timely responses, and improve related work.



ESG management Traing and Sharing

Stakeholder Identification and Communication

TOT BIOPHARM pays attentions to and listens to the feedback of stakeholders in improving its management of sustainable development. Starting from the value chain, we have identified 7 types of ESG stakeholders that are closely connected with us during the operation process. To acquire and consider the opinions of these stakeholders is an important step in our sustainable development decision-making.

We have established various communication mechanisms for different types of stakeholders, which can help us understand each stakeholder's demands and evaluate the Group's ESG performance more objectively and comprehensively. In addition, through the ESG Report, we also hope to fully respond to the issues that stakeholders are concerned about and improve our performance in regards to sustainability disclosure.

Our stakeholders, their concerns and main communication channels are as follows:

Stakeholders	Concerns	Communication Channels
 Shareholders and investors	The participation of the Board of Directors in ESG management	-Shareholders' general meetings -Results release presentation -Roadshow -Investor investigation and research -Hotline for investors -Company announcement -WeChat official account -Clinical results sharing meeting
	Compliance with business ethics	
	Business risk management	
	Industry trends	
	Technology and innovation	
 The government and regulators	Compliance with business ethics	-Press release/information announcement -Regular communication -On-site visits
	Business risk management	
	Energy and greenhouse gas management	
	Emissions management	
	Water resource usage management	
	Material usage management	
 Employees	Diversity and integration of employees	-Complaint box and trade unions -Team building activities -Employees' satisfaction survey
	Employees' health and safety	
	Staff training and development	
	Employment policies	
	Compensation and benefits of employees	
 The communities and the public	Charity and community contribution	-Carrying out public welfare activities -Pay attention to the needs of medical workers and patients -Regular visits
	Emissions management	
	Energy and greenhouse gas management	
	Quality control of products	
 Suppliers	Compliance with business ethics	-On-site reviews -Supplier assessment -Technical training -Online communication
	The ESG management of suppliers	
 Business partners	Quality control of products	-Technical meetings -Online communication -Industrial communication conference
	Intellectual property rights protection	
	Innovation and R&D	
 Clients	Quality control of products	-Customer satisfaction survey -Resolving customers' complaints -Brand promotion conference
	Protection of client privacy	

Materiality Analysis

TOT BIOPHARM is committed to building a long-term, stable, and friendly partnership featuring mutual trust with every stakeholder to reach a win-win result and maximize our value. In 2020, based on the previous survey, we further carried out in-depth telephone interviews with our stakeholders. Considering the status of the industry and business operation analysis, we adjusted this year's ESG materiality matrix and identified 12 major ESG issues which are located in the upper right corner of the graph below. As the essential concerns of all stakeholders and TOT BIOPHARM, these important issues will continue to be our focus during ESG development and have been disclosed in the Report with varying degrees of importance.

During the reporting period, the detailed materiality matrix of issues that concerned TOT BIOPHARM is as follows:

Materiality Matrix of Issues that Concerned TOT BIOPHARM

Environmental Issues	
1	Emissions management
2	Energy and greenhouse gas management
3	Water use management
4	Material use management

Employee Issues	
5	**Diversity and integration of employees**
6	**Employees' compensation and benefits**
7	**Employees' health and safety**
8	**Employee training and development**
9	**Employment policies**

Product Issues	
10	**Innovative R&D**
11	**Product quality control**
12	ESG management of suppliers
13	**Intellectual property right protection**
14	**Customer privacy protection**

Governance and Community Issues	
15	Charity and community contribution
16	**ESG Participation of the Board of Directors in ESG management**
17	**Compliance with business ethics**
18	**Business risk management**

03

WITH QUALITY INNOVATION, BUILDING PROFESSIONALISM FOR TOT BIOPHARM

TOT BIOPHARM has always focused on product research as well as development and technological innovation, following the principle of "QUALITY FIRST." With a scientific and professional attitude, we provide customers with high-quality products and satisfactory services and continuously promote the development of the pharmaceutical industry and the health of mankind.


METTLER TOLEDO

01 INNOVATIVE R&D

The Group has treated innovative R&D as the core driving factor for sustainable developmentof the Company. We continued to increase our investment in R&D this year, thereby enhancing our independent R&D capabilities. We also constantly enriched our product pipelines while developing the technology platform. Meanwhile, we paid attention to protecting intellectual property rights by safeguarding the legitimate rights and interests of enterprises and individuals, while continuing to encourage innovation and strive to consolidate our core competitiveness.

Technology Platforms

The Group always adheres to the business philosophy of "Balance of Humanity and Technology" and is committed to developing new anti-tumor medical products with high technological barriers and economic value. We have established three comprehensive technology platforms: therapeutic monoclonal antibodies and ADC drug technology platform, genetic engineering-based therapeutic technology platform, and innovative drug technology platform. We have developed multiple types of innovative anti-tumor medications through these platforms. Furthermore, we will continue to promote fundamental research and cutting-edge exploration.

During the reporting period, in order to make steady progress in R&D and innovation and meet R&D demand, we have expanded two development departments under the R&D system, i.e., the process development department, and the method development department, and we have correspondingly expanded two laboratories for process and method development. A total of over 50 R&D-related employees have been included in the team which focuses on the process development and analytical method development of R&D projects.

Laboratories for the new process development department and method development department

Therapeutic monoclonal antibodies and ADC drug technology platform

- This platform has multiple functions to screen cell clones and build cell banks to small-scale research, pilot-scale research, expansion of production, commercialized production, etc.
- To maximize the synergistic effect of antibody drugs, the Group has further developed ADC products by cross-linking antibodies and cytotoxic agents in addition to monoclonal antibodies.
- In September 2020, the construction of the ADC stock solution production workshop was completed and put into use by the Company. We are one of the few domestic companies in China that have the commercial production capacity of both monoclonal antibodies and antibody conjugate drugs. Accordingly, TOT BIOPHARM has opened up the platform, strengthened cooperation, accelerated product research and development, and developed competitive CDMO/CMO business.

Genetic engineering-based therapeutic technology platform

- The platform integrates anti-tumor immunotherapy, gene therapy and viral therapy, and builds a medium for the development and production of tumor target recombinant tumor virus vector systems.
- The Group has a dedicated R&D team located at Shanghai Zhangjiang Hi-Tech Zone. This team is focusing on early detection and strengthening the Group's ability to cooperate with other innovative oncology drugs enterprises.
- The Group has developed a tumor medication TVP211, based on vaccinia virus, and has continued to use this drug for platform verification. With comprehensive R&D capabilities, patents, and advanced laboratories and first-class equipment such as molecular biology, cytology, and virology, we will carry out more research, development and production of oncolytic virus products.

Innovative drug technology platform

- This platform can help develop advanced targeted liposomal drug delivery systems. The usage of liposomes as a delivery carrier is increasing gradually. However, because of the high technical difficulty involved in liposomes- related technologies, commercial scale production of liposomal drugs is relatively difficult. So far, only about ten liposomal drugs have been marketed globally.
- We have developed a commercial-scale production capacity that meets GMP standards for liposomal drugs, in which the sterile isolators are used during the production line. It can produce OE-B-5 chemical injections of consistent quality.
- In addition, the system is concentrated on target tissues, target organs or target cells to maintain the release of active molecules. The Group has accumulated rich practical experience, and in the future, it will also focus on the research and technology development of liposome drug delivery systems for special dosage forms, complex preparations of small molecule drugs, and nucleic acid drugs.

Innovative R&D

The Group continues to focus on developing and commercializing innovative anti-tumor drugs and therapies with efficient and innovative R&D technologies and continuously improves commercialization capabilities. We have formed a high-level and diversified drug product chain through technological innovation and process optimization in order to constantly increase the market competitiveness of our products.

Antibody-Drug Conjugate Technology

The Group has all along been committed to the research on antibody-drug conjugate (ADC) technology. We have completed the R&D, pilot testing and scale-up, and data release of Phase I clinical trial of ADC product TAA013. We have also completed the R&D and production of several new-generation ADC drugs from our strategic partners. Our TAA013 is produced through a two-step method. The first step is the antibody modification reaction: linking the linker with the antibody to form a mab-linker substance. The second step is the coupling reaction to transfer the payload with the linker to obtain a mab-linker-payload, which is also called the ADC. This two-step method can effectively reduce the amount of organic solvent used and improve the stability of the product.

During the reporting period, we have finished the establishment of the ADC commercialized stock solution production workshop and completed the production of multiple batches of ADC drugs for clinical use. At the same time, the chemical drug production workshop has completed the GMP compliance inspections, laying the foundation for the commercialized production of chemical drugs.

Oncolytic Virus Technology

The oncolytic virus uses a serum-free suspension in disposable bioreactors to culture the HELA cells. It is the first time to adopt this technology in China. So far, 50L-scale cultivation has been completed, and the virus Titer has reached more than $1X10^8$cfu/mL.

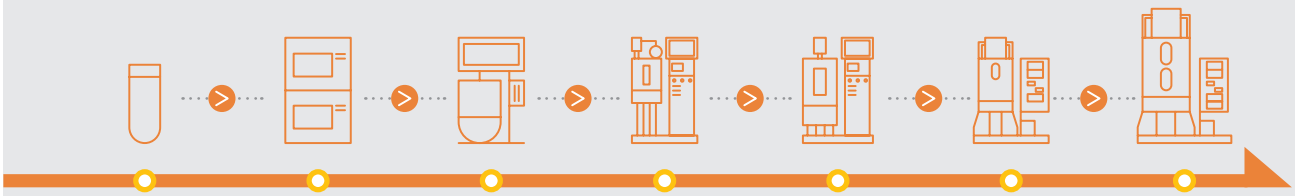
Establish New Testing Methods by Developing Quality Method

- The TaqMan probe method is used to detect the number of light and heavy chain copies of the monoclonal antibodies in CHO-engineered cells

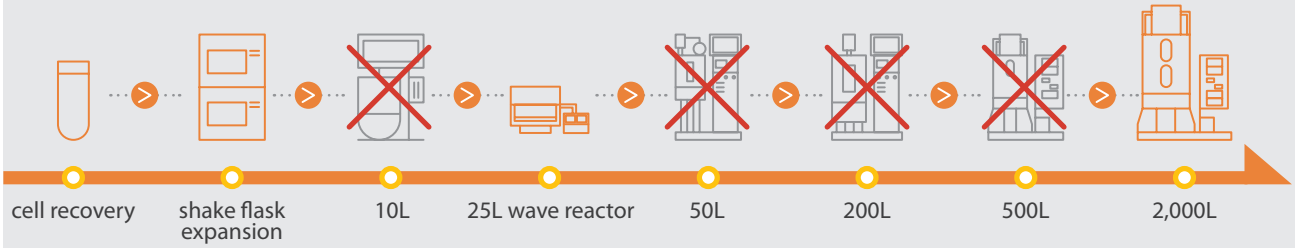
- A detecting method with high sensitivity is used to detect the concentration of wild-type viruses in the engineered vaccinia viruses

PB-Hybrid Technology

In 2017, we independently developed the PB-Hybrid Technology, which overturned the traditional cell expansion process for large-scale monoclonal antibody production. The PB-Hybrid Technology can expand commercial production from 25L to 2,000L in the process of cell culture, without going through the 10L, 50L, 200L, and 500L expansion steps. We have produced and verified more than 10 batches of 2,000L and multiple varieties with a success rate of 100%, which confirmed that it has become the Company's mature platform technology. At the same time, this technology can streamline the process flow, optimizing product quality, shortening the production cycle, and reducing capital expenditures. We have also become the first domestic enterprise to apply this technology to market-scale production.



Flow chart of the traditional cell culture process - Batch process



Flow chart of the PB-Hybrid Technology culture process

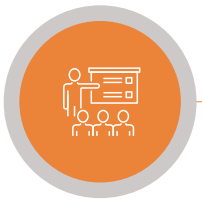
Intellectual Property Protection

TOT BIOPHARM has attached great importance to intellectual property rights protection and management. We have strictly followed the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and other national laws and regulations. In addition, the Group has formulated the *Intellectual Property Management Rules*, the *Patent Reward Management Rules*, the *Patent Proposal Application and Management Measures*, and other internal management systems. We unify and standardize the working mechanisms of collection, delivery, audit, and release of intellectual property information, etc.

During the reporting period, in order to continuously standardize the management of intellectual property rights of the Group and protect the Company's R&D achievements, technological innovation, and intellectual property rights, we have implemented the layout of patents and helped relevant employees to develop and apply for patents. In addition, we have revised and issued the *Intellectual Property Review Committee Operational Rules* to specify the committee's composition, responsibilities, and audit process and further refined the Company's audit system of patents, trademarks, and other intellectual property matters. When applying for and maintaining the Group's brands and authorized patents, we continue to keep track of the usage of similar trademarks and patents in the market. We analyzed the Free To Operate (FTO) of the TAA013 project in mainland China.

To raise employees' awareness of intellectual property rights, we actively create an atmosphere for intellectual property rights protection and at the same time require new employees to understand the provisions on confidentiality, prohibition of competition, and prohibition of infringement of third-party intellectual property rights when signing labor contracts. Also, given the nature of knowledge-intensive enterprises, we have to clarify the rights and interests of the company and individuals concerning intellectual property rights. We ask our new employees to sign the *TOT Biopharm Job Employment Statement*, which can prevent our employees from violating the non-compete agreement with their previous employers, thus avoiding the occurrence of related intellectual property disputes. Meanwhile, we require our key employees to sign documents such as trade secret protection and non-competition-related agreements. As of December 31, 2020, the Group owned a total of 26 authorized patents (including 22 invention patents and four utility model patents) and 186 registered trademarks.

Organizing online trainings of trade secret protection, spreading trade secret knowledge, and strengthening employees' awareness of trade secret protection.



During the reporting period, we organized various activities including intellectual property training during the Intellectual Property Week.

We inserted explanations on intellectual property-related content in employee induction training to deepen employees' understanding of intellectual property rights, and strengthen employees' awareness of protecting the Company's intellectual property rights and respecting others' intellectual property rights.

02 CREATING AND OPTIMIZING THE QUALITY

Quality keeps an enterprise alive and makes a brand shine, and is the cornerstone of TOT BIOPHARM's value pursuit. We are committed to establishing a sound quality management system, fostering a quality-centric atmosphere, strengthening medical registration management, raising the competitiveness of after-sales services, and striving to provide more patients and customers with better quality, more convenient, and safer products and services.

Quality Control

Providing our customers with better products has always been TOT Biopharm's business concept. We strictly follow the *Pharmaceutical Administration Law of the People's Republic of China*, the *Pharmaceutical Production Management Regulations*, and other related quality management laws and regulations. We constantly check the latest domestic and foreign drug management-associated rules and guidelines. During the reporting period, we formulated several new sets of regulations, such as *CDMO Management the Standards Management Regulations*, the *Key Quality Attribute Assessment Standard Operating Regulations*, the *Key Process Parameter Assessment Standard Operating Regulations*, and the *Key Material Attribute Assessment Standard Operating Regulations*, whereby we standardized the evaluation requirements of the Group's primary quality attributes, major process parameters, and critical material attributes. Lastly, to ensure the safety and effectiveness and to control the quality of biological products, we revised and updated the *Change Control Standard Management Procedures* so that our changes could be thoroughly evaluated in order to ensure the quality management on the Company's medical development, clinical research, and quality management in commercialized production and other links.

The Group is committed to build a "whole product, whole process, and whole aspects" quality management system. We empower our quality management systematically, in terms of the production life-cycle of materials, facilities/equipment, laboratories, production, quality, packaging/labels. During the reporting period, to continuously review the effectiveness of our quality management system, we carried out 2 internal quality system audits and 1 third-party simulation audit to constantly evaluate and optimize the synergy and effectiveness of the quality management model and continuously improve the quality management level.

The Group attaches great importance to developing a culture that prioritizes quality. By organizing and carrying out diversified quality training and cultural promotion activities, and based on the formation of a quality code of conduct, we strengthen the dissemination of quality culture and the sharing of quality experience and continue to enhance employees' sense of identity with our quality-focused culture.

Training on *Provisions for Drug Registration*	Training on *Drug Production Supervision and Administration Measures*	Training on new/revised management procedures
Conducted training on drug registration procedures and precautions for all employees in the chemical business department	Conducted training for 6 departments including the QA department, QC department, PO department on drug production license, drug production quality control, production risk management, etc	During the reporting period, we carried out training in response to our revised *Agilent 7890A Gas Chromatograph*, *Standard Operating Procedures for Dust-free Laminar Flow Console*, and other documents
A total of **110** employees were trained	A total of **64** persons were trained	A total of **25** persons were trained

Training on *Post Duties Management*	Training on plant maintenance	Training on microbiology
Carried out job responsibility management-related training for a number of related departments, including quality control, engineering equipment, purchasing, power operation, among others, in order to continuously promote the efficiency of the organization	The engineering equipment department carried out relevant plant maintenance training on the plant maintenance content and maintenance cycle	We specially carried out training about microbiology for our employees to enrich their knowledge and familiarize them with microbiology during the reporting period
A total of **48** persons were trained	A total of **17** persons were trained	A total of **87** persons were trained

GMP Training Camp Seminar

In order to raise employees' awareness of quality and build a GMP culture in the Company, during the reporting period, we established a GMP training camp and formulated implementation rules for the training camp, including learning and sharing, seminars, and internal course conversion. In May 2020, we successfully launched the first GMP training camp seminar, which provided a new platform for all employees to enhance their GMP awareness and capabilities.

Laboratory 5S Management Practice

Laboratory construction and management are the most direct guarantee for product quality, and as such, we continuously strengthen and standardize laboratory construction, operation, and management. During the reporting period, the 5S management concept was introduced to our biopharmaceutical QC laboratory. Led by the QC directors, all the laboratory staff actively worked to improve the overall layout of the laboratory in five aspects: sorting, setting in order, sweeping, cleaning, and awareness.

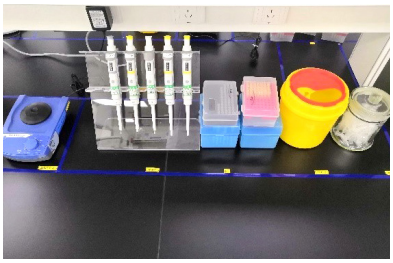
- **Sorting:** Separate what needs to be kept and what needs to be removed. Only keep layout necessary items in the laboratory to avoid missing or messing up items.

- **Setting in order:** Put all necessary items in the place provided with clear labels. Based on the previous sorting, arrange and place the remaining items on the site properly for easy use.

- **Sweeping:** The responsible person in charge of the equipment should clean the equipment, clean the used countertops, and remove the rubbish in a timely manner.

- **Cleaning:** Carefully keep the workplace and equipment clean, tidy and in order, and create a pleasant work environment for employees.

- **Awareness:** Improve the awareness of employees to develop the habit and culture of strictly abiding by rules and regulations.



Drug Registration Management

The Group continuously standardizes drug registration and review management based on compliance with the *Law of The People's Republic of China on The Administration of Drugs* and *Provisions for Drug Registration*, as well as other management regulations. In order to continuously regulate drug registration, we have set up regulatory affairs offices in Suzhou, the headquarters, and Beijing, which equip us with knowledge on domestic and foreign drug regulations and practical experience in registration applications. Meanwhile, we maintain good communication with the relevant drug regulatory agencies in China, the United States, and Europe. We pay close attention to changes in domestic and international regulatory registration and filing policies and carry out targeted research and analysis work, which will enable us to thoroughly prepare for the smooth listing and internationalization of products in the future.

During the reporting period, we communicated with the Center for Drug Evaluation (CDE) of the National Medical Products Administration and the U.S. Food and Drug Administration (FDA) on the clinical strategy to implement TAB014 and obtained approval for the Investigational New Drug (IND) application in China and the USA, which built the foundation for tapping into the global market. The marketing application for the new drug TAB008 was submitted under the new *Pharmaceutical Administration Law of the People's Republic of China* and *Provisions for Drug Registration* and was accepted in September 2020. With the new regulations, the approval time will be shortened and the listing process will be accelerated.

After-sales Service

The Group always adheres to the corporate vision of "improving the quality of life of global cancer patients with innovative technology". The Group constantly builds a comprehensive after-sales service system, creates a timely and effective consumer communication mechanism, builds a broad and systematic product recall mechanism, and fully protects consumer privacy and information safety. The Company is taking practical actions to protect patients around the world.

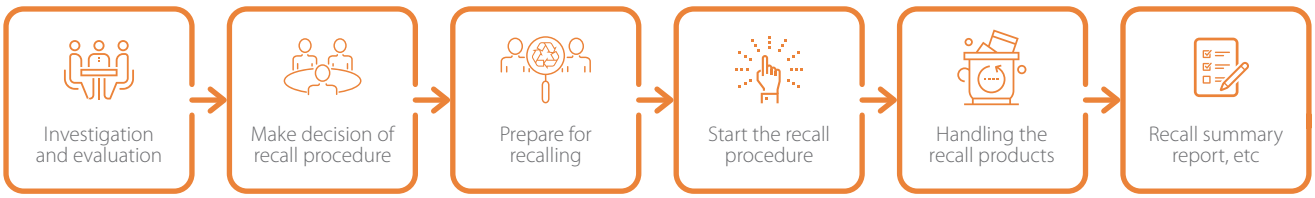
Solving the Complaint

The Group always takes responsibility for after-sales service by establishing and improving the customer complaint management mechanism. During the reporting period, we formulated the *Medical Consultation and Quality Complaint Standard Management Regulations* and the *Post-Marketing Product Individual Case Safety Reporting Standard Management Regulations*. Any quality complaints about safety incidents received were handled as per relevant procedures in order to provide comprehensive protection to doctors, patients, and sales channels in relation to their complaints about the quality of our products or our licensed products. In terms of responding to complaints about product quality that may have a higher risk, we formulated a risk management plan and actively implemented corrective and preventive measures to fully protect consumers' legitimate rights and interests. During the reporting period, our products had not yet entered the market and hence we did not receive any complaints from users.

Product Recall

For the purpose of optimizing the product recall management mechanism, strengthening drug safety supervision, and ensuring that the public uses the medicine safely, the Group continues to standardize and improve the internal recall system in compliance with the relevant policies and regulations, such as the *Drug Recall Standard Management Procedures*. During the reporting period, we formulated the *Drug Recall Standard Management Regulations*. We divided our product recalls into first, second, and third levels according to the hazard's levels and emergency ratings. In addition, we have clearly regulated the procedures including initiation of recalls at all levels, the reporting mechanism and summary report, and regularly evaluated the effectiveness of the product recall system. During the reporting period, the Group had no drug recall incidents.

Product Recall Processes



Simulation Exercise of Product Recall

To ensure the Group's recall system's effectiveness, during the reporting period, we organized simulation exercises of product recall. The recall exercises thoroughly tested the responsiveness of our multiple departments and steps in product recalls in terms of completing the recall of the products by the prescribed procedures within a limited period of time. Meanwhile, we promptly made corresponding adjustments and implemented corrective measures to address problems found in the recall exercise and potential steps that can be optimized in order to safeguard the safety of consumers.

Protection of Customer Privacy

In respect of protecting customer privacy, the Group follows the *Information Security Technology and Personal Information Security Regulations*. We use ERP (Enterprise Resource Planning) to store data, assign permissions and conduct daily protection to improve data integrity, security and confidentiality continuously. We did not receive any complaints about violations of customer privacy or data protection regulations during the reporting period.

Privacy protection measures

- Regularly back up and execute restore tests of the files with critical data.
- Establish network control and defense tools, such as firewall, antivirus wall, intrusion detection, etc.
- Establish a systematic strategy of password management.
- Establish requirements for document and data security operations.
- Establish requirements for virus prevention operations.

04

CONNECTING THE INDUSTRY, ACTING WITH INTEGRITY FOR TOT BIOPHARM

TOT BIOPHARM adheres to a diversified cooperation strategy, and always puts integrity as the top priority of its strategy. We are committed to uniting upstream and downstream partners in the industry chain, and we hope to jointly create a healthy and standardized industrial cluster and create diversified values.


0,005
5

01 CREATING THE VALUE CHAIN

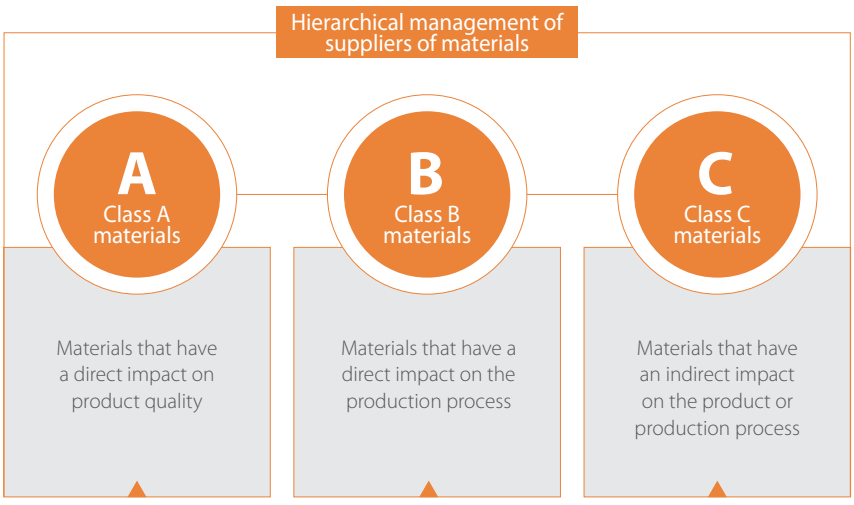
TOT BIOPHARM is committed to maintaining the stability and sustainable development of its supply chains. We believe that good communication is the main tenet of building a closer relationship between the Company and business suppliers. Through the systemic improvement of supplier classification, access and review, as well as the management of procurement, the Group provides customers with safer and more effective products and services, which promotes the harmonious development of the upstream and downstream industries.

Supplier Management

Since its listing, TOT BIOPHARM has continuously improved its supply chain management and access system. The Company adopts internal normative documents including the *Procurement Management Rules*, the *Supplier Management Rules*, the *Contractor EHS Management Procedures*, and other internal normative documents to regulate suppliers' qualification requirements, admittance standards and procurement standards. The aim is to promote the development of suppliers at all levels while improving the quality of our services to achieve a win-win situation within the industry.

Classification of Suppliers

TOT BIOPHARM keeps an open-minded attitude and establishes a hierarchical supplier management mechanism, which can continuously optimize the Company's supplier team and promote healthy competition among suppliers.



Supplier Admittance

TOT BIOPHARM has defined different qualification requirements and standards for different suppliers through the *Procurement Management Regulations* and the *Supplier Management Regulations*, thereby improving the admittance requirement management and continuously strengthening the admittance management of new suppliers.

Supplier qualification requirements	Details
Hold relevant legal certificates	Following the requirements of national regulations, relevant departments, related industries, or operation centers, the suppliers must possess quality, safety, and environmental review, as well as other production, supply, and operation licenses or qualification documents and must meet other requirements under law and regulations.
Have a good business reputation and performance abilities	No illegal records or major legal disputes in business activities in the past three years; able to perform contracts with good financial status, business performance, and after-sales service capabilities.
Have a complete quality assurance system	No non-qualification or non-compliance in the supervision process of national, industry, operation center, and local government qualification supervision in the past three years.
Production supplier requirements	If it is impossible to choose a manufacturer due to the conditions, it can be selected after a strict review.

Category	Details
All the suppliers	All the suppliers need to sign the *Integrity Commitment*
GMP raw materials and accessories, GMP consumables	The basic information of the company needs to be provided (business license, account opening information, etc.); pharmaceutical production license; GMP/GSP related certification; the product needs to have the CDE registration number and meet the quality standard. The factory inspection data report of COA goods that can be provided by the factory needs to meet other requirements imposed by the Company; in addition, it needs to have a comprehensive evaluation, which can be integrated with its customer and performance status.
Pharmaceutical industry production equipment suppliers (including software)	Most of the industrial production equipment are customized products, and they need to meet the following requirements: have a rich customer base within the industry, experience of performance, and cutting-edge industry experience, with future cutting-edge technology and equipment design concepts for reference. They also need to show that they can reduce the replacement rate of the equipment, and reduce the purchase cost of fixed assets.
Fundamental construction suppliers	Pay special attention to the power of the verification team and the technical team.

Supplier Audits

For the qualified suppliers in our database, the Group conducts a comprehensive evaluation under QA's supplier management procedures led by QA quarterly, and conducts comprehensive assessments in cooperation with end-use departments, technical departments, EHS, etc. We adjust the supplier's cooperation rating based on the evaluation results and eliminate non-compliant suppliers when necessary.

Audit method

Supplier quarterly assessment: Purchasing, warehousing and QA departments assess suppliers' cost, delivery date, quality and other cooperation-related parameters, and give corresponding cooperation strategies after comprehensive scoring.

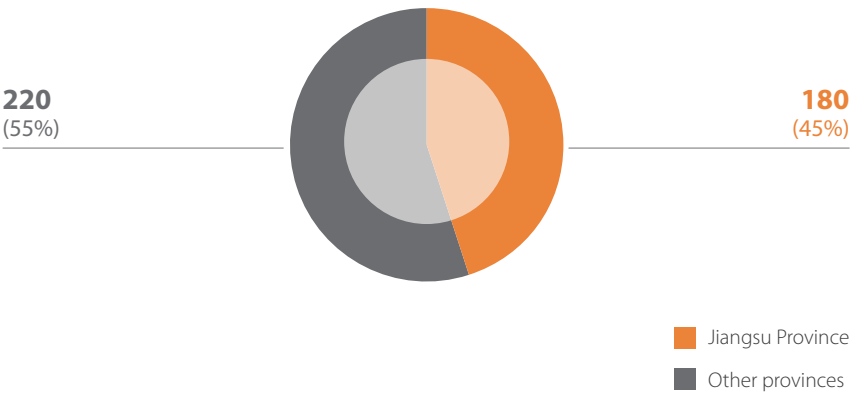
The QA takes the lead in the audit of raw and auxiliary materials suppliers, conducts audit and scoring on the supplier's on-site management, quality management, document management, etc., and comprehensively gives suggestions for future cooperation; it also conducts hierarchical management of the criticality of materials.

If we want to reactivate a supplier with which we have not cooperated for more than two years, the evaluation and introduction process of the new supplier shall be applied to ensure that it meets the needs of our company.

In addition, the Group also formulates a performance evaluation rating table for suppliers of raw and auxiliary materials, internal outsourcing and consumables, and conducts quarterly scoring and evaluation of suppliers to monitor the risks.

During the reporting period, TOT BIOPHARM had a total of 400 suppliers, including the suppliers of raw and auxiliary materials. The details of the number of suppliers by region are shown in the figure below:

Distribution of suppliers by region



Procurement Management

In terms of the specific procurement process, the Group coordinates and manages procurement projects by signing the *Procurement Plan*. For strategic procurement projects with an amount totaling more than 500,000 yuan, We require the procurement department and the end-user department to develop and formulate a procurement plan based on relevant materials before price inquiry or tendering/bidding to avoid any malpractice.

Detailed charter

Before the procurement process, the team needs to have fully discussed all the circumstances related to the procurement project, comprehensively considered the technical requirements and market conditions, and formulated a procurement strategy, so that the decision-making is well-founded, and that it is open, fair, and transparent;

- After communication with the team, with the approval authority of the financial personnel, the relevant managers need to approve the procurement decisions level by level on the premise of understanding the overall situation and strategy of the procurement project, in order to ensure the clarity of responsibilities of the procurement project;
- During the execution of the procurement process, the team members and relevant managers need to know and approve any deviation from the procurement plan or any need to adjust the procurement plan.

Communication with Suppliers

The Group also actively communicates with suppliers through training courses, experience sharing on platforms, and cooperative improvement, etc., to help improve the quality and safety management level of suppliers and make progress together with suppliers.

During the reporting period, the Group and suppliers discussed "how to improve the quality of materials" and assisted suppliers by providing relevant data for testing. In large-scale project cooperation, TOT BIOPHARM, led by the purchasing department, conducted discussions with the suppliers on-site in order to ensure the stable fulfillment of high-quality requirements during the cooperation process. For external operators, the Group conducted safety training before any plant infrastructure construction and improved employees' safety awareness and operation skills through training on safety knowledge and operation.

02 INDUSTRY COLLABORATION

TOT BIOPHARM adheres to the spirit of professionalism, innovation, caring, and integrity. While continuously developing innovative anti-tumor drugs and therapies, the Company also establishes an open platform business model with its comprehensive industrial value chain capabilities so as to develop various forms of cooperation with players in the pharmaceutical industry and local governments, and promote the joint development of all sectors of the industry.

Industry Mission

Shouldering the industry mission of "improving the quality of life of global cancer patients with innovative technology," TOT BIOPHARM focuses on competitive resources based on the existing industrial layout and the development of antibody-drug conjugate (hereinafter "ADC") and strives to become a pioneer in the progress and development of the ADC field in China.

With the iteration and maturity of ADC technology, ADC's therapeutic potential is becoming wider. More and more ADC drugs marketed or in development present excellent clinical data, especially in showing significant effects in the treatment of previously intractable or terminal tumors.

As one of the few biopharmaceutical companies in China that possess both ADC drug R&D and production capabilities, TOT BIOPHARM has not only established three advanced integrated technology platforms but has also created a unique business model in the ADC field.

Three Technology platforms	• Therapeutic monoclonal antibody and antibody-drug conjugate (ADC) technology platform • A platform based on genetic engineering treatment technology • Innovative drug delivery technology platform
Multiple product pipeline	At the moment, the Group has 13 pipelines of products in development, with indications covering a number of high-incidence cancers such as non-small cell lung cancer, breast cancer, gastric cancer, esophageal cancer, and cervical cancer
Layout of commercialized production	At the moment, the Group has a 16,000L monoclonal antibody production capacity and has an ADC drug production workshop; meanwhile, the chemical drug production workshop has completed its GMP compliance inspection
Rapid progress in drug R&D	At the moment, the Group has 3 soon-to-be-commercialized drugs and achieves major breakthroughs in the clinical trials of 3 drugs

Cooperation and Communication

On the basis of our business attributes, TOT BIOPHARM actively participates in communication and technical cooperation in major summits within the industry and cooperates with partners to jointly promote the development of innovative medicine business.

The 3rd Antibody Industrial Development Conference

On October 24 and 25, 2020, at a conference on antibody R&D, production, quality, and project management, more than 40 experts from antibody-drug R&D, production units, and research institutes gave fantastic thematic reports, discussed the latest frontier technologies, updated experiences and new trends in antibody drug development.

Liu Donglian, the deputy general manager of TOT BIOPHARM, shared his experience of ADC drug R&D and commercialized production, enhancing the exposure of TOT BIOPHARM in the ADC drug field.

Tongxieyi - Pharmaceutical Innovation 2021 Exhibition

From December 25 to 26, 2020, TOT BIOPHARM participated in the Tongxieyi-Pharmaceutical Innovation 2021 Exhibition. The Company set up booths, displayed promotional materials, and placed an advertisement on the conference manual to promote the Company's brand, emphasizing the business advantages and service content of the CDMO business and increasing our exposure in the industry.

BIO Asia-Taiwan Online Conference

From June 23 to 26, 2020, TOT BIOPHARM participated in the BIO Asia-Taiwan online conference to raise its reputation in the biopharmaceutical industry.

Dr. Liu Jun introduced the Company, explained the Company's industrial chain planning, the three major R&D technology platforms and PB Hybrid technology in detail, and showed the development progress of the Company's key products, including TAB008 and TAA013. The Company relies on its full industry value chain, adopts an open platform business model, and establishes a variety of cooperation with other biomedical companies.

While studying and understanding domestic and overseas advanced technologies and trends, the Group also actively cooperates with well-known biotechnology and pharmaceutical companies to carry out continuous cooperation, advance the Company's strategic progress, and build a diversified industrial chain.

Deepened cooperation with Suzhou Kintor Pharmaceuticals Co., Ltd's MAH pilot innovative drug CDMO project

During the reporting period, the Group completed the verification of the commercial-scale preparation process successfully, and also completed the technology transfer with the newly added preparation production site of Suzhou Kintor Pharmaceutical.

Through the implementation of this cooperative project on innovative drug preparation, TOT BIOPHARM has enhanced its ability to develop innovative drug preparation technology and has established an R&D system that can meet the unique needs in the different stages of new drug R&D, laying a foundation for the subsequent development of innovative drug preparations. Meanwhile, the project also promoted the improvement of the professional capabilities of the technical teams for both parties and the innovation of the project management model, cultivating talents for future product R&D.

TOT BIOPHARM adheres to the clinical trial concept of "respecting life and caring for life." During the cooperation with other CROs (Contract Research Organizations), we pay attention to whether the CROs care for animals and insist on excellent animal welfare standards to help improve standards in daily breeding, management, and the technical level of laboratory personnel. Meanwhile, from the perspective of humanitarianism, the Group advocates the euthanasia of animals after the experiment to minimize the experimental animals' pain and respect the basic welfare and dignity of the experimental animals.

Promote Local Development

TOT BIOPHARM also actively promotes local development. We also had many important governmental receptions during the reporting period. We received unanimous recognition and praise from all sectors of society.

A Visit of Deputy to the Provincial People's Congress

On May 26, 2020, along with a research team, Qu Futian, deputy director of the Standing Committee of the Provincial People's Congress, visited the enterprises in the free trade zone including TOT BIOPHARM Co., Ltd.. TOT BIOPHARM fully demonstrated its outstanding achievements in the R&D of innovative drugs and helped Suzhou to promote the development of the free trade zone. In the future, we will continue to play a role in enhancing the linked innovation in the free trade zone and creating an innovative environment.

"Cooperation Between Private Enterprises and Taiwan Enterprises to Integrate Development and Start a New Future" Conference

On the afternoon of August 19, 2020, the "Cooperation Between Private Enterprises and Taiwan Enterprises to Integrate Development and Start a New Future" Conference was successfully held. It was organized by the Suzhou Municipal Office of Taiwan Affairs and the Municipal Federation of Industry and Commerce and was undertaken by the Suzhou Su-Taiwan Chamber of Industry and Commerce. Executive Director of TOT BIOPHARM, Ms. Yeh-Huang Chun-Ying, shared her experience on the stage.

During her presentation, Ms. Yeh-Huang summarized the key elements of win-win cooperation between Taiwan enterprises and private enterprises in three points: compliance, communication, and integration. Firstly, cooperation must follow relevant laws and regulations and comply with the supportive directions of industrial policies. Secondly, both Taiwan and private enterprises must communicate sincerely, cooperate closely, understand and meet the clinical needs of patients. Finally, both parties should strengthen their advantages, learn from each other's strengths and shortcomings, integrate resources, and complete each process with higher standards.

Government Officials from Suzhou of China (Jiangsu) Pilot Free Trade Zone visited

On the afternoon of October 15, 2020, a working group visited TOT Biopharm for inspection and visited the Company's 16,000L large-scale biological drug research and development and commercialization base. The working group is composed of officials from the National Ministries and Commissions, the National Free Trade Pilot Zone, and relevant provincial and municipal commerce authorities.

Dr. Liu Jun, the Company's CEO, extended a warm welcome and sincere thanks to all the officials for their visit. He introduced the Company's development history and innovative achievements. The working group fully recognized and affirmed the Company's achievements, and had exchanges and discussions with the Company's team on topics such as system innovation in the pilot free trade zone.

Entrepreneur Salon Experience Exchange Meeting

On December 25, 2020, Wu Qingwen, a member of the Municipal Party Committee and the Secretary of the Party Working Committee of the Zone, and Ding Lixin, the Deputy Secretary of the Party Working Committee and the Director of the Management Committee of the Zone, hosted an entrepreneur salon and gathered with dozens of representatives from multinational and local innovation-based companies to listen to everyone's experience and concerns, answer questions, boost each company's confidence, and create new advantages for development.

At the meeting, Ms. Yeh-Huang Chun-Ying, executive director of TOT BIOPHARM Co., Ltd., said: "We have been continuously developing and increasing investment in the zone because we are very confident in this district. In the future, we hope that the zone can provide more support in drug review and talent development, which can help TOT BIOPHARM to strengthen its international competitiveness further."

05

GATHERING AND CARING FOR TALENTS FOR TOT BIOPHARM

TOT BIOPHARM firmly believes that talents are the cornerstone of steady corporate development. We continuously improve and optimize the decision-making mechanism for employee promotion, create a comprehensive training platform, and take care of employees in diverse ways to foster a positive workplace atmosphere. We treat all employees in a fair and impartial manner and make active efforts to protect the rights and interests of employees for them to gain a sense of belonging and identity.


东2
东3
东3

01 DIVERSITY IN EMPLOYMENT

TOT BIOPHARM strictly abides by employment laws and regulations and has developed internal management systems to achieve diverse, precise, and efficient hiring which contributed to the building of an equal employment environment.

Employment System

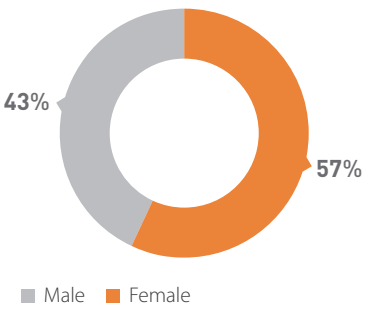
TOT BIOPHARM strictly abides by laws and regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Social Insurance Law of the People's Republic of China* and has formulated internal documents such as the *TOT BIOPHARM Employee Handbook*, the *Recruitment Management Measures*, the *Management Measures for Performance Assessment and Rewards and Punishments*, the *Management Measures for Transfer and Resignation*, the *Management Measures for Attendance and Leave*, the *Management Measures for Business Trips*, and the *Management Measures for Compensation and Benefits*, which safeguard the rights and interests of employees in terms of fair employment, appraisal and promotion, compensation and benefits, etc.

Employment Policy

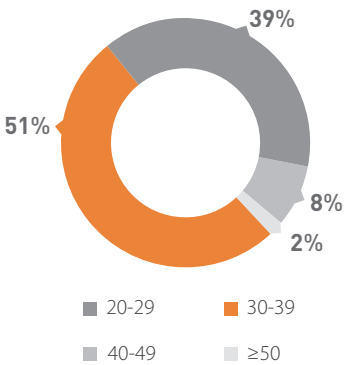
TOT BIOPHARM upholds the principle of fair and equal treatment in the hiring process and fully respects the rights and interests of women. The Company resolutely opposes any discrimination on the basis of gender, age, cultural background, religious belief, etc. and firmly rejects child labor and forced labor. During the reporting period, no violation in relation to child labor or forced labor was found at TOT BIOPHARM.

Meanwhile, we constantly modify and improve our employment system, in order to build more stable enterprise-labor relationships. As of December 31, 2020, the total number of employees of TOT BIOPHARM was 368, of which 209 were female employees, accounting for 57%, and 159 were male employees. Employee turnover during the reporting period was 38. Breakdowns of employees by gender, age group, region and rank as well as breakdowns of employee turnover by region and age group were as follows.

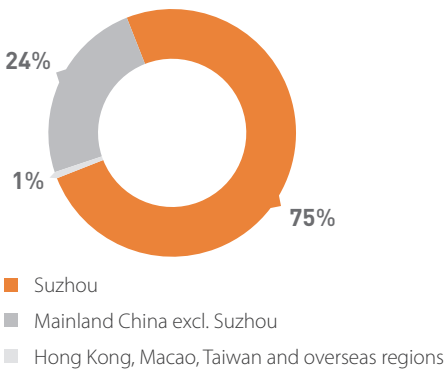
By Gender



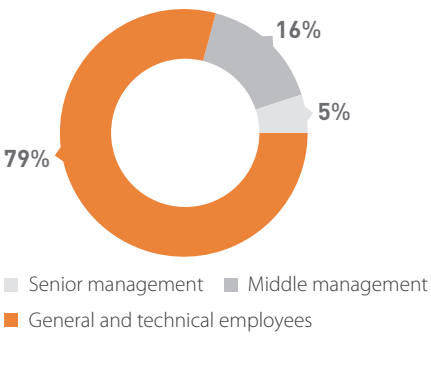
By Age Group



By Region

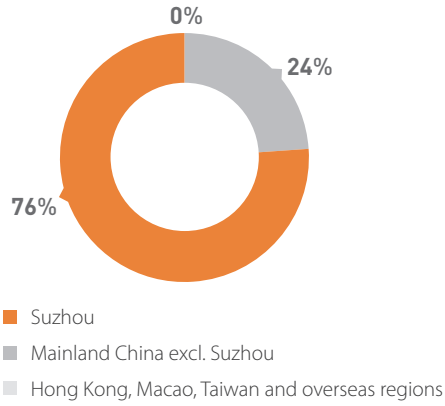


By Rank

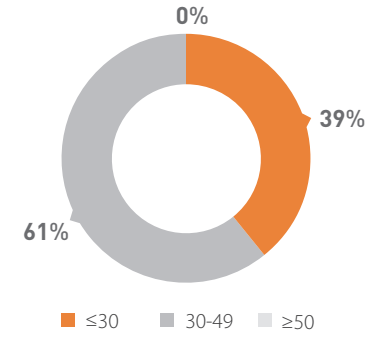


Employees by Category

By Region



By Age Group



Employee Turnover by Category

Employee Recruitment

TOT BIOPHARM proactively diversifies its recruitment channels and combines campus recruitment, job market recruitment and employee referrals to acquire talents for our corporate vision. In the recruitment process, we assess whether a candidate's beliefs and behaviors fit our corporate culture to ensure the steady progress of our sustainable development. At the same time, we ensure a transparent, fair, just and impartial hiring process which is free from discrimination in accordance with our *Recruitment Management Measures*. During the reporting period, TOT BIOPHARM hired 80 new employees.

02 TARGETED EMPOWERMENT OF EMPLOYEES

The development and cultivation of a high-quality workforce is the foundation of long-term corporate development. TOT BIOPHARM is committed to creating a scientific and diverse training system to continuously improve our workforce. We have established an extensive training system according to the needs of employees at different levels. We continuously improve our promotion system to ensure equal promotion opportunities for all employees. Besides, we remain creative in the development of training programs. We encourage employees to share their opinions and experiences and launched an offline learning and communication platform to maximize the realization of self-worth by employees.

Training System

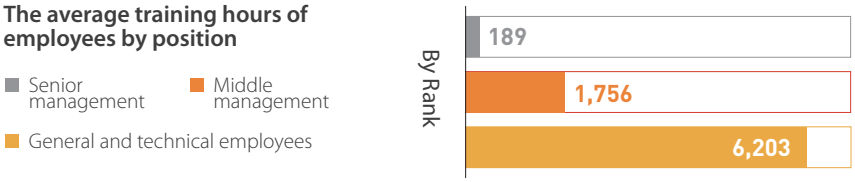
TOT BIOPHARM places great importance on the career planning of each employee and strives to create a pleasant learning environment and atmosphere for employees to boost employees' passion for learning and ensure that employees achieve the best learning outcomes. We established an all-embracing training system for all employees to drive the growth of the Company and the employees.

Overview of TOT BIOPHARM's Training System

During the reporting period, the total number of training hours undertaken by our employees was 8,148 hours. The total hours of training and percentage distribution by employee category were as follows.

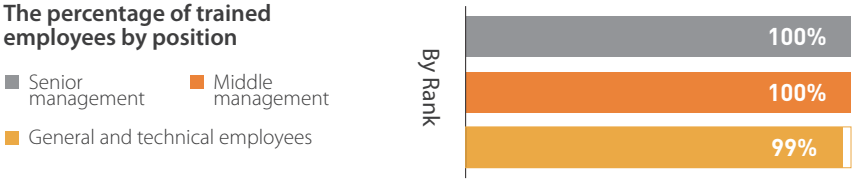
The average training hours of employees by gender

The average training hours of employees by position



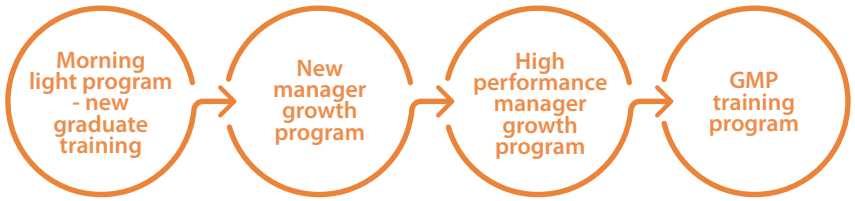
The percentage of trained employees by gender

The percentage of trained employees by position



Innovation in Training

On the basis of our training system, to extend our talent training system to cover the entire corporation, we introduced various high-quality external learning resources. We worked with Zhiming Training to organize seminars, expert lectures and courses for employees so that our employees may "learn in-depth and learn comprehensively".



Training Programs and Exchange Sessions

During the reporting period, we organized a variety of training programs such as coaching workshops and situational leadership training to enhance employees' sense of self-worth and help them grow faster.

Coaching workshops and situational leadership training of TOT BIOPHARM

Managerial personnel training: coaching workshops

Managerial personnel training: situational leadership training

The training programs enhanced our teamwork and boosted efficiency. They also improved the leadership skills of our leadership team.

To build an organization committed to lifelong learning, we introduced the internal trainer system for employees to share their expertise and experience, thereby enhancing the professional competencies of employees. At the same time, we developed learning platforms such as the TOT BIOPHARM Reading Club, TOT BIOPHARM Lecture Room, and TOT BIOPHARM micro sharing to cultivate a positive atmosphere for learning and communication in the workplace.

These activities allowed employees to exchange with and learn from each other, so that employees can make up for their deficiencies and grow together.

TOT BIOPHARM Lecture Room, Reading Club, and English Salon Activities

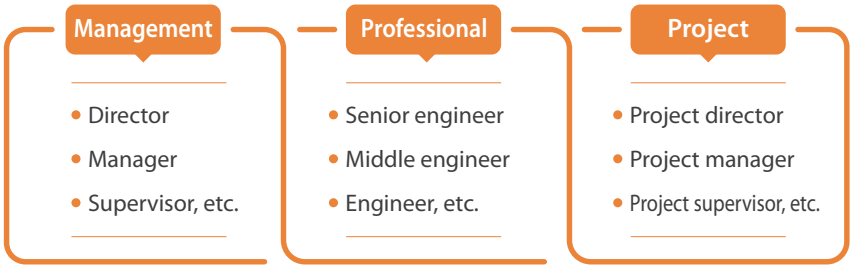
TOT BIOPHARM Lecture Room

TOT BIOPHARM Reading Club

English Salon

Promotion Management

TOT BIOPHARM continues to implement the three-track employee promotion mechanism, namely, the management track, the professional track, and the project track. We ensure equal opportunities for advancement to motivate employees. The rank structure and promotion eligibility criteria of each track are clearly defined. Eligible employees can select the track they are interested in according to their own development goals.



Three-Track Promotion Mechanism

03 HEALTH AND SAFETY

TOT BIOPHARM aims to become an anti-tumor drug producer that maintains a balance between humanity and technology. We see the physical and mental well-being of our employees as a key pillar of our development.

We strictly abide by occupational health and safety laws and regulations and continuously improve our internal mechanisms through multiple channels to ensure the health and safety of employees.

Standardization of Production Safety

In strict accordance with laws and regulations such as the *Production Safety Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Special Equipment Law of* the *People's Republic of China,* the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases,* and the *Regulation on Work-Related Injury Insurances*, TOT BIOPHARM developed 30 production safety related and 7 occupational health related operational standards and management procedures, such as the *Chemicals Storage Management Measures, Labor Protection Articles Management Regulations,* and the *Contractor EHS Management Procedures* to standardize our production safety performance. Our three-level production safety standardization system received a triennial external review in October 2020, whereby the Suzhou Industrial Park safety supervision expert team certified the effectiveness of the system. In addition, while maintaining standardized safety operations, we launched the "dual prevention mechanism" in 2020, which combines two complementary elements, namely the hierarchical risk management and the screening of hidden hazards, to support the foundation of safety management. The hierarchical risk management is led by the EHS and implemented by all departments.

During the safety week in September, we trained employees on risk classification with information sessions and games concerning the dual prevention mechanism. Risks are classified as significant risks, large risks, general risks, and minor risks and assigned as factory-level risks, department-level risks, and position-level risks for management and control. In terms of the screening of hidden hazards, we conduct specialized and regular examinations based on the risks of equipment, facilities, and operations. Hidden hazards are categorized as major hazards and general hazards for handling and removal.

Occupational Health and Safety

TOT BIOPHARM continuously improves its employee health and production safety accountability system and rigorously performs contractor and employee safety management. We give absolute priority to the occupational health of employees and provide annual occupational health checkups, personal protective equipment, and occupational health training, etc. to fully protect the occupational health of our employees. During the reporting period, we achieved the production safety goals of 0 employee injury and 0 contractor injury. The coverage of professional health monitoring and new employee three-level safety training both reached 100%.

To prevent safety accidents and effectively eliminate or reduce occupational health hazards, we provide laboratory workers with pure cotton uniform pants to protect them from corrosive chemicals, prevent skin exposure and reduce the risk of chemical burns. We closely studied and analyzed the daily operational routine of different posts to formulate comprehensive safety measures. We continuously reviewed activities defined as dangerous operations in our production workshops to reduce the risks brought by dangerous operations. During the reporting period, the Company had no work-related injuries.

Three-level safety training for new employees is up to

100%

Reduce the risk of lift platform operations

When contractors perform lift platform operations, a fixed-length safety belt brings inconvenience to the operator as he/she needs to move frequently. Therefore, it is difficult to comply with the regulations. With a differential mounted on the platform to anchor the safety belt, operators can work more easily while ensuring compliance and safety.

Set up Alarms for Liquid Nitrogen Tanks

Our workshops and laboratories use liquid nitrogen and have liquid nitrogen storage areas set up. A nitrogen leakage in such areas would endanger the lives of our employees. We identified this safety risk and installed automatic oxygen level monitors with alarms that will be triggered when such risk is identified, thereby preventing safety incidents.

TOT BIOPHARM attaches great importance to the safety awareness promotion and training of employees. We organized safety week debates, emergency drills and first aid skills training and incorporated health topics into the reading club to increase the safety awareness of employees. We provided new employees with three-level safety training, developed department-specific and position-specific course materials and assessments for safety training, so as to enhance the effectiveness of the safety training, boost the safety awareness of new hires, and ensure a sound understanding of occupational health and safety among our employees.

In addition, we trained our contractors and performed assessments on them. We strengthened the safety inspection of contractors, screened them for problems, and gave feedback. During the reporting period, TOT BIOPHARM had encountered no employee injury or contractor injury incidents.

TOT BIOPHARM Trained and Assessed Contractors

04 COMMITMENT TO EMPLOYEE CARE

Taking good care of employees is one of the manifestations of our corporate philosophy. As we stay committed to improving our compensation and benefits system, creating a comfortable workplace, and building a sense of belonging for all employees, we make every endeavor to gather the opinions of employees, satisfy their reasonable needs, and guide them to pursue higher quality of life.

Compensation and Benefits

TOT BIOPHARM constantly endeavors to provide the most competitive compensation and benefits for employees in the pharmaceutical industry. Without prejudice to and in addition to statutory benefits, we provide extra leaves, holiday allowances, supplementary health insurance, annual health checkups, and other benefits. Our performance-oriented reward mechanism includes an annual performance bonus, annual pay adjustment, and project bonus. During the reporting period, we continued to optimize our employee compensation management model.

Employee Communication

TOT BIOPHARM keeps improving its employee communication channels to take better care of employees. We set up suggestion boxes to hear the voices of employees and provide feedback as soon as possible. We opted for a labor union to safeguard the legitimate rights of employees, create harmonious labor relations, and motivate employees. As of December 31, 2020, the TOT BIOPHARM labor union had 199 members, of which 61% were our employees.

Care for Employees

TOT BIOPHARM is committed to taking care of employees in all aspects to make them happier at work. We organized a variety of cultural activities and events to enrich employees' lives and build a family-like work environment that produces a stronger sense of belonging. During the reporting period, the Group was awarded the 2020 Best Employer for Employee Care in Greater Suzhou.

TOT BIOPHARM Awarded 2020 Best Employer for Employee Care in Greater Suzhou

Food and Drink Perks for Employees

We provided logistical support for employees who work overtime. We purchased snacks and drinks based on the preferences of young people to provide energy for employees who work overtime. The Human Resources Department prepared a new year's dinner for employees on duty on the Chinese New Year Eve to compensate them for not being able to reunite with their families.

Company Trips

Annual Staff Outing

Subject to our progress, we organized company trips each year to enhance our cohesiveness and solidarity.

Care for Female Employees

Women's Day Celebrations

Christmas and Mother's Day Celebrations

Even during the pandemic, we remained appreciative of our female employees and sent each female employee a protective bucket hat with a face shield. We invited Dr. Cao Guiying who fought against SARS in the front line in 2003 to a live stream session to share mental health tips during the pandemic. In addition, we ensure that each year our employees receive roses on Valentine's Day, carnations on Mother's Day, lollipops on Children's Day, and apples on Christmas Eve.

Employee support during the pandemic

2020 was an extraordinary year. At the beginning of COVID-19 outbreak, as required by the government, we formed prevention and control groups and appointed heads and contact persons to gather information and provide daily updates. We issued important announcements and combined online communication with offline promotion channels to convey pandemic-related knowledge and measures. The distribution of supplies, body temperature measurement (in shifts), and dining management were all carried out in an organized manner.

We distributed masks to employees every day (including ordinary masks and N95 respirators). We also developed a scientific N95 respirators decontamination plan with our professional knowledge to enhance the protection. We equipped employees with 75% alcohol sprays and vitamin C and ensured the supply of anti-pandemic items as we care about the protection of our employees.

Considering the special circumstances of the pandemic period, we optimized the attendance policy and encouraged eligible employees to work from home. We surveyed how employees commute and adjusted the route of the employee shuttle for wider coverage. We encouraged employees to carpool and minimize their use of public transport. We assisted employees who returned to work after the relaxation of travel restrictions with their daily living, and prepared protective items for those living in the employee dormitory to ensure their safety on their way back to Suzhou. We took effective measures to combat the pandemic and take care of our employees.

Employees received protective items and had their body temperature measured before entering the factory.

We conducted strict dormitory management, monitored the travel history of employees returning to Suzhou, and assisted with quarantine arrangements.

We stocked up on disinfectants, thermometers, and drugs in case of emergency.

06

GREEN OPERATION FOR TOT BIOPHARM'S SUSTAINABILITY

In line with the concept of green operation, we defined our comprehensive environmental management and control standards based on our development status. We strictly implement energy conservation and emission reduction measures and continuously improve our environmental management and energy/resource efficiency to contribute to our sustainable development.

01 GREEN MANAGEMENT

Promoting green management is essential for creating a good living environment and improving people's quality of life, and is also necessary for our own survival and development. We strictly abide by applicable laws, regulations and normative documents, actively organize employee training and formulate environmental emergency response plans to ensure the long-term healthy development of the Company.

Environmental Management

TOT BIOPHARM strictly complies with environmental laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, the *Law on the Prevention and Control of Environmental Pollution Caused by Solid Waste*, the *Integrated Wastewater Discharge Standard*, and *Integrated Emission Standard of Air Pollutants*. We developed and continuously improved our internal environmental management systems and organizational safeguard mechanisms and established systematic environmental principles.

ISO 14001 Certification

Regulatory compliance; Compliant operation

Pollution prevention; Energy conservation and consumption reduction

Continuous improvements; Performance progress

We established an environmental management governance structure with the Power Operation Department and the EHS Department as the core. During the reporting period, we approved the feasible implementation plan on "identifying possible unorganized emission points of VOCs, collecting unorganized gas emissions in the sites of sewage treatment facilities, and introducing such gases into exhaust gas treatment facilities" to better ensure our compliance with environmental regulations.

During the reporting period, we continued to follow the ISO 14001 system and implemented the environmental protection provisions defined in GB37822-2019 *Standard for Fugitive Emission of Volatile Organic Compounds* and GB37823-2019 *Emission Standard of Air Pollutants for Pharmaceutical Industry*.

Training and Communication on Environmental Protection

TOT BIOPHARM believes that enhancing employees' environmental awareness and execution is essential for implementing the EHS policy of the Group and improving environmental management and organizational system operation.

During the reporting period, we carried out a number of training and promotion activities on environmental protection knowledge to improve employees' awareness of environmental responsibility, laying a solid foundation for building a green enterprise.

Training and Communication Activities

We held the ISO 14001 environmental management system launch meeting, and invited Green Light, an environmental protection organization, to organize a United Nations Sustainable Enterprise Conference activity in our factory, where our employees played one of the six roles of media, schools, communities, enterprises, governments, and service providers and discussed the path to green development in the conference.

In addition, we organized environmental management training in the factory, which included factory environmental management training, department-specific training, and waste classification training for cleaning staff.

Trivia Quiz on Earth Day 2020

On April 22, Earth Day, a Trivia quiz event was held in our Suzhou factory. 138 employees participated in the event and 44 won prizes. This event aimed at familiarizing employees with geographical knowledge and general knowledge in relation to environmental protection.

In 2020, the number of EHS training hours received by TOT BIOPHARM employees and the number of employees which received EHS training are as follows.

3,036 hours
TOT BIOPHARM employees received this total number of EHS training.

4.5 hours
Each employee received this average number of hours of EHS training.

1,999 people
This total number of employees received EHS training.

Management of Environmental Emergency

In respect of environmental protection issues, we act in accordance with the Response Management Measures for Environmental Emergencies issued by the Ministry of Ecology and Environment to conduct environmental emergency drills in order to ensure green production while protecting the safety of employees.

Waste Liquid Spill Drill

At 4 p.m. on August 17, 2020, the warehouse department and emergency response unit organized an onsite drill for large-scale leakage of waste liquid. The setting of this drill was: a crash happened when the warehouse management staff was transporting waste liquid. A half-ton barrel containing organic waste liquid was damaged, resulting in leakage. The leaked liquid flowed into the storm drain.

The emergency event was handled as follows.

Step 1	After the accident, the employees involved notified the supervisor immediately. Emergency rescue and evacuation teams were formed.
Step 2	The emergency rescue team arrived at the stormwater drain and shut it down to protect the stormwater network from pollution.
Step 3	The relerant personnel put on personal protective equipment, such as gloves, face shields, and chemical protection shoes, enclosed the affected area with absorbent cotton and cover, and absorbed the leakage with sand.
Step 4	The relerant personnel collected the leakage and disposed of it as hazardous waste.
Step 5	The emergency rescue team transported the leakage to the wastewater treatment facility with a diesel pump for disposal. The monitoring team contacted an environmental monitoring service provider for sewage quality examination.

Warehouse Management Department Hazardous Waste Leakage Drill

At 2 pm on August 6, 2020, the Warehouse Management Department conducted a hazardous waste leakage drill. The setting of this drill was: when transporting the waste liquid with a forklift, the waste liquid bucket fell on the floor and resulted in a spill (water was used in place of organic waste liquid).

The handling process was as follows: the employees involved notified the supervisor immediately. They put on personal protective equipment and absorbed the liquid with absorbent cotton to prevent overflow. The leakage was collected and disposed of as hazardous waste.

The drills improved the emergency response capabilities of our employees and enhanced their awareness and skills in handling emergencies of employees, achieving the goals of the drills. We also summarized the deficiencies revealed in the drills and developed improvement measures.

During the reporting period, the Company had no work-related injury or death arising from environmental accidents.

02 ENERGY CONSERVATION AND CONSUMPTION REDUCTION

To cherish resources, save energy and reduce emissions is the cornerstone and safeguard for high-quality, high-efficiency production and operation for businesses. TOT BIOPHARM pays attention to the rational use of water resources and other energy sources. We set up an Energy Operation Department to monitor our daily consumption of water, electricity, gas, and other energy sources to ensure the delivery of energy conservation goals.

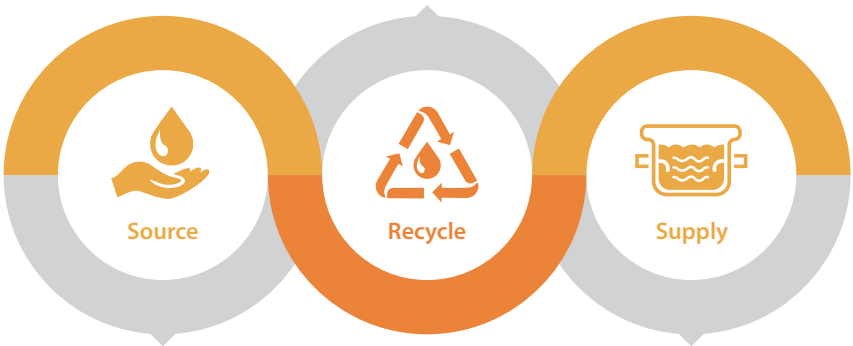
Water Resource Management

In accordance with the *Water Law of the People's Republic of China*, we developed water resources management policies to monitor daily water consumption, promote the use of reclaimed water, etc. to strictly control water consumption in production and operation, thereby effectively reducing consumption and avoiding waste.

Daily monitoring of water consumption	• Operation division to monitor daily water consumption • Each department to report local leakage immediately for handling
Reduce waste of cleaning water and industrial water	• During cleaning verification/confirmation, determine and fix the key parameters of the cleaning process • Use automatic faucets equipped with sensors to save water
Implement reclaimed water system	• Reclaim RO concentrated water, EDI concentrated water, and storage tank discharge for reuse • Use reclaimed water in greening maintenance and toilets

In 2020, we replaced the softeners in the boiler room and deployed instant regeneration equipment (exchange starts once the preset flow is met), which reduced the fresh water consumption of handpiece flushing equipment from 5,110m^3 to 1,022m^3 per year. During the reporting period, the Company continued to utilize reclaimed water. Industrial water was reclaimed for reuse to promote a circular economy. The process was as follows.

Reclaimed water introduced to the 360m^3 reclaimed water recovery tank.



Recycling of water from sampling discharge of Factory II, bathroom equipment cleaning water, RO concentrated water, etc.

Use a water pump to supply water to the 24m^3 fire water tank on the rooftop of Factory II and to the cooling tower.

During the reporting period, the Company's total water consumption was 176,673 tons, and the volume of water reclaimed was 15,000 tons, equivalent to saving approximately 8,881.5 tons of water.

Energy Management

In accordance with energy laws and regulations, TOT BIOPHARM continuously strengthened energy management. We improved our management procedure with reference to the Energy Management Procedures to achieve the two major energy conservation goals during the reporting period.

Reduce the use of natural gas of boilers. Configure the AC temperature range in the clean areas by lowering the maximum AC temperature in winter from 23°C to 21°C. Reduce the use of natural gas by reducing the heat supply of the boilers.

Deploy equipment based on the cooling demand of the factory in different seasons. Reduce the power consumption of the equipment in public facilities and hence of the public facilities as a whole.

Two Major Energy Conservation Goals

At the same time, we place great emphasis on the daily management and inspection of electricity and natural gas resources. We eliminate energy waste bit by bit to maximize waste reduction and promote our economic sustainability.

Use energy-saving equipment	• Use high energy efficiency lamps and lights • Use equipment with Class II energy efficiency or above
Energy-saving measures during operation	• Turn on AC and streetlights at an appropriate time based on actual conditions • Set a reasonable chiller outlet temperature to improve cooling efficiency
Energy-saving measures during non-operation	• Turn off all electrical equipment in the office area after work • No equipment idling when not in production

Electricity Management Measures

Daily monitoring of natural gas resources	• Operation division records the reading of the gas meter every morning • Gather monthly energy consumption data and report to finance and EHS departments
Handling of natural gas leakage	• In the event of natural gas leakage, follow the Natural Gas Leakage Emergency Response Procedure (TOT-EHS-03-013) for handling as soon as possible
Regular maintenance of natural gas equipment	• Maintain boilers on a regular basis to improve their combustion efficiency • Set proper boiler outlet water temperature and steam pressure

Natural Gas Resources Management Measures

During the reporting period, natural gas, fuel oil, and electricity consumption of TOT BIOPHARM saw a slight year-on-year increase while the intensity of their uses per person decreased slightly. The details were as follows.

Item	Unit	2019	2020
Externally purchased electricity	kWh	11,026,380	12,252,663
Natural gas	Cubic meter	1,647,000	1,673,800
Diesel	Liter	500	100
Direct energy consumption	Ton of standard coal	2,000	2,226
Indirect energy consumption	Ton of standard coal	1,355	1,506
Total energy consumption	Ton of standard coal	3,355	3,732
The intensity of energy consumption	Ton of standard coal/person	10.29	10.14
Scope 1 greenhouse gas emissions	Ton of CO_2	3,562	3,619
Scope 2 greenhouse gas emissions	Ton of CO_2	7,757	8,620
Total greenhouse gas emissions	Ton of CO_2	11,319	12,239
The intensity of greenhouse gas emission	Ton of CO_2/person	34.72	33.26

03 POLLUTION CONTROL AND EMISSIONS REDUCTION

In strict accordance with pollution prevention laws and regulations, TOT BIOPHARM hired professionals to perform environmental management analysis and inspection and regularly engaged external testing agencies to perform environmental monitoring and issue reports, in order to control pollution sources and reduce wastewater, exhaust gas, and solid waste discharge, and minimize the environmental impacts of our business operations.

Discharge of Wastewater, Exhaust Gas, and Solid Waste

The Company strictly complies with laws and regulations such as the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Integrated Wastewater Discharge Standard, the Emission Standards for Odor Pollutants*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Integrated Emission Standard of Air Pollutants, and the Emission Standard of Air Pollutants for Boiler*, and abides by internal SOPs such as the *Wastewater Control Procedure*, the *Solid Waste Management Procedure*, and the *Exhaust Gas Control and Management Procedure* to ensure that our environmental impacts satisfy regulatory standards and to proactively promote green development.

Wastewater Control

In recent years, we continuously improved our wastewater treatment equipment. We improved our wastewater treatment capability and effectiveness with the most advanced and mature technologies and ensured full compliance with discharge standards.

Our wastewater control procedure covers three aspects, namely in-plant sewer pipe network, industrial wastewater control, and domestic wastewater control. Industrial wastewater is mainly generated during the cleaning of containers, equipment, pipelines and production areas. Domestic wastewater mainly comes from restaurants, toilets, and handwashing sinks in office areas.

In-plant sewer pipe network	• Separate stormwater and sewage • Keep inlets of stormwater drains unblocked
Industrial wastewater control	• Remove the materials in containers, equipment, and pipelines before cleaning • Process the wastewater entering the sewage treatment facility
Domestic wastewater control	• Encourage employees to save water and provide relevant training • Devise regulations on the cleaning of cars and office equipment

During the reporting period, the Company discharged a total of 141,338.4 cubic meters of wastewater, in which the concentrations of COD and ammoniacal nitrogen were far below regulatory standards. The industrial wastewater generated in the mAb workshops was all introduced to the Phase II wastewater treatment facility and then to the cooling tower for reuse, amounting to zero industrial wastewater discharge.

Exhaust Gas Control

Exhaust gas treatment refers to the treatment of exhaust gas generated such as dust, particles, smoke, odorous gases, and toxic and hazardous gases.

Our exhaust gas treatment procedures mainly include air pollution prevention and control measures for construction projects, management of exhaust gas discharge outlets, operation and management of exhaust gas generation points, and handling of abnormalities in the exhaust gas discharge process.

Air pollution prevention and control measures for construction projects	• Devise treatment measures in line with applicable laws and regulations. • Control the progress and quality of construction projects and put them into operation upon acceptance of environmental authorities
Management of exhaust gas discharge outlets	• Ensure that exhaust pipe and boiler emissions are compliant with relevant standards. • Examine all discharge outlets on a regular basis.
Operation and management of exhaust gas discharge outlets	• Develop emission standards in accordance with laws and regulations and actual conditions of each department. • Examine and maintain production equipment on a regular basis.
Handling of abnormalities	• Follow the requirements of the *Environmental Emergency Reponse Plan* in the event of abnormalities in exhaust gas treatment or emission systems.

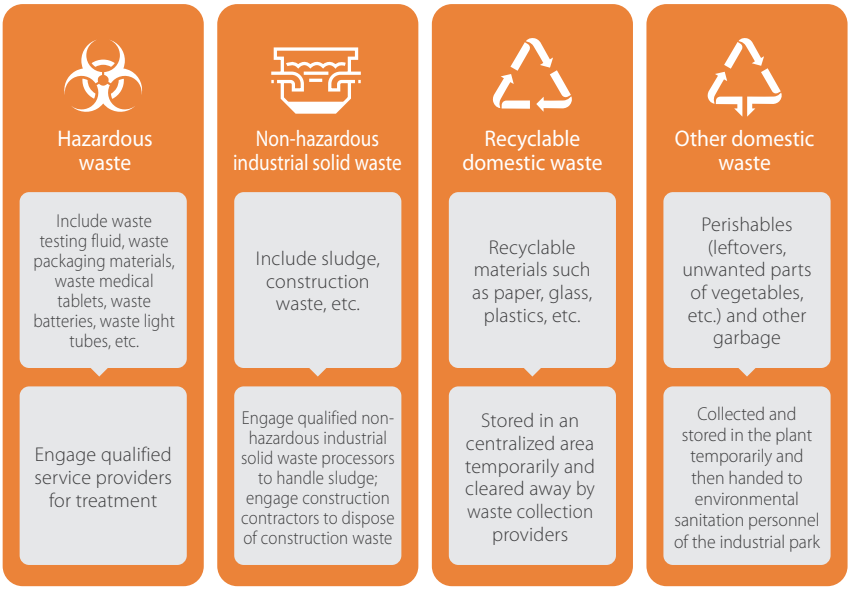
Our exhaust gas emissions during the reporting period in comparison with 2019 were as follows.

Item	Unit	2019	2020
Exhaust gas emissions	Cubic meter	17,293,500	17,574,900
Nitrogen oxide emissions*	Ton	0.726	1.640
Particulate matter emissions	Ton	0.029	0.069

* Our nitrogen oxide emissions were generated not only from boilers but also from certain production processes. In 2020, due to changes in production processes, our nitrogen oxide emissions increased, but the total emissions were far below regulatory standards.

Waste Management

We dispose of the waste generated in production and operation processes in accordance with the *Waste Management Procedures*. The classification, storage and disposal of different categories of wastes are undertaken by different departments with a clear allocation of responsibilities. Hazardous waste is specifically disposed of by qualified suppliers. We take actions to reduce the environmental impact of the waste generated and avoid adverse effects on human health. Common wastes generated in production and operation processes are disposed of in the following ways:



Waste Disposal at TOT BIOPHARM

Our total waste during the reporting period in comparison with 2019 was as follows.

Item	Unit	2019	2020
Hazardous waste	Ton	12.8	15.0
Non-hazardous solid waste	Ton	99.3	105.2
Recyclable domestic waste	Ton	11	16
Intensity of hazardous waste generated	Ton/person	0.04	0.04
Intensity of non-hazardous waste generated	Ton/person	0.30	0.29

Noise Control

We established our *Noise Control Management Procedure* on the basis of the *Emission Standard for Industrial Enterprises Noise at Boundary* and the *Noise Limits for Construction Site*. The Procedure effectively improves our equipment and the working environment in our production facilities by regulating early-stage equipment selection and optimization, noise reduction measures relating to equipment in use, as well as on-site noise detection and supervision.

Purchase and installation of equipment and noise reduction	Purchase	Evaluate the noise of noise-producing equipment and parts before making a purchase
		Give priority to low-noise equipment and parts during equipment selection
	Installation	Configure the equipment according to requirements and strictly control noise pollution
		Noise pollution prevention and control measures are checked and approved by regulators before the equipment is put into operation
	Noise reduction	Set up sound insulation booths and sound-absorbing panels and require employees to wear hearing protectors
		Provide employees with hearing protection training
Noise control in equipment operation	Operation	Regular maintenance and lubrication of equipment
		Require contractors to strictly comply with the construction agreement
Noise detection and supervision	Supervision	EHS to regularly analyze whether the noise exceeds the set standard as required by relevant regulations

07

GIVING BACK TO SOCIETY AND SPREADING TOT BIOPHARM'S LOVE

Love is at the core of TOT BIOPHARM's corporate culture. We are dedicated to building a leading brand of oncology treatment trusted by patients and their families as well as medical professionals. We encourage our employees to be involved in the community and give back to society. During the reporting period, we donated 1 million yuan to the Hubei Charity Federation for the procurement of urgently needed medical supplies and commodities to support the fight against COVID-19.

01 DELIVERING HEALTH TO THE PUBLIC

In the spirit of "caring for life, caring for health, caring for humanity, and caring for society", TOT BIOPHARM actively organized and participated in charitable activities to fulfill its corporate social responsibility, spread love and care to where it is needed, and create greater social value.

Care for Medical Practitioners and Patients

As a patient-centered biopharmaceutical company, we provide all-around cancer treatment in view of the overall needs of patients. We also help relieve the adverse effects of stress on the physical and mental health conditions of patients and their families and improve doctor-patient relationships.

During the reporting period, we organized a series of physical, mental and spiritual support programs for cancer patients and their families as well as medical practitioners, such as patients' associations, which provide a platform for patients to cheer each other up and share their own journey of fighting cancer, so that patients can stay optimistic, cooperate in treatment, and continue their fight.

Health Communication

As a pharmaceutical company, TOT BIOPHARM took active steps to spread cancer-related knowledge. We held lectures and courses to educate patients and lay the foundation for bringing better care to patients. In addition, we call for greater social attention to cancer patients, establish a positive corporate image, and show our commitment to corporate social responsibility.

Global Chinese Breast Cancer Organizations Alliance Xi'an Symposium

Ms. Yeh-Huang Chun-Ying, Executive Director and Vice Chairman of TOT BIOPHARM attended the symposium themed "spread love, share care, support and innovate" and gave a keynote presentation titled "beautiful encounter and eternal love". Ms. Yeh-Huang shared how she became dedicated to helping cancer patients and expressed the Company's commitment to spreading love and gratitude.

TOT BIOPHARM developed diets for cancer patients

Diet is of great significance to cancer patients. Good nutrition and physical strength are important safeguards for cancer treatment. The side effects of cancer treatment often cause oral and esophageal ulcers, gastrointestinal disorders, and gum inflammation, which make it difficult for patients to take food. The Handbook provides dietary guidance before, during, and after treatment to help patients recover as soon as possible.

TOT BIOPHARM supported China Cancer Rehabilitation Society's core member training program

During the reporting period, we held the Cancer Rehabilitation Science Popularization Education Base training program in Dongshan Hotel, Guangzhou. A total of 42 trainees, including presidents and key members of 20 regional cancer rehabilitation associations, participated in the program which focused on equipping trainees with proper skills to popularize cancer rehabilitation knowledge, standardizing communication processes, and improving the overall scientific literacy in relation to cancer rehabilitation in China. TOT BIOPHARM supported cancer rehabilitation organizations in their efforts to educate patients and medical practitioners and provided a diverse range of services to help patients recover as soon as possible.

02 CHARITABLE EFFORTS

As a professional oncology drug producer, TOT BIOPHARM has been dedicated to the development philosophy of balancing humanity and technology. While ensuring that our product R&D is innovative, we also pay attention to social development and strive for the common progress of the Company and society.

Social Welfare

During the reporting period, we continued our charitable efforts and donations. We set up scholarships and organized book and clothing donations and volunteering activities together with different sectors of society to expand our social influence.

- Made donations to Guomen Middle School in Horgos, Xinjiang by setting up scholarships
- Employee-initiated book and clothing donations
- A number of employees registered as volunteers to participate in volunteering activities

Contribute to the Fight Against COVID-19

Facing the challenges brought by COVID-19, TOT BIOPHARM responded to the call of the state and authoritative organizations such as the Experts Committee on Nutritional Therapy for Cancer Patients of the Chinese Society of Clinical Oncology (CSCO) to contribute to the fight against the pandemic from different aspects.

At the same time, as a pharmaceutical company that develops new drugs, TOT BIOPHARM shares the same missions and responsibilities as medical practitioners. We always care for the frontline medical practitioners who are fighting the pandemic and we promptly donated supplies to medical practitioners and the most affected areas to support their well-being and express our regards and care.

During the reporting period, we pay close attention to COVID-19 updates at home and abroad. In addition to donating milk drinks to the Hubei Charity Federation and Beijing Love Book Cancer Foundation, we donated 50,000 masks to medical practitioners in Italy to support their battle against COVID-19.

TOT BIOPHARM donated Ayunutri and supplies to support the fight against COVID-19

After COVID-19 broke out, we donated 370 boxes of full nutrition formula milk drinks to the Hubei Charity Federation and 1,000 boxes of the same product to the Beijing Love Book Cancer Foundation as nutritional supplements and immunity boosters for medical practitioners and cancer patients. In addition, on January 27, 2020, we donated 1 million yuan to the Hubei Charity Federation for the purchase of medical supplies and commodities that are urgently needed in the fight against the pandemic.

APPENDIX 1

List of Major Applicable Laws and Regulations

This section sorts and lists out the major laws and regulations that are applicable to the Group in the order of the ESG index in accordance with the requirements as stipulated in "the relevant laws and regulations that have a significant impact on the issuer" within "General Disclosure" of the HKEX guidelines.

Category	Laws and Regulations
Laws and regulations related to environmental protection	*Environmental Protection Law of the People's Republic of China*
	Environmental Protection Tax Law of the People's Republic of China
	Water Law of the People's Republic of China
	Water Pollution Prevention and Control Law of the People's Republic of China
	Law of the People's Republic of China on the Prevention and Control of Pollution from Environmental Noise
	Law on the Prevention and Control of Environmental Pollution Caused by Solid Waste
	Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution
	Law of the People's Republic of China on Appraising of Environment Impacts
	Cleaner Production Promotion Law of the People's Republic of China
	Circular Economy Promotion Law of the People's Republic of China
	Integrated Emission Standard of Air Pollutants
	Integrated Wastewater Discharge Standard
	Emission Standards for Odor Pollutants
	Emission Standard for Industrial Enterprises Noise at Boundary
	Noise Limits for Construction Site
Laws and regulations related to labor	*Labor Law of the People's Republic of China*
	Labor Contract Law of the People's Republic of China
	Production Safety Law of the People's Republic of China
	Special Equipment Safety Law of the People's Republic of China
	Law of the People's Republic of China on the Protection of Women's Rights and Interests
	Law of the People's Republic of China on the Prevention and Control of Occupational Diseases
	Social Insurance Law of the People's Republic of China
	Trade Union Law of the People's Republic of China
	Regulation on Work-Related Injury Insurances
	Regulation on Emergency Responses to Work Safety Accidents
	Provision on the Prohibition of Using Child Labor

Category	Laws and Regulations
Laws and regulations related to product responsibility	*Trademark Law of the People's Republic of China*
	Patent Law of the People's Republic of China
	Law Of The People's Republic Of China On The Administration Of Drugs
	Biosecurity Law of the People's Republic of China
	Regulations on the Management of Human Genetic Resources of the People's Republic of China
	Regulations for the Implementation of the Drug Administration Law of the People's Republic of China
	Good Clinical Practice of Pharmaceutical Products
	Provisions for Drug Registration
	Good Manufacture Practice of Medical Products
	Standard Management Regulations for Handling Drug Complaints
	Drug Recall Standard Management Procedures
	Title 21 - Food and Drugs of Code of Federal Regulations
	Food, Drug, and Cosmetic Act
Laws and regulations related to anti-corruption and corporate governance	*Anti-Unfair Competition Law of the People's Republic of China*
	Anti-Money Laundering Law of the People's Republic of China
	Anti-Monopoly Law of the People's Republic of China
	Company Law of the People's Republic of China
	Securities Law of the People's Republic of China
	Interim Provisions on Banning Commercial Bribery
	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
	Code of Corporate Governance for Listed Companies in China
	Basic Norms for Enterprise Internal Controls
	Labor Union Law of the People's Republic of China
	Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

APPENDIX 2

The Content Index of Environmental, Social and Governance Reporting Guide of HKEX

Subject Areas, Aspects, General Disclosures and Key Performance Indicators			Relevant Section
Environmental			
A1 Emissions	General disclosure	Information on: (a)the policies; and (b)compliance with the relevant laws and regulations that have a significant impact on the issuer relating to exhaust gas and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste	6.1 Green Management 6.2 Energy Conservation and Consumption Reduction 6.3 Pollution Control and Emissions Reduction
	A1.1	The types of emissions and respective emissions data	6.3 Pollution Control and Emissions Reduction
	A1.2	Total greenhouse gas emissions and their intensity	6.3 Pollution Control and Emissions Reduction
	A1.3	Total hazardous waste produced and its intensity	6.3 Pollution Control and Emissions Reduction
	A1.4	Total non-hazardous waste produced and its intensity	6.3 Pollution Control and Emissions Reduction
	A1.5	Description of the measures to mitigate emissions, and the results achieved	6.2 Energy Conservation and Consumption Reduction
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and the results achieved	6.2 Energy Conservation and Consumption Reduction
A2 Use of Resources	General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6.2 Energy Conservation and Consumption Reduction
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity	6.2 Energy Conservation and Consumption Reduction
	A2.2	Water consumption in total and intensity	6.2 Energy Conservation and Consumption Reduction
	A2.3	Description of energy use efficiency initiatives and the results achieved	6.2 Energy Conservation and Consumption Reduction
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	6.2 Energy Conservation and Consumption Reduction
	A2.5	Total packaging material used for finished products and the with reference to per unit produced	6.2 Energy Conservation and Consumption Reduction
A3 The Environmental and Natural Resources	General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	6.1 Green Management 6.2 Energy Conservation and Consumption Reduction 6.3 Pollution Control and Emissions Reduction
	A3.1	Description of the significant impacts of business activities on the environment and natural resources, and the actions taken to manage them	6.1 Green Management 6.2 Energy Conservation and Consumption Reduction 6.3 Pollution Control and Emissions Reduction

Subject Areas, Aspects, General Disclosures and Key Performance Indicators			Relevant Section
Social			
B1 Employment	General disclosure	Information on: (a)the polices; and (b)compliance with the 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.	5.1 Diversity in Employment 5.2 Targeted Empowerment of Employees 5.3 Health and Safety 5.4 Commitment to Employee Care
	B1.1	Total workforce by gender, employment type, age group and geographical region	5.1 Diversity in Employment
	B1.2	Employee turnover rate by gender, age group and geographical region	5.1 Diversity in Employment
B2 Health and Safety	General disclosure	Information on: (a)the polices; and (b)compliance with the relevant laws and regulations that have a significant impact on the issuer relating to the provision of a safe working environment and the protection of employees from occupational hazards.	5.3 Health and Safety
	B2.1	Number and rate of work-related fatalities	5.3 Health and Safety
	B2.2	Lost days due to work injury	5.3 Health and Safety
	B2.3	Description of the occupational health and safety measures adopted, and how they are implemented and monitored	5.3 Health and Safety
B3 Development and Training	General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	5.2 Targeted Empowerment of Employees
	B3.1	The percentage of employees trained by gender and employee category	5.2 Targeted Empowerment of Employees
	B3.2	The average training hours completed per employee by gender and employee category	5.2 Targeted Empowerment of Employees
B4 Labor Standards	General disclosure	Information on: (a)the polices; and (b)compliance with the relevant laws and regulations that have a significant impact on the issuer relating to the prevention of child labor and forced labor	5.1 Diversity in Employment
	B4.1	Description of measures to review employment practices to avoid employing child labor and forced labor	5.1 Diversity in Employment
	B4.2	Description of the steps taken to eliminate such practices when discovered	5.1 Diversity in Employment

APPENDIX 2

The Content Index of Environmental, Social and Governance Reporting Guide of HKEX

Subject Areas, Aspects, General Disclosures and Key Performance Indicators			Relevant Section
Social			
B5 Supply Chain Management	General disclosure	The policies on managing environmental and social risks of the supply chain	4.1 Creating the Value Chain
	B5.1	Number of suppliers by geographical region	4.1 Creating the Value Chain
	B5.2	Description of the practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	4.1 Creating the Value Chain
B6 Product Responsibility	General disclosure	Information on: (a)the polices; and (b)compliance with the relevant laws and regulations that have a significant impact on the issuer relating to the health and safety, advertising, labelling and privacy matters relating to the products and services provided, and the methods of redress	3.1 Innovative R&D 3.2 Creating and Optimizing the Quality
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	During the reporting period, the Group was not involved in product recycling
	B6.2	Number of product and service-related complaints received and how they are dealt with	3.2 Creating and Optimizing the Quality
	B6.3	Description of the practices relating to observing and protecting intellectual property rights	3.1 Innovative R&D
	B6.4	Description of the quality assurance process and product recall procedures	3.2 Creating and Optimizing the Quality
	B6.5	Description of consumer data and privacy policies, and how they are implemented and monitored	3.2 Creating and Optimizing the Quality
B7 Anti-corruption	General disclosure	Information on: (a)the polices; and (b)compliance with the relevant laws and regulations that have a significant impact on the issuer relating to the prevention of bribery, extortion, fraud and money laundering	2.1 Corporate Governance
	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	2.1 Corporate Governance
	B7.2	Description of the prevention measures, and whistle-blowing procedures, and how they are implemented and monitored	2.1 Corporate Governance
B8 Community Investment	General disclosure	The 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	7.1 Delivering Health to the Public 7.2 Charitable Efforts
	B8.1	Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sport).	7.2 Charitable Efforts
	B8.2	Resources contributed (e.g., money or time) to the focus area.	7.2 Charitable Efforts

Traditional
Chinese Website

English
Website

TOT BIOPHARM
International Company Limited

Address: 120 Changyang Street, Suzhou Industrial Park, Suzhou, Jiangsu, China
Tel: +86 (0) 512-6296-5186
Fax: +86 (0) 512-6296-5286
Post Code: 215024