2020 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

RemeGen 荣昌生物

榮昌生物製藥(煙台)股份有限公司
RemeGen Co., Ltd.*

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 9995

*For identification purpose only

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ABOUT THIS REPORT

This report is the first Environmental, Social and Governance Report (or "ESG Report") released by RemeGen Co., Ltd. It is a true reflection of our fulfillment of economic, social and environmental responsibilities and the realization of comprehensive, coordinated and sustainable development.

- Reporting Period
  This report covers the period from January 1, 2020, to December 31, 2020. Part of the content is beyond the above period.

- Reporting Scope
  The object of this report is RemeGen Co., Ltd and its subsidiaries.

- Data Source
  All data disclosed in this report is from official documents, statistical reports and financial reports of the Company, or is the ESG information collected, summarized and reviewed by the Company. In case of any discrepancy between the Chinese version and the English version of this report, the Chinese version shall prevail. Unless otherwise stated, the currency unit in this report is RMB.

- Basis of Preparation
  This report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (the ESG Guide) issued by the Hong Kong Stock Exchange, with appropriate reference to the *Sustainability Reporting Guidelines (G4)* launched by the Global Reporting Initiative (GRI).

- Reference
  For the sake of convenience, "RemeGen", "the Company", "Company", "we", "us" or "our" in this report refer to RemeGen Co., Ltd.

- Statement
  The visions contained in this report, including business plans and development strategies, do not constitute any substantial commitment of the Company to investors.

- Report Access
  For this report and updates about our sustainability initiatives, please visit the "Investor Relations" Section on the homepage of our official website. (http://www.remegen.cn/Invest.aspx?ClassID=77)

1. ABOUT US

1.1 GROUP PROFILE

Business Highlights in 2020

RemeGen (HKEX: 09995.HK)was co-founded in 2008 by Mr. Weidong Wang, founder of Rongchang Pharmaceuticals, a leading traditional Chinese medicine company in China, and Dr. Jianmin Fang, a Canadian-American scientist. Headquartered in the coastal city of Yantai, Shandong Province of China, RemeGen has research labs and offices throughout China and the United States. RemeGen is committed to the discovery, development and commercialization of innovative and differentiated biologic drugs of significant clinical value in the key therapeutic areas of autoimmune, oncology and ophthalmic diseases.

Since our inception, RemeGen has been dedicated to the research and development of biologics with novel targets, innovative design and breakthrough potential with the mission of fulfilling global unmet clinical needs for patients worldwide. After 10 years' relentless efforts, we have established fully integrated, end-to-end R&D platforms covering all key functions of biologics development including discovery, pre-clinical pharmacology, process and quality development, clinical development, and manufacturing in compliance with global good manufacturing practices (GMP).

Leveraging our strong research and development platforms, we have discovered and developed a robust pipeline of more than 10 drug candidates. Among our drug candidates, six are in the clinical development stage targeting more than 20 indications. Two of our clinical-stage candidates, telitacicept (RC18) and disitamab vedotin (RC48), are in registrational trials targeting six indications in China and the United States. Our new drug application (NDA) for telitacicept in China for systemic lupus erythematosus (SLE) was accepted by the National Medical Products Administration (NMPA) in November 2019 and we obtained conditional marketing approval in March 2021. Our NDA for disitamab vedotin for gastric cancer (GC) was accepted by NMPA, with priority review and conditional marketing authorisation granted in August 2020 and June 2021 respectively.

Company Mission

Our mission is to discover, develop, and deliver innovative biologic drugs for major diseases in the autoimmune, oncology and ophthalmology spaces to fulfill the unmet medical needs of patients worldwide.

Company Vision

We aspire to be a Chinese leader within the global biopharmaceutical industry.

1. ABOUT US

1.2 HONORS AND AWARDS

Honor List

Title of honors	Sponsors
Kun Peng Award of the First China Biomedicine Industrial Chain Innovation List	Editorial Committee of *Progress in Pharmaceutical Sciences*, a journal co-sponsored by Chinese Pharmaceutical Association and China Pharmaceutical University
"High and New-Technology Enterprises" Certification	Leadership Office for the Administration of the Recognition of High- and New-Technology Enterprise
National (Shandong) Innovative Drug Incubation Base	Execution and Management office of National Science and Technology Major Projects for New Drug Development
Key Overseas Chinese Entrepreneurial Team	Overseas Chinese Affairs Office of The State Council
Shandong Provincial Top Ten Science and Technology Achievements Awards	Shandong Science and Technology Statistical Analysis Research Center
Yantai Science and Technology Award	Yantai Municipal Science and Technology Bureau
Excellent Team for Science and Technology Innovation	Management Committee of Yantai Economic and Technological Development Zone

2. COMPLIANCE AND HONESTY

We attach great importance to the sustainability of corporate development and operations and assume social and environmental corporate responsibility. We establish the ESG governance system, build ESG governance structure and gradually clarify ESG management functions, in a bid to comprehensively improve our ESG performance. We give priority to exchanges and communications with stakeholders, respond to their demands to promote mutual sustainability of the Company and stakeholders.

2.1 SUSTAINABILITY

2.1.1 ESG Management

We comply with ESG policies, regulations and guiding requirements in the places where we are listed, establish and improve ESG governance system step by step to conduct internal ESG management systematically.

In 2020, RemeGen orderly carried out ESG management and information disclosure by establishing a special ESG working group to ensure effective implementation of ESG work. The ESG working group consists of employees of RemeGen and its subsidiaries, which is responsible for assessing, prioritizing and managing ESG-related work and the promotion and implementation of specific agendas. The ESG working group had ESG interviews with relevant departments and sorted corresponding information in 2020, which had laid a solid foundations for the full and accurate ESG information disclosure.

2.1.2 Stakeholder Engagement

RemeGen values communications with stakeholders and listens to their opinions and suggestions through efficient communication and feedback channels. We respond to demands and expectations of all parties in a targeted manner to comprehensively enhance the corporate social responsibility (CSR) performance.

Stakeholders	Stakeholders' Expectations	Communication Mechanisms
Government and regulators	Law Compliance Compliant Operations Tax Compliance Supporting Local Development	Information Disclosure Daily Communication and Report Government Investigations and Inspections
Shareholders and Investors	Reporting to Shareholders Information Disclosure Risk Management Corporate Governance Business Performance	General Meetings of Shareholders Regular Reports and Announcements Communication Meetings with Investors

2. COMPLIANCE AND HONESTY

Stakeholders	Stakeholders' Expectations	Communication Mechanisms
Customers	Drug Quality and Safety Protection of Rights and Interests of Consumers Drug Development and Innovation Responsible Marketing	Product Quality Guarantee Customer Satisfaction Surveys Regular Communication Activities with Customers
Employees	Protection of Rights and Interests of Employees Occupational Health and Safety Employee Development	Employee Conferences and Labor Unions Employee Engagement Surveys Performance Management Internal and External Training Employee Care Activities
Partners	Product and Service Quality Win-win Development Sustainability of Supply Chain	Open Tending and Bidding On-site Reviews Supplier Conferences Business Conferences
Community Representatives	Promoting Local Economic Development Local Environmental Impacts of Production and Operations Community Services and Philanthropy	Voluntary Services Supporting Cultural and Sport Activities Popularization of Medical Knowledge Contributing to Epidemic Control Participating in Community Construction
Industry Associations	Fair Competition Promoting Industry Development Technology and Experience Sharing	Industry Exchanges and Seminars Program Cooperation

2. COMPLIANCE AND HONESTY

2.1.3 Materiality Assessments

In 2020, We identified 20 material issues in line with the requirements of the ESG Guide issued by the Hong Kong Stock Exchange, combining with the major focuses of capital markets for the biopharmaceutical industry and peer best practices. With 106 questionnaires and 16 interviews, we further understood the expectations and demands of stakeholders and analyzed and prioritized the issues based on the questionnaire scores, thus forming the material issue matrix in 2020 after adjustments.

2. COMPLIANCE AND HONESTY

2.2 BUSINESS ETHICS BUILDING

2.2.1 Honest Operations

The Company strictly complies with the *Supervision Law of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Interim Provisions on Banning Commercial Bribery*, the *Anti-Money Laundering Law of the People's Republic of China*, and other rules and regulations. We have formulated a range of protocols including the *Fund Management Standards*, the *Provisions on the Administration of Internal Audit*, and the *Provisions on the Administration of Anti-Fraud and Anti-Money Laundering* to reinforce the comprehensive supervision system. We adopt a zero policy to corruption, bribery, malpractice and money laundering to ensure the honesty and efficiency of corporate operations. Moreover, the Company has telephone, E-mail and mail addresses for reporting in place, which will be handled by designated teams according to internal process once received.

For business partnership, the Company signs the *Integrity and Mutual Defense Agreement* with partners to regulate all activities of both parties and avoid any violations of laws or rules of administrative discipline to seek unlawful profits.

The Company did not involve in any concluded corruption cases during the reporting period.

2. COMPLIANCE AND HONESTY

2.2.2 Supplier Management

We believe the sound cooperation mechanisms are important conditions to ensure corporate efficient operations. We maintain long-term partnership with suppliers based on mutual trust and purchase supplies and services in the spirit of fairness and openness.

We have set the four principles of supplier management, namely full investigation, dynamic management, adequate reserve, and veto. We examine the qualification of suppliers from multiple dimensions, acquire preliminary knowledge from corporate strength, market share, market feedback, industry qualification and other aspects, in accordance with the process of sourcing, development and partnership establishment outlined in the *Supplier Management Measures*. After suppliers pass the preliminary assessment, and the samples provided are qualified, the Quality Department will conduct formal GMP audits to flexibly screen the suppliers. In terms of risk management and control, we strictly follow the *Procurement Management System* to handle supplier inquiries as well as bid comparison and management and to eliminate under-table operations with our supplier classification and punishment mechanisms. If the R&D and production process involves multiple materials of a single brand or exclusive suppliers, the Company will gradually increase qualified suppliers to effectively reduce supply risks. We sign the *Letter of Commitment to Integrity and Self-discipline* with suppliers, which specifies that If a supplier commits unfair competition practices such as offering bribes or providing other benefits to relevant personnel of the Company, the supplier will be disqualified immediately once verified and we will never cooperate with it again.

We manage suppers by different levels, conduct annual rating and scoring for suppliers and prefer to those rated as level A with sound performance. We issue warnings and rectification requirements to those with low scores, and terminate our cooperation with or disqualify suppliers with serious problems.

Supplier Score	Supplier Rating	Reward and Punishment Types
Annual Score: 85-100	Level A	Preference of choices
Annual Score: 70-85	Level B	Daily procurement
Annual Score: 60-70	Level C	Available after improvements
Annual Score: below 60	Level D	Eliminated or replaced

As of December 31, 2020, the Company had 268 suppliers, with 266 suppliers from China (Mainland), one supplier from China (Hong Kong, Macao and Taiwan), and one overseas supplier.

3. PRODUCTS AND SERVICES

RemeGen has the integrated production capacity of independently producing complex drug compounds such as monoclonal antibodies, fusion proteins, antibody-drug conjugates (ADCs), and bifunctional antibodies with its factory hardware supporting facilities reaching international advanced level. RemeGen adheres to the quality policy of "Honest Production, Scientific Management, Continuous Improvement, and Pursuit of Excellence", and firmly believes that quality management is the cornerstone of long-term and stable development. We have established a professional quality management team to build a quality management system that meets global standards. We work on sharpening our scientific research and innovation capabilities, value customer service, and expand our global industrial layout.

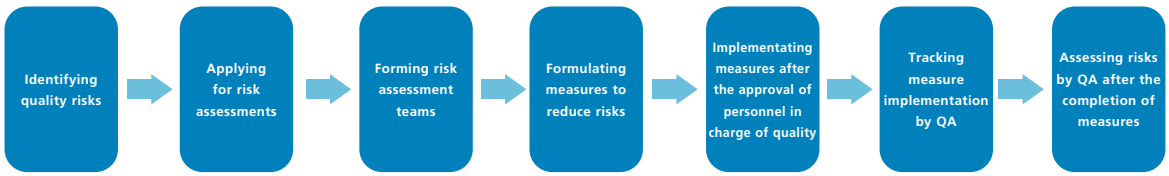
3.1 PURSUIT OF EXCELLENT QUALITY

RemeGen continuously perfects the quality management system by adhering to the quality guarantee concept of "Honest Production, Scientific Management, Continuous Improvement, and Pursuit of Excellence". We strengthen product quality in the entire quality management process ranging from raw materials and production to products and other aspects.

3.1.1 Quality Management System

RemeGen continues to build and improve our quality management system, and strictly abides by national laws and regulations. We establish and improve internal quality management systems that meet the GMP requirements of the US FDA, EU EMA and NMPA, in compliance with *the Pharmaceutical Administration Law of the People's Republic of China*, *the Law of the People's Republic of China on the Protection of Consumer Rights and Interests (2010 Amendment)* and the requirements of its appendices. We have developed protocols such as the *Quality Manual*, the *Quality Document System Management*, and the *Employee Training and Evaluation*. These documents cover the management and operation procedures across the entire production process, including material procurement acceptance, production process control, quality monitoring, release management and post-market surveillance.

RemeGen has formulated the *Quality Risk Management Documents* to address potential quality risks, which stipulates the process of identifying, evaluating and controlling risk factors that may affect the end product quality. The workflow is as follows:



Quality and Risk Management of RemeGen

3. PRODUCTS AND SERVICES

We make relentless efforts to strengthen our quality system with innovative measures. Reviews on the quality management system are carried out annually to identify opportunities for the timely advancement of the system. Corrective and preventive measures are put in place to ensure effective operation and continuous upgrading. In 2020, we established a management system in line with domestic and foreign quality management regulations and guidelines, and conducted corresponding tracking and gap analyses on them. Checklists of relevant regulations are updated monthly to follow their latest moves for prompt adjustments, thus ensuring continual compliance supervision on quality.

So far, RemeGen has been assessed and certified by Pharmaceuticals for Human Use (ICH) as well as other quality management systems. In 2020, we passed the EU Qualified Person (QP) assessment. The two medications we develop – Telitacicept for Injection (Zhusheyong Taitaxipu) and Disitamab vedotin – have obtained the verifications such as the on-site registering verification and GMP compliance inspection.

3.1.2 Total Quality Management

R&D Quality Management

We firmly believe that a compliant R&D system is the foundation of innovation and development. We strictly abide by laws and regulations in the industry and actively introduce relevant domestic and foreign standard guidelines and management mechanisms in the R&D stage of new medicine. We also work on building and perfecting the existing R&D system, securing operational compliance with the Good Laboratory Practice (GLP) regulations. RemeGen has a special department, which is responsible for strictly managing early-stage R&D projects. The department regularly carries out standardized early-stage R&D training programs, including experiment record writing, experiment Standard Operation Procedure (SOP) writing, and experiment data traceability, to ensure clear SOP, clear equipment use logs, standardized experiment records, and traceable original records, for our early-stage projects. Therefore, the quality of our research on new medicine can be improved from the source, thereby ensuring medicine safety.

Raw Material Management

RemeGen has established strict regulations on the procurement process as we believe that the implementation of quality management must start with raw materials, equipment, and facilities. We conduct a range of assessments on the qualification of our suppliers, thereby ensuring the compliance and reliability of our raw materials. In the procurement process of equipment and facilities, we have established a complete set of sourcing requirements, ranging from the steps of purchase application, model selection, preparation of URS and technical requirements, to acceptance. We follow the internal *Supplier Management Measures* and *Tendering Management Measures* to regulate preliminary technical exchanges such as the purchase application and selection of equipment and facilities, followed by the approval of installation and usage requirements by relevant departments in compliance with the *Measures for the Management of Equipment and Facilities Purchase Application, Selection and Acceptance*. Then the corresponding User Requirement Specification (URS) or technical requirements will be prepared before signing for approval. Finally, by filling in relevant acceptance forms, the acceptance steps such as acceptance tests, site acceptance tests, and quality warranty acceptance are completed.

3. PRODUCTS AND SERVICES

Production Quality

We have formulated relevant regulations for all steps involving the production, striving to standardize operations in every step. Regulations mainly include the *Measures for the Management of Equipment and Facilities Purchase Application, Selection and Acceptance,* the *Equipment Management,* and the *Equipment Lubrication Management Regulations, and the Preventive Maintenance and Management* for *Equipment.* An effective and standardized equipment management system has also been built for these production facilities to ensure their effective life cycle control at all stages, namely purchase application, model selection, equipment acceptance, lubrication, spare parts, transfer, idleness, and retirement, while keeping real-time records to minimize the possibility of contamination, cross-contamination and confusion during our pharmaceutical production process.

Product Quality

During the technology transfer of commercializing R&D results, the Company strictly abides by the SOP at all R&D stages. We have formulated the *Management of Technology Transfer* within the GMP system, with a technology transfer team consisting of the R&D department, Production Department and Quality Department. The R&D department as the transferor is responsible for providing all technical documents and support, and participating in the risk assessment of the transfer process and technology transfer plan drafting. The production department as the receiver assists in the transfer of production prescriptions and production processes, confirms the performance of production equipment, leads the risk assessment of technology transfer, and drafts process specifications, batch production records, and technology transfer reports. The quality department as the receiver is responsible for formulating relevant quality standards and assisting production method transfer, designing stability research plans and evaluating the compliance of the transfer process. Multi-party collaboration secures the quality ranging from R&D to commercial production.

3.1.3 Specialized Quality Training

RemeGen attaches great importance to enhance the abilities and awareness of employees concerning quality management practices by conducting regular specialized training. Targeted training programs are prepared according to different positions and product characteristics. New employees must undergo orientation training before assuming their positions in the department. Personnel of the GMP system should receive training of three different levels: company, departmental, and class (group). Only when they obtain qualifications will they be allowed to start operation. For staff on leave longer than three months, we provide them with back-to-work training. In 2020, we carried out 17 company-level annual quality specialized training sessions, with more than 9,000 participants and 100% of the annual completion rate.

3. PRODUCTS AND SERVICES

3.2 R&D AND INNOVATION STRENGTHS

RemeGen is dedicated to the research and development of biologics with novel targets, innovative design and breakthrough potential to address global unmet clinical needs. We have built a fully integrated, end-to-end medical platform encompassing all the key biologic drug development functionalities, including discovery, pre-clinical pharmacology, process and quality development, and clinical development. During our R&D and innovation, we strictly comply with laws and regulations governing the industry, and actively apply international standards, guidelines and management mechanisms, while intensifying R&D investment to enhance our R&D strength and ensuring the safety and stability of our R&D products.

Adhering to the R&D strategy that combines independent R&D and collaborative development, RemeGen conducts independent R&D of new drugs and undertakes projects to meet national R&D demands, while focusing on monoclonal antibodies, bifunctional antibodies and ADC drugs for tumor treatment in line with the Company's strategic and technological strengths. For new drug development and registration, we keep tabs on the direction and trend of international technological development in the biopharmaceutical field, and actively apply new technologies and new fruits. In accordance with the overall requirements of the company development strategy for the new drug pipeline, we build a globally leading new drug development system and capacity comparable to first-class multinational biopharmaceutical companies, establish a registration function that can meet the domestic and international registration needs of the pipeline products, and ensure that our R&D pipeline can continue to launch sufficient products which are able to enter the market through successful registration.

Case: Dr. Jing Jiang gave training on "RC48 – ADC Non-Clinical Study – MOA and DMPK"

On October 22, 2020, Dr. Jing Jiang gave the training on "RC48 – ADC non-clinical study – MOA and DMPK" to the management team of directors from the Oncology Division. Dr. Jing Jiang systematically introduced the current research landscape of ADC across major companies around the world as well as its product status, and pharmacologically analyzed the data of RC-48 in cytology, animal experiment and PK/PD as well as its competitive edges compared with similar products, which provides a theoretical basis and rationale for differentiated clinical promotion. In addition, Dr. Jing Jiang explained the dosage and dosing cycle of RC-48 in clinical practice from the PK/PD of the drug, which enables the business team to have a deeper understanding of RC-48.

3. PRODUCTS AND SERVICES

Case: Dr. Changjiang Huang gave training on "Analysis of success and failure of antibody-coupled drugs and comparison of three anti-HER2ADC targeted drugs"

On December 8, 2020, and February 19, 2021, Dr. Changjiang Huang gave two elaborate professional training sessions to the Oncology Division on products, during which both offline and online access were available. All staff from the five regional markets of the Oncology Division attended the meetings.

Dr. Huang firstly explained the knowledge and development of A (antibody), D (drug) and C (conjugation), followed by a detailed introduction on the product features and mechanism of action of RC48, a new class I drug developed by the Company, and compared it with the other two HER2-targeted ADC drugs currently on the market – T-DM1 and DS8201. In addition, Dr. Huang introduced a few cutting-edge bioengineering technologies, including bispecific antibodies, fixed coupling technology and dual toxin technology, which enables all the attending colleagues to have a more profound understanding of the drug development.

Dr. Changjiang Huang and Dr. Meiying Zhu at the joint training session

3. PRODUCTS AND SERVICES

Meanwhile, we exercise strict compliance and control of the R&D principles and set up the Institutional Animal Care and Use Committee (IACUC) committee within the Company to follow international guidelines for animal experiments.

Case: Establishment of IACUC of RemeGen Co., Ltd.

In January 2020, RemeGen Co., Ltd. set up the Institute of Biochemistry and Cell Biology, Chinese Academy of Sciences (hereinafter referred to as IACUC), which is composed of a chairman, a secretary, and five members.

For experiments involving animals, the project leader shall file an application to IACUC for the main and specific protocols of the experiments, both of which must reflect the relevant aspects of animal welfare, such as the 3R principles (Reduction, Replacement, Refinement), the mode of administration of the experiment, the frequency of injection, the pain level, and the euthanasia applied to animals at the end of the experiment. The operation procedure of the experiment must be in accordance with animal ethics.

The protocol application must be approved and signed by all committee members before relevant experiments can be carried out. The veterinarian will supervise the experimental process to better ensure the welfare of animals during the experiment and to minimize the risk of accidental death of experimental animals.

While continuously improving our innovation capacities, we focus on external exchanges by actively cooperating with academic institutions and industry associations and carrying out school-enterprise cooperation projects.

3. PRODUCTS AND SERVICES

Case: RemeGen and Binzhou Medical University jointly offer Biotechnology degree programs

The joint biotechnology degree program (large-scale mammalian cell culture) of RemeGen and Binzhou Medical University has been operated for 6 consecutive sessions. Since the cooperation starts, the program has been highly valued by the school and company leaders. The program is equipped with high-quality corporate faculty, allowing students to receive state-level education and pursue problem-oriented study. Through the two core technology platforms, namely the CHO cell expression platform and antibody-drug conjugate (ADC) platform, students can master relevant internationally advanced technology via apprenticeship, internship and practices. In addition, the program provides rich extracurricular activities and various forms of cultural exchanges, which enrich students' extracurricular life and enhance their interpersonal communication.

Through the program, by integrating theories and practices around modern experimental methods and tools for biological drug research, students have grown into practical talents desired by enterprises. In addition, the Company provides several internship positions for school-enterprise cooperation, and the hiring department has sent employment offers to 12 students.

Students participating in solving technical problems

3. PRODUCTS AND SERVICES

RemeGen attaches great importance to the building of research teams and has established a talented and experienced R&D team with a proven track record in innovative drug discovery, clinical development and commercialization. As of the end of 2020, our R&D team had over 280 members, 55% of whom hold master's or doctoral degrees in life science fields, providing a robust talent pool for biologics development. As we build up our talent pipeline, we are also fully aware of the importance of financial investment in R&D. In 2020, the Company made the continued investment in R&D, totaling over RMB460 million.

Our R&D pipeline focuses on the development of fusion proteins, monoclonal antibodies, bifunctional antibodies and ADC drugs for autoimmune diseases and malignant tumors. With innovation serving as the driving force for our growth, we remain highly focused on early discovery, R&D, manufacturing, and commercialization of biological drugs (macromolecules) and their necessary companion diagnostics.

R&D Fruits of RemeGen

Telitacicept (RC18)

Telitacicept is our self-developed original antibody fusion protein drug for the treatment of SLE, rheumatoid arthritis and other autoimmune diseases, with clinical results showing significant efficacy in the treatment of SLE. On March 10, 2021, the marketing of Telitacicept was officially approved by NMPA, with the phase III investigational new drug (IND) application cleared in September 2020 in the United States.

Disitamab vedotin (RC48-ADC)

RC48-ADC, independently developed by RemeGen, was submitted to the NMPA for approval in August 2020 and was officially accepted in September 2020, making it the first independently developed ADC drug submitted for market entry in China. It has shown remarkable therapeutic effects in curing HER-2 cancers such as gastric cancer, uroepithelial cancer and even breast cancer with low HER2 expression, placing itself in a leading position worldwide. Disitamab vedotin got conditional marketing authorisation granted in June 2021.

3. PRODUCTS AND SERVICES

3.2.1 IPR Protection

RemeGen attaches great significance to IPR protection and respects external IPR. We strictly follow the *Patent Law of the People's Republic of China,* the *Trademark Law of the People's Republic of China* and other relevant laws and regulations. At the company level, in line with different R&D stages, we have formulated 11 patent-related management systems and over 20 working guidelines. Schemes of patent reward and salary management have also been implemented at RemeGen, and we can thereby fully manage our IPR. In addition, we carry out a comprehensive, global, and multi-regional patent layout for the company's important R&D results. The company has established a standardized protection system for business secrets and has fully adopted virtual server platform operations to prevent important business secrets from leaking. In external cooperation, we strictly review the IP-related clauses in contracts and take protective measures for IPR of collaborating results.

RemeGen takes strict measures to avoid external IPR infringement. We will research on infringement risk at every stage of each project, and if necessary, entrust an external third party to conduct internal and external infringement analysis, thereby identifying any possible infringement risks.

In 2020, RemeGen applied for a total of 61 patents, including 56 design patents and five utility patents. We obtained a total of 16 licensed patents, including nine design patents and seven utility patents.

3.3 EMPHASIZING CUSTOMER SERVICE

RemeGen is committed to establishing a commercially scientific, efficient, and practical operation system to ensure its compliance and improvement. We highlight the importance of customer service quality, effectively protect customer's data security and comply with compliant marketing practices to provide customers with a more fulfilling and higher quality experience.

3. PRODUCTS AND SERVICES

3.3.1 Customer Privacy Protection

RemeGen places great emphasis on protecting the security of customer privacy and other information. We strictly abide by *the Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and other relevant laws and regulations. We have formulated and strictly implemented internal protocols including *the Business Customer Management Regulations*, *Customer Profile Management Regulations, Business Secret Management System*, *Measures for the Management of Business Secrets Carriers*, *Provisions on the Confidentiality of Classified Meetings*, *Measures for the management of Classified Areas*, *Data Security Manage*ment *Regulations,* in a bid to ensure the institutionalized and systematic protection for users' data and privacy.

We strengthen the construction of internal control system to prevent unauthorized personnel from accessing our users' private information, and guarantee that our users' data will not be disseminated through any channels, unless under the authority of regulators and the consent of users.

3.3.2 Access to Medicines

RemeGen is committed to enhancing its professional marketing network and establishing a comprehensive and efficient marketing supporting system through the continued expansion and improvement of expert sale teams. We continuously advance the market access foundation and market penetration capabilities of our products, thereby further expanding access to existing products and unlocking their commercial potential.

We are also committed to improving the accessibility of medical education by delivering medical education and key product information in collaboration with the media and third-party platforms. We have established partnerships with multiple professional medical platforms, patient education platforms, as well as different mass media, so as to popularize medical knowledge and deliver scientific and accurate product information to cancer patients. We play an active role in industry summits, professional committees, and other professional exchange platforms, aiming to introduce our product information.

In 2020, at multiple national and provincial rheumatology annual meetings, we introduced our key product information by displaying and elaborating our key clinical research results, which attracted the attention of rheumatology experts. Third-party professional platforms and self-media channels also serve as our channels in conveying the key information of our products. We have designed dissemination maps for different content modules and distribution channels to suit different products before, during and after the product launch, in an effort to cover the product information on as many platforms as possible, thereby laying a solid foundation for improving the accessibility of the medicines.

4. SAFETY AND ENVIRONMENTAL PROTECTION

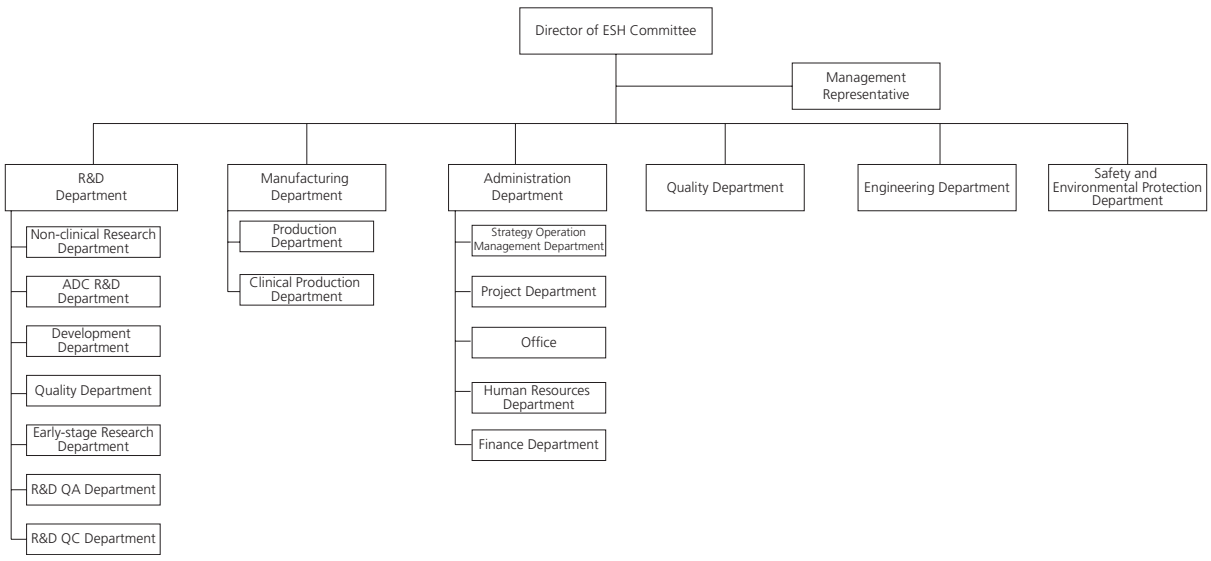
RemeGen is committed to maintaining its daily operations in a way of protecting the environment and providing employees with a safe workplace. We develop and implement various safety and environmental protection management tasks across the board, fully integrating the concepts of safe production and green development into every link of the production and operation. With these efforts, we aim at building a safe, stable and environment-friendly iconic corporation.

4.1 SAFE OPERATIONS

The Company strictly complies with the laws and regulations including the *Work Safety Law of the People's Republic of China* and *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, formulates and implements a series of safety rules such as the *Safety Education and Training Rules* and the *Hazardous Work Management Rules*. We fully carry out the work safety accountability system, conduct classified control of production risks, and continuously foster a strong safety culture in order to secure a safe production landscape.

4.1.1 Safety Management System

The Company has established the Environment, Health and Safety (EHS) Committee to coordinate and advance a series of work and decisions regarding firefighting, health and safety. We continuously set up and improve the company-level work safety accountability system, encourage our management and departments to set annual production safety targets, as well as the corresponding review follow-up and evaluation. In addition, we have deployed safety management personnel throughout the plant to conduct daily safety inspections and produce monthly and quarterly inspection reports which summarize and analyze the work safety status. The establishment of the safety management system across the board further ensures the safety compliance of our production and operation and effectively improves our safety management.



The EHS management structure of RemeGen

4. SAFETY AND ENVIRONMENTAL PROTECTION

4.1.2 Safe Management Measures

The Company actively implements the risk classification and control measures in accordance with the *Risk Classification and Control Rules*, carries out accurate hazard source identification and risk evaluation for each potential risk point during production links, takes special risk control measures, and carries out continuous improvement in response to different situations. In 2020, we further improved the hazard source identification and risk evaluation standards, refined the management methods, and launched regular safety risk supervision campaigns to ensure the full integration of hazard source identification and production. During the reporting period, our investment in production safety amounted to RMB1,582,000, with zero safety incident and 60 working days lost as a result of work-related injuries.

Laboratory Safety Management

The Company boasts a large number of laboratories involving the use of a great variety of chemical reagents and equipment. In order to strengthen the EHS management of the laboratories, prevent and reduce safety incidents, and protect the safety of employees and corporate property, the Company develops a laboratory safety management system and prepares the *Laboratory EHS Management Manual* to provide safety reference for all laboratory personnel based on reality.

We require all laboratory personnel to strictly comply with relevant laws and regulations as well as the EHS guidelines of the Company, follow SOP requirements in experimental operations, and actively participate in EHS-related training and activities, thereby keeping abreast of new technologies, equipment, materials and processes, and constantly improving EHS knowledge and skills. In case of emergencies, on the premise of ensuring personal safety, they should deliver timely and proper responses in accordance with the emergency contingency plans and report to the relevant person in charge of the department as well as the Safety and Environmental Protection Department. We require new employees to complete a safety education scheme of three levels and laboratory safety training courses, so as to grasp the relevant laboratory management requirements and familiarize themselves with all the risk points and relevant control measures regarding their positions. They will only be allowed to work in the laboratory after passing the examination.

Hazardous Chemicals Management

The Company classifies the existing hazardous chemicals in use with reference to the *Classification and Code of Dangerous Goods* (GB6944-2012), identifies multiple hazards and creates chemical process cards, sets warning signs for hazardous waste storage facilities, and carries out strict special control to ensure that the transportation, storage, generation and disposal of various types of hazardous chemicals comply with relevant regulations, thus further minimizing the potential environmental and safety risks brought by hazardous chemicals.

4. SAFETY AND ENVIRONMENTAL PROTECTION

Employee Health and Safety

The Company invites third parties to conduct occupational health hazardous elements testing for the entire working environment in the R&D and production space. For chemical hazards caused by organic substances, acid and alkali, and physical hazards such as high temperature and noise, we have set up prominent notices and signs on occupational hazards at work sites and provided special labor protection equipment. We create an occupational health profile for each employee, organize regular occupational health checkups and update their occupational health profiles accordingly. In 2020, there were no cases of occupational diseases found in the Company, and the coverage of medical examinations for employees reached 100%.

Third-party Safety Management

In order to ensure that various activities of third-party contractors meet our EHS management requirements and avoid any production safety incidents, we sign safety agreements with all contractors and conduct safety management audits twice a year to eliminate all safety risks in a timely fashion. We require our Safety and Environmental Protection Department and the Planning and Construction Office to organize unified safety education and training for construction personnel from contractors on safety instructions for production areas, relevant regulations for work sites, risk management requirements, safety precautions, use of firefighting facilities, and measures for emergency response, etc. Operators who do not receive safety training or fail to pass the assessment are strictly prohibited from entering construction sites.

4.1.3 Safety Culture Building

Viewing safety culture building as an important means to foster the safety awareness of all employees, the Company continuously establishes and improves the safety education and training system. We carry out various forms of safety culture activities and training to educate all employees on the concept of safety production, in a bid to improve their safety awareness and reinforce the safety culture building of the Company.

In 2020, we carried out the Production Safety Month Campaign with the theme of "Eliminating safety vulnerabilities with full engagement and solidifying basic lines of defense". We group all departments according to the nature of their work, and require each department to identify the hidden dangers in the workplaces of other departments and offer relevant suggestions, so as to guide all departments to work together on improving the Company's production safety management. In addition, we actively organize special emergency drills in confined spaces, fire emergency drills and other simulation drills, and hold a series of activities such as the "Safety Knowledge, Safety Skill and Safety Guarantee" competition as well as knowledge contests concerning production safety, to fully mobilize all staff and enhance their safety knowledge reserve and practical abilities. As a result, the Company was awarded the Excellent Organization Unit of the Safety Production Month in Shandong Province.

4. SAFETY AND ENVIRONMENTAL PROTECTION

4. SAFETY AND ENVIRONMENTAL PROTECTION

The Safety Production Month campaign of RemeGen

4. SAFETY AND ENVIRONMENTAL PROTECTION

4.2 CLEAN PRODUCTION

Abiding strictly by national environmental laws and regulations including the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Air Pollution Prevention and Control*, the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes,* the *Law of the People's Republic of China on Environmental Noise Pollution Prevention*, RemeGen formulates internal regulations such as the *Management System for Protecting Environment*, improves its environmental management system, and stringently manages the produced waste and pollutants, to minimize the environmental impact caused by its production and operation.

4.2.1 Environmental Management System

RemeGen has established the Safety and Environmental Protection Department to be responsible for managing environmental protection, creating, and improving the environmental management system of the company, regulate the management of discharged pollutants and environmental facilities, with an aim to actively assume the company's environmental responsibility and build an eco-friendly enterprise. RemeGen passed the ISO14001 Environmental Management System Certification in 2020.

Following the idea of "Safety First, Prevention Oriented, and Comprehensive Treatment" and the principle of "Integrating Prevention and Rescue", RemeGen has developed emergency response plans for environmental emergencies, so as to improve the long-term management and emergency response mechanism of environmental emergencies, guarantee that scientific and effective measures can be taken when emergent environmental incidents occur, and minimize the loss and environmental impact brought about by the incidents.

4.2.2 Waste Management

We are committed to identifying the pollution sources in production and operation links, controlling and reducing the discharge of wastes and pollutants through the application and upgrade of relevant technologies.

We have installed waste gas treatment equipment at every outlet to test the concentration of volatile organic compounds (VOCs), a major pollutant in the waste gas, on a regular basis to ensure that waste gas emitted meets gas emission standards. To further reduce the concentration of pollutants in the waste gas emitted, we upgraded the above-mentioned treatment equipment in 2020 with an activated carbon filtration system installed to further reduce the air pollution caused by waste gas.

4. SAFETY AND ENVIRONMENTAL PROTECTION

Table: Waste gas emissions of RemeGen in 2020

Indicators	Unit	Emissions
Waste Gas Emissions in total	cubic meter(s)	13,357,971.00
VOCs	tonne(s)	0.0128

RemeGen mainly produces cell viability assay wastewater and cleaning wastewater. We have set up special outlets for cell viability assay wastewater, through which the wastewater is piped to cell viability assay wastewater gathering tanks and underground wastewater containers. Then, the wastewater is inactivated by hot steam before being discharged into the wastewater pipes outside the industrial park. In the planning stage of building a new industrial park, we forecast the volume and types of wastewater that would be produced by proposed projects, invite experts to discuss the design of the wastewater treatment plant and its treatment processes, and then we set high standards for the design and construction of the treatment plant to ensure that treated wastewater meets the discharge requirements. We also prepare back-up wastewater treatment equipment, treatment tanks, and other facilities, as well as reserve emergency tanks to ensure the wastewater meets the discharge requirements.

Table: Wastewater emissions of RemeGen in 2020

Indicators	Unit	Emissions
Wastewater Emissions in total	tonne(s)	80,594.00
COD	tonne(s)	12.45
Ammonia nitrogen	tonne(s)	1.36

Following the pollution prevention and treatment principle of minimizing, recycling and hazard-free treatment, we recycle and reuse the recyclables and then send them to eligible agencies for disposal; the expired yet unused penicillin bottles, rubble plugs, and aluminum covers are viewed as production waste and are collected and treated by municipal environmental sanitation departments together with office waste and domestic waste.

4. SAFETY AND ENVIRONMENTAL PROTECTION

Table: Non-hazardous waste emissions of RemeGen in 2020

Indicators	Unit	Emissions
Production waste	tonne(s)	6.6
Kitchen waste	tonne(s)	0.1
Domestic waste	tonne(s)	10.0
Recyclable waste	tonne(s)	0.6

RemeGen has established a special warehouse to treat such hazardous waste as returned medicines and waste produced in production. We have also installed leakage interception facilities ventilation facilities on production sites to prevent leakage. We have also put up warning signs on hazardous waste storage facilities. Related departments are required to send the hazardous waste produced on the day to the warehouse for temporary storage. The specialized staff at the warehouse is responsible for classifying, recycling, recording, and establishing a ledger for hazardous waste. According to the inventory of the warehouse, we transfer hazardous waste collected to qualified hazardous waste disposal agencies for centralized disposal, preserve the corresponding hazardous waste transfer sheet.

Table: Hazardous waste emissions of RemeGen in 2020

Indicators		Unit	Emissions
Hazardous waste (generated in factories and laboratories)	HW06	tonne(s)	24.82
	HW49	tonne(s)	10.43
	Others	tonne(s)	1.80
Electronic waste		tonne(s)	0.01
Ink cartridges		tonne(s)	0.50
Toner cartridges		tonne(s)	0.50

4. SAFETY AND ENVIRONMENTAL PROTECTION

4.3 GREEN OPERATIONS

Strictly abiding by the *Energy Conservation Law of the People's Republic of China* and other laws and regulations, RemeGen implements energy conservation and emission reduction policies within the Company, actively explores energy conservation and emission reduction technologies, improves the efficiency of resource use, promotes the concept of "green office", and is committed to building a resource-saving business model.

4.3.1 Resource Management

RemeGen has formulated and implemented such internal policies as the *Procedures on Managing Energy and Resources a*nd the *Interim Regulations on Managing Energy, Equipment and Facilities in the Industrial Park*, to build an efficient energy management system. We also collect and analyze data on energy consumption on a regular basis to identify abnormal energy consumption, and adopt targeted response measures to reduce cost and improve efficiency.

We actively explore access to renewable energy. We have introduced the new energy technology of ground source heat pump equipment as the main energy supply system for cooling or heating equipment. In summer, the system transfers the heat of the room beneath the ground to cool the room while storing heat. In winter, the heat pump is used to transfer the heat from the soil to the room for heating while storing cooling capacity. Therefore, the stable cooling or hot water supply for the purification workshop throughout the year can be achieved, cooling systems in other non-production areas are replaced effectively, and the dependence on industrial cooling/heating systems has been greatly reduced, thereby reducing energy consumption and environmental damage. In 2020, we built a new solar facility in the employee dormitory area to supply domestic hot water, which can save about 120,000 kWh of electricity every year.

RemeGen strictly abides by the *Water Law of the People's Republic of China* and continues to strengthen the water-saving management during production processes and in office. In our daily work, we take measures such as multiple uses of water, recycling water, and adjusting technology to continuously reduce water consumption and comprehensively improve the utilization efficiency of water. In areas where plenty of steam condensate water will be produced such as air conditioners, we adopt steam condensate recycling measures to recycle condensate water to the condensate tank, and then return it to the boiler inlet to increase the inlet temperature and make full use of waste heat and energy to reduce gas consumption. During the operation of the boiler and various cooling towers, we equip anti-penetration equipment to produce first-level reverse osmosis fresh water to improve the quality of the influent water, while saving tap water and realizing the efficient recycling of reclaimed water.

4. SAFETY AND ENVIRONMENTAL PROTECTION

Table: Resource consumption of RemeGen in 2020

Indicators	Unit	Consumption
Purchased power	kWh	20,128,060.0
Gasoline	tonne(s)	3.0
Diesel	tonne(s)	1.0
Natural gas	m^3	1,883,000
Comprehensive energy utilization	tce	4,550.9
Water consumption in total	tonne(s)	210,224.0
Consumption of recycled water	tonne(s)	86,000.0

Table: GHG emissions of RemeGen in 2020[1]

Indicators	Unit	Emissions
Scope 1[2]: Direct GHG emissions	tonne(s) of CO_2e	4,136.08
Scope 2[3]: Indirect GHG emissions	tonne(s) of CO_2e	12,278.12
Total GHG emissions	tonne(s) of CO_2e	16,414.19

1 The emission of greenhouse gases is calculated according to the *Guidelines on Accounting Methods and Reporting of Greenhouse Gas Emissions of Other Industrial Enterprises* and *IPCC 2006* by converting the consumption of water, gasoline, diesel, LPG and natural gas; Power consumption is calculated by reference to the *2012 Average Carbon Dioxide Factor of China Regional Power Grid*.

2 Direct GHG emissions (Scope 1): mainly including emission resulting from the combustion of gasoline and diesel by administration vehicles and transportation vehicles, and emission resulting from the utilization of natural gas.

3 Indirect GHG emissions (Scope 2): mainly including emission resulting from purchased power and consumption of water.

4. SAFETY AND ENVIRONMENTAL PROTECTION

4.3.2 Green Office

RemeGen actively promotes green office mode. We actively advocate the construction of an energy-saving enterprise, call on employees to consciously shoulder the social responsibilities of and be leaders in promoting energy conservation, environmental protection and green growth, and comprehensively create a "low-carbon, energy-saving and green" office environment.

RemeGen has integrated the promotion of the "green office" concept into our daily work. In June 2020, before the peak of electricity and water consumption, RemeGen once again initiated the energy conservation advocacy on the 8th National Low-carbon Day, calling on employees to consciously shoulder the social responsibilities of and be leaders in promoting energy conservation, environmental protection and green growth, and comprehensively create a "low-carbon, energy-saving and green" office environment.

In our daily work, we focus on improving the use efficiency of water, electricity, natural gas, and low-value consumables, ranging from equipment and facilities to office supplies. Besides strict control and monitoring, we also recycle, adjust, and maintenance the materials we use, to maximize utilization rate. We actively advocate the use of replaceable pens, toner cartridges, rechargeable batteries, and other recyclable items, and require double-sided printing, with an aim to prevent waste.

Publicity of green office

5. EMPLOYEE AND COMMUNITY

We value employees as the cornerstone of our high-quality development and dedicate ourselves to building a fair, harmonious and inclusive working and living environment by improving talent attraction and nurture mechanisms and providing a wide range of employee benefits. Meanwhile, we throw ourselves into activities for public good to give back to society.

5.1 RECRUITMENT AND TALENT ATTRACTION

The Company firmly believes that talents are the core competitiveness of corporate development. We take tangible steps to protect the legitimate rights and interests of employees, actively carry out recruitment work and attract top talents from home and abroad, securing a talent foundation for high-quality development.

Respecting Employees' Rights and Interests

The Company fully protects the legitimate rights and interests of every employee and strictly abides by relevant laws and regulations such as the *Labour Law of the People's Republic of China* and *Labour Contract Law of the People's Republic of China*. We prohibit and resist any form of child labor and forced labor, and treat employees with equality regardless of gender, age, ethnicity and cultural background. We stay true to equal pay for equal work, thereof providing equal opportunities for all employees. At the same time, we continue to improve our remuneration and benefits system. On the basis of ensuring employees' various basic rights, national holidays and vacations, the Company provides employees with pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund. Employees are entitled to leaves for weddings, funerals, childbirth and other state-stipulated issues.

As of December 31 in 2020, the Company had 1,366 employees. During the reporting period, there were 619 new employees, and the employee turnover rate was 8.87%.

Talent Attraction

The Company values talent attraction and recruitment by vigorously working on employing outstanding talents. We strictly abide by *the Recruitment and Employment Management Regulations,* issue *the Staffing Plan* to all departments and formulate *the 2020 Human Resources Plan*. Through campus recruitment, social recruitment (including referral, recruitment sites, headhunting) and other channels, we post our recruitment information to attract outstanding talents from all over the country. At the same time, the Company supports localized employment and gives full support to local employment with the total number of local recruits in Yantai reaching 445 throughout 2020.

We actively reach out to top domestic and overseas talents, including doctors, researchers, and executives to form a team with successful experience in innovative drug research and development, clinical development and commercialization, effectively stimulating the organic growth and expansion of our R&D plan. During the reporting period, we actively carried out Industry-University-Research Cooperation and the Shandong Talent Attraction Plan, set up post-doctoral workstations and academician workstations, introduced a number of outstanding talents into the quality system to build a quality control team that meets the requirements of domestic and foreign laws and regulations, to further strengthen our talent reserve and enhance our ability to attract talents.

5. EMPLOYEE AND COMMUNITY

Case: Discipline joint training program with Binzhou Medical College to expand the talent pool

Since the Company signed a cooperation agreement with Binzhou Medical College on December 31, 2014, joint training has been carried out every year to cultivate students in the field of "large-scale mammalian cell culture".

Both parties adopt a 4-year "2.5+1.5" training method which is divided into three stages: general education, professional education, and professional skill enhancement. After completing general education courses, professional basic courses, core elective quality development courses and other relevant electives, students are encouraged to complete graduation thesis and graduation design in the Company. There are 15 to 20 students participating in the training program every year, attracting outstanding talents from campus for the Company to expand the talent pool.

Case: RemeGen established the Shandong Academician Workstation, cultivating elites for the company

RemeGen received approval in July 2018 to establish the Shandong Academician Workstation, which is designed to cultivate elites for the company. The workstation is mainly engaged in the use of innovative adjuvants to facilitate the preparation of monoclonal antibodies, the research of multi-channel tumor combined treatment plans such as fused protein biomacromolecules, and the development of new technologies for precise treatment of malignant tumors with biomarker-related molecular diagnostic reagents, and the optimization of such scientific research projects as the construction of core technology platform for preclinical drug evaluation, and conducting comprehensive and high-level technical personnel training cooperation.

With the subsidies from governments at all levels, the workstation has formed a high-level R&D team of nearly 10 people, including those with a master' or doctoral degree, which serves as a platform for the company to attract and retain outstanding talents.

5. EMPLOYEE AND COMMUNITY

Employees of RemeGen in 2020

Type of employees		Number of employees (Person)
By employment type	Contracted	1,366
	Part-time/Dispatched	0
By gender	Male	587
	Female	779
By age	Below 30	663
	30-50	662
	Above 50	41
By geographical region	Chinese mainland	1,348
	Overseas and China's Hong Kong, Macao, Taiwan	18
By educational attainment	Doctoral degree	41
	Master's degree	353
	Bachelor's degree	605
	Others	367

Employees turnover of RemeGen in 2020

Type of employees		Number of resigned employees (Person)	The turnover rate of employees (%)
By employment type	Contracted	133	8.87
	Part-time/Dispatched	0	0
By gender	Male	48	7.56
	Female	85	9.84
By age	Below 30	86	10.75
	30-50	44	7.79
	Above 50	3	2.24
By geographical region	Chinese mainland	133	8.95
	Overseas and China's Hong Kong, Macao, Taiwan	0	0

5. EMPLOYEE AND COMMUNITY

5.2 EMPLOYEE DEVELOPMENT

We stay true to the philosophy of common development between employees and the company by providing smooth promotion paths and diversified education and training schemes. We provide excellent talent with a broad development platform to enable their growth and value realization.

Employee Promotion

The Company takes a series of measures to standardize staff promotion and career development, opens up promotion channels, cultivates excellent industry leaders and senior management, thus enabling outstanding talents to stand out. We have set up the "dual career ladders" combining management path and professional and technical path, covering management sequence, R&D sequence, marketing sequence, functional sequence, which perfectly matches each employee and provides a broader development space for employees. We help employees make their career plans, provide more development opportunities for all kinds of talents based on employees' traits and the company's demands for them, thus realizing the common growth of talents and enterprises and build a harmonious labor relationship.

Employee Training

The Company emphasizes talent cultivation and makes every effort to deliver more development opportunities for employees while enhancing innovation abilities. We have set up a multi-level training system for our employees with the departmental-level and company-level training opportunities, involving annual company-level training plans and annual individual training courses within each department.

During the reporting period, we organized multi-dimensional and multi-faceted training such as standardized management and leadership training programs to empower employees based on needs and help them improve their professional knowledge and comprehensive ability. In 2020, we organized and completed 17 annual company-level training sessions, with a total of more than 9,000 participants and 100% of the completion rate.

Table: The employee training performance of RemeGen in 2020

Classification		Unit	Figure
Total training hours for employees by gender	Male	Hour	1,323
	Female	Hour	1,827
Total training hours of total training for employees by ranking	Management	Hour	396.9
	Middle-level employee	Hour	1,093.05
	Operational employee	Hour	1,660.05

5. EMPLOYEE AND COMMUNITY

RemeGen organizes legal research and training activities to enhance employees' legal awareness and prevent legal risks. We organize employees to study commonly used internal regulations, as well as analyze and study the contract review issues every month; conduct sub-departmental explanations and training on annual contract risk issues summarized by each department; organize departments involved in external publicity, including the brand department and the marketing department to conduct training on law-based publicizing and preventing infringement.

We conduct special training on quality, set up a dedicated training team in accordance with the company's quality system, assign special personnel to organize special training for quality-related staff, and organize at least one re-training activity every year. For employees who have left the post for over three months, they shall undergo re-employment training and get the qualification certification for the post they are engaged in before returning to the same post. We have developed the company-level annual quality training, the content of which mainly includes GMP foundation, documentation standards, data integrity, relevant regulations and management procedures, production technology, etc. We require personnel in the GMP system to undergo enterprise-level training, department-level training and class (group)-level training and need to obtain qualification accreditation before starting operation. Operators engaged in work related to product features (non-terminally sterilized products) are trained with job skills and they can only start to work after being recognized as qualified. New employees engaged in the preparation process are required to pass the technical training of the filling position organized by the company and have passed at least one successful aseptic process simulation test before they can be qualified for their job. All relevant personnel are required to conduct aseptic process simulation experiments on a regular basis.

5. EMPLOYEE AND COMMUNITY

Table: Training activities conducted by RemeGen in 2020

Level	Category	Targeted participants	Training content
Company-level	New employee orientation	Employees recruited within 3 months	1. Corporate rules and regulations 2. GMP and EHS 3. Career development
	Mentorship program	Newly hired excellent graduates	1. Corporate culture, rules and regulations, codes of conduct for employees 2. Role change, business etiquette, time management, communication with superiors, etc.
	General training	All employees	1. Corporate culture and codes of conduct for employees 2. General skills (office software, communication skills, document writing, etc.) 3. Professional qualities (business etiquette, professional attitude, time management, etc.)
	Primary level (key technologies) managers	Newly promoted managers, primary level managers, and key technicians	1. The role of managers, team building and management, performance management, employee coaching, communication skills, 7hibsts, etc. 2. Interpretation of core values and codes of conduct for managers
	Talent development program	Middle and senior managers	1. Interpretation of core values and codes of conduct for executives 2. Leadership courses designed and developed according to the core competence requirements of the leadership model (external training or internal training introduced)

5. EMPLOYEE AND COMMUNITY

Level	Category	Targeted participants	Training content
Departmental-level	Training on professional and job skills	The staff of the department	1. Professional and job skills required to complete the work of the department 2. Latest trends and knowledge in the industry
	New employee orientation	Employees of the department recruited within 3 months	1. Job responsibilities and workflow 2. New employees are assigned with mentors under the mentorship system

In terms of departmental-level training, we have developed a set of strict internal training and assessment mechanisms, set up specific requirements and ability models that employees need to meet from the first day to work to 30 days, 90 days, and half a year. In each area, we organize internal learning every day, conduct product knowledge assessments every week, and organize speech and business visit skill assessments every month to comprehensively improve employees' professional proficiency. The details of the EHS training activities conducted by the Company in 2020 are as follows:

5. EMPLOYEE AND COMMUNITY

Table: EHS training activities conducted by RemeGen in 2020

Type of training	Name of training course	Training content
Environment	Training on Environmental Factors	Assessment, identification, and control of environmental factors
	Training on Waste Management	Classification, disposal, and management of waste as well as related laws and regulations
Health	Training on Occupational Health	Forms of occupational health, occupational hazard factors, occupational health monitoring, use of articles for labor protection as well as related laws and regulations
	Training on First-aid Knowledge	Cardiopulmonary resuscitation, handling electric shock, scald and sprain, and bandaging, etc.
	System Knowledge and Internal Auditor Training	Learning clauses contained in the occupational health and safety management system, audit skills and differences between GB/T28001 and GB/T45001-2018
	Prevention and Treatment of Common Accidents	Prevention and emergency treatment of common accidents in work and life
Safety	Emergency Management Training	Definition of emergency response, group classification, responsibilities, and emergency response procedures for common accidents
	Safety Education and Training for New Employees	The current situation of safety production of the company and basic knowledge about safety production; Rules and regulations on safety production and work; Employees' rights and obligations about safety productions as well as accident cases, etc.
	Firefighting Training	Basic knowledge of firefighting, use of firefighting facilities, causes and prevention of fire, and life-saving skills

5. EMPLOYEE AND COMMUNITY

Type of training	Name of training course	Training content
	Identification of Hazard Sources and Risk Assessment	Identification of hazard sources and risk assessment and control
	Construction Safety Education and Training	Work requirements of common dangerous work on construction site, use of protective equipment, accident cases, and relevant laws and regulations
	Safety Training for Middle-level Managers	Allocation of primary responsibility, leadership, emergency management, accident prevention and accident cases
	Hazardous Work Training	Operation requirements of fire operation, high-place operation, confined space operation, hoisting operation, temporary electricity operation, operation certificate application, responsibilities of relevant personnel, accident cases, as well as relevant laws and regulations
	Safety Training for All Employees	Laws and regulations, dual systems, fire knowledge, etc.
	Training on Using Fire Extinguishers	Use of fire extinguishers
	Hazardous Chemicals Training	Basic knowledge of hazardous chemicals, hazard properties, safety control measures, emergency response measures, accident cases, as well as relevant laws and regulations

We have also organized various daily training activities during the reporting period. For safety engineers, fire engineers and some other positions, we finance to organize employees to participate in learning and external training. We invite our executives to be the guests of the "Big Shot Lecture Hall" seminars for our employees. We set the "Department-sharing Day" to hold activities regularly to strengthen communication and learning among different departments. We also organize the "English Corner" and other activities regularly to improve the English proficiency of our employees.

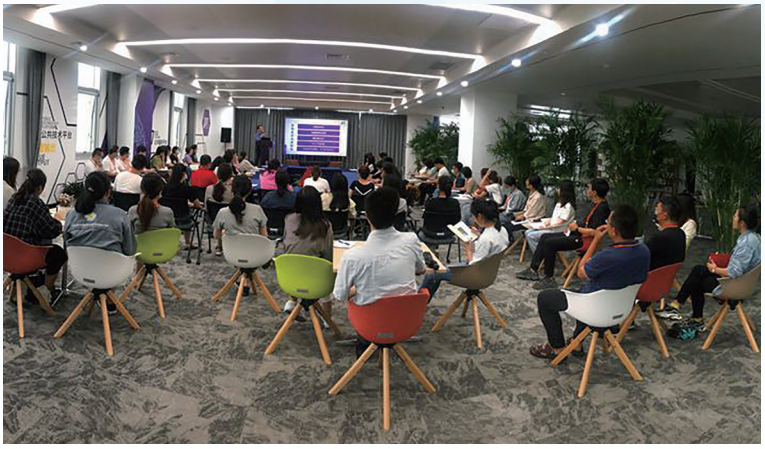
5. EMPLOYEE AND COMMUNITY

Case: RemeGen developed exclusive courses for the front-line management team for Taiai

RemeGen formed its first marketing management team in July 2020. In accordance with the special background of the new company, new products, and new team, we customized courses for the front-line management team for Taiai (an original new drug developed by the company) with the whole process of training taken into consideration. Before the training, questionnaire surveys was designed to understand the cognition and skill level of the trainees, and courseware and practice cases were written in line with the product promotion strategy. All departments worked together to improve managers' sense of belonging, trust, and management skills from the aspects of the factory visit, corporate culture, rules and regulations, product knowledge, clinical knowledge, and sales management skills. After the training, the participants' suggestions and needs for the content, the lecturers and the follow-up training were understood through a questionnaire survey.

The scene of the exclusive courses for the front-line management team for Taiai

5. EMPLOYEE AND COMMUNITY



The scene of the Big Shot Lecture Hall

English corner

5. EMPLOYEE AND COMMUNITY

Employee-friendly Management

RemeGen values employees' opinions and listens to their voices. RemeGen has established smooth channels for communicating with employees, to facilitate to achieve the goal of harmonious and common growth of the company and employees. We hold employee representative meetings on a regular basis to safeguard the legitimate rights and interests of employees. Through such communication channels as OA or emails, employees can report to and communicate with all company leaders at any time. We have also created WeChat groups where employees can report to leaders at any time. We hold aperiodic communication meetings for employees at all levels to collect their opinions and suggestions and feed them back to each department for timely resolution. We evaluate and provide feedback on cross-departmental cooperation and collaboration to improve work satisfaction.

5.3 COMPENSATION AND BENEFITS

RemeGen emphasizes the physical and mental health of our employees, provides a competitive salary, actively listens to employees' demands, creates a favorable working environment and atmosphere, promotes employee communication and exchanges, and protects employees' lives during the pandemic so that every employee can feel the warmth of the company.

Salary Incentives

RemeGen provides employees with a decent salary, adheres to the principles of multi-track development, performance orientation, combination of short-term and long-term incentives, fairness and equity, and changed salary with changed jobs, encouraging employees to do their best and improve their work enthusiasm through various channels.

Develop and improve the *Salary Management Regulations*, develop the employee salary structure and adjustment mechanism, and provide a salary that is competitive in the market.

Develop the *Employee Incentive Mechanism* and the *Employee Promotion, Demotion and Arrangement Management Regulations*, provide performance bonuses and create a working environment where competition is healthy.

Prepare equity incentives and option plans for core managers and technical experts, facilitate employees' career development, and improve the company's ability of operation and services.

5. EMPLOYEE AND COMMUNITY

Benefits

RemeGen provides employees with competitive benefits, conducts employee care activities, and continuously improves employees' sense of happiness and belonging. The benefits we provide include paid annual leave, travel expenses for family visits, commuting or transportation subsidies, lunch subsidies, apartments subsidies, personal accident insurance, regular medical examinations, birthday gifts, holiday gifts; e-coupons for buying books are sent to employees on their birthdays to encourage them to learn; a lecture titled "Charming Women's Three Cares and Workplace Makeup" is held on Women's Day; baby supplies are bought for employees who just gave birth to a child; when employees were encouraged to celebrate the Spring Festival locally due to the epidemic, a subsidy of 2,000 yuan were provided by the company to every one of them; such celebration activities as the Spring Festival Eve Dinner and the Wishes Lucky Draw were held for our employees who stay at Yantai during the festival, creating a harmonious and happy working atmosphere.

To fully prevent and control the epidemic, we established a COVID-19 Infection Prevention and Control Working Group Office to implement the control requirements of relevant government departments, formulate the *Epidemic Prevention and Control Work Plan* of the industrial park, set up a disinfection team, equip the public areas inside our industrial park with disinfecting tools, distribute disinfectants, as well as ensure the implementation of the disinfection of roads, cafeteria, dormitories, construction areas, production and power operating areas, and office areas in the industrial park.

Table: Disinfection work of RemeGen

Areas	Disinfection work
Public areas of each building	The Cleaning employees are required to use 84 disinfectant (1:100 bleach solution) and hydrogen peroxide (concentration of 3%) to disinfect all office areas, conference rooms, elevators and toilets twice a day (morning and evening), alternating the disinfectants every three days.
Company canteen	Employees working in the canteen are required to use 84 disinfectants (1:100 bleach solution) and hydrogen peroxide (concentration of 3%) to disinfect the canteen after each meal, alternating the disinfectants every three days.
The dormitory area	The Cleaning employees are required to use 84 disinfectants (1:100 bleach solution) and hydrogen peroxide (concentration of 3%) to disinfect the dormitory area (including inside the rooms) twice a day (once in the morning and once in the evening), alternating the disinfectants every three days.
Shuttle buses	After the holiday, drivers of the 11 shuttle buses are required to use 84 disinfectant (1:100 bleach solution) to disinfect the buses twice a day (morning and evening).

5. EMPLOYEE AND COMMUNITY

The discussion of the Company's disinfection work

5. EMPLOYEE AND COMMUNITY

5.4 COMMUNITY CARE

We bear our citizenship in mind to pursue common advancement of business and social responsibility sharing. We actively honor our social responsibility and missions to fight against the pandemic by fully engaging in all kinds of social welfare activities with momentum injected into the healthy development of society.

Since the outbreak of the pandemic, the Company has been taken it seriously to combat with honorable responsibility. Based on epidemic response needs and our resources, we donated RMB1 million and RMB500,000 to the Yantai Epidemic Disposal Work Command and the Epidemic Disposal Work Command of Yantai Development Zone respectively, through the Red Cross Society of Yantai on February 1, 2020. In addition to cash donations, we have donated a total of more than 50,000 masks and a series of epidemic prevention supplies to medical and nursing workers across China since February 2020 and served antiviral drugs to meet the needs of the public to the maximum extent possible, so as to overcome the difficulties together.

Case：Sending aid supplies for controlling the pandemic to the Sartorius Group

In response to the needs of overseas institutions and partners, we sent the pandemic supplies to the Sartorius Group in Germany on March 20, 2020. A batch of medical supplies with messages of encouragement on the packaging like "Go Germany! Go Sartorius!" left the Biomedical Park in RemeGen for Germany, which is thousands of miles away, carrying the deep friendship of RemeGen.

The headquarter of Sartorius Group sent a special thank you video to the Company after receiving the supplies and expressed their expectations for the cooperation of a higher level.

Epidemic prevention supplies sent to the German Sartorius Group

ESG REPORTING GUIDANCE INDEX

Environmental, Social and Governance Indicators			Disclosure Plans and Statements
Environmental	A1 Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	4.2 Clean Production 4.3 Green Operations
		A1.1 The types of emissions and respective emissions data.	4.2 Clean Production
		A1.2 Greenhouse gas emissions (tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.3 Green Operations
		A1.3 Total hazardous waste produced (tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.2 Clean Production
		A1.4 Total non-hazardous waste produced (tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.3 Clean Production
		A1.5 Description of measures to mitigate emissions and results achieved.	4.2 Clean Production 4.3 Green Operations
		A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	4.2 Clean Production

ESG REPORTING GUIDANCE INDEX

Environmental, Social and Governance Indicators			Disclosure Plans and Statements
	A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	4.3 Green Operations
		A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	4.3 Green Operations
		A2.2 Water consumption and intensity (e.g. per unit of production volume, per facility).	4.3 Green Operations
		A2.3 Description of energy use efficiency initiatives and results achieved.	4.2 Clean Production 4.3 Green Operations
		A2.4 Description of whether there is any issues in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	4.2 Clean Production 4.3 Green Operations
		A2.5 Total packaging material used for finished products (tonnes) and, if applicable, with reference to per unit produced.	NA
	A3 The Environment and Natural Resources	General Disclosure Policies on minimizing the issuer's significant impacts on the environment and natural resources.	4.3 Green Operations
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.3 Green Operations

ESG REPORTING GUIDANCE INDEX

Environmental, Social and Governance Indicators			Disclosure Plans and Statements
Social	B1 Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5.1 Recruitment and Talent Attraction 5.2 Employee Development 5.3 Compensation and Benefits
		B1.1 Total workforce by gender, employment type, age group and geographical region.	5.1 Recruitment and Talent Attraction
		B1.2 Employee turnover rate by gender, age group and geographical region.	5.1 Recruitment and Talent Attraction
	B2 Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.1 Safe Operations 5.2 Employee Development
		B2.1 Number and rate of work-related fatalities occurred	4.1 Safe Operations
		B2.2 Lost days due to work injury.	4.1 Safe Operations
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.1 Safe Operations 5.2 Employee Development

ESG REPORTING GUIDANCE INDEX

Environmental, Social and Governance Indicators			Disclosure Plans and Statements
	B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.2 Employee Development
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	5.2 Employee Development
		B3.2 The average training hours completed per employee by gender and employee category.	5.2 Employee Development
	B4 Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.1 Recruitment and Talent Attraction
		B4.1 Description of measures to review employment practices to avoid child and forced labour.	5.1 Recruitment and Talent Attraction
		B4.2 Description of steps taken to eliminate such practices when discovered.	5.1 Recruitment and Talent Attraction

ESG REPORTING GUIDANCE INDEX

Environmental, Social and Governance Indicators			Disclosure Plans and Statements
	B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	2.1 Sustainability
		B5.1 Number of suppliers by geographical region.	2.2 Business Ethics Building
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	2.2 Business Ethics Building
	B6 Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3.1 Pursuit of Excellent Quality
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
		B6.2 Number of products and service-related complaints received and how they are dealt with.	3.3 Emphasizing Customer Service
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	3.2 R&D and Innovation Strengths
		B6.4 Description of quality assurance process and recall procedures.	N/A

ESG REPORTING GUIDANCE INDEX

Environmental, Social and Governance Indicators			Disclosure Plans and Statements
	B7 Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	2.2 Business Ethics Building
		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.	2.2 Business Ethics Building
		B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	2.2 Business Ethics Building
	B8 Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	5.4 Community Care
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	5.4 Community Care
		B8.2 Resources contributed (e.g. money or time) to the focus area.	5.4 Community Care

FEEDBACK FROM READERS

Dear readers:

Thank you for your interest and support for the sustainable development of RemeGen Co., Ltd. In order to provide more professional and valuable environmental, social and governance report and further improve its quality, we are eager to hear your valuable voice for the following questions.

1. **Are you satisfied with the Report? Please give your comments.**

2. **Do you think we have completely disclosed our performance in fulfil our social responsibility?**

3. **Have the information you want to know been disclosed completely?**

4. **Do you have any suggestions to improve the Report?**

Your Information

Name

Company

Title

Fax

Tel

E-mail