



Abbisko Cayman Limited

和譽開曼有限責任公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2256



2021

Environmental,
Social and
Governance Report

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1. ABOUT THE REPORT

This is the Environmental, Social and Governance (“ESG”) Report (the “Report”) published by Abbisko Cayman Limited (the “Company” or “Abbisko”) and its subsidiaries (the “Group” or “we”, “our” or “us”), which outlines the governance, strategy, goal, concept and work performance of the Group in fulfilling corporate social responsibility and sustainable development.

BASIS FOR PREPARATION

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “Guide”) as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the scope covered is in compliance with the reporting principles and the “Comply or Explain” provisions under the Guide. The four reporting principles, namely the principles of “materiality”, “quantitative”, “balance” and “consistency” is complied with.

Materiality	This Report has identified and disclosed the process of significant environmental, social and governance factors and the principles on which such factors are chosen, as well as the process and results of stakeholder engagement.
Quantitative	The statistical criteria, methods, assumptions, and/or calculation tools used to report greenhouse gas emissions in this Report, as well as the sources of conversion factors, are all explained in the definitions of this Report.
Balance	This Report shall provide an unbiased picture of the Group’s performance during the year, to avoid selections, omissions, or presentation formats that may inappropriately influence the decision or judgment made by the Report readers.
Consistency	The statistical methods used to disclose data in this Report are consistent. If there are any changes, they will be clearly stated in the Report.

REPORTING PERIOD AND SCOPE

The time frame of this Report covers the period from January 1, 2021 to December 31, 2021 (the “Year” or “Reporting Period”). Unless otherwise specified, the content coverage of this Report is consistent with the coverage of the annual report for the Year. The data coverage of environmental key performance indicators (“KPIs”) covers the Group’s headquarter in Shanghai. We wish to increase the scope of such coverage and constantly monitor our performance in sustainability in the future.

REPORTING LANGUAGE

This Report is published in Traditional Chinese and English versions, which could be downloaded from the website of The Stock Exchange of Hong Kong (www.hkex.com.hk).

APPROVAL AND CONFIRMATION

The board of directors of the Group (the “Board”) assumes full responsibility for the contents reported in this Report and has approved and confirmed the contents of this Report on March 18, 2022.

2. SUSTAINABLE DEVELOPMENT STRATEGY

The Group has established our corporate culture to demonstrate our contribution in fulfilling corporate social responsibility and drive business success in a sustainable manner as one of core competitive advantages of a company. We pursue our business objectives with integrity, trust and respect, and comply with applicable laws and regulations. We incorporate relevant environmental, social and governance considerations into our operations. During the Year, we continued to optimize our social responsibility based on our own business characteristics, further clarify the ESG responsibilities of each department, and strengthen overall ESG management of the Company. Through continuous review and improvement of ESG management, we actively improved our ESG performance.

2.1 REPRESENTATION OF THE BOARD

To strengthen the Group's management of sustainable development, we have established the ESG governance structure to put our commitment to sustainable development into practice. The Board has overall responsibility for overseeing the Group's sustainability efforts through regular review, discussion and approval of the Group's ESG governance policies, strategies and risk management. The Board has approved the establishment of the ESG Task Group by the Group with the primary responsibility of implementing and overseeing ESG issues with a view to enhancing the effectiveness of sustainable development governance. The Board is responsible for approving and confirming the sustainability policies and initiatives developed by the ESG Task Group, and all ESG strategies and reporting responsibilities are also vested with the Board. At the same time, we have set directional goals related to the environment and undertake to inspect and review them based on the progress of the ESG goals in the future, with a view to monitoring and improving our sustainability efforts more effectively.

2. SUSTAINABLE DEVELOPMENT STRATEGY

2.2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE FRAMEWORK

In order to integrate environmental, social and governance concepts into the Group's management policies, strategies, business plans and policies, by actively fulfilling its corporate social responsibility, the Group currently establishes the ESG management structure, covering all levels of the Group, including the decision-making level, organizational level and executive level, and has clearly stated the responsibilities of each level in the ESG management structure. The Board resolves on and oversees the management policies, strategies, objectives and overall work of the Group's ESG, and authorizes the ESG Task Group led by senior management to formulate ESG management policies, strategies, objectives and work, and to promote and monitor the implementation of ESG-related policies and work by all relevant departments, so that ESG strategies, objectives and work can be implemented in the daily operation and business of the Group. The following is the ESG governance structure of the Group and the roles and responsibilities of each level within the governance structure:



Environmental, Social and Governance Framework

2. SUSTAINABLE DEVELOPMENT STRATEGY

2.3 COMMUNICATING WITH STAKEHOLDERS

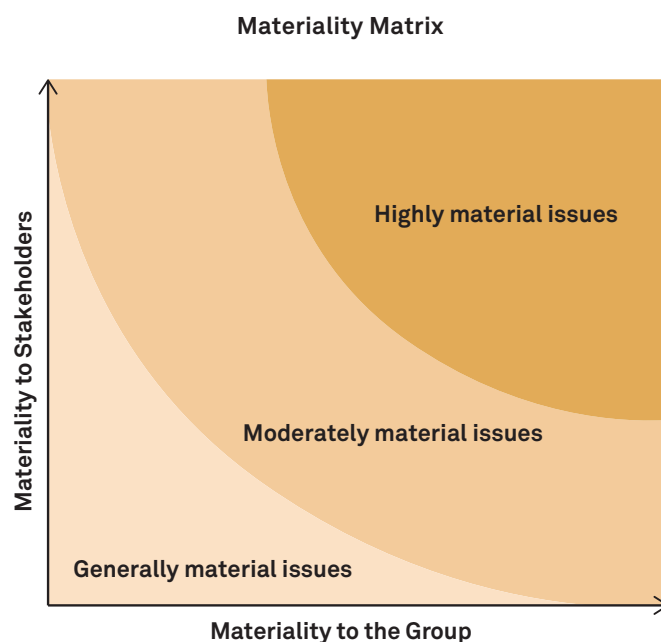
We are committed to maintaining close communication with various external and internal stakeholders, including shareholders/investors, employees, regulatory agencies, R&D institutions, peers, suppliers/retailers and media. We communicate with stakeholders through various communication channels to gain a deep understanding of their expectations and demands for the sustainable development of the Group in order to improve our sustainable development strategy.

Major Stakeholders	Main Communication Channels
Shareholders/Investors	<ul style="list-style-type: none">• Annual general meeting and other shareholders meeting• Interim report and annual report• Corporate communications, such as letters/circulars to shareholders and meeting notices• Results announcement• Investor conference• Senior management meeting• Interview
Employees	<ul style="list-style-type: none">• Channels for employees to express their opinions (forms, suggestion boxes, etc.)• Performance evaluation and communication• Panel discussion• Interview• Business briefing• Seminar/workshop/lecture• Publications (e.g. employee newsletters)• Staff meeting• Employee intranet
Regulatory agencies	<ul style="list-style-type: none">• Meeting• Compliance report
R&D institutions	<ul style="list-style-type: none">• Meeting• Site visits
Peers	<ul style="list-style-type: none">• Strategic partnership program• Corporate notice• Industry conference/seminar
Suppliers/retailers	<ul style="list-style-type: none">• Supplier Management SOP• Supplier/contractor/retailer evaluation system• Meeting• Site visits
Media	<ul style="list-style-type: none">• Press release• Senior management interview

2. SUSTAINABLE DEVELOPMENT STRATEGY

2.4 MATERIALITY ASSESSMENT

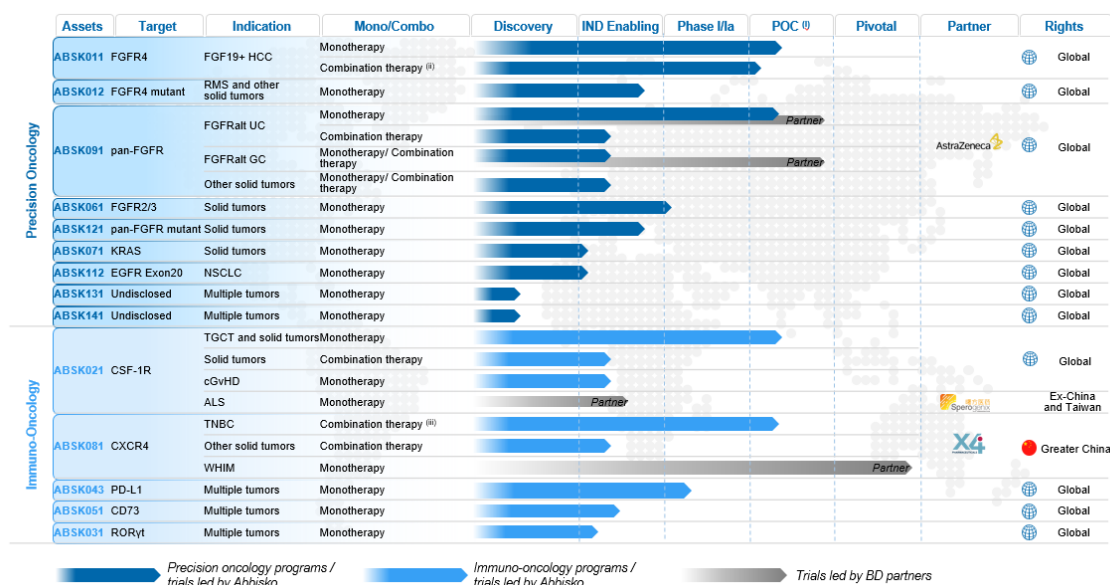
In order to determine the key areas of the Group's ESG practices and disclosures, and to respond to stakeholders' expectations, during the Year, the Group conducted an analysis of material ESG issues to confirm its most material ESG issues. We considered the Group's business development goals, actual operating strategies and conditions, and understood stakeholders' expectations and demands on the ESG through daily communication with them. We also took the disclosure obligations covered in the Guide, the material map of Sustainability Accounting Standards Board (SASB) and other factors into consideration. After careful analysis, we finally concluded 19 material issues covering ESG aspects that are applicable to the Group's business, including 14 highly material issues, 4 moderately material issues and 1 generally material issues. Based on the materiality of these issues, we make different levels of key disclosures in this Report, and take them as important considerations when formulating ESG strategies and guidelines.



Materiality of ESG Issues	Material Issues
Highly material	Product quality and safety Innovative R&D Customer service Supply chain management Anti-corruption Intellectual property protection Compliance of employment Labor standard Equality and diversity Compensation and benefits Employee training and development Occupational safety and health Waste management Public welfare activities
Moderately material	Information security Greenhouse gas emission management Energy management Water resources management
Generally material	Response to climate change

3. EXCELLENT PRODUCTS AND SERVICES

Abbisko is an R&D-driven and clinical-stage biopharmaceutical company dedicated to the discovery and development of innovative and differentiated small molecule oncology therapies. Since its inception, the Company has built a strong internal R&D engine based on the outstanding discovery team and a multi-dimensional discovery platform. With strong R&D capabilities, the Company has strategically designed and developed the integrated pipeline of more than a dozen of innovative drug discovery programs focused on precision oncology and tumor immunotherapy, six of which are already in clinical trial stage. We aspire to become a leading biopharmaceutical company that discovers and develops novel, differentiated therapies in cancer and beyond, addressing critical unmet medical needs of patients in China and globally.



Abbreviations: HCC = hepatocellular carcinoma; RMS = rhabdomyosarcoma; FGFRalt = FGFR altered; UC = urothelial cancer; GC = gastric cancer; NSCLC = non-small cell lung cancer; TGCT = tenosynovial giant cell tumor; cGvHD = chronic graft – versus-host disease; ALS = amyotrophic lateral sclerosis; TNBC = triple-negative breast cancer; WHIM = warts, hypogammaglobulinemia, infections and myelokathexis

Notes:

- i. Represents Phase Ib/II clinical trial
- ii. In combination with anti-PD-L1 antibody atezolizumab with Roche
- iii. In combination with anti-PD-1 antibody toripalimab with Junshi

3. EXCELLENT PRODUCTS AND SERVICES

3.1 PRODUCT R&D

Our researches are focusing on two main areas: small molecule precision therapy and small molecule immuno-oncology. Cancer has become the leading cause of human death in China and around the world. Abbisko has built up an experienced R&D team who has been working extensively on tumor pathogenesis and the search for new oncology drug targets. We are committed to discovering and developing new generation of innovative small molecule drugs to treat cancer patients and improve their quality of life.

Tumor immunotherapy is a revolutionary new therapy in the field of antitumor medicines. By activating a tumor-specific immune response, such kind of drugs uses the autoimmune system to kill cancer cells with high selectivity, avoiding the toxicity and side effects that are usually caused by targeted or chemotherapy drugs. A wide range of therapeutic antibodies targeting immune checkpoint receptors or ligands have demonstrated significant and durable clinical efficacy in a variety of cancers and have become blockbuster drugs with annual sales amounting to billions of USD. Small molecule immuno-oncology modulators have several natural advantages over large molecule antibody drugs, including oral availability, side effect control and manufacturing cost, but most of which are in preclinical and early clinical trials. Therefore, based on the advantages of small molecule drugs, Abbisko will carry out the research and development of new small molecule modulators targeting immune-modulatory pathways, which will be complementary to or in combination with large molecule antibody drugs in clinical practice, to bring more effective new drugs to cancer patients.

3.2 STRICT QUALITY CONTROL

Abbisko is committed to uncompromisingly guarding on the safety, compliance and quality of our products, researches and services. We always uphold a culture of quality focus, and always ensure that product quality, patient and consumer safety, the integrity of the data submitted to regulatory authorities and the interaction with stakeholders are of paramount importance. We have a comprehensive quality assurance and control system in place. As we are a clinical-stage biopharmaceutical company, we are required to comply with the Drug Administration Law of the People's Republic of China 《中華人民共和國藥品管理法》, the Regulations for Implementation of Drug Administration Law of the People's Republic of China 《中華人民共和國藥品管理法實施條例》, the Pharmacopeia of the PRC 《中華人民共和國藥典》, the Good Pharmacovigilance Practice 《藥物警戒質量管理規範》, Regulations on the Management of Human Genetic Resources 《人類遺傳資源管理條例》, Provisions for Drug Manufacturing Supervision 《藥品生產監督管理辦法》, Drug pre-NDA Inspection Procedures 《藥品註冊核查工作程序》, the Provisions for Drug Recall 《藥品召回管理辦法》, the Principles of Risk Assessment for On-site Inspection of Drug Manufacturing Enterprises 《藥品生產企業現場檢查風險評定原則》 and other laws and regulations, as well as the Good Manufacturing Practice 《藥品生產質量管理規範》 (GMP) and its appendices. We are committed to establishing quality management systems and procedures covering drug development, non-clinical research, clinical trials, and commercial production, and committed to constantly manufacturing drugs according to high standards, producing high-quality antitumor new drugs that are safe, effective and affordable for global patients.

3. EXCELLENT PRODUCTS AND SERVICES

We exercise continuous improvement and refinement of our quality management system and regularly review the quality management system to maintain its suitability, adequacy and effectiveness. Significant quality issues are documented and presented to the Company's senior management for review and resolution. We will also conduct risk assessments in accordance with the standards and procedures under the quality management system and policies.

Abbisko adheres to the ethics of pharmaceutical research and development and always places the safety and rights of subjects (including patients) above all when conducting clinical trials. We follow the principles of Declaration of Helsinki and obtain the Informed Consent Form from all trial subjects prior to their enrolment in clinical trials in accordance with regulations and guidelines such as the Provisions for Drug Registration 《藥品註冊管理辦法》, the Good Clinical Practice 《藥物臨床試驗質量管理規範》 and the Measures for Ethical Review of Biomedical Research Involving Human Subjects 《涉及人的生物醫學研究倫理審查辦法》, which clearly states the subjects have the right to be informed and the right to make their decision on participating a clinical trial, the right to refuse or withdraw from the clinical trial at any time, and being protected with subjects' privacy and other rights.

3.3 PRODUCT SAFETY GUARANTEE

We attach importance to product safety and establish a pharmacovigilance management system in compliance with the requirements of laws and regulations such as the Pharmacovigilance Quality Management Regulation 《藥物警戒質量管理規範》, the Management Regulation for Safety Update Reporting during R&D (for trial implementation) 《研發期間安全性更新報告管理規範(試行)》 and the Management Measures for Reporting and Monitoring of Adverse Drug Reactions 《藥品不良反應報告和監測管理辦法》. We set up an independent working group with full-time personnel to standardize the management procedures for reporting and monitoring of adverse drug reaction, so that information on adverse drug reactions can be objectively analyzed, fed back and evaluated, and drug risks can be controlled in a timely and effective manner to ensure the safety of public drug use. We have established a pharmacovigilance department, which is responsible for monitoring, collecting, reporting and analyzing safety information of pre-marketing clinical trial drugs globally, conducting activities such as drug safety monitoring and risk management, and developing and updating drug safety indicators, including compliance with adverse drug reaction reporting.

3.4 COMPLAINT AND RECALL PROCEDURES

The Group understands that the opinions and rights of the subjects are important for us. We have issued a standard process related to the handling of complaints to ensure that clinical-related product complaints are recorded, investigated, reported, monitored and handled with in accordance with regulatory requirements. During the clinical research stage, users (subjects) or their guardians of investigational drugs may submit comments or complaints through the contacts specified within Informed Consent Form or other written documents, drug labels and the other contacts provided by the local clinical trial organization. Our relevant departments have established channels for receiving, communicating and handling safety surveillance and complaints about investigational products. When receiving inquiries, complaints or questions about adverse drug reactions, the relevant departments will promptly follow up on the complaints, the main facts and reasons, and the requests for complaints, and promise that all comments and complaints will be investigated, responded to and followed up in a timely and appropriate manner.

3. EXCELLENT PRODUCTS AND SERVICES

As of the Year, we have not yet commercialized any products, but we have established a product recall process internally in accordance with relevant regulations to be well-prepared for subsequent product launches. We have established a product complaint handling process to ensure that patient complaints are handled in a timely and effective manner, and through investigation and analysis, we identify the root causes of product defects and develop corrective and preventive measures to continuously improve product quality and meet the needs of clinical studies. The quality assurance department will conduct recalls as needed, coordinate with various departments to organize investigations, make appropriate handling decisions, and notify the appropriate regulatory authorities in accordance with regulatory requirements. During the Year, we did not receive any customer complaints, nor we recalled any products.

3.5 SUPPLY CHAIN MANAGEMENT

We believe that establishing good cooperation mechanisms with suppliers are crucial to ensure efficient operations of the Group. We maintain long-term partnership with suppliers based on mutual trust, and we purchase goods and services in principle of fairness and openness. Abbisko actively establishes long-term and mutually beneficial relationships with suppliers, we cooperate with local suppliers in high priority and contribute to the development of local industry chain. During the Year, the Company signed agreements with a total of 364 suppliers which mainly serve for categories of material, operational services and scientific research services, including 303 suppliers from China (Mainland), 30 suppliers from Hong Kong, Macau and Taiwan regions of China and 31 overseas suppliers.

Our suppliers mainly comprise of production suppliers and non-production suppliers, including suppliers of materials, operational services and scientific research services. In order to effectively regulate and manage our process of supplier selection, the Group established the Procurement and Supplier Management Regulation 《採購及供應商管理規程》 to regulate the process of quotation, selection, supervision and management of suppliers.

During the supplier onboarding process, we evaluate suppliers, review their background, qualifications and other relevant information to ensure that they meet the Company's project requirements. We establish a supplier pool in our system and evaluate the suppliers' basic performance, product/service delivery, etc. according to the actual needs of the project. We adhere to the principles of cost effectiveness, quality, timeline and fair competition in accordance with the relevant internal system, request for and compare quotations from different suppliers as needed, and comply with principles as competitive price with high quality and lower price with same quality. We eliminate non-compliant operations to ensure fairness and impartiality.

We pay high attention to risk management of business ethics in procurement. In order to request our suppliers to operate with integrity and strictly follow the principles of fairness, impartiality and openness, we strictly prohibit commercial bribery during business activities or cooperation, and shall not accept any form of valuable gifts and obtain unreasonable business opportunities or benefits for others through any improper ways. When the supplier bribes to the relevant personnel of the Company or conducts improper competition behavior such as offering other improper benefits, once detected, we will permanently disqualify and block the supplier immediately.

In order to create a better environment for the next generation, priority will be given to suppliers offering environmentally friendly products and services.

4. BUSINESS ETHICS RESPONSIBILITY

4.1 ANTI-CORRUPTION

Abbisko has always adhered to the principles of honesty and professionalism, compliance with the law, fair competition and honest operation. We advocate the creation of a clean and upright working environment, are committed to preventing any form of corruption and strictly abide by the Supervision Law of the People's Republic of China 《中華人民共和國監察法》, the Company Law of the People's Republic of China 《中華人民共和國公司法》, the Bidding and Tendering Law of the People's Republic of China 《中華人民共和國招標投標法》, the Anti-Unfair Competition Law of the People's Republic of China 《中華人民共和國反不正當競爭法》, the Interim Provisions on the Prohibition of Commercial Bribery 《關於禁止商業賄賂行為的暫行規定》 and Anti-Money Laundering Law of the People's Republic of China 《中華人民共和國反洗錢法》 and other relevant laws and regulations. We internally formulate a series of internal systems such as the Compliance Guidelines 《合規指引》 and Internal Audit System 《內部審計制度》 to strengthen the all-round supervision system, enhance the establishment and improvement of internal control system, improve business management, avoid business risks, eliminate illegal acts, and assist in establishing a sound anti-fraud, anti-money laundering and anti-fraud mechanism. We have a zero-tolerance attitude towards corruption, bribery, extortion, fraud and money laundering to ensure the integrity and efficiency of our operations. During the Year, there was no record of other unlawful acts such as corruption, bribery, extortion, fraud and money laundering by the Group or our employees.

We require our employees to follow a code of professional ethics and prohibit any economic activity that violates laws and regulations and from which they can make a profit, through the issuance of an Employee Handbook and other methods. We have a conflict-of-interest reporting mechanism at the induction stage to avoid conflicts between employees' personal interests and those of the Company, which may affect their professional judgment in performing their duties for the Company or damage the rights and interests of the Company or shareholders, or negatively affect the Company's operations and reputation. At the same time, we have internal rules and reporting procedures to prevent employees from directly or indirectly giving or receiving any gifts or entertainment from clients and other business service organizations to uphold integrity and self-discipline.

The reporting channel is an important window for employees to communicate with their superiors about incidents that are detrimental to the Company's interests. We provide employees and partners with the means to report misconduct, including telephone, e-mail and letter correspondence, and accept real names or anonymous reports. We make these channels open and designate a person to manage them to receive any complaints of corruption or fraud in a timely manner and protect the privacy of whistleblower. All reports and investigation information are kept confidential. In the event of a violation, disciplinary action, including written warning, disciplinary suspension, demotion and dismissal, will be imposed on the employee concerned, depending on the severity of the impact.

The Group attaches importance to the publicity and implementation of anti-corruption and upholding integrity among employees. We are committed to fostering a culture of compliance and integrity in our operations and provide regular anti-corruption training to our directors and all employees, including holding special meetings and viewing of integrity warning films. During the Year, the Group provided anti-corruption training to directors and employees such as providing them with some anti-corruption-related reading materials via email.

4. BUSINESS ETHICS RESPONSIBILITY

4.2 PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

We understand the importance of intellectual property rights on business development and are committed to its development and protection. The Group complies with PRC laws and regulations such as the Civil Code of the People's Republic of China 《中華人民共和國民法典》, Patent Law of the People's Republic of China 《中華人民共和國專利法》, the Trademark Law of the People's Republic of China 《中華人民共和國商標法》, the Copyright Law of the People's Republic of China 《中華人民共和國著作權法》, the Anti-Unfair Competition Law of the People's Republic of China 《中華人民共和國反不正當競爭法》 and the Regulations on the Protection of Computer Software 《計算機軟件保護條例》. We have established management measures such as Measures for the Management of Intellectual Property Rights 《知識產權管理辦法》 and strictly implemented them throughout the Group. We have clarified management requirements in patents, trademarks, copyrights, domain names and trade secrets in order to standardize the management of intellectual property rights, encourage inventions and creations, strengthen the management of trademarks and other intellectual property rights, and improve the market competitiveness and economic efficiency of the Group, while signing confidentiality agreements with all employees in key positions. We raise employees' awareness of intellectual property risks through training and publicity. We respect and encourage originality and motivate our employees to devote themselves to innovation and creation by giving rewards or remuneration to inventors or designers and protecting the results of innovation. In external cooperation, we strictly review the clauses related to intellectual property rights in the contract, clarify the rights and obligations of both parties to protect trade secrets, and better protect the relevant intellectual property rights of the Group in the cooperation results to avoid the related risks.

At the same time, we also respect the intellectual property rights of other parties and take strict measures to avoid infringement on the intellectual property rights of other parties. We have a due diligence mechanism on third-party technology cooperation in place to investigate the intellectual property rights status of our partners in detail. Before the introduction of new products, the establishment of new projects and the use of new technologies, the Group will conduct global intellectual property rights search on products and technologies to evaluate intellectual property rights risks and avoid the Group's direct or indirect infringement of intellectual property rights of other parties. In addition, we strengthen the use of and training on software legalization to further improve our employees' awareness of compliance with the law and their ability and level of operating software to prevent any risk of possible infringement of software intellectual property rights. During the Year, we registered 36 new patent applications and obtained 17 new granted patents.

4. BUSINESS ETHICS RESPONSIBILITY

4.3 INFORMATION PRIVACY SECURITY

Abbisko attaches great importance to the protection of customer privacy and other information security, and strictly complies with laws and regulations such as the Good Clinical Practice 《藥物臨床試驗質量管理規範》, the Protection Law of Consumer Rights and Interests of the People's Republic of China 《中華人民共和國消費者權益保護法》 and the Network Security Law of the People's Republic of China 《中華人民共和國網絡安全法》. The Group has formulated and strictly complied with internal policies such as the Measures for the Management of Technical Secrets 《技術秘密管理辦法》 and the Information Security Management Regulation and Confidentiality System 《信息安全管理規範和保密制度》. The Company implements the hierarchical management system for technical secrets, and each department has arranged a designated person to manage the technical secret information within the department, set the technical secret level and the access authority. The file server established the authority on use behavior and access to ensure its safe and reliable operation and avoid abnormal deletion of data and leakage of secrets. All electronic documents, unless required for work, are not allowed to be disseminated across departments in principle, and lending or circulating them to third parties are not allowed. All personnel should always keep the Company's commercial secrets and sign confidentiality agreements or agree on confidentiality clauses in contracts when cooperating with third parties to avoid the related risks.

Each subject is required to sign the Informed Consent Form upon their enrollments in our clinical trials, and both clinical trial institution and investigator sign the clinical research agreement upon participation in the clinical trials, in which we set out the restrictions on the collection, use and disclosure of patient and subject data, and maintain strict confidentiality of all subjects' personal information to ensure that the subjects' data and privacy are protected in an institutionalized and systematic manner. If any other person or entity requests the disclosure of information, no information shall be disclosed without prior written consent from the subjects. Information shall remain confidential for at least five years after the termination or completion of this study. We also protect the security of personal data, help prevent unauthorized or unlawful processing of data, and prevent accidental loss, destruction or damage.

However, with the increasing complexity of internet technology, in order to prevent the occurrence of events such as illegal intrusion, hacking and leakage of commercial secrets, Abbisko has strengthened the construction of information security technology as well as security operation system. We have used professional firewall and anti-virus software to remind users of the security of the web pages they browse through artificial intelligence in the form of security pop-ups to eliminate network security loopholes from the technical level, so as to prevent any malicious invasion. We have also actively carried out relevant training activities to raise employees' awareness of compliance and provide information security guarantee for the continuity of the Company's business. During the Year, we did not experience the affairs of any significant information leakage, theft or loss on customer and subject.

4. BUSINESS ETHICS RESPONSIBILITY

4.4 LABELS AND ADVERTISEMENTS

The Group promises to strictly abide by laws and regulations related to advertising and labelling in the production process of products operated by us in the future, which included the Advertising Law of the People's Republic of China, the Drug Administration Law of the People's Republic of China, the Measures for the Categorized Administration of Prescription and Non-prescription Drugs, the Measures for the Examination of Drug Advertisements 《藥品廣告審查辦法》 and the Provisions on the Administration of Drug Instructions and Labels. We require that all publicly available product and business information shall be strictly reviewed to ensure that the public, including regulators, medical experts and patients, are provided with accurate, complete, truthful and rigorous product and academic information. We eliminate the behaviors of all use of false and misleading product descriptions and infringe on the intellectual property rights, patents, copyrights and other rights of other parties. During the Year, we have not commercialized and sold our products, nor we have released any product advertisements to the general public.

5. TALENT CARE AND DEVELOPMENT

Abbisko believes that our employees are vital to the success of the Group, and therefore we place extra emphasis on their development. We strive to create a comfortable and harmonious workplace and an inclusive atmosphere for each employee to realize their self-worth and comprehensive development. One of our core values is to improve our talent attraction and cultivation mechanism, provide diversified employee benefits, and strive to create a fair, harmonious and inclusive working and living environment for our employees. We are committed to attracting, nurturing and retaining outstanding talents by establishing a comprehensive employment practice system, fully protecting the legal rights and interests of our employees and their health and safety, providing better benefits and equal opportunities, and valuing the development of our employees. During the Year, we did not identify any significant non-compliance with the applicable laws and regulations of the People's Republic of China in the areas of employment, occupational health and safety and labor standards.

5.1 DIVERSITY AND EQUAL OPPORTUNITY

In strict accordance with relevant laws and regulations such as the Labor Law of the People's Republic of China 《中華人民共和國勞動法》, Labor Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》, the Provisions on Prohibition of Child Labor 《禁止使用童工規定》, the Social Insurance Law of the People's Republic of China 《中華人民共和國社會保險法》 and the Law of the People's Republic of China on the Protection of Minors 《中華人民共和國未成年人保護法》, the Employee Handbook is prepared in conjunction with the Group's management needs to provide for requirements on hiring, dismissal, compensation, promotion, working hours, holidays, anti-discrimination, equal opportunities and benefits, to fully protect the rights and interests of employees and form an efficient and synergistic talent team.

We insist on legal employment and strictly prohibit child labor and forced labor incidents. We have established recruitment guidelines and each applicant must provide information such as identity card, educational background and working experience, which is reviewed by us and verified by a professional verification agency as needed, to avoid the risks involved. When a new employee joins us, the human resource department signs the labor contract with our employees and requires them to present documents such as identity card, certification of education, exit documentation related with the previous company and personal photo when going through the formal employment procedures, to ensure that the employee's identity is true and valid and employment irregularities are prohibited. We do not advocate overtime work, and advocate employees to improve efficiency and complete tasks on time, based on the agreed quality and quantity. If employees need to work overtime, they must make an application in advance to their line manager for approval. In addition, if we find any violation of labor guidelines, we will take relevant measures from the perspective of protecting the legitimate interests of workers. For example, if we find any underage workers joining the Company, we will immediately report them to the relevant labor administration department for their registration.

5. TALENT CARE AND DEVELOPMENT

We recognize that every organization in our society is looking for international talent, therefore, Abbisko promotes diversity, inclusion and equal opportunity in recruitment, as well as work and living of our employees. Our employees have a variety of backgrounds. We are committed to fostering an environment of diversity and inclusion. We undertake to comply with the principles of “openness, equality, competition and priority” in all aspects of recruitment, career development, promotion, training and rewards, and offer equal opportunity for all employees. We prohibit differential treatment based on nation, race, religion, gender, age, marital status, sexual orientation, and different referrals, and assess the quality and ability of our employees to provide equal employment opportunities.

We strictly comply with relevant laws and regulations and sign standard employment contract with employees on a voluntary basis. Both parties are fully aware of their rights and obligations. We have developed a standard process for handling employees’ resignation. Instructions for termination of employment are addressed in detail in the employment contract and the Employee Handbook. In this regard, we optimize the process of resignation interviews to improve our recruitment and talent development management system and the Company’s employment management level through communication to find room for improvement.

As at December 31, 2021, the Group had 160 full-time employees, of which 75 were female and 85 were male. Further details of the employees are set out in Appendix I: KPI Data Table.

5.2 REMUNERATION AND WELFARE

In order to attract and retain outstanding talents, and protect the rights and interests of employees, we are committed to providing competitive remuneration and benefits to our employees. We provides employees with a decent salary welfare guarantee, 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. Based on the Group’s operational performance and market remuneration levels, we regularly evaluate our remuneration structure and levels each year and make arrangements on annual salary adjustments. In addition, we reward each employees for their short-term contributions in the form of annual performance bonuses or other bonuses.

We provide good welfare benefits for our employees and carry out employee care activities to continuously enhance their happiness and sense of belonging. We provide employees with leave benefits including paid annual leave, marriage leave, prenatal leave, maternity leave, breastfeeding leave, statutory holidays, unpaid personal leave, etc. In addition, we contribute to our employees’ commercial insurance, social security fund (including pension insurance, medical insurance, work injury insurance, unemployment insurance and maternity insurance) and housing fund in accordance with applicable PRC laws. Employees engaged in professional operations are provided with regular occupational health checkups in accordance with the relevant laws. We provide diverse benefits and care for our employees to encourage the balance between work and living of employees. We conduct exchanges by holding employee birthday parties, holiday celebrations and team building activities on a regular basis to enrich employees’ spare time and enhance the cohesiveness of the Company. In order to enrich the Company’s sports culture atmosphere and enhance the physical health of all employees, we encourage them to actively participate in sports and exercise. The Company has set up special funds for sports, which are used for the rental or purchase of sports venues, sports equipment, sports supplies, etc.

5. TALENT CARE AND DEVELOPMENT

5.3 CULTIVATING PROFESSIONAL TALENTS

The terminal of enterprise competition and development is the competition of talents. Therefore, Abbisko attaches great importance to the improvement of staff knowledge and skill and strongly supports staffs' personal development. In order to improve the overall quality of our employees, meet the needs of our business development, and form a human resource reserve, we truly implement the "people-oriented" human resource management concept and cultivate the lifelong employability of our employees. We develop and follow the Training Management System 《培訓管理制度》 and build a systematic annual training plan and development program to enable our employees to acquire knowledge and skills and adapt to the Company's development. We promote endless learning and provide specific training for different job requirements. The efficient training system for our employees consists of two parts, namely new employee orientation and on-the-job training. We provide orientation and on-the-job training for new employees from the beginning of their employment to help them quickly familiarize the Company. New employee orientation training is divided into general training and professional skills training, which includes corporate awareness, rules and regulations, general knowledge of work, employee benefits, legal knowledge, and related training according to job requirements. On-the-job training is divided into internal training and external training, including professional knowledge, technical skills, laws and regulations and other related training conducted by incumbents. In addition, we organize regular training evaluations to assess the effectiveness of training through assessments, evaluations and surveys, and to continuously improve the quality of training. We expect that through training, employees can obtain good career development and help them realize their self-worth while helping the Company to expand its business, so that employees and the Company can eventually achieve joint development. Other details of employee training are set out in Appendix I: KPI Data Table.

By offering equal, fair and transparent promotion channels for employees, Abbisko attaches great importance to the growth and development of our employees, to open up promotion channels for them, cultivate excellent industry leaders and senior management talents in the industry, and promote outstanding talents to stand out. Therefore, according to the characteristics of different employees and job needs, we provide development channels such as management sequence, R&D sequence and functional sequence, which perfectly match each employee and provide broader development space for them. In addition, we regularly evaluate our employees based on the assessment indexes which are a combination of qualitative and quantitative indexes, to ensure that each employee receives fair and equal promotion opportunities.

5. TALENT CARE AND DEVELOPMENT

5.4 EMPLOYEE COMMUNICATION

Suggestions and opinions of employees are of great significance to Abbisko. We have set up several internal communication channels such as the company website, president's email, corporate WeChat account and all-hands staff meeting to collect suggestions, opinions and complaints from employees. We are aware of inquiries regarding compensation, benefits, leave, training and other areas from our employees, and help employees resolve all of them effectively. In addition, through all-hands staff meeting focusing on human resource, we deliver the personnel policies and incentive programs that are closely related to employees, to all employees in a timely manner to increase their sense of belonging and pride.

5.5 ENSURING HEALTH AND SAFETY

Abbisko is committed to providing employees with a safe working environment and strictly abides by the Law of the People's Republic of China on Work Safety 《中華人民共和國安全生產法》, Law of the PRC on Prevention and Control of Occupational Diseases 《中華人民共和國職業病防治法》, Fire Control Law of the PRC 《中華人民共和國消防法》, and Regulations on the Safety Administration of Hazardous Chemicals 《危險化學品安全管理條例》 and other laws and regulations. We have a systematic safety management system, including risk identification, assessment and control, laboratory management, fire prevention, education and training, emergency response and accident management, etc. We have also designated the Operation department to manage and control occupational health and safety risks, build a healthy and safe working environment and protect the occupational safety and health of our employees. Over past three reporting periods (including reporting Years), the Group did not have any incidents of work-related deaths and no working days were lost due to work-related injuries.

Protecting Occupational Health

Abbisko always attaches great importance to the work environment and strive to provide a safe and compliant working environment for employees, and ensure their health. Occupational diseases, if not properly prevented, can cause serious damage to the health and safety of employees. Therefore, in accordance with the requirements of the Law of the PRC on Prevention and Control of Occupational Diseases 《中華人民共和國職業病防治法》, our Operation department arranges qualified third-party testing companies to conduct a full range of health checks, risk identification and testing of harmful factors of occupational disease hazards in the company's workplace every year to ensure that hidden problems can be solved. We have established the Occupational Disease Prevention and Control Responsibility System 《職業病防治責任制度》 to conduct a full range of occupational health checkups for employees in positions exposed to occupational hazards, and organize pre-job checkups, on-the-job checkups and off-the-job checkups for employees. For employees' own needs and different job duties, employees can choose diversified medical checkup programs and health protection service programs to ensure timely detection of health problems and diseases and reduce health risk factors. We provide employees with high-quality labor protection supplies and protective equipment, such as goggles, masks, lab coats, protective gloves, etc., to prevent related occupational diseases.

5. TALENT CARE AND DEVELOPMENT

Safety Management of Chemical Laboratory

The Group involves many laboratories and uses a large variety of chemical reagents and equipment. In order to strengthen the management of Environment, Health and Safety (“EHS”) in the Group’s laboratories, prevent and reduce production safety accidents, and protect the lives of employees and the Company’s property, we have formulated a laboratory safety management system in line with the actual situation of the Company, and prepared the Laboratory Safety Manual 《實驗室安全手冊》 to provide a safety reference for all laboratory personnel to prevent and reduce chemical safety accidents. Employees are required to receive training on occupational health and safety before starting work, so as to master the relevant management requirements of the laboratory and be familiar with all the risk points and control measures involved in the position. Employees are required to wear lab coats, masks, gloves, goggles and other protective equipment before entering the laboratory. Each laboratory has posted the safety operating procedures for laboratory personnel and the laboratory emergency response plan. Employees shall stop reactions immediately when they find any abnormal situation, and take corresponding actions or remedial measures accordingly, and notify the Operation department immediately.

Hazardous Chemical Management

We published the Safety Management Procedure of Hazardous Chemicals 《危險化學品安全管理制度》 to implement strict regulations on the process of purchasing, receiving, storing, collecting, using, scrapping, disposing and emergency measures of hazardous chemicals to further reduce the potential environmental and safety risks caused by hazardous chemicals. The storage sites of hazardous chemicals must be equipped with signs and diagrams, and relevant regulations and operating procedures must be posted in obvious locations. We prohibit mixed storage of hazardous chemicals and forbidden items. Management personnel of hazardous chemical storage sites must be trained by national professional agency and obtain special operation qualification certificates before they start to work. The training includes but not limited to the hazardous chemical operation training required by the government, and the relevant internal training of the Company, such as chemical leakage emergency handling training.

Occupational Safety Training

In order to enhance employees’ awareness of self-protection, understand the importance of occupational disease prevention and control, and protect employees’ health, we promote occupational disease prevention and control publicity and training, and post information related to occupational health protection such as the Company’s occupational disease prevention and control responsibility procedure and the results of occupational disease hazard factor testing. We arrange different types of safety training for employees. We arrange pre-job occupational health training for employees and regular on-job occupational health training, popularize occupational health knowledge, urge employees to comply with occupational hazard prevention and control laws, regulations, rules, national standards, industry standards, safety protective equipment use and operating procedures, and some safety training needs to pass qualified assessment before they can start work.

5. TALENT CARE AND DEVELOPMENT

Safety drills and emergency response

We have established the emergency response system and published emergency response plans related to the Management Regulation for Highly Toxic Chemicals and Emergency Response Plan 《劇毒化學品管理規範及應急預案》. The emergency response team is organized by the Operation department to undertake emergency response responsibilities in order to respond to natural disasters, medical accidents, fire and explosion accidents, chemical spills, occupational disease hazard accidents and accidents related to special equipment. We regularly conduct training on the promotion of firefighting knowledge and skills, and organize the implementation and drills of firefighting and emergency evacuation plans every year to reflect the Group's swift emergency response mechanism. For general accidents, the person in charge of the accident unit should promptly report the accident to the Company, organize a site analysis meeting attended by the users and managers of highly toxic products, find out the causes of accident and formulate improvement measures to prevent the recurrence of the accident, and notify the relevant public security departments and cooperate with them. For significant accidents of highly toxic products, the police, fire alarm and ambulance should be called immediately and handled by professional first aid personnel. The person in charge of the Company should always pay immediate attention to the scene, make corresponding emergency decisions according to the status of the accident and the degree of harm, and guide the emergency rescue team to carry out rescue work.

Risk Identification, Assessment and Control

We seek to strengthen the supervision and management of accident and risk, prevent and reduce accidents, and protect the lives and properties of employees. The Group's safety inspections includes daily inspections, pre-holiday safety inspections and joint inspections across departments. The purpose of the inspection is to monitor whether the implementation of EHS system is standardized in each department, and to discover and correct unsafe human behavior and unsafe state of chemicals in a timely manner. After each inspection, the risks found by the inspection will be entered into the CAPA system for follow up on rectification. For example, we implement the fire safety responsibility system, organize and implement the training and inspection of fire safety, supervise the implementation of fire safety system and fire safety operation procedures, and investigate and rectify the fire hazards in a timely manner.

Coping with Novel Coronavirus Pneumonia ("COVID-19")

We value the health and safety of our employees. During the COVID-19 pandemic, the Group conducted casual tracking, aggregation and communication of employee flow and health status. We took into account government policies, the situation in each regional office and the personal circumstances of our employees, and promptly adjusted the working hours of our employees and appropriately allocated work arrangements during the special period. We continue to closely monitor the pandemic situation, maintain continuous communication with employees on the latest developments of the pandemic, and issue specific guidance on disease prevention, personal safety and health protection. We continue to implement strict pandemic prevention measures in our offices and laboratories, provide continuous pandemic prevention supplies to all employees, and regularly disinfect office areas to ensure a safe and hygienic work environment.

6. GREEN CONCEPT PRACTICE

Abbisko is committed to practicing the corporate philosophy of green development through practical actions. We value the importance of living in harmony with the environment and are committed to operating responsibly to promote the sustainable development of the industry and the Group. Even though the Group has not yet commenced large-scale production in the Year, we undertake to contribute to sustainable development by actively reducing our environmental impact during the production of our products in the future.

6.1 ENVIRONMENTAL MANAGEMENT

Based on our R&D, laboratory and office characteristics, in order to ensure that the environmental management system is properly implemented in our Group, the ESG Task Group is responsible for monitoring the implementation of relevant policies and the progress on the implementation of environmental measures. In addition to the establishment of the ESG Task Group, we have established the EHS management system, including chemical use and management, waste disposal and management, gas emission, laboratory waste and waste water treatment principles, etc. We have the Operation department to lead the implementation of our overall environmental management system and raise the environmental awareness of our employees.

In compliance with the policy of “safety first, prevention prioritized and comprehensive management” by the Group, we have established the Environment Emergency Response Plan for our R&D center to strengthen our ability to deal with emergency response to ensure that sound and effective control measures can be taken in the environmental emergency to maximize the control of the impact on the accident and minimize the damage and environmental impact caused by the accident. If the incident unfortunately occurs, we must cooperate with the local government, local Bureau of Ecology and Environment, environmental monitoring station, public security fire brigade and industrial park, in order to quickly respond to environmental emergencies.

6.2 EMISSIONS MANAGEMENT

The Group strictly abides by various environmental laws and regulations, such as the Environmental Protection Law of the People’s Republic of China 《中華人民共和國環境保護法》, the Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution 《中華人民共和國大氣污染防治法》, the Law of the People’s Republic of China on Prevention and Control of Water Pollution 《中華人民共和國水污染防治法》, the Law of the People’s Republic of China on Prevention and Control of Pollution by Solid Waste 《中華人民共和國固體廢物污染防治法》 and the Law of the People’s Republic of China on Prevention and Control of Environmental Noise Pollution 《中華人民共和國環境噪聲污染防治法》, to effectively manage emissions from research and development, and operations, and minimize the negative impact of our operations on the environment through various means. During the Year, we did not experience any incident in severe violation of China’s environmental laws and regulations.

6. GREEN CONCEPT PRACTICE

Greenhouse Gas Emissions

The Group's greenhouse gas emissions are divided into direct greenhouse gas emissions (Scope 1) and indirect greenhouse gas emissions (Scope 2). Scope 1 refers to direct greenhouse gas emissions from sources that are owned or controlled by the Group. Scope 2 refers to the greenhouse gas emissions indirectly caused by the electricity purchased by the Group from external sources. The greenhouse gas emissions of each scope come from the Group's fuel consumption, fuel used by its vehicles (Scope 1) and electricity consumption during operations (Scope 2). In order to give full play to the synergistic promotion of energy saving and emission reduction, we continue to actively adopt technologies related to energy saving and emission reduction, to reduce emissions at source and enhance the promotion of emission reduction concepts within the Company to reduce greenhouse gas emissions. Relevant measures to reduce greenhouse gas emissions will be further elaborated in the "Use Of Energy And Resource" section of this report. The greenhouse gas emissions inventory is calculated with reference to the Greenhouse Gas Inventory Protocol developed by the World Resources Institute and World Business Council for Sustainable Development, and the ISO 14064-1 standard set by the International Organization for Standardization. During the Year, greenhouse gas emissions (Scope 1 and 2) in the scope of this Report were 821.31 metric tons, while the greenhouse gas emission intensity was 5.13 metric tons per employee and 0.21 metric tons per square meter. In addition, the Group actively implements the measures of the Group's energy conservation and greenhouse gas emission reduction, with the goal of maintaining or gradually reducing greenhouse gas (Scope 1 and Scope 2) emissions based on the indicator of intensity for the Shanghai headquarter in 2021.

Air Emissions

The Group's exhaust emissions are mainly from particulate matter, nitrogen oxides and sulfur oxides generated from the Group's automobiles. Exhaust gases from laboratories are discharged through fume hoods and exhaust gas treatment devices are installed at the end of the ventilation system of each laboratory and discharged after treatment at the exhaust gas treatment facilities to ensure that their concentrations and emissions comply with national and local air pollution emission standards. In order to reduce vehicle emissions, we have developed and implemented reasonable business vehicle arrangements. We encourage the use of online meetings to reduce unnecessary business travel. We encourage employees to travel by public transportation. If we need to use group vehicles, we encourage employees to carpool to reduce the use of group vehicles and reduce the damage and impact of emissions on the ecological environment. During the Year, the particulate matter (PM), nitrogen oxides (NO_x) and sulfur oxides (SO_x) in the scope of this Report were 0.11 kg, 1.54 kg and 0.03 kg, respectively.

6. GREEN CONCEPT PRACTICE

Waste disposal

The Group engaged professional and qualified waste disposal companies to handle hazardous waste and non-hazardous waste. We supervise and manage the collection, storage, transfer and disposal of hazardous waste generated from our experimental and operational activities. We ensure that all hazardous waste is disposed of in accordance with the prescribed procedures, and employees are provided with the necessary protection during the disposal process, and that different wastes are stored in separate storage points. Our hazardous waste includes inorganic waste liquids, fluorescent tubes, organic waste liquids, waste drugs, activated carbon, general chemical reagents, empty glass reagent bottles, laboratory contaminated waste, cell debris, etc.

Our non-hazardous waste includes domestic waste from our office operation and non-hazardous waste from our laboratory operation. Domestic waste from office operation is handled by a waste disposal company for environmentally sound waste treatment and we work with them to recycle cartons, glass, plastic, paper, etc.. The Group adopts environmentally friendly office practices and we also place waste separation guidelines in our offices to encourage our staff to separate and dispose of recyclable materials, such as metal cans, plastic items and waste paper, to facilitate recycling and disposal of waste. We actively promote the use of replaceable pens, toner cartridges, rechargeable batteries and other recyclable items. In addition, in order to reduce the use of paper, we advocate the secondary use of office paper. We advocate office digitalization and paperless office, using the online management platform as an important tool for sorting and managing business process. For paper consumption that cannot be avoided, we encourage employees to reuse or use double-sided paper and use waste paper for internal note-taking purposes. We regularly check and monitor paper usage and implement appropriate improvement measures to reduce non-hazardous waste generation.

During the Year, the amount of hazardous waste generated and the amount of non-hazardous waste generated within the scope of this Report were 39.00 metric tons and 12.50 metric tons, respectively, and the amount of hazardous waste generated and non-hazardous waste generated per employee were 0.24 metric tons and 0.08 metric tons, respectively. In addition, the Group is actively implementing its measures for material conservation and waste separation, with the goal of maintaining or gradually reducing waste generation based on the indicator of intensity from Shanghai headquarter in 2021.

Wastewater Discharge

The wastewater generated by the Group includes experimental wastewater and domestic sewage. We regulate the operations related to the reduction, testing and treatment of wastewater to ensure that it is eventually treated by the wastewater treatment plant to meet the standards before being uniformly discharged into the municipal pipeline network. The discharge concentrations of the Group's all major indicators of wastewater are in compliance with national and local discharge standards to avoid adverse impact of wastewater pollutants on the surrounding ecological environment.

6. GREEN CONCEPT PRACTICE

6.3 USE OF RESOURCES

Based on the Group's compliance with laws and regulations such as the Energy Conservation Law of the People's Republic of China 《中華人民共和國節約能源法》 and Provisions on the Management of Water Conservation in Cities 《城市節約用水管理規定》, each subsidiaries has adopted corresponding management measures for energy conservation and consumption reduction to support the promotion of energy conservation and improvement of energy utilization efficiency. In addition, the Group is actively implementing its measures for electricity and water conservation, with the goal of maintaining or gradually reducing the consumption of electricity and water resources based on the indicator of intensity from Shanghai headquarter in 2021.

Water Conservation

There are no water withdrawals from water shortage areas in Abbisko, and all of our operating sites have sufficient fresh water of high quality for use. Therefore, we do not have any problems with water withdrawals. The Group has always kept the need for effective water resource management and water conservation in mind. We are committed to promoting water conservation and have implemented a number of measures in our operations to enhance the efficient use of water resources. We strictly monitor water consumption in office areas, install different water saving devices such as sensor taps, and regularly inspect and maintain the water pipe network to reduce wastefulness such as dripping and leakage. We strengthen employees' awareness of water conservation by posting water conservation signs and posters in office areas to remind employees to control water consumption and turn off the taps after using them, and promote the reuse of water resources and avoid waste. During the Year, the total water consumption within the scope of this Report was 1,381.00 cubic meters, and the water consumption per employee was 8.63 cubic meters.

Energy Saving

We are committed to promoting energy efficiency and conservation in our offices and laboratories, and monitor the same through regular inspections to encourage our staff to be more conscious of energy conservation in their daily activities. For example, we use energy saving posters and signs to deepen employees' awareness of energy saving. We advocate turning off lights and computers immediately after working hours, and checking and turning off the power of all equipment in office areas and work stations before weekends and holidays, to reduce unnecessary energy consumption. At the same time, we advocate moderate use of air conditioning, formulate and implement rules for air conditioning management, set the person in charge of the air conditioning area in the office, turn off the air conditioning in advance at half an hour before getting off each day, set the air conditioning degree to 26°C in summer and below 20°C in winter, and clearly specify the time of use. On the other hand, we require our staff to pay attention to energy saving in daily operation and experiments, and stipulate that staff need to turn down high energy-consuming equipment such as laboratory fume hoods to the lowest setting in time after completing experiments, which has achieved better energy saving results. During the Year, the total electricity consumption within the scope of this Report was 1,941,434.00 kWh.

6. GREEN CONCEPT PRACTICE

6.4 ADDRESSING CLIMATE CHANGE

Given the rising global temperature with frequent extreme weather, climate change would have a significant impact on the Group's operations as well as the living of employees. In line with the country's responsibility to fulfill the Paris Agreement 《巴黎協議》 and important policies such as the National Adaptation Strategy to Climate Change 《國家適應氣候變化戰略》, the Group actively responds to the national call to promote low-carbon business and attaches great importance to the impact of its own business on climate and environment. We are committed to reducing carbon emissions during the Group's operations and identify climate change issues that may have a significant impact on Abbisko through regular review of our business operations.

The Group rationalizes the use of resources and energy by strengthening environmental training for employees, supporting low-carbon technologies, energy conservation and emission reduction measures to reduce the impact on climate change during operation. Meanwhile, in order to effectively prevent and timely control the potential risks caused by severe weather to the operation of the Group, the Group established corresponding response measures such as conducting regular inspections of facilities and equipment according to the climatic conditions of the places where the projects are located, and regularly organized employees to conduct emergency drills for flood control and typhoon prevention, optimized emergency work plans, ensuring that emergency response and handling capacity can be improved in case of sudden severe weather, and highly protect the safety of employees as well as the normal operation of the Group. The Group has identified the following climate change related risks in combination with the international standards, industry characteristics and development trend, and has formulated corresponding countermeasures.

Risk Level	Climate Risk Category and Description	Countermeasure
Medium	Acute risks (e.g. flooding, super typhoons, storm surges, extreme rainfall)	<ul style="list-style-type: none">• Develop disaster response measures;• Provide disaster response training to employees;• Provide disaster escape drills
Low	Chronic risks (e.g. extreme hot weather, sea level rise)	<ul style="list-style-type: none">• Develop emergency plans for extreme weather
Medium	Policy and regulatory risks (e.g., stricter building energy codes, reporting disclosure compliance risks)	<ul style="list-style-type: none">• Track the latest laws and regulations regarding climate change and integrate them into management strategies
Low	Market risks (e.g., inability to adapt to the growing sustainability concerns of stakeholders)	<ul style="list-style-type: none">• Need to develop new technologies, including those that support low carbon, improved and innovative performance
Medium	Reputation risk (failure to meet customer expectations and damage to the Group's reputation and image)	<ul style="list-style-type: none">• Support and participate in activities related to environmental protection and conservation• Plan to select suppliers which can fulfill the policies related to environmental protection

6. GREEN CONCEPT PRACTICE

6.5 ENVIRONMENT AND NATURAL RESOURCES

The Group complies with various laws and regulations, including the Environmental Impact Assessment Law of the PRC 《中華人民共和國環境影響評價法》, the Land Administration Law of the People's Republic of China 《中華人民共和國土地管理法》, the Water and Soil Conservation Law of the PRC 《中華人民共和國水土保持法》, the Regulations on the Administration of Construction Project Environmental Protection 《建設項目環境保護管理條例》 and the Regulations on Environmental Impact Assessment of Planning 《規劃環境影響評價條例》. We actively perform our environmental protection responsibility and reduce the negative impact on the environment and natural resources during the course of construction and operation in order to protect the natural ecological environment. For contingency management of environment incidents, we have identified the potential environmental risk and established the Environment Emergency Response Plan 《突發環境事件應急預案》. We have established an emergency operation unit which is equipped with emergency rescue facilities. It regularly carries out emergency drills in order to enhance the response to environmental emergencies.

7. COMMUNITY CONTRIBUTION AND CARE

The Group has spared no effort to promote community services. Abbisko is committed to proactively taking up the responsibility of practicing corporate social citizenship. We promise to engage in diversified public welfare practices in the future to care for the socially disadvantaged group and create sustainable public welfare values. Through organizing and participating in different types of social affairs, we engage and communicate with all sectors of the community to jointly build a better and harmonious community. We will continue to make contribution in social affairs with the responsibility of promoting the development of the new drug industry in China. We plan to provide assistance programs for different patients in the future, provide charitable donations to patient advocacy organizations, charitable foundations, industry associations and hospitals, and actively participate in and sponsor academic conferences or seminars to promote further development of medicine and healthcare. We will continue to explore more community services and charitable activities, encourage our staff to participate in charitable activities and volunteer work, help more people in need through various channels in order to give back to the community and continue to actively participate in charity work together with the Group.

APPENDIX I: KPI DATA TABLE

The following is a summary of information on sustainable development in the environmental subject area for the Year:

Environmental Subject Area	Unit	2021
Air pollutants		
Nitrogen oxides (NO _x)	kg	1.54
Sulphur oxides (SO _x)	kg	0.03
Particulate matter (PM)	kg	0.11
Greenhouse Gas Emissions		
Direct GHG emissions (Scope 1)	Tonnes of CO ₂ e	5.91
Indirect GHG emissions (Scope 2)	Tonnes of CO ₂ e	815.40
Total GHG emissions (Scope 1 & 2)	Tonnes of CO ₂ e	821.31
GHG emissions intensity (per employee) (Scope 1 & 2)	Tonnes of CO ₂ e/employee	5.13
GHG emissions intensity (per square meter) (Scope 1 & 2)	Tonnes of CO ₂ e/m ²	0.21
Waste		
Hazardous Waste	Tonnes	39.00
Hazardous waste intensity (per employee)	Tonnes/employee	0.24
Total non-hazardous waste	Tonnes	12.50
Non-hazardous waste intensity (per employee)	Tonnes/employee	0.08
Paper Consumption		
Paper consumption	kg	896.88
Paper consumption intensity (per employee)	kg/employee	5.61
Energy Consumption		
Total electricity consumption	kWh	1,941,434.00
Total power consumption intensity (per employee)	kWh/employee	12,133.96
Total power consumption intensity (per square meter)	kWh/m ²	485.36
Gasoline volume consumed by vehicle	Liters	2,183.13
Water Consumption		
Total water consumption	m ³	1,381.00
Total water consumption intensity (per employee)	m ³ /employee	8.63
Total water consumption intensity (per square meter)	m ³ /m ²	0.35

APPENDIX I: KPI DATA TABLE

The following is a summary of information on sustainable development of the Group in the social subject area for the Year:

Social Subject Area	Unit	2021
Number of employees		
Total number of employees	No. of people	160
Total number of employees (by gender)		
Female	No. of people	75
Male	No. of people	85
Total number of employees (by employment category)		
Full-time junior staff	No. of people	118
Full-time mid-level management	No. of people	32
Full-time senior management	No. of people	10
Total number of employees (by age group)		
Below 30	No. of people	30
30-50	No. of people	124
Over 50	No. of people	6
Total number of employees (by geographical region)		
East China	No. of people	157
Central China	No. of people	1
Northwest China	No. of people	1
Other locations (including Hong Kong, Macau, Taiwan)	No. of people	1
Employee Turnover Rate¹		
Total number of employees	%	13.00
Employee turnover rate (by gender)		
Female	%	20.00
Male	%	7.00
Employee turnover rate (by age group)		
Below 30	%	10.00
30-50	%	14.00
Over 50	%	17.00

¹ Calculation method of employee turnover rate is (number of employees turnover ÷ annual number of employees × 100%).

APPENDIX I: KPI DATA TABLE

Social Subject Area	Unit	2021
Employee turnover rate (by geographical region)		
Within mainland China	%	13.00
Outside mainland China	%	0.00
Occupational Health and Safety		
Number of people who died on the job in each of the past three years (including the reporting year)	No. of people	0
Number of working days lost due to work-related injuries	Number of days	0
Development and Training		
Percentage of employees trained by gender		
Female	%	13.33
Male	%	86.67
Percentage of employees trained by employment category		
Full-time junior staff	%	76.67
Full-time mid-level management	%	16.67
Full-time senior management	%	6.67
Average number of training hours for employees by gender		
Female	Hours	6.00
Male	Hours	6.00
Average number of training hours for employees by employment category		
Full-time junior staff	Hours	6.00
Full-time mid-level management	Hours	6.00
Full-time senior management	Hours	6.00

APPENDIX II: CONTENT INDEX OF THE ESG REPORTING GUIDE

Description of the Indicators			Relevant Chapter(s)
A. Environmental Subject Area			
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.	6. Green Concept Practice 6.2 Emissions Management
	A1.1	The types of emissions and respective emission data.	6.2 Emissions Management Appendix I: KPI Data Table
	A1.2	Direct and energy indirect greenhouse gas emissions and, where appropriate, intensity.	6.2 Emissions Management Appendix I: KPI Data Table
	A1.3	Total hazardous waste produced and, where appropriate, intensity.	6.2 Emissions Management Appendix I: KPI Data Table
	A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	6.2 Emissions Management Appendix I: KPI Data Table
	A1.5	Description of emissions target set and steps taken to achieve them.	6.2 Emissions Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target set and steps taken to achieve them.	6.2 Emissions Management
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6.3 Use of Resources
	A2.1	Direct and/or indirect energy consumption by type in total and intensity.	6.3 Use of Resources Appendix I: KPI Data Table
	A2.2	Water consumption in total and intensity.	6.3 Use of Resources Appendix I: KPI Data Table
	A2.3	Description of energy use efficiency target set and steps taken to achieve them.	6.3 Use of Resources
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target set and steps taken to achieve them.	6.3 Use of Resources
	A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	During the Year, we did not have any packaging material

APPENDIX II: CONTENT INDEX OF THE ESG REPORTING GUIDE

Description of the Indicators			Relevant Chapter(s)
A3: The Environment and Natural Resources	General	Policies on minimising the issuer's significant impact on the environment and natural resources.	6.5 Environment and Natural Resources
	Disclosure		
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6.5 Environment and Natural Resources
A4: Climate Change	General	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	6.4 Addressing Climate Change
	Disclosure		
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	6.4 Addressing Climate Change
B. Social Subject Area			
B1: Employment	General	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. Talent Care and Development 5.1 Diversity and Equal Opportunity 5.2 Remuneration and Welfare 5.4 Employee Communication
	Disclosure		
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix I: KPI Data Table
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: KPI Data Table
B2: Health and Safety	General	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.	5.5 Ensuring Health and Safety
	Disclosure		
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix I: KPI Data Table
	B2.2	Lost days due to work injury.	Appendix I: KPI Data Table
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	5.5 Ensuring Health and Safety

APPENDIX II: CONTENT INDEX OF THE ESG REPORTING GUIDE

Description of the Indicators			Relevant Chapter(s)
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.3 Cultivating Professional Talents
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, intermediate management).	Appendix I: KPI Data Table
	B3.2	The average training hours completed per employee by gender and employee category.	Appendix I: KPI Data Table
B4: Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	5.1 Diversity and Equal Opportunity
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	5.1 Diversity and Equal Opportunity
	B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Diversity and Equal Opportunity
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.5 Supplier Management
	B5.1	Number of suppliers by geographical region.	3.5 Supplier Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	3.5 Supplier Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.5 Supplier Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3. Supplier Management

APPENDIX II: CONTENT INDEX OF THE ESG REPORTING GUIDE

Description of the Indicators			Relevant Chapter(s)
B6: Product Responsibility	General	Information on: (a) the policies; and (b)	3. Excellent Products and Services
	Disclosure	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 Product R&D
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3.4 Complaint and recall procedures
	B6.2	Number of products and service related complaints received and how they are dealt with.	3.4 Complaint and recall procedures
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	4.2 Protection of Intellectual Property Rights
	B6.4	Description of quality assurance process and recall procedures.	3.2 Strict Quality Control 3.3 Product Safety Guarantee
B7: Anti-corruption	General	Information on: (a) the policies; and (b)	4.1 Anti-corruption
	Disclosure	compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	4.1 Anti-corruption
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	4.1 Anti-corruption
	B7.3	Description of anti-corruption training provided to directors and staff.	4.1 Anti-corruption
B8: Community Investment	General	Policies on community engagement to	7. Community Contribution
	Disclosure	understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	and Care
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	7. Community Contribution and Care
	B8.2	Resources contributed (e.g. money or time) to the focus area.	7. Community Contribution and Care