2021

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

GENOR BIOPHARMA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6998

CONTENTS

About this Report

This report (referred to as "this Report" or "Report") aims to disclose the efforts and performances on the aspect of Environmental, Social and Governance ("ESG") of Genor Biopharma Holdings Limited (the "Company" or "Genor") and its subsidiaries (the Group or we) in 2021, and the Company's response to the ESG issues that are of key concern to stakeholders.

Reporting Period

Unless otherwise specified, the Report covers the period from January 1st, 2021 to December 31st, 2021 (the "Reporting Period").

Reporting Scope

Unless otherwise specified, this Report covers the Group's principal operating entities during the Reporting Period, including Genor Biopharma Co., Ltd. ("Genor Biopharma") and its subsidiary, Yuxi Genor Biotechnology Co., Ltd. ("Yuxi Genor").

Basis and References

This Report is compiled in accordance with *the Environmental, Social and Governance Reporting Guide (the ESG Reporting Guide)* set out in Appendix 27 of *the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")* issued by the Stock Exchange of Hong Kong Limited (the "HKEX"), and follows the four reporting principles of "Materiality, Quantitative, Balance and Consistency", and the "comply or explain" provisions listed in the ESG Reporting Guide.

Materiality

We are highly concerned about the significant impact of ESG issues on various stakeholders. During the Reporting Period, the Company actively carried out communication with various stakeholders, listened to and analysed their opinions to evaluate the emphasis of work of the Reporting Period, and then prepared this Report accordingly.

Quantitative

To demonstrate the Company's performance in the environmental and social aspects in 2021, we have calculated Key Performance Indicators (KPIs) in a measurable and feasible manner.

Balance

During the preparation of this Report, we focus on presenting the Company's performance unbiasedly to avoid affecting the decisions or judgments of the readers regarding this Report.

Consistency

Unless otherwise specified, this Report adopts the same statistical methods as in previous years if feasible, to ensure it is meaningful and comparable for future references.

Access to the Report

The Report is published on the HKEXnews website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Company (https://www.genorbio.com/) for reading and downloading.

Statement from CEO

"**Genor aspires to become a biopharmaceutical company with global presence, serving patients and society**."

2021 marks the first full financial year for Genor after its successful listing on the Stock Exchange of Hong Kong Limited. As an innovation-driven biopharmaceutical company, we are committed to becoming a platform-based integrated company equipped with the capabilities of drug innovation, preclinical research, clinical development and registration, and CMC (Chemistry, Manufacturing and Controls) development. Genor as a listed company has shouldered greater social responsibilities. Insisting integrity and rationality in management, we have made unremitting efforts in cultivating talents, building an intellectual property system, and promoting the development of China's biopharmaceutical industry.

During the "14th Five-year Plan" period, China's biopharmaceutical industry has been growing rapidly, steadily consolidated its research and development (R&D) and innovation strength and further upgraded its industrial structure. The government stimulates the R&D expenditures with the introduction of national policy, such as encouraging to establish the national laboratories and regional technological innovation centres. As the domestic industrial promoting zone, Shanghai has complied with the policies enacted by the Ministry of Science and Technology of the People's Republic of China and the National Medical Products Administration to support the creation for the "self-innovation" of world-class biopharmaceutical industry.

Genor has been actively leading the development of biopharmaceutical innovation in China for more than a decade. It is an honour to keep pace with the progress of China's biopharmaceutical industry while leveraging creativities and ongoing breakthroughs.

During the Reporting Period, through the enrichment of innovation pipeline and active promotion of the global FIC (First-in-class) /BIC (Best-in-class) R&D pipeline, Genor has thus accelerated the clinical development pipeline and successfully brought various products to the market and completed external licensing and collaboration. By these initiatives, Genor continued to expedite the independent innovation and global presence and achieved excellent results owing to the superior execution and cross-departmental cooperation.

In terms of establishing the in-house R&D pipeline with FIC/BIC potential, Genor successfully built a global FIC and differentiated R&D platform for the early identification of bi-specific/multi-specific antibodies in immune-oncology in 2021. We are committed to continue to aim at addressing unmet medical needs and focuses on developing targeted antibodies and projects with FIC/BIC potential. An R&D team of nearly 30 people possesses an integrated platform with the capabilities of new drug R&D and pre-clinical research from the discovery of innovative target molecules to Investigational New Drug (IND) submission.

The early development of antibody discovery and engineering R&D Team are equipped with antibody screen, affinity measurement, epitope analysis and multi-target stably transfected cell lines, contributing to efficient and high-quality drug screening. The team conducted innovation and exploration of FIC/BIC potential in multi-dimension based on the in-depth understanding of target molecular biology, cell biology and immunological mechanisms. Currently, Genor has initiated five FIC/BIC potential discovery projects of bi-specific/multi-specific antibody molecules. Among them, GB267 has entered the IND-enabling phase. Starting in 2023, Genor plan to submit one FIC/BIC potential investigational drug candidate per year for IND.

Relying on the in-depth expertise and cooperation from the cross-functional teams, Genor accelerated IND application, and clinical trial progresses, including the Phase 1 clinical trial and the initial clinical Proof of Concept (POC) validation of the combined treatment of GB492 (IMSA101) and GB226. Plus, the rapid progress of GB491 combined with Letrozole in first line HR+/HER2- advanced breast cancer Phase 3 clinical trial.

The clinical trials of GB261 and GB263T were accepted by the Center for Drug Evaluation of the National Medical Products Administration (CDE) on March 18th and 28th, 2022. Previously, the first patient was successfully dosed in the GB261 clinical trial conducted in Australia while the preliminary data showed that it is safe at higher starting doses, which was consistent with product design, pre-clinical and differentiation features. GB263T completed process technology development, toxicology and clinical drug manufacturing, and clinical trial applications in accordance with international standards within 12 months, which is much faster than the industry average.

On February 23rd, 2022, the Company received NDA approval from the National Medical Products Administration (NMPA) for GB242 (Infliximab, biosimilar to Remicade, Jiayoujian 佳佑健®) in the treatment of Rheumatoid Arthritis, Ankylosing Spondylitis, Psoriasis, Adult Ulcerative Colitis, Adult and Pediatric Crohn's Disease and Fistulising Crohn's Disease. Genor has taken a solid step forward in its transformation from a biotechnology company to a biopharmaceutical company and prepared for the upcoming commercial launch of GB242. With the NDA approval of GB226 (Geptanolimab, Aibining 艾比寧®) for r/r PTCL, Genor will put continuous effort in seeking NDA submission for GB226 in additional indications and potential of new combination therapy.

In terms of expanding global innovation, the Group further accelerated the arrangements of global pipeline and the clinical research, with the establishment of a new clinical trial centre in Australia. In December 2021, Genor appointed several world-leading tumour immunologists and key opinion leaders (KOLs) in clinical oncology from China, the United States (US), the United Kingdom (UK) and Australia as members of Genor's Scientific Advisory Board. The KOLs' participation reflects their recognition of Genor's research philosophy, scientific strength, and unstoppable spirit, and will further accelerate the pace of global innovation for Genor and support the rapid advancement of drug candidates in clinical development in China, the US, Australia and Europe.

Innovative talents are the fresh blood and creative energy for the development of enterprise. During 2021, Genor further strengthened the core management team. In January 2021, the Chief Scientific Officer Dr. Han Shuhua joined the Group and promptly formulated a superior R&D team, focusing on the globally innovative tumour immune antibody project from target discovery. Mr. Liang Qibin joined Genor as Chief Technology Officer to further enhance the innovation capability of core technology and lead the team to create innovations efficiently in technology, R&D, process and management.

Meanwhile, Genor has devoted to promoting employee's sense of growth, recognition and values via innovative talent acquisition, diverse talent motivation, platform-based talent development and customised talent training. Genor was awarded the "Outstanding Employer of 2021" by Liepin.

As an innovation-driven biopharmaceutical company, Genor attaches great importance to independent innovation and Intellectual Property (IP) protection. The Company currently has dozens of patent applications (including several overseas patent applications) and registered trademarks. The Company received the "Zhangjiang Science City Special Fund" and "Pudong New Area IP Management Ability Building Award" in 2021.

Genor has been a member unit of China Pharmaceutical Innovation and Research Development Association, a director unit of Shanghai Biopharmaceutics Industry Association, and a member unit of Cellular Immunotherapy Quality Management and Research Committee in Shanghai Pharmaceutical Quality Association. Genor has been actively leading the development of bio-innovation in China and is widely recognised in the industry. Genor shoulders the social responsibility of helping promote the level of disease diagnosis and treatment, standardisation of treatment, and public awareness of diseases. The Company actively organised and participated in various industry conferences and academic discussions, adopted approaches of forming a group of experts and promoting guidelines to boost the development of the biopharma industry. We are committed to the national strategy of making Shanghai a world-class biopharmaceutical industry "independent innovation" supply zone. Since the establishment of the Yangtze River Delta Sub-centre for Drug Evaluation, NMPA, the Group has actively proposed suggestions on the communication of drug R&D in the early-stage and the evaluation and approval of supplemental applications related to changes in pharmacy after listing. We also submitted proposals to relevant departments to promote the innovative model, thus, to boost the long-term development of the pharmaceutical industry.

With the arrival of 2022, Genor will continue to take "accelerating the practice of independent innovation with global layout" as the main focus for the sustainable development. We will continue to diversify the innovation pipeline, to efficiently advance the global FIC/BIC R&D pipeline, and to accelerate our clinical R&D pipeline. We will also gradually implement the marketing of several products and strengthen external licensing and cooperation. Through dynamic innovation to realise our potential growth. Moreover, we will work with healthcare professionals in China and around the world to maximise unmet medical needs.

Guo Feng

Chairman of the Board and CEO

About the Company

Company Profile

Founded in 2007, the Group has been strategically focusing on therapeutic areas with substantial unmet medical needs in oncology, autoimmune and other diseases. Genor is creating a fully integrated and end-to-end biopharma innovation company based in China, with global reach. The Group takes “Providing innovative therapeutics initially for patients in China and gradually for patients globally” as its mission, and strives to build an innovative, platform-based, and integrated company with innovative drug R&D, pre-clinical research, clinical development, regulatory, CMC development and commercial manufacturing.

Genor has established the global R&D platform for discovering FIC and BIC potential bispecific/multi-specific antibodies products, focusing on molecular with potential to be the global FIC and BIC products, and with the best potential to become a clinically benefit and commercially viable drugs.

The Group has established a comprehensive quality control system by leveraging on its internationally advanced process development capability, pre-clinical and clinical drugs manufacturing capability, and the improved analysis and test capability. Moreover, the leading-edge continues-flow cell culture technologies for high yield manufacturing (~20g/L), self-developed cell culture media, cost-effective commercial production capabilities, and a highly Good Manufacturing Practice (GMP) compliant production team allow the Group to effectively product Phase III and pivotal trial clinical supplies, execute the commercial process validation, and perform the commercial manufacturing after products launch.

The core management team members have more than 20 years of industry experience on average with proven track record and a well-balanced combination of expertise spanning research and discovery, clinical development, manufacturing, regulatory affairs, commercialisation, and financing. At the same time, the Group's Scientific Advisory Committee is comprised of the international leading tumour immunologists and key clinical oncology opinion leaders, whose extensive experience and globally recognised academic standing accelerate the Company's global innovation.

Mission

To become a biopharmaceutical engine in discovery, research, development, manufacturing, and commercialisation of innovative therapeutics initially for patients in China and gradually for patients globally.

Highlights in 2021

Accelerating Multiple Key Clinical Trials → Established an Independent Global Innovation with FIC/BIC Potentials → Attracting Senior Management Talents and Further Strengthening the Core Management Team → Actively Expanding Global Innovation and Enhancing the Scientific Advisory Board

GB491 (Lerociclib, Differentiated Oral CDK4/6 Inhibitor)

In May 2021, we submitted IND applications for two Phase 3 clinical trials of: (1) GB491 combined with Letrozole in first line HR+/HER2- advanced breast cancer, and (2) GB491 combined with Fulvestrant in second line HR+/HER2- advanced breast cancer.

In June 2021, we received Ethics Committee (EC) approval for the Phase 3 clinical trial of GB491 and Fulvestrant in second line HR+/HER2- advanced breast cancer.

In July 2021, we received IND approvals from the National Medical Products Administration (NMPA) for the aforementioned two Phase 3 clinical trials, being the second domestic company to obtain the IND approval for Phase 3 clinical trial for CDK4/6 inhibitor.

In August 2021, we received EC approval for the Phase 3 clinical trial in first line HR+/HER2- advanced breast cancer.

In October 2021, the first patient was successfully dosed in a Phase 3 clinical trial of GB491 and Fulvestrant in second line HR+/HER2- advanced breast cancer in China.

GB492 (STING Agonist)

In March 2021, we submitted the IND application for the Phase 1/2 clinical trial of GB492 as a monotherapy or in combination with GB226 in patients with advanced/treatment-refractory malignancies to the NMPA.

In May 2021, the IND application has been approved, being the first STING agonist combination therapy, which obtained approval for clinical trial in the country.

In July 2021, we obtained EC approval for Phase 1/2 clinical trial of GB492 in patients with advanced/treatment-refractory malignancies.

In September 2021, the first patient was dosed in the Phase 1/2a clinical trial of GB492 (Stimulator of interferon genes, STING Agonist) in China.

GB261 (CD20/CD3, Bi-specific Antibody)

In March 2021, we submitted the first-in-human (FIH) clinical trial application for GB261 to treat B-cell non-Hodgkin Lymphoma (B-NHL) in Australia.

In June 2021, the EC approval and clinical trial notification (CTN) were obtained in Australia.

In October 2021, the first patient was dosed for the FIH clinical trial of GB261 in Australia.

GB263T (EGFR/cMET/cMET, Tri-specific Antibody)

In December 2021, we submitted a clinical trial application to the Bellberry HREC Ethics Committee in Australia for the FIH clinical trial of GB263T, a novel EGFR/cMET/cMET tri-specific therapeutic antibody.

Highlights in 2021

Established an Independent Global Innovation with FIC/BIC Potentials

We have successfully established a global FIC /differentiated R&D platform for the early identification of bi-specific/multi-specific antibodies in immune-oncology, which continues to aim at addressing unmet medical needs and focuses on developing targeted antibodies and projects with FIC/BIC potential.

Through antibody screen, affinity measurement, epitope analysis and multi-target stably transfected cell lines, we can ensure highly efficient and high-quality drug discovery.

The innovation and exploration of FIC/BIC potential have been conducted in multiple dimensions based on the in-depth understanding of target biology, cell biology and immunological mechanisms.

We have been launching several novel antibody projects and actively pursued for different drug modalities to rich its pipeline.

Five FIC/BIC discovery projects of bi-specific/multi-specific antibody molecules were initiated.

Attracting Senior Management Talents and Further Strengthening the Core Management Team

Chief Scientific Officer Dr. Han Shuhua

Building a premium early-stage R&D team to rapidly promote innovative tumour immune antibody projects with global innovation from target discovery.

Chief Technology Officer Mr. Liang Qibin

Leading the team achieve efficient innovation in technology, R&D, process, management, and other areas.

Actively Expanding Global Innovation and Enhancing the Scientific Advisory Board

Appointed several world-leading tumour immunologists and oncology clinical research key opinion leaders (KOLs) from China, the United States, the United Kingdom, and Australia to become members of the Scientific Advisory Board.

Accelerating the pace of global innovation of Genor to evaluate, plan and provide valuable inputs for the establishment of FIC/BIC projects and differentiated pipelines.

Supporting the rapid advance of candidate drugs into clinical development in China, the United States, Australia and Europe.

Honours in 2021

In 2021, we received attention and recognition from society in terms of innovation and R&D, talent development, IP capacity building, corporate development potential, ecological environment protection, and production, construction, and fire safety.

Innovative R&D

- The Company was awarded as the "TOP 10 Chinese Bispecific Antibody Drug Companies" by the First BioChina Summit of China Biopharmaceutical Forum.

- The Company was included in the "Chinese Antibody Drug Companies Innovation TOP 30".

- The Company received the 2021 China Biomedical Industry Pioneer Award – Most Innovative Biomedical Pioneer Enterprise.

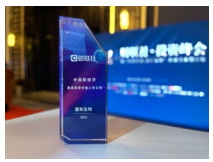
Talent Development

- The Company was named "Outstanding Employer of the Year 2021" by Liepin.

IP Capacity Building

- The Company received the "Zhangjiang Science City Special Fund".
- The Company received "Pudong New Area IP Management Ability Building Award".

Corporate Development Potential



- The Company was included on the "2021 New Economy Most Valuable Listed Company" list.

Environment, Health, and Safety (EHS)

- The Company was awarded the third prize in the "comprehensive assessment on ecological environment, production safety, construction safety and fire safety in 2021" issued by the Party Committee and Management Committee of Yuxi High-tech District.

01

Preceding Breakthroughs with Excellent Leadership

As one of the first batch of domestic innovative enterprises in the field of biomedicine, Genor has always been at the forefront of the domestic wave of biopharmaceutical innovation for more than ten years. We firmly believe that the technological skills and the relentless pursuit of innovation capability are the foundation for the survival and development of a bio-innovation enterprise.

- Leading by Technology Innovation
- Global Innovation Layout
- Driven by Innovative Talents
- Industry Co-creation for Mutual Winning

Leading by Technology Innovation

After more than ten years of continuous pursuit of core technologies and innovation, Genor has deeply applied its advantageous technologies in all aspects of R&D, CMC, and product manufacturing to form its key competitive advantages. We will gradually develop into an innovative, platform-based and integrated company with innovative drug R&D, pre-clinical research, clinical development, regulatory, CMC development and commercial manufacturing.

In 2021, the Group's R&D investment was RMB 612.7 million, which was mainly used for new drugs development fee and ongoing clinical trials expenses and salary and related benefit costs for our employee.

R&D and Innovation of New Drugs

Genor continues to aim at addressing unmet medical needs and focuses on developing targeted antibodies and projects with FIC/BIC potential. We firmly believe that our R&D and innovation capabilities are vital to bring maximum value to patients and creating the most long-term value for the Group.

In 2021, Genor successfully established an R&D team of nearly 30 people with a new drug research and development capability. The Company's antibody discovery R&D team have established many capabilities including antibody screen, affinity measurement, epitope analysis and multi-target stably transfected cell lines, ensuring highly efficient and high-quality drug discovery.

We built an integrated platform with new drug R&D capabilities and pre-clinical research from the discovery of innovative target molecules to IND submission. The team conducted innovation and exploration of FIC/BIC potential in multi-dimension based on the in-depth understanding of target molecular biology, cell biology and immunological mechanisms. Based on the concept of global innovation, the Company launched several innovative target projects and actively deployed pipelines in different technological forms.

Over five FIC/BIC potential discovery projects of bi-specific/multi-specific antibody molecules have been initiated, one of which will enter the IND-enabling phase soon.

Clinical Trial Innovation

Relying on the in-depth expertise and close cooperation of all cross-functional teams, Genor accelerated IND application, and clinical trial progresses.

Regulatory Affairs Department is responsible for developing regulatory strategies for product pipelines based on its in-depth knowledge and practical experience with NMPA regulations and registration requirements, and enhancement of the communication with the drug regulatory authorities and drug review agencies.

The Clinical Research and Development Department is responsible for mapping out the value-maximised clinical development strategy and plan, excellent design and execution of the clinical trials with high speed and quality, establishing strategic partnership with KOLs and study sites.

The CMC Team can provide products with highly competitive edges, enabling the rapid promotion of our high quality products toward the clinical trials. Apart from that, we expect to enjoy the product cost advantages and supply chain safety brought by the highly localised application of equipment, material, consumables and accessories.

Innovation Strength on the International Stage

During the Reporting Period, four bi-specific/tri-specific antibodies of Genor were named “Late Breaking” by the 2021 American Association for Cancer Research (AACR): CD20/CD3 (GB261)、PD-L1/CD55(GB262)、EGFR/cMET/cMET(GB263T) and Claudin 18.2/CD3(GB264)。

In May 2021, we presented the clinical data of GB226 (Geptanolimab, Aibining®艾比寧®) at American Society of Clinical Oncology (ASCO). A phase Ib trial of assessing the safety and preliminary efficacy of a combination therapy of Geptanolimab (GB226) plus Fruquintinib in patients with metastatic colorectal cancer (mCRC).

At the European Society for Oncology (ESMO) Congress, which was held in September 2021, Professor Shi Yuankai shared a speech of “Geptanolimab (GB226) in Chinese patients with relapsed or refractory primary mediastinal large B-cell lymphoma: Results from a multicentre, open-label, single-arm phase 2 trial.”

Global Innovation Layout

The Group further accelerates the global pipeline layout and accelerates the progress of clinical trials, and establishes a new clinical trial centre in Australia. Relying on the cooperation of the global R&D centre, the Group's multiple R&D platforms have worked closely to overcome difficulties and leverage their respective strengths to co-efficiently promote the development of different projects during the pandemic.

Expanding innovations globally, Genor appointed several world-renowned experts in tumour immunologists & clinical oncology from China, the United States, the United Kingdom and Australia to become members of the Genor Scientific Advisory Board (SAB), including Dr. Alex A. Adjei, Dr. Zhijian Chen, Dr. Yangxin Fu, Dr. David Kerr CBE, Dr. Leonard Saltz, Dr. John F. Seymour AM and Dr. John R. Zalcberg OAM.

The participation of the world's top scientists reflects their high recognition of Genor's research and development philosophy, scientific research strength and continuous exploration. Their participation will accelerate the pace of the Company's global innovation, provide valuable inputs on Genor's FIC/BIC potential and differentiated pipelines, and support the rapid advance of candidate drugs into clinical development in China, the United States and Australia.

Driven by Innovative Talents

Innovative talents are the fresh blood and innovative vitality for enterprise development. As a bio-innovation company, we attach great importance to the management of attracting, training, and motivating innovative talents. Currently, the Group's core management team has more than 20 years of professional experience on average with proven track record and a well-balanced combination of expertise spanning research and discovery, clinical development, manufacturing, regulatory affairs, commercialisation, and financing.

In 2021, based on the dimensions of Growth, Identity, and Value, Genor was named "Outstanding Employer of the Year" by Liepin:

Growth

Genor focuses on making achievements with innovations, which allows Genor to be a training and development base for local talent and cultivate high-quality talent in scientific research and commercialisation with professional skills in China's biomedical field. **Moreover, with the best companions, Genor's employees are always motivated to be better!**

Identity

No matter what position they are in, Genor employees have the stage to give full play to their talent, and actively practice the continuous exploration of core technologies and their own career development fields, to build a first-class biopharmaceutical enterprise in order to meet unmet medical needs through a joint effort. **In an enterprise environment where innovative ideas are highly recognised and respected, we can gain recognition for our own growth and values!**

Value

Genor also attaches great importance to the physical and mental health of its employees and their families, and practices corporate social responsibility in various aspects such as corporate operation, talent training, and the joint participation of management and employees. **We pay attention to employees' health, contribution, learning and self-improvement and we organise events to make the employees realise their value!**

Core Talent Retention

In terms of retaining core talent, the Group has become a key institution providing support for high-end innovative talents to settle down in Shanghai. We also provide housing subsidies for employees in need. In addition, the Group invests significantly in recruiting and attracting overseas talents. In 2021, we recruited four high-end R&D talents in North America and Australia to further enhance the team's innovation and scientific research capabilities.

In the Shanghai Pudong R&D centre, technology personnel accounted for more than 70%, and employees with master's and doctoral degrees or above accounted for more than 35%. During the Reporting Period, the Group strengthened its efforts in early-stage R&D innovation by offering various trainings in professional skills, industry dynamics and disease diagnosis and treatment to support employees' professional skills in respective fields.

Diverse Talent Incentives

In order to fully mobilise the enthusiasm of innovative talents and enhance the Group's innovation and R&D capabilities, the Group has initiated a set of incentive plan that optimised and upgraded continuously. For talents who make special contribution to the scientific research and innovation projects, we will provide incentives such as special promotions, bonus, and spiritual incentives.

Platform-based Talent Development

The Group strives to provide a fast growing and comprehensive development platform for preeminent talents and helps cultivate high-quality scientific research talents for the biomedical field in China.

Customised Talent Training

The Group endeavours to serve as a stage for employees to excel as individuals. We provide employees with a comprehensive training mechanism, and actively explores core technological and professional skills and management capabilities, so that they can realise and enhance their self-esteem.

To standardise the training process and improve the skills of employees, we have advanced *the Training Management Rules* to regiment the training and participation process while encompassing all employees at different levels of the Group. It regulates the content, format, application criteria, organisation responsibilities, expense management, file establishment and management, evaluation and feedback, and management assessment of the training activities. Training contents concludes new employee training, industry knowledge and skills, capacity enhancement training and management training. The format of training covers classroom training, field training, seminars, online courses, job rotation, and mentorship. The Human Resources Department is responsible for the training of general skills of employees, while each department oversees the position-specific skills enhancement.

At the same time, we set up a training budget every year to encourage employees to participate in external training, and actively cooperate with colleges and universities to carry out talent exchange and provide internship opportunities for students. Through the "Jia Yi Live" online platform, we invited the practice heads of different departments and renowned experts in the field of oncology across the country to conduct 39 online training sessions for all employees in respect of the Company's business operations, as well as the latest progress of diagnosis and treatment of tumours, especially haematological tumours.

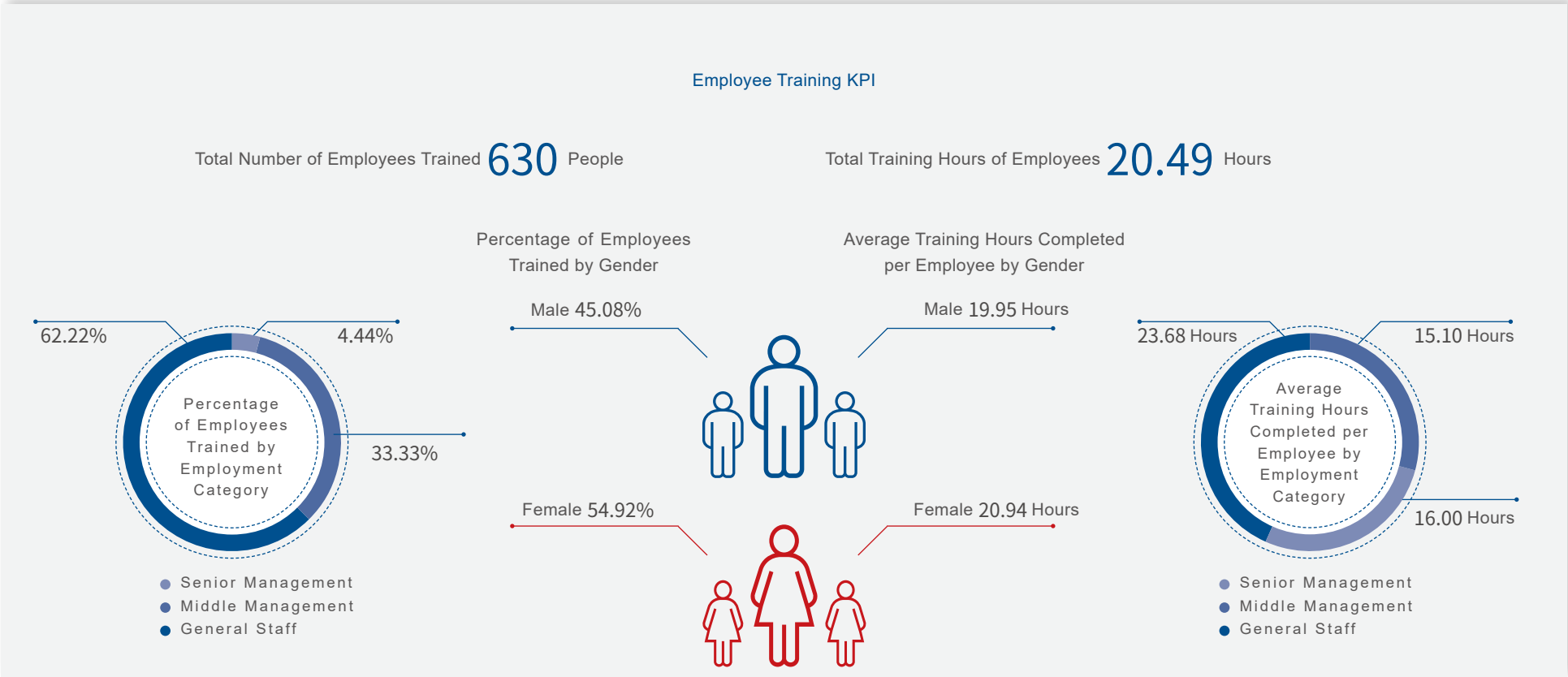
Combining the third-party professional online learning platform, "Genor Business School" provides all employees with rich management courses and constantly updated professional courses. Employees of Genor can draw their own or team "learning map" through the APP to improve their professional and management skills and enrich their management experience.

Genor Business School Logo

Empowering Talents

We organised dozens of innovation forums and academic sharing courses for employees in R&D and manufacturing technology field and invited top experts in the industry to give lectures covering technical training, regular training, laboratory management and other aspects. We also provide cross-departmental and cross-post vocational skills training for CMC and manufacturing department staffs to further enhance the competitiveness of the Group's innovative talents.

In 2021, many teams completed the training and passed the internal assessment with high scores. Our professional capabilities have also been well recognised by partners and customers, laying a solid foundation for the upcoming products commercial services.



Industry Co-creation for Mutual Winning

Over the past 15 years, Genor has always been leading the development of bio-innovation in China.

For a long time, Genor has been a member unit of China Pharmaceutical Innovation and Research Development Association, a director unit of Shanghai Pharmaceutical Profession Association, and a member unit of Cellular Immunotherapy Quality Management and Research Committee in Shanghai Pharmaceutical Quality Association. Genor has been actively leading the development of bio-innovation in China and is widely recognised in the industry. As a responsible biopharmaceutical company, Genor shoulders the social responsibility of helping promote the level of disease diagnosis and treatment, standardisation of treatment, and disease awareness. The Company actively organised and participated in various industry conferences, academic discussions, the establishment of expert groups and promotion of guidelines to boost the development of the biopharma industry.

April 19th — The First National Lymphocytic Disease Academic Conference of the Chinese Medical Association

May 17th — Jinling Lymphoma Forum 2021

May 21st — Drug Information Association (DIA) China Annual Conference 2021

June 21st — The Academic Annual Meeting of the Pharmaceutical Economics Professional Committee of the Chinese Pharmaceutical Association

July 9th — The Sixth International Summit Forum on Leukemia and Lymphoma

September 20th — European Society of Medical Oncology (ESMO) Congress 2021

September 26th — The Annual Meeting of Chinese Society of Clinical Oncology (CSCO) 2021

October 28th — Asia Biopharma Industry Innovation Summit 2021

November 15th — The Fifth Hainan International Health Industry Expo

November 21st — The First Chinese Lymphoma Patients Conference

November 25th — The 2021 BioSeedin Annual Meeting & Third Biopharma Developer Innovation Conference

Communication and Collaboration with Government

The Group maintains close communication with the government and regulatory authorities. During the Reporting Period, we provided a total of 9 feedbacks on the relevant regulations and technical guidance principles, including *the Guidelines for Summary of Adverse Reaction Data to Antineoplastic Instruction (Draft for Comments), the Guidelines for Comprehensive Analysis of the Effectiveness of Drug Clinical Research (Trial) and the Guidelines for FIH Extended Cohort Research of Antineoplastic (Trial)* issued by the National Medical Products Administration (NMPA) and the Centre for Drug Evaluation, all or part of which adopted our recommendations at the time of official release.

Meanwhile, since the establishment of the Yangtze River Delta Sub-Centre for Drug Evaluation, NMPA, the Group has actively proposed suggestions on the functional construction, including communication of drug research and development in the early-stage and the evaluation and approval of supplemental applications related to pharmaceutical changes after listing. We also submitted proposals to relevant departments to promote the innovative model, thus, to boost the long-term development of the pharmaceutical industry.

9 feedbacks

on the relevant regulations and technical guidance principles partly adopted

02

Inspiring Innovations with Robust Governance

With integrity and legal governance, the Group continuously improves the IP management system and resolutely protects the information security of the partners and itself. We strictly abide by business ethics and take ESG management and compliance operation as the solid foundation for the sustainable development of the enterprise.

- IP Protection
- Information Security Protection
- ESG Governance
- Compliance Management

IP Protection

IP protection has a significant impact on the Group's business operations. We strictly abide by *the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China* and other IP laws and regulations and have established a systematic management system internally for the protection of IP rights. We continuously enhance employees' awareness of IP protection in daily work, making IP protection an important part of the Company's culture.

During the Reporting Period, the Group newly formulated internal management documents such as *the Trademark Use Specifications and the Trademark Management Standards* as the reference basis for the IP protection management system, and incorporated the whole process of creation, protection, cooperation and application, management, and training of the IP into its management system. We pay close attention to the updates in IP laws, regulations and practices in the domestic and overseas pharmaceutical industry and adjust our internal system in a timely manner to ensure that we are at the forefront of the industry.

IP Rights Application

The Group actively promotes patent applications in domestic and abroad for innovative technological achievements and protects scientific research achievements as soon as possible. The IP department of the Group regularly monitors the infringement of licensed patents through multiple channels such as patent documentation checks, drug administration registration agency and market surveys, so as to timely discover and curb the infringement actions against the Group's IP.

IP Cooperation and Utilisation

For projects involving technology development and technology cooperation, the Group conducts IP investigation, and incorporates the IP risks and values as the key indicators for project establishment and evaluation. We discuss solutions regarding the risks identified from intellectual properties, such as using the invalidation procedures or conducting bypass design.

IP Management

Employees are responsible for the confidentiality of sensitive information. The Group strictly regulates the confidentiality code of conducts of employees and requires them to sign a non-disclosure agreement with the company upon the on boarding. Employees are required to return all tangible carriers of confidential information that are under personal custody after the resignation or retirement.

IP Training

During the Reporting Period, we carried out customised IP protection trainings for different departments. Through online and offline channels, employees learned and exchanged ideas various topics, including patent search, case sharing in antibodies, protection of antibody activity testing, and IP protection of R&D achievements.

IP Awards

The Group's efforts in IP protection have been recognised by many stakeholders. In August 2021, the Group received supports from the special fund for IP rights of Zhangjiang Science City. In November 2021, the Group received the award for IP management capacity building issued by the IP Office of Pudong New Area, Shanghai.

Information Security Protection

The Group attaches great importance to the protection of commercial information security and stakeholders' information and privacy security. We strictly implement *the Confidentiality and IP Management System* to effectively protect the security of various business secrets and other confidential information, and strictly abide by the relevant provisions of *the Technical Guidelines for Clinical Trial Data Management* and *the Good Clinical Practice of Pharmaceutical Products* on data confidentiality and personal privacy protection of subjects.

Protection of Commercial Information Security

The Group has set different confidentiality levels to classify business confidential information, and each confidentiality level has set the scope of use, authority, and procedure. The archives shall register and keep the original tangible carriers of all confidential information other than biological materials, while all actions must be tracked by the record administrator in accordance with the usage regulations. For non-public biological materials, we have designated custodians to be responsible for registration, storage, and usage records.

For confidential information that needs to be disclosed to the public, the Group has established a strict internal authorisation and review system. We will conduct appropriate due diligence on all the third parties, and the business negotiation can only be initiated after the signing of non-disclosure agreement. Upon signing of the non-disclosure agreement, all information submitted to the third party shall be subject to internal review and approval in accordance with required procedures, and shall be marked as "confidential information", accompanied by the statements in where clarify the responsibilities of information confidentiality.

Information Security and Privacy Protection of Stakeholders

Each clinical project of the Group is equipped with an independent clinical trial Electronic Data Capture (EDC), which checks the rationality of each function during the establishment of the system and identifies and rectifies the existing loopholes. Also, EDC conducts logical inspections afterwards, and uses a unique identifier (subject number) in the database to replace subjects' identification information. Thus, there will be no personal privacy information being collected from subjects, as well as privacy leakage.

ESG Governance

Board Statement

The Board of Directors of the Group (the Board) has overall supervision responsibility for ESG-related matters and ESG management strategies. The Board is responsible for reviewing and approving ESG goals, and continuously examining and monitoring the progress of achieving the goals. For the ESG risks and opportunities identified by the managers and heads of the Company, the Board will ensure that a reasonable and effective ESG risk management. Every year, the Group updates the material ESG issues database based on its business operations, and reports to the Board for confirmation. The Board is responsible for the final review and approval of the disclosure of material ESG issues.

Communication with Stakeholders

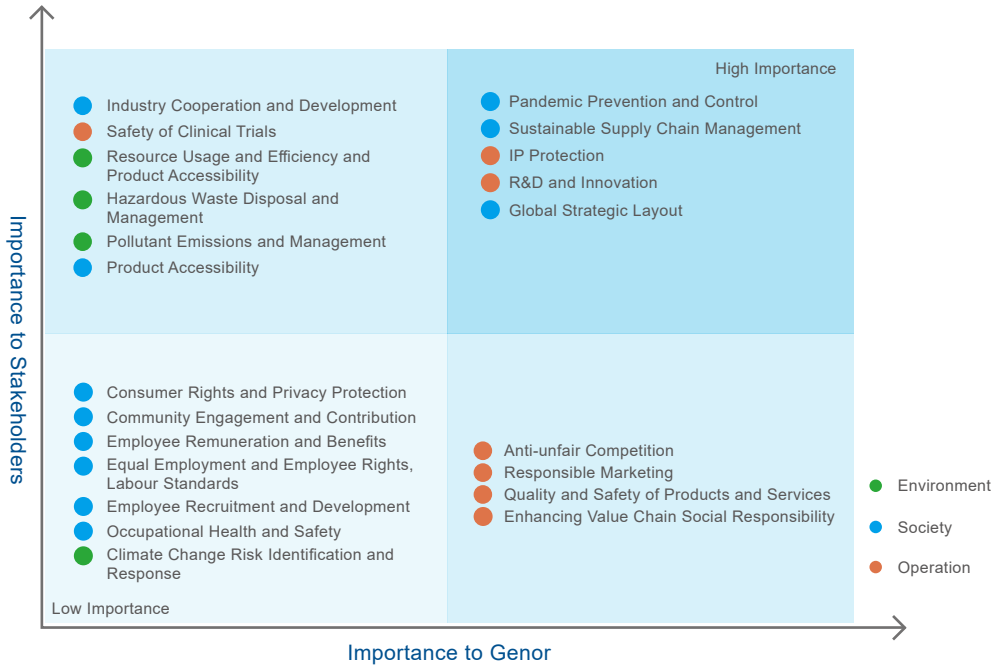
Building and maintaining communication channels with our stakeholders is beneficial for us to directly understand stakeholders' expectations and suggestions on our ESG performance. In September 2021, the Group established the Capital Markets Department, which is mainly responsible for communicating with investors, presenting the corporate image and understanding the needs of stakeholders. The major stakeholders of the Group include shareholders and investors, employees, government and regulators, suppliers and other partners, media and the public, industry associations and other NGOs (non-governmental organisations).

Stakeholders	Concerns and Expectations	Methods of Communication
Shareholders and Investors	• Economic Performance • Compliant Operation • Quality and Safety of Products and Services • R&D and Innovation • Global Strategic Layout	• General Meeting • Investor Meetings and Roadshows • Industry Summits • News Release and Announcements • Website Publishing • Corporate Report
Employees	• Occupational Health and Safety • Equal Employment and Employee Rights • Employee Development and Training	• Trade Union and Team Building Activities • Daily Communication • Staff Meetings • Management Dialogue
Government and Regulators	• Greenhouse Gas Emissions and Management • Pollutant Emissions and Management • Quality and Safety of Products and Services • Consumer Rights and Privacy Protection	• Government-corporate Meetings • Seminars • Compliance Reports
Suppliers and Other Partners	• Supplier and Distributor Management • Sustainable Supply Chain Management • Pollutant Emissions and Management • Resource Usage and Efficiency • IP Protection	• Work Meetings • Supplier Evaluation and Audit • Daily Communication
Media and the Public	• Occupational Health and Safety • Hazardous Waste Disposal and Management • Labour Standards	• Press Releases and Announcements • Media Events • Charity/Public Welfare Events
Industry Associations and Other NGOs	• Quality and Safety of Products and Services • Compliance Operation • Hazardous Waste Disposal and Management • Industry Cooperation and Development	• Industry Exhibitions and Forums • Website Publishing • Corporate Report

Materiality Assessment

Each year, the Group updates the ESG material issues according to its business operations, so as to better respond to stakeholders' inquiries and concerns about the Group's ESG issues. In 2020, we commissioned a third-party consultant to conduct a survey on material issues, which provided an important reference for the assessment of material issues. During the Reporting Period, we deeply explored the latest guidelines of regulatory agencies and rating agencies, social hot topics, industry trends, and best practices of competitors, and updated the material issues based on the Group's business priorities, which were finally confirmed by the Board. The matrix chart of the Group's material issues in 2021 is as follows:

The Group's 2021 Materiality Matrix



Based on the two dimensions of "importance to stakeholders" and "importance to the Group", we have identified our important issues in 2021, which will be elaborated in the Report as follows:

Aspects	Important Issues	Corresponding Section
Operation	• IP Protection • R&D and Innovation	• Inspiring Innovations with Robust Governance • Preceding Breakthroughs with Excellent Leadership
Society	• Pandemic Prevention and Control • Sustainable Supply Chain Management • Global Strategic Layout	• Caring for People and Contributing to Society • Synchronising Quality and Safety Management • Preceding Breakthroughs with Excellent Leadership
Environment	• Hazardous Waste Disposal and Management • Pollutant Emissions and Management	• Promoting Resilient Environment and Green Development • Promoting Resilient Environment and Green Development

Compliance Management

The Group strictly complies with national laws and regulations related to anti-corruption, including *the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Anti-unfair Competition Law of the People's Republic of China* and *the Anti-money Laundering Law of the People's Republic of China*. We continuously improve the internal anti-corruption management system while adopting *the Industry Anti-corruption Regulations* to regulate employees' daily behaviour in terms of bribery, company information confidentiality, financial discipline, malpractices, and conflicts of interest to prevent corruption and other violations from occurring. At the same time, we monitor the corruption and other violations by regular and irregular audit of financial expense data and related process data. In 2021, there were no corruption related lawsuits within the Group.

Anti-corruption Reporting

To effectively prevent the occurrence of corruption incidents, the Group has established a complete reporting mechanism, which is standardised through *the Rules for Reporting Management* to build an anti-corruption environment and protect the rights of whistle-blower. The reporting scope covers any forms of fraud or violation of the company's policies, regulations and compliance ethics made by the management and employees. The whistle-blowers can report in person or anonymously through various channels. Then, the investigation team established by the Compliance Department will conduct investigation on the reported matters, supervise the investigation process, and finally issue an investigation report. Violators will be punished according to the severity of the case, and will be transferred to the law enforcement agencies for handling if necessary. The relevant information of the whistle-blower and the reporting content is always kept strictly confidential. The Group ensures that the whistle-blower is not subject to any form of retaliation.

Anti-corruption Training

The Group continues to enhance the corporate compliance and anti-corruption culture. We constantly improve the anti-corruption awareness among all employees through training, especially provide special anti-corruption training and online training for new directors and new employees. We also upload all relevant documents online for employees to view at any time. Furthermore, all employees are required to sign an industry anti-corruption commitment statement, which indicates that they acknowledge and will comply with the relevant laws and regulations.

03

Synchronising Quality and Safety Management

The Group actively undertakes social responsibilities, strengthens ESG management of suppliers, and drives all partners to practice the concept of sustainable development.

- Comprehensive Quality Management
- Responsible Supply Chain Management
- Improving Drug Accessibility

Comprehensive Quality Management

The Group strictly complies with national laws and regulations including *the Drug Administration Law of the People's Republic of China, the Provision for Drug Registration, Good Manufacturing Practices for Pharmaceutical Products, the Measures for the Supervision and Administration of Drugs Production, the Provisions for Adverse Drug Reaction Reporting and Monitoring, the Announcement of the National Medical Products Administration on the Direct Reporting of Adverse Drug Reaction by Holders of Drug Marketing Licenses etc.*

Drug Lifecycle Management

The Group has established and continuously improved the quality management system throughout the lifecycle of drugs to ensure the quality and safety in the three stages of drug R&D, technology transfer and commercial manufacturing. During the Reporting Period, we updated our internal management documents in various areas such as GMP, Good Clinical Practice (GCP), Good Pharmacovigilance Practice (GVP) and Good Supply Practice (GSP) in accordance with the latest domestic and foreign institutional documents and guidelines.

With regards to the newly revised *the Pharmacovigilance Quality Management* in December 2021, we conducted internal discussions and research and formulated *the Pharmacovigilance Quality Management System (QMS) Manual* to ensure the compliance of the pharmacovigilance process of the Group. During the Reporting Period, we revised internal documents such as *the Post Marketing Surveillance Study, the Clinical Trial Safety Information Monitoring and Management Process, and the Drug Safety Information Reporting Management Regulation.* We continuously improve and refine our quality management systems through the four steps of Plan, Do, Check and Act (PDCA) cycle.

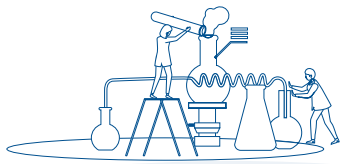
Quality Control Laboratory

To ensure the quality of production and meet the pre-determined purposes and registration standards, the Group continues to improve the management and construction of quality control laboratories. Also, the Group continues to optimise the management procedures for sampling, inspection, and other processes, while formulating quality standards and inspection methods for materials, products, pharmaceutical water/gas. Through environmental monitoring to ensure that they are inspected under the approved methods with proper product inspection reports. In addition, the laboratory also conducts sampling and sample retention management for final packaging products. It regularly conducts pre-delivery stability testing and inspection of products to provide a basis for comprehensive quality evaluation. During the Reporting Period, all the indicators at each inspection point of our products have met the requirements of acceptable standards.

Verification Management

The Quality Management Department is mainly responsible for formulating verification management plans for production equipment, the company's public system, sterile laboratory process and computerised system. At the same time, following the relevant GMP regulations, the Company has prepared a risk assessment plan and provided risk assessment tools for each department and workshop to conduct assessment and verification on systematic impact, key components, and control points, processes, and cleaning verification, so as to ensure the stable operation of production facility and instruments and effectively reduce the risk of pollution and cross-contamination.

The quality control laboratory and the Quality Management Department track the self-examination and rectification of each department through cross-departmental collaboration. Following the computer system verification and evaluation plan, they also supervise the implementation of production equipment and inspection instruments, evaluate the deviation of inspection results to avoid verification deviation and ensure the accuracy and reliability of inspection data, thus the supervision and review of each workshop and department can be completed as planned.



Drug Safety Committee

In accordance with the requirements of the Chinese drug administration regulations, the Group has established the Drug Safety Committee, responsible for significant decisions related to pharmacovigilance including the research and judgment of major risks, the handling of major or urgent drug incidents, risk control decisions. During the Reporting Period, we revised the Drug Safety Committee Charter on the committee's working scope, confidentiality requirements and meeting procedures to meet the latest drug administrative regulations and improve the risk prevention and safety management capability.

The Group has established various mechanisms to ensure the safety of clinical trials, protect the legitimate rights and interests of subjects. We have developed 71 Standard Operating Procedures (SOP) with another 63 SOPs under development. These documents enhance the standardise standard operating procedures and are implemented with trainings to ensure the safety of drugs and clinical trials. The person in charge of each clinical project will organise daily meetings to discuss and track the project plan. Based on the on-site inspection by the National Medical Products Administration (NMPA), the quality management department of the Group formulates an inspection plan for the project every year to achieve double insurance for clinical trials and drug safety to create safe clinical trial conditions.

71
SOPs
were already developed

63
SOPs
were under developing

Case Genor successfully completed the GB242 registration verification and GMP compliance on-site inspection

From April to May 2021, GB242 has completed the clinical trial data on-site verifications in the First Affiliated Hospital of Soochow University, the Linyi People's Hospital, the United-power Central Laboratory, Shanghai Xuhui Central Hospital, the GB242 register production site inspection in Genor Biopharma's pharmaceutical development site in Shanghai, and the GMP compliance inspection in Yuxi Genor in Yunnan.

The on-site inspection conducted at the Shanghai CMC Centre of Genor was the first drug registration on-site inspection since the setting up of the Yangtze River Delta Sub-centre for Drug Evaluation and Inspection of the National Medical Products Administration (NMPA), which was conducted by the inspection team led by the deputy director of the Centre. The expert team highly recognised the efforts, reliable information, and comprehensive response of Genor's project team.

Before the formal inspection, Yuxi Genor organised a comprehensive internal audit to conduct self-inspection on the management of the company's human and machine materials. It recorded the problems found, formulated rectification measures, and followed up the enhancement of each department. Through self-inspections and renovations, it improved the compliance level of the company's drug-related laws and regulations.

Thanks to the solid capacity of Genor's CMC R&D Centre, Medical Department, Regulatory Affairs Department and Yuxi Production as well as the transparent communication with relevant institutions, the registration verification and GMP compliance inspection was passed smoothly.

Staff Quality Training

The Group's quality management system relies on each employee's attention to quality and safety standards. Therefore, employee quality training is an important part of implementing the quality safety. The Group has formulated the SMP of Quality Training, with an annual training plan from top to bottom. We have also carried out targeted quality training according to the needs of each department and position to ensure that the project is implemented as planned. New employees participate in a unified training plan, and in-service employees undergo re-training and job transfer training, covering GMP, job operation, production safety and other fields. After the training, we organise a unified assessment to ensure training quality. The assessment results are recorded in the Employee Training Record Form. Only those who pass the training and assessment can work independently to ensure that every employee maintains quality and safety awareness.

Storage Process Management

To manage the receiving, storage, distribution and weighing of raw and auxiliary materials and consumables, Yuxi Genor has formulated *the Material Receipt Operation Procedures, the Material Storage Operation Procedures, the Material Distribution Operation Procedures, the Material Weight Operation Procedures,* and *the Material Management Operation Procedures*, which regulates each step in the process through internal management documents.We have also formulated a comprehensive finished product management system from its the receiving, storage to delivery, including the Products Receipt Operation Procedures, the Products Storage Operation Procedures, and the Products Delivery Operation Procedures. For the management of material warehouse and finished product warehouse, the Operating Procedures for Material Warehouse Management has been formulated, which specifies the routine management system, hygiene and cleaning, temperature inspection, etc. Yuxi Genor also conducts weekly warehouse inspections and record-keeping to ensure the drugs' quality and safety.

Product Complaint and Recall

In order to clarify the product complaint and recall process and improve the quality of products and services, the Group has established internal management systems including *the SMP for Drug Complaint Management* and *the SMP for Drug Recall Management*. We have set a variety of complaint channels, including the written letters, faxes, emails and phone calls, to ensure that the complaints will be recorded in *the Quality Complaint Record Form* promptly and then transferred to responsible department for internal verification. For effective complaints, we will respond timely and then take proper measures such as drug withdraw, material compensation, economic compensation and recall, while filling in *the Quality Complaint Handling Sheet*.

As a biopharmaceutical company that is entering the commercialisation stage, the Group plans to summary the complaints that will be handled annually, which would help us to propose effective preventive measures to avoid the same quality issues. During the Reporting Period, no products were sold or shipped that had to be recalled for safety and health reasons, nor were there any customer complaints about products and services.

Responsible Supply Chain Management

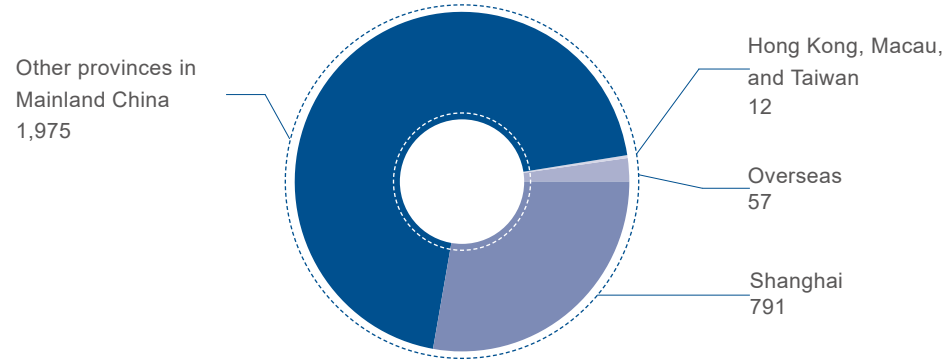
The Group hopes to establish a long-term and win-win ecosystem with excellent supplier partners. We have formulated *the Management Procedure of Procurement, the Material Supplier Audit Management Procedure, the Procurement Management Rules for Non-GMP Material Suppliers* to strictly control the access, evaluation, audit, and approval of all suppliers. These policies ensure the quality of suppliers' products and services, and reduce the risks brought by suppliers' quality and safety issues.

Supplier Review and Assessment

According to the above policies, we would conduct a comprehensive risk investigation on key service and material suppliers through due diligence after the initial screening of partners. If hidden risks are found, we will require suppliers to make internal clarification and re-judge the risks. If the risks still exist, the business department will be advised not to use the supplier. Suppliers with zero or controllable risks would be contained in our supplier pool. The Group conducts multi-dimensional scoring to select high-quality suppliers in the industry for cooperation. We also conduct a daily audit through the internal SOP during the corporation, and invite business departments to participate in the annual performance evaluation of suppliers' quality, complaints, timeliness of delivery and accuracy of contract execution of partners.

Since August 2021, new suppliers are obliged to sign *the Special Provisions on Anti-bribery and Anti-corruption* to prevent corruption issues and thus create a health environment for fair competition. The procurement manager of the Group should strictly follow the procurement process stipulated in *the Management Procedure* of Procurement to conduct price inquiry and comparison, complete *the Procurement Comparison Sheet*, and apply for approval. We classify the products provided by material suppliers into Class 1, 2 and 3, according to the impact on patient's safety. To ensure that material suppliers can provide qualified materials continuously and steadily, we have formulated *the Materials Supplier Audit Management Procedure*, which stipulates that the supplier screening and approval process is Preliminary Screening-> Qualification Audit-> Written Audit-> Trial Use of Material-> on-Site Audit-> Supplier Approval-> Signing Quality Assurance Agreement with Class 1 and Class 2 suppliers.

During the Reporting Period, the Group had a total of 2,835 suppliers. The number of suppliers by region is as follows:



In 2021, Yuxi Genor approved 10 new suppliers, including 3 in Shanghai and 7 in other provinces in Mainland China.

The supplier screening and approval process

Supply Chain ESG Risk Management

The Group uses ESG risks as an indicator for selecting partners, actively builds a green and uncorrupted industrial chain. We select suppliers with ESG-related system assessment and certification and does not cooperate with suppliers with ESG risks.

Supplier Management

In terms of green procurement, we will consider circularity issues such as whether the packaging can be degraded, whether the cold chain distribution boxes is recycled, and whether stainless steel storage tanks can replace with disposable liquid storage bags. We plan to include low-carbon concept in the supplier access system in the future and continuously increase the importance of ESG risks in supplier assessment.

Distributor Management

During the Reporting Period, we formulated a complete distributor management system to prepare for the launch of drugs. High-quality distributors are prioritised during the selection of channels. With the thought of environmental protection and reducing hierarchy in mind, we took a flat design and management from logistics partner, first-tier distributor to pharmacies. We cooperated mainly with distributor groups to realise the integration of pharmacies and channels with a wide coverage. At the same time, the whole distribution process is transparent, which enables a full trackability for our product during the whole process. This facilitates patients' inquiries and ensures a high-quality delivery of products to patients.

Logistics Management

The Group strictly implements the annual audit of tripartite logistics and conducts an on-site audit at a certain proportion every year to ensure the authenticity and validity of the audit results. When inspecting the warehouse during the on-site audit, we also check whether the construction of the warehouse adopts green building standards, such as building materials, solar energy utilisation, rainwater recycling, to encourage the enhancement of warehouse's environmental performance.

Cold-chain transportation is an important element to ensure the quality and quantity of drugs. The Group's cold-chain drugs are transported by professional cold-chain companies. We have signed a quality assurance agreement with cold-chain company, stipulating that each batch of drugs in each temperature range should be transported in separate cold-chain containers. Two thermometers are placed in the box to monitor the real-time temperature of the drug until it is transported to the customer. The temperature is recorded continuously, and the data will be kept for three to five years to ensure the quality and quantity of the drug.

Case Localised procurement to ensure supply

Considering the negative impact of long-distance transportation on the environment and the instability of the pandemic, the Group is formulating relevant response strategies, including localised procurement and the development of alternative suppliers. We have completed the local replacement of the original disposable bags imported from the United States.

The Group closely communicates with each supply chain to ensure full compliance and to identify corporate operational risks. In this process, we also supervise the quality of their business completion and communicate with them on social responsibility. Currently, we take online and offline visits for business communication. Based on daily communication, we regularly carry out training in all business-related fields every year to improve the business capabilities of partners, promote industry exchanges and development, and make continuous efforts to achieve mutual benefit.

Improving Drug Accessibility

We are committed to providing patients with high-quality, affordable, and world-class therapies to improve their life quality and enhance corporate value and influence. We cooperated with the professor at China Pharmaceutical University to analyse the disease related burden of peripheral T-cell lymphoma (PTCL) and study the pharmacodynamics, economic revenue, and drug price suggestions of Geptanolimab. We will reduce the burden of low-income patients through various methods and improve the accessibility of patients' drugs.

04

Caring for People and Contributing to Society

The Group always believes that talents are its most valuable treasures. They are also the cornerstone and the driving force for the sustainable development of an enterprise. We always adhere to responsible employment and the people-oriented principle, caring for employees in all aspects. We also emphasise talent training, implement humanised management, and strive to provide employees with a competitive development platform. As a result, we promote the common development of employees and the enterprise for the greater cause.

- Responsible Employment
- Employee Welfare
- Health and Safety
- Social Contribution

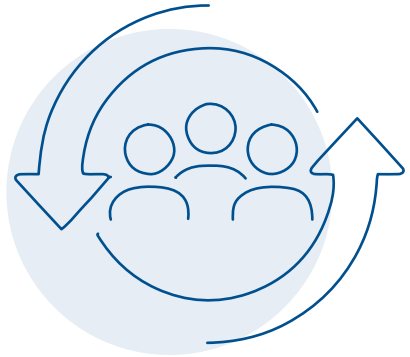
Responsible Employment

The Group strictly complies with laws and regulations, including *the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, the Social Insurance Law of the People's Republic of China, the Provisions on the Prohibition of Using Child Labour* and *the Law of the People's Republic of China on the Protection of Women's Rights*, etc. Meanwhile, the Group has established an internal system of the *Regulations on Employment, Labour Contracts and Probationary Periods* with reference to the above laws and regulations to improve its employment system and regulations.

The Group's employment follows the internal process and management system to handle the entry formalities for new employees. All employees onboard at their own will. We strictly prohibit any form of forced labour and the recruitment of child labour. All employees must meet the requirements of local laws and regulations in terms of age, and we require new employees to verify their identifications when handling the application procedures to prevent the employment of child labour. If forced labour or child labour is inadvertently discovered, we will terminate the contract with it immediately and investigate, and take responsibility immediately to prevent the recurrence of such incidents. During the Reporting Period, there was no violations of employment-related laws and regulations within the Group.

The Group's recruitment is based on the principles of fairness, impartiality, and openness, and is guided by the capacity of employees, and does not discriminate based on their ethnicity, race, age, gender, political or religious beliefs. We have always adhered to the principles of equal employment and equal pay for both men and women. No incidents of discrimination were occurred during the Reporting Period.

Employment KPI

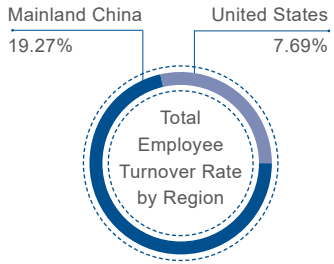


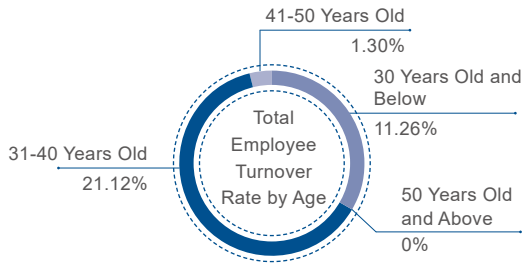
The Staff Turnover Rate Was **19.00%**

Total Employee Turnover Rate by Gender

Male 19.59%

Female 18.57%



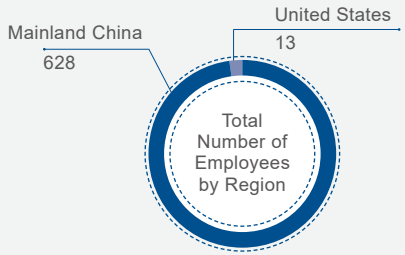


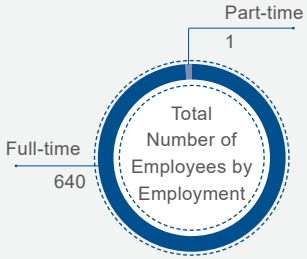
The Total Number of Employees of the Group Was **641**

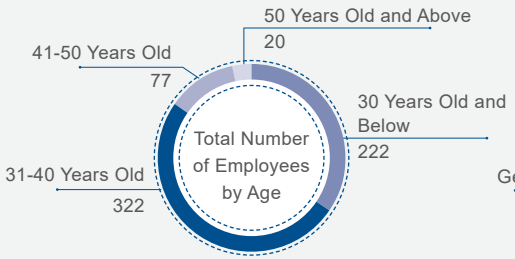
Total Number of Employees by Gender

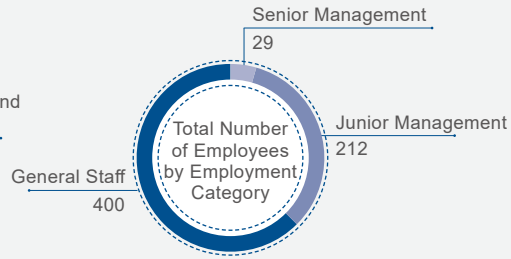
Male 291

Female 350









Employee Welfare

Employee Benefits

The Group is committed to providing competitive remuneration and benefits for its employees. Our remuneration consists of basic salary, performance bonus, other bonuses, allowances, and overtime pay with a dynamic salary adjustment mechanism. Meanwhile, senior and junior employees and some key front-line employees participated in *the Employee Stock Ownership Plan.* We conduct annual employee performance evaluation, and the evaluation results are used as the main basis for annual performance bonus, salary increase and employee promotion.

Our employee benefits include statutory benefits, such as full and timely payment of housing fund, pension, and unemployment, medical, work injury and maternity insurance for employees in accordance with national and local laws and regulations. In addition, various supplementary benefits are provided such as annual medical check-up, supplementary commercial healthcare insurance, holiday gifts, overtime subsidies, etc. Regarding working hours, the Group has implemented a five-day work week in strict accordance with national laws and regulations, and has customised working schedules for different positions, with comprehensive working hours or irregular working hours. All employees are entitled to paid holidays, legal holidays, wedding leave, funeral leave, maternity leave, and other leave entitlements.

Employee Care

The Group is committed to creating a comfortable and friendly working environment for employees and enriching their spare time through various activities, such as sports day, birthday party, statutory holidays, annual meeting, and other celebrations. The Group attaches great importance to and cares for every employee. In 2021, we distributed heat-proof and moisture-proof gift packs to Zhengzhou employees in the event of heavy rain in Henan. During the epidemic in Nanjing, anti-epidemic gift packs were distributed to employees in Nanjing. On Women's Day, we prepared gifts (female skincare products) for female employees, and offered sick employees gifts (fruits). We respect and care for female employees, and Yuxi Genor has set up a Female Staff Committee, established nursing rooms and conveyed greetings during their pregnancy and the holidays. In 2021, we assisted 7 employees in need and provide them with Spring Festival compensation and gifts.

Mid-autumn Festival activity

Women's Day activity on March 8th

Employee Communication

The Group emphasises maintaining smooth communication with employees and creating harmonious labour relations. We have established various communication channels and platforms for our employees, such as CEO letters, townhall meetings, internal training on public relations, democratic communication meetings, symposiums, etc. We encourage employees to give feedback on suggestions and needs through emails, phone calls, face-to-face meetings, to ensure that employees are reachable to the upper managements and realise cross-departmental communication.

We continue to maintain transparent communication between departments and to the management team, so that employees can timely receive important organisational development, follow the strategic direction of the company and the progress of key projects. A satisfaction survey is conducted to ensure the full fulfilment of the contract. We communicate with employees through management meetings, key groups symposiums and annual review meetings.

CEO visit

Anti-fraud training

Holding symposiums with employees

Health and Safety

Occupational Health and Safety

Genor strictly abides by *the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Provisions on the Supervision and Administration of Occupational Health at Work Sites* and other laws and regulations. We have formulated a comprehensive occupational disease prevention system, including *the Occupational Hazard Personal Protective Equipment Management System, the Occupational Hazard Monitoring and Evaluation Management System, the Occupational Hazard Warning and Notification System, the Occupational Hazard Accident Management and Reporting System, the Occupational Hazard Accident Emergency Relief and Management System, and the Occupational Hazard Project Reporting System.*

In terms of the storage and management of hazardous chemicals, the Group has compiled with the *Operating Procedures for the Management of Hazardous Chemicals, the Operating Procedures for the Management of Highly Toxic Chemicals* and *the Operating Procedures for the Management of Precursor Chemicals.* The Group has also set up a special storage area and implemented dual-person and dual-lock management.

The Group annually provides physical examination, commercial supplementary medical insurance, and occupational disease examination for employees. In addition, the Group complies with *the provisions of the Occupational Health Management Regulation* and other internal regulations and conducting occupational disease assessment and prevention measures. The laboratory conducts occupational hazard testing and evaluation every year and generates testing reports to record online.

We attach great importance to occupational health and safety training. During the Reporting Period, the Group organised employee environmental health and safety (EHS) training, fire safety training, occupational health and safety training, special equipment operator training and other activities. All departments are equipped with safety officers to carry out targeted occupational hazard training for different positions in the department.

For example, Yuxi Genor compiled the "Pre-assessment of Occupational Hazards" and "Occupational Health" and commissioned Yunnan Anyi Safety Evaluation Co. LTD. to evaluate the effect of occupational hazard control in production areas, laboratories and air-conditioning control room. Yuxi Genor further improved the occupational health management and the supervision scheme, popularized the occupational hazards notification through setting up the warning labels and instructions. In 2021, Yuxi Genor carried out 2 EHS-related trainings, participated in occupational health knowledge training and passed the examination.

EHS training

Occupational health training

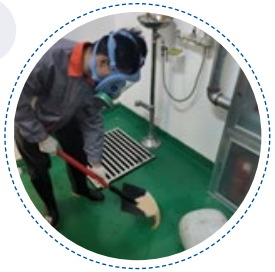
We further identify and prevent workplace safety threats through *the Fire Safety Facilities Management Regulations*, improving employees' emergency response capability. During the Reporting Period, we organised fire emergency drills and chemical leakage drills, such as accidental ignition of combustible materials. Meanwhile, we helped departments in disaster-prone areas carry out emergency drills for earthquakes, floods, and typhoons to strengthen employees' ability to respond to climate risks.

Production Safety Management

The Group has always taken occupational health and safety as the priority, and strictly complies with relevant laws and regulations, such *as the Work Safety Law of the People's Republic of China.* At the same time, the Group has formulated internal systems such as *the EHS manual, the Site Safety Inspection Procedures, the Fire Control Facilities Management Procedures, the Special Equipment Management Procedures, the Limited Space Management Procedures, the Occupational Health Management Procedures, the Safety Emergency Response Procedures, the Laboratory Safety Management Procedures, the Production Safety Emergency Plan.*

During the Reporting Period, we further improved our standardised production safety management system. Besides, we advanced the management of 13 core principles, such as safety production objectives, organisational structure and responsibilities, safety investment, laws and regulations and safety management system, education and training, production equipment and facilities, and operation safety. The Group has established a three-level structured Safety Production Management Committee, which consisting of the committee directors, department heads and EHS specialists from each department.

To further identify and prevent potential safety threats at workplace, we have developed rules and regulations such as *the Hazard Identification, Assessment and Control Management Procedure, the Preventive Maintenance of Equipment Management Procedure,* and *the Fire Control Facilities Management Procedure.*

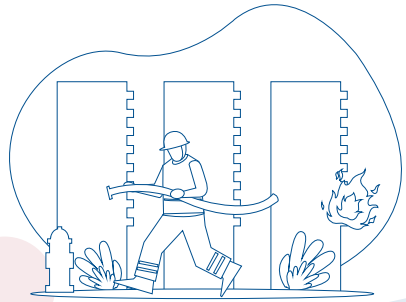


Chemical leakage drills

Fire emergency drills

Fire escape drill

Fire drill



Genor is committed to providing a safe working environment for employees. In order to clarify the main responsibilities of each department and ensure safe production, the Group has formulated *the Responsibility for EHS*. During the Reporting Period, there were no work-related fatalities within the Group and 0 days were lost due to work-related injuries.

Safety Production Standardisation Certificate of Genor

KPIs	Unit	2021	2020	2019
Number of Work-related Fatalities	Person	0	0	1
Rate of Work-related Fatalities	%	0	0	0.3

Genor attaches great importance to employees' health and has been committed to enhancing safety measures and ensuring 100% production safety. In practice, the Group does not involve in toxic and hazardous reagents, since the production of biopharmaceuticals using cell culture already places high demands on the safety of the chemicals involved. At the same time, the Group has stringent management for the procurement, storage, and distribution of a few chemical products. We have never used raw and auxiliary materials that are not industry verified.

Genor Biopharma's Laboratory Safety Management

Genor Biopharma has formulated *the Laboratory Safety Management Procedures, Reagent and Critical Experimental Consumables Management Procedures* and *Microbiology Laboratory Biosafety Management Procedures* for its laboratory worker. Moreover, to further ensure the employees' safety at workplace and prevent potential threats, it also conducted *the Equipment Maintenance* and *Prevention Maintenance Management Procedures.* At the same time, Genor Biopharma carried out laboratory safety management training and occupational health training regularly. It also provided regular physical examinations and protective measures and tools, like masks, protective clothing, protective gloves, for the personnel with access to sterilised pots and containers in the laboratory.

Yuxi Genor's Production Safety Management

As an important production base, Yuxi Genor developed internal documents such as the Safety Management Control Procedures to ensure safe production, In 2021, Yuxi Genor added the dual prevention mechanism in accordance with *the Work Safety Law of the People's Republic of China.*

The priority for security control is safety risk classification and supervision. The goal is to eliminate threats, improve accident control, effectively curb severe production safety accidents, and reduce safety risks. To this end, Yuxi Genor implements differentiated and dynamic management procedure according to the principle of "independent investigation, scientific assessment, classification and grading, and hierarchical control". The second priority is to identify potential threats. Through the inspection process, Yuxi Genor is able to avoid any types of irregularities, and check other factors in production and operation activities, such as possible unsafe condition of articles, unsafe human behaviour, or management defects, to avert causing evitable accidents.

During the Reporting Period, to hold a safety themed meeting to raise the safety awareness of staff at all levels, the Safety Production Month activities with the theme of "Implementing Safety Responsibility and Promoting Safety Development" was launched. Activities were organised including theme meetings, safety and environmental education and publicity, fire safety training held by experts and training and drills about hazards practice and special equipment.

Special equipment drill

Production safety education

Employees participating in hazards practice training

Within the Safety Production Month, special safety inspections are also carried out. Potential threats of fire safety were investigated in crucial areas, such as the electricity distribution room, gas cylinder room, dangerous chemical store, and quality control laboratory. Moreover, the staffs were organised to participate in the online Safety Production Month knowledge competition, and led them to study the "*General Secretary Xi Jinping's Important Discourses on Work Safety*".

In order to ensure safe production and strengthen staff safety control, Genor regularly checks internal safety risk points and carries out self-inspection activities of "Safe production Hi-tech Walk". All employees need to sign a *Safety Responsibility Agreement* with, the management committee of the parks and the High-tech District, and the Hongta Branch of the Public Security Bureau. At the same time, *the Safety Responsibility Agreement* was referred constantly to ensure stable operation and guarantee the realisation of the annual safety goal. For example, third parties were entrusted to conduct safety inspection and all the detected threats should be rectified timely with report for records. In addition, the aging fire hose found during the self-inspection should also be replaced in time.

Specialised safety inspections

Inspection of fire hose aging issues

COVID-19 Prevention and Control

The COVID-19 has deepened Genor's understanding of "responsibility". Facing the challenge of pandemic prevention and control, the Group has launched a series of anti-pandemic prevention measures to stop the spread of the virus in the community to protect our employees' health.

Internally, we implement various pandemic prevention measures to ensure the health and safety of every employee at the workplace. Externally, we actively raised funds and equipment, making an important contribution to overcome the pandemic crisis along with the front-line health care workers and patients.

In order to effectively prevent the spread of the pandemic, the executive level of the Group established an Anti-pandemic Leadership Group at the first place, which consists of senior management, HR and administration, procurement, engineering, EHS and other departments. We also set up a personnel dynamic monitoring team, a pandemic safety and security team, a material security team and an external liaison team. They are responsible for coordinating pandemic prevention and control, responding to the pandemic control requirements of the Group, the external people, and the government. The teams determined specific strategies and methods based on the actual situation of the Group, coordinated the resolution of relevant major problems, and urged all departments to implement prevention and control measures.

During the normalised pandemic control period, in addition to the temperature measurement at the gate for health monitoring, we have set up hand sanitisers and emergency kits at the entrance of the laboratory and the reception desk. In addition, we implemented nucleic acid testing, green code inspection for external and returning personnel. The Company cooperated with the property and management committee of the park to organise employees to receive the COVID-19 vaccination. Except for the allergy sufferers, all staff have received vaccinations at least twice.

The Group also closely followed the needs of the epidemic areas. As Nanjing faced the impact of pandemic, we implemented policies such as work from home and temporary suspension of travel. We also distributed pandemic prevention supply packages in time, including masks, hand sanitiser, alcohol sprays, and physical thermometers.

When the pandemic prevention materials were scarce, we actively allocated and purchased various resources, distributed masks, disinfectants, and other materials to employees every week to ensure everyone's health and safety.

Social Contribution

To better give back to the local community residents, the Group has been actively involved in voluntary activities and contributing to the society. Genor has always attached great importance to caring for the community and improving the residents' living quality. In the national fight against the pandemic, we have always actively donated money and materials to implement the prevention inside and outside the Group. Despite the difficulties during the pandemic, we continue to fulfil the enterprise's social responsibilities.

Community Contribution

Genor constantly maintains communication with stakeholders to satisfy local community needs and consider their interests. Our staffs have also been actively responding to the needs of the society. In 2021, employees of Yuxi Genor voluntarily participated in the September Ninth Charity Day to contribute to charity fundraising, with a total donation of RMB 4,735 on their behalf, promoting the spirit of justice and courage.

Donations from employees on 99 Giving Day

The Group also encourages employees to engage in various community volunteer activities to enhance team spirit and actively care for vulnerable groups. During the Reporting Period, in response to the government's call, we organised some employees to participate in voluntary blood donation. In the future, the Group will continue to fulfil the corporate social responsibility to build a harmonious society.

Employees participated in voluntary blood donation

05

Promoting Resilient Environment and Green Development

On the basis of ensuring the compliance of production and discharge, the Group advocates sustainable development. We are committed to reducing the environment impact of corporate activities. We adhere to green production and operation, focus on improving environmental management. In addition, the Group also actively identifies climate change risks, improves the environmental protection systems, and optimises environmental protection measures to pursue sustainability in the long term.

- Environmental Management
- Addressing Climate Change
- Emission Management
- Use of Resources

Environmental Management

Genor strictly abides by *the Environmental Protection Law of the People's Republic of China* and other national, local, and industrial environmental laws and regulations. Meanwhile, we have issued a series of internal management systems such as *the Management Regulations on Safety and Environmental Laws and Regulations, Standards and Other Requirements,* and *the Emergency Plan for Environmental Emergencies.* We spare no effort to save energy and reduce emissions while enforcing environmental compliances.

The Group has developed *the Responsibility for EHS*, with the purpose of strengthening the environmental management and fully integrating relative responsibilities into the daily work among all departments. Our Chief Executive Officer (CEO) is the primary person that is fully responsible for the EHS management of the Group. On the other hand, the department heads take charge of the implementation of EHS work. Under the leadership of the CEO and the department heads, the EHS supervisor is responsible for daily EHS management. Each supervisor has to lead their department to comply with the EHS management regulation and complete the designated duties assessment.

The Group has formulated *the Environmental Emergencies Response Plan* to ensure timely detection and rectification of potential environmental threats during production. This is in response to emergencies such as equipment failures and water leakage. Also, we carry out drill activities to prepare our staff for emergencies and ensure their safety while diminishing our negative environmental externalities. A principle is empowered to mandate emergency plan, leading a Safety Production Committee whose members manage related matters, while the person in charge at each level performs the specific tasks.

Environmental Target Setting

To practise the concept of "lucid waters and lush mountains are invaluable assets" and achieve mutual development of environment and economy, we have mapped out the following goals based on 2021 and targeted to 2025 based on our current status:

- By 2025, to contrive carbon emissions reduction plans to reduce greenhouse gas emission intensity
- By 2025, to increase energy efficiency, promptly explore the use of clean energy, and reduce indirect energy consumption intensity
- By 2025, to enhance the efficiency of resource use, reduce the waste of water resources, and gradually reduce the water consumption intensity
- By 2025, to improve the waste utilisation rate, further develop intelligent and green office, and strive to reduce non-hazardous waste intensity
- By 2025, to promote innovative technologies and refined treatment to reduce the hazardous waste intensity

Environmental Protection Measurement

The business of Genor does not have a significant impact on the environment and natural resources. However, we are committed to strengthening environmental protection and reducing our carbon footprint by carrying out various environmental management, energy conservation and emissions reduction measures. The Group has been actively implementing energy-saving and emission reduction measures to mitigate production and operation. At the same time, the Group regularly monitors the pollutants discharged to minimise the emission of pollutants and avoid the adverse impacts on human health and the natural environment.

Addressing Climate Change

Climate change is a widespread global concern that affects everyone. Therefore, businesses must adopt a sustainable way of operation to address this problem. Being able to reduce carbon emissions and commit to cope with climate change is beneficial for the environment, and will help us align with evolving regulations and pilot our business more effectively.

Climate Change Risk Identification

The growing impact and risk of extreme weather and warming will expose the world to multiple climate catastrophes more frequently. Negligence in managing climate change risks can directly lead to loss of assets and an increase in maintenance costs and investment in adaptation measures. The Group has recognised the potential climate risks and has analysed the potential impact climate change may impose on the company by referring to the Task Force on Climate-related Financial Disclosures (TCFD) framework.

Physical Risks

- Acute Risk: Extreme weather-related events such as storms and rainstorms may result in leakage from the company's hazardous chemical storage sites and damage to equipment. Moreover, it may lead to failure in production promptly, delay in experiments, or cause products contamination during transportation by suppliers.
- Chronic Risk: Temperature raising may cause the air conditioning unit to malfunction and the temperature in the laboratory, productions sites and warehouses to become unbalanced, resulting in higher operating costs in terms of temperature regulation. Furthermore, a high-temperature working environment makes production workers feel unwell and reduces productivity, making them easily prone to personal injury accidents.

Transition Risks

- Policy risk: Under the “dual carbon” goal, the national and local governments have introduced more proactive carbon emission reduction policies, setting strict limits for the company’s carbon emissions to restrict the company’s production and operation.
- Market risk: Transition risk may lead to changes in market preferences, such as the emergence of the dual-carbon policy that drives an increasing number of consumers to prefer environmentally friendly products with lower carbon emissions produced through renewable energy. If an enterprise fails to identify the trend in advance and respond adequately, it may lose the market position and reputation.

Energy Conservation and Emissions Reduction Measures

In terms of energy use, the Group strictly abides by *the Energy Conservation Law of the People's Republic of China* and other relevant national laws and regulations and has formulated internal systems such as *the Operating Procedures for Production Planning.* We require relevant departments to develop energy use plans according to operating procedures to ensure reasonable energy supply and use. We also regularly compile statistics on electricity and steam usage in each section and make timely suggestions for improvement considering the current usage. In addition, the problems found will be solved for the first time to minimise energy usage, avoid waste, and ultimately achieve energy saving and emission reduction in all production and operation segments. We are committed to improving the efficiency of energy use and continue to actively explore the use of clean energy to reduce in indirect energy consumption intensity by 2025.

Warehouse Logistics

We strive to find the best energy-saving solutions in warehousing and logistics. The refrigerators and air conditioners used in warehouses are certified with national energy efficiency standards. Our logistics adopts a third party partner to pick up goods directly from each local factory to the central warehouse, thus maximise energy conservation and further reduce carbon emissions in the supply chain.

Production Process

We adopt energy-saving equipment and automatic control system in production, and appropriately adjust the equipment's process design according to different operating purposes. The Group optimises the energy-saving design of each part of the building and develops relevant conservation systems to strengthen the management of energy use. We also attempt to increase resources recycling and advocate for our employees to actively participate in energy conservation and emission reduction activities through meetings and publicity, to realise our energy conservation and emission reduction goals.

We are well aware that energy consumption and greenhouse gas emissions from production, warehousing, and logistics may impact the environment and natural resources. To this end, the Group has established a transportation management system to continuously optimise warehouse management procedures and transportation efficiency to reduce resource usage and emissions in the logistics process.

The Group's waste gas mainly comes from fugitive sources in the production workshop. We use primary and intermediate efficiency air filter treatment to reduce waste gas and indirect energy consumption intensity.

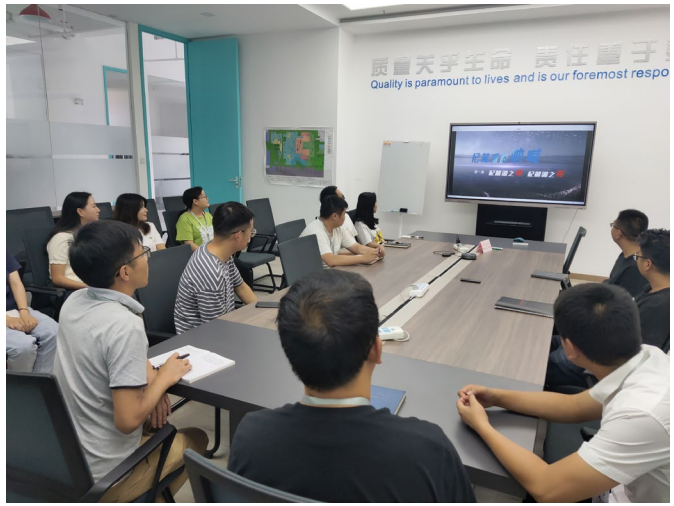
KPIs	Unit	2021
Greenhouse Gas Emissions and Intensity[1]		
Scope 1	Tonne CO_2e	20.15
Scope 2	Tonne CO_2e	7,928.42
Greenhouse Gas Emission Intensity	Tonne CO_2e/Person	12.40
Total Direct Energy Consumption and Intensity		
Diesel	MWh	2.96
Gasoline	MWh	78.55
Direct Energy Consumption Intensity	MWh/Person	0.13
Indirect Energy Consumption and Intensity		
Purchased Electricity	MWh	11,940.00
Purchased Heat[2]	MWh	2,503.22
Indirect Energy Consumption Intensity	MWh/Person	22.53

[1]Scope 1 GHG emission sources are the vehicles and diesel generators owned by the Group; Scope 2 GHG emission sources are the Group's purchased electricity and purchased steam. GHG emissions from vehicles and diesel generators are calculated based on *the Land Transport Enterprise Greenhouse Gas Emissions Accounting and Reporting Guidelines (Trial);* the carbon emission factor of purchased electricity references the 2021 average emission factor of the National Grid (0.581 tCO_2/MWh) as defined in *the Notice on the 2022 Greenhouse Gas Emission Reporting Management;* the carbon emission factor of purchased heat references *the Land Transport Enterprise Greenhouse Gas Emissions Accounting and Reporting Guidelines (Trial).*

[2]Purchased heat is mainly in the form of purchased steam.

Publicity and Training Activities

To further enhance employees' awareness of environmental protection, a comprehensive EHS management system is in place as we have formulated internal systems such as *the EHS Manual and the Environmental Protection Management Control Procedure* and established the EHS Management Committee. At the same time, the Company regularly promotes the spirit of environmental protection, posts posters, and organises relevant training to improve the environmental protection awareness of all employees. During the Reporting Period, Yuxi Genor organised employees to participate in the "June 5th Environment Day" quiz activity Yuxi High-tech District held and training on environmental protection for employees. the Group organised employees to watch the educational film "the Cry of the Qilu Lake" to raise awareness on the environmental responsibility.



Employees watching the educational film on "June 5th Environment Day"

Emission Management

Genor strictly abides by *the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, and the Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes* and other relevant national and local laws and regulations. At the same time, we have formulated corresponding managing systems to reduce the environmental carbon footprint generated in our production and operation activities, so as contribute to the "carbon peaking by 2030 and carbon neutrality by 2060" goals. Our daily management work was strictly by *the Regulation on the Administration of Permitting of Pollutant Discharges.* In 2021, we conducted testing in accordance with the implementation report of the pollutant discharge permit and finalised the pollutant discharge permit annual report, which includes testing and monitoring of wastewater, exhaust gas and noise.

The production of our products meets the requirements of the national and Shanghai local government policies in terms of process, product, and scale. Our biopharmaceuticals process does not have chemical synthesis production steps and does not imply any significant impact on the environment and natural resources compared to traditional chemical drugs. However, we still actively carry out various environmental management and implement the concept of energy conservation and emission reduction into our production and operation. In terms of waste gas and wastewater management, the pilot production and laboratories of Genor Biopharma have passed the environmental impact assessment. The laboratories' waste gas, wastewater and noise are monitored and discharged after meeting the criteria.


排污许可证

证书编号：91310000693667767001V

单位名称：嘉和生物药业有限公司

注册地址：上海市浦东新区张衡路 1690 弄 3 号楼 1–4 层

法定代表人：郭峰

生产经营场所地址：上海市浦东新区张衡路 1690 弄 3 号楼 1–4 层

行业类别：生物药品制品制造

统一社会信用代码：91310000693667767

有效期限：自 2020 年 08 月 14 日至 2023 年 08 月 13 日止

发证机关：（盖章）上海市浦东新区生态环境局

发证日期：2020 年 08 月 14 日

中华人民共和国生态环境部监制

上海市浦东新区生态环境局印制

Pollutant Discharge Permit of Genor

Waste Gas Management

The waste gas generated by the Group's laboratories is monitored to meet the standards before being discharged. The waste gas produced by Yuxi Genor mainly comes from the production workshop, while the waste gas produced by Genor Biopharma mainly comes from its laboratory. The fugitive waste gas is treated through primary and intermediate air screening procedures, and inspection ports and activated carbon adsorption devices are placed in the discharge port and substituted annually. The replaced activated carbon is handed over to a third-party institution for treatment. Meanwhile, the waste gas is monitored according to the requirements to ensure it meets the standards before discharging.

Carbon box ventilator

Activated carbon adsorption box

Wastewater Management

During the Reporting Period, Genor Biopharma has successfully passed the national requirements and become a licensed emission unit. We continuously monitor the wastewater online and keep the data synchronised with the monitoring station of the Environmental Protection Bureau to ensure the transparency and timeliness of the information. The wastewater generated during our production process is discharged to the sewage treatment station through a fixed pipeline, and we conduct self-monitoring of the anions, total nitrogen, and total phosphorus. The ammonia nitrogen, pH and COD (Chemical Oxygen Demand) are tested and discharged after the third-party online monitoring. Also, we have increased the final inactivation treatment of wastewater, and the treatment method has changed from high-temperature inactivation to ozone inactivation to further reduce the energy consumption of the Group.

Waste Management

The Group attaches great importance to waste management. We strictly abide by *the Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes* and have formulated internal schemes such as *the Hazardous Identification, Assessment and Control Management Procedures and the Hazardous Waste Treatment Operation Procedures* to further identify and prevent workplace safety threats. In addition, we have developed hazardous waste operating procedures for liquid and solid waste to designate and control them in detail to further reduce the hazardous waste outcome. For non-hazardous waste, in order to improve the waste utilization rate, we promote intelligent and green offices and strive to minimise the generation of non-hazardous waste.

The waste generated by the Group is mainly divided into general waste and hazardous waste. The general waste is mostly our household and office waste. We standardised the waste storage and handed them over to the community waste treatment station for centralised disposal. Hazardous wastes mainly include medical waste, waste reagents, waste cell culture bags, and waste packaging of hazardous chemicals generated in the process of R&D, production and quality inspection. We have specially formulated *the Standards for the Treatment and Disposal of Hazardous Wastes* to clarify the waste categories, handling practices and storage management to ensure that hazardous wastes are properly treated.

We also require each department to transport, use and store hazardous waste under relevant regulations, and perform supervision and inspection regularly. Finally, the EHS department transfers the hazardous waste to a storage site, registers it in the inventory, and entrusts a qualified third party to collect to maximise waste utilization. At the same time, we require all departments to take measures to consistently reduce waste to minimise pollution on the environment and avoid adverse impacts on human health.

Genor has been striving to reduce our carbon footprint and environmental pressure. In the packaging process of the supply chain, we conduct research at the design stage to customise large, medium, and small packages for different procurement needs and avoid secondary packaging to reduce costs and pollution. Priority is given to biodegradable cartons, recyclable ice, and refrigerated containers during transportation to reduce the emission of relevant wastes.

KPIs	Unit	2021
Emissions[3]		
Nitrogen Oxides (NO_x)	Kg	8.06
Sulphur Oxides (SO_x)	Kg	0.13
Particulate Matter	Kg	0.98
Wastewater		
Total Wastewater Discharge[4]	Tonne	45,400
Chemical Oxygen Demand (COD)	Tonne	0.03
Biochemical Oxygen Demand (BOD)	Tonne	0.02
Ammonia Nitrogen	Tonne	0.02
Non-hazardous Waste		
Total Amount of Office Waste	Tonne	246.04
Non-hazardous Waste Intensity	Tonne/Person	0.38
Hazardous Waste		
Total Amount of Hazardous Waste[5]	Tonne	11.54
Hazardous Waste Intensity	Tonne/Person	0.02

[3]The Group's emissions of nitrogen oxides, sulphur oxides and particulate matter generate from vehicles and diesel generators in 2021. The atmospheric pollutant emissions from vehicles are calculated by referring to *the Technical Guideline for the Preparation of Air Pollutant Emission Inventory for Road Vehicles (Trial);* The atmospheric pollutant emissions from diesel generators are calculated by referring to *the Technical Guideline for the Preparation of Air Pollutant Emission Inventory for Non-road Vehicles (Trial).*

[4]Wastewater includes domestic and industrial wastewater.

[5]Hazardous waste mainly includes laboratory waste liquid, waste reagents, waste reagent bottles, waste drugs, waste activated carbon, and solid medical waste.

Use of Resources

Regarding the use of water for production and operation, the Group mainly relies on municipal water supply, with no sourcing issues from water intense areas. We are committed to improving the efficiency of our water use by requiring our functional departments to formulate water use plans, such as compiling regular statistics on the Group's water use and setting up measures to regularly inspect and monitor the proper operation of water use and drainage facilities.

At the same time, we optimise the water production process and enhance recycling to reduce our water consumption, such as using steam condensate water and pharmaceutical water for greening. By 2025, we will continue to actively improve resource use efficiency, focusing on reducing wastewater while progressively reducing water consumption per unit.

By implementing a multi-system approach to use and reuse the alkaline liquid to treat our production equipment, we can reduce the alkaline liquid discharge by about

40% per year

Steam condensate and pharmaceutical water are recycled together for landscape irrigation, and we can recycle the wastewater about

10% per year

KPIs	Unit	2021
Water Consumption and Intensity		
Total Water Consumption	Tonne	87,762.62
Water Consumption Intensity	Tonne/person	136.92
Packaging Material Consumption and Intensity		
Packaging Box	Tonne	0.10
Glass Bottle	Tonne	1.62
Packaging Material Consumption Intensity	Tonne/person	0.003

Green Office

We emphasise energy-saving to lead all employees to implement the concept of green office, which promote daily energy saving and emission reduction among employees. We advocate:

Paperless office

Promote paperless office, paperless approval and online office, and use double-sided printing to minimise paper consumption when printing manuscripts if there is no mandatory requirement;

Turn off lights and electricity

Use natural light during the day, and turn off lights when leaving the venue. For laboratories, we arrange administrators and duty staff to conduct daily checks in the morning and evening to check that the laboratory is off lights and devices every day;

Reduce disposable supplies

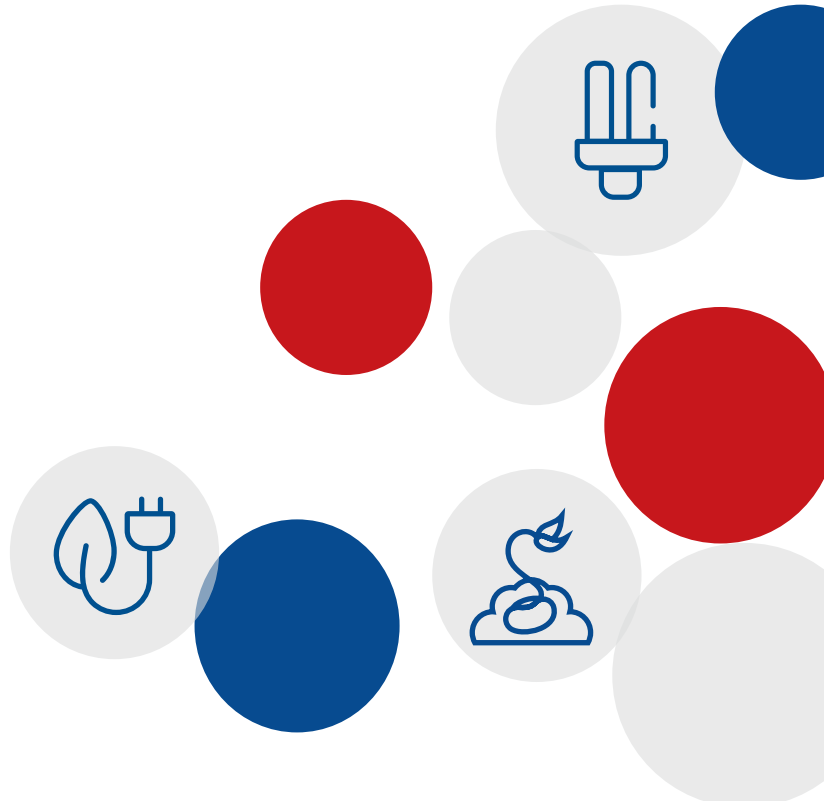
Collect and recycle file folders and work tags issued at meetings. We recommend that staff bring their cups to the office or only provide biodegradable disposable paper cups in the conference room to reduce the use of bottled water;

Reduce energy consumption

Upgrade all air conditioning systems to variable frequency motors with auto mode to pre-set the temperature and automatically switch to low-frequency operation or to minimise the use of air conditioning when the room temperature is appropriate; and

Environmental protection publicity

We post water conservation signs in office and send reminders to turn off power and lights before holidays. In accordance with Shanghai's garbage sorting requirements, we put up classification notices in offices and conduct strict sorting of wet and dry garbage in public areas. Furthermore, we frequently encourage and remind our employees to pay attention to resource conservation and protection.



Appendix

HKEX - Environmental, Social and Governance Reporting Guide Index

A. Environmental

General Disclosure and KPIs	Indicator Description		Chapter References
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Promoting Resilient Environment and Green Development - Addressing Climate Change - Emissions Management
KPI	A1.1	Types of emissions and respective emissions data.	Promoting Resilient Environment and Green Development - Emissions Management
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in Tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Promoting Resilient Environment and Green Development - Addressing Climate Change
	A1.3	Total hazardous waste produced (in Tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Promoting Resilient Environment and Green Development - Emissions Management
	A1.4	Total non-hazardous waste produced (in Tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Promoting Resilient Environment and Green Development - Emissions Management
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Promoting Resilient Environment and Green Development - Environmental Management - Emissions Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Promoting Resilient Environment and Green Development - Environmental Management - Emissions Management
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.		Promoting Resilient Environment and Green Development - Environmental Management
KPI	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in' 000s) and intensity (e.g. per unit of production volume, per facility).	Promoting Resilient Environment and Green Development - Use of Resources
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Promoting Resilient Environment and Green Development - Use of Resources
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Promoting Resilient Environment and Green Development - Environmental Management

General Disclosure and KPIs	Indicator Description		Chapter References
KPI	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Promoting Resilient Environment and Green Development - Use of Resources
	A2.5	Total packaging material used for finished products (in Tonnes) and, if applicable, with reference to per unit produced.	Promoting Resilient Environment and Green Development - Use of Resources
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.		Promoting Resilient Environment and Green Development - Emissions Management
KPI	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Promoting Resilient Environment and Green Development - Emissions Management
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		Promoting Resilient Environment and Green Development - Addressing Climate Change
KPI	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Promoting Resilient Environment and Green Development - Addressing Climate Change

B. Society

General Disclosure and KPIs	Indicator Description		Chapter References
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.		Caring for People and Contributing to Society - Responsible Employment - Employee Welfare
KPI	B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Caring for People and Contributing to Society - Responsible Employment
	B1.2	Employee turnover rate by gender, age group and geographical region.	Caring for People and Contributing to Society - Responsible Employment
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the Policy; 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.		Caring for People and Contributing to Society - Health and Safety

General Disclosure and KPIs	Indicator Description		Chapter References
KPI	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Caring for People and Contributing to Society - Health and Safety
	B2.2	Lost days due to work injury.	Caring for People and Contributing to Society - Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Caring for People and Contributing to Society - Health and Safety
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Preceding Breakthroughs with Excellent Leadership - Driven by Innovative Talents
KPI	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Preceding Breakthroughs with Excellent Leadership - Driven by Innovative Talents
	B3.2	The average training hours completed per employee by gender and employee category.	Preceding Breakthroughs with Excellent Leadership - Driven by Innovative Talents
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the Policy; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		Caring for People and Contributing to Society - Responsible Employment
KPI	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Caring for People and Contributing to Society - Responsible Employment
	B4.2	Description of steps taken to eliminate such practices when discovered.	Caring for People and Contributing to Society - Responsible Employment
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.		Synchronising Quality and Safety Management - Responsible Supply Chain Management
KPI	B5.1	Number of suppliers by geographical region.	Synchronising Quality and Safety Management - Responsible Supply Chain Management
	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.	Synchronising Quality and Safety Management - Responsible Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Synchronising Quality and Safety Management - Responsible Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Synchronising Quality and Safety Management - Responsible Supply Chain Management

General Disclosure and KPIs		Indicator Description	Chapter References
Aspect B6: Product Responsibility			
General Disclosure		Information on: (a) the Policy; 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.	Inspiring Innovations with Robust Governance - Information Security Protection Synchronising Quality and Safety Management - Comprehensive Quality Management
KPI	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	During the Reporting Period, the Group did not sell any products or services, thus, no products were sold or shipped that had to be recalled for safety and health reasons.
	B6.2	Number of products and service related complaints received and how they are dealt with.	During the Reporting Period, the Group did not sell any products or services, thus, there were no customer complaints about products and services.
	B6.3	Description of practices relating to observing and protecting IP rights.	Inspiring Innovations with Robust Governance - IP Protection
	B6.4	Description of quality assurance process and recall procedures.	Synchronising Quality and Safety Management - Comprehensive Quality Management
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Inspiring Innovations with Robust Governance - Information Security Protection
Aspect B7: Anti-corruption			
General Disclosure		Information on: (a) the Policy; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Inspiring Innovations with Robust Governance - Compliance Management
KPI	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Inspiring Innovations with Robust Governance - Compliance Management
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Inspiring Innovations with Robust Governance - Compliance Management
	B7.3	Description of anti-corruption training provided to directors and staff.	Inspiring Innovations with Robust Governance - Compliance Management
Aspect B8: Community Investment			
General Disclosure		Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Caring for People and Contributing to Society - Social Contribution
KPI	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Caring for People and Contributing to Society - Social Contribution
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Caring for People and Contributing to Society - Social Contribution

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