



2022

Environmental, Social and Governance Report

Creating a healthy and sustainable society

Stock Code: 2633



Jacobson
Pharma Corporation

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CHAIRMAN'S SUSTAINABILITY STATEMENT

"As a home-grown pharma company closely tied to Hong Kong community, we are committed to the success and sustainability of the city."



2021 has been a landmark year for Jacobson. Despite the disruptions caused by the COVID-19 pandemic (the **"Pandemic"**), we, together with the HKSAR Government and Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (**"Fosun Pharma"**), successfully launched the Fosun BioNTech Comirnaty vaccine in Hong Kong and Macau. This also marks the year that Jacobson has pushed ahead on defining its Environmental, Social and Governance (**"ESG"**) strategy, setting up an ESG Committee under the Board and publishing an independent ESG report, underscoring its commitment to sustainability.

The fifth wave of the Pandemic posed special challenges that demonstrated the importance of our operational resilience. Our uninterrupted supply of essential medications has created a cornerstone for the combating of the unprecedented surge of COVID-19 cases in early 2022. In hindsight, the challenges and opportunities presented to us in the previous financial year has not only offered us an invaluable lesson on the importance of building a resilient business model, but also emboldened our determination in providing quality and affordable medications to our societies and communities.

With more than five decades of history, Jacobson has evolved from a pharmaceutical trading house into a well-established and vertically integrated pharmaceutical company with operations covering research and development, manufacturing, quality management, sales and marketing, as well as distribution and logistics. In the next 50 years, we believe ESG principles will form a fundamental part of our business model.

In the face of the Pandemic and many other challenges, we remain committed to a holistic approach in addressing the interests of our different stakeholders. With the establishment of the ESG Committee, the Board is determined to fully engage with and support its ESG initiatives, and continues to believe that our commitment to sustainability and corporate responsibility are essential to Jacobson's long-term success.

To better illustrate our evaluation and acknowledgement of the environmental and social impact from our daily operations, the Board has decided to form an ESG Committee and an ESG Working Group, in addition to publishing our first ESG report as an independent document

from the annual report. Through this approach, we aim to instil the importance of sustainability to our stakeholders and provide them with a better understanding of the direction and commitment that Jacobson will embark on.

Our newly formulated ESG strategy, **"5 to Thrive"**, is underpinned by five key priority areas, which are product responsibility, commitment to employees, environmental stewardship, societal engagement and corporate governance duty. Each core component is a reflection of how Jacobson is responding to the 17 Sustainable Development Goals (**"SDGs"**), which were created by the United Nations (**"UN"**) in 2015.

In response to our ESG strategy, in the upcoming financial years, we will set key performance indicators (**"KPIs"**) and continue to evaluate additional goals to track our progress on priority issues and programmes, including greenhouse gas (**"GHG"**) emissions, water and electricity usage, as well as utilisation of renewable energy. Our environmental targets established in 2022 also strengthens our responsibility to care for the planet and its natural resources.

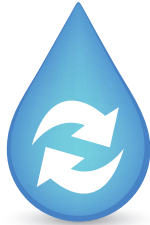
Despite the challenges that we have faced over the past two years, I am proud of how our employees have helped us further our purpose and the breakthroughs we have achieved in the previous financial year. Our commitment to excellence and the well-being of our patients is integrated into all aspects of our business, and will continue to guide us as we write new chapters of Jacobson's legacy.

As a pharmaceutical company that is deep-rooted in Hong Kong, I believe Jacobson has the ultimate responsibility to our society. Together with our employees, we will continue to expand our role as an integral part of Hong Kong's healthcare system. We look forward to working with all our stakeholders to create a sustainable future and improve the well-being of our society.

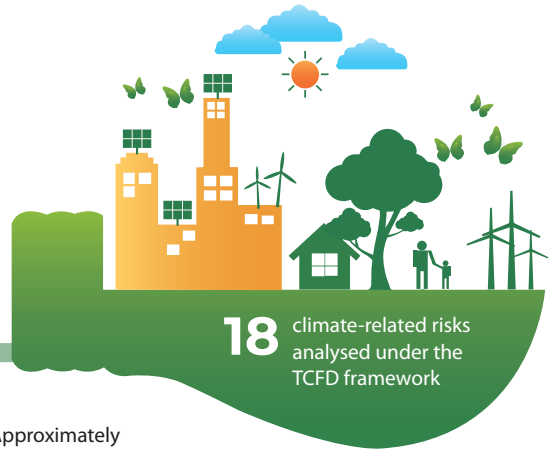
Sum Kwong Yip, Derek
Chairman and CEO
JACOBSON PHARMA CORPORATION LIMITED

FY2022 ESG PERFORMANCE HIGHLIGHTS

-19.9%
reduction in water usage



18 climate-related risks
analysed under the
TCFD framework



12
environmental targets
established



Approximately
15MWh
energy saved from energy
optimisation project



HK\$994,000+
invested in community
engagement initiatives



5
UN SDGs aligned with
sustainability strategy



43,000+
rapid antigen tests supplied
to staff from February to
March 2022



1,500+
boxes of Po Chai Pills
gifted to employees
and their families



5
to Thrive



New tenders providing affordable
essential medicines and specialty
drugs to the general public

ESG Committee and
ESG Working Group established

95%+

private clinics, medical groups and
pharmacies served in Hong Kong



ABOUT THIS ESG REPORT

Jacobson Pharma Corporation Limited (stock code: 2633) (hereinafter referred to as “**Jacobson**” or “**the Group**”) is pleased to present its inaugural independent ESG Report (the “**ESG Report**”). The ESG Report details our long-term vision, the commitments we are making to sustainability, and how we are actively pursuing them. This includes a review of our major progress and a detailed evaluation of our ESG performance for the year ended 31 March 2022.

This report reflects Jacobson’s ESG progress and vision of creating shared value among stakeholders beyond the pharmaceutical industry. Jacobson holds the highest standard towards product quality, corporate governance, building a purposeful workplace, societal engagement and environmental stewardship.

ESG REPORTING SCOPE AND PERIOD

The scope of the ESG Report primarily covers 13 production facilities (including 10 Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme (“**PIC/S**”) Good Manufacturing Practice (“**GMP**”) accredited manufacturing facilities in Hong Kong, one in Zhongshan, and two GMP-accredited production facilities for proprietary Chinese medicines), as well as the Group’s offices, laboratories and warehouses. The revenue of the Group as a whole was approximately HK\$1,595,543,000 in this financial year. The scope was determined based on the materiality of the financial contribution towards the Group, as well as the significance of our environmental and social impact. Unless otherwise specified, the content of the ESG Report covers the period from 1 April 2021 to 31 March 2022 (“**FY2022**” or the “**Reporting Period**”).

ESG REPORTING FRAMEWORK AND STANDARDS

In late 2019, the Hong Kong Stock Exchange (“**HKEX**”) issued amendments to the ESG Reporting Guide (the “**Reporting Guide**”) contained in Appendix 27 of the Listing Rules. To fully comply with the latest Reporting Guide, a thorough gap analysis was conducted while a new sustainability strategy and ESG Committee were further introduced to set the Group’s sustainability direction and establish ESG priorities. The ESG Report is subsequently prepared in accordance with the “Mandatory Disclosure Requirements” and the “Comply or Explain” provisions, and adheres to the “Reporting Principles” of the Reporting Guide.

MATERIALITY

The ESG Report is structured based on the materiality of environmental and social issues of the Group. Following a comprehensive stakeholder engagement process and materiality assessment, this ESG Report is structured using the following sections: “Product Responsibility”, “Corporate Governance Duty”, “Commitment to Employees”, “Societal Engagement”, and finally, “Environmental Stewardship”. For more information, please refer to subsections “Our Stakeholders” and “Our Material ESG Topics” under section “Long-term ESG Strategic Vision”.

QUANTITATIVE

The ESG Report provides relevant quantitative information in order to measure the effectiveness of ESG policies and management systems. Information on the standards, methodologies, assumptions and calculation tools used are further disclosed in the discussion of the various ESG issues where applicable. Quantitative information is further accompanied by a description where appropriate.

BALANCE

The ESG Report provides an unbiased picture of the Group’s ESG performance.

A third party consultancy was engaged to offer us an independent overview of the Group’s ESG performance in the previous financial year. Relevant stakeholders from within or outside of the Group were also interviewed, which offers us a balanced perspective on how the Group is performing in different aspects of ESG.

CONSISTENCY

To enable a meaningful comparison of ESG data, figures disclosed from previous reporting periods have been converted to the measurement units used in this ESG Report. Methodologies used to calculate KPIs that differ from previous reporting periods are also specified. Any other changes to the calculation frameworks, methods, KPIs used, or any other relevant factors affecting a meaningful comparison in this ESG Report are disclosed.

The Group is committed to disclosing all material ESG matters in the most accurate and sincere manner. All information disclosed in this ESG Report is compiled and published based on existing policies, practices, official documents, or reports. Moreover, this ESG Report is endorsed and approved by the Board. Responsible for overseeing and managing all ESG matters of the Group, the Board is committed to monitoring and disclosing the Group’s sustainability performance through the annual publication of the ESG Report. Their role and leadership in this regard will be further explained in subsection “Our ESG Governance” under section “Long-term ESG Strategic Vision”.

FEEDBACK ON OUR SUSTAINABILITY COMMITMENTS

The Group constantly strives to refine its sustainability practices, performances, and disclosure. Your feedback on this ESG Report and our approach to sustainability is highly valued and welcomed. Please share your feedback with us at esg@jacobsonpharma.com.

ABOUT JACOBSON'S SUSTAINABILITY JOURNEY

OUR ETHICAL BUSINESS MILESTONES

Jacobson is a leading pharmaceutical company in Hong Kong principally engaged in the research, development, production, sale and distribution of essential medicines, specialty drugs, and branded healthcare products. Founded in the 1960's as a pharmaceutical trading house in Hong Kong, Jacobson has grown notably since as a result of the Group's unwavering dedication to research and development, as well as a strong commitment to serve the needs of medical professionals and consumers. The Group now serves communities in Asia and selected markets from across the globe, including but not limited to Mainland China, Taiwan, Macau and Singapore. The Company's shares were listed on the Main Board on 21 September 2016.

OUR GUIDING PRINCIPLES ON RESPONSIBILITY

VISION

At Jacobson, we aspire to be an eminent player in generic drugs and consumer healthcare solutions in the Asia-Pacific region, providing essential medicines, specialty drugs and branded consumer healthcare products for medical professionals and the public.

MISSION

Our mission is to enhance people's lives by delivering health as a trusted partner. We strive to create sustainable values in generic drugs and healthcare by offering quality and accessible medicines as well as consumer healthcare solutions to meet current and future customer needs. We are committed to bettering the future of healthcare through community care and technological advancement.

OUR PORTFOLIO OF QUALITY PRODUCTS

Starting from humble beginnings, Jacobson has worked vigorously to achieve excellence in its product quality, service and innovation, making it a leader in the pharmaceutical industry in Hong Kong. The Group has one of the most extensive sales and distribution coverage for both public and private market sectors in Hong Kong, with an expanding reach into strategically selected markets in Asia and other parts of the world.

Carrying a broad product portfolio and taking a pre-eminent market position in a number of therapeutic categories, the Group operates a host of 10 PIC/S GMP-accredited manufacturing facilities for pharmaceutical products in Hong Kong. Since 2010 and 2014 respectively, the Group has also operated 2 GMP-accredited production facilities for proprietary Chinese medicines located in Hong Kong under its branded healthcare subsidiary.



PRODUCT OFFERINGS

GENERIC

ESSENTIAL
MEDICINES

Jacobson is a leading supplier of essential medicines in Hong Kong. The Group's comprehensive product portfolio provides a one-stop solution for healthcare professionals from both public and private sectors, including public and private hospitals, private clinics, medical franchises, registered pharmacies and drugstore chains.

To meet the escalating healthcare demand driven by an ageing population and the prevalence of chronic diseases, we have fostered leadership in a number of large and fast-growing therapeutic classes, covering the categories including but not limited to cardiovascular, central nervous system, gastrointestinal, antidiabetics, respiratory, anti-infective, dermatological and anti-allergy, in a variety of dosage forms.

SPECIALTY
DRUGS

With the established strength in essential medicines offerings, the Group is well poised to expand its portfolio and diversify into complex and specialty drugs, such as biosimilars, oncology medications and orphan drugs, which have witnessed a robust growth trend over the past few years driven by the advancement of healthcare.

The Group has invested in projects to cement its position in the specialty drug market and collaborates with world-renowned research institutes for further expanding the indications of selected products.

BRANDED
HEALTHCARE
PRODUCTS

A subsidiary of the Group, JBM Healthcare, is a leading branded healthcare operator in Hong Kong managing a broad portfolio of well-established and trusted brands for over-the-counter branded medicines, proprietary Chinese medicines and health & wellness products covering health supplements, personal care products and diagnostic kits. Those brands include heritage household brands such as Po Chai Pills, Ho Chai Kung and Shiling Oil, and notable overseas consumer healthcare brands such as Contractubex from Germany, Smartfish from Norway, Rowatanal Cream from Ireland, Oncotype DX® from the United States, and AIM Atropine Eye Drops from Taiwan.

JBM Healthcare Group has an extensive sales and distribution network in Hong Kong with footholds spanning from China, Macau, Taiwan and selected markets in Southeast Asia, North America and the Caribbean Islands.



An aerial photograph of a dense forest with a blue tint. A winding path leads to a small pond in the center. The text "Long-term ESG Strategic Vision" is overlaid in white.

Long-term ESG Strategic Vision

LONG-TERM ESG STRATEGIC VISION

Throughout our journey in becoming Hong Kong's leading pharmaceutical company, we have recognised our potential to create significant economic, environmental and social impact. Our robust ESG governance system, long-term sustainability strategy and stakeholder engagement process have enabled us to tap into this potential and substantially contribute to the global sustainable development agenda.

During the Reporting Period, we have established an ESG Committee and an ESG Working Group dedicated to spearheading the Group's sustainability efforts and the implementation of relevant strategies and policies. We have also enhanced our risk management system to include ESG-related risks and remediation strategies. Lastly, we have refined a formal ESG strategy that clarifies the Group's long-term vision, direction and proactive attitude in pursuing sustainable development.

OUR ESG GOVERNANCE

A strong governance structure with clear lines of accountability enables us to deliver our sustainability commitments. At Jacobson, sustainability is planned and managed at the strategic level by the Board and ESG Committee, while relevant policies and measures are executed and monitored at the operational level by our ESG Working Group.

The Board is the highest decision-making and management authority of the Group. It is responsible for overseeing all ESG-related matters, risks and opportunities, including the evaluation, prioritisation, and management of ESG topics. The Board is supported by the newly-established ESG Committee, which is responsible for managing all matters relating to ESG, as well as the sustainable development of the Group. Formally set up in 2022, the ESG Committee consists of a Chairperson, a secretary, and a member of the executive team.

FOUNDING MEMBERS OF THE ESG COMMITTEE

**Executive Director –
Mr. Yim Chun Leung**



**Independent
Non-executive Director –
Professor Lam Sing Kwong,
Simon (Chairperson)**

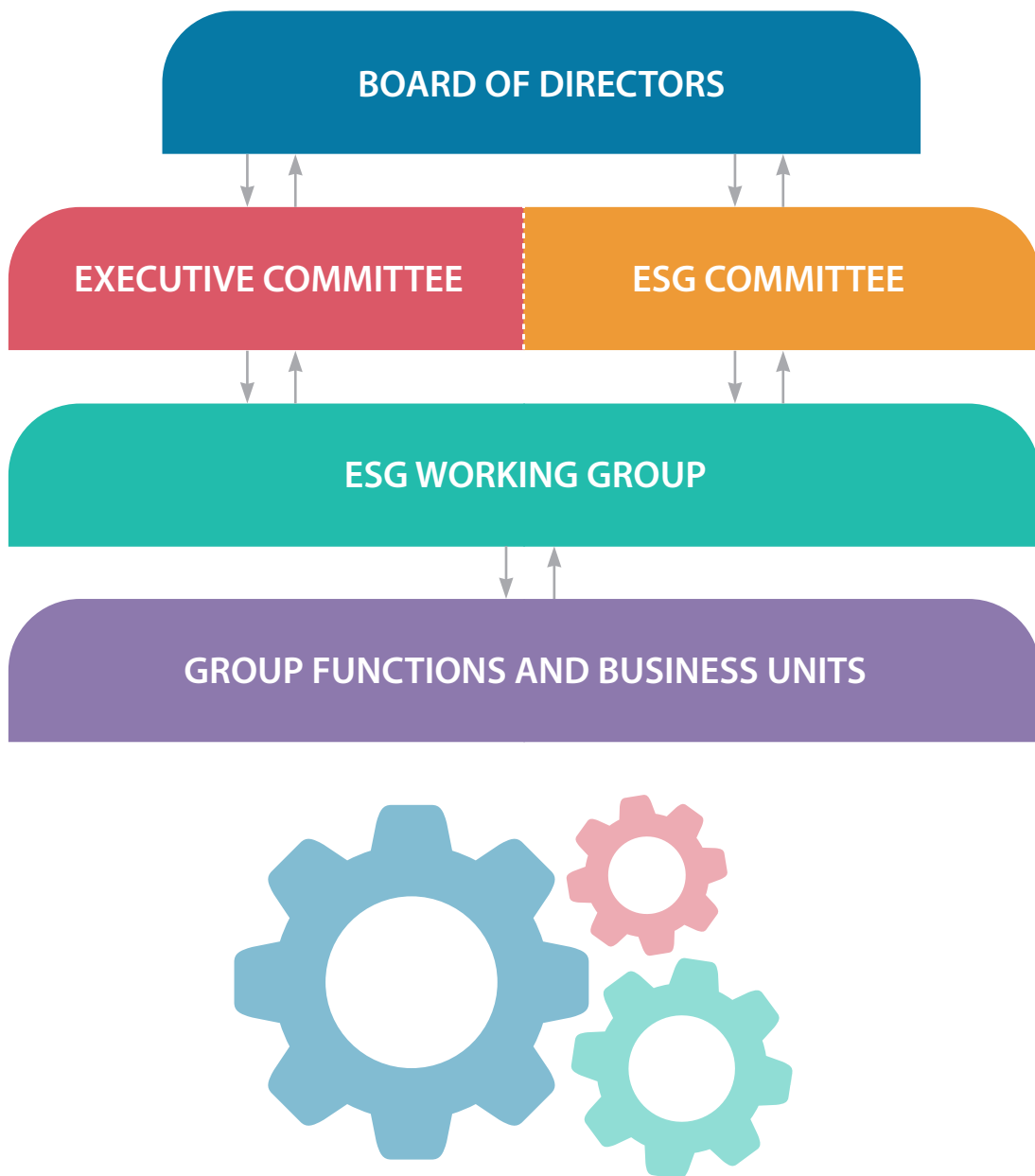


**Chief Financial Officer and
Company Secretary –
Mr. Yu Chun Kau (Secretary)**



The Terms of Reference for the ESG Committee has been approved by the Board. It sets out the roles and responsibilities in handling ESG matters, including but not limited to the oversight of the sustainability strategy, observation of ESG-related risk management and internal control systems, monitoring of the ESG reporting system, as well as the review of key performance indicators and targets. Topics such as target setting and monitoring, climate risks analysis, and policies to govern and improve the Group's sustainability performance shall be discussed in the ESG Committee meetings, which will be held at least once a year.

On top of the ESG Committee, an ESG Working Group has been established in FY2022. The ESG Working Group is responsible for the implementation of appropriate policies and procedures across different business units, continuous monitoring, reporting and analysis of ESG data, as well as the annual reporting of Jacobson's ESG performance.



ESG RISK MANAGEMENT

Effective risk management is key to ensuring that the Group achieves its vision and mission. During the Reporting Period, the Group engaged an external consultant to review the risk management framework, including the Risk Management Policy. The policy requires continuous identification, assessment, management, monitoring and reporting of current and emerging risks.

RISK GOVERNANCE ROLES AND RESPONSIBILITIES

RISK OWNER

First line of defense
Operational
Management
(Risk Ownership)

As the first line of defence, risk owners are responsible for identifying, assessing and monitoring risks associated with each business operation.

RISK MANAGEMENT COMMITTEE

Second line of defense
Risk Management
Functions
(Risk Control)

The Risk Management Committee, comprising both financial and operational executives of the Group, is responsible for overseeing the Group's overall risk management framework and for advising the Audit Committee and the Board on the Group's risk-related matters. They act as the second line of defence and are tasked to carry out necessary control activities when a risk occurs. Regular reports by the Risk Management Committee are presented to the Audit Committee.

AUDIT COMMITTEE / BOARD OF DIRECTORS

The Board has the overall responsibility for evaluating and determining the nature and extent of the Group's risks, as well as ensuring the Group establishes and maintains appropriate and effective risk management and internal control systems. The effectiveness of risk management and internal control systems are reviewed annually by the Board.

INTERNAL AUDIT

Third line of defense
Internal Audit
(Risk Assurance)

As the third line of defence, the Internal Audit (outsourced to external consultant) performs internal audit work on an annual basis to ensure that the first and second lines of defence are in force.



MATERIAL ESG RISKS	ACTIONS TO MITIGATE THE RISK
REGULATORY RISK	<p>The Group operates in the pharmaceutical manufacturing industry and is subject to various regulations. Failure to comply with regulations may critically impair our business operations. To mitigate this risk, the Group has put in place at least one designated Authorised Person ("AP"), in addition to quality control and quality assurance teams at each production facility. All of the Group's production facilities strictly comply with PIC/S GMP standards, which are adopted by the Pharmacy and Poisons Board of Hong Kong ("PPBHK").</p>
REPUTATIONAL AND QUALITY CONTROL RISK	<p>The Group is exposed to risks of liability due to defective products, which may result in damages to the Group's reputation. A Product Liability Insurance Policy is established to protect the Group if found liable for injuries that arise from a defect in a product sold, manufactured, or distributed. Furthermore, the Group has designated production and quality assurance teams as well as well-established standards to monitor product quality in each manufacturing plant to ensure products are in compliance with their respective specifications.</p>

CASE STUDY: ENHANCED PRODUCT AND EMPLOYEE SAFETY DURING COVID-19

Under the continuing impact of the Pandemic, our business and manufacturing plants faced significant operational challenges, such as occupational health and safety ("OHS") risks and manpower shortage, as well as supply chain disruption. To protect the health and safety of our employees, safeguard the quality and safety of our products and maintain a stable supply chain, we have proactively developed a set of infection control procedures and measures:

OCCUPATIONAL HEALTH AND SAFETY AND MANPOWER

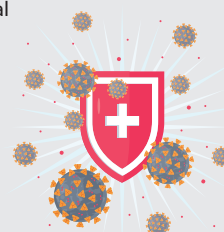
- Created specific standard operating procedures ("SOPs") that went beyond regulatory guidelines to protect the well-being of our staff and safeguard the quality of our products.
- Split employees into smaller groups to lower the risk of work-related infections.
- Supplied more than 43,000 complimentary rapid antigen tests to our staff from February to March of 2022. If a positive case was detected, that particular employee group would be required to isolate at home.
- Installed partition screens at workspaces and strict social distancing measures were followed by employees.
- Purchased special disinfection equipment and disinfected workspaces frequently with hypochlorite solution.
- Implemented a body temperature and travel record access control system to detect infected employees' activities at the site.



STABLE SUPPLY CHAIN

- Ensured sufficient buffer stock for raw materials (including packaging materials) to sustain its production lines.
- Adopted a collective responsibility approach where the production of medicines that were in high demand were increased at selected manufacturing sites to meet the needs from the general public.

Our swift action to guard against COVID-19 enabled us to serve our citizens during this challenging period. We are proud to take responsibility and act as the backbone of the healthcare system of our society.



OUR SUSTAINABILITY STRATEGY

We view sustainability as our ultimate responsibility to society, and we aspire to create a sustainable corporate culture by promoting the value of health and employee well-being. At Jacobson, we put sustainability at the forefront of our business and are committed to safeguarding the health of our future generations whilst paying attention to global trends including an aging population and the growth in telehealth, which have the potential to shape our strategic direction.

This long-term vision drives every aspect of our business, including how we produce and distribute our products, how we operate ethically, how we treat our people, how we give back to the wider community, and how we manage our environmental footprint.

To integrate and instil this vision into our culture, during the Reporting Period, we have developed a holistic sustainability strategy – “5 to Thrive”. The “5 to Thrive” strategy provides a well-defined framework and clarifies the Group’s long-term vision, direction and attitude in pursuing sustainable development in its operations. Reviewed annually by our ESG Committee, the strategy is divided into five material aspects: Product Responsibility, Corporate Governance Duty, Commitment to Employees, Societal Engagement, and Environmental Stewardship.



ALIGNMENT WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS







The UN SDGs were adopted by all UN Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. To demonstrate its support and commitment to global cooperation in addressing worldwide challenges, the Group aligned its sustainability strategy with the SDGs during the Reporting Period.

Upon a thorough examination of its business operations and impact, the Group identified opportunities to align its operations with 5 of the 17 SDGs. Although we eagerly support all 17 SDGs, prioritising specific goals has enabled us to focus our efforts in areas on which we can achieve the most impact. Moving forward, the Group shall consider integrating specific SDGs targets into its operations and reviewing their applicability to the Group on a regular basis.

SDGs	IMPLICATIONS
3 GOOD HEALTH AND WELL-BEING 	Ensuring healthy lives and promoting well-being at all ages is essential to sustainable development. Considering the global pandemic of COVID-19, there is a need to pay attention to the realisation of good health and well-being on a global scale. As a leading pharmaceutical company in Hong Kong, we strongly resonate with this goal and have a moral obligation to leverage our resources and expertise to achieve good health and well-being for the communities we serve.
8 DECENT WORK AND ECONOMIC GROWTH 	SDG 8 promotes sustained economic growth, high productivity and technological innovation. To this end, Jacobson has implemented policies and measures to facilitate productive employment and decent work with equality in mind. We have also devoted ample resources into developing innovative pharmaceutical products that address the needs of citizens and society.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Jacobson upholds a prudent and responsible attitude in the production and distribution of products. It is imperative for Jacobson to produce high-quality and effective medicines to protect the health and safety of its consumers. The Group has also closely monitored the usage of environmental resources in its product packaging. By prioritising environmental sustainability in our corporate agenda, we are committed to doing more and better with less.
13 CLIMATE ACTION 	Climate change represents a fundamental threat to our lives and well-being, and threatens our livelihoods by affecting fundamental determinants of our health – weather, air, water, food, as well as transmission patterns of different diseases. Recognising this, during the Reporting Period, the Group has strengthened its commitment to measuring, reporting and reducing its carbon emissions. We are committed to taking bold action and ensuring the communities we operate in are also well-equipped to adapt to and mitigate global warming.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Sustainable development requires peace, stability, human rights and effective governance, based on the rule of law. Jacobson is committed to legal compliance and working with governments to build strong corporate governance and business ethics.

OUR STAKEHOLDER ENGAGEMENT

Ongoing and consistent engagement with our stakeholders is crucial in creating mutual understanding and building long-term relationships, which in turn allows us to improve our business performance and deliver quality products. We have established a broad range of communication channels with our valued stakeholders during the Reporting Period.

STAKEHOLDER GROUP	ENGAGEMENT CHANNELS	TOPICS OF CONCERN
 Investors and Shareholders	<ul style="list-style-type: none"> • Annual and interim reports • Annual general meetings • Circulars • ESG survey • Meetings and correspondences • Press releases and announcements 	<ul style="list-style-type: none"> • Cash flow • Company's competitiveness among peers • Earnings before interest, taxes, depreciation, and amortisation ("EBITDA") • Marketing strategy • Profit margin • Research and development pipeline
 Employees	<ul style="list-style-type: none"> • Business meetings • Briefings • Conferences • ESG survey • Performance appraisal meetings 	<ul style="list-style-type: none"> • Career prospects • Financial welfare • Working hours
 Customers	<ul style="list-style-type: none"> • Meetings and correspondences • Personal contact • Social media • eCommerce platforms • Health promotion seminars • International conferences 	<ul style="list-style-type: none"> • Customer service • Logistic efficiency • Offered price • Product quality • Supply stability and stock level
 Suppliers	<ul style="list-style-type: none"> • Assessment surveys • Procurement tender meetings • International conferences 	<ul style="list-style-type: none"> • GMP compliance • Ordering quantity • Unit price
 Media	<ul style="list-style-type: none"> • Interviews • Press releases 	<ul style="list-style-type: none"> • Company's competitiveness among peers • Research and development pipeline
 Government Bodies	<ul style="list-style-type: none"> • Compliance and non-compliance reports • Meetings and correspondences • Site visits 	<ul style="list-style-type: none"> • GMP/regulatory compliance • Supply stability

OUR MATERIAL ESG TOPICS

In preparing this Report, the Group engaged an independent sustainability consultancy to conduct a thorough materiality assessment. The exercise enabled the Group to identify and evaluate sustainability issues that are most material to Jacobson and its valued stakeholders, as well as determine the coverage and structure of the Report.

We are committed to performing this exercise annually to ensure our existing priorities, strategies and policies align with stakeholder interests and expectations. A 3-step approach was adopted to assess the materiality of ESG issues.



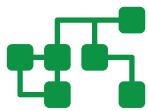
IDENTIFICATION

STEP
1

A list of potential material issues was identified with reference to the following sources:

- 8 internal interviews
- The Global Reporting Initiative ("GRI") Standards
- The SDGs
- Previous ESG reports from Jacobson
- Industry benchmarking

The criteria for the selection of material ESG issues include whether the issue has substantial influence on the assessments and decisions of stakeholders, and whether the issue reflects the Group's significant environmental and social impacts. Through this criteria, 25 ESG issues were identified and defined.



PRIORITISATION

STEP
2

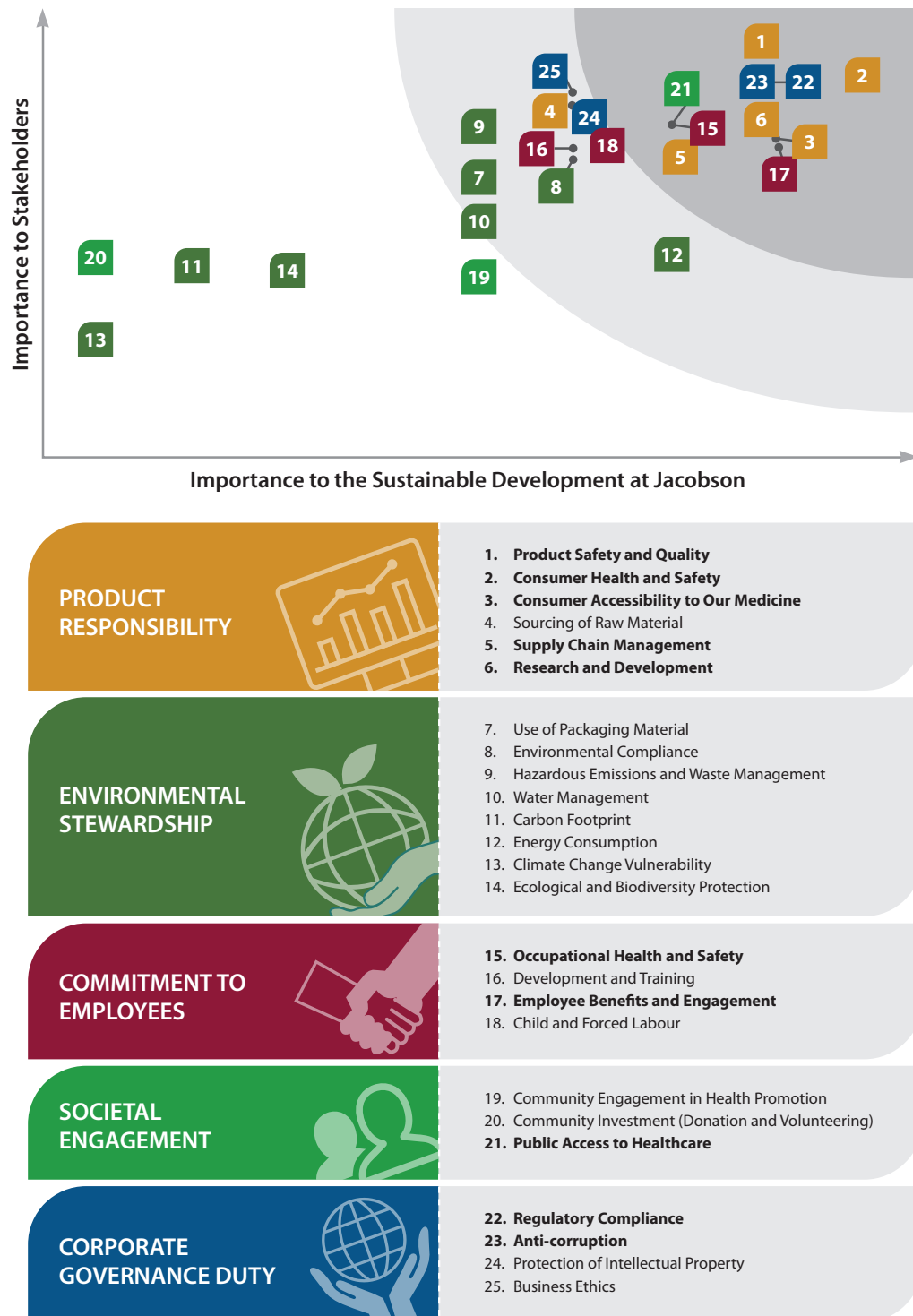
Different stakeholder groups were selected and engaged with based on their influence on the Group. They were tasked to rate the relative importance of the 25 ESG issues. The identified stakeholder groups were the Board, management, general staff, suppliers, contractors, consumers and clients. A standard questionnaire was utilised to ensure a consistent and systematic evaluation of material issues.



VALIDATION

STEP
3

The Group's management confirmed and validated the list of material topics for disclosure in this ESG Report. The results are shown in the materiality matrix. The Board has reviewed the identified material issues and results to ensure appropriate relevance and materiality to Jacobson.



The matrix and table¹ present the results of the materiality assessment. The matrix is created in accordance with international practices, reflecting the prioritisation of material aspects based on their importance to the sustainable development at Jacobson (represented by the Board and management) and stakeholders' expectations (represented by general staff, suppliers, contractors, consumers and clients). Throughout this ESG Report, the Group shall focus on the key ESG issues that are important to both the sustainable development of Jacobson and its stakeholders.

¹ The top 10 material issues in the materiality matrix are displayed in bold.

A person wearing a white hairnet, a white face mask, and white gloves is working in a cleanroom environment. They are holding a white tray filled with small, clear vials or test tubes. The background shows rows of similar trays on shelves, creating a sense of depth and repetition. The lighting is warm and focused on the person and their work.

**PRODUCT
RESPONSIBILITY**

PRODUCT RESPONSIBILITY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



As one of Hong Kong's leading pharmaceutical companies, we have a profound responsibility to address citizens' needs for high-quality medicines. We take this responsibility seriously, thereby the safety and quality of our products are of paramount importance to safeguard the well-being of our consumers. We expend great efforts to provide consumers with a diverse portfolio of high-quality medicines, whilst continuously engaging in research and development to enhance offerings for medical professionals and patients. The Group also proactively manages its supply chain to ensure that its high standards are complied with and maintained throughout its operations.

PRODUCT QUALITY AND CONSUMER SAFETY

It is imperative for Jacobson to produce high-quality, effective medicines to protect the health and safety of our consumers, where it adopts stringent measures to maintain a robust quality assurance system and mitigate considerable risks. We are ultimately responsible for manufacturing reliable products that solve the healthcare problems of our citizens, and thus comply with all laws and regulations concerning product responsibility, including but not limited to the Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong) and Pharmacy and Poisons Ordinance (Cap. 138 of the Laws of Hong Kong). Our Quality Manual complies with PIC/S GMP and sets out the policies to ensure our products are always produced to the highest standards of quality and safety. The Group's pharmaceutical manufacturing facilities are subject to an annual audit by Hong Kong's Department of Health ("DH"), based on PIC/S GMP standards, which further safeguards the

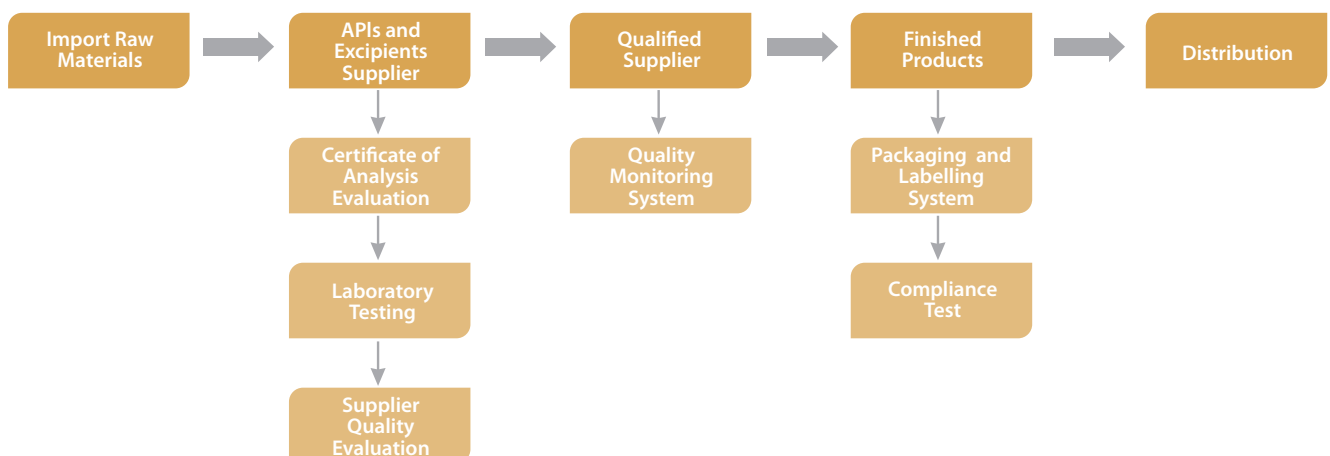
quality of products.

The Group operates a pharmacovigilance ("PV") system, where PV is defined as the science and activities relating to the detection, assessment, understanding and prevention of adverse effects or any other medicine-related problem. For the PV system, the Group has formulated a SOP that ensures the quality management of the Quality Assurance ("QA") Department meets DH's requirements and PV agreement with pharmaceutical suppliers to provide safe, high-quality and effective pharmaceutical products. During the Reporting Period, the PPBHK issued a "Guidance for Pharmaceutical Industry – Adverse Drug Reaction Reporting Requirements" that lists out the criteria for reporting adverse drug reactions of pharmaceutical products, which we strictly conform to.

Jacobson has implemented a set of standardised procedures to regulate the manufacturing process and preserve the quality attributes of medicines. Products are manufactured and inspected based on their prescribed specifications in licensed manufacturing facilities that adhere to PIC/S GMP. Production lines are cleaned and sanitised before processing different product types to avoid cross-contamination. Due diligence is exercised when finished products are handled, where they are stored at locations with temperature and humidity levels closely monitored to maintain the safety and efficacy of the products. Jacobson's centralised warehouse, Pharmason, is also accredited with WHO Good Distribution Practice ("GDP"), which prevents the occurrence of cross-contamination and preserves the integrity of its products.

RAW MATERIALS QUALITY OBSERVATION

RAW MATERIALS QUALITY CONTROL AND ASSURANCE PROCESS



The Group's raw materials used in drug production processes primarily consist of Active Pharmaceutical Ingredient ("API"), excipients and packaging materials. Every batch of raw materials (APIs and excipients) are subject to our rigorous inspection procedures at all facilities that are performed by the Quality Control ("QC") Department before being approved and sent for usage by the Production Department. Each batch of raw materials goes through a comprehensive set of laboratory tests, where samples are taken to confirm whether the materials match the stated specifications.

If the raw materials are found to be non-compliant to the specifications provided by the suppliers, the QC team will re-inspect the raw materials to verify their quality and safety. Suppliers must provide a Certificate of Analysis ("COA") along with their raw materials, where the QC Department will compare their results with the supplier's analysis to safeguard the quality of raw materials before use. Materials that are perceived to be substandard will not be used for manufacturing and returned to the manufacturer.

Every single raw material supplier is subject to supplier quality evaluation and only approved suppliers are considered as qualified suppliers, and will be scrutinised under our quality monitoring system. The QC Department will continue to evaluate all materials that enter the production process, where appropriate action is taken should any quality and safety concerns arise. For more information, please refer to the "Supply Chain Management" subsection below within this section.

FINISHED PRODUCTS QUALITY VALIDATION

Prior to shipment, every batch of products must go through a full compliance test according to our registered specifications. We perform a product quality review for all products annually, where the raw data and testing results of finished products are inputted into the review system. Through this procedure, we are able to identify trends or irregularities of our products, and refine our processes to optimise quality and safety before products are distributed to customers. Finished products are all kept at their specified storage temperature and humidity level to preserve the quality and safety of our products.

We are also equipped with automated packaging and labelling systems that ensure all products are properly packaged and accurately labelled according to its specifications. All products are inspected and units with impurities are removed from the production lines. The acceptable units are all sealed in their respective packaging forms. Our QC staff will check and validate the packaging and labelling of all products to ensure that they meet their respective specifications, as well as the criteria set by the DH.

QUALITY ASSURANCE AND PRODUCT RECALLS

To reinforce our commitment in manufacturing high-quality and safe products, we have devised a set of product recall SOPs that



outline the actions to be taken in the event of a product recall for all finished products. The QA Department is in charge of executing and coordinating the product recalls process. Respective QA staff will be appointed to liaise with the DH. Pharmacists and/or designated QA staff are responsible for conducting an annual review of the SOPs, and updating it accordingly with reference to the corresponding guidelines issued by the DH.

We have established strict procedures to handle any unlikely cases of quality defects or product recalls, where swift action will be taken to remediate the situation. Any signs of a quality defect must be reported to the QA Department and for recalls, the DH will be promptly notified. The product recall process will then be carried out that involves notifying customers and providing different channels to facilitate product returns. All returned products will be stored in a designated area at our warehouses and either destroyed, reconditioned or returned to the overseas manufacturer. With our stringent quality assurance system in place, during the Reporting Period, none of the products under Jacobson were recalled due to safety and health reasons.

We strive to improve the quality of products and services by establishing dedicated teams and personnel to engage with our customers. Our employees will communicate information to customers, including new products and policy updates, as well as quickly solving any problems in order to enhance their satisfaction and surpass expectations. During the Reporting Period, the Group received three minor complaints from customers relating to our products. We swiftly and effectively addressed the complaints by discussing the nature of the problem with the customers to understand their concerns and offered an exchange of the products in question, as well as providing written correspondences to demonstrate our ethos of product responsibility.

RESEARCH AND DEVELOPMENT

Jacobson proactively engages in research and development to improve the efficacy of existing products and create products that fulfil the changing needs of our healthcare system. A key driver of our research and development process is meeting the demands of our customers. Stability tests are performed for all new products to establish their quality when they are exposed to various environmental factors, including but not limited to temperature and humidity. Products that meet our quality standards and are deemed safe will then be registered and marketed.

As a pharmaceutical company which is aspired to champion potential technologies that are developed by local and overseas researchers, we have also engaged with different academic institutes in a proactive manner and assisted them in commercialising their ideas into products that benefit the well-being of our patients.

SUPPLY CHAIN MANAGEMENT

Jacobson is focused on building strong relationships of mutual trust and respect with all our suppliers across the supply chain, whilst addressing issues in a collaborative manner. We pay great attention to responsibly managing our supply chain, and have strict procedures in place to ensure our specified levels of quality, safety, verifiability, reliability and price are adhered to. We adhere to all laws and regulations relating to the supply chain, including but not limited to the Import and Export Ordinance (Cap. 60 of the Laws of Hong Kong), Pharmacy and Poisons Ordinance (Cap. 138 of the Laws of Hong Kong) and Dangerous Drugs Ordinance (Cap. 134 of the Laws of Hong Kong).

SUPPLIER EVALUATION AND APPRAISAL

Our supplier evaluation assessment covers our tier 1 suppliers only, namely direct providers of APIs, excipients and packaging materials. Prior to partnering with any new suppliers, we will perform an extensive supplier screening and assessment procedure to ensure that they are able to meet our expectations and requirements. Our fundamental principle is for all suppliers to have the necessary credentials, including GMP certification awarded by the local regulatory authority (compulsory for API providers) or ISO certification. We also request manufacturers to complete and submit an "API Vendor Approval Questionnaire" and "Raw Material Vendor Assessment Form" to evaluate their regulatory profile, manufacturing processes, raw materials specifications and quality management procedures.

The QA Department will then approve suppliers who meet our indicated standards and add them to the approved supplier list. Each batch of products supplied will need to include a copy of a COA, and will be subject to further testings and samplings.



We have procedures in place where designated personnel will closely monitor the quality and changes of the suppliers. If any regulatory warnings or quality concerns were identified, we would perform further testings on all received raw materials from that particular supplier, and it would be delisted from our approved supplier list should they fail to meet our approved specifications, and alternate suppliers would be sourced as a replacement.

We only procure raw materials from suppliers on the approved supplier list. To ensure continuous availability of our products, we actively purchase critical APIs and excipients from multiple approved suppliers. The Group maintains a procurement database that records information of our approved suppliers and purchases, including certifications, price, quantity, materials specifications and recipient facility. The Procurement Department conducts analyses to identify supply chain trends and facilitate materials sharing for common items to prevent wastage.

To reduce our carbon footprint deriving from logistics operations of our supply chains, we predominantly source raw materials from suppliers who are located within a close proximity to our facilities. Moving forward, we shall further analyse our suppliers and purchases to devise measures to determine ESG supply chain risks and procure from eco-friendly, sustainable partners. During the Reporting Period, the Group sourced raw materials from 542 suppliers, who are primarily located in Asia.

CONTRACTOR EVALUATION AND SELECTION

Contractors are requested to fill in an evaluation form that assesses their experience, training records, health and safety mechanisms, and risk management processes amongst others. If the contractors are deemed as suitable, we will proactively engage with them to encourage sustainable practices and align them with our principles on ESG-related matters. We aim to expand our existing measures to incorporate environmental aspects in the future.



CORPORATE GOVERNANCE DUTY

Global Markets

Asia

CORPORATE GOVERNANCE DUTY

16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



Jacobson is committed to developing and implementing a robust internal control and governance system to ensure that we operate in an ethical and transparent manner. Adopting a strong governance system allows us to strengthen our regulatory and environmental compliance, instil and champion a culture of ethical behaviour to prevent any forms of corruption, as well as rigorously protecting the intellectual property (“IP”) rights and personal data of all parties. For more details regarding relevant laws and regulations, please refer to the “Laws and Regulations” section.

REGULATORY AND ENVIRONMENTAL COMPLIANCE

Compliance with all relevant local laws and regulations is the Group’s greatest responsibility. Thus, we employ our utmost efforts to ensure that our practices and processes are in line with government policies and legislations, as well as the expectations of all our stakeholders in relation to products, operations and the environment. Additionally, any requests for operational changes must be submitted to and approved by the respective authorities.

REGULATORY COMPLIANCE

Jacobson operates based on the Pharmacy and Poisons Ordinance (Cap. 138 of the Laws of Hong Kong), where our pharmaceutical products adhere to the strict safety, quality and efficacy standards established. Furthermore, we have acquired the necessary licences, permits and approvals compulsory for pharmaceutical manufacturing, including the “Licence for Manufacturer” in Hong Kong and National Medical Products Administration (“NMPA”) “Drug Manufacturing Certificate” in Mainland China.

As a responsible pharmaceutical manufacturer, the Group complies with GMP standards in Hong Kong and Mainland China, which is a system of guidelines and regulations that ensures products are produced and controlled to defined standards. The Group has obtained “Licence for Manufacturer” issued by the PPBHK for all production facilities, which demonstrates its full compliance with the PIC/S GMP standards. The PIC/S GMP benchmarks are updated every year, where the DH subsequently updates its own guidelines for pharmaceutical manufacturers to follow. In order to keep abreast and comply with the latest GMP developments, during the Reporting Period, the Group has implemented initiatives to incorporate toxicological evaluation that includes using an effective cleaning method to prevent



cross-contamination and calculating toxicity elements to adhere to the carryover limit of residue.

In order to fulfil the regulations established by GMP as well as different regulatory bodies including the DH, the Group has at least one AP stationed at each manufacturing facility to follow and apply the latest policies and guidelines. The AP ensures that the site maintains compliance throughout its operational processes, including procurement, production, product testing, goods storage and distribution.

ENVIRONMENTAL COMPLIANCE

Conforming to environmental laws is a practice that we closely monitor and follow. The Group rigorously complies with all environmental laws and regulations, relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste in the areas that it operates in. The Group is a registered waste producer under the Environmental Protection Department (“EPD”). For each disposal of our hazardous chemical waste, a “Notification under Section 17 for ‘Part A’ Chemical Wastes” is required to be submitted to the EPD, and disposal instructions are returned by the EPD that must be followed and given to the waste collector. All chemical waste is collected by a licensed waste collector endorsed by the EPD. For more information on our environmental conservation initiatives, please refer to the “Environmental Stewardship” section.

BUSINESS ETHICS AND ANTI-CORRUPTION

To strengthen integrity within the Group's operations, we uphold a responsible and ethical corporate culture that employees are expected to follow. We comply with the Criminal Law and Anti-unfair Competition Law of the PRC and the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong). We have formulated a Prevention on Bribery Policy that is also mentioned in the Code of Conduct section of our Employee Handbook. The policy lays out the conduct expected of all staff and our approach to dealing with suspected corruption cases.

We do not tolerate any form of bribery and corruption, and staff members are strictly prohibited from soliciting, accepting or offering any bribe relating to a private, public or government entity when undertaking their responsibilities or when representing the Company in Hong Kong or elsewhere. Where staff are presented with gifts or souvenirs that could constitute impropriety, the personnel is encouraged to report the matter to the chief financial officer of the Company by submitting a "Report on Gifts/Advantages Received" form. A decision will be given by the approving authority as to how the item in question should be disposed of.

Conflict of interests should be avoided at all times. In the event that an actual or potential conflict of interest arises, the staff member should make a formal declaration to the chief financial officer of the Company by completing a "Declaration of Conflict of Interest" form. Sound judgement shall be exercised concerning whether the employee should continue to engage in the duty.

Staff are reminded to always act in the best interests of Jacobson to avoid unintended misconduct. Employees are encouraged to report any cases of corruption to the Human Resources ("HR") Department or regulatory authorities. An internal investigation will be conducted, and any staff member who is found to be in violation of this policy will be disciplined, including but not limited to termination of employment. During the Reporting Period, we were not aware of any legal cases brought against the Group relating to corruption, bribery, extortion, fraud and money laundering.

To ensure that we keep abreast of the latest compliance requirements, we organised a self-study anti-corruption training course for management personnel and general staff during the Reporting Period, where 85% of the invited employees have completed the

anti-corruption training. Upon completion of the ICAC's online training course, our employees gained a greater awareness of common ethical challenges and corruption issues encountered during daily operations, as well as measures to combat these problems.

INTELLECTUAL PROPERTY RIGHTS AND DATA PROTECTION

We acknowledge the importance of data protection and have established guidelines that can be found in the Code of Conduct of our Employee Handbook and IT Acceptable Use Policy to remind all staff to safeguard classified and confidential information of the Company, personnel and customers. Employees are prohibited to disclose sensitive details unless prior authorisation is obtained. To enhance the security of our network systems, authorised personnel who have access or manage internally stored information are responsible for monitoring and protecting data from unauthorised disclosure or misuse. Any staff member who is involved in a data breach will be subject to disciplinary action, including termination of employment. During the Reporting Period, we recorded no cases relating to data breaches.

Protecting and respecting intellectual property rights is a fundamental practice that Jacobson pays significant attention to. Prior to engagement with all our business partners, a Confidential Disclosure Agreement will be signed to ensure sensitive and confidential information is not disclosed with third parties, and is strictly observed to protect the best interests of partners involved with the agreement.



A photograph of three business professionals (two women and one man) in an office setting, celebrating a success. They are gathered around a desk with a laptop. One woman is high-fiving the man, while the other woman looks on with a joyful expression. The entire image is overlaid with a semi-transparent pink filter. The text 'COMMITMENT TO EMPLOYEES' is written in white, bold, uppercase letters on the left side of the image.

COMMITMENT TO EMPLOYEES

COMMITMENT TO EMPLOYEES

8 DECENT WORK AND ECONOMIC GROWTH



At Jacobson, we firmly believe that people are the cornerstone of our business and are our most valuable asset. Thus, we are resolute to enhance the satisfaction, well-being and aspirations of our workforce whilst enabling a supportive working environment. The Group is driven to build a harmonious and collaborative culture where employees can feel valued and achieve a strong sense of purpose, as well as creating safe working spaces to prioritise their health and safety. We also place great emphasis on maintaining high labour standards, and enhancing the knowledge and skills of our people to develop their potential at Jacobson.

EMPLOYEE BENEFITS AND ENGAGEMENT

The welfare of our employees cannot be underestimated. We regularly engage with our staff to ensure that their voices are heard and their needs are taken into consideration. Important information including notices, circulars and policy updates are communicated to employees via noticeboards set up at each facility and other available communication channels.

All our employment-related policies and procedures can be found in the Employee Handbook, and strictly comply with the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), Labour Law and Labour Contract Law of the PRC.

The Group has formulated a policy on Equal Opportunities that reinforces our dedication to providing a safe workplace where employees are respected, valued and can achieve their full potential. Unacceptable behaviour that amounts to sexual harassment or discrimination based on characteristics including gender, marital status, pregnancy, family status, disability and race will not be tolerated under any circumstances. Our recruitment, promotion and transfer/job rotation procedures are solely based on the principles of ability, experience and performance. A Retirement Policy is in place to safeguard the rights of employees that have reached retirement age, where employment contracts may be extended and employees are entitled to the long service payment. The Transportation and Travel Expenses Reimbursement Policy enables staff to be reimbursed for any travel expenses incurred to arrive home after working overtime beyond a certain period of time.

Our employees are provided with a competitive remuneration package and various positions may be entitled to the Group medical insurance, employees' compensation insurance and the Group travel insurance, in addition to various leave benefits, including statutory holidays, annual, sick, maternity, paternity, jury/witness duty, marriage, and compassionate. A discretionary Chinese New Year bonus is given to employees based on the performance of the Company and individual employee. In addition, selected employees are eligible for the Group's

share option scheme(s), share award scheme(s) and/or other similar incentive schemes in accordance with the terms and conditions of the individual schemes. We also operate free shuttle bus services between various locations, which all employees are entitled to use. A lunch subsidy scheme is also in place for our front line staff, and the Company will continue to explore any feasible schemes that will benefit our employees.

We have set up an annual performance appraisal system, where an overall performance assessment is performed once a year for every single staff member in each business unit. The respective Department Head will complete an appraisal form by discussing overall performance with the staff member and conducting an evaluation. A performance rating is calculated that is converted to a percentage incremented and recorded in the worksheet. The HR Department will then review the annual salary review proposal, which is subject to the Chairman's final approval.

To engage with our employees, the Company organise annual staff photography contests since 2012 to provide a platform for all members of staff to showcase their creative and photography talents. The artworks of winners are featured in our annual corporate calendars, which highlight our recognition towards the artistic skills of our employees. Staff are also rewarded for their hard work and effort with a set of premium stationery that includes a corporate calendar and A5 notebook. During the Reporting Period, the Group distributed a box of Po Chai Pills to each member of staff as a token of appreciation for their support and dedication in maintaining the Company's operations.



COVID-19 has undoubtedly impacted our operations and ability to provide citizens with required medicines, especially during the height of the Pandemic in Hong Kong. The ethos of Jacobson is to operate with a sense of responsibility. Thus, to show gratitude and boost the morale of our workers, particularly our frontline workers, the Chairman periodically communicated messages to all employees during the Reporting Period reminding them to prioritise their own wellness whilst embracing the Company's ethos. We have increased the salary

for frontline workers with relevant data disclosed transparently, and we only review position requirements and applicability after the post-holder leaves the company.

In the future, we hope to instil a greater sense of belonging amongst our employees and build stronger relationships with them by providing additional benefits and arranging social events for employees and their family members.

OCCUPATIONAL HEALTH AND SAFETY

Safeguarding the health and safety of our employees, especially staff who are engaged in manufacturing operations, is an indispensable area that the Group pays great attention to. In order to provide a secure, safe and low-risk environment, we strictly follow all health and safety regulations, which include the Factories and Industrial Undertakings Ordinance (Cap. 59 of the Laws of Hong Kong) and the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong).



Jacobson has a robust Occupational Health & Safety Management System that incorporates the health and safety protocols of the workplace. The system lays out the organisational structure, responsibility of personnel, and management level procedures to ensure health and safety is clearly understood and applied throughout our operations. Additionally, it integrates three key elements that include the Occupational Health & Safety Policy Manual, OHS management procedures, and operational documents, such as SOPs. Our Occupational Health & Safety Policy sets a clear direction for the Group, and defines the OHS objectives and expectations of management staff. The policy is reviewed and revised once every two years to ensure that it remains relevant, effective and valid. SOPs on occupational health and safety are provided for different business units to follow according to their production requirements.

The OHS Management System is evaluated through an annual external safety review or audit to strengthen the overall performance. The process involves collecting, assessing and verifying information to determine the existing effectiveness and efficiency of the system, as

well as considering improvements. In addition, a Safety Committee comprising of management personnel is formed that meets once every three months to formally discuss and address issues on the agenda, as well as taking appropriate action to enhance alignment with the objectives of the OHS Management System.



We have procedures in place that are stated in the Employee Handbook to prevent and handle injuries on sites. All injuries or accidents at production facilities are shared amongst all business units every three months to promote a heightened sense of well-being and protection. Annual fire safety drills are held to ensure that employees are well prepared in case of an emergency. All machinery and equipment are inspected and reviewed for safety hazards by designated staff. Personal Protective Equipment ("PPE") is distributed to employees who are engaged in higher risk activities. In response to COVID-19, we also safeguard employees' health by sourcing and providing daily rapid antigen tests and relevant PPE. In the event that an employee is injured, the incident must be immediately reported to their supervisor, who will then inform management staff for further action. First aid boxes are strategically placed on every floor at easily accessible locations to enable prompt treatment of any injuries. The Group recorded 0 (FY2021: 0) case of work-related fatalities in the past three years including the Reporting Period, and 653 (FY2021: 1,165) lost days due to work-related injuries.

A comprehensive Risk Assessment Register has been developed that identifies potential hazards that have occurred when handling our production lines, including tablets, capsules, syrups and ointments. An existing risk level is assigned that is based on the likelihood and severity of the risk, where a risk rating is also given. Control measures that include providing training and PPE are established to reduce the existing risk level to a manageable level. The Team Leaders are responsible for executing the control measures, whereas the Production Officer shall monitor the developments.

Induction training on OHS is provided to all new staff members to enhance their safety knowledge and risk awareness. Participants are required to complete and pass a written test before undertaking duties. Refresher safety training is also provided on an annual basis to ensure employees keep abreast of the latest OHS policies, procedures and regulations. During the Reporting Period, training on topics including chemical handling, machinery operation, workspaces disinfection, boiler safety and first aid were provided to employees to promote a safe workplace.

DEVELOPMENT AND TRAINING

The Group understands the value of nurturing and training our workforce to fulfil career potential and increase employee retention, which ultimately drives the growth and success of a business. We proactively support employees with development and training opportunities to enhance their satisfaction and competitiveness.

New staff members are provided with orientation training during the probation period, who would be informed about the Company history, background, structure and philosophy, as well as employee benefits, regulations and office practices. Practical on-the-job training is provided to staff members to build confidence and competency in their respective job role. We expect all new recruits to be equipped with the skills and knowledge to embark on a rewarding career with us.

Comprehensive training is provided to employees, which is tailored to the nature of their work and workplace. Annual trainings on SOPs relevant to the job function are routinely organised to equip staff with the necessary knowledge to perform tasks effectively, where they will be required to take a test upon training completion. Our pharmacists in particular are provided with training on the production process from start to end and are given strong support, such as mentorship and career path planning to prepare them to become competent APs at production facilities. Pharmacists may be tasked with supervising the production process if deemed to be appropriate by individual business units.

To support future company leaders and facilitate employees' professional growth, employees are provided with numerous training opportunities. A new training programme conducted during the Reporting Period is the addition of ESG training for Directors. During the training, all of the Directors are educated on the current standards and various frameworks on ESG reporting, introduction to the SDGs and the relationship between ESG performance and investment decisions. To ensure the Directors keep abreast of the latest developments in sustainability, we aim to provide them with trainings on ESG-related matters on an annual basis.

Jacobson actively seeks ways to develop well-rounded and well-informed individuals by enabling employees to attend external training programmes to ultimately nurture future leaders. During the Reporting Period, we partnered with The Global Institute for Tomorrow ("GIFT"), an independent pan Asian think tank that focuses on tackling profound problems within societies, and sponsored one of our employees to participate in their annual "Hong Kong Young Leaders Program". The training programme is a scheme for young professionals to cultivate leadership capabilities, develop their problem solving

skills and collaborate with like-minded individuals in a real-world project, where the participants created a multipronged proposal for policymakers to develop Hong Kong into a resilient smart city.



Sponsorship opportunities under our Company Sponsorship for External Studies/Training Policy can also be found in the Employee Handbook. The Department Head has the ability to nominate staff or staff can self-nominate to participate in training courses to develop their knowledge and skill set, where the Department Head will then complete the application form and agreement form for the participating members of staff. During the Reporting Period, 1,255.90 hours of training were provided to employees on topics including but not limited to health and safety, cleaning and disinfection, GMP compliance, quality management system and quality control.

CHILD AND FORCED LABOUR

We rigorously uphold ethical labour standards throughout our operations and enforce a zero-tolerance approach to illegal employment, including child and forced labour. The background and documentation of applicants are checked and verified during the recruitment process to ensure their age and status comply with the local laws and regulations. If dishonest or fraudulent information is provided and subsequently discovered, recruitment or employment with the Group will be immediately terminated without any compensation. During the Reporting Period, the Group did not record any incidents relating to labour disputes, or any non-compliance with relevant laws and regulations relating to preventing child and forced labour.

A low-angle, silhouette photograph of a person reaching their hand towards a floating graduation cap. The person's hand is in the foreground, with fingers spread in a reaching gesture. The graduation cap, complete with a tassel, is suspended in the air above the hand. The background consists of a bright, cloudy sky, creating a high-contrast scene. The overall image has a greenish tint.

SOCIETAL ENGAGEMENT

SOCIETAL ENGAGEMENT

3 GOOD HEALTH AND WELL-BEING



The Group is passionate in engaging in philanthropic causes and leveraging our resources to promote healthcare, address community health problems, protect the environment, and cultivate pharmaceutical academics and professionals to support societal growth. Thus, we are determined to build stronger relationships with local citizens and communities as well as drive social and environmental impact. We contributed a total of around HK\$1 million to community engagement initiatives during the Reporting Period to ultimately bring about positive change in society.

This year, we have engaged Dream Impact HK Ltd., a professional local social impact organisations, in measuring our collective impact as a corporation using the Theory of Change model. This model will be used as a future guide in strategy formulation, evaluation and communication on our social impact.

We intend to formulate a community engagement strategy that will allow us to coordinate our contributions to activities that align with our focus areas. Developments of our community outreach initiatives including facilitating healthcare accessibility, especially for the underprivileged, are expected to be disclosed in future reports.

WHO		ACTIVITIES	OUTPUTS		OUTCOMES		IMPACT	GOALS		
			Short term		Medium term		Long term			
Public hospitals Public district clinics Private hospitals Private clinics Community pharmacies Chain stores Pharmacy students	1. 2. 3. 4.	Research and development, production, sales and distribution of essential medicines Supporting local communities with essential medicines and specialty drugs Scholarship at The University of Hong Kong and The Chinese University of Hong Kong School of Medicine Support staff to operate manufacturing facilities throughout the Pandemic	1. 2a. 2b. 2c. 2d. 2e. 3. 4.	Supplying more than 70% of public hospital oral generic medications Over 95% of pharmacies covered in Hong Kong using Jacobson's generic drugs 100% of private and public hospitals covered in Hong Kong using Jacobson's generic drugs Over 95% of private clinics, medical groups and pharmacies served in Hong Kong Offering quality generic drugs to public and private healthcare sectors at an economical price, which lowers the financial burden on patients and Hong Kong's healthcare system 2.5% increase in annual tenders for FY2023 10 students supported through scholarships 43000+ complimentary rapid antigen tests supplied to staff	1. 2a. 2b. 3. 4.	Improve quality of life of patients through supporting communities with economical essential medicines and specialty drugs Expand community pharmacy's portfolio of specialty and essential medicines Increase access to essential medicines for underprivileged groups Improve access to pharmaceutical education Improve health resilience of local communities	1. 2a. 2b. 3. 4.	Jacobson manufactures safe and effective drugs made in Hong Kong Expand community engagement with community pharmacists and underprivileged residents Patients have accessible and affordable drugs at their local districts More local talents in the pharmaceutical industry Improvement in production stability and staff loyalty	1. 2. 3. 4.	Improve the public's affordability of healthcare through provision of quality essential medicines and specialty drugs to different sectors of the healthcare industry, especially for the public sector. Beneficiaries' increased awareness in managing their health issues through proper prescriptions and holistic healthcare Supplying Hong Kong with quality young talents Maintain stable operations
Internal staff General public	1. 2.	Sales and distribution of products Senior home visits	1. 2.	2 senior home visits per year for holistic health promotion and branded medicine education Around HK\$1 million invested in community engagement initiatives	1. 2a. 2b.	Improve access to branded medicines in community centres Enhance employees' sense of belonging and company loyalty Promote well-being and longevity of elderly population	1. 2.	Providing accessible and affordable proprietary medicine for at home treatments Employees are proud to work at Jacobson and feel taken care of and engaged	1a. 1b. 2.	Increase awareness in holistic healthcare and well-being Building a legacy of traditional Chinese medicines for future generations Increase community engagements with Jacobson

COMMUNITY ENGAGEMENT

To connect with communities, we undertake charitable activities to emphasise the importance of being a responsible citizen. The Group donates and sponsors its products, including Po Chai Pills and Tong Tai Chung Woodlok Oil, to support various charitable causes, especially organisations that care for the elderly who are often overlooked in society. We have distributed an equivalent of over HK\$300,000 worth of products to develop the well-being of local communities during the Reporting Period.



Jacobson is an advocate in raising awareness of breast cancer, which is a significant public health problem. To facilitate the detection and treatment of early-stage breast cancer, during the Reporting Period, we have sponsored over HK\$400,000 to support patients with performing an Oncotype DX Breast Recurrence Score Test, which analyses the genes associated with breast cancer to determine the probability of recurrence, and whether chemotherapy is likely to be a beneficial treatment method. Additionally, we have donated to the Pink Together 2021 event organised by the Hong Kong Breast Cancer Foundation to aid the fight against breast cancer.

To facilitate the accessibility and affordability of healthcare, the Group is committed to continuously exploring methods to achieve price reductions in drugs that are essential for maintaining the well-being of citizens, which is imperative in order to eliminate barriers to effective medical treatment, and to promote equal access to healthcare for all.

CULTIVATION OF PHARMACEUTICAL TALENTS

As part of our ongoing commitment to developing healthcare education and nurturing local talent, we continually collaborate with local and overseas universities on communicating the latest developments in medicinal research through public conferences, and on innovative research projects that have the ability to shape the healthcare landscape. We also provide generous scholarships and awards to academically-driven students to unlock and fulfil their potential within pharmaceutical education and research.

To this end, we have sponsored orientation camps and conferences hosted by pharmacy and medical schools at local universities. During the Reporting Period, we have proudly supported 10 university students at the Li Ka Shing Faculty of Medicine of, The University of Hong Kong and the School of Pharmacy of The Chinese University of Hong Kong with the following scholarships amounting to HK\$100,000 to acknowledge outstanding achievements in pharmaceutical sciences:



LI KA SHING FACULTY OF MEDICINE OF THE UNIVERSITY OF HONG KONG

- Jacobson Outstanding Award in Research Project 2020-2021 – HK\$10,000
- Jacobson Prize in Pharmaceutical Science 2020-2021 – HK\$6,000
- Jacobson Scholarship 2020-2021 – HK\$24,000

SCHOOL OF PHARMACY OF THE CHINESE UNIVERSITY OF HONG KONG

- Jacobson Admission Scholarship Awards – HK\$50,000
- Jacobson Undergraduate Fellowship Award – HK\$10,000

The Group has also organised internship programmes for local and overseas university students to enable our future leaders to gain valuable work experience to broaden their knowledge, share their own perspectives and ultimately ignite their passion for the pharmaceutical industry. Hong Kong Premier Concentrated Chinese Herbs Ltd., a subsidiary of the Company, donates a scholarship known as Hoitin Concentrated Chinese Herbs Scholarship (海天濃縮中藥獎學金) to the School of Chinese Medicine at The Chinese University of Hong Kong. The scholarship amounts to HK\$60,000 per annum and lasts for five academic years from 2018 to 2023.



ENVIRONMENTAL STEWARDSHIP

ENVIRONMENTAL STEWARDSHIP

13 CLIMATE ACTION



The impact of our business activities on the environment is an important concern and shapes our approach in developing sustainable procedures to minimise our environmental impact and embrace sustainable operations. The Group is ultimately responsible and accountable for the waste generated, emissions emitted and natural resources consumed across our operations. Thus, we are committed to playing our part in reducing GHG emissions and implementing environmentally-friendly initiatives to tackle pertinent environmental issues including the increasingly complex issue of climate change.

We recognise that our journey to sustainability is insignificant without a solid commitment to reducing the environmental impact of our business activities. Our advocacy to protect the environment is reinforced by our series of environmental targets formulated in FY2022 that will drive individual and collective responsibility, as well as delivering significant contributions. Since the Group strictly complies with regulations that in turn affect the capacity to fulfil the environmental obligations, appropriate hazardous waste reduction targets cannot be feasibly set and thus are not disclosed.

ENVIRONMENTAL TARGETS FOR JACOBSON

GHG

- By FY2023 organise an environmental initiative that reduces or offsets greenhouse gas emissions.
- By FY2025 identify and join an industry association/coalition/partnership group to promote carbon reduction in the industry.
- By FY2026 replace at least 20% of existing company vehicles to hybrid or electric vehicles.

WASTE

- By FY2023 set up a waste monitoring system for non-hazardous waste to facilitate data collection.
- By FY2023 set up a recycling policy and system for non-hazardous waste to facilitate recycling at offices and facilities.
- By FY2023 provide at least 1 hour waste reduction training for employees.

ELECTRICITY

- By FY2023 provide at least 1 hour energy and resource saving training for employees.
- By FY2026 reduce electricity usage intensity by revenue (kWh/HK\$'million) of at least 20% of all facilities by 3%, compared to FY2020 baseline.

FUEL

- By FY2026 replace at least 20% of existing company vehicles to hybrid or electric vehicles.

WATER

- By FY2023 study the feasibility to set up separate systems at each production facility to record water usage for production and non-production purposes.
- By FY2023 provide at least 1 hour energy and resource saving training for employees.
- By FY2024 establish a monitoring and control system to determine the quality of wastewater discharged at production facilities.



NON-HAZARDOUS AND HAZARDOUS WASTE MANAGEMENT

As a pharmaceutical manufacturer, we acknowledge that waste generation and disposal is a significant matter. To this end, we strictly comply with the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong) and Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C of the Laws of Hong Kong) to protect the health and safety of society.

Waste is generated across the Group's operations and stems from production processes, damaged goods, microbiological waste after testing, expired raw materials, chemical waste from quality control testing and packaging waste. We have a Goods Destruction Policy at production facilities that details our hazardous and non-hazardous waste collection, handling and recording procedures. The duties of staff members and guidelines on how to correctly handle waste generated from the different sources are also indicated.

NON-HAZARDOUS WASTE MANAGEMENT

For non-hazardous waste, relevant personnel are instructed to complete and attach an appropriate label on the items, and then fill in a "Drug Waste Destruction Record Form". The form is reviewed and passed to the QA Head or pharmacist for approval. After approval, the goods are collected in a container and transported to the designated drug disposal area. Once the disposal area reaches a 90% capacity rate, QA staff will contact the contractor for proper waste disposal. Packaging waste is considered as general waste and is recycled where possible.

Other non-hazardous waste generated at facilities and offices include non-contaminated labware and wastepaper. Jacobson has embraced sustainable practices to minimise our waste generation. To reduce our paper usage, we have adopted a mobile ordering system for our sales team to place and manage sales orders, as well as a SAP system that streamlines the approval process for electronic payments. Digital communication methods are used where feasible to promote paperless operations. If paper must be used, we will encourage employees to set printers to duplex printing, re-use paper and recycle used paper where possible. At offices, the Group instils a culture of proper waste disposal by promoting the importance of the '4Rs' – reduce, reuse, recycle, replace.

HAZARDOUS WASTE MANAGEMENT

Special arrangements must be carried out for hazardous waste. Microbiological waste is sterilised and transferred to the assigned area for disposal. For chemical waste, employees must wear PPE and place the contents into a standardised chemical waste drum provided by the contractor. Waste drums must be filled to 80% capacity or less and tightly sealed to prevent toxic gases from emitting. QA staff will submit a notification form to the EPD and instructions for disposal will be returned, which is required to be provided to the chemical waste handling company for appropriate treatment. If the chemical waste contains dangerous drugs, a pharmacist must contact the DH. In this case, the waste will be poured into a waste drum under the supervision of DH personnel and disposed of by the contractor.

A summary of the Group's hazardous waste generation is provided in the table below. Non-hazardous waste is considered as immaterial to our operations and thus, data has not been collected. We aim to develop a waste monitoring system in the future to improve our non-hazardous waste management.

WASTE GENERATION ²	UNIT	FY2022	FY2021	% CHANGE
Hazardous Waste	kg	177,185.20	104,335.00	+69.82%
Hazardous Waste Intensity by Revenue	kg/HK\$'million	111.05	72.16 ³	+53.90%

² All figures in data tables are rounded to 2 decimal places where applicable.

³ The measurement unit from g/HK\$ to kg/HK\$'million for FY2021 has been converted to ensure accuracy and comparability of data with FY2022 and in the future.

AIR AND GHG EMISSIONS CONTROL

As a steward of the environment, Jacobson expends great efforts to manage and minimise our emissions, and has adopted various measures to address this important aspect.

AIR EMISSIONS CONTROL

The main types of air emissions deriving from our business activities are nitrogen oxides (“**NO_x**”), sulphur oxides (“**SO_x**”) and particulate matter (“**PM**”). These are emitted from machinery used in drug manufacturing and vehicles used for goods distribution. At our production facilities, the heating, ventilation and air conditioning (“**HVAC**”) system is maintained at a specific temperature to improve indoor air quality and safeguard product quality. PM from dust and steam will go through a HEPA filter to control the level of PM released into the atmosphere. For vehicles, we intend to gradually replace our fossil fuel-based vehicles with hybrid or electric vehicles to limit the amount of pollutants emitted in the coming years.

GHG EMISSIONS CONTROL

GHG emissions generated by the Group’s operations originate from the combustion of fuels from manufacturing equipment and transportation vehicles (scope 1), the consumption of electricity and gas (scope 2), as well as paper waste disposed at landfills (scope 3). To mitigate our environmental impact, we have implemented initiatives that reduce harmful emissions, enhance energy efficiency and conserve water. For further details regarding these initiatives, please refer to the “Air Emissions Control” subsection, “Energy Consumption” section and “Wastewater and Water Management” section respectively.

Our subsidiary Jacobson Medical (Hong Kong) Limited has participated in the carbon dioxide (“**CO₂**”) offset programme developed by Shell Hong Kong Limited to drive its commitment to limiting its carbon emissions. The subsidiary was awarded a “Carbon Credits Retirement Certificate” for offsetting 7 tonnes of CO₂e from the earth’s atmosphere in 2021. Through this programme, we tracked our fleet’s overall fuel consumption and calculated the associated ‘well-to-wheel’ CO₂e emissions.



To enhance our understanding of the Group’s GHG emissions, we commissioned an independent sustainability consultancy to accurately analyse and evaluate our performance. The quantification methodologies used for calculations references both local and international guidelines, including the “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong” published by the EPD and the Electrical and Mechanical Services Department (“**EMSD**”), and the “Greenhouse Gas Protocol” produced by the World Resources Institute and World Business Council for Sustainable Development. The GHG emission factors originate from the respective utility companies in Hong Kong or the regional power grid in Mainland China.

GHG EMISSIONS	UNIT	FY2022	FY2021	% CHANGE
Scope 1: Direct GHG Emissions	tCO ₂ -e	37,253.42	34,398.00	+8.30%
Scope 2: Energy Indirect Emissions ⁴	tCO ₂ -e	22,930.84	18,749.00	+22.30%
Scope 3: Other Indirect Emissions ⁵	–	–	–	–
Paper Waste Disposed at Landfills	tCO ₂ -e	151.70	–	–
Electricity Used for Fresh Water and Wastewater Treatment Processes	tCO ₂ -e	–	136.00	–
Total GHG Emissions (Scope 1-3)	tCO ₂ -e	60,335.96	53,283.00	+13.24%
Total GHG Emissions Intensity by Revenue	tCO ₂ -e/HK\$’million	37.82	36.85 ⁶	+2.62%

⁴ We have enhanced our calculation methodology during the Reporting Period to ensure accuracy and future comparability. Thus, scope 2 emissions data in FY2022 includes both purchased gas and electricity, whereas purchased gas was not included in FY2021.

⁵ We have enhanced our calculation methodology during the Reporting Period to ensure accuracy and future comparability. Thus, scope 3 emissions data in FY2022 is focused on paper waste disposed at landfills. Scope 3 emissions data from electricity used for fresh water and wastewater treatment processes cannot be accurately determined in FY2022 as there is no accurate monitoring system in place for the amount of water that enters the wastewater stream.

⁶ This figure is converted and rounded to 2 decimal places.

ENERGY CONSUMPTION

We adopt a mindful approach to reduce the consumption of energy across our operations. Electricity and towngas used during manufacturing and/or for cleanroom maintenance, as well as fuel used for vehicles are the main sources of our energy consumption.

The Group has continuously explored methods to manage its power usage to preserve our planet's finite natural resources and minimise its environmental impact deriving from operations. We incorporate energy saving features into the construction design of new manufacturing sites and retrofit existing buildings with energy-efficient systems where possible. During the Reporting Period, the central air-conditioning plant at one of our production facilities was upgraded to increase its energy-efficiency, and the site joined CLP's Electrical Equipment Upgrade Scheme to enhance its energy saving capabilities.

The cleanrooms are under strict temperature and humidity controls, which consume the most energy at our facilities. In addition, we have implemented an optimal energy control programme that is directly integrated with our building automation system. This initiative effectively tracks and manages energy consumption through monitoring real-time conditions of areas, and applies adjustments of room temperature, humidity and airflow to enable optimal energy usage. Our Engineering Department actively monitors our usage of gas and electricity by installing monitoring devices at certain facilities and recording daily logs to practise sustainable energy management as well as determine areas for improvement.

To gain a deeper understanding of best practices, Jacobson has engaged with external organisations, including CLP, Towngas and universities to participate in energy awareness programmes and conduct appraisals to execute effective initiatives.



CASE STUDY: ENERGY SAVING PROJECT IN COLLABORATION WITH THE HONG KONG POLYTECHNIC UNIVERSITY

Commencing in 2017, we have collaborated with The Hong Kong Polytechnic University ("PolyU") on an energy optimisation project for our cooling and heating system at production facilities. Through our joint efforts, we aim to identify areas where we can feasibly facilitate a reduction in energy consumption and devise impactful, energy-efficient solutions tailored to each individual production facility across the Group.

During the Reporting Period, we worked with PolyU to harmonise room temperature with humidity levels for the entire building of our subsidiary Europharm Laboratoires Company Limited whilst maintaining the required environmental conditions for the production process of our products.

To showcase our energy saving project and environmental accomplishments to the general public, since 2018, we have participated every year in the BOCHK Corporate Environmental Leadership Awards organised by the Federation of Hong Kong Industries and sponsored by Bank of China (Hong Kong) Limited. During the Reporting Period, we were presented with an EcoPartner award for our achievement in the aforementioned energy optimisation project, reducing energy consumption by approximately 15 MWh or HK\$1.5 million.

We will continue to explore energy optimisation initiatives at production facilities to reduce our environmental footprint within the pharmaceutical manufacturing industry and in the local community.



中銀香港 | BOCHK
企業環保領先大獎
Corporate Environmental Leadership Awards

At our offices and warehouses, posters are placed next to the switches of lights and air conditioners to remind employees to switch off after use and before leaving the site. At our manufacturing sites, designated staff are in charge of switching off lights and air conditioners where possible. Most of the procured office appliances are labeled with energy labels endorsed by the EMSD. Two production facilities are also equipped with smart systems with sensors to reduce energy consumption, and equipment such as chillers and cooling towers undergo regular internal routine maintenance to enhance energy efficiency. We aim to educate staff about the importance of conserving energy on an individual and collective level by arranging training sessions in the future.

We remind employees to adopt fuel-efficient driving techniques when using company vehicles to preserve fuel and reduce emissions. To further embrace sustainable practices, the Group intends to gradually phase out fossil fuel-based vehicles and adopt hybrid or electric vehicles in the future.

ENERGY CONSUMPTION	UNIT	FY2022	FY2021	% CHANGE
Towngas Consumption	Unit	695,071,680.00	625,797,514.14 ⁷	+11.07%
Towngas Consumption Intensity by Revenue	Unit/HK\$'million	9,075.69	9,016.75 ⁸	+0.65%
Diesel Consumption	Litre	105,208.37	108,544.00	-3.07%
Diesel Consumption Intensity by Revenue	Litre/HK\$'million	65.94	75.07 ⁹	-12.16%
Electricity Consumption	kWh	32,829,274.07 ¹⁰	32,893,162.00	-0.19%
Electricity Consumption Intensity by Revenue	kWh/HK\$'million	20,575.61	22,749.03 ¹¹	-9.55%

⁷ The measurement unit from kWh to Unit is converted for FY2021 to ensure accuracy and comparability of data with FY2022 and in the future.

⁸ The measurement unit from kWh/HK\$ to Unit/HK\$'million is converted for FY2021 to ensure accuracy and comparability of data with FY2022 and in the future.

⁹ The measurement unit from Litre/HK\$ to Litre/HK\$'million is converted for FY2021 to ensure accuracy and comparability of data with FY2022 and in the future.

¹⁰ Electricity consumption data covers production facilities, offices, warehouses and laboratories of 19 subsidiaries.

¹¹ The measurement unit from kWh/HK\$ to kWh/HK\$'million is converted for FY2021 to ensure accuracy and comparability of data with FY2022 and in the future.

PACKAGING MATERIALS CONSUMPTION

The Group takes into consideration the use of packaging materials during its daily operations to prevent waste. The packaging materials used during our manufacturing processes primarily consist of inserts, labels, boxes and outer cartons that are often produced by GMP-accredited or ISO-certified manufacturers, and thus their quality is ensured.

To optimise our packaging materials consumption, we carefully measure and procure the appropriate amounts to be used based on sales forecasts. Furthermore, we purchase packaging in bulk where possible, and use materials that are sturdy and reliable to prevent excessive packaging.



Designated staff have been assigned at each facility to inspect and verify the quality of procured packaging materials. Examinations of the packaging materials will be performed, and responsible members of staff are required to complete a "Material Assessment Report". Packaging materials that are discovered to contain quality defects including unclear labels and damaged will be returned to suppliers. To promote sustainable consumption, staff are expected to fulfil their duties in monitoring the types and amounts of materials used, expiry dates and batch numbers printed on the packaging boxes, and submit the assessment reports on a regular basis.

PACKAGING MATERIALS CONSUMPTION ¹²	UNIT	FY2022 ¹³	FY2021	% CHANGE
Insert	Pieces HK\$	16,993,803 –	– 2,040,042	N/A
Label	Pieces HK\$	25,842,836 –	– 4,079,148	N/A
Colour Box	Pieces HK\$	55,011,110 –	– 20,445,406	N/A
Outer Carton	Pieces HK\$	762,964 –	– 3,248,215	N/A

¹² We have enhanced our calculation methodology during the Reporting Period for packaging materials from the cost of consumption in HK\$ to the number of pieces of packaging materials used to ensure accuracy and comparability of data with FY2022 and in the future, thereby removing fluctuation in the cost of packaging materials.

¹³ Packaging materials consumption data covers production facilities, offices and warehouses of 16 subsidiaries.

WASTEWATER AND WATER MANAGEMENT

Water is indispensable in pharmaceutical manufacturing practices. It is used in the production of medicines, as well as for specialised sanitisation processes and general cleaning purposes. For the production of medicines, prior to use, the quality of water is highly regulated and monitored at our facilities. Our responsibility to our customers and society to produce high-quality medicines are balanced with the proper management and conservation of water use and wastewater treatment.



WASTEWATER MANAGEMENT

Due care is exercised by the Group when treating wastewater generated by our operations. We actively observe our wastewater discharge system to ensure that it operates safely, efficiently and effectively. The temperature of our wastewater discharge is strictly controlled, where a sample is taken by regulatory authorities every year to monitor its safety levels. Wastewater at production facilities in Hong Kong is properly discharged into the sewage network operated by the Drainage Services Department for further processing. In Mainland China, we have wastewater treatment facilities to responsibly dispose discharges, which subsequently reduces pollutants from wastewater and thus our environmental impact.

WATER MANAGEMENT

Consuming water in a sustainable manner is important to Jacobson. Thus, we endeavour to identify and execute water preservation techniques. Water conservation posters are placed in washrooms and at certain areas across the Group's facilities. We have a water purification system that maintains the water quality used in our drug production process at a high standard. Water is a key element for the cooling towers at the manufacturing sites and is efficiently used. One production facility also has a water recycling system that cleans and reuses the water for cleaning and flushing purposes. The water recycling system is regularly maintained and enhances water security and sustainability, and the Group has not encountered any problem with sourcing water that is fit for purpose.

WATER USAGE	UNIT	FY2022 ¹⁴	FY2021	% CHANGE
Water Usage	m ³	175,217.75	218,809.00	-19.92%
Water Usage Intensity by Revenue	m ³ /HK\$'million	109.82	151.33 ¹⁵	-27.43%

¹⁴ Water usage data covers production facilities, offices and warehouses of 16 subsidiaries.

¹⁵ The measurement unit from m³/HK\$ to m³/HK\$'million is converted for FY2021 to ensure accuracy and comparability of data with FY2022 and in the future.

CLIMATE CHANGE VULNERABILITY

Climate change is an ongoing phenomenon and continues to pose a major threat to the sustainable development of societies. The adverse effects and challenges that climate change is projected to bring will have severe consequences unless we take proactive actions on climate mitigation or adaptation. Jacobson recognises the urgency of devising a strong climate change strategy in order to mitigate foreseeable climate-driven risks and prevent disruption to our operations.

Thus, we have commissioned an independent sustainability consultancy, CKP Sustainability Consultants Ltd., to conduct a climate-related risk analysis with reference to the framework developed by the Task Force on Climate-Related Financial Disclosures ("TCFD"). Nine physical risks, representing acute and chronic risks, and nine transition risks (within policy and legal, technology, market, and reputation) were established as relevant risks that the Group is likely to be susceptible to.

For acute physical risks that are concerned with extreme weather events, a frequency and severity rating were assigned and a risk level was calculated based on a risk heat map. For chronic physical risks, the Group adopted the Coastal Risk Screening Tool prediction model published by Climate Central. A risk level was then assessed according to the number of the Group's production facilities and offices located in vulnerable areas that are threatened by coastal flooding by 2050. For transition risks that are concerned with compliance-driven and market-driven aspects, the Group employed desk research and scientific estimation to calculate the risk score and thereby determine the risk level for each transition risk.

Through the analysis, it was concluded that three climate-related risks were deemed as high risk to the Group, where we have executed mitigation measures to address these challenges. Details of the identified climate-related risks and our actions to mitigate them can be found in the table below:

RISK TYPE	RISK CATEGORY	CLIMATE-RELATED RISK	RISK MITIGATION MEASURES
Transition	Policy and legal	Enhanced emissions-reporting obligations	<ul style="list-style-type: none"> Collaborate with sustainability professionals to maintain compliance with emissions reporting requirements. Conduct ESG-related training for Directors regularly to keep abreast of the latest environmental regulatory updates.
Transition	Technology	Substitution of existing products and services with lower emissions options	<ul style="list-style-type: none"> Retrofit existing facilities with energy-efficient systems. Implement optimal energy control programmes to conserve energy. Adopt a mobile ordering system to reduce paper usage.
Transition	Technology	Costs to transition to lower emissions technology	<ul style="list-style-type: none"> Invest in hybrid or electric vehicles for company vehicles. Build new manufacturing facilities with energy conservation features.

Moving forward, we will continue to incorporate the findings from the assessment to reinforce our commitment and drive appropriate mitigation measures to address the short, medium and long-term risks associated with climate change.

LAWS AND REGULATIONS

During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Group. The legislation of applicable jurisdictions that the Group adheres to is listed below.

HONG KONG

SOCIAL:

- Pharmaceutical Inspection Co-operation Scheme ("PIC/S") Good Manufacturing Practice ("GMP")
- Sale of Goods Ordinance (Cap. 26 of the Laws of Hong Kong)
- Boilers and Pressure Vessels Ordinance (Cap. 56 of the Laws of Hong Kong)
- Employment Ordinance (Cap. 57 of the Laws of Hong Kong)
- Employment of Children Regulations (Cap. 57B of the Laws of Hong Kong)
- Factories and Industrial Undertakings Ordinance (Cap. 59 of the Laws of Hong Kong)
- Import and Export Ordinance (Cap. 60 of the Laws of Hong Kong)
- Public Health and Municipal Services Ordinance (Cap. 132 of the Laws of Hong Kong)
- Dangerous Drugs Ordinance (Cap. 134 of the Laws of Hong Kong)
- Antibiotics Ordinance (Cap. 137 of the Laws of Hong Kong)
- Pharmacy and Poisons Ordinance (Cap. 138 of the Laws of Hong Kong)
- Control of Chemicals Ordinance (Cap. 145 of the Laws of Hong Kong)
- Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong)
- Undesirable Medical Advertisements Ordinance (Cap. 231 of the Laws of Hong Kong)
- Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong)
- Dangerous Goods Ordinance (Cap. 295 of the Laws of Hong Kong)
- Radiation Ordinance (Cap. 303 of the Laws of Hong Kong)
- Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong)
- Hong Kong Bill of Rights Ordinance (Cap. 383 of the Laws of Hong Kong)
- Consumer Goods Safety Ordinance (Cap. 456 of the Laws of Hong Kong)
- Supply of Services (Implied Terms) Ordinance (Cap. 457 of the Laws of Hong Kong)
- Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong)
- Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong)
- Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong)
- Copyright Ordinance (Cap. 528 of the Laws of Hong Kong)
- Chinese Medicine Ordinance (Cap. 549 of the Laws of Hong Kong)
- Trade Marks Ordinance (Cap. 559 of the Laws of Hong Kong)
- Fire Safety (Buildings) Ordinance (Cap. 572 of the Laws of Hong Kong)

HONG KONG

- Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong)
- Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong)
- Competition Ordinance (Cap. 619 of the Laws of Hong Kong)
- Companies Ordinance (Cap. 622 of the Laws of Hong Kong)

ENVIRONMENTAL:

- Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong)
- Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong)
- Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C of the Laws of Hong Kong)
- Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong)
- Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong)
- Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586 of the Laws of Hong Kong)
- Hazardous Chemicals Control Ordinance (Cap. 595 of the Laws of Hong Kong)
- Product Eco-responsibility Ordinance (Cap. 603 of the Laws of Hong Kong)
- Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611 of the Laws of Hong Kong)

MAINLAND CHINA

SOCIAL:

- Good Manufacturing Practice ("GMP") for Drugs (2010 Revision) (Ministry of Health Decree No. 79) regulated by the National Medical Products Administration ("NMPA")
- Labour Law
- Labour Contract Law
- Criminal Law
- Drug Administration Law
- Anti-Unfair Competition Law
- Patent Law
- Trademark Law
- General Principles of the Civil Law
- Product Quality Law
- Law on the Protection of the Rights and Interests of Consumers
- Tort Law
- Safe Production Law

ENVIRONMENTAL:

- Environmental Protection Law
- Air Pollution Prevention and Control Law
- Water Pollution Prevention and Control Law
- Law on the Prevention and Control of Environmental Pollution by Solid Wastes

KEY PERFORMANCE INDICATORS TABLE

KEY PERFORMANCE INDICATORS ("KPIs")	UNIT	THE GROUP
ENVIRONMENTAL		
AIR AND GHG EMISSIONS		
Nitrogen Oxide Emissions	kg	4,103.31
Sulphur Oxide Emissions	kg	15.64
Particulate Matter Emissions	kg	130.58
GHG Emissions (Scope 1)	tCO ₂ -e	37,253.42
GHG Emissions (Scope 2)	tCO ₂ -e	22,930.84
GHG Emissions (Scope 3)	tCO ₂ -e	151.70
Total GHG Emissions (Scope 1-3)	tCO ₂ -e	60,335.97
GHG Emissions Intensity by Revenue	tCO ₂ -e/HK\$'million	37.82
ENERGY		
Towngas Usage	Unit	14,480,660.00
Diesel Usage	Litre	105,208.37
Petroleum Usage	Litre	2,832.95
Electricity Usage	kWh	32,829,274.07
Total Energy Usage	MJ	817,413,240.20
Towngas Usage Intensity by Revenue	Unit/HK\$'million	9,075.69
Diesel Usage Intensity by Revenue	Litre/HK\$'million	65.94
Electricity Usage Intensity by Revenue	kWh/HK\$'million	20,575.61
Total Energy Usage Intensity by Revenue	MJ/HK\$'million	512,310.38
WATER		
Water Usage	m ³	175,217.75
Water Usage Intensity by Revenue	m ³ /HK\$'million	109.82
WASTE		
Hazardous Waste Disposal	kg	177,185.20
Hazardous Waste Disposal Intensity by Revenue	kg/HK\$'million	111.05
Office Paper Usage	kg	31,604.84
Office Paper Usage Intensity by Revenue	kg/HK\$'million	19.81
PACKAGING MATERIALS		
Paper Usage	Pieces	98,610,713
Plastic Usage	Pieces	93,930,122
Plastic Usage	kg	349,542.55
Metal Usage	Pieces	6,779,737
Metal Usage	kg	100,947.75
Glass Usage	Pieces	7,385,441
Total Packaging Materials Usage	Pieces	206,706,013
Total Packaging Materials Usage	kg	450,490.30
Packaging Materials Intensity by Revenue	Pieces/HK\$'million	129,552.14
Packaging Materials Intensity by Revenue	kg/HK\$'million	282.34

KEY PERFORMANCE INDICATORS ("KPIs")	UNIT	THE GROUP
SOCIAL		
Total Workforce	Person(s)	1,736
WORKFORCE BY GENDER		
Male	Person(s) (%)	727 (41.88%)
Female	Person(s) (%)	1,009 (58.12%)
WORKFORCE BY EMPLOYMENT CATEGORY		
Executive Management	Person(s) (%)	16 (0.92%)
Senior Management	Person(s) (%)	36 (2.07%)
Middle Management	Person(s) (%)	142 (8.18%)
General Staff	Person(s) (%)	1,542 (88.83%)
WORKFORCE BY AGE GROUP		
<30 Years Old	Person(s) (%)	264 (15.21%)
30-40 Years Old	Person(s) (%)	314 (18.09%)
41-50 Years Old	Person(s) (%)	395 (22.75%)
>50 Years Old	Person(s) (%)	763 (43.95%)
WORKFORCE BY GEOGRAPHICAL REGION		
Hong Kong	Person(s) (%)	1,590 (91.59%)
Mainland China	Person(s) (%)	138 (7.95%)
Macau	Person(s) (%)	5 (0.29%)
Taiwan	Person(s) (%)	3 (0.17%)
TURNOVER RATE		
Total Turnover Rate	%	32.06%
TURNOVER RATE BY GENDER		
Male	%	28.91%
Female	%	34.39%
TURNOVER RATE BY AGE GROUP		
<30 Years Old	%	51.04%
30-40 Years Old	%	45.37%
41-50 Years Old	%	27.03%
>50 Years Old	%	22.25%
TURNOVER RATE BY GEOGRAPHICAL REGION		
Hong Kong	%	32.92%
Mainland China	%	23.08%
Macau	%	0.00%
Taiwan	%	40.00%

KEY PERFORMANCE INDICATORS ("KPIs")	UNIT	THE GROUP
SOCIAL		
EMPLOYEES TRAINED		
Total Employees Trained	%	8.12%
EMPLOYEES TRAINED BY GENDER ¹⁶		
Male	%	11.14%
Female	%	5.95%
EMPLOYEES TRAINED BY EMPLOYMENT CATEGORY ¹⁶		
Executive Management	%	12.50%
Senior Management	%	47.22%
Middle Management	%	33.80%
General Staff	%	4.80%
TRAINING HOURS		
Total Average Training Hours	Hours/employee	0.72
AVERAGE TRAINING HOURS PER EMPLOYEE BY GENDER		
Male	Hours/employee	1.15
Female	Hours/employee	0.42
AVERAGE TRAINING HOURS PER EMPLOYEE BY EMPLOYMENT CATEGORY		
Executive Management	Hours/employee	0.16
Senior Management	Hours/employee	3.83
Middle Management	Hours/employee	2.73
General Staff	Hours/employee	0.47
NUMBER OF WORK-RELATED FATALITIES AND INJURIES		
Work-related Fatalities	Person(s)	0
Work-related Injuries Rate	Per 1,000 Employees	16.71
Lost Days due to Work-related Injury	No. of Days	653.00
NUMBER OF SUPPLIERS BY GEOGRAPHICAL REGION		
East Asia	No.	303
South Asia	No.	93
Southeast Asia	No.	15
Oceania	No.	3
Europe	No.	99
North America	No.	28
Africa	No.	1
COMMUNITY INVESTMENT		
Monetary Contributions	HK\$	994,240

¹⁶ The calculation methodology used is the number of employees trained in this category divided by the number of employees in this category.

HKEX ESG REPORTING GUIDE CONTENT INDEX

ASPECTS, GENERAL DISCLOSURES AND KPIs	DESCRIPTION	RELEVANT CHAPTER OR EXPLANATION
MANDATORY DISCLOSURE REQUIREMENTS		
GOVERNANCE STRUCTURE		
	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. 	<p>Long-term ESG Strategic Vision – Our ESG Governance (p.9), Our Sustainability Strategy (p.13), Our Stakeholder Engagement (p.15), Our Material ESG Topics (p.16)</p>
REPORTING PRINCIPLES		
	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be discussed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	<p>About This ESG Report – ESG Reporting Framework and Standards (p.5)</p> <p>Long-term ESG Strategic Vision – Our Stakeholder Engagement (p.15), Our Material ESG Topics (p.16)</p> <p>Key Performance Indicators Table (p.41)</p>
REPORTING BOUNDARY		
	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	<p>About This ESG Report – ESG Reporting Scope and Period (p.5)</p>

ASPECTS, GENERAL DISCLOSURES AND KPIs	DESCRIPTION	RELEVANT CHAPTER OR EXPLANATION
A. ENVIRONMENTAL		
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.	Corporate Governance Duty – Regulatory and Environmental Compliance (p.23) Environmental Stewardship – Non-hazardous and Hazardous Waste Management (p.34), Air and GHG Emissions Control (p.35), Wastewater and Water Management (p.38) Laws and Regulations (p.40)
KPI A1.1	The types of emissions and respective emissions data.	Environmental Stewardship – Air and GHG Emissions Control (p.35) Key Performance Indicators Table (p.41)
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Stewardship – Air and GHG Emissions Control (p.35) Key Performance Indicators Table (p.41)
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Stewardship – Non-hazardous and Hazardous Waste Management (p.34) Key Performance Indicators Table (p.41)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Stewardship – Non-hazardous and Hazardous Waste Management (p.34) Key Performance Indicators Table (p.41)
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Stewardship (p.32) Environmental Stewardship – Air and GHG Emissions Control (p.35)
KPI 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.	Environmental Stewardship (p.32) Environmental Stewardship – Non-hazardous and Hazardous Waste Management (p.34)

ASPECTS, GENERAL DISCLOSURES AND KPIs	DESCRIPTION	RELEVANT CHAPTER OR EXPLANATION
A. ENVIRONMENTAL		
ASPECT A2: USE OF RESOURCES		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Stewardship – Energy Consumption (p.36), Packaging Materials Consumption (p.37), Wastewater and Water Management (p.38)
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).	Environmental Stewardship – Energy Consumption (p.36) Key Performance Indicators Table (p.41)
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Stewardship – Wastewater and Water Management (p.38) Key Performance Indicators Table (p.41)
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Stewardship (p.32) Environmental Stewardship – Energy Consumption (p.36)
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.	Environmental Stewardship (p.32) Environmental Stewardship – Wastewater and Water Management (p.38)
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Environmental Stewardship – Packaging Materials Consumption (p.37) Key Performance Indicators Table (p.41)
ASPECT A3: THE ENVIRONMENT AND NATURAL RESOURCES		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Stewardship – Non-hazardous and Hazardous Waste Management (p.34), Air and GHG Emissions Control (p.35), Energy Consumption (p.36), Packaging Materials Consumption (p.37), Wastewater and Water Management (p.38)
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Stewardship – Non-hazardous and Hazardous Waste Management (p.34), Air and GHG Emissions Control (p.35), Energy Consumption (p.36), Packaging Materials Consumption (p.37), Wastewater and Water Management (p.38)
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.	Environmental Stewardship – Climate Change Vulnerability (p.39)
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.	Environmental Stewardship – Climate Change Vulnerability (p.39)

ASPECTS, GENERAL DISCLOSURES AND KPIs	DESCRIPTION	RELEVANT CHAPTER OR EXPLANATION
B. SOCIAL		
EMPLOYMENT AND LABOUR PRACTICES		
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, anti-discrimination, and other benefits and welfare.	Commitment to Employees – Employee Benefits and Engagement (p.26) Laws and Regulations (p.40)
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Key Performance Indicators Table (p.41)
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Key Performance Indicators Table (p.41)
ASPECT B2: HEALTH AND SAFETY		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Commitment to Employees – Occupational Health and Safety (p.27) Laws and Regulations (p.40)
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Commitment to Employees – Occupational Health and Safety (p.27) Key Performance Indicators Table (p.41)
KPI B2.2	Lost days due to work injury.	Commitment to Employees – Occupational Health and Safety (p.27) Key Performance Indicators Table (p.41)
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Commitment to Employees – Occupational Health and Safety (p.27)
ASPECT B3: DEVELOPMENT AND TRAINING		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Commitment to Employees – Development and Training (p.28)
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Performance Indicators Table (p.41)
KPI B3.2	The average training hours completed per employee by gender and employee category.	Key Performance Indicators Table (p.41)

ASPECTS, GENERAL DISCLOSURES AND KPIs	DESCRIPTION	RELEVANT CHAPTER OR EXPLANATION
B. SOCIAL		
ASPECT B4: LABOUR STANDARDS		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Commitment to Employees – Child and Forced Labour (p.28) Laws and Regulations (p.40)
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Commitment to Employees – Child and Forced Labour (p.28)
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Commitment to Employees – Child and Forced Labour (p.28)
OPERATING PRACTICES		
ASPECT B5: SUPPLY CHAIN MANAGEMENT		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Product Responsibility – Supply Chain Management (p.21)
KPI B5.1	Number of suppliers by geographical region.	Product Responsibility – Supply Chain Management (p.21)
KPI 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.	Product Responsibility – Supply Chain Management (p.21) Key Performance Indicators Table (p.41)
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Product Responsibility – Supply Chain Management (p.21)
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Product Responsibility – Supply Chain Management (p.21)

ASPECTS, GENERAL DISCLOSURES AND KPIs	DESCRIPTION	RELEVANT CHAPTER OR EXPLANATION
B. SOCIAL		
ASPECT B6: PRODUCT RESPONSIBILITY		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility – Product Quality and Consumer Safety (p.19) Corporate Governance Duty – Regulatory and Environmental Compliance (p.23), Intellectual Property Rights and Data Protection (p.24) Laws and Regulations (p.40)
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility – Product Quality and Consumer Safety (p.19)
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility – Product Quality and Consumer Safety (p.19)
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Corporate Governance Duty – Intellectual Property Rights and Data Protection (p.24)
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Product Quality and Consumer Safety (p.19)
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Corporate Governance Duty – Intellectual Property Rights and Data Protection (p.24)
ASPECT B7: ANTI-CORRUPTION		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Corporate Governance Duty – Business Ethics and Anti-corruption (p.24) Laws and Regulations (p.40)
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.	Corporate Governance Duty – Business Ethics and Anti-corruption (p.24)
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Corporate Governance Duty – Business Ethics and Anti-corruption (p.24)
KPI B7.3	Description of anti-corruption training provided to Directors and staff.	Corporate Governance Duty – Business Ethics and Anti-corruption (p.24)
COMMUNITY		
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.	Societal Engagement – Community Engagement (p.31), Cultivation of Pharmaceutical Talents (p.31)
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Societal Engagement – Community Engagement (p.31), Cultivation of Pharmaceutical Talents (p.31)
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Societal Engagement – Community Engagement (p.31), Cultivation of Pharmaceutical Talents (p.31)

GLOSSARY

In this ESG Report, unless otherwise specified, the following glossary applies:

"AIM Atropine Eye Drops"	refers to AIM Atropine 0.01% Eye Drops, AIM Atropine 0.05% Eye Drops and AIM Atropine 0.125% Eye Drops procured from Aseptic Innovative Medicine Co. Ltd., an anticholinergic agent as a sterile topical preservative-free ophthalmic solution that is commonly used in the treatment of myopia, mydriasis and cycloplegia
"AP"	Authorised Person
"API"	Active Pharmaceutical Ingredient
"Audit Committee"	the audit committee of the Company
"Board"	the board of directors of the Company
"BOCHK"	Bank of China (Hong Kong) Limited
"Chairman" or "CEO"	Mr. Sum Kwong Yip, Derek
"China", "Mainland China" or "the PRC"	the People's Republic of China excluding, for the purpose of this ESG Report, Hong Kong, Macau and Taiwan
"Climate Central"	Climate Central is an independent group of scientists and communicators who research and report the facts about our changing climate and how it affects people's lives
"CLP"	China Light and Power Company, Limited
"COA"	Certificate of Analysis
"Company", "our Company" or "the Company"	Jacobson Pharma Corporation limited, an exempted company incorporated in the Cayman Islands with limited liability on 16 February 2016
"COVID-19"	Coronavirus disease 2019
"Director(s)"	the director(s) of the Company
"ESG"	Environmental, Social and Governance
"ESG Committee"	the environmental, social and governance committee of the Company
"ESG Report"	Environmental, Social and Governance Report
"Executive Committee"	the executive committee of the Company
"Fosun Pharma"	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock limited company incorporated in the PRC with limited liability
"FY2021"	for the year ended 31 March 2021
"FY2022" or "Reporting Period"	for the year ended 31 March 2022
"GMP"	Good Manufacturing Practice
"HEPA"	high-efficiency particulate air
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"ICAC"	Independent Commission Against Corruption of Hong Kong
"ISO"	International Organization for Standardization

"Jacobson", "the Group", "we", "us" or "our"	the Company and its subsidiaries and, in respect of the period before we became the holding company of our present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
"JBM Healthcare"	JBM (Healthcare) Limited, an exempted company incorporated in the Cayman Islands with limited liability on 7 January 2020, the issued shares of which are listed on the Main Board on 5 February 2021, an indirect non-wholly owned subsidiary of the Company (stock code: 2161)
"JBM Healthcare Group"	JBM Healthcare and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Main Board"	Main Board of the Stock Exchange
"Pharmason"	Pharmason Company Limited
"PIC/S"	two international instruments, the Pharmaceutical Inspection Convention and the Pharmaceutical Inspection Co-operation Scheme, which seek to promote constructive co-operation in the field of GMP between the participating authorities in different geographic markets
"PIC/S GMP"	Good Manufacturing Practice in accordance with the PIC/S GMP Guide issued by PIC/S
"PV"	pharmacovigilance system
"Reporting Guide"	Environmental, Social and Governance Reporting Guide as set out in Appendix 27 to the Listing Rules
"Risk Management Committee"	a working committee reporting to the Audit Committee on the Group's risk-related matters
"Safety Committee"	the safety committee of the Company
"SAP"	System Applications and Products in Data Processing
"SDG(s)"	17 Sustainable Development Goals, which were set up in 2015 by the United Nations
"SOP"	standard operating procedure
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Towngas"	The Hong Kong and China Gas Company Limited
"UN"	United Nations
"WHO"	World Health Organisation

* For identification purpose only