Ocumension Therapeutics
(Incorporated in the Cayman Islands with limited liability)
Stock code: 1477

OcuMension
欧康维视

# 2022 Environmental Social and Governance Report

# About the Report

The Report is the third Environmental, Social and Governance (ESG) report issued by Ocumension Therapeutics, aiming to introduce the Group's ESG strategies, practices, measures and results from both environmental and social perspectives to our stakeholders.

## Reporting scope

The Report covers Ocumension's principal operations in China, wherein the key performance indicators (KPIs) in environmental area mainly cover the Group's office buildings and laboratories in Shanghai, Suzhou, Beijing and Hangzhou as well as Suzhou manufacturing plant, and the KPIs in social area mainly cover the Company and all its subsidiaries in China. The reporting period is from 1 January 2022 to 31 December 2022 (the "Reporting Period").

## Reporting definition

For ease of presentation, Ocumension Therapeutics is also referred to as "Ocumension", "the Group" or "we/us".

## Access method

The electronic version of the Report is accessible from the official website of the Group at https://www.ocumension.com/ and the website of HKEX at www.hkexnews.hk.

## Reporting principles

The Report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (the ESG Reporting Guide) set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange").

The Report follows the principles set forth in the ESG Reporting Guide, including:

**Materiality:** The Group identifies key ESG issues through stakeholder engagement and materiality assessment, and disclosures accordingly in the ESG Report.

**Quantitative:** The Report uses quantitative data to present KPIs in environmental and social areas, with narratives provided to explain the purpose and impacts.

**Balance:** Based on this principle, the contents of the Report reflect objective facts related to the Group's ESG management.

**Consistency:** The Report adopts the same data disclosure and statistical methods as the 2021 Report did to ensure the comparability of information.

The Report is provided in Traditional Chinese and English for readers' reference. In case of any discrepancy between the two versions, the traditional Chinese version shall apply and prevail.

# Table of Content

# About Ocumension

Ocumension is a China-based ophthalmic pharmaceutical platform company dedicated to identifying, developing, and commercialising first- or best-in-class ophthalmic therapies. On 10 July 2020, Ocumension was listed on the Main Board of the HKEX with a stock code: 1477.

## Our mission

To provide Chinese ophthalmic patients with excellent and comprehensive treatment solutions through continuous scientific search and innovation

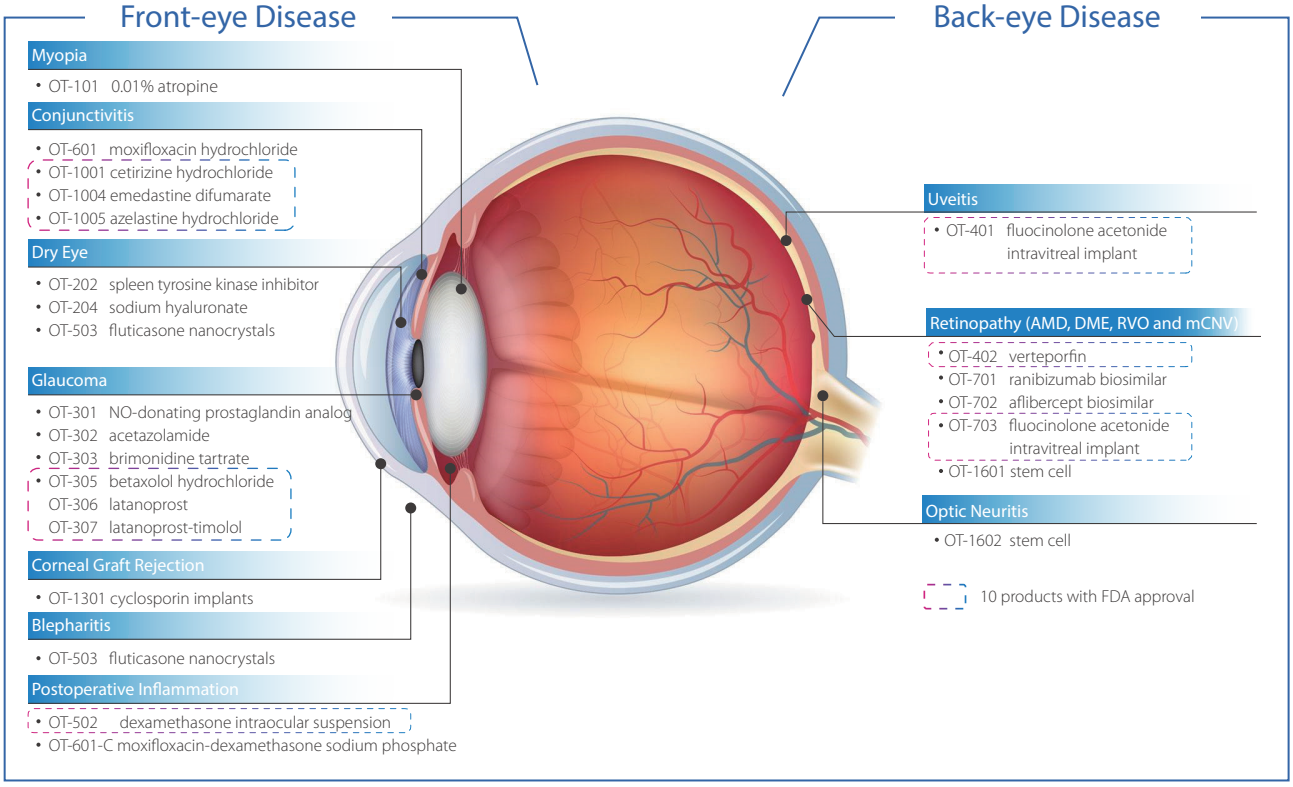
## Our vision

To provide a world-class pharmaceutical total solution to address significant unmet ophthalmic medical needs in China

Since our inception, we have been focusing on building a platform integrating specialised capabilities in each major functionality involved in an ophthalmic drug's development cycle, from research and development (R&D), manufacturing, to commercialisation. Meeting the treatment needs of patients is the key responsibility of Ocumension, and it is also the concept we have long-term adhered to. Our products serve as carriers of this business philosophy, while doctors are our partners to practice.

As of the end of 2022, the Group had 24 drug assets for both front and back of the eye that constitute a complete product line of ophthalmic drugs, of which 6 products had entered phase III clinical trials. Our core product, OT-401 (product name: Youshiying®), has been approved for commercialisation by the Centre for Drug Evaluation (CDE) of the State Drug Administration.

## Product pipelines



# Key ESG Performance of 2022

Total energy consumption:
**17,489.73** MWh

Energy consumption intensity:
**110.00** MWh per million RMB revenue

Total water consumption:
**98,880.14** tonnes

Total water consumption intensity:
**621.89** tonnes
per million RMB revenue

Total hazardous waste emission:
**14.42** tonnes

Hazardous waste emission intensity:
**90.72** kg per million RMB revenue

Total workforce: **398**
up **63.1%** year on year

Approximately **45.7%** of
the workforce was female
an increase of **59.6%** year on year

Workforce trained
**96%**

Training hours: **18,912** hours
an increase of **104.8%** year on year

Suppliers: **864**
an increase of **36.1%** year on year

Registered trademarks
**242**

Patents
**10**

Customer complaints
**0**

# Awards and Honours

**In February 2022**

Ocumension was awarded the Excellent Research Achievement Award by the Administration of Hainan Boao Lecheng International Medical Tourism Pilot Zone.

**In March 2022**

Ocumension won the 2021 Top 10 Open Enterprise of Wuzhong District in Suzhou.

**In December 2022**

Ocumension was awarded the Most Valuable Pharmaceutical and Medical Company Award at the Seventh Listed Company Selection by Zhitong Finance.

# ESG Governance

## The Board announcement

The Group highly values ESG-related matters that the Board of directors of the Company (the "Board") takes overall responsibility for ESG-related matters, the integration of ESG-related matters into the Group's development strategy and guiding the management and supervision of ESG issues of the Group.

The Board discusses the latest development in ESG-related matters every year. During the Reporting Period, the Board held several meetings to discuss and review ESG-related matters such as the Group's manpower budget, compensation and welfare, product project approval, intellectual property rights, and so on.

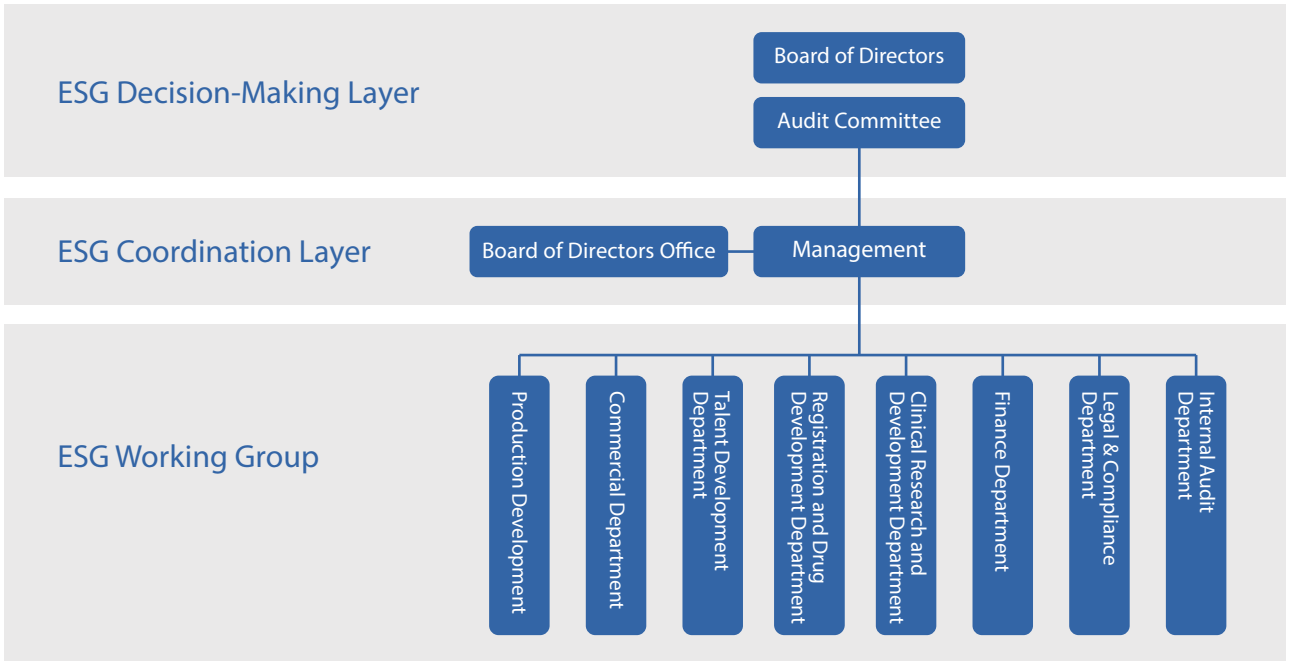
Looking to the future, the Group will continue to adhere to the concept of sustainable development, actively fulfil corporate social responsibility, and continue to contribute wisdom and strength of human health.

## ESG management strategy

At the Group, we are seeking continuous improvement of the sustainable development system and optimise our internal management while providing advanced high-quality ophthalmic pharmaceutical products and services to Chinese consumers. We have established a three-level ESG governance structure composed of the Board, management, and an ESG Working Group composed of major departments of the Group, thus creating a top-down ESG management system.

The Board assumes full responsibility for the Group's ESG matters, and is responsible for formulating ESG management policies, reviewing ESG-related matters on a regular basis, identifying and assessing related risks, and ensuring that the Group has established appropriate and effective ESG risk management and internal control systems. Meanwhile, the Board regularly reviews the performance of the Group on the relevant objectives of ESG and approves the information disclosed in the ESG Report. The Audit Committee of the Group, as the representative of the Board, assists the Board in the overall management and supervision of the ESG management work of the Group and ESG information disclosure.

The management of the Group is responsible for implementing ESG risk management and internal control systems, and the Board of Directors Office takes the lead in reporting the progress and result of the ESG-related work to the Board. The ESG Working Group is responsible for the daily management and reporting of ESG-related matters.



# Communication with stakeholders

The requirements and expectations of stakeholders are an important basis for Ocumension to determine the direction of sustainable development. The government and regulators, shareholders and investors, employees, customers/patients, partners/suppliers, peer companies/industry associations, media and communities are the Group's main stakeholders. We have maintained effective communication with various stakeholders to keep abreast of their demands and expectations, and to discuss and respond to the ESG issues they concern, to determine the focus and direction of our ESG management.

| Stakeholders | Expectations and concerns | Communication channels | Communication frequency |
|---|---|---|---|
| Government and regulators | Business ethics and integrity<br>Payment of taxes<br>Industry cooperation and development | Compliance management<br>Voluntary taxation<br>Complying with national policies<br>Continuous R&D and innovation<br>Risk analysis and reporting<br>Timely reporting of adverse events<br>Active participation in government projects | Multiple times per year |
| Shareholders and investors | Business ethics and integrity<br>Return on investment<br>Standardised management and governance<br>Information disclosure | Announcements and circulars<br>Financial reporting<br>Shareholders' meeting<br>Roadshow<br>Investor meetings | Multiple times per year |
| Employees | Employee rights and benefits<br>Employee training and development<br>Occupational health and safety | Regular meetings and training<br>Employee care activities<br>Internal websites | Multiple times per month |
| Customers/ patients | Product quality and safety<br>Product innovation and development<br>Protection of rights and interests of customers and patients<br>Responsible marketing and customer satisfaction | Daily communication and meetings<br>Training courses<br>Academic seminar<br>R&D cooperation<br>Service hotline and email | Multiple times per month |
| Partners/ suppliers | Technical exchange and communication<br>Loyal implementation of agreements performance<br>Industry cooperation and development<br>Sustainable supply chain management | Daily communication and meetings<br>Business visits to factories<br>Audit and performance assessment | Multiple times per month |
| Peer companies/ industry associations | Product quality and safety<br>Industry cooperation and development<br>Listening to patient feedback | Industry exchange<br>Benchmarking | Multiple times per year |
| Media | Product quality and safety<br>Community welfare | Official website<br>Daily communication | Multiple times per year |
| Community | Community welfare | Public welfare activities | Multiple times per year |

# Materiality assessment

The Group conducts regular materiality assessments to identify key areas of focus for ESG management in the future. The specific steps are as follows:

### Identify ESG issues

We have identified 19 ESG issues relevent to the Group in accordance with the requirements of the ESG Reporting Guide, and in line with peer benchmarking and expert research and judgement.

### Determine the materiality

We assessed the materiality of every issue from the two perspectives of "Importance to Ocumension's business development" and "Impact on stakeholders" through interviews and materiality evaluation questionnaires with internal stakeholders of the Group, then created a materility assessment matrix.

### Verify the assessment results

Management and the ESG Working Group reviewed and comfirmed the assessment results.

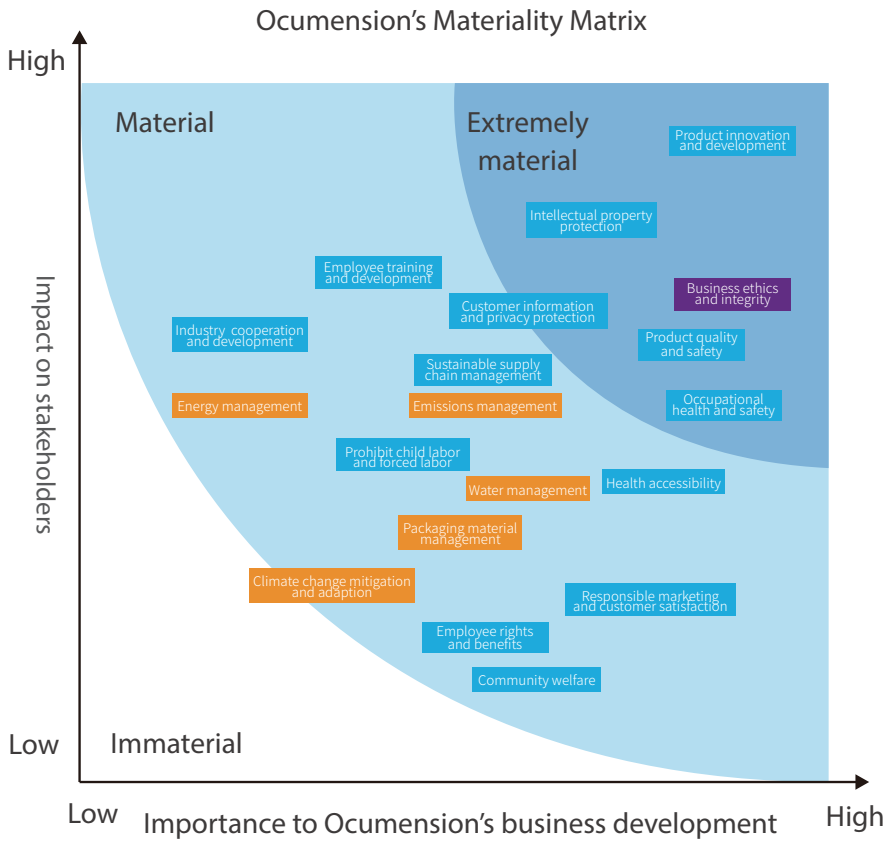
In 2022, the Group reviewed the ESG issues and previous materiality assessment results. We have updated environmental issues and added new social issues. The specific materiality assessment is as follows:

Environmental topics

Social topics

Governance topics

## Results of materiality assessment



# Accessible Innovation and Reliable Quality

Contribution to the SDGs

Ocumension is committed to offering superior and comprehensive treatment solutions to Chinese ophthalmic patients through continuous research and innovation. Meanwhile, Ocumension vigorously leverages its extensive resources in ophthalmic sectors to explore, identify, develop, produce and harvest ophthalmic medicines. We are committed to the well-being of ophthalmic patients and continue to provide accessible health products and health services to our patients by building a sustainable supply chain, strict control of our product with lifecycle management system and premium customer service.

## Health accessibility

With the responsibility of "guarding vision, restoring colour sensation, and preventing colours from becoming memories", we are committed to building a comprehensive drug portfolio for the treatment of major ophthalmic diseases by pursuing dual-source innovation strategies through authorised introduction/acquisition or internal R&D, in order to develop, improve and commercialise innovative first-class therapies for patients with eye diseases in China.

- Independent R&D
  - —Research on new mechanisms
  - —Improve the use and compositions of drugs
- Authorised introduction
  - —The pioneered and best drugs of their kinds

- Mature academic exchange platform
  - —Comprehensive coverage of KOL network
  - —Expanding commercial team
- International global business capabilities
  - —World-class integrated pharmaceutical solutions


- Optimised and innovative registration processes
  - —Approved new drug marketing application based on Real World Research data
- Efficient and excellent development strategy
  - —Apply for a clinical trial waiver
  - —Accelerate clinical approval with bridging trials

- The production site starts trial production
  - —Independently developed and licensed products are available
  - —Mass production of high-standard products by automated intelligent equipments

# Sustainable supply chain

The Group continuously develops a responsible supply chain to enhance its stability and ensure that cooperative projects are conducted in a rational, compliant and productive manner. The Group has formulated the *Procurement Management*《採購管理規定》and *Supplier Database Management* 《供應商庫管理規定》to impose standardised requirements on suppliers and the entire procurement process.

Our Supplier Management Committee is composed of the Group's Chief Executive Officer, Manufacturing Headquarters, Commercial Headquarters, Talent Development Headquarters and other departments, responsible for approving the preferred supplier pool and implementing differentmanagement strategies according to the supplier classification. Our Purchasing Manager is responsible for all operations involved in supplier development, access and management.

When selecting suppliers, we demand evidence-based, transparent processes, avoidance of subjectivity and potential conflict of interest. We consider product quality, industrial reputation, innovation ability, compliance and risk control and other factors. All suppliers must meet the supplier access requirements and provide business licenses, qualification certificates, and other access materials before they can be added to the Ocumension supplier pool. We assess and score suppliers, conducting a series of online reviews to ensure that suppliers are selected fairly, objectively, and comprehensively.

The Group also pays attention to the performance of suppliers in terms of environmental protection and social responsibility and continuously strengthens the management of the suppliers' environmental and social responsibilities. We also pay attention to the environmental and social performance of suppliers in supplier access, daily management and audit, and remove suppliers that are implicated in major environmental accidents, use of child labour, and forced labour. In addition, we demand our suppliers to provide materials that comply with environmental requirements to ensure a sustained and stable supply of environmentally compliant materials, mitigating the negative environmental impact of the materials.

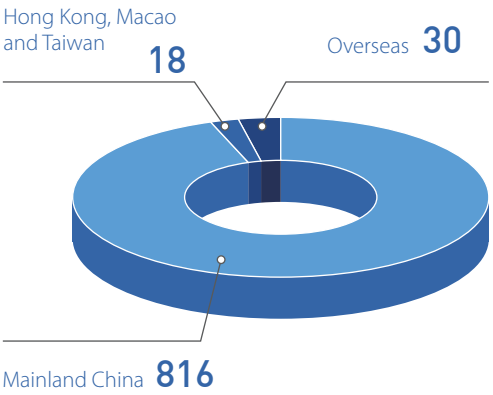
**During the Reporting Period**

we audited a total of **229** suppliers, none of which was dismissed due to product safety issues.

We conduct supplier appraisals and annual performance assessments on a regular basis. Suppliers that have problems in quality, price, delivery period or service are required to implement corrective measures promptly on time and pass the supervision and inspection of the Group. During the inspection period, suppliers that fail to contract any business for 6 consecutive months will be put on the unqualified list. We conduct regular reviews of our suppliers, the frequency of which is determined by the type of purchases made, thus enabling effective and comprehensive supply chain management. We initiate on-site reviews immediately when there are any quality issues with critical materials or when there are significant changes to key factors that may affect quality, such as production conditions, processes, quality standards, and inspection methods. During the Reporting Period, we audited a total of 229 suppliers, none of which was dismissed due to product safety issues.

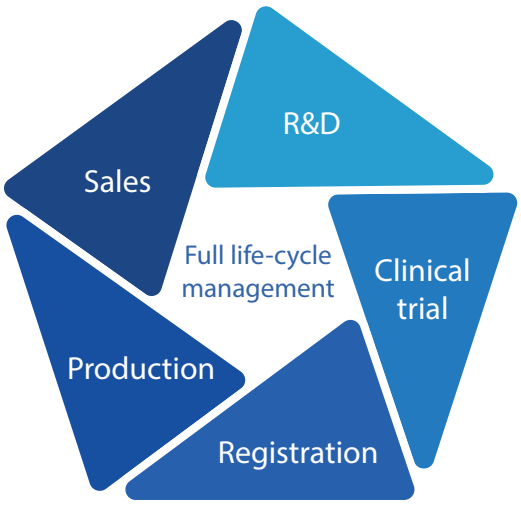
We conduct annual supply chain risk assessments to maintain the stability of our supply chain. During the Reporting Period, we identified risk factors such as the COVID-19 pandemic and the international situation. Accordingly, we responded proactively to the risks and assured stable supply by adding suppliers from more regions and replacing imports with supplies within China.

## Number of suppliers by geographical region




As of the end of the Reporting Period, we had **864** suppliers, including **816** suppliers in mainland China, mainly located in Shanghai, Beijing, Jiangsu, and Zhejiang.

# Excellent quality management




Ocumension has been focused on building an ophthalmic platform that integrates professional capabilities in the full cycle of ophthalmic drug development from R&D, production to commercialisation. Strictly adhering to the *Pharmaceutical Administration Law of the People's Republic of China*《中華人民共和國藥品管理法》, *Good Clinical Practice of Pharmaceutical Products*《藥物臨床試驗質量管理規範》, *Measures for the Administration of Drug Registration*《藥品註冊管理辦法》, and other laws and regulations on various quality control measures, we have formulated the *Quality Manual*《質量手冊》, the *Quality Risk Management Protocol*《質量風險管理規程》 and other institutional documents to manage the entire life cycle of R&D, clinical trial, registration, production and sales of pharmaceuticals, ensuring that medicines are safe, effective and of controllable quality.

our R&D team comprised **60** members

**6** of whom held medical doctorates

**33** of whom held master's degrees

We are committed to establishing and developing fully integrated R&D capabilities, using them as an internal engine to promote our agenda of discovering, developing, and commercialising the most innovative and best-in-class treatments for patients with eye diseases in China. As of the end of the Reporting Period, our R&D team comprised 60 members, 6 of whom held medical doctorates and 33 of whom held master's degrees. The members possessed a full range of capabilities and multidisciplinary backgrounds from processes like the discovery of new medicine and preclinical studies to clinical trials and extensive professional knowledge in the fields of pharmacology, toxicology, traditional medicine and chemistry, and many members have more than 10 years of experience in the field of ophthalmology.

# Drug development

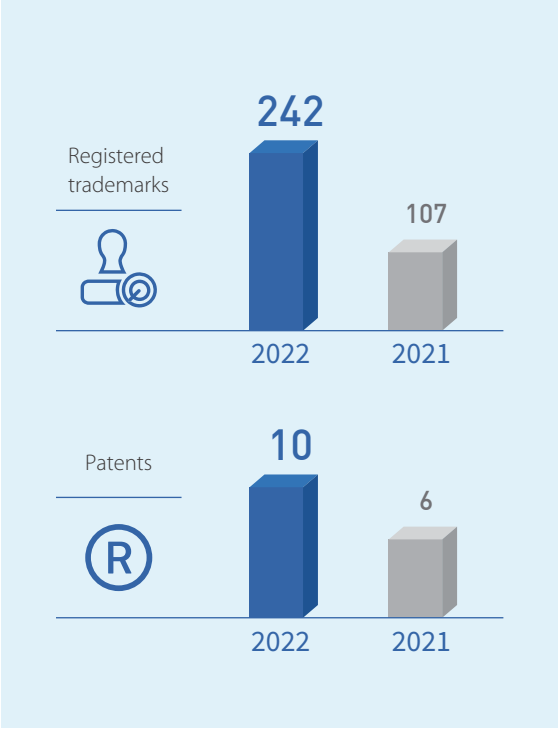
In the product design and R&D phase, we uphold the concept of Quality by Design (QbD). Based on a full understanding of the Quality Target Product Profile (QTPP) and Critical Quality Attributes (CQAs), integrating all key process parameters and the range of key process parameters involved in CQAs, to strengthen the understanding of and control over the pharmaceutical process and ensure continuous control over product quality.

We have owned an advanced Chemical, Manufacturing and Control (CMC) research laboratory to develop innovative and generic ophthalmic drugs, such as sterile solutions, gel suspensions, nano or microemulsions, etc. During the Reporting Period, we furnished our laboratory in the Suzhou manufacturing plant with world-class precision instruments and advanced scientific data management systems to enhance our pharmaceutical R&D capabilities and guarantee data reliability and traceability. During the Reporting Period, the laboratory was in a phase of pilot operation and trial production, focusing on pre-clinical studiesand CMC.

In the pre-clinical research phase of drugs, we strictly abide by the *Regulations for the Administration of Affairs Concerning Experimental Animals*《中華人民共和國實驗動物管理條例》and other laws and regulations regarding experimental animals, adhere to high standards of ethical practice and scientific behaviour in all experiments, and ensure that all work is done in compliance with relevant R&D ethics and animal ethics policies through monitoring and recording.

Laboratory

For an innovative enterprise, strengthening the refined management of IP, controlling potential IP risks, and safeguarding the legitimate rights and interests of intangible assets are the basis for nurturing core competitiveness. In our *Compliance Manual*《合規手冊》, we have made detailed provisions on the ownership, transfer, application, filing, transfer and use of IP to enhance systematic IP protection. Where the Group's IP is infringed, the Group will take timely action to redrive IP protection through submission of objections, filing of lawsuits and other methods. As of the end of the Reporting Period, the Group has registered 242 trademarks and owned 10 patents.




Number of registered trademarks and patents

# Clinical research and development

We have established a complete clinical R&D platform built with functions of clinical research and medical, clinical project management, data management and biostatistics, pharmacovigilance, etc., covering the entire clinical process from phase I to phase III and the Real World Research. For each clinical development project, we designate a project manager to formulate clinical development plans, design experimental plans, and supervise trial execution with project team members. To ensure the quality and efficiency of clinical trials, we also engage leading professional Contract Research Organizations (CROs) to conduct daily management and execution of clinical trials. In addition, we have developed a quality control system for clinical R&D focusing on quality and established a standard procedure to ensure clinical trials are effective, and formed a clinical research quality control team with members from various departments such as medicine, operations and pharmacovigilance for regular quality supervision and management of clinical trials.


To expand the scope and efficiency of our clinical trials, we collaborated with industry-leading research organisations to manage, conduct and support our pre-clinical studies and clinical trials. For the selection of CROs, we follow strict audit standards to assess them from their professional qualifications, research experience, industry reputation, adequacy of clinical trial equipment, and data management systems, etc. Further, we will sign a cooperation agreement with the CRO and reach agreements in terms of service, time limit, payment, IP and risk allocation.

In order to ensure the safety of clinical trials, we strictly implement the *Good Clinical Practice*《藥物臨床試驗質量管理規範》and other related requirements, and set up a post of pharmacovigilance specialist to be responsible for the monitoring, collection, analysis, investigation and reporting of all adverse drug reactions, and to cooperate with drug administration agency to conduct investigations. Our clinical teams communicate with contracted research organisations regarding adverse events in a timely manner during clinical trials. Our pharmacovigilance escalation system covers the entire pharmacovigilance workflow across the entire pharmaceutical lifecycle. At the same time, we ensure that our subjects' rights and interests are well protected by means of informed consent, regular reports of adverse reactions, purchase of patient insurance, and free drug treatment.

We attach importance to the capacity building of the clinical team and carry out various internal communication and training activities at the project and department levels, such as clinic research-related training, monthly clinical R&D meetings, etc., to ensure full coverage of clinical R&D staff. In addition, we encourage clinical R&D personnel to participate in external exchanges or professional vocational training activities. During the Reporting Period, we conducted learning and sharing sessions for our clinical R&D team and conducted monthly exchanges on regulations and policies, ophthalmology knowledge, project management and project experience. We also conducted training on the *Good Clinical Practice of Pharmaceutical Products*《藥物臨床實驗質量管理規範》, training on Record Documentation Standardisation and knowledge sharing on R&D change management to keep our staff informed of the latest legal and regulatory requirements, and enhance the staff expertise.

# Product registration

We strictly comply with *Measures for the Administration of Drug Registration*《藥品註冊管理辦法》 and take initiative in understanding the registration practices of regulatory bodies and communicate with the relevant regulator on the approval of new drugs for clinical research. We are committed to promoting the commercialisation of our drug candidates in China with maximum efficiency, using our extensive regulatory, commercial expertise, and the best regulatory channels. In June 2022,Youshiying® was approved by the National Medical Products Administration for import registration and listing, which is also the first drug in China approved for import registration based on overseas clinical trial data and domestic patients' clinical real-world data. It also brings valuable experience to a path of the Real World Research for the company's future pipeline products.

# Production of products

With the quality policy of "Quality Focus, Continuous Improvement, Pursuit of Excellence",we have put in place a quality management system for outsourced production, self-production and commissioned production according to the regulatory laws and regulations, and relevant requirements of Good Manufacture Practice (GMP) for Pharmaceutical Products of the regions where the products are marketed, and formulated specific quality plans and targets. In addition, we have established a Quality Management Committee, consisting of the plant manager and heads of essential departments, to enforce and uphold the quality system efficiently. During the Reporting Period, our Suzhou manufacturing plant commenced its trial production. The plant was designed in line with Chinese, US and EU standards for quality management practices in pharmaceutical manufacturing and has been granted type A, B and C pharmaceutical manufacturing licenses in China. We have launched the Manufacturing Execution System (MES) to realize full process traceability for materials. Digital material approval records are generated in accordance with industry regulations and relevant workstation operating procedures, which ensured real-time and effective quality management. We are taking steady steps to achieve automated, digitalised and paperless plant operation forhigher production efficiency.

For product packaging, we have established the *Management Regulations for Inner Packaging Materials and Printing Packaging Materials*《内包装材料及印刷包装材料管理规程》to guide the management of the entire process from design to use of internal and external packaging materials, to avoid misuse of packaging materials or mislabeled information. In August 2022, we attended the Suzhou Dialogue organised by the China National Pharmaceutical Packaging Association to facilitate the robust development of the pharmaceutical industry. At the event, we learned about the industry's cutting-edge production and packaging management and communicated on various topics, such as pharmaceutical packaging safety and sustainability, production quality management for the complete life cycle of pharmaceuticals and packaging, innovative packaging materials and drug delivery systems, and green and safe pharmaceutical packaging.

We have instituted a comprehensive quality training management system and conducted non-scheduled quality training and job training assessments to raise the quality awareness of staff, to ensure that they are capable of performing their tasks in line with the GMP requirements. During the Reporting Period, we conducted 10 corporate-level quality training sessions on the Pharmaceutical Administration Law of the People's Republic of China, Measures for the Supervision and Administration of Drug Production, Good Manufacture Practice for Pharmaceutical Products, Water System Validation, Aseptic Practice and Microbiological Contamination Control. We value the training of personnel involved in the production of pharmaceutical products. In 2022, we conducted training on dressing procedures, code of conduct in clean areas, and aseptic practices to raise staff awareness of aseptic production and standardise aseptic preparation production procedures.

Special training in Microbial Pollution Control

# Serve with dedication

We have obtained the certificate of Good Supply Practice for Pharmaceutical Products (GSP) and have carried out quality control over the entire process of pharmaceutical operation from the procurement, acceptance, storage, sales, and after-sales service of drugs to ensure the provision of quality medicines to customers.

We strengthened our contacts with customers through various marketing activities. By using the WeChat platform Easy Vision and Ocumension Therapeutics, we carried out doctor training and patient education, further promoting our products.

### Customer management

Further improve the customer management system by optimising the treatment concept of doctor customers and refining the classfication of doctor customers.

### Customer training

Establish a complete series of training on standardised diagnosis and treatment for doctors, which considers both common knowledge and individual needs to train more professional doctors in the field of uveitis and promote industry standardisation.

### Patient education

Refine the popular science education for patients, and explore more educational channels such as short video platforms to convey the concept of patient carel.

## 1) Responsible marketing

The Group strictly complies with relevant laws and regulations such as the *Advertising Law of the People's Republic of China*《中華人民共和國廣告法》, the *Interim Measures for the Examination and Administration of Advertisements of Drugs, Medical Devices, Health Food and Formula Foods for Special Medical Purposes*《藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法》and refers to the *RDPAC Code of Practice*《RDPAC行業行為準則》issued by the R&D-based Pharmaceutical Association Committee, China Association of Enterprises with Foreign Investment (RDPAC), and formulated the rules and regulations such as the *Guidelines for the Promotion of Pharmaceutical Products*《藥品推廣準則》, the *Provisions for the Promotion of Pharmaceutical Materials*《藥品宣傳資料規定》, the *Regulations on the Release of Company Publicity Materials*《對外發佈公司宣傳資料規定》, thus carrying out strict control over the marketing information published by various channel and ensuring the accuracy of marketing content.

All drug publicity materials shall be submitted through internal systems and reviewed by the Marketing Department, Clinical Research and Development Department, Legal & Compliance Department, etc. to confirm that exaggerative, assertive or other expressions that violate the relevant provisions of the *Advertising Law of the People's Republic of China*《中華人民共和國廣告法》and contents of suspected fraud and inducement are not used, before they can be produced and used for publicity.

We have strict codes of conduct for our sales and marketing staff and provide different training programmes to keep the staff informed of the latest relevant laws, regulations and policy requirements. During the Reporting Period, we conducted training and exams on the basics of pharmaceutical marketing guidelines to ensure compliance in marketing.

## 2) Complaints and recalls

We have formulated the *Quality Manual*《質量手冊》and *User Complaint Feedback and Handling Procedures*《用戶投訴回饋及處理規程》to standardize produce complaint handling process, evaluate complaints and track the whole process. We categorise the clinical complaints, pharmacy complaints, and commercial complaints on Ocumension's products and agency products into serious user complaints, important user complaints and general user complaints according to their severity. All complaints received should be registered in a timely manner and handled by the Quality Department, which will require relevant responsible departments to make effective rectifications according to the investigation and handling process. If necessary, we will promptly notify the regulatory authorities. During the Reporting Period, the Group received no customer complaints.

In accordance with the *Administrative Measures for Drug Recalls*《藥品召回管理辦法》and the *Good Manufacture Practice for Pharmaceutical Products*《藥品生產質量管理規範》, we have set up the *Product Recall Management Regulations*《產品召回管理規程》to standardize the workflow of product recall and ensure that products can be promptly and comprehensively recalled in case of quality problems or forced recalls, to safeguard the health and life safety of patients. According to the level of product safety risks and hazards, the recall of medicines is categorised into three levels. In detail, within 24 hours for level one recalls, 48 hours for level two recalls, and 72 hours for level three recalls, the notification of the recall shall be issued to the relevant distributors and end users to stop the sale and use of recalled products. After initiating medicine recalls, in the first level, drugs shall be recalled within 1 day, the second level within 3 days, and the third level within 7 days. The Group will submit the Medicine Safety Hazard Investigation and Assessment Report and the Product Recall Plan to the drug administration agency for documentation. When there is no product recall, we conduct a simulated recall every 3 years to examine the effectiveness of the recall process. During the Reporting Period, the Group had no product recalls due to safety and health reasons.

# Information security and privacy protection

We strictly comply with the laws and regulations like the *Cybersecurity Law of the People's Republic of China*《中華人民共和國網絡安全法》and the *Personal Information Protection Law of the People's Republic of China*《中華人民共和國個人信息保護法》, and have formulated the *Provision of Management Information Systems*《信息系統管理規定》and the *Electronic Equipment Management Regulations*《電子設備管理規定》to safeguard the information security of Ocumension, optimise the configuration and use of electronic equipment and software and avoid losses to the employee or the Group due to improper use. In addition, strict requirements on information security and confidentiality are stipulated in the *Compliance Manual*《合規手冊》and the *Employee Handbook*《員工手冊》。

For the collection and utilisation of personal information related to employees, patients, medical professionals, customers and contractors involved in the course of business, we will handle it with care in accordance with relevant national laws and regulations, social concepts and internal rules and regulations of the Group to avoid information leakage or illegal use.

Permissions are arranged for top-secret information such as the company's important plans, confidential information, and the Group's financial statements to ensure that only authorised personnel can access it.

For trade secrets, we sign with employees the *Non-Disclosure Agreement*《保密協議》and relevant confidentiality commitments, confidentiality guarantees or confidentiality declarations and other documents according to work needs.

Information system management personnel conduct annual inspections of information technology security in various departments, including whether there are any hidden risks in the local area network, whether user password settings are following the regulations, etc. In addition, information system management personnel are responsible for the supervision, data backup, virus prevention, and physical security of network and software systems within the Group to eliminate safety hazards. Meanwhile, we set the file server's three-level authorisation of read-only, read-write, and administrator to improve the efficiency of corporate file management while ensuring security. We also seek to safeguard the integrity and confidentiality of our data and trade secrets by maintaining the physical security of our premises, and the physical and electronic security of our information technology systems. During the Reporting Period, we organised drills against phishing emails for the staff to raise their awareness of information protection and reduce the risk of information leakage.

# Equality and Inclusion for Our Employees

Contribution to the SDGs


Ocumension believes that talent management is vital to our continued growth and success. We respect and value every employee and are committed to building an employment partnership with mutual growth and success. We have continuously improved our employment management system to comprehensively safeguard the rights and interests of our employees. We build an equal, inclusive and harmonious career development platform, while constantly improving occupational health and safety management and the happiness index of our employees. By doing so, we help our employees to make their careers.

## Standardised employment

Ocumension always follows the principle of legal compliance in employment and strictly abides by and implements relevant laws and regulations such as the *Labour Law of the People's Republic of China*《中華人民共和國勞動法》, the *Labour Contract Law of the People's Republic of China*《中華人民共和國勞動合同法》, the *Provisions on the Prohibition of Using Child Labour*《禁止使用童工規定》, and has formulated the *Employee Handbook*《員工手冊》to protect the rights and interests of its employees in concrete actions.

Ocumension advocates a diverse and inclusive corporate culture and promotes the philosophy of fair treatment for every employee, ensuring that employment and career development opportunities for the employees are not undermined by factors such as age, gender, geographical location or appearance.

**Recruitment process**

In the recruitment process, we have set up diversified recruitment methods such as campus recruitment, online recruitment and social recruitment to cover a wider variety of talents.

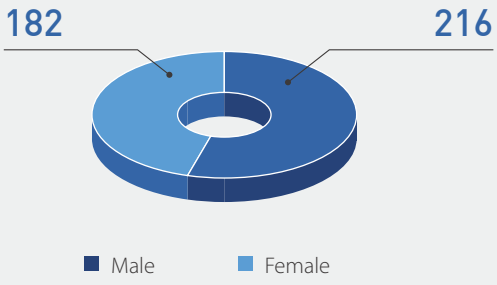
**Training and promotion**

In the training and promotion process, we treat every employee fairly and equitably to ensure that every employee can make their career in an inclusive, diversified and harmonious culture.

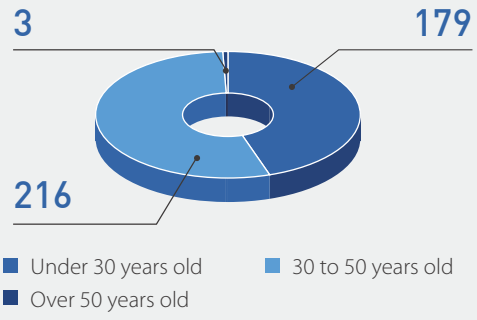
Ocumension prohibits the use of child labour and forced labour. We keep standardising our management process for staff hiring. For instance, we authenticate the identity of candidates by collecting compliance information and signing employment contracts in line with legal standards with all employees to eliminate any employment of child labour and forced labour. In the event of the employment of child labour or forced labour, the Group will conduct an investigation in accordance with established procedures. Once any violation of the law is confirmed, it will be handed over to the relevant judicial authority, and we will terminate the labour contract. During the Reporting Period, the Group had no violations involving child labour or forced labour.

As of 31 December 2022, the Group had **398** full-time employees, of which approximately **45.7%** were female.

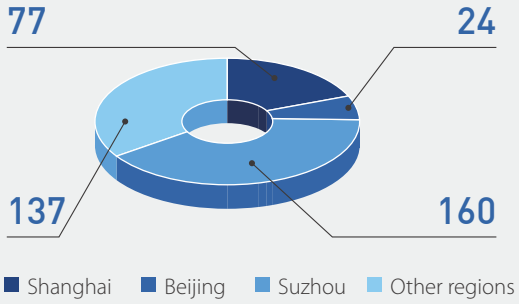
### Total workforce by gender (Unit: person)



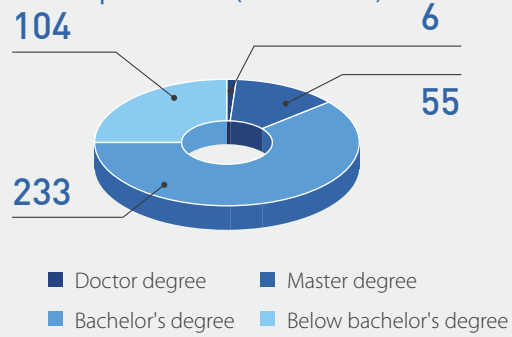

### Total workforce by age group (Unit: person)




### Total workforce by geographical region (Unit: person)

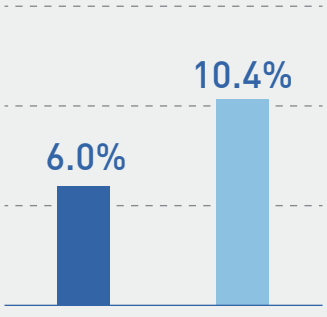



### Total workforce by academic qualification (Unit: Person)

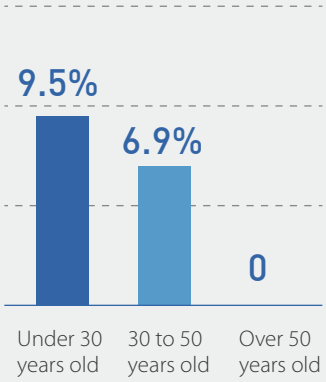



The turnover procedures are followed in strict accordance with labour contracts and laws and regulations. During the Reporting Period, the Group's turnover rate was **8.0%**.

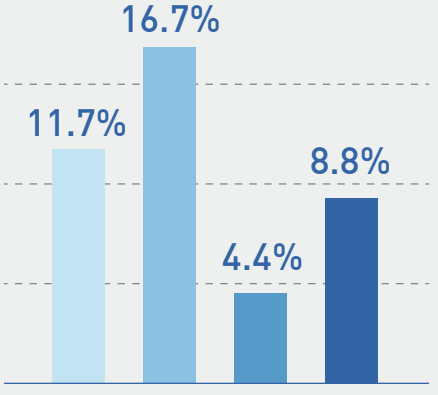
### Employee turnover rate by gender




### Employee turnover rate by age group



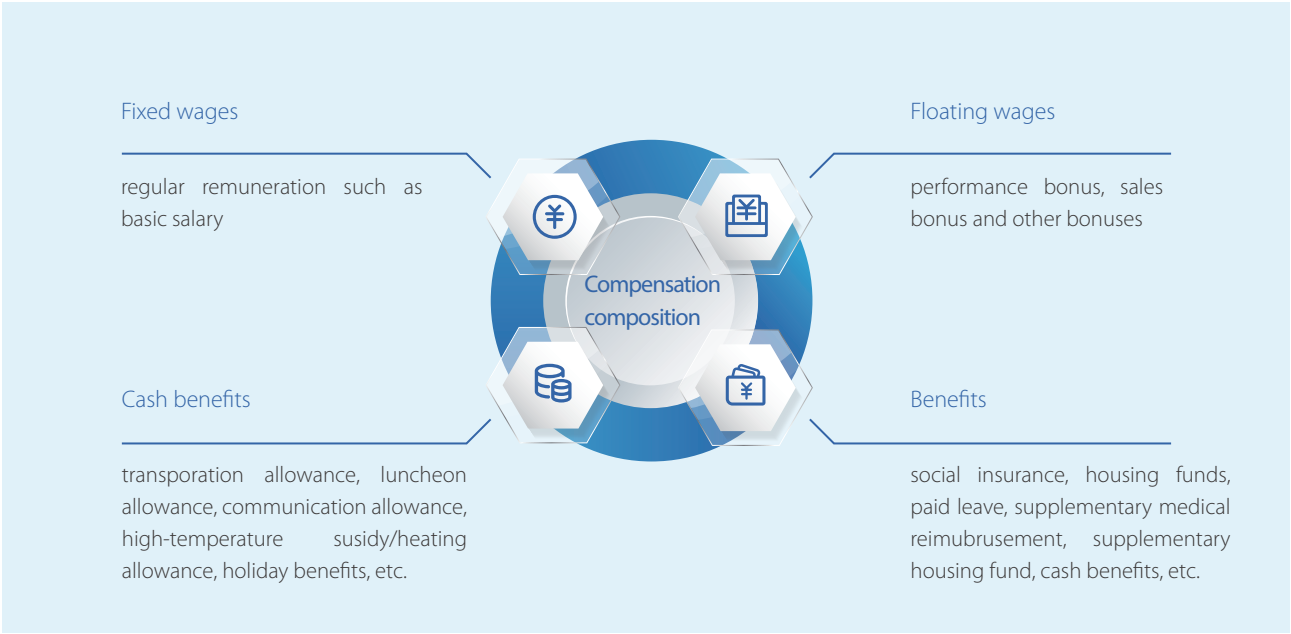

### Employee turnover rate by geographical region



# Compensation and benefits

## Compensation composition

In consideration of "responsibilities and performance, personal abilities, and in line with external market levels", we have formulated and implemented the *Measures on Remuneration Management*《薪酬管理辦法》to constantly improve our remuneration structure and provide our employees with attractive emoluments and benefits in the market to effectively attract, motivate, and retain talent.




## Employee incentive plan

Granted

**13.06** million share options
**15.22** million award shares

Ocumension offers a comprehensive employee incentive plan for its employees. In order to encourage employees to stick to their posts and actively participate in various important activities and projects for the development of the Group, we have formulated the *Implementation Plan for the CEO Special Contribution Award*《CEO特別貢獻獎勵實施方案》and set up the CEO Special Contribution Award to reward employees who have made outstanding contributions to the Group's business development, operational efficiency, R&D innovation, strategic development, etc. Meanwhile, Ocumension awards all eligible employees based on its share option scheme for employees to further attract, motivate, and retain talents. During the Reporting period, the Group granted 13.06 million share options and 15.22 million award shares.

## Working hours and leaves

We have formulated the *Leave Management System*《假期管理制度》to protect the employees' right to leave. Employees of the Group enjoy a variety of holidays such as weekends, national holidays, paid annual leave, marriage leave, maternity leave, and home leave, etc. If overtime is required based on business conditions, employees shall submit a written application letter for overtime, and they can apply for compensatory leave or receive overtime pay as appropriate.

Apart from work, we foster a comfort and welcoming working environment through a wide variety of employee activities to significantly make our employees happier. During the Reporting Period, we organised a variety of staff activities to boost their happiness and loyalty, such as a fun sports event with the theme of "Enjoy Sport, Enjoy Safety" and quarterly birthday parties for our staff.

"Enjoy Sport, Enjoy Safety" Fun Sports Event

Quarterly Birthday Parties for Our Staff

Monthly Weeding with Staff

# Health and safety

The occupational health and safety of our employees are one of the top priorities for Ocumension. We strictly abide by laws and regulations such as the *Labour Law of the People's Republic of China*《中華人民共和國勞動法》, the *Work Safety Law of the People's Republic of China*《中華人民共和國安全生產法》, and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*《中華人民共和國職業病防治法》. To prevent and eliminate major safety risks from the source, we have established an environment, health and safety (EHS) management department, and have developed an internal management system.

The Group has established an EHS Committee at our Suzhou manufacturing plant for decision-making on major safety matters and approval of critical EHS documents. With a sound governance structure and oversight from senior management, we take concrete actions to ensure effective health and safety management across Ocumension.

## Occupational Health and Safety

- The Group has formulated the *Mnagement Procedures for Hazard Identification and Risk Evaluation* (《危險源辨識、風險評價管理規程》) and established a clear procedure for identifying, evaluating and taking effective control measures.
- The Group conducts regular risk identification, assessment and control for occupational health and safety to mitigate the risk of safety accidents and exposure to occupational health risks.
- The Group provides employees with protective gloves, protective glasses, safety shoes, insulation boots, protective face screens and other personnel protective equipment for the work safety of the employees.

## Hazardous Chemicals

- The Group has improved the *Chemical Management Regulations* (《化學品管理規程》) to mitigate the environmental impact and occupational health and safety risks of the chemicals.
- The Group assesses existing and new chemicals and rectifies any non-compliance with environmental emission, industrial hygiene and occupational health requirements on site.
- All new employees are required to receive professional training prior to accessing and handling hazardous chemicals. The employees also receive annual chemical training and hazard training.

## Special Equipment

- The Suzhou plant has established a special equipment management team for Ocumension's special equipment. The tasks of the team include regular annual inspections, annual inspection of safety accessories, preparation and maintenance of technical files, supervision of special equipment maintenance and accident management of special equipment.
- The supervisors and operators of special equipment must be 100% certified, whose scanned copies should be archived by the EHS management department for future reference.

## Emergency Response Management

- The Group has perfected the *Emergency Response Management Regulations* (《應急響應管理規程》) to ensure "always ready, prompt action and solid protection" against any emergencies.
- The Group has established an emergency response team. The team attends regular training on emergency response organised by Ocumension as well as formulates emergency rescue plans and completes preparations for drills.

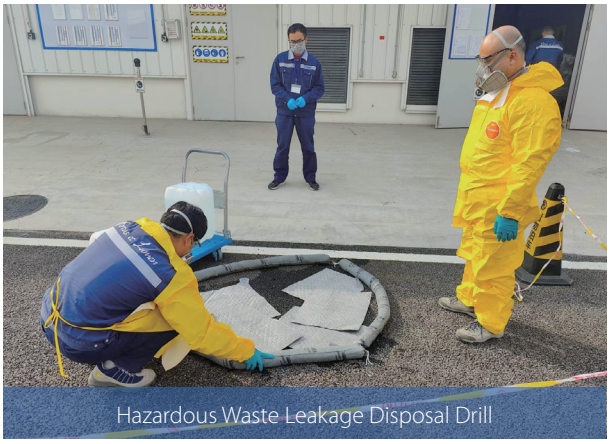
In addition, we arrange annual health check-ups for all employees at the company's expense. From the date of incorporation to the end of the Reporting Period, there was no work-related fatality. In 2022, the Group lost 34 working days due to work-related injuries and there were no major safety accidents or occupational disease incidents.

## Awareness promotion

To reduce safety hazards and incidents from their sources, we conduct a series of training and awareness campaigns to consistently improve the safety awareness and safety skills of our staff. The EHS management department conducts relevant training for employees with both offline training and online learning platform. The department requires the participants to pass relevant examinations to guarantee the effectiveness of the training. We carry out multiple drills such as hazardous waste leakage drills, personnel injury accident drills, plant-wide fire evacuation drills and live fire extinguisher drills, and a series of activities for the production safety month. With the drills and activities, we have stressed the importance of "Observingthe Work Safety Law of the People's Republic of China and acting as the Person Primarily Responsible for Production Safety" while constantly enhancing staff safety awareness and emergency response capabilities to create a culture for safety.

Annual EHS Training

Production Safety Month Themed Activities

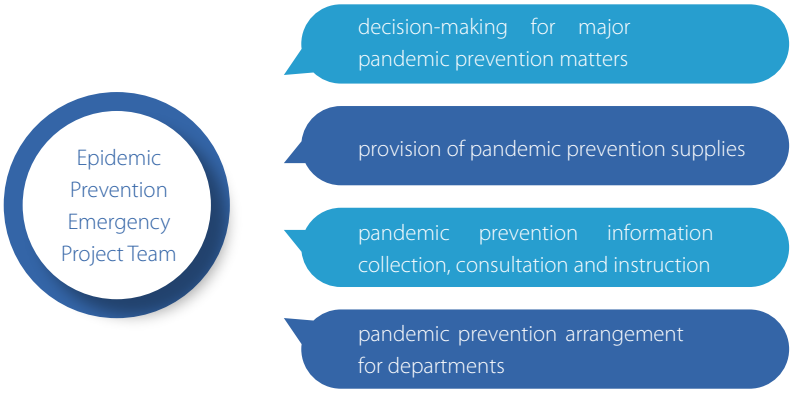


Hazardous Waste Leakage Disposal Drill

Plant-Wide Fire Evacuation Drill

## Pandemic prevention and control

During the Reporting Period, the Company paid constant attention to the pandemic trend and government measures and made work arrangements for employees and took pandemic prevention measures based on local conditions. The Group's Suzhou manufacturing plant set up a pandemic prevention emergency project team to undertake the pandemic prevention and control work of the plant, such as decision-making for major pandemic prevention matters, provision of pandemic prevention supplies, pandemic prevention information collection, consultation and instruction, and pandemic prevention arrangement for departments.




During the COVID-19 outbreak in Shanghai in 2022, we paid close attention to the health conditions of our employees, and prepared materials such as disinfectant alcohol, masks, disposable toiletries, instant foods and daily medicines in case of emergency. In April, when supplies were scarce, we provided our employees with food packs which contained fresh vegetables, eggs and meat. We also cared about employees' mental health and provided online training sessions concerning subjects like pharmacy knowledge to refuel them mentally.


Food Packs for Employees during the COVID-19 Outbreak in Shanghai

To respond to emergencies in our routine management, such as lockdowns caused by pandemic outbreaks, we formulated and issued the *Operation Manual for Pandemic Lockdowns* 《疫情封控應對操作手冊》 to make emergency plans for reservation of pandemic prevention supplies, mental health counselling and accommodation arrangement. Besides, we convened regular work meetings of the pandemic prevention team, and updated employees on the pandemic trend across China.

# Development and training

Ocumension always regards the common development of the enterprise and employees as one of its important responsibilities. Fully respecting employees' needs, we formulate andcontinue to update the *Post Management Measures*《崗位管理辦法》 and the *Annual Promotion Policy*《年度晉升制度》 to refine the employee development system and encourage employees to improve their quality and ability. Meanwhile, we have established diversified promotion channels and a constraint mechanism to demote and promote employees based on their performance, with the intention to develop clear career paths for employees based on scientific analysis.

Ocumension's internal positions are divided into professional sequence and management sequence according to the characteristics of different jobs. The professional sequence is further divided into sales sequence, R&D sequence, support sequence and manufacturing sequence according to the characteristics of the specific expertise. Based on the degree of post contribution, posts rank from level 1 to level 50, and employees are rewarded according to their performance, ability, and contribution to the business.

The Company constantly polishes its training system and provides employees with a formal and comprehensive orientation and daily training in an attempt to encourage employees to fully unleash their potential and realise their self-worth. Our training on the Dragon and Fish Plan helps employees gain a better understanding of the business of the Company and the work content and process of each department, and also facilitates our identification of high-potential talents to efficiently build a talent pool. We encourage our colleagues to sign up as learning partners for new employees to help them get familiar with their work objectives and content, and to mobilise them to take an active part in the communication and collaboration between departments. In addition, we provide different types of training such as high-level training, external training and online training to ensure that our employees have a well understanding of the Company's policies and procedures, overall planning as well as basic knowledge of products and ophthalmic diseases.

## New recruit training

During the Reporting Period, the Group organised a total of 2 new recruit training to introduce the knowledge of common ophthalmic diseases, ophthalmic market conditions, product lines, therapeutic areas and effect mechanism of products, compliance requirements and basic information of each department.

Recruit Training for New Employees

## Marketing training

We carried out a number of online and offline training on disease and product knowledge about glaucoma-related products. Through learning relevant basic disease knowledge, epidemiological clinical manifestation, clinical data interpretation and product characteristics summary, the trainees mastered the characteristics and marketing focus of the glaucoma-related products.

To help regional sales colleagues better promote Youshiying®, the Marketing Department organised online training on uveitis, which included basic fundus disease knowledge related to uveitis, epidemiological features and clinical manifestations related to uveitis, as well as phase III clinical data interpretation and product characteristics summary of Youshiying®.

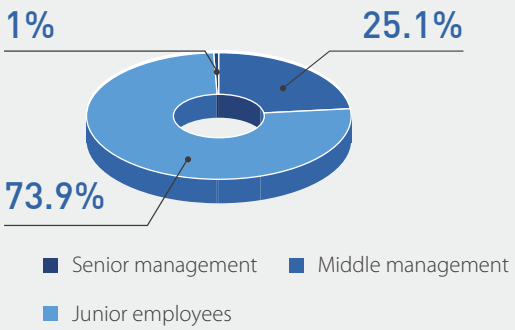
Offline Training on Glaucoma

In 2022

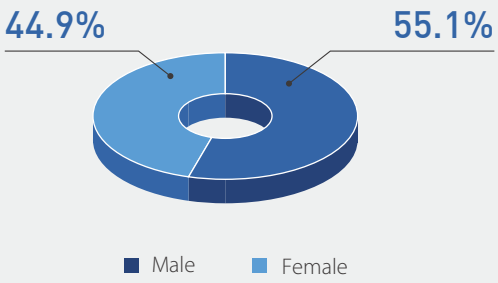
The training ratio of the employees of the Group was **96%**

The total training hours for the year were **18,912** hours

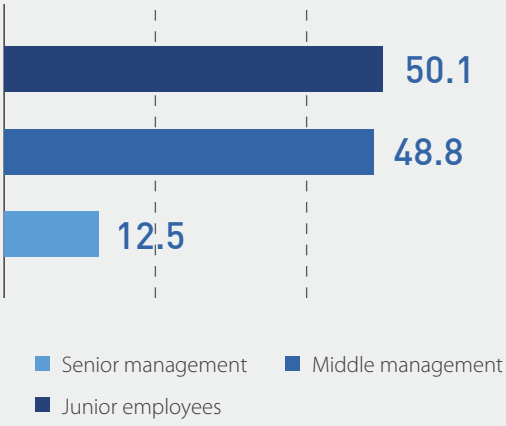
### The percentage of employees trained by emoloyee category



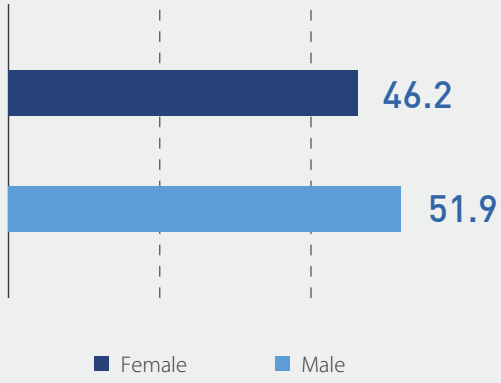

### The percentage of employees trained by gender




### The average training hours completed per employee by employee category (Unit: hours/person)




### The average training hours completed per employee by gender (Unit: hours/person)



# Business ethics

Adhering to operation compliance and business ethics, the Group strictly abides by the *Criminal Law of the People's Republic of China*《中華人民共和國刑法》, the *Pharmaceutical Administration Law of the People's Republic of China*《中華人民共和國藥品管理法》, the *Anti-Unfair Competition Law of the People's Republic of China*《中華人民共和國反不正當競爭法》and other laws and regulations, and it has established a sound risk identification and compliance management system, and strictly prohibits bribery, extortion, fraud and money laundering. In 2022, the Group had no cases involving corruption.

We have established a compliance committee led by the CEO to guide, supervise, and coordinate the compliance management of the Group. We have formulated the *Internal Audit Requirements*《內部審計規定》 to clarify the responsibility and authority of the Internal Audit Department, and the independence requirements for the department, as well as the internal audit methods and standards.Through the establishment of *Risk Management Manual*《風險管理手冊》, *Contract Management Regulations*《合同管理規定》 and *Guidelines for the Promotion of Pharmaceutical Products*《藥品推廣準則》and other policies, we can effectively identify, actively manage, and prevent compliance risks. By implementing the 6-step risk management procedures, i.e., risk identification, risk assessment, risk response, risk testing, risk monitoring and risk reporting, we formulate targeted risk response measures based on the prioritisation of risks, and conduct a reassessment of the residual risks. We have stipulated the behaviour of the functional personnel of the Group in contact with suppliers, partners, media and any other organisations, groups and individuals other than the medical professionals in the *Guidelines for Contact with Non-medical Professionals*《與非醫療專業人士接觸準則》. If employees collude with distributors or conduct false sales, they will be considered serious violations of company rules and regulations, and the Group can unilaterally terminate the labour contract according to relevant laws and regulations.

We ensure the standard implementation of all kinds of operation activities through daily compliance supervision, reporting, cultural promotion, and implementation and carried out compliance evaluation for each employee, the compliance evaluation result and disciplinary notice of the previous month will be announced to all employees before the end of each month. If violations occur during the review and supervision process, they will be included in the compliance assessment and the employees involved will be punished. The assessment score of the superior leader will also be deducted to a certain degree due to joint liability.

The Group has set up a compliance office for all employees to receive compliance consultation and compliance reports submitted by all employees. We keep confidential information related to compliance consultation and compliance reports as well as employee information. No employee will be punished by the Group or retaliated by others as a result of a compliance report. For those who retaliated, the Group will punish them in accordance with the relevant rules and regulations.

During the Reporting Period, we updated the internal reporting channel. We set up reporting channel for external stakeholders according to the updates in the *Corporate Governance Code*《企業管治守則》 of the Hong Kong Stock Exchange, and added relevant terms in the agreement template of the Company.

## Reporting channels mainly include:

| Internal reporting email | Internal reporting hotline | External stakeholder reporting email |
|---|---|---|
| compliance@ocumension.com | +86-21-2289-3633 | complaintbox@ocumension.com |

In 2022, the Internal Audit Department conducted an annual risk assessmentand audit work. With respect to the internal control deficiencies identified during the audit process, we made audit recommendations, tracked it for checks to ensure 100% completion of rectification and reported the results to the Audit Committee and the Manager layer regularly.

The Group attaches great importance to the compliance awareness and ideas of all employees. By developing compliance training plans and organising effective compliance training on a regular basis, the Group deepens all employees' understanding of the importance of legal compliance and risk prevention and normalizes regular compliance education. In 2022, the coverage of our compliance training was 100%. Meanwhile, through diversified training by email, online platform, etc., including basic training and testing on the *Guidelines for the Promotion of Pharmaceutical Products*《藥品推廣準則》, and on compliance policies, as well as training on guidelines for enforcement application at medical/promotion meetings, we familiarise employees with the necessary compliance knowledge, compliance policies as well as risk prevention and control requirements. All new joiners are required to complete the training on *Compliance Manual*《合規手冊》within one month upon getting on board, and sign a *Letter of Commitment on Compliance Manual*《合規手冊承諾書》through e-mail and online training programmes. In 2022, we conducted anti-corruption training for the Board based on the *Compliance Manual*《合規手冊》, the *Guidelines for Directors' Integrity Affairs*《董事誠信實務指南》, and the *Guidelines for Affairs of the Listed Company Anti-Corruption System*《上市公司防貪系統實務指南》, to jointly promote a clean and honest industry atmosphere.

# Eco-Friendly Operation and Green Development

Contribution to the SDGs



In strict accordance with relevant laws and regulations such as the *Environmental Protection Law of the People's Republic of China*《中華人民共和國環境保護法》and the *Energy Conservation Law of the People's Republic of China*《中華人民共和國節約能源法》, and an active response to the call of "embracing energy conservation, environmental protection, and low carbon", we have set environmental goals of improving resource use efficiency and reducing emission, to better perform our environmental protection responsibilities.

We identify and analyse potential environmental factors in a timely and comprehensive manner, and take measures to rectify problems. Meanwhile, we have formulated a series of scientific preventive measures and management systems such as the *Hazardous Waste Management System*《危險廢棄物管理制度》and *Emergency Response Plan for Environmental Emergencies*《突發環境事件應急處理預案》in light of the Group's conditions. We have established environmental protection ledgers and files, departments and individuals with outstanding achievements in environmental protection will be recognised and rewarded, and those who violate the regulations and cause environmental pollution accidents will take corresponding responsibilities.

The Group's Suzhou manufacturing plant has set up the EHS Committee, and formulated and revised multiple EHS-related policies in light of its own condition, such as the *EHS Management Manual*《EHS管理手冊》, the *Environment, Health and Safety Training Management Procedures*《環境、健康和安全培訓管理規程》 and the *Laboratory EHS Management Procedures*《實驗室EHS管理規程》 to promote standardised management and system construction of EHS in the plant.

## Resources management

Knowing that the world is facing a resource shortage, we are committed to promoting the concept of energy saving, emission reduction and water saving and taking various measures to strengthen the efficient use of resources.

### Office



- Through publicity activities on energy and water saving, we encourage employees to develop self-awareness of resource-saving, and put up slogans on power and water saving as reminders for employees to switch office power and water equipment in a timely manner.
- We formulated *Regulations on Company Car*《公司用車管理規範》 to properly manage and allocate company cars as well as avoid wasting resources.
- The air conditioning system at the workplace is subject to centralised control for reasonable adjustment of ambient temperature, to avoid energy waste and equipment wear and tear caused by employees' forgetting to turn off the air conditioner.
- We encourage paperless office by minimising copy and printing, and advocate double-sided printing and wastepaper recycling to avoid unnecessary use of paper and reduce the amount of non-hazardous waste.

## Suzhou manufacturing plant

- Adopt the centralised control model for the clean area to remotely turn off workshop lighting.
- Use human sensing and voice-activated lights for personnel channels, stairways, toilets and other public areas to reduce energy waste.
- Carry out photovoltaic power generation projects to reduce carbon dioxide emissions.
- Use LED tubes for all lighting devices to reduce power consumption.
- Recycle all water condensed from industrial steam or pure steam to deoxygenated water tank for boiler use to reduce the consumption of natural gas.
- Build a rainwater recycling system to effectively avoid water waste.

### Case: Annual EHS Training

In September 2022, the annual EHS training was conducted at the Group's Suzhou manufacturing plant. Based on ISO 14001 and ISO 45001, the training clarified the internal and external opportunities and risks raised by the environment, and interpreted how to minimise environmental pollution during production and operation, thus enhancing employees' awareness and ability of sustainable development.


Annual EHS Training

## In 2022, the Group's environment-related KPIs are shown as follows:

| Environmental KPIs[3, 4] | Unit | 2022 | 2021 |
|---|---|---|---|
| Total energy consumption [1] | MWh | 17,489.73 | 498.74 |
| Total direct energy consumption | MWh | 10,027.35 | 87.84 |
| Including: Petrol | MWh | 55.14 | 87.84 |
| Including: Natural gas | MWh | 9,972.21 | Not involved |
| Total indirect energy consumption | MWh | 7,462.38 | 410.90 |
| Including: Purchased electricity | MWh | 7,462.38 | 410.90 |
| Energy consumption intensity | MWh per million RMB Revenue | 110.00 | 8.88 |
| Total water consumption[2] | tonne | 98,880.14 | 7,188.20 |
| Total water consumption intensity | tonne per million RMB revenue | 621.89 | 128.03 |

### Notes:

1. Total energy consumption is calculated based on the consumptions of electricity and fuel and the default parameter values related to common fossil fuel characteristics as shown in Attached Table 2 to *Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Other Industrial Enterprises*《工業其他行業企業溫室氣體排放核算方法與報告指南》issued by the National Development and Reform Commission (NDRC).

2. The Group's water consumption is mainly for domestic use and sourced from the municipal water system, which is sufficient for daily operation.

3. The Group has not yet produced pharmaceutical products and no packaging materials are used in its operation, therefore, KPI A2.5 (Total packaging material used for finished products and with reference to per unit produced) is not applicable to the Group and is therefore not disclosed in the ESG Report.

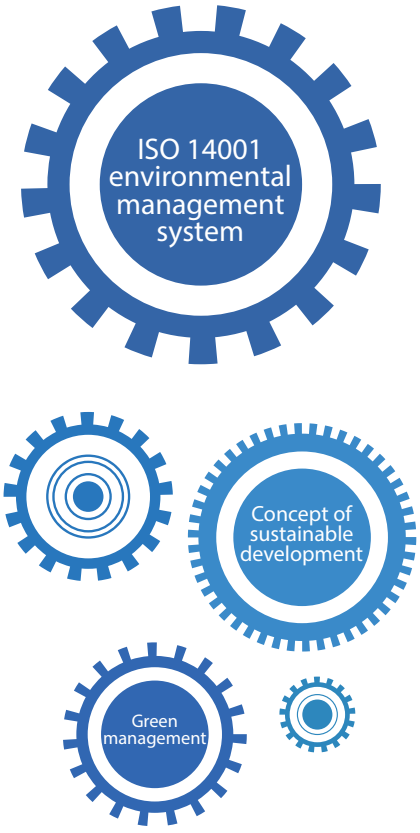
4. Since the Group's Suzhou manufacturing plant starts its trial production in 2022, the total energy consumption and the total water consumption have significantly increased compared to 2021.

# Emissions management

We strictly comply with the *Environmental Protection Law of the People's Republic of China*《中華人民共和國環境保護法》, the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*《中華人民共和國固體廢棄物污染環境防治法》, the *Water Pollution Prevention and Control Law of the People's Republic of China*《中華人民共和國水污染防治法》 and other laws and regulations. We formulate corresponding management policies and take preventive measures against emissions such as exhaust gas, wastewater, and solid waste to ensure stable and compliant discharge of pollutants. The emission-generating departments shall accept the guidance and supervision of the regulatory authorities, and effectively implement the emission management regulations. In the event of any environment-polluting emergencies in the laboratory, we require R&D personnel to confirm their severity and report to the EHS commissioner as soon as possible. The EHS commissioner will issue an early warning according to the situation and require the responsible persons to prepare emergency supplies and take timely measures to ensure the safety of personnel and minimise the pollution to the surrounding environment.

During the Reporting Period, guided by ISO 14001 environmental management system, the Group's Suzhou manufacturing plant continuously improved its management system and practices, and accelerated the construction of the ISO 14001 environmental management system.

Adhering to the concept of sustainable development, we advocate green operations, and set up annual environmental goals to further reduce the impact of our operation and production on the environment. We take various measures to promote the prevention and control of all kinds of emissions. We use a two-stage activated carbon filtering and adsorption device to treat the laboratory waste gas, with a treatment efficiency of more than 80%. Based on the project environmental impact assessment report and the relevant national self-monitoring standards, we have prepared the environmental protection self-testing program, and entrusted third parties to conduct regular monitoring of waste gas, wastewater, rainwater and noise. In addition, by using online wastewater facilities, improving the identification of waste gas treatment equipment, upgrading the hazardous waste ledger and adjusting the classification of hazardous wastes, we ensure that all types of emissions are discharged under relevant standards.




### Suzhou Manufacturing Plant's Environmental Goals in 2022

- Discharge of wastewater and waste gas up to the standards, with a rate of **100%**
- Disposal of solid wastes in compliance with the standards, with a rate of **100%**
- Zero environmental pollution incident

## Case: Strengthening Wastewater Treatment


Ocumension applies Fenton oxidation and coagulant sedimentation technologies. According to the calculations for environmental impact assessment and the observation of emission data during actual operation, they can help our pollutant monitoring index meet the standard of which the CODcr is lower than 100 mg/m$^3$ and ammonia nitrogen is lower than 45 mg/m$^3$, which is far below the discharge standard (CODcr below 500 mg/m$^3$, ammonia nitrogen below 45mg/m$^3$) of our management agreement with the local sewage treatment plant. We also concluded a management agreement with a local sewage treatment plant to treat sewage. To strengthen the monitoring of wastewater discharge, we have installed the wastewater online monitoring facilities and automatic interlocking facilities, and set alarm values and interlocking values for the discharge concentration. When the pollutant index of wastewater discharged reaches the standard of 80%, the sewage disposal device will be automatically started. The sewage can be discharged only when the pollutant concentration is below the discharge standard of 50%.

For hazardous wastes, we have established a hazardous waste pollution prevention and control leadership group headed by the CEO and leaders of various departments to make decisions, supervise, and coordinate the company's environmental protection work. Hazardous waste will be packaged with materials that are easy to recycle, dispose of or degrade in the environment. At the same time, we have signed disposal contracts on hazardous waste with third-party professional companies to ensure proper disposal of hazardous waste generated during experiments.

We encourage paperless office by minimising copy, printing and advocate double-sided printing and wastepaper recycling to avoid unnecessary use of paper and reduce the amount of non-hazardous waste. We also actively answer the call for garbage classification by promoting it among employees and implementing it in offices with garbage classified into four categories: dry waste, wet trash, hazardous refuse, and recyclable waste.

## In 2022, the Group's waste-related KPIs are shown as follows:

| Environmental KPIs[3, 4] | Unit | 2022 | 2021 |
|---|---|---|---|
| Total hazardous waste emission[1] | tonne | 14.42 | 0.9 |
| Hazardous waste emission intensity | kg per million RMB Revenue | 90.72 | 16.03 |
| Total wastewater | tonne | 7,070.08 | 7,138.96 |
| Total GHG emissions (Scopes 1 and 2)[2] | $tCO_2e$ | 7,246.23 | 297.28 |
| Direct GHG emissions (Scope 1) | $tCO_2e$ | 2,007.33 | 21.48 |
| Including: Petrol | $tCO_2e$ | 13.48 | 21.48 |
| Including: Natural gas | $tCO_2e$ | 1,993.85 | Not involved |
| Indirect GHG emissions from energy consumption (Scope 2) | $tCO_2e$ | 5,238.90 | 275.81 |
| Including: Purchased electricity | $tCO_2e$ | 5,238.90 | 275.81 |
| GHG emission intensity | $tCO_2e$ per million RMB revenue | 45.57 | 5.29 |

### Notes:

1. Hazardous wastes generated by the Group mainly include phenols wastes, organic solvent wastes and waste acid from experiments.

2. Based on the nature of the Group's business operation, our GHG emissions mainly consist of direct GHG emissions (Scope 1) from gasoline consumption of vehicles and energy indirect GHG emissions (Scope 2) from purchased electricity. GHG emissions are presented as $CO_2$ equivalents and the greenhouse gas emissions of purchased electricity in the Shanghai region were calculated based on the electricity emission factor adjusted by the Shanghai Ecological Environment Bureau in 2022 while other greenhouse gas emissions were calculated according to the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Other Industrial Enterprises*《工業其他行業企業溫室氣體排放核算方法與報告指南》and *2011 and 2012 Regional Grid Average $CO_2$ Emission Factor for China*《2011年和2012年中國區域電網平均二氧化碳排放因數》issued by NDRC.

3. Environmental impacts from offices and laboratories are relatively limited, thus KPI A1.1 (The types of emissions and respective emissions data) and A1.4 (Total non-hazardous waste produced and intensity) have no material impact on the Group's operation, and are not disclosed in the ESG report. In the future, we will continuously monitor the environmental impacts of our operation and disclose relevant environmental data in future reports when appropriate.

4. Since the Group's Suzhou manufacturing plant starts its trial production in 2022, the total hazardous waste emission and the total GHG emissions have significantly increased compared to 2021.


## The environment and natural resources

Apart from the matters disclosed above, we do not cause other significant environmental impacts or make heavy use of other environmental and natural resources during operation. Therefore, Aspect A3 (The environment and natural resources) and KPI A3.1 (Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them) are not applicable to the Group, and are not disclosed in the ESG Report.

## Climate change

Aware of the potential impact of climate change on human health, global trade and green development, we take the initiative to identify the risk of climate change and learn about the impact of climate change, to enhance our ability to cope with climate change. After the assessment, we believe that extreme weather such as typhoons, thunderstorms, cold waves and frost, will have impacts on the Group's normal operation.

In order to operate and carry out production as usual in the event of a major natural disaster, we formulated the *Guidelines for Work Arrangements in Severe Weather*《惡劣天氣工作安排指引》to provide safety instructions for employees during extreme weather events and set up an emergency team. Based on the severity of impacts caused by extreme weather, emergencies are classified into four levels by urgency and the corresponding emergency response strategy and process are constantly optimised. We continuously refine our countermeasures to reduce the impacts of disasters on the company's operation and employees' health.

# Co-building of Community with Love

Contribution to the SDGs


Guided by the principle of "Virtus et Lumen" (Courage and Light), Ocumension takes on social responsibilities with courage and stays committed to bringing light to more patients and industries, further giving back to society. In addition, we fulfil our corporate social responsibility through co-host free clinics, patient education, co-host academic conferences, charity donations, medical professional sponsorship, etc., and regulate public welfare activities through the *Compliance Manual*《合規手冊》 to ensure such activities are conducted in compliance with Chinese laws and regulations.

## Patient education

By the end of 2022

the number of followers of the official account has exceeded **5,000**

Through the WeChat official account - Easy Vision, the Group provides patients with expert classrooms, consultation, patient communities and other services. Working together with the Department of Uveitis of Eye Hospital of Wenzhou Medical University, we have built the Putao Tang, a patient-caring platform, to give lectures on ophthalmic knowledge every month to help the patients resolve their concerns. Patients can learn about the common sense of eye protection, as well as the classification of and treatment plans for uveitis and other ophthalmic diseases through courses in Easy Vision. In addition, we have built a patient discussion community for patients with uveitis to share their experience in disease prevention and care, disease symptoms, treatment and recovery, and mind-building. By the end of 2022, the number of followers of the official account has exceeded 5,000.

## Patient support

with a total

investment of over RMB **1.8** million

Ocumension is dedicated to identifying, developing, and commercialising first- or best-in-class ophthalmic therapies. In 2022, the Group's core products OT-401, OT-502 and OT-703 were subject to Real World Research in the Hainan Boao Lecheng International Medical Tourism Pilot Zone to provide support for the evaluation of the efficacy and safety for eye disease patients, and benefit more patients. In the process of collecting real-world data, we recruited many patients and provided them with free treatment drugs and support, with a total investment of over RMB 1.8 million.

# Industry support

Industry cooperation is at the core of our efforts to promote industry innovation and development. In 2022, Ocumension participated in, hosted or co-organised a number of industry exchanges in many provinces and cities across the country including projects of the national key R&D programme of the Ministry of Science and Technology of the PRC, industry exchanges and academic training programmes. We have invited ophthalmic experts to give lectures and share ideas about glaucoma, dry eye and other ophthalmic diseases through campaigns such as the Shanghai Glaucoma Salon and the Interhospital Communication of Xiamen Kehong Ophthalmology. We constantly promote industry communication, and strive to be a reliable partner in the industry.

## Special Project of the Ministry of Science and Technology for Prevention of Myopia in Adolescents by the Eye Protection Institution

As Ocumension's first approved project of the national key R&D programme of the Ministry of Science and Technology of the PRC and one of the major special projects under the 14th Five-year Plan, the Research on Precise Prevention Technology and Demonstration Application of Myopia in Children focuses on the pathogenesis, treatment plan, and three-level prevention of myopia in children, and has established a comprehensive prevention and control system for myopia in children that is in line with the national conditions of China. It decreases the occurrence and development of myopia in Chinese children and reduces people's blindness and visual impairment.

## Special Project of the Ministry of Science and Technology by Shanghai Jiao Tong University

In 2022, as a major special project of the national key R&D programme of Research on the Prevention and Treatment of Common and Frequently-occurring Diseases, the Construction of Multidimensional Big Data-driven Precise Prevention of and Intervention Strategy for Common Blindness-related Ophthalmic Diseases in China, which was participated by the Group and applied under the initiative of Shanghai Jiao Tong University, had been successfully approved. With the focus on matters such as the research on technology and strategy for early identification and intervention of common blindness-related ophthalmic diseases, the project provides us with rapid assessment indicators and personalised precise diagnosis and treatment schemes, which will play a positive role in promoting the development and marketing of products for cataract, glaucoma and myopia in China.

Uveitis Academic Forum (Guangdong & Fujian), March 2022

Training by Eye Hospital of Wenzhou Medical University for Precise Diagnosis and Treatment of Uveitis Fundus Diseases, August 2022

# Appendix: Index for ESG Reporting Guide

| Aspect | Description | Title of sections |
|---|---|---|
| A1 | Emissions | Eco-Friendly Operation and Green Development -Emissions management |
| General Disclosure | (a) the policies; and<br>(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. | |
| A1.1 | The types of emissions and respective emissions data. | |
| A1.2 | Direct (Scope 1) and energy direct (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | |
| A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | |
| A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | |
| A1.5 | Description of emission target(s) set and steps taken to achieve them. | |
| 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. | |
| A2 | Use of Resources | Eco-Friendly Operation and Green Development -Resources management |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. | |
| 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). | |
| A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | |
| A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | |
| 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. | |
| A2.5 | The total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | |
| A3 | The Environment and Natural Resources | Eco-Friendly Operation and Green Operation -The environment and natural resources |
| General Disclosure | Policies on minimising the issuer's significant impacts on the environment and natural resources. | |
| A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | |

| Aspect | Description | Title of sections |
|---|---|---|
| A4 | Climate Change | Eco-Friendly Operation and Green Development -Climate change |
| General Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. | |
| 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. | |
| B1 | Employment | Equality and Inclusion for Our Employees -Standardised employment -Compensation and benefits |
| General Disclosure | (a) the policies; and<br>(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. | |
| B1.1 | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. | |
| B1.2 | Employee turnover rate by gender, age group and geographical region. | |
| B2 | Health and Safety | Equality and Inclusion for Our Employees -Health and safety |
| General Disclosure | (a) the policies; and<br>(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. | |
| B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | |
| B2.2 | Lost days due to work injury. | |
| B2.3 | Description of occupational health and safety measures adopted and how they are implemented and monitored. | |
| B3 | Development and Training | Equality and Inclusion for Our Employees -Development and training |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | |
| B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | |
| B3.2 | The average training hours completed per employee by gender and employee category. | |
| B4 | Labour Standards | Equality and Inclusion for Our Employees -Standardised employment |
| General Disclosure | (a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | |
| B4.1 | Description of measures to review employment practices to avoid child and forced labour. | |
| B4.2 | Description of steps taken to eliminate such practices when discovered. | |

| Aspect | Description | Title of sections |
|---|---|---|
| B5 | Supply Chain Management | Accessible Innovation and Reliable Quality -Sustainable supply chain |
| General Disclosure | Policies on managing environmental and social risks of the supply chain. | |
| B5.1 | Number of suppliers by geographical regions. | |
| 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. | |
| B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | |
| B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | |
| B6 | Product Responsibility | Accessible Innovation and Reliable Quality -Excellent quality management |
| General Disclosure | (a) the policies; and<br>(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. | |
| B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | |
| B6.2 | Number of products and service-related complaints received and how they are dealt with. | |
| B6.3 | Description of practices relating to observing and protecting intellectual property rights. | |
| B6.4 | Description of quality assurance process and recall procedures. | |
| B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | |
| B7 | Anti-corruption | Equality and Inclusion for Our Employees -Business ethics |
| General Disclosure | (a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | |
| B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. | |
| B7.2 | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. | |
| B7.3 | Description of anti-corruption training provided to directors and staff. | |
| B8 | Community Investment | Co-building of Community with Love |
| 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. | |
| B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | |
| B8.2 | Resources contributed (e.g. money or time) to the focus area. | |

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