Shandong Boan Biotechnology Co., Ltd.

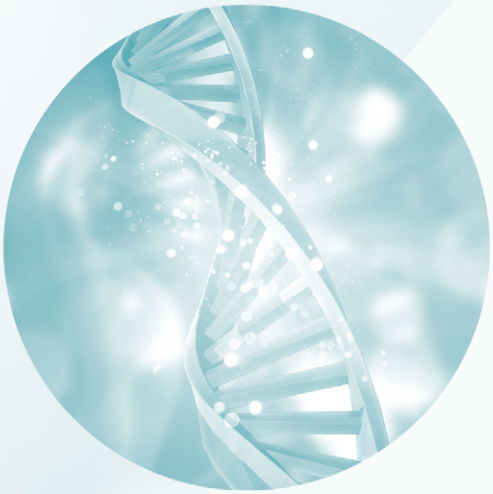
山东博安生物技术股份有限公司

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

Stock Code : 6955

Boan Biotech
博安生物

2022 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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1 DEFINITIONS

Unless otherwise stated in the report, the following terms are defined as follows:

"Boan Biotech", the "Group" or "we"	Shandong Boan Biotechnology Co., Ltd. and its subsidiaries
the "Board"	Board of Directors of the Company
"China"	People's Republic of China
"CMO"	CMO manufacturers entrusted by Boan Biotech
the "Company"	Shandong Boan Biotechnology Co., Ltd.
"EHS"	Environment, Health and Safety
"ESG"	Environmental, Social and Governance
"ESG Committee" or "Committee"	Environmental, Social and Governance Committee
"ESG Guide"	Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"ESG Report" or the "Report"	Environmental, Social and Governance Report
"GMP"	Good Manufacturing Practice for Pharmaceutical Products
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"KPI"	Key Performance Indicator
"Luye Pharma"	Luye Pharma Group Ltd.
"QC"	Quality Control Department
"RMB"	RMB, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Year" or "Reporting Period"	From 1 January 2022 to 31 December 2022

2 ABOUT THIS REPORT

This is the first publicly available ESG Report issued by the Company on Boan Biotech's ESG performance for the year 2022. We discuss our environmental and social management policies, strategies, targets and performance indicators in various sections of this Report.

2.1 BASIS OF PREPARATION

The Company has prepared this Report in accordance with the ESG Guide issued by the Stock Exchange. The report has been prepared pursuant to the four Reporting Principles set out in the ESG Guide, namely materiality, quantitative, balance and consistency. Boan Biotech has determined the key disclosures in the report through materiality assessment.

2.2 REPORTING BOUNDARY

Unless otherwise specified, the content of this Report primarily covers the core business having financial significance to and operational impact on Boan Biotech, which is intended to report on Boan Biotech's environmental and social policies and performance. This report covers the period from 1 January 2022 to 31 December 2022.

2.3 REPORTING PRINCIPLES

The four Reporting Principles set out in the ESG Guide have been applied in this Report as follows:

Reporting Principles	Response from the Group
Materiality	The Company has identified material issues related to the Company through materiality assessment, including inviting various internal and external stakeholders to prioritise the material issues and presenting them in the form of a materiality matrix in this Report. For details of the materiality assessment process and results, please refer to the "Materiality Assessment" section in this Report.
Quantitative	In order to comprehensively assess the Company's ESG performance during the Reporting Period, the Company disclosed the applicable quantitative KPIs specified in the ESG Reporting Guide, and set out the criteria, methodologies, assumptions and references used for calculation of the quantitative KPIs, including the sources of key conversion factors.
Balance	The report provides an unbiased picture of the Company's performance during the Reporting Period, and avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.
Consistency	This is the first publicly available ESG Report published by the Company, and we will use calculation and statistical methodologies consistent with those used prior to listing. We will note and explain any changes (if possible) in the footnotes.

2.4 CONSIDERATION AND APPROVAL OF THE REPORT

All information disclosed in this Report is based on the Company's documents and data. The Board assumes full responsibility for the Company's ESG strategy and reporting.

Upon review and confirmation by the Board, this Report was considered and approved on 27 March 2023.

2.5 READER'S FEEDBACK

If readers have any comments on Boan Biotech's ESG Report or related work, please feel free to contact Boan Biotech by the following means:

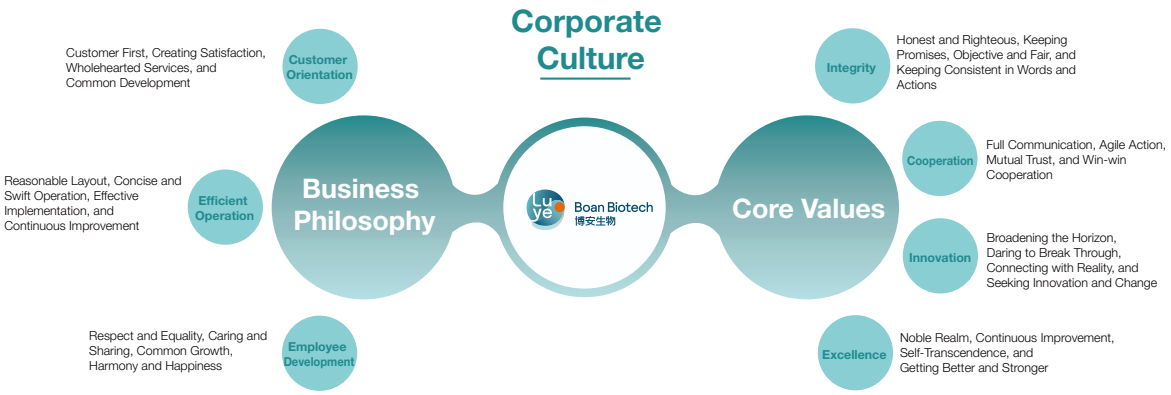
Address:
Shandong Boan Biotechnology Co., Ltd.
No. 39 Keji Avenue, High-Tech Industrial Development Zone, Yantai, Shandong Province, China

3 ABOUT BOAN BIOTECH

3.1 COMPANY PROFILE

Established in 2013, Shandong Boan Biotechnology Co., Ltd., a subsidiary of Luye Pharma, is a fully-integrated biopharmaceutical company that specialises in developing, manufacturing and commercialising therapeutic antibodies, with a focus on oncology, autoimmune diseases, ophthalmology, and metabolic diseases. Our antibody discovery is based on three technology platforms: Human Antibody Transgenic Mouse and Phage Display Technology Platform, Bispecific T-cell Engager Technology Platform and Antibody-drug Conjugates ("ADC") Technology Platform. As of the date of this Report, the product portfolio of Boan Biotech includes two commercialised products, a number of investigational antibodies protected by international intellectual property rights, and biosimilar candidates.

Boan Biotech operates across the entire value chain of the industry from antibody discovery, cell line development, upstream and downstream process development, analytical and bio-analytical method development, and technology transfer to pilot and commercial production. In addition to China, Boan Biotech also conducts biopharmaceutical product development in the United States and the European Union.



3.2 HONOURS AND RECOGNITION

Awarded one of the Top Ten Progresses in China's Medical Biotechnology 2022

In February 2023, under the guidance of China Medicinal Biotechnology Association, the selection of the Top Ten Progresses in China's Medical Biotechnology was hosted by China Medical Biotechnology Journal. Boan Biotech's self-developed product "Boyoubei® (Denosumab Injection)" was selected as one of the Top Ten Progresses.

Boan Biotech ranked among Top Ten of "China's Innovative Biomedicine Companies"

In June 2022, Boan Biotech, with its differentiated product portfolio, all-round biomedical platform and constantly maturing commercialisation capabilities, demonstrated high growth and strong innovation, and was thus ranked among Top Ten of the "Future Healthcare VB100 – TOP 100 China's Innovative Biomedicine Companies" and was rated as one of the unicorns in the biomedical sector.

Boan Biotech ranked among "2022 China Biopharma Industry Value Ranking – Top 20 Most Influential Antibody Companies"

In August 2022, the "2022 Sixth China Biopharmaceutical Innovation Cooperation Conference and 2022 China Biopharmaceutical Industry Value Ranking Award Ceremony" was held in Suzhou. Thanks to its strong innovation and high growth potential, Boan Biotech ranked among "2022 China Biopharma Industry Value Ranking – Top 20 Most Influential Antibody Companies".

Boan Biotech was listed in the "2022 China Biopharma Industry Chain Innovation Ranking"

In December 2022, Boan Biotech was awarded the title of "2022 Most Innovative Biotech Company with Powerful R&D Strength" for its solid R&D capabilities and outstanding R&D achievements. The award was jointly sponsored by the China Biopharma Industry Chain Innovation and Transformation Alliance, Nanjing Biopharma Industry Innovation and Transformation Centre, Pharmacodia, Pharmedcafe, the Editorial Board of Progress in Pharmaceutical Sciences and Industrial Securities.

Boan Biotech was awarded the title of Yantai Hi-Tech Industrial Development Zone – Safe Production Culture Demonstration Enterprise

In December 2022, as guided by the policy of caring for employee health and safety and ensuring sustainable development, Boan Biotech completed the construction of its safety culture by virtue of its scientific safety concept and perfect safety management system. Boan Biotech was awarded the honorary title of "Safe Production Culture Demonstration Enterprise" by the High-tech Zone Branch of Yantai Emergency Management Bureau.

Boan Biotech was recognised as the "National High-tech Enterprise"

In December 2022, the Office of the Leading Group for Certification and Management of National High-tech Enterprises under the Ministry of Science and Technology issued the "Announcement on Filing of the First Batch of High-tech Enterprises Certified by Shandong Provincial Certification Bodies in 2022". Boan Biotech participated in the certification for the first time and was recognised as the "National High-tech Enterprise", marking the national recognition of the Company's capabilities in technological innovation, achievement transformation, R&D strength and business performance.

4 RESPONSIBLE OPERATIONS

4.1 SUSTAINABLE DEVELOPMENT CONCEPT

4.1.1 Governance Structure

Boan Biotech is committed to realising the vision of "become a leading biopharmaceutical company". Boan Biotech shoulders heavy responsibility for promoting pharmaceutical research business and sustainable development, and sets an example by integrating sustainability elements into its corporate development strategies and daily operational management. The integration of ESG issues into our governance structure helps us to continuously manage and monitor our sustainability performance and maximise our commercial and social values.

4.1.2 ESG Governance and Risk Management of the Board

As the highest governing body for ESG issues of the Company, the Board has the overall supervision responsibility for ESG governance strategy, objectives and reporting.

4.1.3 ESG Committee

The Board supervises and manages the Group's ESG governance work through the ESG Committee, which listens to regular reports on sustainability strategy, progress and performance. The ESG Committee is responsible for identifying relevant ESG risks and opportunities and reporting the Group's risk identification and risk response performance to the Board for review, ensuring that the Group has established a reasonable and effective ESG risk management and internal control system. The ESG Committee is also responsible for studying and formulating ESG objectives related to the Group's business and for tracking and reviewing performance and progress against these objectives. The management of ESG objectives will be regularly reported to the Board for consideration and approval.

The Board has appointed three Directors as members of the ESG Committee, one of which has been appointed the Chairman of the committee. The ESG Committee will convene at least one meeting a year, and if necessary, an interim meeting will be held upon request by the Chairman of the Committee to guide and review the formulation of the Group's ESG management policies and strategies, to closely monitor the implementation and effectiveness of ESG policies and initiatives, and to prepare and review the Group's annual ESG Report and other ESG-related disclosures.

The ESG Committee regularly examines the Group's performance on key ESG issues, reviews the progress in achieving the objectives through annual and special reports, provides recommendations on actions required to achieve the objectives, and reports regularly to the Board on management progress to facilitate continuous improvement in the Group's ESG management performance. The Board fulfills its management and supervision responsibility for the above ESG issues and provides advice and necessary support on actions to be taken to achieve the objectives.

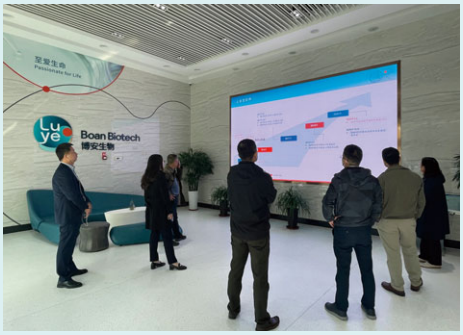
4.1.4 ESG Working Group

The ESG Committee has set up an ESG Working Group to assist the Committee in coordinating and managing the Group's ESG issues and coordinating the implementation and execution of ESG-related work across various functional departments of the Group, including strategic development, supply chain, administration and R&D project management, manufacturing, environmental and occupational health and safety, human resources, patents, laws, finance, etc. Its functions include assessing, prioritising and managing material ESG-related issues (including risks to the Group's business), assisting in setting ESG targets, developing work plans, reviewing progress of the targets, preparing lists and analysis reports on material issues, and recommending appropriate and effective ESG risk management and internal control measures.

4.2 STAKEHOLDER ENGAGEMENT

Boan Biotech expects this Report to serve as a bridge for communicating with various stakeholders and to respond to the concerns of all walks of life by reporting on Boan Biotech's annual performance in fulfilling its various sustainability-related responsibilities. During the year, Boan Biotech conducted a survey on stakeholders to deeply understand the importance of various issues such as environment, labour and operations to various stakeholders, and maintained good communication with them. This report will focus on the material issues identified for 2022 to ensure that our sustainability efforts are aligned with the needs of our stakeholders.

Case: Boan Biotech actively promotes stakeholder communication activities



The investors visited Boan Biotech on site to get an insight into the Company

Boan Biotech conducted academic exchange with Beijing Zhongyuan

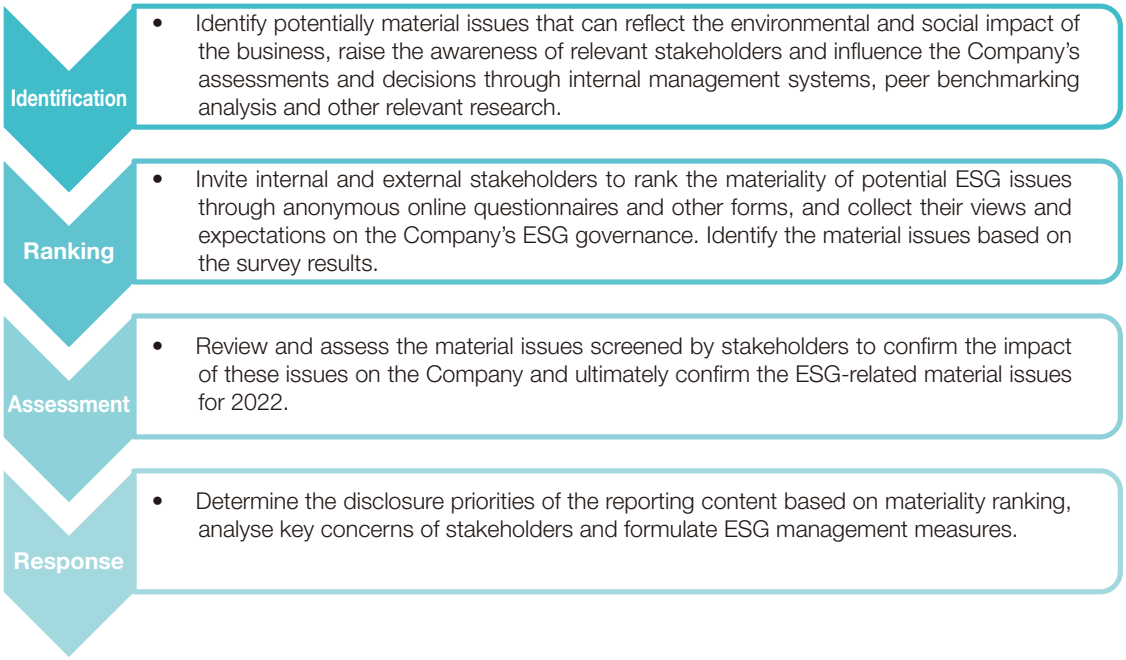
4.2.1 Communication with Stakeholders

The Company has been actively maintaining good relationships with its stakeholders. We hope to establish effective and well-developed communication channels to understand stakeholders' expectations and suggestions, and to review potential risks and opportunities related to ESG, so as to effectively contribute to our sustainable development work. The expectations of various stakeholders and the daily communication channels between the Company and stakeholders are as follows:

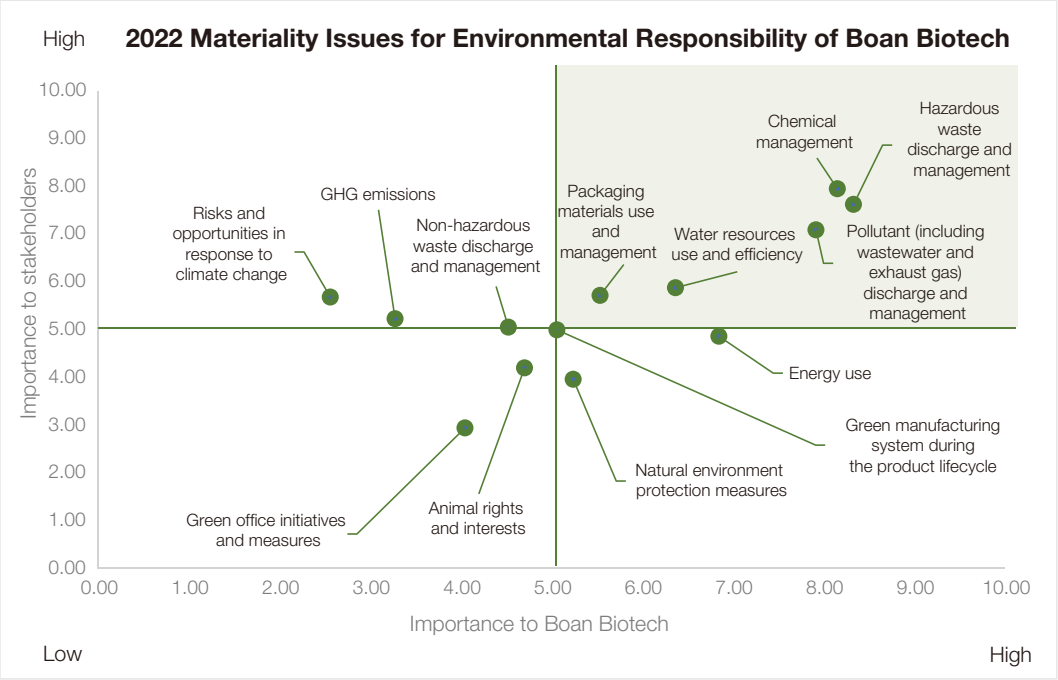
Main Stakeholders	Expectations	Communication Channels
Government and regulatory bodies	• Compliance with laws and regulations • Strengthening R&D of pharmaceutical technologies	• Optimising the legal risk prevention and control system • Vigorously investing in R&D of drugs
Investors	• Good operational management to reduce operational risks • Good return on investment • Transparent information disclosure • R&D ethics	• Regularly holding results announcement conferences and general meetings of shareholders • Optimising the legal risk prevention and control system • Regularly updating the website to ensure the investors have access to the latest information of the Company • Regularly organising investor survey and company day events • Regularly participating in strategy sessions and roadshows
Customers	• Providing safe and high-quality medicines • Constantly developing new drugs • Protecting consumers' rights and interests	• Vigorously investing in R&D of drugs • Improving the drug production management system • Conducting customer satisfaction surveys
Employees	• Good working environment • Good career prospects	• Providing good remuneration • Organising various training activities • Organising various employee activities • Providing a safe working environment
Partners/suppliers	• Mutual cooperation for win-win results	• Actively seeking superior suppliers and CMO/CDMO partners
Peer companies	• Promoting industry development	• Actively organising and participating in industry forums and exchange events
Non-governmental organisations	• Constantly developing new drugs	• Vigorously investing in R&D of drugs
Media	• Transparent information disclosure	• Regularly updating the website to ensure the public have access to the latest information of the Company • Release of major business progress via news or WeChat official account

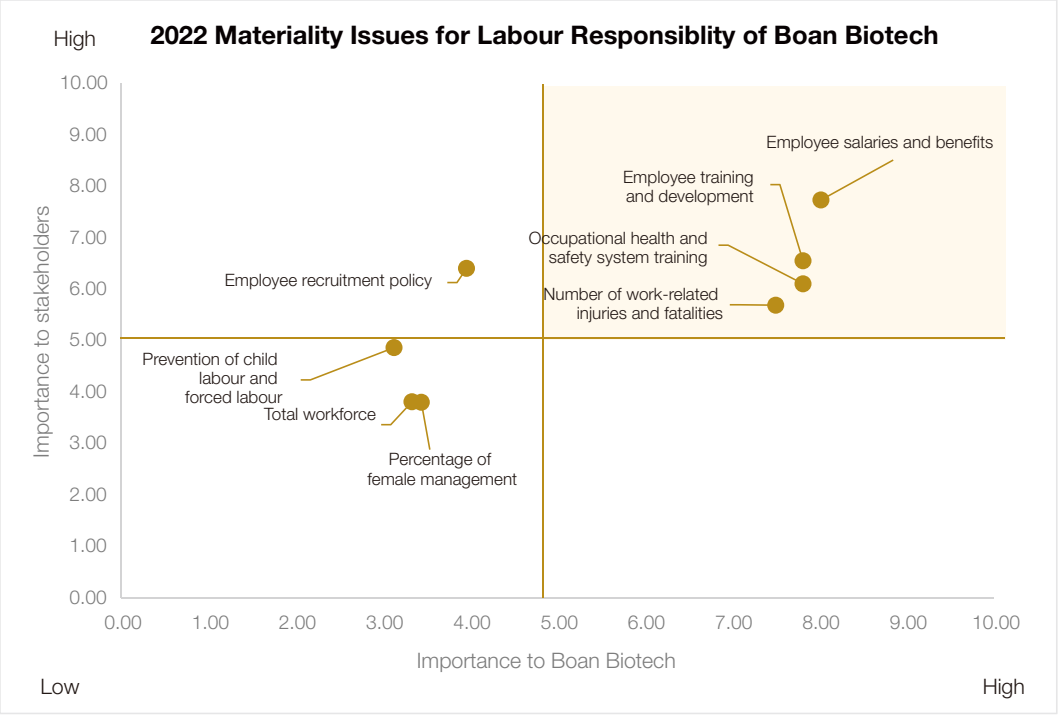
4.2.2 Materiality Assessment

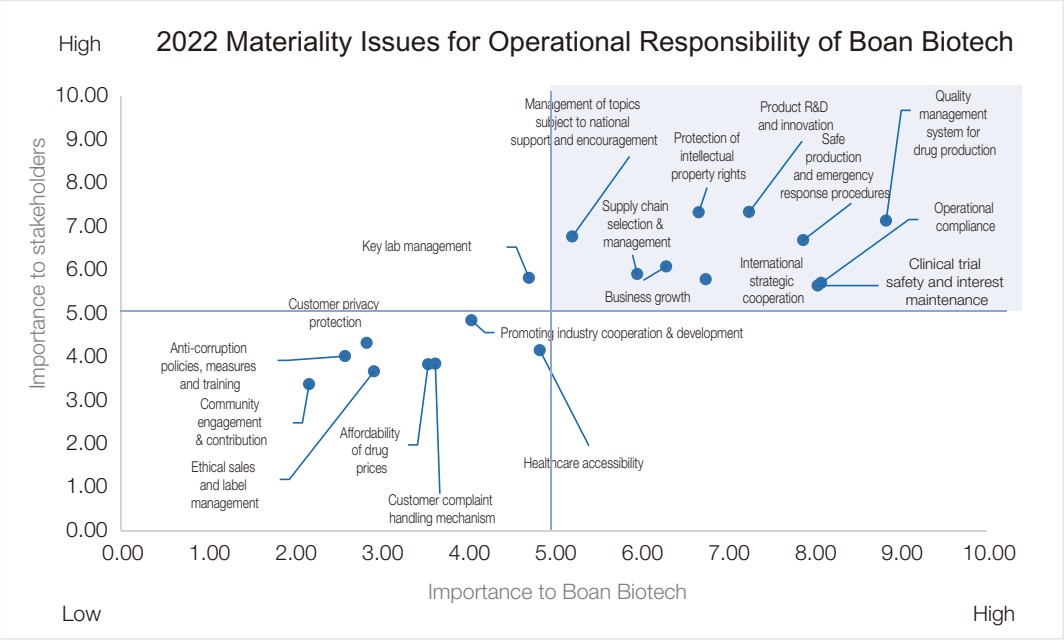
In order to respond to the sustainability needs of various stakeholders in a timely manner, and to effectively manage and report on issues that have a significant impact on us and our stakeholders, we conducted materiality assessment during the year to determine the scope of our disclosure priorities for this Report. The specific materiality assessment process is described as follows:



We actively invited internal and external stakeholders to participate in this materiality survey to understand their focuses and concerns on our ESG issues in the three aspects of environmental responsibility, labour responsibility and operational responsibility. In this survey, we received a total of 171 valid responses to our questionnaires. Based on these results, the following matrices of material issues was developed. We presented the materiality analysis matrices of ESG issues for 2022 below, with the material issues in the upper right quadrant of the matrix:







After reviewing and identifying the analysis results of material issues, the Group has finally recognised a total of 19 material issues. Such issues will be taken as important considerations for our future sustainability direction and are also the focus of disclosures in this Report.

Material Issues (in the order of importance from top to bottom)

Environmental responsibility	Labour responsibility	Operational responsibility
Chemical management	Employee salaries and benefits	Quality management system for drug production
Hazardous waste discharge and management	Employee training and development	Product R&D and innovation
Pollutant (including wastewater and exhaust gas) discharge and management	Occupational health and safety system training	Safe production and emergency response procedures
Water resources use and efficiency	Number of work-related injuries and fatalities	Protection of intellectual property rights
Packaging materials use and management		Operational compliance
		Clinical trial safety and interest maintenance
		International strategic cooperation
		Business growth
		Management of topics subject to national support and encouragement
		Supply chain selection and management

4.3 INTEGRITY AND COMPLIANCE

Fulfilling the legal compliance obligations and creating the corporate culture of integrity are paramount to our sustainable development. Boan Biotech strictly abides by the Criminal Law of the People's Republic of China, the Law of the People's Republic of China Against Unfair Competition and other laws and regulations in relation to bribery, extortion, fraud and money laundering, which have a significant impact on us. During the Reporting Period, there were no incidents of bribery, extortion, fraud and money laundering in the Group, nor were there any material breaches of anti-corruption related laws and regulations by the Group.

4.3.1 Anti-Corruption Policies and Preventive Measures

We endeavour to continue to improve our integrity and compliance level in our business operations, develop internal policies and improve response procedures. The Company held the Fifth Extraordinary Meeting of the First Session of the Board of Directors on 25 March 2022, which considered and approved the "Proposal on the Formulation of Corporate Governance Policies", comprising policies such as the Whistleblowing Policy and the Anti-Fraud and Anti-Bribery Policy. By formulating these internal policies, we have continuously strengthened the integrity management of employees and other partners.

We encourage employees to report violations of laws, regulations or employee codes of conduct by managers or other employees, as well as fraud or behaviour detrimental to Boan Biotech's interests. The procedures of the Whistleblowing Policy apply to all employees of the Group and to independent third parties having business relations with the Group. Each whistleblowing case will be treated as confidential, and the whistleblower shall be protected from any unfair dismissal, victimisation or unauthorised disciplinary action, even if the whistleblowing case is subsequently proven to be false or unproven. When a whistleblowing case involves damage to Boan Biotech's rights and interests, we will investigate the person against whom the whistleblowing is made. The form and time for the investigation will depend on the nature and individual circumstances of each whistleblowing case.

Handling procedures of the Audit Department or the Chairman of the Audit Committee upon receipt of a whistleblowing report
1 Confirm the receipt of a whistleblowing report;
2 Inform the whistleblower on whether the whistleblowing case will be further investigated, and where appropriate, inform the whistleblower of the actions taken or to be taken, or the reasons why no investigation has been made in respect of the whistleblowing case;
3 If feasible, provide an estimated timetable for the investigation and final response; and
4 Indicate whether any remedial or legal action has been or will be taken, and provide feedback to the whistleblower on the investigation and handling results.

We also pay close attention to anti-corruption and anti-bribery policies and measures in the process of cooperating with business partners and distributors. Pursuant to the terms of the distribution agreements, the distributors as a whole are required to fulfill their anti-corruption and anti-bribery obligations, so distributors must comply with PRC laws and regulations, including anti-corruption and anti-bribery laws and regulations. During the Reporting Period, no distributor of the Group was subject to any allegations of corruption, misappropriation and/or bribery in relation to the distribution activities of our products.

4.3.2 Anti-Corruption Training Measures

In order to further strengthen the compliance awareness of our directors and employees and enable more effective implementation of relevant compliance policies of the Company, we organised two anti-corruption training events among our directors and employees during the Reporting Period, covering compliance training on anti-corruption content to jointly promote the construction of our corporate compliance culture.

Case: Providing legal compliance training for departmental employees

In January 2022, the Company provided offline legal compliance training for employees of various departments, which lasted for approximately two hours. The training covered laws and regulations on commercial bribery as well as the Company's anti-corruption and compliance policies and cases, with good results achieved.

Case: Training on Listing Rules and other regulatory requirements

In December 2022, as required by the Stock Exchange, our external legal advisers provided an online training to our directors on the regulatory requirements under the Listing Rules, which lasted for approximately two hours. The training content included the Listing Rules of the Stock Exchange, the legal and regulatory requirements on responsibilities and obligations of directors as well as corporate governance which enabled the directors to have a clear and explicit understanding of the relevant requirements of the Stock Exchange for a listed issuer and its directors.

5 CONTINUOUS INNOVATION

As a comprehensive biopharmaceutical company, Boan Biotech is committed to developing, manufacturing and commercialising high-quality biological products in different therapeutic areas in China and overseas.

We are one of the few biopharmaceutical companies in China that can undertake the entire product development process from initial generation of drug candidates to final submission of biologics license application and commercialisation. We have independently developed all drug candidates and have proprietary technology throughout the process. We own a matured independent R&D technology platform with rich experience in drug discovery and development, including extensive experience in antibody discovery, cell line development, upstream and downstream process development, analytical method development, technology transfer, pilot and commercialised production.

Boan Biotech: Boyounuo® Product Image

5.1 PRODUCT INNOVATION & PROTECTION OF SCIENTIFIC RESEARCH ACHIEVEMENTS

Boan Biotech's platforms, employees and partnerships focus on providing biosimilars and innovative biologics.

The Company's antibody discovery is based on three technology platforms: Human Antibody Transgenic Mouse and Phage Display Technology Platform, Bispecific T-cell Engager Technology Platform and ADC Technology Platform, which have provided strong technical support for the Company.

Human Antibody Transgenic Mouse BA-huMab® + Phage Display Technology Platform

- Our human antibody transgenic mice developed under the BA-huMab® platform contains 30 human antibody κ light chain variable region genes, 110 human antibody heavy chain variable region genes (IgM & IgG1). It can directly generate human antibodies without need for humanization, which significantly accelerates antibody discovery process and decreases immunogenicity risk.

  Our phage display technology platform offers a mature and advanced phage library construction technology. Quality of phage libraries is strictly controlled with the capacity of immunized libraries larger than 10^9 and sequence accuracy rate higher than 95%.

Bispecific T-cell Engager Technology Platform

- Our bispecific T-cell engager technology platform can exhibit high avidity with tumor target antigen by bivalent binding to achieve better drug efficacy, low affinity with T cells by monovalent binding to lower toxicity and significantly reduce the risk of cytokine release syndrome ("CRS").

ADC Technology Platform

- We have established the ADC technology platform covering the entire ADC discovery and development process.

As a biopharmaceutical company, we are keenly aware of the importance of establishing and protecting intellectual property rights. We have established the Intellectual Property Department to integrate intellectual property rights throughout the process of technology R&D, product manufacturing and marketing, effectively achieving the technological advancement, uniqueness in the market, and full legal protection of integrate intellectual property rights.

Boan Biotech strictly complies with the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China and other laws and regulations that have a significant impact on us, and has formulated and improved a number of documents and regulations related to the intellectual property management system, including the "Intellectual Property Workflow of Shandong Boan Biotechnology Co., Ltd.", "Patent Management System of Shandong Boan Biotechnology Co., Ltd.", etc., so as to strengthen and standardise intellectual property management. Among them, the "Patent Management System of Shandong Boan Biotechnology Co., Ltd." regulates the duties of Boan Biotech's patent department and its staff, the patent property rights management system, the utilisation of patent information, patent implementation, etc., so as to better protect the interests of the Company and its inventors. The "Intellectual Property Workflow of Shandong Boan Biotechnology Co., Ltd. regulates Boan Biotech's intellectual property management work, including patents, trademarks, copyrights, domain names and technology secrets, covering patent application workflow, intellectual property search and evaluation workflow and trademark workflow, so as to standardise and systematise Boan Biotech's intellectual property work, manage intellectual property risks, enhance the value of its intangible assets and make comprehensive use of resources.

We have submitted a number of patent applications for our drug candidates in various jurisdictions and expected to protect our intellectual property through patents, trademarks, trade secrets and other intellectual property rights, as well as confidentiality agreements with employees and third parties. Our focus on the protection of technological innovation and intellectual property rights has contributed to a significant increase in the number of licenses granted throughout the year. During the year, Boan Biotech has applied for a total of 70 patent applications worldwide, including 25 registered patents and 45 pending patent applications. 45 PRC and overseas trademarks were validly registered, while 48 trademarks were pending.

As at the end of the year, the number of patents and trademarks of Boan Biotech granted and pending in PRC and overseas is as follows.

	Registered patents	Pending patent applications
PRC	25	10
Overseas	0	35

	Registered trademarks	Pending trademark applications
PRC	23	4
Overseas	22	44

Some patents granted to Boan Biotech in 2022

Patent Name: Anti-CGRP Antibody and Its Application
(Patent No.: ZL202080000851X)

Patent Name: Anti-PD-LI Antibody and Its Usage
(Patent No.: ZL2018800555389)

5.2 PRODUCTION MANAGEMENT & QUALITY ASSURANCE

Boan Biotech has strong production capacity, which is the backbone for us to maintain high quality and cost efficiency throughout our drug development and commercialisation process.

5.2.1 Quality Management System

We have established a pilot and commercial production base for antibody products in Yantai High-Tech Zone, Shandong Province. We have adopted a comprehensive quality management system that complies with the GMP and other quality standards formulated by relevant regulatory authorities in China and the European Union, and have passed multiple audits in China and the European Union. Boan Biotech has established a sound quality management system in accordance with the requirements of the Pharmaceutical Administration Law (revised 2019) and the Good Manufacturing Practice for Pharmaceutical Products (revised 2010) and its appendices, and has developed the Quality Manual, specifying the quality policy of “pursuing higher quality and satisfying customer needs”.

GMP Pharmaceutical Quality Management System

Boan Biotech has established a quality system that covers all factors affecting the pharmaceutical quality, with an organisational structure appropriate to the production of pharmaceutical products and a quality assurance system to ensure the effective operation of the quality system. Boan Biotech has established management documents and operating procedures covering the production process, including materials procurement and acceptance, production process control, quality control, release management and post-market management, etc.

Quality Manual

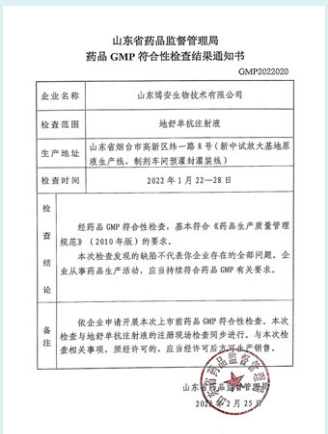
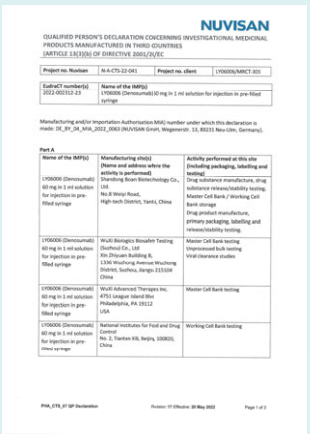
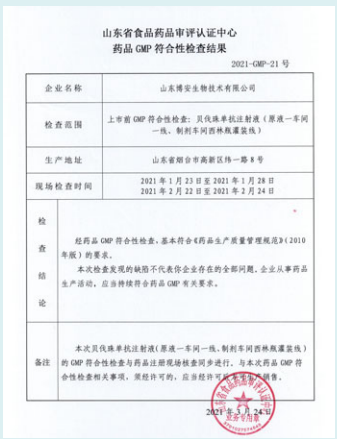
In order to meet the requirements of the Pharmaceutical Administration Law, the Good Manufacturing Practice for Pharmaceutical Products and other laws and regulations, Boan Biotech has developed the Quality Manual in accordance with the requirements of IS0 9001:2015 Quality Management System – Requirements, ICH Q10 Pharmaceutical Quality System and GMP. This Quality Manual is designed to ensure the quality of our products, which is a unified standard and code of conduct for carrying out quality management, an important document in quality management, and a guiding principle and code of action for the Company to establish and implement the quality management system.

Boan Biotech has established a quality management system that covers the entire product lifecycle from product R&D to technology transfer, commercial production, product supply management and post-market surveillance. We believe that an effective and efficient quality management system is crucial to the Company.

Boan Biotech: Boyoubei® Product Image, the world's first approved biosimilar to denosumab

5.2.2 Production Quality Assurance

Our production and operation team works closely with our functional departments, such as Quality Assurance, Quality Control, Pharmacovigilance and Supply Chain Management to produce reliable, safe and high-quality products in accordance with a complete set of GMP standard operating procedures. We have met or exceeded global regulatory requirements and regulations, including but not limited to the pharmaceutical requirements of FDA, European Medicines Agency and National Medical Products Administration of the PRC.

Denosumab Injection (Boyoubei®) Passed GMP compliance audit by Shandong Medical Products Administration of China and European Union QP compliance audit		Bevacizumab Injection (Boyounuo®) Passed GMP compliance audit by Shandong Medical Products Administration of China
		

山东省药品监督管理局
药品 GMP 符合性检查结果通知书

GMP2022020

企业名称	山东博安生物技术有限公司
检查范围	地舒单抗注射液
生产地址	山东省烟台市高新区纬一路 8 号（新中试放大基地原液生产线、制剂车间预灌封灌装线）
检查时间	2022 年 1 月 22—28 日
检查结论	经药品 GMP 符合性检查，基本符合《药品生产质量管理规范》（2010 年版）的要求。 本次检查发现的缺陷不代表你企业存在的全部问题，企业从事药品生产活动，应当持续符合药品 GMP 有关要求。
备注	依企业申请开展本次上市前药品 GMP 符合性检查，本次检查与地舒单抗注射液的注册现场检查同步进行，与本次检查相关事项，原经许可的，应当经许可后方可销售。

山东省药品监督管理局
2022 年 3 月 25 日

NUVISAN

QUALIFIED PERSON'S DECLARATION CONCERNING INVESTIGATIONAL MEDICINAL PRODUCTS MANUFACTURED IN THIRD COUNTRIES (ARTICLE 13(3)(b) OF DIRECTIVE 2001/20/EC

Project no. Nuvisan		Project no. client	
EudraCT number(s) 2022-002312-23	Name of the IMP(s) LY06006 (Denosumab) 60 mg in 1 ml solution for injection in pre-filled syringe		

Manufacturing and/or importation Authorisation MIA) number under which this declaration is made: DE_BY_04_MIA_2022_0063 (NUVISAN GmbH, Wegenerstr. 13, 89231 Neu-Ulm, Germany).

Part A

Name of the IMP(s)	Manufacturing site(s) (Name and address where the activity is performed)	Activity performed at this site (including packaging, labelling and testing)
LY06006 (Denosumab) 60 mg in 1 ml solution for injection in pre-filled syringe	Shandong Boan Biotechnology Co., Ltd. No.8 Weiyi Road, High-tech District, Yantai, China	Drug substance manufacture, drug substance release/stability testing. Master Cell Bank / Working Cell Bank storage Drug product manufacture, primary packaging, labelling and release/stability testing.
LY06006 (Denosumab) 60 mg in 1 ml solution for injection in pre-filled syringe	WuXi Biologics Boualfen Testing (Suzhou) Co., Ltd Xin Zhiyuan Building B, 1340 Wuzhong Avenue Wuzhong District, Suzhou, Jiangsu 215104 China	Master Cell Bank testing Unprocessed bulk testing Viral clearance studies
LY06006 (Denosumab) 60 mg in 1 ml solution for injection in pre-filled syringe	WuXi Advanced Therapies Inc. 4751 League Island Blvd Philadelphia, PA 19112 USA	Master Cell Bank testing
LY06006 (Denosumab) 60 mg in 1 ml solution for injection in pre-filled syringe	National Institutes for Food and Drug Control No. 2, Tiantan Xili, Beijing, 100050, China	Working Cell Bank testing

PHA_CTS_07 QP Declaration — Revision: 07 Effective: 20 May 2022 — Page 1 of 3

山东省食品药品审评认证中心
药品 GMP 符合性检查结果

2021-GMP-21 号

企业名称	山东博安生物技术有限公司
检查范围	上市前 GMP 符合性检查：贝伐珠单抗注射液（原液一车间一线、制剂车间西林瓶灌装线）
生产地址	山东省烟台市高新区纬一路 8 号
现场检查时间	2021 年 1 月 23 日至 2021 年 1 月 28 日 2021 年 2 月 22 日至 2021 年 2 月 24 日
检查结论	经药品 GMP 符合性检查，基本符合《药品生产质量管理规范》（2010 年版）的要求。 本次检查发现的缺陷不代表你企业存在的全部问题，企业从事药品生产活动，应当持续符合药品 GMP 有关要求。
备注	本次贝伐珠单抗注射液（原液一车间一线、制剂车间西林瓶灌装线）的 GMP 符合性检查与药品注册现场核查同步进行，与本次药品 GMP 符合性检查相关事项，原经许可的，应当经许可后方可销售。

2021 年 3 月 24 日

5.3 DRUG SALES AND CUSTOMER SERVICE MANAGEMENT

In addition to the R&D and manufacturing of pharmaceutical products, Boan Biotech also provides the marketing and customer services of its products in strict compliance with laws and regulations. All product labels and instructions are designed in accordance with the product instructions approved by the State Food and Drug Administration and the Regulations on the Administration of Drug Instructions and Labels; our product advertisements are published on relevant platforms in accordance with the requirements of the Pharmaceutical Administration Law of the People's Republic of China and the Measures for the Examination of Drug Advertisements, after obtaining the approval number for drug advertisements issued by the drug administration authorities, so as to ensure that the content is true and accurate and free from misleading or fraudulent elements.

5.3.1 Product Sales and Quality Management

We attach great importance to the control and assurance of product quality, strictly abide by Chinese laws and regulations, and establish a sound product quality management system and quality assurance measures. We have formulated the "Sample Receiving, Inspection and Handling Procedures", under which the person in charge of each group arranges the sample inspection plan according to the number of samples and the division of labour in the quality inspection process. We have also established a perfect quality inspection process covering inspection, review and submission. For non-conforming products, we have formulated and followed the Drug Return Handling Procedures to be liable for all return and exchange costs of such products in a timely manner. We receive feedback from distributors and end customers. We have dedicated personnel to answer complaints calls and regularly review and analyse the feedback received. The Company takes feedbacks and complaints seriously, and has implemented detailed procedures for handling quality complaints and provided contingency for any adverse reactions of patients to our products. Our pharmacovigilance and quality assurance experts are responsible for following up on customer complaints to ensure that their complaints are handled properly.

The Company has also established a product recall procedure, the Drug Recall Management Regulation, in accordance with relevant requirements (including GMP), and formulated recall guidelines and processes, which specify the responsible persons to be notified in the event of a recall and the procedures for handling the recalled products. During the Reporting Period, we have not received any product complaint or product recall due to quality issues.

5.3.2 Information Security and Privacy Protection

Boan Biotech complies with the Personal Data Protection Policy formulated and implemented by Luye Pharma to fully protect the personal data and privacy of the groups concerned; we adopt information protection techniques and measures, such as encryption of personal information stored electronically, timely destruction of confidential discarded documents containing personal information, etc.

6 SUSTAINABLE SUPPLY CHAIN

Boan Biotech is committed to establishing a comprehensive supply chain management system. In the context of globalisation, we attach great importance to environmental and social risk management in our supply chain and include environmental and social management performance as one of our evaluation criteria in the selection of suppliers.

6.1 SUPPLY CHAIN FUNCTIONS

Our Supply Chain Management Team has the following four functions:

Functions of the Supply Chain Management Team of Boan Biotech

Business Planning	Procurement	Supply Chain Operations	Supply Chain Optimisation
Development of supply and demand planning, materials production arrangements and raw materials planning	Procurement of equipment and materials for pre-clinical studies, clinical trials and manufacturing	Import, transportation and storage of raw materials	Optimisation of supply chain operations and management

6.2 SUPPLY CHAIN MANAGEMENT

We conduct supply chain management in accordance with a set of standard operating procedures. We have created an asset requisition and increase process, requesting and submitting corresponding procurement process records. For direct procurement, we purchase directly from suppliers selected from our GMP certified supplier database. For indirect procurement, we conduct a bidding process to select an agent or intermediary and then purchase from them.

In selecting our suppliers, we focus on well-known manufacturers with excellent quality control measures and outstanding track records of compliance, while also taking into account cost factors such as logistics. In the past, we primarily selected imported supplies from famous international brands. Looking forward, we may consider cooperating with Chinese companies that have a proven track record of product integrity and meet our quality assurance requirements.

Furthermore, we also consider the environmental and social performance of our suppliers and have formulated relevant policies. Our requirements for environmental safety are clearly set out in the terms and conditions of our supplier contracts. Contracted suppliers are required to ensure that their activities, products or services must comply with national, provincial and municipal laws and regulations relating to environmental protection, and take proactive measures to prevent and continuously improve environmental pollution.

Boan Biotech actively promotes green procurement, and has developed and implemented environmentally friendly procurement practices, including:

- When purchasing office supplies, give priority to products with environmental certification documents and environmental rating labels
- When purchasing electrical products used in offices or workshops, consider environmentally friendly products with low energy consumption (e.g. Class I energy efficiency), which are more energy efficient and environmentally friendly
- When purchasing office furniture, give priority to Grade E0 boards in line with the new international testing standards

Supplier Distribution of Boan Biotech in 2022

		Number
By geographical region	Domestic	1,504
	Overseas	60
Total number of suppliers		1,564

During the year, Boan Biotech had a total of 1,504 domestic suppliers and 60 overseas suppliers, and the above supplier engagement practices apply to all suppliers to ensure the sustainability of our supply chain.

7 GREEN HOME

The operation of sustainable development modelis a key focus for Boan Biotech in the long run. With the great focus on issues such as climate change, we, as a company committed in protecting the environment, have always set an example by formulating management policies such as the Emergency Response Plan for Sudden Environmental Incidents and the EHS Education and Training System, and minimise the negative impact of our daily operations on the natural environment and natural resources. Boan Biotech's main operations cover the production bases, laboratories and offices, with its major environmental impacts including hazardous and non-hazardous waste discharge, energy use, GHG emissions and disposal of chemicals. Please refer to the Environmental KPIs Tables in the Appendix I for detailed environmental performance data.

During the year, we have complied strictly with laws and regulations relating to air and GHG emissions, pollutant discharges to water and land, and the generation of hazardous and non-hazardous waste, which have a significant impact on us.

Boan Biotech complies with the following laws and regulations related to environmental protection and having a significant impact on us (including but not limited to):

- Environmental Protection Law of the People's Republic of China
- Environmental Protection Tax Law of the People's Republic of China
- Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste
- Law of the People's Republic of China on the Prevention and Control of Water Pollution
- Law of the People's Republic of China on Environmental Impact Assessment
- Law of the People's Republic of China on Energy Conservation
- Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution
- Law of the People's Republic of China on the Prevention and Control of Soil Pollution
- Law of the People's Republic of China on the Promotion of Cleaner Production
- Renewable Energy Law of the People's Republic of China

In view of various major environmental factors, we have developed a number of environmental protection policies with reference to the applicable laws and regulations, some of which are shown as follows:

Major environmental factors	Internal policies of Boan Biotech (including but not limited to)
• **Hazardous and non-hazardous waste**	• Waste Management Procedures
	• Toxic, Hazardous and Combustible Gas Leakage Detection and Alarming Management System
• **Environmental accidents**	• Emergency Response Plan for Sudden Environmental Incidents

7.1 GREEN OPERATIONS

In order to become a pioneer in green and sustainable development, we have developed and implemented a "cost reduction and efficiency increase" strategy to improve operational efficiency and reduce energy consumption costs. We strive to explore the potential of cost reduction and efficiency increase in the process of production operation, technology improvement, on-site management, energy consumption management and logistics management, so as to reduce the negative impact on natural resources and the environment. To further reduce the consumption of water, electricity, steam and other resources, we have implemented the following management measures with the goal of enhancing the energy and water use efficiency.

Category	Management measures
Energy use	• Post environmental protection slogans on "Save Electricity" • Control the temperature of air conditioners and avoid running air conditioners and heaters during non-working hours • Turn off computer screens and other electrical equipment after work • Use low energy-consuming lighting fixtures (e.g. LED lights) • Purchase electrical appliances with energy labels (e.g. Class 1 energy label appliances)
Water resource use	• Post environmental protection slogans on "Save Water" • Promote awareness of water conservation and guide employees to use water rationally • Use water-saving systems and appliances (e.g. water-saving taps)
Office supplies	• Post 'Save Paper' signs in key locations • Encourage double-sided printing to reduce paper use • Promote paperless (OA) office work
Packaging materials	• Implement a packaging material recycling system

7.2 AIR EMISSIONS & WASTE MANAGEMENT

Reducing the ecological footprint is becoming increasingly important for a biopharmaceutical company. Boan Biotech strictly complies with the major laws and regulations in relation to exhaust gas and GHG emissions, pollutant discharges to water and land, and the generation of hazardous and non-hazardous waste in its operating location, and has formulated internal management systems in line with its own operations. We strictly abide by the requirements of environment-related laws and regulations such as the Soil Pollution Discharge Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Water Pollution and local environmental protection policies, formulate internal rules and regulations such as the Waste Management Regulations, continuously improve the standardised management of waste water, waste gas and waste, and actively promote emission reduction to minimise the adverse impact on the environment caused by the Company during its operations[1].

Both hazardous and non-hazardous wastes are produced during the daily operations of Boan Biotech's production bases and offices. To ensure our compliance with the requirements of relevant national laws and regulations and to reduce the burden of waste on the ecological environment, we have formulated internal waste management policies such as the Waste Management Procedures and the Toxic, Hazardous and Combustible Gas Leakage Detection and Alarming Management System to strictly regulate the whole-process management of all types of solid wastes from production, collection, storage, transportation, utilisation and disposal to other operation and supervision activities. Please refer to the Environmental KPIs Table in the Appendix for detailed environmental performance data. Our main non-hazardous wastes (e.g. recycling of waste packaging materials and waste cartons) are handed over to the municipal sanitation department for unified disposal. For hazardous wastes, we entrust a qualified third party for disposal in a harmless manner.

Our EHS protection measures in relation to operations and manufacturing include.

EHS protection measures in relation to Boan Biotech's operations and manufacturing

1. Strictly comply with GMP certification regulations and relevant pollutant discharge standards in the production process to reduce the discharge of (including but not limited to) air and wastewater pollutants;

2. Implement safety guidelines on employee health and safety, environmental protection, operation of laboratory and production facilities and production safety, and closely monitor internal compliance with these guidelines;

3. Appoint qualified third parties to dispose of all hazardous wastes arising from R&D and production activities in accordance with applicable laws and regulations.

[1] The operations of the Company do not involve boilers, fossil fuels, transportation of self-owned vehicles, the use of own official travel, and air pollution emissions. Thus, the performance indicator of air emissions is not applicable.

Waste Management Targets and Actions of Boan Biotech

Waste reduction target: Hazardous waste generation ≤ 35 tonnes

Measures taken

- The penicillin bottles generated during the experimental process in the preparation workshops are first washed, crushed, and then disposed of as general waste to reduce the disposal amount of hazardous waste; and
- Reasonably control the purchase quantity of chemical reagents to reduce the amount of obsolete scrapped products.

Standard emission of volatile organic compounds (VOCs)

- Waste collection and disposal devices are regularly maintained to ensure their normal operation; and
- Entrust a qualified third party to monitor the exhaust gas every six months.

7.3 WATER RESOURCES MANAGEMENT

Water scarcity is a major challenge faced by the whole world. Boan Biotech focuses on water conservation and recycling. Meanwhile, we are rigorous in our sewage treatment work and strictly follow wastewater discharge regulations and standards to ensure our compliance with the discharge standards. Boan Biotech keeps in mind the concept of water resource conservation and water saving, strictly implements the Water Law of the People's Republic of China and other applicable laws and regulations on water resources management in the region where it operates, and formulates relevant management policies and enhances the recycling of water resources based on its own operations. During the year, the Company had no difficulties in sourcing water.

The Company insists on conserving water resources in process water, cleaning water, condensing water and domestic water, and advocates water conservation, multiple-purpose use and recycling of water. During the year, the Company entrusted a third-party testing agency to conduct routine testing and audit of sewage on a quarterly basis.

7.4 ENERGY USE & CLIMATE CHANGE

China has shown a firm determination to energy conservation and emission reduction, with its 14th Five Year Plan setting the goal of "achieving carbon peaking by 2030 and carbon neutrality by 2060", which has also become a guideline at the national level.

Boan Biotech actively assumes its corporate social responsibility and implements various efforts to address climate change. Through its internal ESG risk management policies, it actively identifies and addresses the physical and transformation risks that climate change may pose to the Company. Climate change may cause natural disasters such as sea level rise, extreme weather, typhoons, droughts or floods. Our production base is located in the coastal city of Yantai, Shandong Province, China, which is geographically exposed to physical risks such as sea level rise, extreme weather or other physical risks. We are committed to practising a green development path through continuous improvement of our environmental management system. We pay close attention to the risks and opportunities brought about by climate change, set environmental targets in line with the actual situation of our production and operation, constantly upgrade various energy conservation and emission reduction initiatives, vigorously promote the concept of environmental protection and green operation, and strive to improve our environmental performance.

Case: Boan Biotech conducted an energy-saving review on the bio-innovative drug industrialised production line construction project

On 28 October 2022, an energy-saving review was conducted on the Company's new project – the bio-innovative drug industrialised production line construction project, in an attempt to comprehensively analyse and judge the impact of the project on the environment and to plan and design corresponding control measures.

We are constantly innovating and developing more efficient production processes in research, development and production. Through research and pilot projects, we strive to enhance energy efficiency and reduce consumption throughout the R&D and production process of our products, reduce our operating costs and address climate change.

Case: Improving energy efficiency of equipment to reduce air pollutants and GHG emissions

The Manufacturing Department is currently equipped with three pure steam generators, which are in continuous operation 24 hours a day so as to ensure better sterilisation of the workshops and humidification for air conditioners. While meeting the stable demand in workshops, the three pure steam generators have also resulted in a large amount of energy consumption.

After a long period of operational investigation and according to the actual needs of each workshop, we have gradually clarified the steam consumption time periods of each workshop in the Manufacturing Department. It was found that the pure steam unit can be started and stopped flexibly according to the production of each workshop. On the premise of ensuring the smooth production of the workshop, the opening time of the pure steam unit can be greatly saved, which can save the consumption of purified water and industrial steam as well as the wear and tear of the equipment.

The three pure steam units saved the operation time by 160 hours, 732 hours and 1,474 hours in total, saving a total of approximately 2,500 tonnes of pure steam in 2022.

7.5 PACKAGING MATERIALS MANAGEMENT

The packaging materials we use are mainly used for the production, transportation, distribution and storage of our products. We strictly comply with relevant laws and regulations and profoundly optimise our material managements system. We actively promote the lightweight design and efficient use of packaging materials in terms of design of product packaging, optimisation of production process and improvement of materials transportation. Currently, the packaging materials involved in our products are cartons for outer packaging. By strengthening our supply chain management and enhancing our packaging design, we are striving to reduce the consumption of raw and auxiliary materials and packaging materials and replace them with environmentally friendly materials.

Case: Boan Biotech has organised numerous environmental awareness promotion and education activities

7.6 ENVIRONMENTAL PROTECTION ACTIVITIES

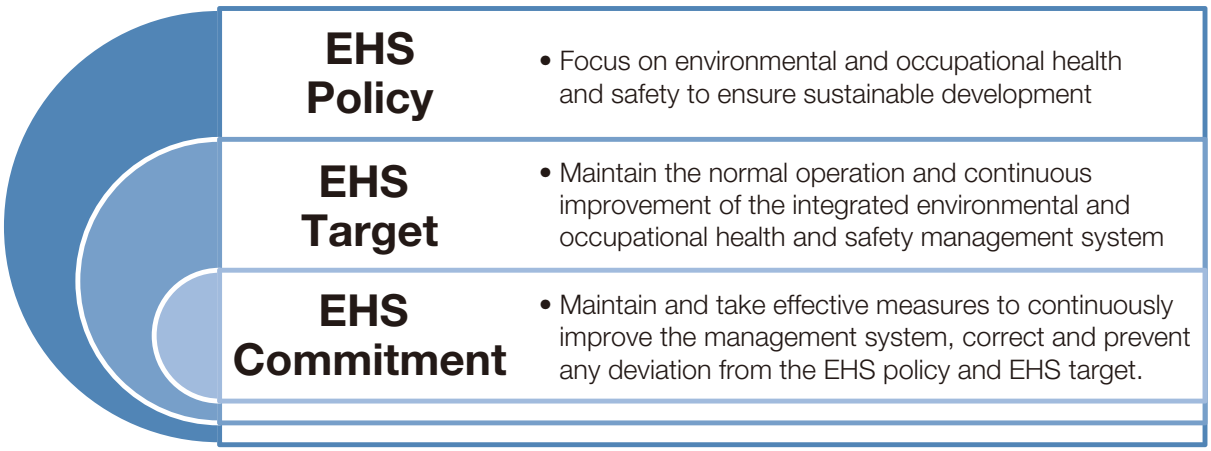
Boan Biotech actively seeks to uphold environmental awareness at all levels. The Company organises awareness and education activities to enhance environmental awareness. The Company has also led Boan Biotech team members to reach out to the community and participate in environmental protection activities.

Case: In 2022, the Quality Assurance Department of Boan Biotech organised an environmental clean-up activity

On 11 June 2022, the Quality Assurance Department of Boan Biotech carried out an environmental clean-up activity called "Pull a banner to tell you that we are the best quality personnel of Boan Biotech". During the activity, our colleagues actively went deep into the fields and found a lot of wastes such as plastic bottles, plastic bags, cigarette butts, etc. After finishing collection of these waste, they sorted them out one by one and disposed of them in a harmless manner.

8 EHS SYSTEM AND SAFE PRODUCTION

Boan Biotech operates its business under the philosophy of "customer orientation, efficient operation and employee development". The Company has established and continuously improved the integrated EHS management system in accordance with international advanced management standards, in line with its actual situation and business environment. To regulate all environmental and occupational health and safety management activities, we have prepared the Safety Manual and established the EHS Management Committee to lay a foundation for achieving our EHS policy and management target, and to actively fulfill our environmental and social responsibilities. Our overall EHS policy, target and commitment are as follows.



In identifying and mitigating risks to health and safety, we ensure to operate our businesses in a manner that safeguards the health and safety of our employees, contractors, suppliers, customers, as well as visitors to our business premises and production bases in the community.

Our EHS protection measures in relation to operations and manufacturing include:

- Formulate the Production Safety Responsibility Systemto strengthen the supervision and management of production safety, prevent and reduce production safety accidents and safeguard the lives and property of our employees;
- Strictly comply with GMP certification regulations and relevant pollutant discharge standards in the production process to reduce the discharge of (including but not limited to) air and wastewater pollutants;
- Implement safety guidelines on employee health and safety, environmental protection, operation of laboratory and production facilities and production safety, and closely monitor internal compliance with these guidelines;
- Appoint qualified third parties to dispose of all hazardous wastes arising from R&D and production activities in accordance with applicable laws and regulations.

Exterior of Boan Biotech Manufacturing Center

8.1 SAFE PRODUCTION

As a biopharmaceutical company, we are aware of various EHS-related risks that we face in relation to our business. During the year, we have complied with relevant environmental protection and occupational health and safety laws and regulations which have a significant impact of the Group, and have established and strictly follow internal policies and systems.

Our Chief Executive Officer ("CEO") is fully responsible for social, health, work safety and environmental issues and has implemented EHS policies and standard operating procedures at the Group level. These include management systems and procedures related to process safety and management of hazardous substances, production safety responsibility systems, employee health and safety regulations, and duties of the safety and environmental protection departments to ensure the compliance of our operations with applicable laws and regulations.

Boan Biotech emphasises on providing a safe working environment for employees and clinical trial subjects. We incorporate work safety guidelines concerning safety practices, accident prevention and reporting into the core scope of our employee training and on-boarding process, and ensure that clinical trial subjects are continuously and properly informed of safety issues when they are enrolled or when necessary.

Boan Biotech has adopted and maintained a number of rules, standard operating procedures and measures to secure a healthy and safe environment for our employees, including formulating the Employee Health and Labour Protection Management Regulations, as well as rules, standard operating procedures and measures that meet the requirements of GMP standards. In addition, we conduct regular safety inspections on our laboratory and production facilities.

Health and Safety Training and Hidden Hazard Identification Policy Documents of Boan Biotech

- **Production safety inspection system**
- **EHS education and training system**
- **Accident and hidden hazard identification and management system**
- **Safety risk grading and control system**
- **Accident and hidden hazard reporting and whistleblowing incentive system**

We have established an occupational health and surveillance management system to protect the health and rights of employees, prevent occupational diseases, arrange proper employment and provide compensation for employees diagnosed with occupational diseases. During the year, we have complied with relevant environmental and occupational health and safety laws and regulations which have a significant impact on the Group. During the year, we had zero work-related fatalities and zero work-related lost days[2].

Case: The Company held a number of health and safety drills

Fire Escape Drill

Emergency Rescue Skills Competition

Emergency Drill against Falling Objects in the Workshop

[2] This is the first publicly available ESG Report issued by the Company, and contains only the relevant data for the year 2022

8.2 EHS MANAGEMENT SYSTEM

Boan Biotech has also established the Safety and Environmental Protection Department to implement national and internal safety production and environmental protection guidelines, promptly follow up on instructions or notifications of local authorities on fire safety, safety supervision and environmental protection, and formulate the Company's safe production policies and operating procedures. Management personnel at all levels and all employees will implement the job responsibility system and relevant internal measures in accordance with EHS-related regulations and policies.

We have established a robust EHS occupational health and safety management system, strictly complied with regulations related to occupational health and safety, and formulated the EHS Safety Manual in accordance with ISO 14001:2015 and ISO 45001:2018 standards. During the year, Boan Biotech has complied with applicable laws and regulations related to the provision of a safe working environment and the protection of employees from occupational hazards that have a significant impact on the Company.

In order to ensure that we can instantly take effective measures to minimise the damage and impact of an accident, we have formulated and implemented an emergency plan system consisting of comprehensive emergency plans, special emergency plans and on-site disposal plans.

The Second Safety Knowledge Contest of the Manufacturing Department of Boan Biotech, with the theme of "Cherishing Life and Maintaining Production Safety of Boan", was successfully held

In response to the call of the Office of the Safety Commission and the Emergency Management Department of the State Council to launch the national "Production Safety Month" campaign and to continuously enhance the safety awareness and ability of all staff in the Manufacturing Department to handle safety issues, the Manufacturing Department of Boan Biotech held the Second Safety Knowledge Contest with the theme of "Cherishing Life and Maintaining Production Safety of Boan" from 27 June 2022 to 29 June 2022. This contest has not only enhanced the staff's safety awareness, but also improved the team cohesion, laying a solid foundation for the future production and safety work.

8.3 CHEMICALS MANAGEMENT

As a biopharmaceutical company, we use a variety of hazardous chemicals in the daily processes of research and development, quality control testing and work area maintenance activities in the production bases, so we attach great importance to fire and electric shock prevention, and have established multiple sets of safety measures. As Boan Biotech's production processes involve the dismantling of alkaline solution pipelines, we have provided face masks, eye wash and other facilities for safe protection and emergency response.

We strictly abide by the Production Safety Law of the People's Republic of China and other production safety laws and regulations, and have established the Safety and Environmental Protection Department with corresponding responsibilities in accordance with Boan Biotech's Departmental Responsibilities of the Manufacturing Department. The Safety and Environmental Protection Department implements the national and the Company's production safety and environmental protection guidelines, laws, regulations, policies and systems, timely conveys instructions and notices from government departments of fire protection, safety supervision, environmental protection, etc., and organises or participates in the formulation of the Company's production safety rules, regulations and operating procedures. The Department is responsible for participating in the Company's business decisions involving production safety and environmental protection management, making suggestions for management improvement, and supervising other departments and personnel of the Company to perform relevant duties. The Department also formulates the Company's annual EHS work plan and targets and carries out assessments.

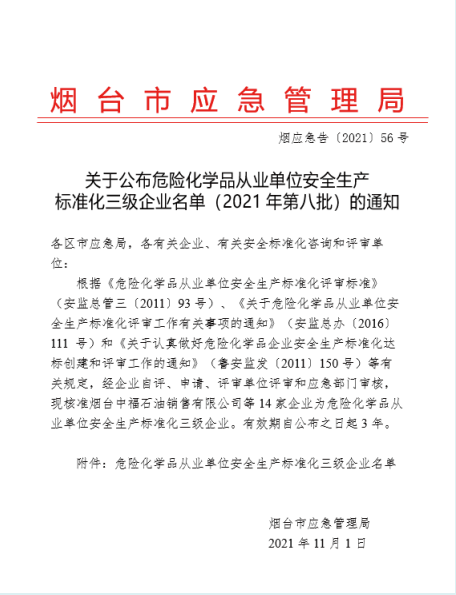
Case: Emergency fire drill in chemical reagent warehouse

Emergency Fire Drill in Chemical Reagent Warehouse Fire Fighting Disposal

Emergency Fire Drill in Chemical Reagent Warehouse Setting a Warning Line

The drill aimed to improve the staff's fire emergency response capability, control fire accidents in an all-out, timely, prompt and efficient manner, safeguard the Company's property and personal lives, and strengthen their firefighting awareness; enable the staff to master firefighting techniques and evacuate to a safe area in an orderly and timely manner in the event of a sudden fire, so as to safeguard their lives, and minimise the damage and negative impact caused by fire accidents.

Boan Biotech was selected as a Level 3 Enterprise for Production Safety Standardisation of Hazardous Chemicals (the eighth batch in 2021)



烟台市应急管理局

烟应急告〔2021〕56号

关于公布危险化学品从业单位安全生产标准化三级企业名单（2021年第八批）的通知

各区市应急局，各有关企业、有关安全标准化咨询和评审单位：

根据《危险化学品从业单位安全生产标准化评审标准》（安监总管三〔2011〕93号）、《关于危险化学品从业单位安全生产标准化评审工作有关事项的通知》（安监总办〔2016〕111号）和《关于认真做好危险化学品企业安全生产标准化达标创建和评审工作的通知》（鲁安监发〔2011〕150号）等有关规定，经企业自评、申请、评审单位评审和应急部门审核，现核准烟台中福石油销售有限公司等14家企业为危险化学品从业单位安全生产标准化三级企业。有效期自公布之日起3年。

附件：危险化学品从业单位安全生产标准化三级企业名单

烟台市应急管理局
2021年11月1日

In accordance with the Evaluation Standards for Safety Production Standardisation of Hazardous Chemical Enterprises of the People's Republic of China (AJZGS No. [2011] 93), the Notice on Matters Relating to the Evaluation Work on Safety Production Standardisation of Hazardous Chemical Enterprises (AJZB [2016] No. 111) and the Notice on Seriously Doing a Good Job in Standard Creation and Evaluation of Safety Production Standardisation of Hazardous Chemical Enterprises (LAJF [2011] No. 150) and other relevant provisions, 14 enterprises, including Boan Biotech, were accredited as a Level 3 enterprise for production safety standardisation of hazardous chemicals, upon self-evaluation and application of the enterprises, evaluation by evaluation agencies and audit by emergency departments. The validity period is 3 years effective from 1 November 2021, being the date of the notice.

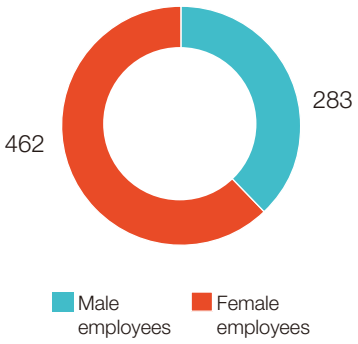
9 PEOPLE ORIENTATION

Maintaining and building a talent team is one of the key success factors for Boan Biotech. For this purpose, we have formulated training and development plans to develop our production team and meet sustainable business development needs. A strong talent pool enables us to effectively pursue drug discovery and development and successfully implement our strategy to provide affordable innovative drugs.

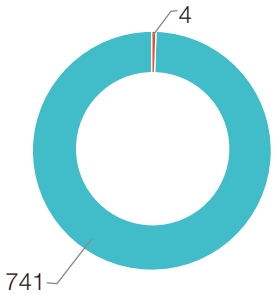
The cultivation of excellent talents and the development plan for diversified talents are crucial for our long-term development and sustainable operation. Boan Biotech continues to improve its training system and provides employees with different training directions, such as innovative R&D, technical expertise and corporate management, in an effort to encourage employees to choose their future career development ladder and fully realise their potential and self-worth.

During the Reporting Period, Boan Biotech had a total of 745 employees, including 741 full-time employees and 4 part-time employees. A breakdown of the Company's workforce by gender, age group, employment type and geographical region is shown below.

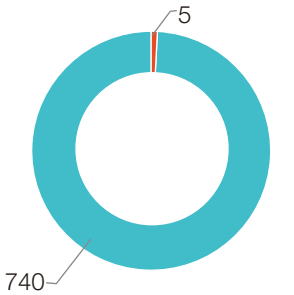
Total Workforce (by gender)



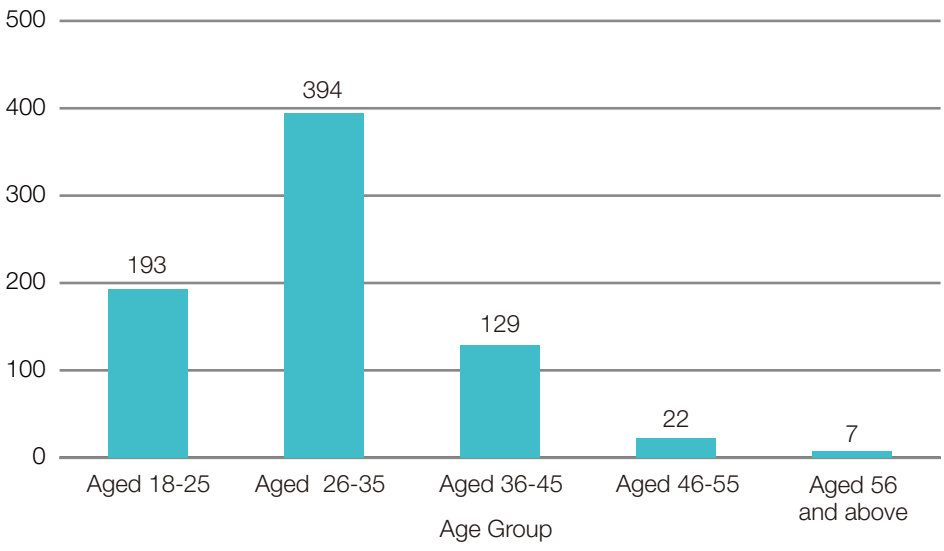
Total Workforce (by employment type)



Total Workforce (by geographical region)



Total Workforce (by age group)



Number of employees		Unit	Number
Total workforce		Person	745
By gender	Male employees	Person	283
	Female employees	Person	462
By employment type	Full-time employees	Person	741
	Part-time employees	Person	4
By employee category (by job title)	Directors and senior managers	Person	22
	Managers and supervisors	Person	47
	Other employees	Person	676
By age group	Aged 18-25	Person	193
	Aged 26-35	Person	394
	Aged 36-45	Person	129
	Aged 46-55	Person	22
	Aged 56 and above	Person	7
By geographical region	Mainland China	Person	740
	Overseas	Person	5

During the year, the employee turnover rate of Boan Biotech by gender, age group and geographical region is shown as follows[3]:

Employee turnover rate		Unit	Number	Percentage %
By gender	Male employees	Person	42	14.84%
	Female employees	Person	55	11.90%
By age group	Aged 18-25	Person	36	18.65%
	Aged 26-35	Person	49	12.44%
	Aged 36-45	Person	9	6.98%
	Aged 46-55	Person	3	13.64%
	Aged 56 and above	Person	0	0.00%
By geographical region	Mainland China	Person	95	12.84%
	Overseas	Person	2	40.00%

[3] Calculation formula for employee turnover rate: Number of resigning employees in this category/ Total number of employees in this category x 100%

9.1 EMPLOYMENT MANAGEMENT

Recruitment, dismissal and promotion

Boan Biotech strictly abides by the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Employment Promotion Law of the People's Republic of China, the Contract Law of the People's Republic of China, and other relevant laws, regulations and policies that have a significant impact on us, and has formulated a sound and orderly human resources mechanism and formed a selection and employment mechanism that employs people on the basis of their merits and skills and makes the best use of their talents. We have established the Recruitment and Interview Management System, which sets out the principles of "openness, fairness, competition and merit-based" in recruitment, and specifies the recruitment and employment process, the determination of salary and position and subsequent induction arrangements.

All recruited employees will sign an employment contract with us in accordance with the Labour Contract Management System, which specifies the term of the employment contract, the employee's position and working hours, the provisions for the termination of the employment contract under various circumstances and other matters, and protects the employee's legal rights and interests in accordance with applicable laws and regulations.

In terms of remuneration and performance assessment, we have formulated internal management policies such as the Remuneration and Welfare Management System to provide our employees with a competitive remuneration system and an open and transparent assessment and promotion mechanism.

Working Hours, holidays, equal opportunities, diversity, anti-discrimination and other benefits and welfare

Boan Biotech adheres to the principles of equality, diversity and anti-discrimination, treats all employees equally and honestly, and respects the culture and customs of all employees.

In terms of recruitment, career development, promotion, training and rewards, we treat every employee equally regardless of colour, ethnicity, age, gender, religious belief or physical disability. We advocate for a harmonious, diverse and friendly working environment for our employees and enhance the overall benefits and welfare of our employees, while attracting more talents to consolidate the sustainable development of the Group.

We strictly abide by the Law of the People's Republic of China on the Protection of Women's Rights and Interests, the Law of the People's Republic of China on the Protection of Persons with Disabilities and other relevant laws and regulations, oppose discrimination, and are committed to building a team of diverse talents.

Boan Biotech's Human Resources ("HR") Department has formulated an in-house management policy, namely the Working Hours and Leave Management System for Employees, which stipulates standard working hours, rest days and holidays to ensure that the Group's employees have sufficient rest.

Elimination of child labour and forced labour

Boan Biotech strictly abides by the Law of the People's Republic of China on the Protection of Minors and the Regulations on the Prohibition of Child Labour, manages labour relations with employees according to law, and eliminates any form of child labour and forced labour. The Company strictly complies with the national provisions on the Prohibition of Child Labour. The HR Department sets the minimum age of employment during the recruitment process and strictly checks the applicants' identity cards to ensure that they are of legal working age. If child labour is found, we will immediately terminate the employment, then set up a special team to investigate and identify loopholes, take remedial measures, improve relevant policies and regulations, and carry out prevention and investigation beforehand to prevent the recurrence of such incident.

During the Reporting Period, we did not have any material breach of laws and regulations relating to employment and labour practices, nor did we find any incident of child labour or forced labour.

9.2 TALENT TRAINING

Boan Biotech focuses on providing training on innovative research and leadership, developing internal policies and organising training activities in an orderly manner to improve the overall talent level. Through a series of performance coaching, training and job rotations, and by combining Boan Biotech's innovative talent development system, we help each employee to improve their overall capabilities and achieve their career goals.

We provide employees with diversified communication and learning opportunities. We promote interaction and cooperation among employees by organising their participation in technical exchanges, skills training and other activities, stimulate their team spirit and innovation motivation, strengthen scientific and technological exchanges with the outside world and make progress in technological innovation. A batch of advanced models with excellent performance and outstanding achievements in their work have emerged, such as "Female Craftsmen of Yantai", "Craftsmen of the High-tech Zone" and "Representatives of the 14th Women's Congress of Shandong Province".

In order to continuously improve the overall capability of our employees, enhance organisational performance, promote our business development and optimise the management of external training programmes and on-the-job academic education, we have formulated the Management System for External Training Programmes. Based on the needs of job position and business development, within the scope of the approved annual training budget, employees are required to participate in training programmes paid by the Company, including: 1. Online and offline training provided by external institutions (including: PMP and other certification qualification exams); and 2. On-the-job education courses (including: on-the-job undergraduate and postgraduate courses, MBA or EMBA training).

Based on the training needs of various departments, we have, in conjunction with the HR Department, Quality Assurance Department System, Quality Assurance Department and other departments, formulated the Annual Training Plan of Boan Biotech, so as to improve the job-related knowledge, business level and job competency of all employees, achieve the continuity and effectiveness of training, and continuously enhance the overall quality of our employees and the quality management level of the Company. The training plan consists of pre-job training, ongoing job training and off-job training, covering GMP, Pharmaceutical Administration Law, microbiology knowledge, safety knowledge training, biosafety and emergency response plans organised by the Safety and Environmental Protection Department, occupational health and other training for all employees.

In addition, we have developed diversified systematic training courses according to the needs of different job positions, including on-boarding training for new college graduates, leadership training, human resources management, workplace etiquette courses, etc., to help employees in various job positions to improve their overall quality and become composite talents suitable for the Group's development needs.

During the year, the employee training data of Boan Biotech are as follows[4]:

Total number of employees trained		Number	Percentage of employees trained
Total number of employees trained during the Reporting Period		684	
By gender	Number of male employees trained	252	36.84%
	Number of female employees trained	432	63.16%
By employee category (by job title)	Number of directors and senior managers trained	22	3.22%
	Number of managers and supervisors trained	47	6.87%
	Number of other employees trained	615	89.91%

Training hours of employees completed	Total training hours of employees completed during the Reporting Period	Average Training Hours
By gender	Total training hours of male employees	65.40
	Total training hours of female employees	68.50
By employee category (by job title)	Training hours of directors and senior managers	19.50
	Training hours of managers and supervisors	35.70
	Training hours of other employees	71.50

[4] The percentage of employees trained by relevant category is calculated by dividing the number of employees trained in that category by the total number of employees trained and multiplied by 100%; the average training hours of employees by relevant category is calculated by dividing the total training hours of employees in that category by the total number of employees in that category.

Case: The Company has held multiple "Bowen Lecture Hall" training and lecture activities online and offline

9.3 EMPLOYEE CARE

As a caring employer, Boan Biotech has, in addition to the basic benefits required by the government, provided employees with a range of welfare benefits, and created a caring and friendly working environment where our employees can fully demonstrate their talents. Furthermore, we have organised a variety of activities among employees during the year to enhance their physical fitness and promote communication therebetween, and facilitate their physical and mental health.

To encourage interaction among staff, we have organised a variety of activities, such as sports and fitness activities, birthday parties, health-themed events and parent-child activities. In addition to the basic benefits required by the government, Boan Biotech also strives to enhance the quality of life of our employees by offering a range of good benefits and welfare, including but not limited to:

Holiday benefits	To provide employees with certain holiday benefits during traditional holidays in some countries, including the Chinese New Year, Women's Day, Mid-Autumn Festival, Children's Day, etc.;
Commercial insurance	To strengthen the protection of employee health by providing inpatient and outpatient medical insurance, 24-hour personal accident insurance and critical illness insurance;
Annual physical examination	To organise a physical examination every year and establish health records for employees;
Employee mutual assistance guarantee plan	An employee mutual assistance guarantee fund was established to assist employees suffering various accidents and major family hardships. In addition to assisting employees in obtaining statutory benefits and commercial insurance, a certain amount of money will be granted from the mutual assistance fund to help employees and their families to tide over their difficulties;
Wedding gift money	To prepare wedding gift money for newly married employees;
Rewards for excellence	Annual commendations at the Company level and the subsidiary level is held every year to reward employees and teams with outstanding performance and to encourage employees to actively participate in practical projects with innovative value; and
Other employee benefits	Such as birthday benefits, childcare fees, long-term service awards, etc.

Case: Boan Biotech had the New Year's Eve dinner together with the production staff committed to their job positions and spent the New Year's Eve together

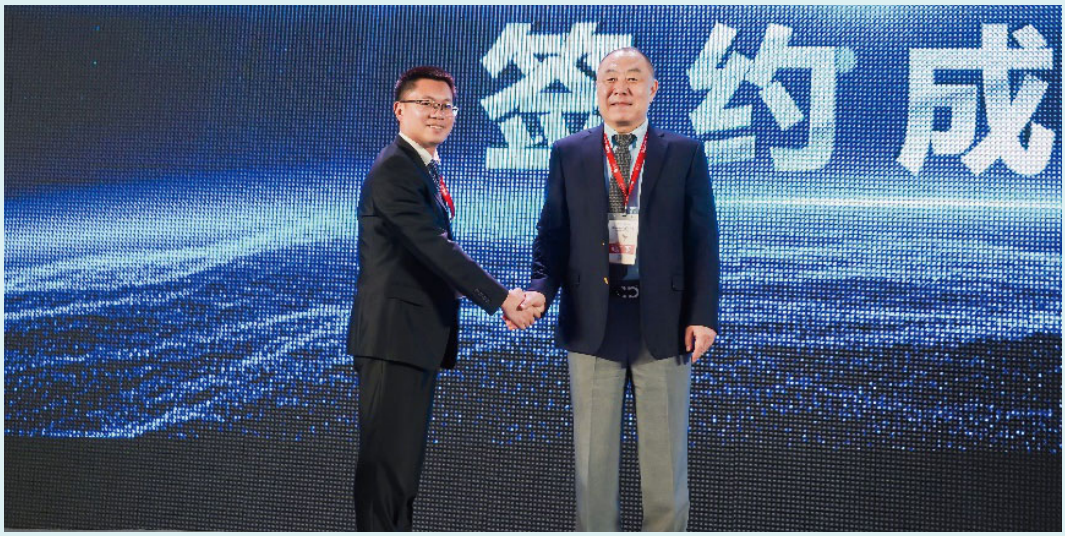
On 31 January 2022, the Lunar New Year's Eve, more than 40 employees of Boan Biotech, who were committed to their job positions for ensuring production, enjoyed a sumptuous New Year's Eve dinner together in the restaurant of the Industrial Park. Ms. Jiang Hua, CEO of Boan Biotech, and leaders of the Group sent their New Year wishes and had a sumptuous dinner with the employees who stayed in Yantai for work, and they spent a good time together.

10 COMMUNITY CONTRIBUTION

With the rising number of cancer cases in recent years, Boan Biotech strives to perform its social responsibility for promoting the public welfare development, and contribute to improving the public health and enhancing medical care affordability by leveraging its strengths as a biopharmaceutical company. To further enhance the accessibility and affordability of treatment for patients and to reduce their treatment burden, Boan Biotech has cooperated with the non-profit organisation Beijing Health Alliance Charitable Foundation (BJHACF) in launching "Boyounuo® Patient Relief Project" since November 2021. This nationwide project aims to provide pharmaceutical assistance to more patients in need and to reduce their financial burden. From 2021 to 2022, Boan Biotech has donated therapeutic drugs Boyounuo® to patients for free, with BJHACF being responsible for specific management of the project, and provided charitable drugs to patients eligible for the project.

Boan Biotech donated a total of more than 8,000 Bevacizumab Injections. The project was carried out nationwide, with the aim to provide pharmaceutical assistance to more patients in need, effectively alleviate their financial burden and support the development of charity and public welfare in China. The "Boyounuo® Patient Relief Project has enabled more patients to receive timely, standardised and sustainable treatment, thus alleviating their financial burden, improving the their quality of life, and tiding over the difficult times together with the patients.

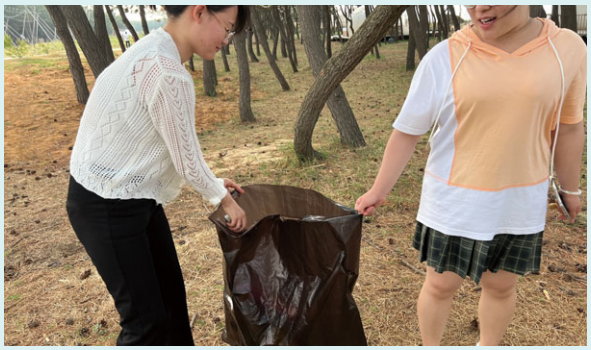
Case: Signing Ceremony of "Boyounuo® Patient Relief Project"



Left: Wu Xianfei, Vice Chairman of Beijing Health Alliance Charitable Foundation
Right: Chi Guangming, Vice President of Boan Biotech Commercial Operations Center

Boan Biotech and its employees have been actively involved in environmental protection activities. They organised the green and environment-friendly Boan walking activities to pick up garbage in communities, beaches and green areas, promote environmental protection awareness and contribute to local environmental protection.

Case: Green Boan Walks to pick up garbage in communities, beaches and green areas



From May 2022 to August 2022, Boan Biotech organised the 'Green Boan Walks', where various departments organised eight garbage picking and environmental awareness activities in communities, beaches, rivers and green areas, with a total of more than 400 Boan staff contributing to local environmental protection.

APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE

ENVIRONMENTAL KPIS TABLE[5]

Environmental Data Summary Table of Boan Biotech in 2022		
	Unit	Data in FY2022
Energy consumption[6]		
Total indirect energy consumption	'000 kWh	30,171.07
Indirect energy consumption intensity[7]	'000 kWh/Revenue in RMB'000	0.058
Outsourced electricity		
Total consumption	'000 kWh	9,813.03
Consumption intensity	'000 kWh/Revenue in RMB'000	0.019
Outsourced industrial steam		
Total consumption	Tonne	27,503.00
Total consumption	GJ	73,288.89
Consumption intensity	'000 kWh/Revenue in RMB'000	0.039
Water		
Total consumption	m^3	196,969.00
Consumption intensity	m^3/Revenue in RMB'000	0.38
Packaging materials		
Total consumption	Tonne	17.00
Consumption intensity	Tonne/Revenue in RMB'000	0.000033
GHG emissions (Scope 1 and 2)		
Total GHG emissions	Tonne	13,788.89
Total GHG emissions intensity	Tonne/Revenue in RMB'000	0.027
Emissions from refrigerants (Scope 1)[8]	Tonne	130.74
Emissions from industrial steam usage (Scope 2)[9]	Tonne	8,061.78
Emissions from electricity usage (Scope 2)[10]	Tonne	5,596.37
Production wastewater discharge		
Production wastewater discharge	Tonne	129,010.00
Production wastewater discharge intensity	Tonne/Revenue in RMB'000	0.25

5 The statistical scope of environmental data for FY2022 is Boan Biotech Yantai Production Base.

6 The total energy consumption of the Company includes outsourced electricity and outsourced industrial steam consumption, and the conversion method is based on the "Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Enterprises in Other Industries" (Trial).

7 The Company's annual revenue per RMB'000 is used as the denominator. The Company's total revenue for FY2022 was RMB515,960,000.

8 The calculation of GHG emissions from refrigerants (Scope 1) is based on IPCC "Fifth Assessment Report on Climate Change" issued by the Intergovernmental Panel on Climate Change (IPCC).

9 The calculation of GHG emissions from industrial steam (Scope 2) is based on the "Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Enterprises in Other Industries" (Trial) issued by the National Development and Reform Commission.

10 The emission factors for GHG emissions (Scope 2) in FY2022 are with reference to the "Notice on the Management of Greenhouse Gas Emissions Reports of Enterprises in the Power Generation Industry for 2023-2025" published by the Ministry of Ecology and Environment of China.

Environmental Data Summary Table of Boan Biotech in 2022		
	Unit	Data in FY2022
Non-hazardous waste produced		
Total production	Tonne	3.21
Production intensity	Tonne/Revenue in RMB'000	0.0000062
Paper		
Total production	Tonne	3.21
Production intensity	Tonne/Revenue in RMB'000	0.0000062
Hazardous waste produced		
Total production	Tonne	21.53
Production intensity	Tonne/Revenue in RMB'000	0.000042
Medical waste		
Total production	Tonne	9.99
Waste culture media	Tonne	8.00
Waste biological drugs	Tonne	1.99
Production intensity	Tonne/Revenue in RMB'000	0.000019
Organic waste liquid		
Total production	Tonne	0.88
Production intensity	Tonne/Revenue in RMB'000	0.0000017
Waste reagent bottles and packages		
Total production	Tonne	10.12
Production intensity	Tonne/Revenue in RMB'000	0.0000196
Waste mineral oil and lubricating oil		
Total production	Tonne	0.04
Production intensity	Tonne/Revenue in RMB'000	0.000000079
Laboratory waste		
Total production	Tonne	0.5
Production intensity	Tonne/Revenue in RMB'000	0.00000097

SOCIAL KPIS TABLE[11]

Social Data Summary Table of Boan Biotech in 2022				
Employment				
			Unit	Number
By gender	**Total workforce**		Person	745
	Male employees		Person	283
	Female employees		Person	462
By employment type	Full-time employees		Person	741
	Part-time employees		Person	4
By age group	Aged 18-25		Person	193
	Aged 26-35		Person	394
	Aged 36-45		Person	129
	Aged 46-55		Person	22
	Aged 56 and above		Person	7
By geographical region	Mainland China		Person	740
	Overseas		Person	5
Employee turnover rate				
		Unit	Number	Percentage
By gender	Male employees	Person	42	14.84%
	Female employees	Person	55	11.90%
By age group	Aged 18-25	Person	36	18.65%
	Aged 26-35	Person	49	12.44%
	Aged 36-45	Person	9	6.98%
	Aged 46-55	Person	3	13.64%
	Aged 56 and above	Person	0	0.00%
By geographical region	Mainland China	Person	95	12.97%
	Overseas	Person	2	40.00%

[11] The statistical scope of social data for FY2022 is within the Group. Unless otherwise specified, the statistical scope of social data of the Group for the year is consistent with that for FY2021 before its IPO.

Health and Safety

Number of work-related fatalities

	Unit	
Number of work-related fatalities	Person	0
Rate of work-related fatalities	%	0

Lost days due to work injury

Lost days due to work injury of employees of the Company	Day	0

Occupational Health and Safety Measures

Number of employees participating in safety training during the Reporting Period	Person	3,718

Development and Training

Percentage of Employees Trained

		Unit	Number	Percentage
Total number of employees trained during the Reporting Period		Person	684	100%
By gender	Number of male employees trained	Person	252	36.84%
	Number of female employees trained	Person	432	63.16%
By employee category (by job title)	Number of directors and senior managers trained	Person	22	3.22%
	Number of managers and supervisors trained	Person	47	6.87%
	Number of other employees trained	Person	615	89.91%

Training Hours Completed

		Unit	Training Hours
Total training hours of employees completed during the Reporting Period			
By gender	Total training hours of male employees	Hour	65.40
	Total training hours of female employees	Hour	68.50
By employee category (by job title)	Training hours of directors and senior managers	Hour	19.50
	Training hours of managers and supervisors	Hour	35.70
	Training hours of other employees	Hour	71.50

Supply Chain Management

Number of suppliers

		Unit	Number
Suppliers		Supplier	1,564
By geographical region	Domestic	Supplier	1,504
	Overseas	Supplier	60

Product Responsibility		
Percentage of products sold subject to recalls		
	Unit	
Total number of products sold during the Reporting Period	Vial	538,000
Percentage of products sold subject to recalls	%	0
Number of complaints	**Unit**	
Number of complaints	Case	0

Anti-corruption		
Number of legal cases regarding corrupt practices		
	Unit	
Number of concluded legal cases regarding corrupt practices brought against the Company during the Reporting Period	Case	0
Number of concluded legal cases regarding corrupt practices brought against the employees during the Reporting Period	Case	0

Community Investment	
Resources Contributed	
Amount of donations to local communities (including direct and indirect) donations of materials and cash during the Reporting Period	More than 8,000 Bevacizumab Injections were donated in total

APPENDIX II CONTENT INDEX OF THE ESG REPORTING GUIDE

Mandatory Disclosure Requirements	Description	Relevant Section or Statement in this Report
Governance Structure	A statement from the Board containing the following elements: (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.	4.1 Sustainable Development Concept
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG Report: **Materiality:** The issuer should make a report when the ESG issues determined by the Board become sufficiently important to investors and other stakeholders. **Quantitative:** KPIs in respect of historical data need to be measurable. The issuer should set targets (which may be actual numerical figures or directional, forward-looking statements) to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate. **Balance:** The ESG Report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader. **Consistency:** The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.	2.3 Reporting Principles
Reporting Boundary	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.	2.2 Reporting Boundary

General Disclosures and KPIs	Description	Relevant Section or Statement in this Report
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.	7.2 Air Emissions & Waste Management
KPI A1.1	The types of emissions and respective emissions data.	The statistical scope of this Report does not involve air pollution emissions, so this KPI is not applicable.
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).	Appendix I Environmental and Social KPIs Table
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I Environmental and Social KPIs Table
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I Environmental and Social KPIs Table
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	The company is currently in the initial stage of launching new products, and has not yet launched the scale production. The existing emission data has no reference value. Therefore, no emission target has been set during the Reporting Period. In the coming year, we will continue to review the setting of such targets.
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.	7.2 Air Emissions & Waste Management

General Disclosures and KPIs	Description	Relevant Section or Statement in this Report
Environmental		
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7 Green Home
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).	Appendix I Environmental and Social KPIs Table
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix I Environmental and Social KPIs Table
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	7.4 Energy Use & Climate Change The company is currently in the initial stage of launching new products, and has not yet launched the scale production. The existing energy use data has no reference value. Therefore, no energy use target has been set during the Reporting Period. In the coming year, we will continue to review the setting of such targets.
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.	7.3 Water Resources Management The company is currently in the initial stage of launching new products, and has not yet launched the scale production. There was no issue in sourcing water and the existing water usage data has no reference value. Therefore, no water efficiency target has been set during the Reporting Period. In the coming year, we will continue to review the setting of such targets.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	7.5 Packaging Materials Management Appendix I Environmental and Social KPIs Table

General Disclosures and KPIs	Description	Relevant Section or Statement in this Report
Environmental		
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	7 Green Home
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	7 Green Home
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.	7.4 Energy Use & Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	7.4 Energy Use & Climate Change
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.	9.1 Employment Management
KPI B1.1	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	9.1 Employment Management Appendix I Environmental and Social KPIs Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	9.1 Employment Management Appendix I Environmental and Social KPIs Table

General Disclosures and KPIs	Description	Relevant Section or Statement in this Report
Social		
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	8.1 Safe Production
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	8.1 Safe Production Appendix I Environmental and Social KPIs Table Considering that our Company was just listed in December 2022, the Company disclosed health and safety information for the first time this year, including only the number and rate of work-related fatalities in 2022. In the future, the Company will disclose relevant information for consistency.
KPI B2.2	Lost days due to work injury.	8.2 EHS Management System Appendix I Environmental and Social KPIs Table
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	8.2 EHS Management System

General Disclosures and KPIs	Description	Relevant Section or Statement in this Report
Social		
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	9.2 Talent Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	9.2 Talent Training Appendix I Environmental and Social KPIs Table
KPI B3.2	The average training hours completed per employee by gender and employee category.	9.2 Talent Training Appendix I Environmental and Social KPIs Table
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.	9.1 Employment Management
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	9.1 Employment Management
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	9.1 Employment Management

General Disclosures and KPIs	Description	Relevant Section or Statement in this Report
Social		
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	6.2 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	6.2 Supply Chain Management Appendix I Social KPIs Table
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.	6.2 Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.2 Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.2 Supply Chain Management

General Disclosures and KPIs	Description	Relevant Section or Statement in this Report
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.	5.3 Drug Sales and Customer Service Management
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5.3 Drug Sales and Customer Service Management Appendix I Social KPIs Table
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	5.3 Drug Sales and Customer Service Management Appendix I Social KPIs Table
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.1 Product Innovation & Protection of Scientific Research Achievements
KPI B6.4	Description of quality assurance process and recall procedures.	5.3 Drug Sales and Customer Service Management
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	5.3 Drug Sales and Customer Service Management

General Disclosures and KPIs	Description	Relevant Section or Statement in this Report
Social		
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.	4.3 Integrity and Compliance
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.	4.3 Integrity and Compliance Appendix I Environmental and Social KPIs Table
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	4.3 Integrity and Compliance
KPI B7.3	Description of anti-corruption training provided to directors and staff.	4.3 Integrity and Compliance
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.	10 Community Contributions
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	10 Community Contributions
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	10 Community Contributions Appendix I Environmental and Social KPIs Table

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