RemeGen
荣昌生物

2022 Environmental, Social and Governance Report

榮昌生物製藥(煙台)股份有限公司
RemeGen Co., Ltd.*

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

Stock Code: 9995

*For identification purpose only

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ABOUT THIS REPORT

This report is the third Environmental, Social and Governance Report (or "ESG Report") released by RemeGen Co., Ltd. It is a true reflection of our fulfillment of economic, social and environmental responsibilities and the realization of comprehensive, coordinated and sustainable development.

- Reporting Period
  This report covers the period from January 1 to December 31, 2022. Part of the content is beyond the above period.

- Reporting Scope
  The object of this report is RemeGen Co., Ltd and its subsidiaries.

- Data Source
  All data disclosed in this report is from official documents, statistical reports and financial reports of the Company, or is the ESG information collected, summarized and reviewed by the Company. In case of any discrepancy between the Chinese version and the English version of this report, the Chinese version shall prevail. Unless otherwise stated, the currency unit in this report is RMB.

- Basis of Preparation
  This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Guide") issued by the Hong Kong Stock Exchange, with appropriate reference to the Global Reporting Initiative (GRI) of Global Sustainability Standards Board (GSSB), Morgan Stanley Capital International (MSCI) and other concerned issues by the capital market.

- Reference
  For the sake of convenience, "RemeGen", "the Company", "Company", "we", "us" or "our" in this report refer to RemeGen Co., Ltd.

- Statement
  The visions contained in this report, including business plans and development strategies, do not constitute any substantial commitment of the Company to investors.

- Report Access
  For this report and updates about our sustainability initiatives, please visit the "Investor Relations" Section on the homepage of our official website (http://www.remegen.cn/index.php?v=listing&cid=31#xxpl).

1. ABOUT US

1.1. GROUP PROFILE

RemeGen (HKEX: 09995.HK, 688331.SH) was jointly promoted and founded by Rongchang Pharmaceuticals and Dr. Jianmin Fang. Headquartered in the Shandong Province of China, the Company has research centres and branches throughout Beijing, Shanghai, San Francisco and Washington, the United States, etc.

We are a company that covers the research and development, production and sales of pharmaceutical products, the provision of diagnostic reagent products and technical services. Since our inception, we have specialized in the development and commercialization of therapeutic antibody drugs, including antibody drug conjugate, antibody fusion proteins, monoclonal antibodies and bispecific antibodies, in the areas of autoimmunity, oncology, ophthalmology and other major diseases. We have three self-developed technological platforms, namely the antibody and fusion protein platform, the antibody drug conjugate (ADC) platform and the hinge-insersion bispecific antibody (HIBODY) platform, which provide us with a fully integrated, end-to-end drug development capability to achieve comprehensive coverage of biological drug development functions.

RemeGen continues to proceed the R&D of innovative drugs and currently has dozens of innovative drugs in the R&D and commercialization stages. In 2022, the Company made significant progress in clinical studies with its innovative R&D of telitacicept and RC28-E drugs. In this regard, the results of the indication trial of telitacicept for primary Sjögren's Syndrome and the indication trial of telitacicept for systemic lupus erythematosus (SLE) were presented at the 2022 ACR Annual Meeting, and the registration of a new drug certificate for telitacicept for SLE was filed in early November. In September 2022, the Company announced the results of the Phase Ib clinical trial of RC28-E for wet age-related macular degeneration (wAMD) through the World Ophthalmology Congress and initiated the Phase III clinical study in China in December.

Company Mission:

Our mission is to discover, develop, and deliver the first-in-class and the best-in-breed biologic drugs for major diseases in the autoimmune, oncology and ophthalmology spaces to create clinical value and fulfil the significant unmet clinical needs worldwide, thereby maximizing the value of the Company.

Company Vision:

We aspire to be a Chinese leader within the global biopharmaceutical industry.

1.2. ESG HIGHLIGHT FOR THE YEAR

Sector	Performance Highlight
Environmental	• Achievement of ISO 14001 Environmental Management System Certification;
	• Awarded as a "Green Factory" of Yantai City;
	• Achievement of ISO 50001 Energy Management System Certification;
	• Commitment to reduce wastewater chemical oxygen demand and ammonia nitrogen emissions by 2%, reduce waste gas emissions by 2%, and maintain a 100% wastewater discharge compliance rate by 2023;
	• Commitment to reduce CO2 emissions by 0.6% per year over the 2020-2025 period without increasing the total volume of greenhouse gas emissions, with a 3.1% reduction from that of 2020 in total emissions by 2025;
	• Commitment to reduce CO2 emissions by 0.4% per year over the 2025-2030 period, with a 3% reduction in total carbon emissions by 2035;
	• Commitment to a sustained 2% reduction in integrated product energy consumption by 2025 and 2035.
Social	• 3,332 employees in total with 53% of females;
	• 100% coverage of occupational disease medical examination;
	• No death on duty in the past three years;
	• No production safety accidents;
	• Amount of RMB3,876,000 in production;
	• Amount of RMB15,776,300 in total contributed to employee care funds;
	• Amount of RMB7,024,400 in total contributed to public welfare and charity;
	• Obtainment of ISO 45001 Occupational Health and Safety Management System Certification;
	• Investigation of more than 260 safety hazards and 100% rectification rate;
	• Organization of 40 safety contingent drills with 1,286 persons of employee participation;
	• 358 hours in safety training in total;
	• 100% execution rate of Safety Management Agreement with contractors.

Sector	Performance Highlight
Governance	• No corruption-related lawsuits;
	• More than 48 training sessions organized for compliance marketing;
	• Assisting the government of Yantai in establishing the "Supply Chain Development Alliance".

1.3. HONORS AND AWARDS FOR THE YEAR

Awards and honours	Sponsors
The 23th China Patent Silver Award	Jointly awarded by the China National Intellectual Property Administration and the World Intellectual Property Organization
The 4th Shandong Provincial Technical Invention Award, Special Prize	Department of Science & Technology of Shandong Province
Key Technology Innovation and Application for Post-marketing Quality Re-evaluation of Chinese Medicine Preparations, Second Prize	Shandong Provincial Drug Administration
Patent Incubation Competition for Conversion of New and Traditional Energy Into High Value, First Prize, Shandong, China	Shandong Administration for Market Regulation
Listed as "Shandong Province Leading Enterprises in Science and Technology"	Jointly awarded by Shandong Science Academy Intelligence Institute and Shandong Innovation and Development Institute
Top 10 Pharmaceutical Innovation Companies of the Year	STCN
Pharmaceutical Innovation Achievement Award of the Year	STCN
Medical Device Breakthrough Award of the Year	Medical Media
2022 Qipu Nomination Award for Medicine Innovation	2022 China Healthcare Industry Innovation Summit
Enmore Bio Industry Conference Innovation Breakthrough Enterprises	Enmore Healthcare

2. SUSTAINABILITY AND COMPLIANT OPERATION

Embracing the vision of being a Chinese leader within the global biopharmaceutical industry, RemeGen is committed to promoting harmonious environmental, economic and social development, building an ethical operational management system, creating a responsible supply chain and promoting sustainable development.

2.1. SUSTAINABILITY

RemeGen has integrated the concept of sustainable development into the core of its corporate governance, and has continuously improved its ESG governance system and built an ESG governance structure with clear rights and responsibilities. At the same time, the Company attaches importance to stakeholder communication, takes the needs of each stakeholder as the basis, applies ESG management practices, and responds to the expectations of each stakeholder on the ESG performance of RemeGen with practical actions.

2.1.1. ESG Governance

In order to realize the long-term value of the Company and promote high-quality and sustainable development, RemeGen has established a comprehensive ESG governance structure, with the Board of Directors making decisions on the Company's ESG strategy and important matters. On this basis, we have established an ESG working group consisting of relevant staff from our headquarters and our subsidiaries to implement and promote ESG management.

Board's Statement

The Board attaches great importance to the ESG performance of RemeGen and continues to monitor the development of the Company's ESG efforts. As the highest supervisory and decision-making body for ESG-related matters, the Board assumes full responsibility for ESG oversight and management of the Company, and is responsible for setting ESG vision, objectives, strategies and policies, regulating the Company's ESG management structure to identify, evaluate and address ESG-related risks, and reviewing the Company's ESG performance. The Company has established an ESG working group consisting of staff from our headquarters and our subsidiaries, which is responsible for practicing ESG management practices, accomplishing ESG-related work objectives set by the Board, and reporting the progress and results of ESG work to the Board and the management on a regular basis.

In 2022, the Board focused on participating in the ESG materiality determination process and, through the ESG working group, actively learnt about the work on stakeholder communication, the development of various ESG initiatives and annual ESG disclosure during the reporting period to ensure that the Company's ESG efforts meet the expectations of various stakeholders.

After consideration by the Board, this report objectively discloses the progress and effectiveness of RemeGen's ESG work in 2022, which is in line with the principles of materiality, quantification, consistency and balance of ESG indicators.

2.1.2. Stakeholder Communication

Enhancing communication with stakeholders can help RemeGen identify potential social and environmental risks in advance, to effectively control economic risks and achieve harmonious development of economy, society and environment. In 2022, the Company established a sound stakeholder communication mechanism through various forms such as shareholders' meetings, information disclosure and suppliers' meetings, and actively implemented two-way feedback to jointly promote the sustainable development of the Company.

Stakeholders	Stakeholders' Expectations	Communication Mechanisms
Government and regulators	Law Compliance Compliant Operations Tax Compliance Supporting Local Development	Information Disclosure Daily Communication and Report Government Investigations and Inspections
Shareholders and Investors	Reporting to Shareholders Information Disclosure Risk Management Corporate Governance Business Performance	General Meetings of Shareholders Regular Reports and Announcements Communication Meetings with Investors
Customers	Drug Quality and Safety Protection of Rights and Interests of Consumers Drug Development and Innovation Responsible Marketing	Product Quality Guarantee Customer Satisfaction Surveys Regular Communication Activities with Customers
Employees	Protection of Rights and Interests of Employees Occupational Health and Safety Employee Development	Employee Conferences and Labour Unions Employee Engagement Surveys Performance Management Internal and External Training Employee Care Activities
Partners	Product and Service Quality Win-win Development Sustainability of Supply Chain	Open Tending and Bidding On-site Reviews Supplier Conferences Business Conferences
Community Representatives	Promoting Local Economic Development Local Environmental Impacts of Production and Operations Community Services and Philanthropy	Voluntary Services Supporting Cultural and Sport Activities Popularization of Medical Knowledge and Contributing to Epidemic Control Participating in Community Construction
Industry Associations	Fair Competition Promoting Industry Development Technology and Experience Sharing	Industry Exchanges and Seminars

2.1.3. Materiality Assessments

In order to ensure that the ESG focus and annual disclosure content can cover the key concerns and basic demands of various stakeholders, RemeGen has identified ESG issues of materiality based on the requirements of the ESG reporting guidelines of the Hong Kong Stock Exchange, in light of capital market concerns and peer performance.

In 2022, we assessed the materiality issue matrix for 2022 based on the Company's vision and value proposition, in virtue of domestic and international industry standards and peer performance and disclosure, with reference of ESG issues of concern to the capital market. After evaluation, we came to a conclusion that the materiality issue matrix for 2022 remains the same as for 2021.

Image: ESG Materiality Matrix of RemeGen in 2022

2.2. ENTERPRISE OF INTEGRITY

RemeGen adheres to its core ideology of openness, transparency, integrity and honesty, builds an internal integrity compliance system and promotes responsible marketing management. At the same time, we work together with suppliers to create a green, clean and sustainable supply chain and facilitate the common development of the industry chain.

2.2.1. Clean Management

RemeGen strictly follows the *Criminal Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Improper Competition Law of the People's Republic of China* and other laws and regulations applicable to the place of operation, and has established internal management systems such as the *Provisions on the Administration of Internal Audit*, and the *Provisions on the Administration of Anti-Fraud and Anti-Money Laundering*, etc. to build a perfect compliance system. During the reporting period, there were no corruption-related litigation cases against RemeGen.

To ensure the effectiveness of the Company's business ethics management system, the Company incorporates business ethics-related audit indicators in its internal audits and conducts business ethics-related audits at least once a year for staff working in key positions such as purchasing and marketing. At the same time, the Company includes its business ethics performance as a key consideration during background checks in recruitment and promotion and other important employment areas.

The Company actively encourages its employees and other stakeholders to report any illegal or non-compliant behaviour found in the course of business operation, and makes public its complaint telephone number, e-mail address and mailing address to facilitate reporting channels. Once the reported information is verified, the Company will take immediate measures in strict accordance with the Company's internal rules and regulations, and reward the whistleblower. At the same time, the Company has established a whistleblower protection mechanism, which stipulates that only the personnel involved in the investigation will be informed of the information reported and that unauthorized disclosure of information related to the report and the investigation is strictly prohibited, in order to strictly protect the legitimate rights of the whistleblower.

Whistle-blowing Channels of RemeGen

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In order to enhance employees' awareness of integrity, the Company regularly conducts professionalism training to educate employees about ethics and integrity, and organizes all new employees to attend training on intellectual property rights and trade secrets to actively promote integrity building and strengthen a clean and upright workforce and work atmosphere. During the reporting period, the Company conducted a total of 13 training sessions on business ethics for employees, with each employee receiving 1 hour of training. Members of the Board attended 1 training session on business ethics, with each director receiving 2 hours of training.

We also attach great importance to the anti-corruption work in our supply chain and have signed the *Integrity Pledge* with our long-standing suppliers to build a clean and transparent supply chain.

2.2.2. Responsible Marketing

RemeGen strictly follows the *Drug Administration Law of the People's Republic of China*, *Regulations on the Implementation of the Drug Administration Law of the People's Republic of China*, *Advertising Law of the People's Republic of China*, *Guidelines on Compliance Management of Enterprises' Overseas Operations* and other laws and regulations, and has formulated internal management systems such as *Management System and Process of Marketing Behaviour*, *Marketing Compliance Manual*, *Code of Conduct for Academic Promotion of Pharmaceuticals*, and *Management System and Process of Target Hospitals*. In order to better regulate and supervise the compliance and responsible marketing behaviour of employees, the Company has established a marketing compliance management committee and put the responsibility of compliance marketing into practice to ensure the compliance and truthfulness of the Company's marketing activities and maintain the trust of customers.

The Company signs the Compliance Pledge with all marketing-related positions every year, and regularly organizes compliance training for new employees and employees of key departments to popularize and explain marketing-related policies and regulations and internal systems and share industry cases. It helps them enhance their awareness of responsible marketing and avoid marketing-related compliance risks, to create a good atmosphere for compliance operation. In 2022, the Company organized a total of 48 training sessions for marketing compliance, with a 100% coverage of training for marketing staff.

Case: Marketing Compliance Training Promotion

On September 15, 2022, RemeGen organized a marketing compliance training with the theme of "Presentation of the Code of Conduct for Academic Pharmaceutical Promotion" for new employees of the marketing business units of RC18 and RC48. Thorough promotion and interpretation of the Company's compliance system, the Company ensures the staff would, based on compliance of laws, regulation and ethics and the acknowledge of the principles of promotion and the requirements of promotional behaviour, carry out their work in compliance with laws and regulations, so as to avoid the compliance risks exposed to the Company, marketing centre and various customers. A total of 100 persons participated in this training.

2.2.3. Supply Chain Management

In accordance with the *Tender Law of the People's Republic of China* and other laws and regulations, RemeGen has formulated the *Supplier Management System*, established a reasonable and effective supply chain management mechanism, and worked with suppliers to create a sunny and transparent business environment, in a bid to form a sustainable supply chain.

By the end of 2022, the Company had 224 suppliers, of which 223 were located in the PRC and 1 overseas.

The Company has developed a complete and rigorous system for supplier qualification, access and selection processes. During the qualification review stage, we require suppliers to provide global good manufacturing practice (GMP), ISO 9001, ISO 14001, ISO 45001 or equivalent certification, and give preference to GMP-certified suppliers. In the supplier access screening stage, we conduct quality tests and audits on supplier product samples and production sites, and add additional requirements for environmental, safety and labour protection, and hazardous chemical production permits for suppliers in special industries.

To ensure the steady development of the supply chain, the Company proactively sorts out and identifies procurement risks and conducts delivery coordination meetings with key consumables suppliers to actively improve the supply chain risk management. As for the suppliers of exclusive materials, the Company ensures the stability of the supply of key materials by sourcing them from various sources, opening up foreign procurement channels and developing alternative suppliers. In addition, the Company regularly organizes annual audits on the qualification and product quality of key material suppliers, requires them to make timely rectification of problems identified during the audit process, and tracks the effectiveness of their rectification. In 2022, the Company completed a total of 28 supplier quality audits.

Mutual benefit with suppliers is a prerequisite for maintaining a quality, healthy and long-lasting supply chain. We continue to maintain close communication with our suppliers, establish good communication patterns, and organize regular quality training for suppliers to help them continuously improve their product quality management capabilities. In addition, in 2022, we assisted the government of Yantai to establish the "Supply Chain Development Alliance", covering 9 enterprises including RemeGen, to open up supply chain communication channels and enhance the supply chain risk forecasting capability of alliances.

3. PRODUCTS AND SERVICES

As a responsible pharmaceutical company, RemeGen has always been committed to providing consumers with safe and effective pharmaceutical products based on drug quality, driven by R&D, and guided by customer needs.

3.1. EXCELLENT QUALITY

Ensuring the quality and safety of our products is RemeGen's responsibility and bottom line. Adhering to the quality policy of "honest drug manufaction, scientific management, continuous improvement, and the pursuit of excellence", we continuously improve our quality management system, control the quality of drugs in various aspects such as pre-clinical, non-pivotal clinical and clinical research phases, and actively carry out quality control audits, to continuously promote the construction of soft power of quality culture and comprehensively consolidate product quality.

3.1.1. Quality Management System

RemeGen strictly complies with the relevant laws and regulations, and has established a comprehensive quality management system based on the requirements of the *Pharmaceutical Administration Law of the People's Republic of China* and the *Good Manufacturing Practice* (2010 Revision) and its appendices, and has updated its main management procedures in a timely manner in conjunction with internal operations and external regulatory requirements to ensure that they all comply with the GMP requirements of the U.S. Food and Drug Administration (FDA), the European Medicines Agency (EMA) and the National Medical Products Administration (NMPA) of the PRC.

In order to further improve quality management, the Company has established a three-level quality documentation system consisting of "standard operating procedures, strategic guidance documents and quality manuals/factory master documents" in accordance with the *Chinese Pharmacopoeia*, the *United States Pharmacopoeia* (USP), the *European Pharmacopoeia* (EP), national standards and industry standards to ensure the integrity and reliability of document management. By the end of 2022, there were 1,966 documents in the system, including 154 for Quality Assurance Department, 756 for Quality Control Department, 775 for Manufacturing Department, 40 for Material Control Management Department, 141 for Engineering Department(ENG), and 100 for Information Technology Department(IT). The Company conducts annual quality management system audits to identify timely opportunities for management system improvement and to ensure the appropriateness, adequacy and effectiveness of the quality management system. During the reporting period, RemeGen completed a total of 432 document audits.

Image: Major Management Procedures of Quality Management System of RemeGen

3.1.2. Full-process Quality Management

RemeGen is committed to quality management in all aspects of production and operation, and has established a full life-cycle quality management covering pre-clinical, non-pivotal clinical phase, clinical trial, drug production, package compatibility and product recall to control drug quality in a comprehensive and multi-dimensional manner.

- **Pre-clinical Stage**

  RemeGen continues to optimize its pre-clinical quality management system and has established a pre-clinical quality control system covering the compliance management of drug R&D system[1], review on technical study document and phase verification.

  During the reporting period, RemeGen completed the evaluation of Critical Quality Attributes (CQA) for three products under development, and obtained CQA for the developed drugs in terms of efficacy, safety, and immunogenicity, based on the Quality Target Product Profile (QTPP) and existing product knowledge and existing experimental data to provide guidance and support for product process development, process characterization, process validation, and comparability studies. In addition, we follow established release procedures for reference materials, test cell lines, small molecules, etc.[2] to ensure compliance in the use of reference materials, test cell lines and small molecules.

- **Non-pivotal Clinical Stage**

  Based on risk assessment, scientific judgment, product quality and system compliance, RemeGen has established a comprehensive non-pivotal clinical quality management system covering six systems: production system, facilities and equipment system, laboratory control system, material system, packaging and labelling system, and quality assurance system, and regularly conducts assessments of the non-pivotal clinical quality management system to ensure its compliance, effectiveness and appropriateness. The Company timely identifies and reasonably controls elements that may affect product quality during the non-pivotal clinical stage, ensures product quality while protecting the safety of clinical trial subjects, and coordinates and accelerates the clinical trial and marketing process of projects.

  During the reporting period, we conducted annual internal audits in accordance with FDA requirements, covering all six FDA systems, analysed potential risks and made quality improvements to ensure continuous improvement of the quality system.

  In addition, in order to further strengthen quality assurance, the Company has actively launched clinical phase recall simulations to ensure that clinical drugs or control drugs with safety risks can be recalled from clinical centres quickly and effectively.

[1] This includes early stage drug research, process development, drug synthesis R&D conjugate development, quality research, etc.

[2] Among them, 8 batches of reference materials, 54 batches of cell lines and 10 batches of small molecules were released.

- **Clinical Study Stage**

  RemeGen revises and improves the standardized management system and regularly evaluates the effectiveness, operability and directability of the documents in accordance with the *Clinical Quality System Document Management Protocol*. The Company continues to optimize the process and work mechanism for controlling key risks during the clinical study stage, and has established four departments: Medical Department, Project Management Department, Operations Department, and Quality and Training Department, to carry out all-round quality management in various aspects such as clinical trial protocol design, operation management, specific implementation, and field audit to ensure the compliance and effectiveness of quality management in clinical study stage.

- **Manufacturing Stage**

  RemeGen integrates quality control into all aspects of product production, formulates and improves quality management regulations for equipment operation such as the *Equipment Management* and the *Equipment Preventive Maintenance Management*, and strives to effectively implement regulations in every step. The Company continuously updates quality reviews, follows up on quality risk control and risk assessment, conducts production site inspections, and conducts compliance audits on relevant data analysis statistics and records to ensure that product quality meets regulations. In addition, the Company has established a set of effective and standardized equipment management system for production facilities to track and effectively control the whole life cycle of equipment from purchase application, model selection, equipment acceptance, lubrication, spare parts, transfer, idleness, and retirement, so as to reduce the probability of cross-contamination and confusion of drugs in the production process as much as possible.

- **Packaging Material Compatibility**

  Integrating package material research into the entire process of drug development, RemeGen is fully committed to ensuring the safety, efficacy and stability of pharmaceutical package material quality, through continuous improvement of the package material compatibility research platform, establishment of the analytical technology platform, support for commercial package material/process component changes and supplier selection, etc.

Compatibility Research Platform Improvement[3]	• Continue to improve the construction of the process component compatibility research platform, complete the single-use production process component (SUS) risk assessment, extraction experiment and leachate study, and validate the report. • Conduct the first compatibility study of drug delivery devices.

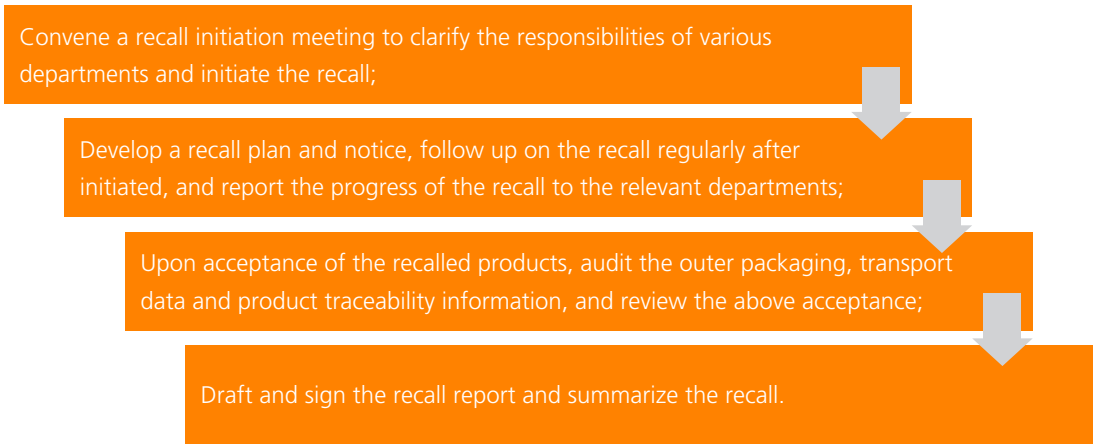
[3] The subjects of the package compatibility research platform include three main categories: container sealing systems, single-use production process components (SUS), and drug delivery systems. Compatibility studies include extractable studies and migrating adsorption studies.

Establishment of the Compatibility Analysis & Technology Platform	• Build a scanning electron microscope technology platform to complete the inspection and material identification of the inner surface of glass. • Optimize the evaluation model to significantly reduce the number of unnecessary extraction experiments.
Support for Commercial Package/Process Component Changes and Vendor Selection	• Undertake the selection of the alternative supplier of packaging materials for finished products/products of commercialization/ clinical phase of the company to ensure the quality of drugs and the safety of consumers' medication. • Add urgent compatibility studies, for which data collection, risk assessment, additional sampling, testing and reporting are expedited and completed on time.

- **Product Recall**

  RemeGen has established a comprehensive product recall procedure to regulate the levels, time limits, types and processes of product recalls, and regularly conducts mock recalls to evaluate the effectiveness of the recall procedure. The Company classifies recalls into Level 1 (24 hours), Level 2 (48 hours), and Level 3 (72 hours) based on the direct ability cause of the recall and the impact on the health of patients, and classifies them into active recalls and ordered recalls based on type. The recall process covers recall initiation, planning, notification, receipt and processing of recalled products, and writing of recall reports to ensure the safety of patients' medication and maintain corporate reputation.

Table: Product Recall Procedures



In 2022, no product recalls were issued by RemeGen.

3.1.3. Quality Supervision

RemeGen regularly conducts internal and external audits on product quality management to identify potential risks in all aspects of the quality management lifecycle and promote comprehensive rectification. For internal audits, the Company has established a comprehensive self-inspection process and conducts comprehensive internal audits at least once a year based on the requirements of the *Good Manufacturing Practice* (2010 Revision) and its appendices, the *Chinese Pharmacopoeia*, the *United States Pharmacopoeia*, Part 211 under Chapter 21 of the *Code of Federal Regulations* (CFR), EU GMP and its appendices, etc. The audits cover organization and personnel, plant and facilities, and document management. During the reporting period, the Company organized a total of 6 internal audits, and in terms of all the issues identified in the internal audits, rectified measures have been formulated and completed as scheduled.

In addition, the Company actively cooperated with third-party monitoring organizations to carry out relevant audits and inspections, and has obtained ISO 9001 Quality System Certification. During the reporting period, the Company received five external inspections, all of which were successfully passed. and in terms of all the issues identified in the inspection, rectified and preventive measures have been formulated and completed.

3.1.4. Quality Culture

RemeGen continues to promote the cultivation of quality personnel and actively conducts special training activities based on the job characteristics and product features of our employees. The Company requires new employees to undergo training courses covering good documentation practices, edoc2[4] system usage, microbiology fundamentals, data reliability management and GMP fundamentals upon induction, and to be assessed and qualified for employment. In addition, we organize monthly training at company level, covering GMP basics, latest regulations, microbiology and personnel hygiene, quality manual and quality document management, quality events (deviations, changes, CAPA and quality risk management), audit management, production process and aseptic process, cleaning and disinfection, contamination control, material, complaint and return management, etc., to improve the level of quality management and awareness building of our employees and ensure the smooth and effective operation of our quality management.

In 2022, the Company organized 24 training sessions in total for new employees, and the number of participants reached 544, including 430 for GMP system training; A total of 16 company-level training sessions were held, with more than 17,000 participants in the year; A total of 38 training sessions were organized at the department of R&D QA to improve the professional knowledge and skills of QA staff and promote talent building.

[4] edoc2 is a leading provider of enterprise content management (ECM) solutions in China.

3.2. R&D AND INNOVATION

As an innovative biopharmaceutical company with a global vision, RemeGen continues to optimize the top-level design of our research system, pay great attention to the innovation and iteration of drugs and technologies, and focus on the discovery, development and commercialization of biopharmaceuticals with independent intellectual property rights, fully respecting the ethics of research and development. We insist on differentiation and innovation, and constantly make breakthroughs to build a first, best and quality pharmaceutical company of its kind.

3.2.1. Innovation Achievement

RemeGen insists on independent research and development, develops innovative strategies to keep pace with the times, continue to break through innovation capabilities, makes increasing investment in R&D, and actively builds up technical talents. With the support of our self-developed professional technology platform, we rely on our industry-leading research strength and top-notch R&D team to provide advanced solutions for the pharmaceutical field, striving to create value for our customers through scientific research.

Innovation Capability

RemeGen is always dedicated to the research and development of biologics with novel targets, innovative design and breakthrough potential to address global unmet clinical needs. We have established fully integrated, end-to-end innovative biopharmaceutical R&D and industrialization system, covering all key functions of biologics development including discovery, pre-clinical pharmacology, process and quality development, clinical development, and manufacturing in compliance with global Good Manufacturing Practices (GMP).

R&D Investment

RemeGen continues to invest more in R&D and innovation. In 2022, the Company invested a total of approximately RMB982.1 million in R&D, accounting for approximately 127% of operating revenue, an increase of approximately 38.1% over the same period last year[5]; Over the past three years, the CAGR of R&D investment of RemeGen has reached 40.8%.

R&D Team

To further advance drug development and innovation, the Company has built a highly professional clinical development team comprised of employees with an average of more than 20 years of industry experience and successful experience in innovative drug development, clinical development and commercialization. By the end of 2022, the Company had brought in more than 7 special national experts and other high-level returnee talents, and the total number of R&D team members reached 1,163, accounting for 34.9% of the total number of the Company, of which 28.46% of the members hold master's or doctoral degrees in life science-related disciplines, and have accumulated 0 national level technical personnel certification.

[5] The significant change in total R&D investment from the previous year was attributable to: during the reporting period, the expansion of R&D pipelines and an increase in the costs of clinical trials and testing resulting from continuous clinical R&D of drugs; a growth in labour costs because of an increase in R&D staff and salary level; and a rise in depreciation costs resulting from the classification of the antibody building as a fixed asset and the purchase of R&D equipment.

Technology Platforms

Being deeply engaged in the field of biotherapeutics, and with years of accumulated technology and industry experience, RemeGen has built a world-class biopharmaceutical R&D platform with independent intellectual property rights, including three core technology platforms, namely the antibody and fusion protein platform, the antibody drug conjugate (ADC) platform and the hinge-insersion bispecific antibody (HIBODY) platform, to discover, screen, and develop new molecules in a timely manner, develop proprietary technologies, and optimize production processes efficiently, thus ensuring end-to-end integration of drugs in the R&D pipeline from R&D to commercialization.

Table: Three Core Technology Platforms

Antibody and fusion protein platform	Antibody drug conjugate (ADC) platform	Hinge-insersion bispecific antibody platform
1. Antibody and fusion protein discovery and development capabilities are driven by innovative technologies and expertise in bioinformatics-assisted protein design and protein engineering; 2. The antibody and fusion protein platform has been firmly established and included the following key functions: Antibody/fusion protein screening and protein engineering; Cell line/process development; Drug Substance (DS) / Drug Product (DP) GMP manufacturing; 3. A number of innovative biologics such as telitacicept (RC18) and RC28 are developed through this platform.	1. We are one of the few biopharmaceutical companies with a fully integrated ADC platform, with in-house capabilities covering the entire ADC development and manufacturing process; 2. The ADC platform has the following main functions: Filtering platform for ADC linker and payload optimization; Thiel-bridge conjugate technology; Linker, payload and conjugate process development; Linker, payload and payload-linking GMP synthesis; ADCs' DS and DP GMP manufacturing; 3. A number of innovative biologics such as disitamab vedotin (RC48) are developed through this platform.	1. We focus on the development of next-generation bifunctional antibodies to facilitate the implementation of new therapeutic strategies; 2. The hinge-insersion bispecific antibody (HiBody) technology is based on novel molecular forms and can be used to generate a wide range of bispecific antibodies with the potential to increase the efficacy and specificity of antibody-based therapies; 3. The hinge-insersion bispecific antibody platform includes the following key functions: R&D of proprietary HiBodies for various products, R&D of next-generation immuno-oncology therapies, and improvement of production efficiency and product quality.

In 2022, RemeGen continued to improve the construction of technology platforms, and comprehensively served three core technical platforms. We accumulated data in advance, established and formed technical reserves. It has built 10 more analytical technology platforms, shifting from external introduction to independent research to save costs and enhance timeliness; In-depth research on the structure-effect relationship and in-depth characterization of quality attributes were carried out to better grasp the Critical Quality Attributes (CQA) of products and help the Company to register and file their projects.

Case: Telitacicept for Sjögren's Syndrome

In January 2022, a phase II clinical study of telitacicept for the treatment of patients with primary Sjögren's Syndrome in China was completed with positive results. These results indicated that the difference between the amount of change in ESSDAI scores from baseline of the 160mg-dose group of telitacicept and that of the placebo group is statistically significant. At the 2022 American College of Rheumatology (ACR) Annual Meeting, the Company presented the results of the phase II clinical study of telitacicept for primary Sjögren's Syndrome (pSS) in China in a web-based online abstract, the first presentation of the trial results of the telitacicept for pSS indication at the meeting.

Case: Telitacicept for Myasthenia Gravis

In October 2022, a phase II clinical study of telitacicept for the treatment of generalized myasthenia gravis (gMG) in China was completed. The clinical study showed that telitacicept significantly improved the condition of patients with gMG, demonstrating good efficacy and safety. During the same period, telitacicept received orphan drug qualification approval from the FDA for the indication of myasthenia gravis, and an application was also submitted and approved for a phase III clinical study in the U.S. for this indication. In November 2022, telitacicept was included as a breakthrough therapy for this indication by the Centre for Drug Evaluation (CDE) of the NMPA.

Case: RC28-E Injection for Wet Age-related Macular Degeneration (wAMD)

A phase Ib clinical trial of RC28-E injection for wAMD was completed. The trial results were announced online at the 38th World Ophthalmology Congress (WOC 2022) in September 2022, which was also the first appearance of RC28-E at WOC. This was also an open-label, single-arm phase Ib dose-expansion trial to evaluate the efficacy and safety of RC28 for wAMD. At the end of December 2022, a phase III clinical study of RC28-E injection for wAMD was initiated in China.

Case: National Launch Meeting of Disitamab Vedotin (爱地希®) for Uroepithelial Cancer Indication

On the morning of April 16, 2022, RemeGen organized the "Creating Hopes with Ambitions" Launch Meeting of Disitamab Vedotin (爱地希®) for Uroepithelial Cancer Indication in China, which was held in Beijing as the main venue, with 23 branch sites connected nationwide via online and offline forms.

The introduction of disitamab vedotin has opened a new era of precision treatment for uroepithelial cancer. With the collaboration of many clinical experts in China, we have achieved a breakthrough in disitamab vedotin for uroepithelial cancer indication, which becomes the world's first ADC for HER2-targeted treatment of uroepithelial cancer.

Image: "Creating Hopes with Ambitions" Event

Case: RemeGen's Key Technology and Innovation Project, "Study on Critical Core Technology and Clinical Study on R&D of RC28-E, a Class 1 Biologic Drug for Bispecific Treatment of Ophthalmic Diseases"

In October 2022, RemeGen's project, "Study on Critical Core Technology and Clinical Study on R&D of RC28-E, a Class 1 Biologic Drug for Bispecific Treatment of Ophthalmic Diseases", was awarded as one of the 2022 Shandong Key Research and Development Programs (Major Science and Technology Innovation Project), with support funds of RMB16.2 million. The project focuses on the analysis of the protein structures of anti-VEGF antibodies and anti-FGF antibodies through bioinformatics, which can effectively block blood vessel growth and solve the problem that single-target neovascularization inhibitors cannot inhibit blood vessel growth in the fundus for a long time.

Drug Registration

The Company insists on constructing a full life-cycle pharmaceutical registration system as its work infrastructure, and focuses on supporting the development of clinical indications and the registration of changes to marketed products with registration objectives as its guide. During the year, the Company submitted 18 Investigational New Drug/Clinical Trial Approval (IND/CTA) applications and received 10 clinical trial approvals, including two INDs in the U.S. and three Clinical Trial Approvals (CTAs) in the EU. A total of 11 supplemental applications/filings were submitted.

In 2022, we initiated 15 Drug Evaluation Center (CDE) meetings, 3 FDA meetings, 1 Ministry of Food and Drug Safety (MFDS) meeting, and organized 5 applications for communication with provincial/national bureaus, and evaluated more than 40 changes in registration categories, which greatly supported the development of key clinical studies and the progress of compliance with post-marketing changes of the Company's projects. In addition, the Company has received one breakthrough therapy drug designation (RC18 MG indication) and three orphan drug designations (RC18 MG and RC118 for pancreatic and gastric cancer). The success of the registration application has facilitated the initiation of clinical trials of RemeGen's products in the EU for the first time, and the first encounter with Korean drug regulatory agencies has broadened the pathway for overseas clinical development.

Overseas Clinical Research Directions and Results

RemeGen has made full use of our team resources to stimulate the potential of our team members, and has achieved several overseas clinical research results.

- Overcoming the impact of the COVID-19, we enrolled 13 patients for the U.S. IgAN phase 2 clinical trial, and worked closely with relevant departments to track data, make innovative adjustments to existing trial protocols, and add open-label trial phases to obtain clinical data more efficiently and bring more benefits to patients;

- The phase 1 clinical project of RC118 in Australia has successfully completed the dose escalation in the second half of 2022. Based on the concurrent clinical data in China, we designed the phase 2 clinical trial in the U.S., and has initiated the CRO screening process for phase 2 in the U.S., marking the leap of RemeGen from a Chinese enterprise to an international pharmaceutical company;

- Through collaboration with Seagen on international trials, patients in Asia will have greater access to clinical trials of excellent products and receive excellent medical support from them.

3.2.2. Intellectual Property Protection

RemeGen attaches great importance to the management and monitoring of intellectual property rights. It constructs a perfect intellectual property management system in strict compliance with the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and other relevant laws and regulations in respect of systematic management of intellectual property rights in terms of trademarks and patents, to regulate the application and approval process of various intellectual property rights and promote the compliance of intellectual property-related work in a comprehensive manner.

RemeGen has revised and improved the internal systems such as the *Patent Management System* and the *Patent Application and Patent Search and Analysis Requirements Submission Process*, to continuously optimize the patent management process. It has formulated a series of targeted patent technology-related working guidelines and system documents according to the binding requirements of operation regions and different stages of product development and production, so as to regulate the patent management in more details. We continue to improve the incentive mechanism of intellectual property rights and formulate the *Patent Incentive and Remuneration Management Regulations* to reward those who make outstanding contributions to patent invention, design, promotion, protection and management, so as to stimulate employees' creativity and create a good atmosphere for R&D and innovation. In addition, the Company actively conducts the daily maintenance of the patent information database, monitors the patent status in real time, and makes the patent management process visible, standardized and efficient.

In 2022, RemeGen applied for a total of 55 patents, including 54 invention patents and 1 utility patent; We obtained a total of 19 licensed patents, including 10 invention patents and 9 utility patents.

RemeGen values technological R&D, respects the results of R&D, and undertakes to protect its own intellectual property interests while fully respecting and avoiding infringing on the intellectual property achievements of others.

Safeguarding the Company's intellectual property
• We carry out a comprehensive, global, and multi-regional patent layout for the Company's important R&D results; • By continuously improving the trade secret protection system and virtual server platform, we are able to avoid illegal leakage of important trade secrets of the Company; • Special training courses on intellectual property rights are provided with a focus on improving employees' awareness of intellectual property protection and strengthening the awareness of property rights; • In external cooperation, we strictly examine the IP-related clauses in contracts and maximize the IP rights in the cooperation results.

Respecting the intellectual property of others
• For each project, an investigation into the risk of intellectual property infringement will be conducted from the project's inception to the various stages of implementation; • If necessary, an external third party will be entrusted to conduct internal and external infringement analysis, thereby identifying any possible infringement risks.

In addition, to further cultivate employees' awareness of intellectual property protection, RemeGen regularly conducts various training courses related to legal knowledge, including research on the development of pharmaceutical intellectual property protection, to help employees familiarize with the latest laws and regulations and regulatory requirements related to intellectual property rights, clarify common risks and countermeasures, and enhance their intellectual property management capabilities.

Case: "Lecture by Experts" Training Event

On August 24, 2022, RemeGen, together with Yantai Intellectual Property Association, organized relevant training activities via a combination of online and offline methods to further enhance the our employees' awareness of trade secret protection and improve the level of intellectual property protection and related skills.

Senior attorneys and patent attorneys were invited to the event to give participants an in-depth explanation of the "Vanillin" technical secrets case, which is the commercial secrets case that has the highest final awarded amount in China's judicial history, one of the top ten technical cases of the Supreme People's Court Intellectual Property Court of the year and the only intellectual property case selected by the Supreme People's Court as one of the top ten cases of the Chinese courts in 2021.

Image: "Lecture by Experts" Training Event

RemeGen actively provides patent search and analysis services to relevant departments, including search for novelty or patentability analysis, infringement or free exercise search, intellectual property due diligence search, and technical research search. In 2022, a total of 28 reports were completed, providing strong support for the smooth implementation of the work of the department in need.

Thanks to the overall improvement of the quality of internal intellectual property management, the Company has also received encouragement and recognition from the community. In 2022, the Company won the Silver Award of the 23rd China Patent Award, the Special Award of the 4th Shandong Provincial Patent Award and the Patent Incubation Competition for Conversion of New and Traditional Energy Into High Value, First Prize, Shandong, China, helping the Company to maximize social value.

3.2.3. R&D Ethics

RemeGen strictly follows international and domestic medical and drug-related laws and regulations, ethics and scientific standards throughout the drug research process to avoid irregularities and non-compliance with medical ethics as much as possible and to protect the welfare and legal rights of experimental animals and clinical subjects.

Table: Laws, Regulations, Guiding Principles, and International Ethics and Standards that Govern the Research Design and Manufacturing Stages of Drugs

• Pharmaceutical Administration Law of the People's Republic Of China • Good Clinical Practice for Drug Trial • Good Manufacturing Practices - Appendix for Clinical Trial Drugs • Measures for the Ethical Review of Biomedical Research Involving Humans • Regulations on Evaluation and Management of Safety Information during Drug Clinical Trial (for Trial Implementation) • ...	• Guiding Principles for Pharmacovigilance Screening • Technical Guiding Principles for Program Changes during Drug Clinical Trial (for Trial Implementation) • Guiding Principles for Blinded Drug Clinical Trial (for Trial Implementation) • Statistical Guiding Principles for Drug Clinical Study on Rare Diseases (for Trial Implementation) • Technical Guiding Principles for Drug Clinical Study on Rare Diseases • ...	• World Medical Association Declaration of Helsinki • ICH: E6 (R2) Good Clinical Practice for Trial • ICH: E3 Structure and Content of Clinical Study Reports • ICH: E8 (R1) General Considerations for Clinical Study • ICH: E9 Statistical Guiding Principles for Clinical Trial • ...

Animal Welfare Guarantee

At the non-clinical stage, RemeGen always upholds 3R Principles[6] and, in strict compliance with provisions and requirements, such as GB 14925-2010 the *Laboratory Animal-Requirements of Environment and Housing Facilities*, the *Guide for the Care and Use of Laboratory Animals (Eighth Edition), Animal Welfare Assessment System (AWAS),* the *Experimental Animal Management Ordinance*, and GB/T 42011-2022 the *Laboratory Animals — General Code of Animal Welfare,* etc., implements standard management procedures for internal animal experiments, striving to manage and make use of experimental animals with the most scientific plan, the most advanced technology, and the most humane manner, to effectively protect animal welfare.

[6] 3R Principles represent the replacement, reduction and refinement of experimental animals.

The Company carries out the whole process of control and record for the import and export, use and feeding of experimental animals:

- The Company strictly requires that biosafety laboratories shall be licenced with BSL-2[7] laboratory qualifications and experimental animal use permits.

- Regular cleaning and disinfection of animal facilities, and annual environmental testing for facilities by third-party testing organizations are conducted to ensure cleanness of animal facilities and ensure the accuracy and reliability of experimental results. The Company strictly screens qualified suppliers of laboratory animals, feed and bedding, and conducts regular audits and inspections of suppliers to ensure that the quality of laboratory animals and related materials entering the facility is qualified; operates in accordance with the standardized flow of personnel, laboratory animals and items, and conducts regular inspections by veterinarians to create good welfare conditions for the whole survival period of laboratory animals; offers animal welfare toys, such as turntables, cylinders, hemisphere toys, paper silk, etc., to help reduce or eliminate the psychological anxiety of animals. The Company increases the conditional use of nutritional jelly for laboratory animals to further improve the welfare protection of laboratory animals.

Protection of the Rights and Interests of Clinical Subjects

During the clinical trial stage, RemeGen undertakes to comply with relevant laws and regulations and ethical standards in the design and execution of clinical trial projects, and to timely update a series of internal system documents, such as the *Standard Operating Procedures for Subject Grant Disbursement and Compensation*, the *Standard Operating Procedures for Subject Transfer*, and the *Standard Operating Procedures for Remote Informed Consent*, in accordance with changes in project implementation and external requirements, in order to protect the personal wishes and rights of clinical subjects.

The Company manages the entire life cycle of subject recruitment and communication channels, informed consent signing, subject screening, and subject free opt-out mechanisms, so that the legal rights of subjects are fully protected.

- During the recruitment phase, the Company recruits and screens subjects in accordance with the requirements of the *Screening Clinical Trial Centres and Investigators*, and implements subject recruitment after ethical review and approval based on communication with investigators and taking into consideration protocol and project needs. The recruitment advertisement specifies the recruitment channels of subjects and the scope of use therein.

[7] BSL-2 laboratory is bio-safety level laboratory-2, which means that the pathogens and biological factors involved in the experiments conducted in this laboratory have a hazard level of II, i.e., they can cause moderate individual hazards and/or limited group hazards.

- During the informed stage, the Company prepares the informed consent in accordance with the *Good Clinical Practice* (GCP) and the *Standard Operating Procedures for Preparing Informed Consent* to ensure that subjects are fully informed of the basic information of the clinical trial, such as the nature of the trial, the purpose of the trial, the possible benefits and risks, etc., at the stage of signing the informed consent form.

- During the consent stage, the Company trains subjects on the informed consent process in accordance with the *Clinical Trial Centre Activation Operating Procedures* and records the informed consent process; if changes are made to the informed consent, the Company will implement monitoring in accordance with the *Monitoring of the Informed Consent Process*.

- During the implementation phase, the Company guarantees the right of subjects to withdraw from the trial at any time, fully understands the reasons for withdrawal and keeps detailed records when subjects withdraw, and promises that subjects will not be affected or discriminated against in their subsequent medical treatment.

3.3. SERVICE QUALITY IMPROVEMENT

With quality service as the guide and a focus on customer needs, RemeGen insists on strengthening service management system, to facilitate customer feedback channels, optimize adverse reaction reporting mechanism, safeguard customer data and privacy, and comprehensively promote service capacity building. At the same time, we continue to reduce the cost of medical care for patients, provide reasonably priced drugs, and improve access to health care on all fronts.

3.3.1. Customer Service Management

RemeGen attaches great importance to customer service management. Based on the principle of customer satisfaction, RemeGen improves customer complaint channels and adverse drug reaction reporting mechanism to provide customers with better and more efficient services and make every effort to satisfy customer needs and protect customer rights.

Handling of Adverse Reaction Reports

To improve relevant compliance documents and establish a pharmacovigilance system centered on patient safety, RemeGen has established a drug safety committee, which is responsible for the management of major risk studies, disposal of major or emergency drug incidents, risk control decisions and other major matters related to pharmacovigilance to ensure proper handling of incidents. Based on the requirements of the *Good Pharmacovigilance Practice* (GVP), the Company has formulated the *Post-marketing Drug Safety Information Reporting Management System*, actively carried out the collection, investigation, evaluation, analysis and handling of information on adverse drug reactions, set up various channels for information collection and feedback, and stipulated that all employees of the Company have the obligation to detect and report suspected adverse reactions of the Company's marketing products to the pharmacovigilance department.

Adverse Drug Reaction Information Collection and Handling Process

- A dedicated staff in the marketing centre department is responsible for answering the after-sales hotline, and sales staff are responsible for receiving reports of suspected adverse reactions from doctors, pharmacists, patients or partners;
- Any employee of the Company who collects a suspected adverse reaction to the Company's products through any means should report it to the pharmacovigilance department within 24 hours;
- Upon receipt of the report, the pharmacovigilance department will enter the report in the database, analyse it, and report it to the regulatory authorities in accordance with national regulations;
- If additional information is needed in the analysis of the report, the pharmacovigilance department will send a follow-up survey to the reporter.

In addition, RemeGen attaches importance to drug safety risk management and has formulated the Standard Operating Procedures for Risk Communication, which stipulates that when a product is found to have a safety risk that significantly affects the health of patients or the public, emergency communication such as letters to medical personnel, tips on safe use of drugs by patients, as well as announcements and conferences are used to communicate with doctors and patients about product risks; In other cases, risk communication with medical staff, patients, and the public is conducted through non-emergency means such as routine instructional sheet updates, patient education, and physician education to further reduce medication risks and ensure patient medication safety.

In 2022, the Company received 486 initial safety case reports, all of which have been recorded, reported, analysed and evaluated in accordance with regulatory and supervisory requirements.

Complaint Handling

RemeGen takes the initiative to listen to customers' expectations and demands, and establishes efficient and smooth feedback channels to ensure that customers' opinions can be properly resolved. The Company has set up a telephone commissioner to receive complaints and classify their contents for preliminary determination[8], and different complaint categories are assigned to the corresponding professional departments for targeted handling in a specific manner, which undertakes to handle the results within the prescribed time limit to ensure that consumer complaints can be responded to in a timely and effective manner. The Company reviews the quality complaints every year, summarizes the incidence and seriousness of various types of complaints, analyses the root causes of repeated complaints, and formulates corrective and preventive measures according to the analysis. In addition, we conduct regular training and assessment for our professional team to strengthen the professional skills and management capabilities of our staff.

In 2022, the Company received one customer complaint, which was investigated and evaluated to be not due to product quality, and responded to the customer in writing and continued to follow up on customer feedback to protect the rights of consumers.

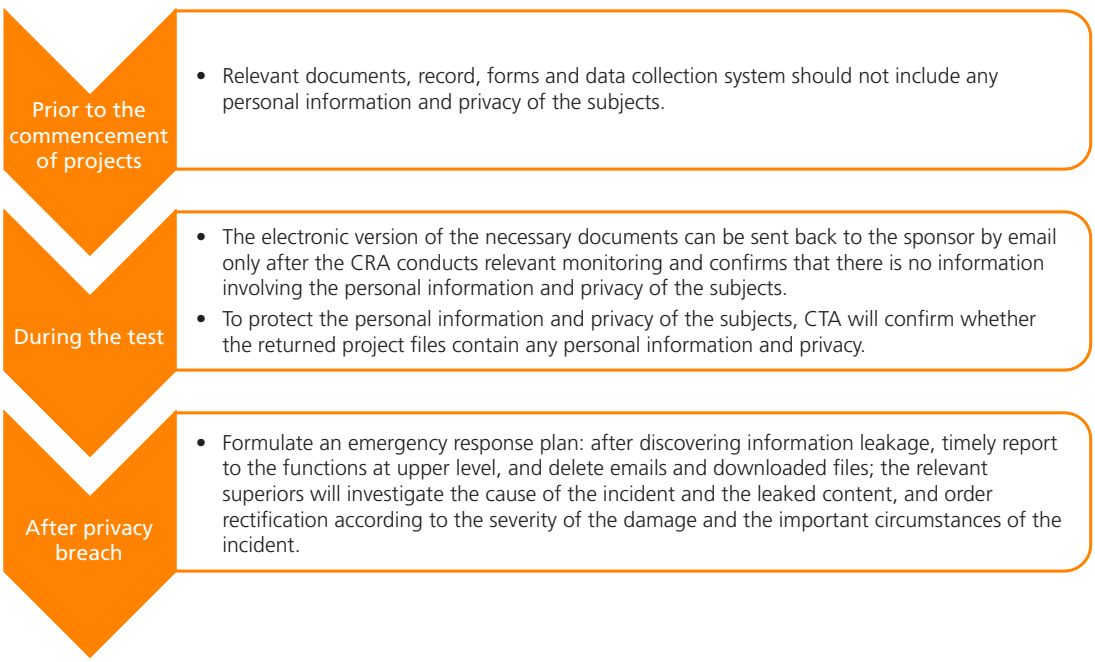
[8] Product complaints include quality complaints, non-quality complaints, medical complaints and inquiries.

3.3.2. Protection of Customer Privacy

Based on the basic principle of respecting customer privacy, RemeGen makes continuous efforts to strengthen information security management and privacy protection capabilities, strictly abides by the *Personal Information Protection Law of the People's Republic of China*, the *Consumer Rights Protection Law of the People's Republic of China* and other laws and regulations, and strictly implements the *Administrative Regulations on Commercial Customer Management*, the *Administrative Regulations on Customer Files*, the *Regulations on the Confidentiality of Secret-Related Meetings*, the *Administrative Measures for Secret-Related Areas*, the *Administrative Regulations on Data Security* and other internal documents, constraining the privacy management process at the institutional level, for the purpose of ensuring that customer data and information are protected in a systematic and organised manner.

To guard against privacy breach, the Company also attaches great importance to the management of trade secrets, clarifies the functions of relevant positions and the scope of the Company's trade secrets, strengthens accountability for incidents, and adjusts the process requirements for the transfer of trade secret carriers within and across departments, and to third parties, while actively providing technical solutions in respect of the risk of loss through mobile trade secret carriers, and trying our best to reduce and avoid the risk of trade secret leakage.

To further strengthen the protection of subjects' personal information and privacy security, RemeGen has established the *Standard Operating Procedures for Subject Privacy and Data Confidentiality*, requiring employees to protect subjects' privacy during clinical trials, and comprehensively preventing the leakage of data and privacy of the subjects. Meanwhile, the Company formulates internal system documents such as the *Researcher Folder Monitoring*, the *Project Document Management*, the *IWRS and EDC System Testing and Release*, and implements all-round process constraints prior to the commencement of projects, during the test process, and after any privacy leakage event, thus fully protecting the personal information of the subjects.



RemeGen also places emphasis on the management of authority of information access, refining the rights of internal employees at all levels to access and review customer information. The Company also protects the privacy and security of customers with the assistance of technologies, and uses the Wetrial clinical trial management system in the clinical process to realize the automatic management of clinical trial information, role responsibilities, and authority.

3.3.3. Access to Medicines

Adhering to the vision of "become a leading world-class bio-pharmaceutical company in both China and the world", RemeGen has created new biological drugs with great clinical value in the fields of autoimmunity, tumors, ophthalmology and for other major diseases, as part of its commitment to meeting the needs of all human beings to resist diseases. In addition, with the aim of bringing benefit to more patients and enriching our medical services, and adhering to a strong sense of social mission and responsibility, since the beginning of product commercialization, we have been committed to improving the accessibility of drugs, developing high-quality products that are effective and have pharmacoeconomic benefits on the basis of progress in drugs and technology, and expanding the survival period and enhancing the quality of life of patients.

Pricing of drugs

RemeGen strictly follows the Drug Administration Law of the *People's Republic of China*, the *Pricing Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other relevant laws and regulations, sets the price of drugs based on the principle of fairness, reasonableness, honesty and credit, and the alignment between quality and price, and actively cooperates with relevant national departments in the negotiation of medical insurance prices to provide drug users with drugs at reasonable prices. In the post-launch sales process of drugs, we strictly abide by the regulations on drug price management promulgated by the State Council's drug price regulatory authority, cooperate with relevant parties to supervise and monitor drug prices in various locations, such as the operation places of drug dealers and medical institutions, while endeavoring to eliminate profiteering, price monopoly and fraud, price gouging and other practices, with a view to ensuring that all provinces, autonomous regions, and municipalities directly under the central government implement uniform prices, and that the drug prices remain stable.

The Company also actively participates in the application for the adjustment of the National Reimbursement Drug List, and negotiates on the payment standard of medical insurance through "face-to-face" negotiations with negotiators organized by the National Medical Insurance Bureau. Through these initiatives, we meet the needs of clinical treatment and patients' needs for innovative biological drugs, and greatly reduces the economic burden of medication for patients. In addition, the Company follows the "price confidentiality mechanism" of the National Medical Insurance Administration, and the principle of "price confidentiality" based on the Company's overseas development plan and the common practice of global pharmaceutical companies, while medical institutions would guarantee patients' right to know the prices of drugs, and provide the price list of the drugs prescribed to the patients.

Case: Disitamab Vedotin was included in the National Reimbursement Drug List

Disitamab Vedotin (RC48) (爱地希®), independently developed by RemeGen successfully entered the National Reimbursement Drug List in the year it was launched, and was the first antibody-drug conjugate (ADC) included in the National Reimbursement Drug List, further improving the access to the drug.

With the implementation of the medical insurance policy, Disitamab Vedotin further penetrated into the downstream market. In 2022, an addition of 82 prefecture-level cities and 744 hospitals were included in the National Reimbursement coverage of Disitamab Vedotin, and during the reporting period, the number of prefecture-level cities where Disitamab Vedotin is covered reached 241, accounting for 84% of the total number of prefecture-level cities in the country; the number of hospitals covered reached 1,419, and the drug has been admitted into 472 hospitals.

Logistics guarantee

RemeGen continues to improve its drug supply capacity, and strictly abides by the *Drug Administration Law of the People's Republic of China* to ensure the production and stable supply of drugs. The Company's product transportation relies on well-known domestic pharmaceutical cold chain transportation companies. We regularly conduct quality audits on logistics transportation companies and transportation verification of their finished product transportation methods. To ensure meeting the needs for timely and efficient delivery across the country, we require such companies to pass the audit and transportation verification as a requisite for being engaged for the transportation of finished drugs.

Medical support for underdeveloped countries and regions

We spare no effort to provide drug and technical support to underdeveloped countries and regions, help local entities improve drug production and R&D capabilities, strengthen international cooperation and exchanges, and build an immune barrier for people around the world.

RemeGen continuously strengthened the building-up of expert management system, completed the establishment of the national core expert platform in the breast field and the PRaG radiotherapy innovation platform in China, improved the management level of regional key experts, maintained regular visits, and accurately and timely delivered products and tumor fields to key experts. Professional answers and support have also been provided to experts on relevant medical needs and questions, realising all-round technical exchange and improvement.

Projects and activities participated by RemeGen in 2022

- Established national brand programmes such as "Exploration and Discovery", "National Innovation Glory", and "RemeGen Connect" in respect of Disitamab Vedotin;
- Carried out 907 national and regional related market activities, involving more than 2,000 key hospitals in the breast field across the country, covering more than 3,000 core experts, 95 third-party conference brand promotions, and attracting more than 150,000 audiences;
- Completed the pilot programme of "China Antibody Conjugated Drug Infusion Center (ADCIC)" ADC drug infusion and education management process in Jiangsu Cancer Hospital, the first of its kind in China, which was sponsored by the Department of Medical Administration and Medical Administration of the Health and Medical Commission, the CSCO Patient Management Committee, and undertaken by RemeGen;
- Completed the demand demonstration of ADC drugs in the field of gynecological tumors and radiotherapy, and led the exploration of ADC drug innovation in China.

In addition, we actively participated in external academic activities in the market, joined industry associations, carried out industry exchanges, formulated industry standards, and comprehensively enhanced our capability in research and development. In 2022, RemeGen participated in the annual meetings of the Breast Cancer Special Committee of the Chinese Anti-Cancer Association, the Breast Cancer Special Committee of the Chinese Society of Clinical Oncology, the National Cancer Center, the International Exchange Society of the Chinese Anti-Cancer Association, and the Beijing Breast Disease Prevention Society; participated in preparation of the *Expert Consensus on the Clinical Application of Antibody-Drug Conjugates in the Treatment of Malignant Tumors 2022*, the *Chinese Expert Consensus on Interdisciplinary Safety Management of Antibody-Drug Conjugate 2022*, the *Chinese Expert Consensus on Safety Management of Antibody-Drug Conjugates in Breast Cancer 2022*, the *CSCO BC Guidelines* and other consensus and guideline formulation and national tour lectures on the clinical application of ADC drugs; participated in 95 national third-party conferences, and organised special events to publicize the new progress in the clinical application of Disitamab Vedotin.

4. SAFETY AND ENVIRONMENTAL PROTECTION

RemeGen actively responds to the national strategy of promoting ecological civilization and environmental protection, implements the environmental management system, follows strict requirements for its own initiatives, consolidates health and safety work, and practice the green concept throughout the office operation process to provide a solid guarantee for the Company's sustainable and stable development.

4.1. OPERATION WITH SAFETY

RemeGen has established a complete safety management system, implemented the safety production responsibility system, continued to promote the building of corporate safety culture, and improved the level of safety management.

4.1.1. Safety Management System

RemeGen strictly observes national laws and regulations such as the *Safety Production Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. We formulated and issued 7 internal safety management systems, including the *Gas Cylinder Safety Management Regulations*, the *Safety Management Regulations on the use of Elevator and Lift*, and revised 14 internal management policies, including the *Safety Responsibility System*, the *Production Safety Accident Emergency Management System*, the *Safety Production Assessment and Reward and Punishment System*, continuously improve the safety management system, enhance the safety production awareness of our employees, and create a safe and healthy working atmosphere.

Following the internal systems such as the *EHS Internal Audit Control Procedures*, the Company has established an Environmental Health and Safety (EHS) Committee, which is responsible for overall planning, and has established two secondary departments under the Safety and Environmental Protection Department, namely the Safety Division and the Environmental Protection Division, deploys full-time safety production management personnel and part-time EHS management personnel with expert backgrounds at the national, municipal and district levels, to ensure that professional issues are handled by professionals. In addition, we regularly organise internal and external audits of the occupational health and safety management system, and formulate and implement prevention and correction plans based on the audit results. In 2022, the Company obtained the ISO 45001 occupational health and safety management system certification.

Image: EHS Governance Structure


职业健康安全管理体系认证证书

荣昌生物制药（烟台）股份有限公司

GB/T 45001-2020/ISO 45001:2018

SEATONE 世通国际认证

Image: ISO 45001 Occupational Health and Safety Management System Certification

4.1.2. Safety Management Initiatives

RemeGen always puts the safety and health of employees first, and implements safety precautions through identification of safety risks and regular inspections to ensure that our safety production goals are achieved. In 2022, the Company invested RMB3.876 million in safety production, and no production safety accident was recorded.

Safety Risk Management

RemeGen has put in place a sound safety risk management system, further improves the level of safety production management, and effectively prevents the risks of various safety accidents. In 2022, the Company organised on-site safety risk identification and evaluation for newly renovated areas. For special operations involving high risks, the Company conducts whole-process supervision and management through various measures, such as operation certificate review, plan review, on-site confirmation, operation approval, and operation prevention, with the aim of raising the level of safety risk prevention and control.

Chemical Safety Management

The Company revised the *Hazardous Chemicals Management System*, refined the responsibilities of each department, and put forward higher requirements for the management of hazardous chemicals in general inspection, procurement, transportation, acceptance, storage, loading and unloading, and daily inspection. We have also updated our *Chemical General Form* to comprehensively guarantee the safety of hazardous chemicals in storage, production, and disposal, and minimise the safety risks of hazardous chemicals.

During the Reporting Period, we successfully passed the acceptance of the third-level standard of hazardous chemical safety standardisation.

Safety Inspection

RemeGen has formulated the *Safety Diagnosis Work Implementation Plan* and established a safety diagnosis activity leading group. By formulating a detailed safety inspection implementation plan, it will diagnose the Company's safety management system building-up and on-site safety management, and improve the on-site safety management level.

We combine daily safety inspections with major inspections, and adopt the inspection method featuring inspection by project engineers as the pillar, supplemented by the management personnel of the Safety and Environmental Protection Department and the Planning and Construction Office. Through daily safety inspections, special safety inspections, monthly safety inspections, and holiday safety inspections, we obtain comprehensive information on implementation of risk management and control measures and effectively guarantee the safety development of construction projects. Meanwhile, based on the Company's actual operational needs, we organised activities such as the "Safe Production Red Armband Action", "Safe Production Microscope Action", "Safe Production Hero List Action" and "Safe Production Volunteer Action" to comprehensively investigate hidden dangers on site and build a healthy and safe working environment.

In order to strengthen the safety protection of important places, we upgraded the intelligent detection and early warning, completed the monitoring and visitor system development covering the functions of fire alarm system, gas alarm system, confined space system, etc. We also leverage on the information comprehensive platform for real-time safety monitoring and early warning for dangerous chemical warehouse, special gas room, confined space, fire protection, road traffic, sewage station and other important places, thus providing strong technical support for safety managers.

During the Reporting Period, we identified more than 260 potential safety hazards, and the rectification rate reached 100%, ensuring that all risks are under control.

Emergency Safety Management

RemeGen has formulated the *Emergency Plan for Production Safety Accidents* and *Special Emergency Plan for Natural Disasters*, covering special emergency plans for fire accidents, special emergency plans for confined space operation accidents, on-site disposal plans for hazardous chemical leakage accidents, etc., to strengthen emergency response capacity and to protect the safety and health of employees. In order to improve emergency response capabilities, the Company has established a voluntary emergency rescue team and conducts emergency drills for various incidents on a regular basis. In 2022, the Company organised a total of 40 safety emergency drills, with 1,286 employees participating in the events.

Case: Unannounced fire accident safety emergency drill

In order to improve the safety production awareness and fire prevention capabilities of the employees in the preparation workshop, RemeGen organised an unannounced emergency drill for fire accidents in the factory workshop on June 20, 2022. This fire emergency drill made employees fully aware of the necessity of safe production, fire prevention and firefighting, and exercised their emergency rescue and evacuation capabilities.

Case: Hazardous waste warehouse leak emergency drill

On July 22, 2022, the Company launched a hazardous waste warehouse leakage emergency drill with the participation of all employees. This drill helped employees understand the emergency treatment process for hazardous waste leakage accidents, and improved their emergency awareness and skills.

Fire extinguisher operation training and drill

Cardiopulmonary resuscitation training and operation assessment

Positive pressure self-contained air breathing apparatus training and operation drill

Third-party personnel safety management:

RemeGen continues to improve the safety management capabilities of third-party personnel on site, and signs *Safety Management Agreement* with contractors, conducts annual safety management system audits for all contractors, guides contractors to improve the building-up of safety management systems, and evaluates the overall performance of contractors, carries out evaluation and scoring, reward based on merit and make punishment for poor performance, and continuously enhances the level of safety management. In 2022, all contractors had signed the *Safety Management Agreement*.

In addition, we strictly follow the requirements of the Company's rules and regulations, and provide safety education for all new third-party personnel entering the factory. In 2022, the Company held four special safety education sessions for third-party personnel. The training covered *Building-up of Safety Management System of Constructors*, *Special Operation Safety Management Regulations*, *Accident Warning Education*, *Typical Hidden Hazards and Prevention in Daily Inspection*, etc., effectively enhancing the safety awareness of third-party personnel on site.

4.1.3. Development of Safety Culture

RemeGen attaches great importance to the fostering of safety culture, actively carries out safety production publicity, education and training activities, effectively improves the quality of safety culture of all employees, and provides a safe environment for the Company's stable production and harmonious development. In 2022, total safety training reached 358 hours.

Safety Awareness Promotion

We carried out safety production month activities, organised safety culture promotion, safety works, safety fun activities and knowledge contests and other activities to improve employees' safety awareness, and enhanced their safety skills through entertainment and education.

Case: Fun Games on Safety 2022

On June 22, 2022, the Company organised the "Fun Games on Safety 2022", and a total of 48 employees participated in the event. This activity was composed of three parts: "Safety Signs 101", "Safety Equipment 101", and "Mastering of First-aid Skills". Through the funny and interesting competition, the safety awareness of the participating employees was improved, and the safety development of the park was further promoted.

Case: Safety Knowledge Competition

On June 27, 2022, RemeGen launched a safety knowledge competition, which included safety, environmental protection, first aid, fire protection and other safety knowledge. The purpose of this activity was to improve and strengthen employees' awareness of safety protection through competition.

Safety Training

We continue to improve the safety training system, actively organise internal safety training, effectively improve employees' safety and health awareness, and promote their physical and mental health.

Training on occupational health knowledge	• The training covers occupational health knowledge, occupational disease hazards, occupational hazard factors, occupational health monitoring and use of labour protection equipment.
Training on first-aid knowledge	• The training covers trauma hemostasis and fracture dressing and transfer, cardiopulmonary resuscitation, Heimlich method first aid, first aid for electric shock, drowning, heat stroke and shock, acute poisoning and allergy treatment and other first aid knowledge.
Training on special operation	• The training covers the main changes in the new standards, general management requirements and personnel responsibilities, safety management requirements for special work tickets, special operation introduction and operation requirements, accident cases, laws and regulations, etc.
Training on confined space	• The training covers basic knowledge of confined space, accident cases, operation requirements, emergency response, relevant laws, rules, and regulations, etc.
Training on "Four Do-not-harms" and "being the primary responsible person"	• The training covers tips on fulfilling your duties and be the primary responsible person, the content of "Four Do-not-harms", watching warning educational videos, etc.
Training on hazardous chemicals	• The training covers the basic knowledge and hazardous characteristics of hazardous chemicals, "safety specifications and safety labels" of hazardous chemicals, as well as safety control measures and emergency response measures in respect of hazardous chemicals.

We also actively participate in external training activities and maintain close communication and exchanges with various parties in the industry. In 2022, the Company participated in the *Pharmaceutical and Fine Chemical Reaction Safety Technology Exchange Seminar* organised by the Pharmaceutical and Chemical Professional Committee of the China Chemical Enterprise Management Association; *Confined Space Operations* and *Interpretation of Special Operation Safety Regulations* organised by the Emergency Management Bureau; and training activities such as answering questions on hot issues, such as *Safety Specifications for Special Operations of Hazardous Chemical Enterprises* implemented by the China Chemical Safety Association.

4.2. GREEN PRACTICE

RemeGen actively implements the concept of green operation, establishes and improves the environmental management system, strictly implements various energy-saving and emission-reduction measures, deeply integrates the concept of green and low-carbon into all aspects of production and operation, and continuously improves the level of environmental management as well as the efficiency of energy resource use, with the aim of achieving continuous improvement in environmental performance.

4.2.1. Management of Climate Risks

With reference to the framework and recommendations of TCFD (Task Force on Climate-related Financial Disclosures), RemeGen identifies and analyses the financial implications of climate change and its potential impact and opportunities on the operations and development strategies of the Company.

Table: Transition Risks of Climate Change

Risk Category	Risk Description
Policy and legal risks	• International and domestic regulatory authorities and the capital market rating Indicators have continuously increased the disclosure requirements of corporate environment-related data. If the environmental data is not disclosed as required, the Company will be exposed to compliance risks from the regulatory authorities; • For the purpose of controlling of heavily polluted weather, the environmental protection department may require some suppliers to suspend or limit production control measures, which may affect the ability of suppliers to deliver relevant raw materials on time, and may result in a decline in the operating income of the Company.

Risk Category	Risk Description
Technical risks	• In response to the national carbon peaking and carbon neutrality goals, the Company needs to increase the related costs of green chemical technology research, which may lead to an increase in the Company's operating costs.
Market risks	• Customer demand may change in the context of pursuing the national carbon peaking and carbon neutrality goals. Failure of the Company to respond to customer demand in a timely manner will lead to loss of revenue and market share; • Climate change may lead to the emergence of new diseases and changes in consumer demand for drugs or other pharmaceutical products; • Extreme weather may cause a decrease in the quantity/quality of raw materials used in the pharmaceutical production, which may lead to an increase in raw material costs in the upstream market and increase the Company's operating costs.
Reputation risks	• Under the background of widespread concern about climate change, the Company's low-carbon transition work has received close attention from stakeholders such as regulators, investors, customers and the public. Failure to carry out low-carbon transition work in a timely and effective manner and accurately disclose environmental-related data will have a negative impact on the Company's public image and result in a loss of revenue.

Table: Physical Risks of Climate Change

Risk Category		Risk Description
Acute risks	Typhoon	• Destroying existing equipment and facilities, threatening the safety of employees; • Suppliers may fail to deliver on time, resulting in business interruption, which further leads to a decrease in the Company's operating income.
	Extreme precipitation, floods	• Destroying existing equipment and facilities, threatening the safety of employees; • Suppliers may fail to deliver on time, resulting in business interruption, which further leads to a decrease in the Company's operating income.
Chronic risks	Global warming	• Climate warming may cause a shortage of upstream energy and raw materials, which in turn will lead to increased operating costs.
	Sea level rise	• Destroying existing facilities and equipment, threatening the safety of employees; • Suppliers may fail to deliver on time, resulting in business interruption, which further leads to a decrease in the Company's operating income.

4.2.2. Environmental Management System

On the basis of complying with the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations, RemeGen has established its own environmental management system and established a green factory management committee to continuously improve the Company's green development capabilities through clean production and technological transformation. To ensure the effectiveness of the environmental management system, we carry out internal and external environmental audits on a regular basis, conduct timely analysis of the causes of non-conformities identified in the audit process, formulate corrective and preventive measures, and complete rectification as appropriate. In 2022, RemeGen has passed the ISO 14001 environmental management system certification, and has won various awards, such as the title of "Green Factory of Yantai".

Image: ISO 14001 Environmental Management System Certification

Image: Green Factory of Yantai

To avoid environmental pollution incidents, we have set up a three-level emergency response process for possible environmental pollution incidents, and implemented response upgrades based on the type and severity of the accident. In 2022, RemeGen did not record any environmental pollution incidents.

4.2.3. Emission Management

RemeGen abides by laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, and strictly manages the discharge of waste gas, wastewater and solid waste in production and operation, minimise the impact of production and operation on the surrounding ecological environment, and achieve the goal of harmonious coexistence with the environment.

Carbon emission reduction target of RemeGen

- Exhaust gas: by 2023, emissions of sulfur dioxide, particulate matter, nitrogen oxides, and VOCs will decrease by 2%;
- Wastewater: In 2023, the chemical oxygen demand and ammonia nitrogen discharge of wastewater will decrease by 2%, and the compliance rate of wastewater discharge will continue to maintain at 100%.

- **Exhaust Gas emissions**

  The major pollutants in the Company's exhaust gas emissions are volatile organic compounds (VOCs). We strictly abide by the relevant standards of exhaust gas emission in the places where we operate, update our self-monitoring plan in a timely manner according to the requirements of the pollutant discharge permit, and engage a third party to carry out pollutant monitoring in a timely manner according to the monitoring plan to ensure that the emissions meet the standards.

  For the antibody building, we have installed an activated carbon adsorption device at the end of the exhaust pipe for waste gas treatment in accordance with the requirements of the environmental impact assessment, and regularly replace the adsorption medium in accordance with relevant requirements. For volatile solvents generated in laboratories and production workshops, we install professional treatment devices and identify characteristic pollutants based on the process flow, and engage a third party to conduct inspections regularly in accordance with the self-monitoring plan for pollutant discharge permits. For waste gas generated from hazardous waste rooms, we installed professional adsorption devices to ensure the discharge of waste gas in compliance with regulations. For waste gas generated from sewage stations, we upgraded the disposal process and changed the original lye spray + UV photolysis process to a two-stage process including spray of lye spray + sodium hypochlorite spray, ensuring that the odor discharged from the sewage station meets relevant standards.

Table: Exhaust Gas Emissions

Indicators	Unit	2021	2022
Exhaust gas emissions in total	cubic meter(s)	168,906,000.00	193,042,800.00
VOCs	tonne(s)	0.23	0.14

- **Discharge of wastewater**

  The wastewater of RemeGen is mainly cell activity wastewater and cleaning wastewater. In 2022, we continued to improve the treatment processes, such as the reclaimed water reuse pipe network and protein purification process wastewater, to reduce the discharge of wastewater to the environment.

The Company upgraded the original reclaimed water reuse pipe network, and added a sewage cleaning and diversion system in the park, which reduced the load of sewage treatment on the basis of meeting the needs of boilers. In addition, we upgraded and retrofitted the sewage station in the park, and expanded the treatment capacity from 600m³/day to the maximum treatment capacity of 3,000m³/day by using the combination of contact oxidation process and air suspension blower, so as to reduce costs, enhance efficiency and achieve the goal of reducing environmental pollution.

Table: Wastewater Emissions

Indicators	Unit	2021	2022
Wastewater emissions in total[9]	tonne(s)	187,229.00	96,792.00
COD	tonne(s)	15.56	13.53
Ammonia nitrogen	tonne(s)	1.76	1.78

- **Discharge of waste**

RemeGen adheres to the principle of minimizing, recycling and hazard-free, updates the hazardous waste treatment process, and standardises the solid waste storage, transfer and disposal process.

Every year, RemeGen signs hazardous waste disposal contract with the third-party processing entity, formulates a hazardous waste management plan for the next year, and files and generates a transfer plan on the hazardous waste management platform. The Company has deployed special personnel to receive the hazardous waste generated by each department at a fixed time every day, and clean up and transport the hazardous waste in a timely manner. We count the hazardous waste ledger every month and report to the hazardous waste management platform. In order to reduce the generation of hazardous waste, we have also increased the nanofiltration capacity of the Merck membrane bag to 2,800-3,000g/m² through process exploration, improved the utilisation rate of the membrane bag, and reduced the use of the membrane bag, thereby reducing the discharge of hazardous waste.

For the purpose of reducing the generation of non-hazardous waste, the Company changed the purification rods of the internal water purifier from once a year to replacement according to the water intake and water quality testing to reduce the generation of waste purification rods. In addition, we actively explore the reuse of materials such as QK96 orifice plates and printer ribbons to reduce waste generation from the source.

[9] The reason for the decrease of wastewater emissions volume in 2022 was that the online monitoring equipment for wastewater emissions of biological company was installed at the main sewage outfall of the park, so the displayed data only reflected the wastewater volume of the biological company and did not include the water volume of other companies.

Table: Hazardous Waste[10] Emissions

Indicators	Unit	2021	2022
Hazardous waste emissions in total	tonne(s)	77.74	125.87
Density of hazardous waste emissions[11]	tonnes/revenue of RMB ten thousand	0.00055	0.0016

Table: Non-hazardous Waste[12] Emissions

Indicators	Unit	2021	2022
Non-hazardous waste emissions in total	tonne(s)	17.30	25.20
Density of non-hazardous waste emissions[13]	Tonne(s)/revenue of RMB ten thousand	0.00012	0.00033

4.2.4. Resources Management

Adhering to the principal of "innovation, coordination, green, and sharing", the Company continues to improve its own resource management and promotes sustainable development from various aspects, such as water resource management, setting GHG targets, and reducing packaging materials.

- **Energy management**

  The Company strictly abides by the *Energy Conservation Law of the People's Republic of China*, formulated internal energy management systems such as the *Energy Management Manual*, *Electricity Conservation and Water Conservation Management System*, determines the Company's overall energy management strategy, actively carries out energy-saving technological transformation, and constantly explores higher energy efficiency and perform our corporate responsibilities for slowing down global warming. During the Reporting Period, we passed the ISO 50001 energy management system certification.

Energy saving target of RemeGen

- Achieving the goal of continuously reducing the comprehensive energy consumption per unit of product by 2% by the years 2025 and 2035.

[10] Hazardous waste includes waste lamps, used batteries, electronic waste, hazardous waste from laboratories, etc.

[11] Density of hazardous waste emissions = total amount of hazardous waste emissions during the year/the operating revenue of the Company for the year

[12] Non-hazardous waste includes kitchen waste, household waste, production waste, etc.

[13] Density of non-hazardous waste emissions = total amount of now-hazardous waste emissions during the year/the operating revenue of the Company for the year

To better monitor energy use and improve energy use, the Company has established an energy management system and a special statistical ledger to record the use of electricity, natural gas, gasoline and other resources and to promote scientific management. The Company has also carried out energy-saving technical reforms for the processes, equipment and processes in production and operation, and has been continuously improving its energy utilisation.

Major progress in RemeGen's energy-saving technological transformation in 2022

- A radar sensor design was adopted for the basement garbage lighting, which was adjusted to a low power mode when there is no human or vehicle activity and it is estimated to save RMB3,000 in electricity bills per year.
- Changing the sterilization formula of the sterilizer and optimising the sterilization process of the sterilizer will shorten the time for sterilization to 15 minutes or 20 minutes, and it is estimated that 200 tonnes of pure steam can be saved every month.
- Retrofitting the refrigerator, using fan coil unit or surface cooling to cool down in hot summer season, and using the cold air from external environment to cool down in transitional season and winter, saving about RMB16,200 in electricity costs every year.
- The new fresh air system adopts heat pipe recovery design, and the annual heat recovery rate can reach 20%.
- The condensed water generated by the steam in the production process, the injection water, the unqualified discharge water, and the discharge water after purified water sterilization are recycled and reused. The recycling rate reaches 80%, which further saves the consumption of natural gas.

RemeGen actively responds to the low-carbon strategy of the country, vigorously promotes the use of clean energy within the Company, reduces the use of non-renewable energy, and optimises its energy structure. We use ground source heat pumps as the main cooling and heating energy supply system of the Company's air-conditioning system. By leveraging on the constant temperature of the underground soil for energy exchange, we can reduce the power consumption of refrigeration equipment and the use of refrigerants, thereby reducing the emission of harmful gases such as carbon dioxide. When comparing with the cold and heat source production mode of boiler heating and water-cooled chiller combination, the ground source heat pump system can achieve 60% energy saving. We also use air-cooled chillers and open cooling towers for cooling and replacement between buildings, and reduce the use of refrigeration and cooling equipment, reducing energy consumption, minimising the use of refrigerants and GHG emissions, and achieves saving energy consumption of up to 30%.

Table: Energy Consumption

Indicators	Unit	2021	2022
Purchased electricity	kWh	36,344,609.00	44,574,702.80
Purchased heat	MkJ	83,596.55	125,868.86
Comprehensive energy consumption	tce	7,344.83	9,877.56
Comprehensive energy consumption intensity[14]	tce/revenue of RMB ten thousand	0.05	0.13

- **GHG Management**

The Company sets GHG emission reduction targets, improves its energy structure, speeds up low-carbon transformation, and reduces GHG emissions in the production process.

Carbon emission reduction target of RemeGen

- 2020-2025: On the premises of constraining the increase in total GHG emissions, carbon dioxide emissions will be reduced by 0.6% per year, and the goal of reducing total emissions by 3.1% compared with that of 2020 will be achieved by 2025.
- 2025-2030: Carbon dioxide emissions will be reduced by 0.4% per year, and the goal of reducing total emissions by 3% will be achieved by 2035.

Table: GHG[15] Emissions

Indicators	Unit	2021	2022
Scope 1 Direct GHG Emissions	tonne(s) of CO_2e	0	0
Scope 2 Indirect GHG Emissions	tonne(s) of CO_2e	22,183.04	39,551.55
Total GHG Emissions	tonne(s) of CO_2e	22,183.04	39,551.55
GHG emissions intensity[16]	tonne(s) of CO_2e/ revenue of RMB ten thousand	0.16	0.52

[14] The comprehensive energy consumption is calculated based on the *General Principles for Calculation of Comprehensive Energy Consumption* (GB/T 2589-2020), which is directly converted from electricity consumption, purchased heat and other energy usage. Comprehensive energy consumption intensity = total comprehensive energy consumption for the year/the Company's operating revenue for the year.

[15] Scope 2 greenhouse gas emissions came from the use of purchased electricity and purchased heat. GHG emissions are measured by carbon dioxide equivalents, and the GHG accounting is based on the *Guidance for Accounting and Reporting Corporate GHG Emissions in Power Generation Facilities (2022 Revision)* published by the Ministry of Ecology and Environment and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories published by the Intergovernmental Panel on Climate Change (IPCC).

[16] GHG emissions intensity = total amount of GHG emissions during the year/the operating revenue of the Company for the year.

- **Water resource management**

  RemeGen strictly abides by the Water Law of the People's Republic of China and other national laws and regulations, and has formulated internal water resources management systems such as the "Water Measurement Management System", while carrying out water-saving technological innovations in various processes of production and operation to reduce wasting of water.

  In 2022, we carried out a series of initiatives to optimise water-saving process.

Retrofitting to save water	• Optimise the cleaning process of the freeze dryer, reduce the time used for cleaning, and it is expected to save 8 tonnes of water per batch; • Adjust the water output of the pneumatic valve of the washbasin in the clean area, and it is expected to save about 1 liter of water per person each time; • Reduce the consumption of water for injection and improve the supply capacity of water for injection; • Increase the temperature of the purified water distribution system to reduce the consumption of chilled water.
Water recycling	• Reclaimed water (first-class concentrated water) is recycled and supplied to the cooling tower and process chilled water system through reverse osmosis treatment, and about 20,000 tons of reclaimed water can be recycled per month.

Table: Consumption of Water

Indicators	Unit	2021	2022
Consumption of fresh water	tonne(s)	300,600.00	407,176.67
Consumption of reclaimed water	tonne(s)	25,900.00	26,000.00
Water consumption intensity[17]	tonne(s)/revenue of RMB ten thousand	2.11	5.30

[17] Water consumption intensity = freshwater consumption for the year/the Company's operating revenue for the year.

- **Use of Packaging Materials**

  Guided by the principles of "Reduce, Reuse, Recycle and Replace", RemeGen is committed to recycling and reuse of packaging materials and continuously optimizing product packaging, therefore reducing the consumption of packaging materials from the source. In 2022, the Company took the following measures:

  - Pre-estimating the demand for production and packaging for sale and purchasing as needed;
  - Fully using the existing and used blocking and filling materials, foam boxes, ice packs and others in delivering marketing items and reagents;
  - Strengthening skill training of employees to reduce damages to packaging materials caused by improper operation.

  In 2022, RemeGen used a total of 28.5 tonnes of packaging materials, with the intensity of packaging materials per unit amounting to 0.37 kg/revenue of RMB ten thousand.

4.2.5. Green Office

RemeGen advocates the low-carbon concept of green office and stressed on energy conservation, water conservation, paper reduction and green travel. We are committed to creating a low-carbon and green working environment.

By fully leveraging on the enterprise asset management system, we initiated to go digital and paperless to reduce printing and paper waste. Thus, we managed to reduce manpower and management costs and achieved the goal of reducing cost and enhancing efficiency as well.

In the course of daily operation, we encourage our employees to get into the habit of water conservation and post water conservation signs in conspicuous areas, such as washroom and pantry; incandescent light bulbs are replaced with high-efficiency and energy-saving luminaire; public transport tools are encouraged among employees for commuting to reduce the use of private cars and reducing the carbon emission generated from transportation.

5. EMPLOYEE AND COMMUNITY

RemeGen always upholds the people-oriented philosophy in managing its human resources. We are committed to building a fair, impartial and transparent talent management system, and creating a harmonious, inclusive and open workplace. We provide employees with effective rights and interests protection and diverse learning opportunities, enhance their sense of wellbeing and cohesion, and grow together with them. The Company also plays an active role in community and philanthropic activities with an aim of creating RemeGen-featured welfare projects.

5.1. TALENT MANAGEMENT

RemeGen has always prioritized the protection of employees' rights and interests in human resource management. We optimizes our remuneration and benefit management system, highly value the opinions and feedback from each employee and persistently arouse their sense of wellbeing and positive attitude.

5.1.1. Employees' Rights and Interests

RemeGen strictly abides by relevant laws and regulations applicable to the places where it operates, such as the *Labour Law of the People's Republic of China* and *Labour Contract Law of the People's Republic of China*, formulates and refines the *Recruitment and Employment Management Regulations, Resignation Management Regulations, Labour Contract Management Regulations*, *Labour Management Regulations* and other internal systems, through which we can safeguard the legal rights and interests of candidates and employees and fulfill an employer's basic responsibility.

During the recruitment process, we adhere to diversity and inclusiveness, and oppose any form of discrimination in employment, and treat our employees of different genders, nationalities, regions, religious beliefs and cultural backgrounds in a fair and equitable manner. We also strictly abide by the *Law of the People's Republic of China on the Protection of Minors* and other relevant laws and regulations, strictly screen the identity information of employees, strictly prohibit and resist any form of child labour and forced labour.

In 2022, the Company attracted a number of talents through recruitment websites, campus recruitment and recruitment livestream, and expanded the scale of recruitment to promote the employment of local personnel. During the Reporting Period, the Company had a total of 3,332 employees, an increase of 1,250 over 2021, the details of which are as follows:

Table: Composition of RemeGen's Staff

Indicator		Unit	2021	2022
Number of employees in total		Person	2,082	3,332
Number of new employees		Person	974	1,555
Number of employees by category	Contract employees	Person	2,081	3,331
	Part-time/outsourced labour	Person	1	1
Number of employees by gender	Male	Person	924	1,561
	Female	Person	1,158	1,771
Number of employees by age	Below 30	Person	885	1,543
	30-50	Person	1,145	1,740
	Above 50	Person	52	49
Number of employees by rank	Management	Person	105	140
	Mid-level staff	Person	395	604
	General staff	Person	1,582	2,588
Number of employees by geographical region	Chinese mainland	Person	2,046	3,320
	Overseas and China's Hong Kong, Macao and Taiwan	Person	36	12
Employees overall turnover rate		%	19.5	17.7
Employees turnover rate by gender	Male	%	22.6	19.7
	Female	%	17.0	8.5
Employees turnover rate by age	Below 30	%	28.5	8.7
	30-50	%	13.3	8.9
	Above 50	%	3.8	0.1
Employees turnover rate by geographical region	Chinese mainland	%	19.8	17.7
	Overseas and China's Hong Kong, Macao and Taiwan	%	0	0

Case: Grand Recruitment Festival

In 2022, we participated in the "Big Health Grand Recruitment Festival 2022", and was awarded the Big Health Star Employer 2022. By sharing our recruitment information via online livestream, more than 200 positions published on the Company's website attracted tens of thousands followers.

We stepped up efforts in recruitment and thoroughly discovered potential talents to empower the quality growth of the Company. In 2022, we held 19 campus recruitments in 43 colleges and universities with targeted majors. We also took part in 8 recruitment events organized by the governments which were open to overseas top talents, college students and social talents. Meanwhile, we introduced a super referral event whereby more than one hundred resumes were submitted and 18 candidates were successfully granted the offer. School — enterprise cooperation is also one of the characteristics of our talent growth initiatives. Over years, the Company has maintained solid relationships with Binzhou Medical College and Qilu Medical College and entered into relevant internship base development agreements with Weifang Medical College and Qilu College of Science and Engineering, ensuring the supply of talent reserve. During the Reporting Period, the Company recruited more than 1,000 candidates.

In addition, to attract talents, the Company was proactive to carry out talent admission and subsidy application procedures. In 2022, we completed 71 applications for professional title review and 268 applications for category E talent admission.

5.1.2. Talent Benefits

RemeGen continues to improve the remuneration and benefit system, complies with the *Remuneration Management Regulations,* and implements the five principles of multi-track development, performance-oriented, fairness and justice, adjustment to salary with switch of position, and combination of short-term and long-term incentives to enhance the Company's attractiveness to talents.

Table: Five Principles of Remuneration Management System in RemeGen

Multi-track development	Establish a multi-track development path in which the management, professional skills (R&D, function, etc.) and remuneration are equally emphasized
Performance-oriented	Work performance appraisal of employees is linked to performance-oriented salary, year-end bonus as well as salary changes
Fairness and justice	Remuneration is determined based on employees' performance and contribution for in-house fairness and justice

Adjustment to salary with switch of position	Employees' salaries are linked to their positions, duties and responsibilities, and the salary is subject to adjustment with switch of position
Combination of short-term and long-term incentives	Offer share options to employees in certain key positions, taking into account the short-term and long-term interests of employees

In 2022, we consistently refined our appraisal and incentive practices and established a performance-oriented corporate culture in which the appraisal results are associated with salary level and promotion. We also hold the annual staff commendation ceremony to boost employees' work passion. Meanwhile, we also aligned the remuneration level and benefits with those of peers, made targeted adjustment to our in-house remuneration and benefit policy and had preferrable policies for core talents in key positions to enhance the stability of core employees.

In addition to safeguarding employees' entitlement to statutory benefits, we provide them with special benefits, paid leave, lunch allowance and staff apartments to give back their hard work. During the Reporting Period, 100% of our employees are covered by our social insurance.

Table: Staff Benefits in RemeGen

Statutory benefits	• Social insurance: endowment insurance, medical insurance, maternity insurance, unemployment insurance, employment injury insurance • Housing provident fund • Paid annual leave • Statutory leaves for weddings, funerals and childbirth
Company benefits	• Provision of fully-equipped apartments for talents and single employees • Lunch allowance • Commuter and transportation subsidies • Home leave subsidies • Personal accident insurance • Regular employee physical examinations and establishment of employee health records • Exquisite gifts on employees' birthdays • Gifts on festivals • Long-term incentives

In 2022, the Company organized a variety of caring activities for employees, with an accumulative investment of RMB15.7763 million. Such efforts showed our care and solicitude for employees and our commitment to safeguarding the physical and mental health of all employees.

Case: "Preserved Flower DIY" Event on Women's Day

On March 8, 2022, we launched the "Preserved Flower DIY" event for all female employees. During the activity, the kit was used to preserve the fresh booming flowers so that they will never age with time. The event aimed to show the Company's care and appreciation for our female colleagues and enhance their self-recognition and confidence.

Case: "Dragon Boat Race" Event

On the Dragon Boat Festival in 2022, we held a "Dragon Boat Race" event in which all departments were encouraged to independently design and assemble dragon boats, thus embedding our corporate culture into the Dragon Boat Festival activities, and further promoting exchanges and communication among employees and enhancing cohesion.

Case: Baby Essentials for Working Moms

We took the philosophy of diversity and equality into practice and conducted a variety of caring activities for all female staff of the Group, such as purchase baby products for female employees who have given birth.

5.1.3. Communication with Employees

RemeGen places great emphasis on employees' demand and listens to their voice. We set up exchange channels open to their communication and feedback, to truly address their issues. Employee representative meetings, suggestion box and employee democracy evaluation are in place to maintain bilateral exchange and communication.

Table: Employee Communication Channels in RemeGen

Employee representative meeting	Regularly collect major issues related to the employees' vital interests and concerns. The employee representative meeting is held after the labor union committee has reviewed and filed the issues, to fully solicit the opinions from the labor union representatives and the employee representatives. Unanimous decision will be reached and implemented
Suggestion box	Provide internal communication and whistle-blowing channels to make sure the channels are kept open for employees expressing their appeals
Employee democratic evaluations	Fully understand employees' satisfaction, listen to their opinions, and make targeted improvements

In 2022, the Company conducted a research on workplace communication issues, and offered courses of scenario-based simulation exercises such as Effective Communication Skills and Champion Interviewer. Such courses explained the cross-level and cross-department multi- dimensional communication and created the simulant scenarios thereof to enhance the communication efficiency among employees afterwards and adapt to requirements of the position faster.

5.1.4. Occupational Health

The Company has placed great emphasis on employees' occupational health and safety, strictly abided by laws and regulations related to workplace safety, including *Production Safety Law of the People's Republic of China* and *Fire Control Law of the People's Republic of China*, and enhanced the development and implementation of the in-house occupational health and safety management system.

We set up the corporate health management system, under which the Company conducted active and regular identification procedures of workplace hazards causing occupational diseases, clarified the types and amounts of dangerous chemicals as permitted to be used by each department, prepared the *Management and Control Report on Workplace Hazards Causing Occupational Diseases* and implemented a hierarchical management of occupational disease risks. In September 2022, we completed the annual on-site inspection of occupational disease hazards, and all of the sites were qualified. We also filled out the risk control cloud platform in accordance with occupational health hierarchic and classified management requirement. In 2022, RemeGen was awarded various titles including the "Health Enterprise" of Shandong Province and "Health Enterprise" of Yantai City.

During the Reporting Period, there were no any work-related fatalities occurred in the Company, and the medical examinations for occupational diseases covered 100% of our employees.

Table: Occupational Health in RemeGen

Indicator	Unit	2020	2021	2022
Number of work-related fatalities	person	0	0	0
Rate of work-related fatalities	%	0	0	0
Lost days due to work injury	day	–	81	128

5.2. EMPLOYEE GROWTH

RemeGen highlights employees' growth and constantly optimizes the talent growth system under which each employee has a clear-cut route of growth, promotion and career development. We also carried out a serious of all-round and multi-level trainings to fully improve our employees' occupational skills and professional competency.

5.2.1. Employee Promotion

RemeGen persistently improves its promotion evaluation standards and appraisal mechanism, particularly, formulating some in-house systems such as *Provisions on Employee Promotion and Demotion and Personnel Assignment Management* and *Provisions on Management of Employee Performance Evaluation*, in a bid to regulate the promotion path and enhance the development of our talent teams.

In 2022, the Company conducted relevant trainings for newly promoted management, with aim of improving their competence through strengthening their role conversion and recognition, responsibility awareness, communication and working skills. The Company evaluated the training effectiveness based on the response level, learning level and behavior level, arrange excellent trainees to share their learning experiences, and encourage employees to guide their thinking and methods for subsequent work based on what they have learned.

5.2.2. Employee Training

RemeGen made unremitting efforts to improve its in-house training mechanism by setting up dedicated training programme to cater for the training needs of different staff groups and to generally enhance our staff's occupational skills and professional competency.

Table: Employee Training System in RemeGen

<table>
<tr><td rowspan="6">Corporate level</td><td rowspan="4">Talent Pool Plan Leadership Improvement</td><td>Senior management</td><td>Talent pool for key positions (senior-level)</td><td>Leadership, decision making, influence, personalized needs, cultural seminars</td></tr>
<tr><td rowspan="2">Middle management</td><td>Senior managers, directors</td><td rowspan="2">Operation management, team management, understanding and recognition of culture</td></tr>
<tr><td>New managers</td></tr>
<tr><td rowspan="2">Junior management</td><td>Senior supervisors</td><td rowspan="2">Competence, role conversion, self-management, employee supervision, understanding and recognition of culture</td></tr>
<tr><td>New supervisors</td></tr>
<tr><td rowspan="2">General Training Co-cultivation and Internal Transformation</td><td colspan="2">All business departments</td><td rowspan="2">Starting off by solving existing problem, human resource department cooperates with each department to conduct training on our business system on a priority-focused, as-needed and step-by-step basis</td></tr>
<tr><td colspan="2">Competence on core business</td></tr>
<tr><td>Improvement on Professional Quality of All Employees</td><td colspan="2">Learning and improvement mainly targeted at general staff</td><td>Conducting trainings on general skills including employee professionalism, professional etiquette, teamwork and time management</td></tr>
</table>

	New Employee Training during the Probation Period	Headquarter	All department	Analyzing system, optimizing and improving procedures, facilitating integration of new employees
		Expatriates	Beijing, Shanghai	Human resource departments at Beijing and Shanghai organized trainings for new employees, and built a useful course system
		Marketing	Sales and marketing employees	Creating the training system tailored for new hires of marketing Improving training and management system for new hires of sales and marketing
Department Level	Profession/ Position Skills	Employees from the department		Completing trainings on profession and position skills required by the department and pre-job assessment
				Trend on industrial regulation/ system and update on the latest knowledge empowerment
		Development plan for new employees		Position responsibility and working procedure
				Implementing mentor system to provide guidance and experience to new employees
		Improving competence		Integrating quality resources for internal/external sharing, improving competency

In 2022, in order to persistently improve our training procedures and system, the Company conducted a series of training initiatives and result evaluation thereof, mainly including six major aspects: induction training for new employees, general skill improvement, management competence improvement, cultivation of core talents, external training and training for expatriate departments. We also built up an online learning platform by launching our RemeGen Cloud Class. Relying on its online training platform RemeGen Cloud Class, the Company carried out a number of dedicated training sessions and offered our employees knowledge on multi-sectors, livestream and relevant materials. As of the end of the Reporting Period, a total of 2,180 employees participating in our training, recording 1,100 training hours, details of which are set out as below:

Table: Employee Training in RemeGen

Indicator	**Unit**	**2021**	**2022**
Total number of employees participating in training	Person	1,467	2,180
Total training hours	Hour	987	1,100

Indicator		**Unit**	**2021**	**2022**
The percentage of employees trained		%	70.5	65.4
The percentage of employees trained by gender	Male	%	72.1	70.7
	Female	%	69.2	60.8
The percentage of employees trained by title	Management	%	81.9	75.0
	Middle-level employee	%	79.5	128.3
	General employee	%	67.4	50.2
Average training hours per employee trained		Hour	0.47	0.50
Average training hours per employee by gender	Male	Hour	0.58	0.36
	Female	Hour	0.39	0.31
Average training hours per employee by title	Management	Hour	0.13	0.38
	Middle-level employee	Hour	1.25	0.65
	General employee	Hour	0.30	0.25

Case: New Managers' Training Camp — the Second Session of Jingying Program

In 2022, we designed 12 online and offline training courses for newly promoted junior managers, which were structured in four stages, with an average training hours per trainee of 25 hours and an overall satisfaction of each course averaging at 9.66 scores.

Case: Onboard Program for Fresh Graduates

In 2022, we kicked off the first session of Orientation Program for Fresh Graduates, through on-site lectures, group interaction, visits to departments, competency enhancement, result report, etc., to facilitate new hires' understanding of the operation of the Company and the department(s) concerned. A total of 73 participants completed various training tasks and were on-boarded smoothly in the term of one week.

In addition, the Company was in strict compliance with laws and regulations, including *Production Safety Law of the People's Republic of China*, *Provisions on Safety Training of Producing and Operating Entities and Provisions on Safety Technology Training for Special Operators*. Through continuous operating skill retraining, all special operators were required to go through dedicated safety technology training and obtain special operating certificate of the People's Republic of China before onboarding. In 2022, 61 employees obtained such special operating certificates and 55 employees obtained special equipment operating certificates.

5.3. COMMUNITY CARE

Guided by the responsibility-centered strategic goal, RemeGen played an active role in empowering the development of people and communities through philanthropic activities and livelihood improvement initiatives, showing a company's social value and responsibility. During the Reporting Period, the Company invested a total of RMB7.0244 million in philanthropy and welfare.

Case: Patient Assistance Program by Disitamab Vedotin (爱地希®)

After the launch of Disitamab Vedotin (爱地希®), the Company participated in the charity drug donation activities initiated by Beijing Health Alliance Charitable Foundation, the 5A-level foundations, and Beijing Public Health Foundation, a member of China Charity Federation, respectively. Among them, Beijing Health Alliance Charitable Foundation implemented the Disitamab Vedotin (爱地希®) Charity Drug Donation Program, which benefited 1,942 clinical oncology patients during the program. As of December 31, 2022, the total number of assisted drugs reached 12,865, and the program continued with a total of 70 patients claiming the grant.

Case: Spreading Love for Patients and Raising Concerns for Rare Diseases

In February 2022, on the 15th International Rare Disease Day, RemeGen popularized the common rare diseases in China with the theme of "Let all rare diseases be noticed, let all lives bloom in colour", and called on the community to pay attention to patients with rare diseases.

6. APPENDIX

6.1. ESG REPORTING GUIDANCE INDEX

Indicator			Page
Environmental	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	42-44
		A1.1 The types of emissions and respective emissions data	43-44
		A1.2 Total direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	47
		A1.3 Total hazardous waste produced (tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	45
		A1.4 Total non-hazardous waste produced (tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	45
		A1.5 Description of emissions target(s) set and steps taken to achieve them.	43
		A1.6 Description of how hazardous and non-hazardous wastes are handled, and description of emissions reduction target(s) set and steps taken to achieve them	44
	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials	45-48
		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)	47
		A2.2 Water consumption in total and intensity (e.g., per unit of production volume, per facility)	48
		A2.3 Description of energy efficiency target(s) set and steps taken to achieve them.	45-46
		A2.4 Description of whether there are any issues in sourcing water that is fit for purpose, and water efficiency target(s) set and steps taken to achieve them.	47-48
		A2.5 Total packaging material used for finished products (tonnes) and, if applicable, with reference to per unit produced	48-49

Indicator			Page
	A3 The Environment and Natural Resources	General Disclosure: Policies on minimizing the issuer's significant impacts on the environment and natural resources	41
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	41-44, 49
	A4 Climate change	General Disclosure: Policies on identifying and dealing with significant climate-related issues that have or may have an impact on the issuer	39-41
		A4.1 Description of significant climate-related issues that have or may have an impact on the issuer and counter-measures	39-41
Social	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	50
		B1.1 Total workforce by gender, employment type (e.g., full time or part time), age group and geographical region	51
		B1.2 Employee turnover rate by gender, age group and geographical region	51
	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	32, 56
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	56
		B2.2 Lost days due to work injury	56
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored	32-38, 56

Indicator			Page
	B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	57-61
		B3.1 The percentage of employees trained by employee category (e.g., senior management, middle management)	60
		B3.2 The average training hours completed per employee by employee category	60
	B4 Labor Standards	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	50
		B4.1 Description of measures to review employment practices to avoid child and forced labour	50
		B4.2 Description of steps taken to eliminate such practices when discovered	50
	B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain	11
		B5.1 Number of suppliers by geographical region	11
		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	11
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	11
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Indicator			Page
	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	12-16
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	15
		B6.2 Number of products and service-related complaints received and how they are dealt with	26-27
		B6.3 Description of practices relating to observing and protecting intellectual property rights	22-23
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	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	9
		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	9
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	9
		B7.3 Description of anti-corruption training provided to directors and staff	9
	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	62
		B8.1 Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport)	62
		B8.2 Resources contributed (e.g., money or time) to the focus area	62

6.2. FEEDBACK FROM READERS

Dear readers:

Thank you for your interest and support for the sustainable development of RemeGen Co., Ltd. In order to provide more professional and valuable environmental, social and governance report and further improve its quality, we are eager to hear your valuable voice for the following questions.

1. Are you satisfied with the Report? Please give your comments.

☐ Yes ☐ No

2. Do you think we have completely disclosed our performance in fulfilling our social responsibility?

☐ Yes ☐ No

3. Have the information you want to know been disclosed completely?

☐ Yes ☐ No

4. Do you have any suggestions to improve the Report?

Your Information
Name
Company
Title
Fax
Tel
E-mail