Abbisko 和誉

Abbisko Cayman Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2256

2023 Environmental, Social and Governance (ESG) Report

About the Report

This is the third *Environmental, Social and Governance ("ESG") Report* released by Abbisko Cayman Limited. It aims to disclose the principles, management methods, efforts and achievements of the Company in environmental, social and governance to stakeholders.

Report Scope

The Report is applicable to Abbisko Cayman Limited (Stock Code: 2256.HK, the "Company" or "Abbisko") and its subsidiaries (collectively referred to as the "Group"). Unless otherwise specified, the scope hereof keeps consistent with that in the consolidated financial statements of Abbisko over the same period.

Reporting Period

The Reporting Period ranges from January 1, 2023 to December 31, 2023 (the "Year" or the "Reporting Period"). Unless otherwise stated, the data in the Report covers this period.

Basis for Preparation

The Report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (the version effective since December 31, 2023) (the "ESG Reporting Guide") by the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange" or the "Stock Exchange").

Data Sources and Description

The data and cases in the Report are derived from official records in the actual operation of the Company.

The financial data in the Report is measured in RMB. If the financial data in the Report conflicts with that in the annual report of the Company, the latter shall prevail.

Reporting Principles

• The Principle of Materiality

The Company identified the material issues related to the operation that are of concern to investors and other stakeholders as the highlights of the Report. The presentation of material issues in the Report focuses on the industry characteristics involved in the Company's operations and the characteristics of the region where it is located. The analysis and results of material issues are detailed in the "Analysis of Material Issues" of the Report. The Report highlights ESG matters that may have an important impact on investors and other stakeholders.

• The Principle of Accuracy

The Report is intended to be as accurate as possible. The quantitative information has been explained by data standard, calculation basis and assumption conditions to guarantee that the calculation error range will not mislead the users. Quantitative information and notes are detailed in the chapters "ESG Performance Data Sheet" of the Report.

The Board of Directors of the Company ("Board") warrants that there are no false records, misleading statements, or material omissions in the Report.

• The Principle of Balance

The Report reflects objective facts and impartially discloses positive and negative information related to the Company. The Company found no negative events that should have been disclosed but were not disclosed during the Reporting Period.

• The Principle of Clarity

The Report is published in Traditional Chinese and English. The Report contains information such as tables, diagrammatic figures and a glossary of terms as a supplement to facilitate a better understanding by stakeholders. To facilitate faster access to information for stakeholders, the Report provides a table of contents and a benchmarking index of ESG standards.

• The Principles of Quantification and Consistency

The Report discloses key quantitative performance indicators and, where possible, historical data. The statistics and disclosure of same indicators in the Report are consistent in different reporting periods. Any change will be fully explained in the notes to the Report so that stakeholders can conduct meaningful analyses and assess the trend of the Company's ESG performance level.

• The Principle of Integrity

The scope of the disclosure object is consistent with the Company's consolidated financial statements.

• The Principle of Timeliness

This is an annual report covering the period from 1 January 2023 to 31 December 2023. The Company endeavors to publish the Report as soon as possible after the end of the reporting year to provide stakeholders with timely information for decision-making.

• The Principle of Verifiability

The cases and data in the Report come from the original records or financial reports of the Company's actual operations.

The Company has adopted the HiESG performance management system to administrate its quantitative ESG performance over the years so that the source of the disclosed data and the calculation process can be traced and used to support external authentication work.

Access to the Report

The Report's digital version is published on the information disclosure platform designated by the Stock Exchange, and it is available to be browsed or downloaded at the Company's official website (www.abbisko.com).

Contact Us

For any suggestions on the Report, please contact us:

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Email：public@abbisko.com

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Chairman's Letter

Dear shareholders and stakeholders,

The year 2023 was a blend of opportunities and challenges, yet we advanced resolutely and steadfastly and embraced the concept of sustainable development in every facet of our endeavors. On behalf of the Company, I am proud to present the *Abbisko Cayman Limited 2023 Environmental, Social and Governance (ESG) Report*, which highlights our ESG management practices throughout the past year.

Regarding corporate governance, we prioritize the establishment and enhancement of robust governance mechanisms and capabilities. We remain steadfast in adhering to the principles of accountability and integrity throughout our business operations while enhancing information disclosure and safeguarding investors' rights and interests. Abbisko emphasizes risk management and internal controls, actively fostering a clean and equitable business environment with an unwavering intolerance for corruption. This ensures alignment with the interests of our shareholders and other stakeholders, thereby laying a solid foundation for the long-term sound and sustainable growth of the Company.

In terms of corporate responsibilities, as an innovative drug research and development company, we prioritize product innovation and continuously increase investment in research and development. We aspire to bring innovative drugs with better therapeutic effects and cost-effectiveness to the market as soon as possible, creating economic value while benefiting patients. We actively cultivate a high-quality talent team and effectively safeguard the basic rights and interests of our employees. The Company boasts a systematic talent training system for the mutual development of both the Company and our employees.

In term of social and environmental responsibilities, we actively participate in activities to create a harmonious society. We focus on minority groups with unmet medical needs and are engaged in the research and development of multiple small molecule drugs with the potential to treat orphan diseases. The aim is to enhance health accessibility for more patients. As a responsible corporate citizen, we are passionate about public welfare and support the development of education, culture and public health through various means. We have taken multiple measures to continuously improve energy efficiency, conserve energy and reduce emissions, thereby minimizing the environmental impact of our Company's operations.

Looking ahead, we will continuously adhere the ESG philosophy, constantly explore and discover positive changes for society and the world and enter a sustainable and sound development cycle while pursuing economic benefits.

On behalf of Abbisko, I would like to express my sincere gratitude to all our stakeholders, including shareholders, partners, customers and employees, for your trust and support for our shared values. Let us forge an increasingly sustainable future.

Dr. Xu Yao-Chang
Chairman and Chief Executive Officer

Key ESG Performance in 2023

Financial performance

Total revenue
RMB **106.44** Million

Research and Development("R&D") performance

R&D investment
RMB **434** Million

R&D employees
218

New granted patents
41

Percentage of R&D investment in total expenses
80.62%

Proportion of R&D employees
84.5%

Cumulative granted patents
92

Environmental performance

Electricity consumption per capita
9.81 MWh/person

Water consumption per capita
18.35 m^3/person

Greenhouse gas emissions per capita
5.63 t CO_2e/person

Emissions violation
0

Employment performance

Total number of employees
258

Proportion of female employees
56.98%

Average hours of training received by employees
4 hours

Employee training coverage
100%

Governance performance

3 ESG Awards

- **Top 20** Chinese Listed Pharmaceutical Companies for **ESG Competitiveness**
- 8th Zhitong Finance Listed Company **Best ESG Company Award**
- 2023 **The Most Socially Influential Start-up Company** in China

6 Awards for Innovation and Performance

- 21st Century "Science & Technology Innovation Star" Excellent Case of **Innovation Enterprise**
- The honorary title of **"Specialized, Refined, Differential and Innovational SME"** in Shanghai
- The GuruClub Golden Award - **"Annual Innovation Award"**
- Sina Finane 2023 JINNQILIN Award - **"The most potential Hong Kong stock Pharmaceutical Company"**
- Golden List of Snowball: 2023 Listed Company with **Great Growth Power**
- Futu Securities Capital Markets **Communication Innovation Team** Award

About Abbisko

Abbisko is an innovative biopharmaceutical company based in China with a global perspective. The group is dedicated to discovering and developing innovative medicines to treat unmet medical needs and focuses on small molecular precision oncology and immuno-oncology.

The Company prioritizes both patient needs and the demands of the pharmaceutical market, while adhering to the principles and standards of international drug development. We are committed to developing potential innovative drugs targeting novel and high-potential drug targets, aiming to improve the quality of life for patients in China and globally.

Since its inception in 2016, the Company has strategically designed and developed a pipeline of 16 candidates focused on precision oncology and immuno-oncology. The Company has been operating in Shanghai, Wuxi, Beijing, Australia, Hong Kong and the United States ("U.S.").

General Information

Name in Chinese	和譽開曼有限責任公司
Name in English	Abbisko Cayman Limited
Stock Code	2256.HK
Headquarters	Building 3, No. 898, Halei Road, Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai, China
Major Places of Operation	The Chinese Mainland: Shanghai, Wuxi and Beijing Overseas: Australia, Hong Kong and U.S.

Vision

Address unmet medical needs for patients in China and globally

Mission

We discover and develop novel and differentiated therapies in cancer and beyond

ESG Management

ESG Governance Structure

The Group has established a top-down ESG Governance Structure covering the ESG decision-making level, the ESG organizational level and the ESG executive level. All levels operate connectively, fulfill their respective responsibilities, and enhance communication to ensure effective ESG matters of the Group.

As the top decision-making body for ESG management, the Board takes overall responsibility for overseeing the sustainable development efforts of the Group through regular review, discussion and approval of the ESG governance policies, strategies and risk management. The ESG working team under the Board is responsible for coordinating, implementing and overseeing ESG issues to enhance the efficiency of ESG management.

ESG Governance Structure and Responsibilities

ESG decision-making level	• The Board	• Supervise the sustainable development and outlook of the Group • Review the ESG performance and the progress in fulfilling ESG objectives of the Group regularly • Review and approve the ESG management policies, strategies, objectives and annual tasks of the Group, including the assessment, priority setting and management of important ESG issues, risks and opportunities
ESG Organizational level	• General ESG Coordinator (Joint Company Secretary) • ESG Data and Material Coordinator • Human Resource Representative • Financial Representative • Legal and Patent Representative	• Coordinate and promote to implement ESG policies and to supervise the ESG work of functional departments • Be responsible for reviewing and supervising the ESG policies and routine practices of the Group to ensure its compliance with applicable legal and regulatory requirements • Trace and review ESG performance and progress in ESG objectives to ensure the proper management and implementation of ESG tasks
ESG executive level	• Biology Department • Business Development Department • Chemistry Department • Chemistry, Manufacturing and Controls ("CMC") Department • Clinical Development Department • Finance Department • General Manager's Office • Human Resource Department • Legal and Patent Department • Operations Department	• Organize and execute ESG tasks in accordance with the arrangements, requirements and breakdown of the ESG management policies, strategies, plans and annual tasks and objectives • Comply with ESG policies and regulations

Communication with Stakeholders

The Group actively gather and responds to the demands of major stakeholders including shareholders/investors, customers, employees, subjects, governments, regulators, suppliers, partners, media, communities and the public. It strives to profoundly learn about the opinions of stakeholders, establish regular communication channels and respond to their needs through relevant paths, maintaining continuous two-way communication.

Focus Areas of Major Stakeholders and Main Communication Channels

Major stakeholders	Focus Areas	Main communication channels
Shareholders/ investors	• Corporate governance • R&D innovation and ethics • Risk management and internal control	• General meetings of shareholders • Investor relations events • Information disclosure as a listed company ,include but not limited to regular announcements/reports and voluntary announcements
Customers	• Product quality and safety • Health accessibility • Information security and privacy protection • Customer service management	• Product quality management • Customer communication and complaint mechanism • Customer satisfaction survey • Innovative R&D of orphan drugs
Employees	• Occupational health and safety • Employee recruitment and employment • Rights, interests and benefits of employees • Employee training and development • Anti-corruption and anti-bribery	• Channels for employees to express their opinions (interviews, meetings, etc.) • Performance appraisal and communication • Business newsletters • All staff meetings and management meeting • Employee training
Subjects	• R&D innovation and ethics • Product quality and safety • Information security and privacy protection	• Informed consents • Experimental drug safety and complaint channels • Clinical trial management • Pharmacovigilance ("PV") and medication safety
Government and regulators	• Corporate governance • R&D innovation and ethics • Product quality and safety • Environmental management system • Resource management • Emission management • Response to climate change	• Establishment of ESG Governance Structure • Proactive reporting and actively participating meetings • Compliance reports • Information disclosure • Returns or approvals • On-site auditing
Suppliers	• Supply chain management • Anti-corruption and anti-bribery	• Supplier management SOPs • Supplier/contractor evaluation system • Industry meetings • On-site auditing
Partners	• R&D innovation and ethics • Anti-corruption and anti-bribery	• Strategic collaborations • Industry meetings, symposiums and conferences • Professional data platforms • On-site auditing
Media	• Corporate governance • R&D innovation and ethics • Product quality and safety	• Press releases • Senior management interviews • Industry meetings and symposiums
Communities and the public	• Health accessibility • Public welfare charity and voluntary services	• R&D of innovative orphan drugs • Voluntary services • Community activities • Information disclosure

Analysis of Material Issues

Considering the national policies and industry development and combining the Company's strategy and key demands of major stakeholders, the Group referred to the *Environmental, Social and Governance Reporting Guide* released by the Hong Kong Stock Exchange and analyzed the importance of various issues to stakeholders and the Company's business. It followed the process of identifying, prioritizing, reviewing and reporting material issues. Through departmental interviews, expert analysis and other methods, the Group comprehensively determined the Company's highly material issues and highlighted them in the Report.

Process for Analysis of Material Issues

Identification

- Considering the actual operation conditions, the Group identified 19 material issues pursuant to the *Environmental, Social and Governance Reporting Guide* released by the Hong Kong Stock Exchange, referring to the excellent ESG management practices of peers.

Prioritization

- The Group launched an analysis of material issues after communication with stakeholders, employees and experts, prioritized these issues and classified them into highly, moderately and generally material issues.

Deliberation and report

- The Board deliberated and determined material issues. For highly material issues, the Group mainly disclosed them in the ESG Report.

Major Changes to Material Issues of ESG in 2023

2023Material issues	2022Material issues	Issue adjustment
Customer service management	Customer service management	Merged issue: In 2023, the Company did not launch any new drugs and release product advertisements to the public, not involved in *responsible marketing* issue. Therefore, this issue has been deleted.
	Responsible marketing	
Public welfare charity and voluntary services	Community and public benefits	The adjusted issue expression is clearer and easier to understand.
Health accessibility	——	A new issue. In 2023, the Company was involved in the R&D of orphan drugs. Therefore, this issue is added.
Risk management and internal control	——	A new issue. This issue is added for compliance operations and internal risk control.

Prioritization of Material Issues of ESG in 2023

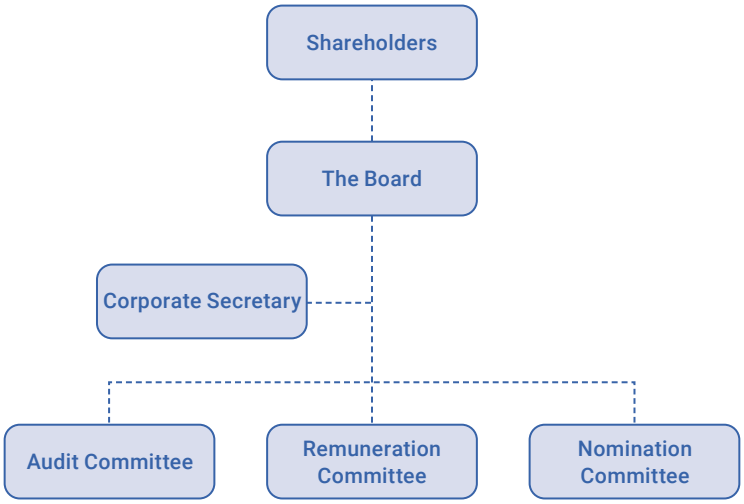
Reinforcement of Corporate Governance

Corporate Governance

The Group strictly complies with applicable laws, regulations and guidelines, such as *the Company Law of the People's Republic of China, the Listing Rules and the Main Board Listing Rules* published by the Hong Kong Stock Exchange and the *Guidelines on Disclosure of Inside Information of the Hong Kong Securities and Futures Commission*. Based on such laws, regulations and guidelines, the Group has established a sound corporate governance structure with clear rights and responsibilities by formulating management regulations such as the *Articles of Association,* the *Shareholders' Communication Policy,* the *Procedures for Nominating Shareholders to Participate in the Election of Directors of the Company* and the *List of Directors in Board of Directors and Their Roles and Functions*.

The Board of the Group is responsible for overseeing the business management of the Senior Management and presenting specific issues to the General Meeting of Shareholders for discussion and decision-making as per the *Articles of Association* and *the listing rules*. Besides, the Secretary of the Board and the Legal and Compliance Department are responsible for supervising and ensuring compliance with laws and regulations and disclosing information as required. The Senior Management is responsible for the daily operation of the Group.

Governance Framework Chart



Valuing internal equity and diversity, the Group has formulated a diversity policy for the Board, which sets out the objectives and approaches to achieve and maintain the diversity of the Board to enhance the effectiveness of the Board. Taking into account multiple factors, such as gender, age, race, language, cultural background, educational background, industry experience and professional experience, the Group strives for the diversity of the Board. In addition, the Nomination Committee set up by the Group is responsible for managing the diversity status of the Board and monitoring and evaluating the implementation of the diversity policy from time to time.

The Board and Committee Meetings

Members of Board of Directors	Meetings held
Number of Directors: 7[1] (including 1 female director)	General Meeting of Shareholders: 1
Non-Executive Directors: 1	Meetings of the Board: 4 Proposals Resolution adopted: 6
Independent Non-Executive Directors ("INED") : 3	Close-door Chairman and INED meeting: 1 [2] Audit Committee meetings: 3 Nomination Committee meeting: 1 Remuneration Committee meeting: 1

Note 1: Eight (8) directors comprised the Board at the beginning of the Report Period and Dr. Xia Guoyao resigned as a Non-Executive Director on June 19, 2023.

Note 2: The close-door meeting was attended by the Chairman of the Board and INED.

Protection of Rights and Interests of Investors

Information disclosure

The Group attaches great importance to information disclosure to and communication with shareholders and creditors. In strict accordance with *the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited,* the Group has formulated the *Management Regulations on Information Disclosure of Abbisko* and the *Policy of Communication with Shareholders to standardize the communication* methods between the Company and investors and specify the requirements, management organ and management responsibilities.

The Board and the Senior Management of the Group are jointly responsible for supervising information disclosure management and making relevant decisions. Besides, the Group has set up an information disclosure work force to take charge of routine information disclosure management, which consists of the Chief Financial Officer, the Secretary of the Board, the Legal and Compliance Department and the Investor Relations Department. Information to be disclosed is confirmed by the competent departments and the management and they will fully communicate with external third-party professional intermediary partners such as Caymanian lawyers, Hong Kong lawyers, auditors and secretarial companies. When any information is not timely disclosed or is not accurate, the Secretary of the Company shall coordinate with said intermediary partners to communicate, correct, or reissue relevant information promptly to ensure accurate, timely and complete information disclosure.

During the Reporting Period, the Group published a total of 29 voluntary announcements(Excluding monthly report, next day disclosures, etc.) and 1 inside information announcement.

Communication with investors

Adhering to the core principles of "compliance, equality, initiative, honesty and trustworthiness," the Group strengthens and standardizes information communication between the Company and investors, as well as potential investors. It disseminates company information through various forms such as meetings of shareholders, company information communication and disclosure and investor exchange meetings, ensuring timely, effective, fair and open investor relations communication. This approach aims to enhance investors' understanding and recognition of the Group.

Approaches and Measures for Investor Relations Management

Information disclosure

- Collect information regarding the production, operations and finances of the Group and promptly and accurately disclose information per relevant laws, regulations, listing rules and other provisions
- Irregularly communicate with investors through events such as briefings and roadshows
- Answer investors' inquiries through multiple channels, such as phone, email, fax and reception
- Prepare and disclose annual and interim reports
- Establish an investor relations management platform on the official website to disclose company information online for investors' convenience

Effective and efficient communication

- Establish and maintain good public relations with regulators, stock exchanges and other relevant departments
- Strengthen cooperation with financial media to enhance their understanding of the Company
- Maintain good cooperation and communication relationships with investor relations management departments of other listed companies, professional investor relations management consulting companies and financial public relations companies

Crisis management

- Promptly propose effective handling plans in response to crises such as lawsuits, arbitration, major restructuring, changes in key personnel, significant fluctuations in earnings, abnormal stock trading and natural disasters
- Organize analyst briefings, online meetings and roadshows in case of major incidents to communicate with investors

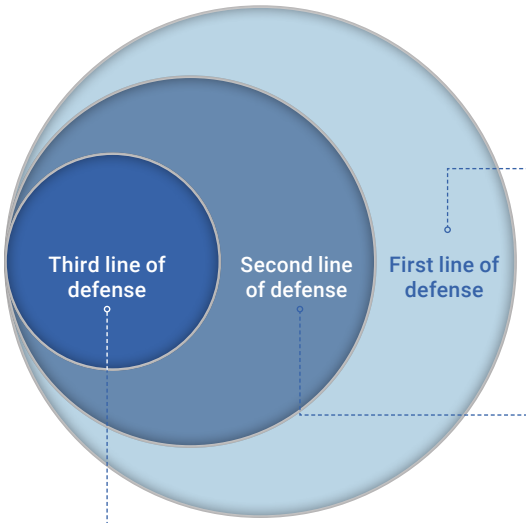
During the Reporting Period, the Group received recognition from various sectors of society for its investor communication and management efforts. For instance, the Group was honored with the 2023 Listed Company with Great Growth Power from Golden List of Snowball, the Most Potential Hong Kong Stock Pharmaceutical Company award from the 2023 JINQILIN Selection of Sina Finance and the GuruClub Golden Award - 2023 Annual Innovation Award.

Risk Management and Internal Control

Risk management

Complying with applicable laws, regulations and policy guides, such as the *Company Law of the People's Republic of China* and the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited,* the Group has formulated the *Risk Management Regulations* to set up the risk management framework, clarify the duties of departments and posts, define the main stages of risk management and risk management procedures, and specify evaluation specific to the risks of the Group and its functional departments. In 2023, the Group updated the *Delegation of Authority Policy and the Code of Conduct for Business Development of Employees,* further improving the risk management system.

Risk Management Framework



First line of defense: Core business department

- Be responsible for R&D, BD, etc.

  Departments: Biology Department, Chemistry Department, CMC Department, Clinical Development Department and Business Development Department.

Second line of defense: Functional departments

- Assist core business departments in risk management and control.

  Departments: Legal and Patents Department, Finance Department, Procurement Department, Human Resource Department, Quality Management Department, Operations Department, establishing business processes and risk control measures that are suitable for risk management and control.

Third line of defense: Internal audit

- Conduct internal control and audits on independent and reviews independently evaluat the risk management and control results of the Company.

  Department: Internal Audit.

The Group has developed a sound risk management system. In the system, the Senior Management is responsible for controlling the risks of functional departments and the internal control representative works to analyze and independently evaluate the effectiveness of the risk management system. The Group has identified risks regularly relying on the risk control matrix. The risk management processes specifically involve finance, preclinical and clinical R&D, assets, human resources, procurement, entity-level control, information system control, risk management, quality management. Based on identified risks, the Group established or updated relevant policies to mitigate risks effectively.

Internal control

The Group has formulated the *Internal Audit Regulations,* the *Basic Norms for the Internal Control of Enterprises,* and the *Guidelines for Supporting Internal Control of Enterprises* in accordance with the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.* These regulations define the staff structure, scope, responsibilities, authorities and work procedures involved in internal audit.

Internal Control Management Structure and Responsibilities

The Board	Define the limits of authority for the Audit Committee, review internal control results regularly.
Audit Committee	Independently work and exercise supervision authority, check internal control results regularly, and report important internal control matters to the Board.
Chief Financial Officer	Develop and review internal control processes and plans, Regularly report internal control results, and develop and report improvement plans.
Internal Audit Department	Review and assess the material processes of the Group independently, identify findings and report to management, propose and implement improvement plans.

The Group prepares audit plans annually. Material defects or major risks in internal control, if found, are reported to the Senior Management timely, and if necessary, to the Board for management and control. This is to standardize and strengthen internal monitoring work and improve the level of internal control and risk prevention capabilities of the Group.

In 2023, the Group engaged an external firm for internal audit assessment, identified major risks and issues, and formed closed-loop solutions for them. This has further standardized and strengthened internal control and improved the ability to prevent risks.

Anti-corruption and Anti-bribery

Anti-corruption and Anti-bribery is a key aspect of compliance management. The Group strictly complies with applicable laws and regulations such as the *Anti-unfair Competition Law of the People's Republic of China,* the *Anti-money Laundering Law of the People's Republic of China,* the *Supervision Law of the People's Republic of China* and the *Interim Provisions of the State Administration for Market Regulation on the Prohibition of Commercial Bribery* to strictly manage anti-corruption and anti-bribery issues.

Anti-corruption and Anti-bribery Measures in 2023

Organize learning activities

- For the empolyees: Conduct new employee training and external expert training every quarter.
- For members of the Board: Invited external experts to share medical anti-corruption policies and practices.

Updated requirements and policies

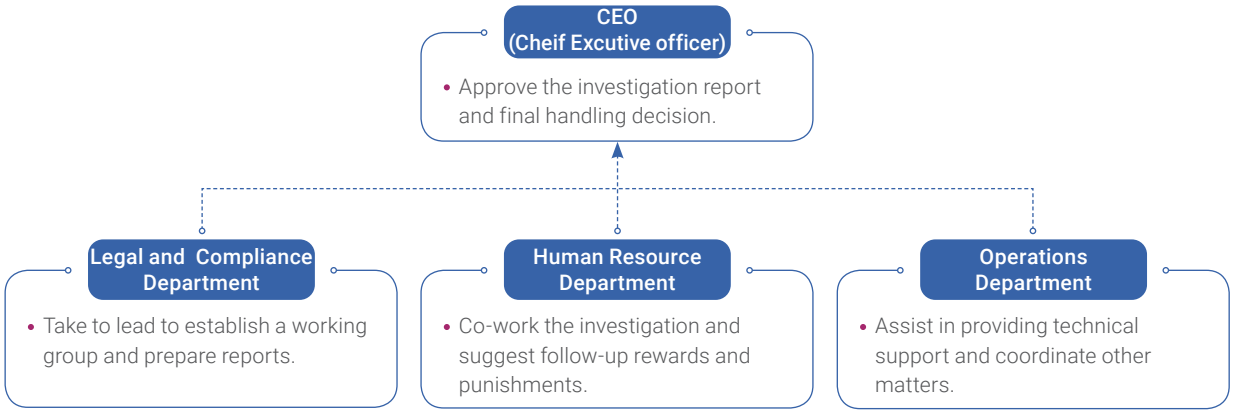
- Updated the Employee *Handbook and Code of Conduct* to emphasize anti-corruption and anti-bribery requirements.
- Revised the Anti-Corruption and Anti-Bribery Regulations officially taking effect in February 2024.

Updated risk control system

- Established the *Anti-Corruption and Anti-Bribery Policy,* the *Code of Conduct for Business Development of Employees* and the *Regulations for Reporting, Complaints, and Internal Investigations* to strengthen the management of anti-corruption and anti-bribery.

Besides, the Group has introduced the conflict-of-interest reporting mechanism to new employees and has formulated internal regulations and reporting procedures to avoid conflicts between the interests of employees and those of the Group, as such case may affect their professional judgment when performing job duties or damage the rights and interests of the Group and its shareholders. The Group has formulated supervision and whistleblowing policies such as the *Compliance Guide* to regulate report handling procedures and whistle-blower protection.

Responsibilities of the Whistleblowing Workgroup



Whistleblowing Measures

Basic principles: Encourage whistleblow facts, prohibit retaliation against whistleblowers, prohibit false whistleblowing and keep the information of whistleblowers confidential	
Whistleblowing channels	• Email, letter and report to direct supervisors.
Whistleblowing forms	• Real-name or anonymous whistleblowing.
Confidentiality measures	• The Group designates certain employees to manage reports and take the strict confidentiality measures. Only investigators have access to the information of whistleblowers and reported contents. • Unless explicitly consented and authorized in writing by whistleblowers, or specified by laws and regulations to disclose the information of whistleblowers and reported contents said to state authorities, the Group will not unveil such information and contents to any individual or organization and prohibits retaliation against whistleblowers.
Support for whistleblowers	• The Group offers assistance and support to whistleblowers as much as possible, including but not limited to paid vacations and job transfers.
Handling method	• In case of violations, the Group will impose disciplinary punishments, such as written warning, disciplinary suspension, demotion and dismissal on violators according to the severity of circumstances.

During the Reporting Period, the Group engaged in neither corruption, bribery, extortion, fraud and money laundering nor any litigation cases arising from said practices.

Information Security and Privacy Protection

The Group attaches great importance to information security and privacy protection. To this end, it strictly complies with applicable laws and regulations, such as *the Data Security Law of the People's Republic of China,* the *Personal Information Protection Law of the People's Republic of China* and the *Cybersecurity Law of the People's Republic of China.* To strengthen information security and standardize management, the Group has formulated management regulations, such as the *Information Security Management and Confidentiality Policy,* the *Data Backup and Recovery Management* and *the Computerized System Introduction Management.* It has worked out operation procedures including the *Computerized System Qualification & Validation,* the *Computerized System Change Control* and the *Risk Assessment for Computerized System.*

The Group implements hierarchical management of technical secrets. Its departments have assigned full-time personnel to manage their respective technical secrets by setting technical secret levels and limited access to technical secrets. Besides, the Group has set authority on data use and access to data in the file server to ensure its safe and reliable operation and avoid abnormal data deletion and secret leakage.

Unless required for work, it is not allowed to disseminate any electronic documents across departments in principle or to lend or circulate them to third parties. When cooperating with third parties, the Group shall sign non-disclosure agreements with its partners or stipulate confidentiality articles in contracts to avoid any risks of divulging secrets.

The Group has organized information security training sessions for its employees to improve their awareness of information security and protection. New employees are required to watch the training video titled *Information Security Awareness and Security Practices* and learn related training materials. The Group sent the "IT Tips" Information Security Promotion Monthly to all employees regularly to strengthen their awareness of information security.

During the Reporting Period, the Group had no incidents related to substantial information leakage or theft, or missing of materials concerning customers.

Product and Service Responsibilities

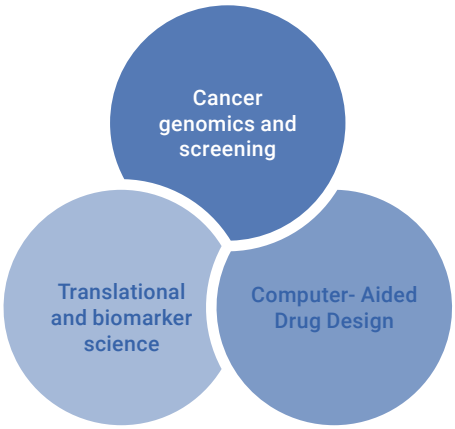
R&D Innovation and ethics

R&D innovation

R&D innovation stands as the foundation of Abbisko. Leveraging the experience of its R&D team, the Group has set up an innovation-driven discovery platform. The platform boasts integrative competence in cancer genomics and screening, computational and medicinal chemistry and translational and biomarker science, thus helping the Group discover high-quality assets effectively.

Innovation-driven Discovery Platform

- Cancer genomics and screening: The Group has completed genomic sequencing for over 900 cancer cell/model samples, conducted more than 400 tests in biochemistry, biophysics, cytology, and finished over 20 screening items.



- Translational and biomarker science: The Group has developed over 300 cell and in vivo models and completed over 300 in vivo studies.
- Computer- Aided Drug Design: The Group has established a physical compound library that was designed and synthesized independently and consists of more than 6,700 molecules and a virtual compound library housing over 12 million molecules that can be used for high throughput virtual screening.

The Group has pooled more R&D innovation investment in small molecule precision therapy and small molecule immuno-oncology to advance the R&D progress of products under development and has concentrated its efforts on figuring out the new therapies catering to the unmet major medical needs of China and globally.

R&D Pipeline

Our Clinical Pipeline

Programs	Targets	Indication	Mono/ Combo therapy	IND / Phase I/Ia / Phase Ib/II / Phase III/ NDA	Commercial rights	Partner
Pimicotinib (ABSK021)	CSF-1R	TGCT	Mono		Ex-Greater China	MERCK
		cGvHD	Mono			
		Solid tumors	Mono/Combo			
Irpagratinib (ABSK011)	FGFR4	FGF19+HCC	Mono		Global	
			Combination	Combo with Roche anti-PD-L1 atezolizumab		
Fexagratinib (ABSK091)	pan-FGFR	FGFRalt UC	Mono	Partner	Global	AstraZeneca
			Combination	Combo with BeiGene anti-PD-1 tislelizumab		
		Solid tumors	Mono			
ABSK061	FGFR2/3 selective	Solid tumors	Mono		Global	
ABSK121	FGFR resistant mut.	Solid tumors	Mono		Global	
ABSK112	EGFR Exon20	NSCLC	Mono		Global	
ABSK012	FGFR4 mut.	RMS & Solid tumors	Mono		Global	
ABSK043	PD-L1 (Oral)	Multiple tumors	Mono		Global	
ABSK051	CD73	Multiple tumors	Combination		Global	
ABSK081	CXCR4	TNBC	Combination	Combo with Junshi anti-PD-1 toripalimab	Global	X4 PHARMACEUTICALS
		WHIM	Mono	Partner	Greater China	

Our Preclinical Pipeline

Programs	Targets	Indication	Mono/ Combo therapy	Lead optimization /PCC / IND-Enabling / IND	Commercial rights	Partner
ABK3376	EGFR-C797S	EGFRm NSCLC	Mono/ Combo	Partner	Ex-Greater China	艾力斯
ABSK131	PRMT5*MTA	Multiple tumors	Mono		Global	
ABSK132	PRMT5*MTA	Multiple tumors	Mono		Global	
P011	undisclosed	NSCLC	Mono		Global	
P141	undisclosed	Multiple tumors	Mono		Global	
P151	undisclosed	Non-oncology	Mono/ Combo		Shared	Lilly

The Group has formulated *the R&D Project Management System of Abbisko,* which stipulates the responsibilities of project management, project initiation and phased review processes, project implementation management, cost management and R&D documentation management for all product R&D projects. This system standardizes the management of R&D projects and the Group achieved several key advancements in 2023.

Key Advancements of R&D in 2023

Preclinical

- **Five preclinical R&D achievements showcased at the AACR Conference:**
  Preclinical updates of pimicotinib (ABSK021), ABSK112, ABSK121, ABSK012 and ABSK071 presented.
- **Two preclinical R&D achievements presented at the 35th International Molecular Targets and Cancer Treatment Conference (know as "ENA Conference", European Organisation for Research and Treatment of Cancer ("EORTC") - National Cancer Institute ("NCI") - American Association for Cancer Research ("AACR")):**
  The latest preclinical research progress of the new generation of PRMT5*MTA inhibitor ABSK131 and the brain-penetrating small molecule PD-L1 inhibitor ABSK044.
- **Papers published in a journal under AACR:**
  A paper was published on Molecular Cancer Therapy, comprehensively elucidating the new mechanisms of resistance to FGFR4 inhibitors and the potential for the combination of EGFR and FGFR4 inhibitors.

CMC/IND-Enabling

- The CMC Wuxi Laboratory, as a key component of the overall Investigational New Drug Enabling ("IND Enabling") platform of Abbisko, started operating and produced the first batch of toxicological raw materials.
- Efficiently completed multiple IND Enabling trials with high quality and successfully applied for Investigational New Drug ("IND").
- Produced raw materials and preparations for pimicotinib(ABSK021) New Drug Application ("NDA") registration batch.

Clinical

- **Pimicotinib(ABSK021)**
  - Conducted a global multicenter Phase III clinical trial for the treatment of Tenosynovial giant cell tumors ("TGCT")
  - Obtained the Priority Medicine ("PRIME") designation from the European Medicines Agency ("EMA"), the Breakthrough Therapy designation("BTD") and the Fast Track designation("FTD") from the U.S. Food and Drug Administration ("FDA");
  - The objective response rate ("ORR") of 1-year follow-up data in Phase Ib was 87.5%, and the results were published at ASCO and CTOS respectively;
  - Received IND approval from China National Medical Products Administration ("NMPA") to conduct a Phase II clinical trial of chronic graft-versus-host disease ("cGvHD") and dosed the first patient in June 2023.
  - The first patient was dosed in a multicenter, open-label Phase II study in patients with advance pancreatic cancer, which is another indication after its approval for the treatment of advanced TGCT and cGvHD.
- **Irpagratinib(ABSK011)**
  - Obtained IND approval from the U.S. FDA for a Phase I clinical trial for solid tumors;
  - Approved by China NMPA for to conduct a combination therapy clinical trial for the treatment of liver cancer;
  - The updated Phase Ib data of irpagratinib ,with an ORR of 40.7% in FGF19+HCC patients with prior therapies, was presented at the 2023 European Society for Medical Oncology ("ESMO") Annual Meeting.
- **ABSK043**
  - The clinical results of first-in-human dose-escalating of ABSK043 with advanced solid tumors were presented at the 2023 ESMO Annual Meeting.
- **ABSK012**
  - Granted the orphan drug designation ("ODD") for the treatment of tissue sarcoma and approved for the first-in-human clinical trial by the U.S. FDA.
- **ABSK112**
  - Obtained IND approval from both the U.S. FDA and China NMPA for a Phase I study of Non-Small Cell Lung Cancer("NSCLC").
- **ABSK051**
  - The IND for a Phase I trial was approved by China NMPA in the treatment of patients with advanced solid tumors, and the first patient dosing was completed in China.
- **ABSK121**
  -The dosing of the first patient was completed in the treatment of patients with advanced solid tumors in China. We are conducting Phase I clinical trials in both China and the U.S. concurrently.

The Group has been widely recognized for its innovative R&D work. In 2023, the Group won awards such as the 21st Century "Science & Technology Innovation Star" Excellent Case of Innovation Enterprises, the honorary title of "Specialized, Refined, Differential and Innovational SME" in Shanghai, the GuruClub Golden Award - "Annual Innovation Award" and the 2023 Listed Company with Great Growth Power from Golden List of Snowball.

The Group has made active efforts to build a high-quality R&D team to expedite its drug discovery, development and commercialization processes. To this end, the Group attracts and retains professional talents through an equity incentive plan. In July 2019, the Company formulated an equity incentive plan aimed at providing incentives and rewards to qualified participants who have contributed to the success of the Group. The equity incentive plan covered employees and directors of the Company and its subsidiaries.

In 2023, the Group provided 16 special training sessions for R&D employees, with 100 participants in each session. The Group invested RMB 434 Million, accounting for 80.62% of its gross expenditure. The Group has 218 R&D employees, accounting for about 80.5% of the total employees.

The Group has established a professional business development team to seek strategic cooperation and evaluate cooperation opportunities. It is actively seeking cooperation opportunities with potential external partners, which is a supplement to its internal R&D abilities and maximizes the commercial value of its independent R&D projects.

Partnerships & Collaborations Established in 2023

Merck KGaA(" Merck")

- The Group reached an exclusive licensing agreement (USD 605.6 Million) for pimicotinib (ABSK021) with Merck and received the upfront payment of USD 70 Million.

Shanghai Allist Pharmaceuticals Co., Ltd.("Allist")

- The Group reached a cooperation agreement (USD 188 Million) for ABSK3376 with Allist Pharmaceuticals and Allist was granted exclusive licensing to operate the drug in China.

Shanghai Junshi Biosciences Co., Ltd.("Junshi")

- The Group reached a combination study agreement for pimicotinib (ABSK021) with topAlliance treprinumab of Junshi.

BeiGene (Beijing) Biotechnology Co., Ltd.("BeiGene")

- The Group reached a combination study agreement for ABSK051 with tislelizumab of BeiGene.

R&D ethics

The R&D ethics of the Group mainly involve the protection of rights and interests of subjects and animal welfare.

The Group abides by pharmaceutical R&D ethics and has formulated relevant management regulations to standardize the clinical trials and ethics of experimental animals according to applicable laws, regulations and the ethical principles of the place of operation, such as *the Declaration of Helsinki*, the *Good Clinical Practice,* the *Good Manufacturing Practice of the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use* ("ICH-GCP"), the *Measures for Ethical Review of Biomedical Research Involving Human Subjects,* the *Personal Information Protection Law of the People's Republic of China,* the *General Data Protection Regulation* ("GDPR")(EU), the *Health Insurance Portability and Accountability Act* ("HIPAA") (USA) and the *21 CFR Part 50 Protection of Human Subjects* (USA).

In terms of the protection of rights and interests of subjects, the Group has established a process and management system to ensure that clinical trials undergo sufficient ethical review to protect the rights, safety and wellbeing of subjects in clinical trials.

The Group stipulates that a clinical trial protocol must be developed before conducting any clinical trial. Both the trial protocol and the implementation plan must prioritize the safety and rights protection of the subjects and these documents must be submitted to the drug regulators of each country for approval or implied consent. According to the requirements of the relevant ethics review system, the complete set of design and implementation plans and other relevant materials, must be submitted to an independent ethics committee for review. Clinical trials can only be conducted after obtaining approval from the ethics committee.

In 2023, as its business expanded to multiple countries and regions, the Group worked to develop personal information and privacy protection regulations that comply with the European Union and the United Kingdom and provided compliance training on the GDPR of EU for all employees to further safeguard the privacy of subjects.

Regulations for Protection of Rights and Interests of Subjects

SOP-CO-06 Development, Review and Approval of Informed Consent Form	*SOP-CO-10 Development, Review and Approval of Written Documents for Subjects*	*SOP-CO-13 Supervision of R&D Center*
• It ensures that the informed consent forms used in clinical trials comply with ICH GCP and national/regional requirements for protecting subject rights and must be reviewed and approved by an ethics committee.	• It ensures that any written documents provided to subjects in clinical trials comply with regulations and research protocols and must be reviewed and approved by an ethics committee.	• It stipulates that the Group shall conduct comprehensive supervision of clinical trials to protect the rights and interests of subjects, safety, regulatory compliance and trial data.

In terms of animal welfare, the Group strictly complies with applicable laws and regulations, such as the *Regulations for the Administration of Affairs Concerning Experimental Animals,* the *Guidelines on the Ethical Treatment of Experimental Animals* and the *Shanghai Regulations for the Administration of Affairs Concerning Experimental Animals.* The Group has formulated the *SOP for Animal Experiments as a guide manual,* requiring all animal experimenters to obtain the *Shanghai Training Certificate for Professional Skills of Experimental Animals.*

The Institutional Animal Care and Use Committee ("IACUC") is responsible for reviewing animal use plans and accepting and handling complaints about animal welfare incidents. Researchers shall submit the *Application Form for Experimental Animal Welfare* and Ethical Review, which shall clarify animal experiment design, set out principles to be followed during the experiment process, and detail the intervention means for unexpected symptoms.

Animal Welfare Management Measures

Dimension	Measure
Principle	• Researchers shall submit the *Application Form for Experimental Animal Welfare and Ethical Review,* demonstrating the necessity of an animal experiment under the principles of the 3Rs (Replacement, Reduction, and Refinement, "3Rs").
Personnel	• All staffs engaged in animal experiments shall obtain the *Shanghai Training Certificate for Professional Skills of Experimental Animals.* • In 2023, the Group conducted collective training for employees, with a total of 320 employees trained.
Animal feeding	• Physiological welfare: It is required to pay attention to the animals' eating and drinking, as well as the temperature and humidity of the room daily. The experimenters, as the second responsible staffs, shall ensure their good health and provide them with the necessary food and water. • Psychological welfare:If aggressive animals get wounded in fights, their wounds shall be disinfected with Iodophor and then be bandaged. Aggressive animals shall be provided with separate cages and it is also prohibited to keep a single animal in a cage. It is required to prevent the deterioration of mouse wounds and prevent conditions and treatments that lead to depression and mental pains of animals. • Environmental welfare: All activities and experimental operations shall be conducted by personnel within the animal barriers gently and carefully. Vigorous movements such as abruptly shifting positions or moving cages are strictly prohibited. It is essential to significantly reduce the noise generated during the experiments and provide animals with appropriate habitats that allow them to obtain comfortable sleep and rest. Social animals shall not be separated to avoid depression.

IP protection

In accordance with applicable laws and regulations, such as the *Patent Law of the People's Republic of China,* the *Trademark Law of the People's Republic of China,* the *Copyright Law of the People's Republic of China,* the *Anti-Unfair Competition Law of the People's Republic of China,* the Group has formulated management measures, such as the *Intellectual Property Management Measures* and *the Implementation Measures for Patent Protection and Risk Control,* clarifying management requirements in patents, trademarks, copyrights, domain names and trade secrets and regulating the IP management.

The Group has formulated and implemented the patent strategy in terms of creation and incentive, patent layout and management and patent protection to strengthen IP management and protection.

Measures and Actions of IP Protection

Patent Protection incentives

- Encouraged employees to innovate and create
- Offered recognition and rewards to employee inventors or designers and protected innovation achievements.
- Specified the rights of authorship, rewards and remuneration, priority consideration for performance evaluation and promotion and corresponding obligations of employee inventors.

Patent management

- Introduced the Patsnap global patent search and analysis system to strengthen patent informatization and management standardization.
- Developed the patent talent team through internal training and introduction.
- Carried out strategic cooperation with international pharmaceutical companies and implemented the patent plan for global oncology drug technology.

IP management and protection

- Developed trademark strategies for company development and product export.
- *Formulated the Implementation Measures for Patent Protection and Risk Control*

In 2023, the Group submitted over 40 new trademark applications, containing trademarks in China, the U.S., Hong Kong, Taiwan, Cayman Islands and Madrid International trademarks. By the end of 2023, it had accumulated more than 200 patents or patent applications related to oncology drugs, including over 100 overseas patents. Its patent portfolio extended to 15 countries and regions, including China, the U.S., Europe, Japan, Korea, Russia, Brazil and Mexico, effectively safeguarding all of its ongoing research products in multiple regions globally.

During the Reporting Period, the Group did not receive any penalties for IP infringement.

Product Quality Management

Product quality management

The Group has not engaged in volume drug production yet. Instead, it mainly produces candidates. Presently, the Group employs Contract Manufacture Organization ("CMO") suppliers to develop and produce active pharmaceutical ingredients and finished products for clinical R&D purposes.

The Group strictly complies with applicable laws and regulations, such as the *Drug Administration Law of the People's Republic of China,* the *Regulations for Implementation of Drug Administration Law of the People's Republic of China,* the *Pharmacopeia of the People's Republic of China, the Provisions for Drug Manufacturing Supervision* and the *Principles of Risk Assessment for On-site Inspection of Drug Manufacturing Enterprises,* as well as the *Good Manufacturing Practice* ("GMP") and its appendixes. The Group ensures CMO suppliers abide by applicable supervision regulations and the production standards and guides for procedures and facilities of the Group.

The Group supervises and reviews the product quality management systems of CMO suppliers regularly to guarantee the quality of candidates. Material quality problems, if found, will be fully recorded and reported to the top management of the Group for review and handling to guarantee the quality and safety of candidates. Besides, the Group organizes quality management training for all employees regularly every year to raise their attention to quality management.

In 2023, the Group updated existing procedures and established new internal procedures to further improve the preclinical quality system, including the establishment of new procedures such as change control, risk management and customer complaint handling, as well as relevant training to enhance product quality management.

Clinical trial quality assurance management

Clinical trial quality management is one of the important measures to ensure product quality. The Group has established a clinical trial management system that meets all requirements, encompassing the development of policies, standard operating procedures ("SOPs") and work instructions ("WIs"). It has also established and validated computerized systems necessary for business operations. The Group has set up a Quality Assurance Department that is independent of projects and operations, staffed with dedicated quality management personnel. This ensures the orderly implementation of clinical trial management tasks. The Group has established a quality audit mechanism for the clinical stage, encompassing both clinical trials and suppliers. It has set up a mechanism for internal spontaneous identification, emergency reporting, evaluation and tracking of rectification measures for material quality issues.

In 2023, all employees of the Group participating in clinical trials received training on Good Clinical Practice ("GCP") and some employees engaged in clinical research center supervision and management received GCP training from the National Medical Products Administration and obtained certificates issued by the Administration. The Group provided 15 lecture-based training sessions targeted at all employees, covering areas such as drug management, statistics and data management, research design, clinical pharmacology and data reliability. These sessions further enhanced the quality management of clinical trials.

PV

The Group has not commercialized its drugs, so its PV work mainly involves the pre-marketing stage.

The Group adheres to various regulatory documents such as the *Good Pharmacovigilance Practice*, the *Management*

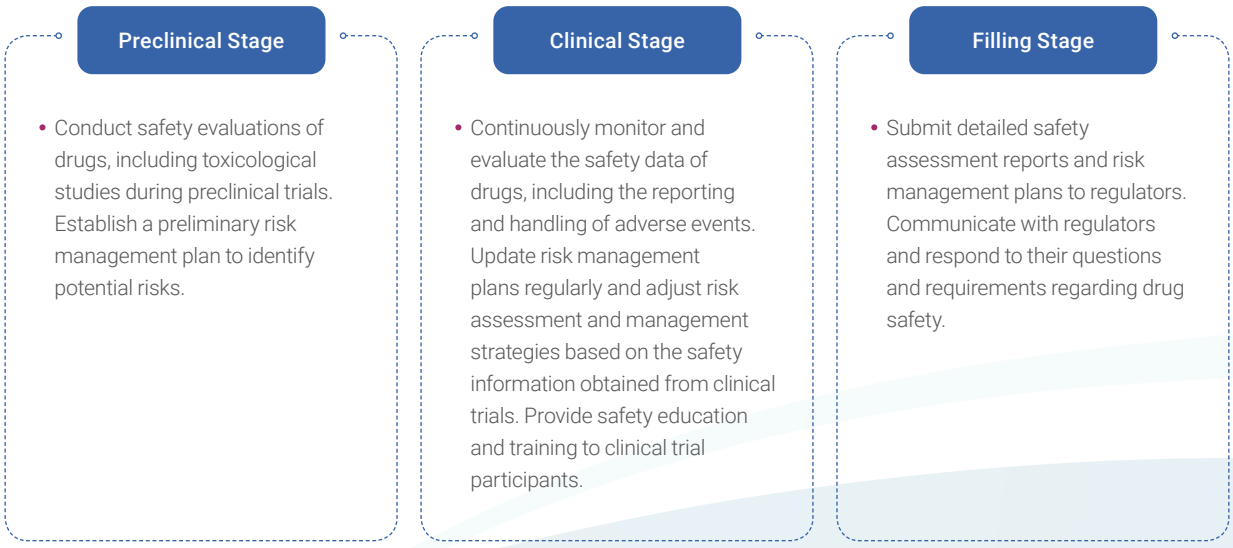
Regulations for Safety Update Reports during Drug Development (Trial), the *Guiding Principles for Safety Update Reports during Drug Development* ("E2F"), the *Standards and Procedures for Rapid Reporting of Safety Data during Clinical Trials of Drugs,* the *Clinical Safety Data Management: Definitions and Standards for Expedited Reporting* ("ICH E2B") and the *Measures for the Reporting and Monitoring of Adverse Drug Reactions*. Based on these requirements, the Group has established a comprehensive PV management system aimed at improving drug safety, promoting rational drug use and safeguarding public health.

The Group has set up a PV department. The department is responsible for monitoring, collecting, reporting and analyzing safety information of drugs for pre-marketing clinical trial purposes globally, conducting activities such as drug safety monitoring and risk management and developing and updating drug safety indicators.

The Group has developed a comprehensive and systematic adverse event management system, operational procedures and mechanisms specifically tailored for the clinical development stage. These include but are not limited to individual safety reports, drug safety analysis and distribution of safety information. The Group has assigned full-time PV professionals and adopted an industry-recognized safety information management system to support the quality management of clinical trials.

As all of the Group's products are in the pre-marketing clinical development stage, adverse event reporting primarily relies on clinical researchers to record and report them according to the research protocols. For serious adverse events, expedited reporting is conducted within 24 hours of becoming aware of them, and these reports are submitted to the Group. The Group then processes these reports per regulations and operational procedures and submits them to regulators within the prescribed timeframes as required by each country. Upon receiving inquiries, complaints, or concerns related to adverse drug reactions, the relevant departments within the Group will promptly follow up to handle the complaints and are committed to ensuring that all comments and complaints will be timely and appropriately investigated, responded to and followed up.

Risk Management Measures for PV



Customer Service Management

The Group underlines the delivery of high-quality services to customers. To this end, the Group has formulated the standard processes related to complaints to ensure that clinical-related product complaints are handled in accordance with regulatory requirements.

At the clinical stage, the users of drugs for clinical trials or their guardians may provide comments or complaints to the Group through the Informed Consent Form, drug labels and local investigators/institutions. Through thorough investigation and analysis, the Group will identify the root causes of any potential product defects and develop corrective and preventive actions to prevent similar incidents in the future.

In terms of responsible marketing, the Group neither commercialized and sold products, nor released any product advertisements to the public. The Group strictly complies with laws and regulations related to advertising and labeling, such as the *Advertising Law of the People's Republic of China,* the *Drug Administration Law of the People's Republic of China,* the *Measures for the Categorized Administration of Prescription and Non-prescription Drugs,* the *Measures for the Examination of Drug Advertisements* and the *Provisions on the Administration of Drug Instructions and Labels.* The Group requires all product and business information unveiled to the public should be strictly reviewed to avoid any false or misleading product descriptions and ensure that the regulators and the public have access to accurate, complete, truthful and rigorous product and academic information.

During the Reporting Period, the Group received no complaints from customers.

Supply Chain Management

The suppliers of the Group mainly include production suppliers and non-production suppliers and procurement categories cover scientific research services, materials, equipment and general services. The Group adheres to the principle of openness and fairness in carrying out relevant work. It actively establishes long-term and mutually beneficial relationships with suppliers and gives priority to local suppliers to contribute to the development of the local industry chain.

The Group has formulated the *Procurement Policy,* the *Third-party Control Policy* and the Management *Regulations on Third-party Quality.* These documents set out requirements related to supplier onboarding and evaluation, quality agreements and audit criteria. According to applicable supplier management regulations, the Group implements quality management in terms of onboarding and routine management to ensure the quality of suppliers.

During the supplier onboarding process, the Group evaluates suppliers from multiple dimensions by reviewing their background, qualifications and other relevant information to ensure they meet the project requirements. In case of procurement activities, the Group adheres to the principles of cost effectiveness, quality, timeline and fair competition in accordance with *the Procurement Policy,* requests for and compares quotations from different suppliers as needed, and follows such principles as competitive prices with high quality and lower prices with the same quality. The Group forbids non-compliant operations to ensure fairness and impartiality.

In the daily management of suppliers, the Group takes proper quality management measures specific to different suppliers to ensure the smooth R&D implementation of projects.

Supplier Management Measures

Suppliers subject to the GMP and the Good Laboratory Practice (GLP)	• Suppliers shall receive written or field audits according to the contribution of their materials or services to the quality of finished products, and the extent and possibility of impact on patents' safety. The Group sets different audit criteria for suppliers according to the quality supervision regulations on different types of materials and applicable laws and regulations. In the light of material type and audit results, audits may be organized at different intervals ranging from one to five years. • The Group signs quality agreements with CMOs and evaluates their performance regularly.
Suppliers subject to GCP	• The Group specifies cooperation contents and delivery quality in the agreements signed with suppliers and requires suppliers to comply with GCP requirements. • Suppliers shall prepare the work plans for clinical trial activities they undertake, setting out job duties, methods, processes and personnel and technical requirements. Abbisko's functional departments are responsible for reviewing and approving these work plans and supervising their implementation. • During the implementation of internal and external projects, the Clinical Operation Department is responsible for field or remote quality control. • The Group evaluates the quality management systems of suppliers via quality questionnaires and arranges audits for the activities of projects that suppliers undertake according to project or project risks and quality evaluation results. • The Group requires suppliers to report quality incidents, reviews their preventive and corrective measures, and traces the implementation of these measures.

The Group actively fulfills its environmental and social responsibilities. Whenever applicable in the projects, the Group pays attention to the environmental and labor performance of its suppliers. Suppliers providing environment-friendly products or services that meet standards or requirements, and their green products and services will be the first choice of the Group.

Employee Development

Employee Recruitment and Employment

In according with applicable laws and regulations, such as *the Labor Law of the People's Republic of China,* the *Labor Contract Law of the People's Republic of China,* the *Social Insurance Law of the People's Republic of China* and the *Law of the People's Republic of China on the Protection of Minors,* the Group prepared the *Employee Handbook* to provide the requirements on recruitment, dismissal, remuneration, promotion, working hours, holidays, anti-discrimination, equal opportunities and benefits to fully protect the rights and interests of employees.

During the Reporting Period, the Group had no incidents related to employment, dismissal, working hours, holidays, promotion, equal opportunities, anti-discrimination, diversity or labor rules, and no lawsuits filed regarding such incidents. During the Reporting Period, the Company did not engage in any violations of child labor or forced labor.

Employee Recruitment and Employment Management

Recruitment and dismissal

- Develop management regulations including the *Employee Handbook,* clarifying the standard process such as handling the resignation of employees.
- Stipulate that no discriminatory conditions such as race, religion, nationality, gender, or registered residence shall be set in the recruitment process.
- Conduct public recruitment through internal recommendations, headhunting and social recruitment.

Remuneration and promotion

- Stay committed to providing competitive remuneration and benefits for employees; adhere to the principles of multi-track development, performance orientation, combination of short-term and long-term incentives, fairness and equity and salary adjustment with job transfer; encourage employees to do their best and improve their work enthusiasm through various channels.
- Make salary adjustments according to the operation performance of the Group and the market remuneration standard and by referring to the Annual Employee Remuneration Adjustment Summary Sheet and Guidelines.
- Reward employees for their short-term contributions in the form of annual performance bonuses or other bonuses.

No child labor and forced labor

- Do not exceed 40 working hours per week.
- Advocate employees to improve efficiency and complete tasks meeting quality and quantity requirements timely; apply for overtime (if needed) in advance to the line manager for approval.
- Establish the *Recruitment Guidelines,* strictly verify employees' identity information, educational background and work experience, and prevent violations such as child labor.

Rights, Interests and Benefits of Employees

Adhering to the people-oriented concept, the Group strictly follows applicable laws and regulations such as the *Company Law of the People's Republic of China* and the *Labor Law of the People's Republic of China,* effectively protecting the legitimate rights and interests of employees. The Group provides benefits for all employees and organizes various communication activities to continuously enhance their sense of happiness and belonging.

Rights, Interests and Benefits of Employees

Statutory rights and interests	• Statutory holidays, paid annual leaves, marriage leaves, prenatal leaves, maternity leaves, paternity leaves, breastfeeding leaves and unpaid personal leaves • Social security fund (pension insurance, medical insurance, unemployment insurance, work injury insurance and maternity insurance) and housing fund
Employee benefits	• Commercial insurance and benefits and gifts for holidays • Regular cultural activities for employees, such as birthday parties, holiday celebrations and team building activities • Funds dedicated to sports, which are used for the rental or purchase of sports venues, sports equipment and consumables
Care for females	• Baby care rooms provided for employees in need • Blessings and gifts to female employees and a half day off for them on Women's Day
Communications	• Corporate website, president's email, corporate WeChat account and all-hands meeting of employees • The Group conducted irregular satisfaction questionnaires or individual meetings among employees, focusing on the overall atmosphere of the department, the cooperation harmony with superiors and the cooperation harmony with department colleagues. The survey results were positive.

Departmental Team Building

Festival Celebration

Employee Training and Development

Employee Training

Valuing talent attraction, training and development, the Group has built a systematic talent training system and formulated policies such as the Training Management System, which provides employees with a favorable career development platform and continuously enhances their professional knowledge and skills.

In 2023, the Group introduced an online training system and updated online classroom and leadership courses. By adopting a combination of online and offline training methods, the Group provided personalized training courses tailored to employees of different positions and levels, aiming to build a competitive talent team. During the Reporting Period, the Group invested RMB 200,000 in employee training, with an average training time of 4 hours per person and a training coverage rate of 100%.

Employee Training Matrix

Method	Training	Trainees	Content	2023 highlights
Offline courses	New employee training	New employees	Overview of the policies and regulations of departments, laboratory safety manuals and general knowledge of work	Frequency: Once quarterly. The trainees are new employees who joined the group less than three months, and the total number of trainees is 60
	Training of professional systematic course	All employees	Multiple departments such as Biology, Medicinal Chemistry, CMC and Clinical departments and a total of 20 courses and professional fields	Frequency: once every two weeks. About 100 trainees each time
	Leadership/ management training	Middle managers/ Project managers	Application of management tools, cross-departmental communication, team incentives and multi-task management	Frequency: once every half year. About 65 trainees
Online courses	Online learning	All employees	Team communication methods, business negotiations and managerial thinking for enhancing employees' leadership and professional competence	The total learning time of all employees is 550 hours

Employee Career Development

Valuing the career development of its employees, the Group has established *the Abbisko Promotion Plan* and a scientifically reasonable promotion system. Based on the unique characteristics of each employee and the requirements of their respective positions, the Group provides clear and transparent promotion paths for all employees, including management, R&D and clinical employees.

To ensure fair and equal promotion channels, the Group evaluates its employees based on education, length of service, performance, management experience, project experience and skill certificates.

Promotion Channels for Employees

Management	• Deputy directors in various departments and managers above this level
R&D	• Front-line employees in the Biology, Medicinal Chemistry and CMC departments, with three subsequences respectively
Clinical	• Front-line employees in the Clinical Development Department, including nine sub-sequences, Clinical development, PV, project management, clinical operation, data statistics, quality management and clinical pharmacology
Function	• Front-line employees of functional departments such as the Human Resource Department, Finance, Legal and Operations

The Company has established a normalized incentive system that provides differentiated evaluation and recognition methods for different types of employees. This aims to motivate their development and enhance talent retention. For employees with poor performance, the Group has established a performance improvement plan to improve their performance and capabilities.

Occupational Health and Safety

Occupational Health and Safety

Attaching importance to the health and safety of employees, the Group strictly complies with applicable laws and regulations, such as *the Law of the People's Republic of China on Work Safety,* the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases,* the *Fire Control Law of the People's Republic of China and the Regulations on the Safety Administration of Hazardous Chemicals.* In line with these laws and regulations, the Group has established a systematic safety management system.

In 2022, Abbisko Therapeutics Co., Ltd. recieved the three-level certification of "Work Safety Standardization", which is valid until March 1, 2025.

During the Reporting Period, the Group did not experience any cases of occupational diseases or suspected cases, nor did it have any fatalities due to work-related accidents. There were no lost workdays due to work-related injuries.

Occupational Health and Safety Management Measures

Identification of occupational disease risks

- Arrange qualified third-party testing organizations regularly to conduct all-around health checks, risk identification and monitoring tests of occupational hazard factors in the workplaces of the Group to ensure that hidden hazards are solved.
- Main source of occupational hazard factors: volatilization of chemicals.

Routine protection measures

- Establish the *Occupational Disease Prevention and Control Responsibility System;* organize employees in positions exposed to occupational hazards to receive full physical examinations specific to their jobs; and arrange pre-job, on-job, job-transfer and off-job physical examinations.
- Provide employees with high-quality personal protective equipment, such as goggles, masks, lab coats and protective gloves.

Safety training for employees

- Strengthen the popularization of information related to occupational health protection such as the occupational disease prevention and control responsibility system and the monitoring test results of occupational hazard factors.
- Arrange pre-job occupational health training and regular on-job occupational health training for employees; popularize occupational health knowledge; urge employees to comply with occupational hazard prevention and control laws, regulations, national standards, industry standards, safety protective equipment use and operating procedures; and require employees in special positions to receive safety training and pass the exam before work.

Emergency Response and Drills

- Arrange training of fire-fighting knowledge and skills regularly and organize drills per fire-fighting and emergency evacuation plans.
- Develop a sound emergency response mechanism, respond to emergencies promptly, quickly mobilize human and material resources to avoid or reduce accident losses to the greatest extent.

Laboratory Safety Management

With great importance in laboratory safety management, the Group has established a *laboratory safety management system* and has published the *Laboratory Safety Manual and the Wuxi Abbisko - Laboratory Safety Regulations* and other SOPs as safety references for all laboratory personnel to prevent and reduce chemical safety accidents and protect employee safety and company property.

The Group keeps enhancing laboratory safety management. Abbisko Therapeutics has set up a BSL-2 laboratory. The BSL-2 laboratory and affiliated facilities have been certified and accepted by the Shanghai Health Commission. In 2023, the new Wuxi Laboratory of the Group was completed and put into use, where the work safety system of simultaneous design, construction and operation is being established. To enhance laboratory safety, the Group has continuously strengthened equipment safety management, routine safety protection, hidden hazard management and safety training.

Laboratory Safety Management Measures

Equipment safety management

- The BSL-2 laboratory is equipped with facilities and devices per applicable technical specifications, including delivery windows, buffer rooms, sinks, eye washers, UV lamps, bio-safety cabinets, emergency lighting and autoclaves.
- The laboratory is provided with safety supplies such as spill-kits, eye washer, emergency shower, fire extinguishers, yellow sand and fire blankets.

Routine safety protection

- Employees are required to wear lab coats, masks, gloves, goggles and other protective equipment before entering the laboratory.
- The laboratory is provided with safety supplies such as spill-kits, eye washer, emergency shower, fire extinguishers, yellow sand and fire blankets.
- In routine work, hazardous chemicals (including precursors of toxic chemicals, precursors of explosive chemicals and highly toxic chemicals) are stored separately in warehouse safety cabinets according to their specific characteristics. Material safety data sheets ("MSDSs") are attached to each chemical. They are controlled by two persons with two locks and the incoming and outgoing records of chemicals are kept up to date.

Potential hazard management

- Strengthen the supervision and management of accident risks; organize safety inspections including daily inspections, laboratory safety inspections and joint inspections across departments; supervise the implementation of the system by departments; identify and correct the unsafe behaviors of employees and the unsafe state of chemicals timely.
- Record the safety inspections and analyze and trace the rectification of safety problems timely after safety inspections.
- Require employees to stop working immediately after finding laboratory safety risks during work, take emergency or correction measures accordingly and report the cases to the Operation Department timely.

Safety training

- Operators shall receive internal and external safety training to master general work safety knowledge.
- The laboratories shall be posted with the safety operation procedures of laboratory personnel and the laboratory emergency response plan.
- All employees shall receive safety training regularly to acquire required work safety skills, pass the exam before work, understand laboratory management requirements and remain familiar with all risk points and control measures in their positions.

Green and Low-carbon Operation

Environmental Management System

As a clinical-stage biopharmaceutical company, the Group faces environmental impact in the operation process mainly from the routine office operation and experimental R&D process. The Group pays constant attention to the environmental impact of its operations and actively promotes environmental protection compliance management, firmly complying with the minimum requirements of environmental protection.

Environmental Impact Analysis

Input of environmental factors

Energy	Water resources	Raw materials	Packages
Purchased power, gasoline and diesel	Municipal water supply and purified water	Experiment reagents and raw materials of drugs for clinical trial purpose	Cartons and foam boxes

Output of environmental factors

Exhaust gases	Waste water	Non-hazardous waste	Hazardous waste
Particulate matters, nitrogen oxides, sulfur oxides, volatile exhaust gas from raw materials and exhaust gas generated in laboratories	Experimental and domestic waste water	Domestic waste and laboratory waste	Inorganic waste liquid, fluorescent tubes, organic waste liquid, waste drugs, activated carbon, general chemical reagents, empty glass reagent bottles, laboratory contaminated waste, cell debris and medical waste

The Group complies with applicable laws and regulations of China and places of business, such as the *Environmental Protection Law of the People's Republic of China,* the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution,* the *Law of the People's Republic of China on the Prevention and Control of Water Pollution* and the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste.*

The Human Resource Department manages the environmental management affairs of the Group and has built the *Management Regulations on Hazardous Waste* and the Abbisko Safety Management Regulations on Pharmaceutical Hazardous Chemicals. The department has established a sound environmental management system to follow various management regulations in routine office and experimental R&D, reducing the impact of activities on the environment.

Environmental Management Actions and Achievements

Environmental management actions	Specific measures and effectiveness
Environment impact assessment	• Comply with applicable laws and regulations, including the *Law of the People's Republic of China on Environmental Impact Assessment,* the *Regulations on Environmental Protection Management for Construction Projects* and the *Regulations on Planning and Environmental Impact Assessment.* • Entrust qualified third-party organizations to conduct environmental monitoring and impact assessment on the surrounding atmosphere, noise and waste water. The Group entrusts qualified organizations to carry out environmental impact assessments per the law on its new, renovation and expansion projects.
Identification of potential risks	• Regularly identify potential environmental risk sources and establish an *Environment Emergency Response Plan* internally, set up an emergency response team and provide emergency rescue facilities. • Regularly organize annual emergency drills to improve the Company's emergency response capabilities to environmental risks and reduce the environmental impact of emergencies.
Environmental management objectives	• Promise to control greenhouse gas emissions, electricity consumption and water consumption at a relatively low level. • Further improve the identification and statistics of waste sources and strive to reduce harmless and hazardous waste.
Environmental protection promotion	• Enhance the environmental protection awareness of new employees in orientations. • Post up energy conservation posters and signs in offices.
Environmental protection managemnet	• Advocate environmentally friendly operation, reduce the consumption of water, electricity and other resources, and promote the reuse of recyclable resources. • Prioritize the use of environmentally friendly office products or choose environmentally friendly business activities. • Strictly control emissions that endanger environmental protection.

During the Reporting Period, the Company was not investigated by environmental protection authorities for any environmental violations or illegalities. There were no significant administrative or criminal penalties imposed. The Company was not ordered by the relevant people's governments or government departments to undertake rectification, shutdown, relocation, or closure within a specified time frame. There were no significant lawsuits involving environmental issues or incidents where the Company's major assets were sealed, detained, frozen, mortgaged, or pledged.

Resource Management

Energy management

The Group consumes energy, such as power, gasoline and diesel for its vehicles, mainly in daily office work and R&D.

The Group complies with applicable laws and regulations, such as the *Environmental Protection Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China.* It actively sets energy consumption reduction objectives and facilitates the implementation of various energy conservation and emission reduction measures.

Management Measures of Energy Conservation and Consumption Reduction

Management perspective	Management measures
 Routine management	• Advocate moderate use of air conditioners; formulate and implement rules for air conditioner management; set the person in charge of air conditioners in the office; turn off air conditioners half an hour before getting off work each day. • Set air conditioners at 25°C or above in summer and below 20°C in winter; specify the time of use. • Require employees to turn down high energy-consuming equipment such as laboratory fume hoods to the lowest setting timely after experiments.
 Enhanced energy conservation awareness	• Post up energy conservation posters and signs in offices; remind employees to turn off lights, computers, air conditioning and taps after work. • Immediately turn off lights and computers after work; check and turn off the power switches of all equipment in office areas and work stations before weekends and holidays. • Enhance the energy conservation awareness of new employees in orientations.
 Regular maintenance management	• Arrange employees from the Engineering Department to maintain and inspect air conditioners regularly to ensure energy efficiency.

Water Resource Management

The water source of the Group is mainly the municipal water supply, ensuring sufficient water for routine production and operation.

In line with applicable laws and regulations, such as the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, the *Water Law of the People's Republic of China*, the Group strengthens lean water resource management by using water-saving facilities, enhancing water conservation awareness, introducing water-saving processes and organizing regular inspections to save water resources while meeting the water needs of business operation.

Measures for Water Conservation

Management type	Management measures
Use of water-saving facilities	Install water-saving devices such as sensor taps.
Enhanced water conservation awareness	Strengthen employees' awareness of water conservation by posting water conservation signs and posters in office areas and promote the reuse of water resources to avoid water waste.
Regular inspections	Strictly monitor water consumption in office areas and regularly inspect and maintain the water piping network to reduce the waste of water such as water dripping and leakage.

Management of Packages

In 2023, the Group had no commercialized products. The main manufactured products were clinical preparations, and the main packages were cartons, foam boxes and carbon dioxide ice.

During laboratory operations, packaging cartons, carbon dioxide ice and foam boxes were recycled and reused internally, which not only reduced waste of resources but also achieved cost reduction and efficiency improvement.

Green Office

The Group always promotes green office practices and enhances employees' environmental awareness and sense of responsibility. In 2023, the Group introduced the DocuSign Electronic Signature System, which facilitated the signing and approval of about 2,200 documents, equivalent to avoiding the use of 370 tons of wood.

Emission Management

The pollutants generated by the Group in routine office and experimental R&D include solid waste, waste water and exhaust gas. In line with applicable laws, regulations and discharge standards, the Group makes efforts to discharge and dispose of pollutants meeting standards and takes emission reduction measures according to its actual conditions. In the future, the Group will consider setting up a recycling mechanism and adopting the latest emission purification technology or equipment to reduce pollutants.

In 2023, the Company did not experience any incidents of illegal discharge of waste water and exhaust gas or illegal disposal of waste.

Pollutant Types, Standards and Management Measures

Pollutant types	Management measures
Waste water	• Standards: applicable laws, regulations and discharge standards, such as the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, the *Integrated Wastewater Discharge Standard (GB8978-1996)* and the *Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)* • Types: domestic sewage, experimental sewage, laboratory cleaning sewage and spray column circulating water • Test indexes: pH, Chemical Oxygen Demand, 5-day Biochemical Oxygen Demand, suspendedsolids, ammonia nitrogen, Linear Alkylbezene Sulfonates, total residual chlorine and fecal coliform. • Treatment: Abbisko Therapeutics discharges the waste water to the municipal sewage network and the Wuxi Abbisko Laboratory entrusts a qualified treatment company to dispose of the experimental waste water as hazardous waste. • Discharge reduction measures: It is planned to purchase a waste water reuse and purification unit.

Pollutant types	Management measures
Exhaust gases	• Standards: national and local air pollution emission standards, such as the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution,* the *Integrate Emission Standards of Air Pollutants (DB31/933-2015)* and the *Emission Standards for Odor Pollutants (DB31/1025-2016).* • Types: laboratory exhaust gas. • Test indexes: Non-methane hydrocarbons, ethyl acetate, methanol, tetrahydrofuran, acetonitrile, N, N-dimethylformamide, N, N-dimethylacetamide, isopropanol, n-butanol, xylene, benzene series, 1,2-dichloroethane, 1,2-dioxane, dimethyl sulfoxide, odor concentration and acetone. • Treatment: Set micro-negative pressure in laboratories, collect exhaust gases through fume hoods, and discharge them after being absorbed and treated by an activated carbon purifier and spray column; discharge the airflow inside the biosafety cabinet at high altitude after being treated by high efficiency particle air ("HEPA") filters.
Non-hazardous waste	• Standards: applicable laws and regulations, such as the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste.* • Types: domestic waste and harmless laboratory waste. • Treatment: Entrust municipal environmental sanitation organizations to dispose of domestic waste and recycle harmless laboratory waste or entrust a third-party organization to collect such waste for disposal.
Hazardous waste	• Standards: applicable laws and regulations, such as the *Law of the People's Republic of China on Prevention* and *Control of Environmental Pollution by Solid Waste.* • Management regulations: Management Regulations on Hazardous Waste of Wuxi Abbisko Therapeutics Co., Ltd. and Abbisko Management Regulations on Hazardous Waste. • Types: Inorganic waste liquid, fluorescent tubes, organic waste liquid, waste drugs, activated carbon, general chemical reagents, empty glass reagent bottles, laboratory contaminated waste, cell debris, medical surgical masks, medical examination gloves and hollow droppers. • Management: Classify hazardous waste into corrosive hazardous waste, highly active organometallic reagents, infectious medical waste and damaging medical waste, treat them by professional staff per the prescribed procedures to ensure that employees receive necessary protection, and engage a professional and legally qualified waste disposal company for disposal.

Response to Climate Change

With full awareness of the severity and urgency of responding to climate change, the Group actively identifies the risks and opportunities that climate change brings to the Company's operations and specifies the impact of its operations on climate and the environment.

In 2023, the Company established a climate change management system from four levels: governance, strategy, risk management, metrics and targets, according to the recommended framework of *International Financial Reporting Standards 2 — Climate-related Disclosures* ("IFRS S2") issued by the International Sustainability Standards Board ("ISSB"). Based on this, it continuously improved management and reduced the carbon footprint generated by operations.

Climate Change Management System

Governance

- The Group includes climate change issues in its material issues of ESG and the Board supervises and manages climate change issues.
- Relevant functional and operational departments incorporate the management of climate change in their daily work.

Strategy

- The Group actively identifies the main sources of greenhouse gas emissions. Its greenhouse gas emissions fall into Scope 1 and Scope 2 greenhouse gas emissions.
- The Group identifies the risks of climate change to its operation and plans to include climate change risks and opportunities in the overall risk management.

Risk Management

- The Group strengthens environmental protection training for employees, supports low-carbon technologies, and takes energy conservation and emission reduction measures to make rational use of resources.
- The Group arranges regular inspections of facilities and equipment according to the climatic conditions of the places where the projects are located, organizes employees to conduct emergency rescue drills for flood control and typhoon prevention, and optimizes emergency response plans to ensure effective response in case of sudden disastrous weather.
- The Group actively adopts technologies related to energy conservation and emission reduction to reduce emissions at source.

Metrics and Targets

- The Group checks the greenhouse gas emissions inventory regularly with reference to the *Greenhouse Gas Protocol* developed by the World Resources Institute and the World Business Council for Sustainable Development and the ISO 14064-1 standard to manage and reduce greenhouse gas emissions.
- The Group counts and discloses greenhouse gas emissions and emission concentration regularly to evaluate its performance in climate change management.

In the future, the Group plans to identify climate change risks and opportunities and improve its management according to identification results to promote the realization of its carbon emission objectives.

Harmonious Community

Health Accessibility

The Group focuses on minority groups in the community that have not been met with medical needs, such as patient groups with orphan diseases. By 2023, the Group developed multiple small molecule drugs with the potential to treat orphan diseases and obtained three ODDs from the drug regulators in the U.S. and Europe. These include ODD granted by the U.S. FDA for ABSK091 and ABSK012, and by the EMA for ABSK021. This demonstrates the recognition of the Group's development and enhances the accessibility of medications for patients with orphan diseases.

Three Orphan Drugs Developed by Abbisko

Time of authorization	Product name	Indication	Recognitions
March, 2022	Pan-FGFR inhibitor ABSK091	Treatment of gastric carcinoma	ODD from the U.S. FDA
April, 2023	Next-generation FGFR4 mutant inhibitor ABSK012	Treatment of soft tissue sarcoma	ODD from the U.S. FDA
June, 2023	Innovative CSF-1R inhibitor pimicotinib (ABSK021)	Treatment of TGCT	ODD from the EMA

The drugs developed by the Group have been granted BTD or PRIME in China, the U.S. and Europe, providing patients with drugs with better efficacy at an accelerated pace.

Breakthrough Therapies Developed by Abbisko

Time of authorization	Product name	Efficacy	Recognitions
July, 2022	Innovative CSF-1R inhibitor pimicotinib (ABSK021)	Treatment of TGCT	BTD from China NMPA
January, 2023			BTD from the U.S. FDA
June, 2023			PRIME from the EMA
December, 2023			FTD from the U.S. FDA

Public Welfare Charity and Voluntary Services

The Group actively participates in social welfare undertakings while developing itself. Fully leveraging its strengths, the Group supports the development of education, culture, sports and rural revitalization in various forms. In 2023, the Group spent a total of RMB 150,000 on public welfare activities, with a total of 234 employees devoting voluntary services.

Supporting Educational Public Welfare Undertaking

On September 19, 2023, the Group organized the "Riding Towards the Future" public welfare donation activity, donating bicycles assembled by all employees to the Wangcunkou Central Primary School. Leveraging its strengths as a pharmaceutical company, the Group actively provided educational outreach on medical knowledge to some students. This helped them understand the research and production processes of pharmaceuticals and promoted their overall quality and sense of social responsibility.

Donating bicycles Assembled by Abbisko Employees

Abbisko's Educational Outreach on Medical Knowledge

Supporting Sports Public Welfare Undertaking

On November 16, 2023, the 10th running Challenge of the J.P. Morgan Corporate Shanghai officially kicked off, 13 employees from the Group attend in this event. By supporting the running, the Group contributed donations to local non-profit organizations, including public welfare projects such as caring for critically ill patients, community health and ecological environmental protection. The Group not only promoted the healthy development of the community and the improvement of the ecological environment but also conveyed care and positive energy.

Abbisko's Public Welfare Running

Supporting Public Welfare Undertaking for Rural Revitalization

In 2023, in response to the national rural revitalization strategy, the Group actively supported rural revitalization efforts by purchasing agricultural products such as brown rice and mushrooms as prizes for the annual meeting. This was able to not only support rural revitalization but also enhance employees' sense of social responsibility and participation.

ESG Performance Data Sheet

Financial performance

Performance indicator	Unit	2022	2023
R&D investment	Million RMB	379	434

Key Environmental Performance

Performance indicator	Unit	2021	2022	2023
Use of resources				
Total area [1]	m^2	——	10,807.76	10,807.76
Purchased electricity (Chinese Mainland)	MWh	1,941.43	2,403.94	2,530.65
Electricity consumption per capita [2]	MWh/person	12.13	10.27	9.81
Electricity consumption per unit area [4]	MWh/m^2	0.49	0.22	0.23
Gasoline consumption	L	2,183.13	5,000.00	4,100.00
Gasoline consumption per capita [2]	L/person	13.64	21.37	15.89
Gasoline consumption per unit area [4]	L/m^2	0.55	0.46	0.38
Paper consumption [5]	kg	896.88	1,340.00	661.60
Paper consumption per capita [2]	kg/person	5.61	5.73	2.56
Total water consumption	m^3	1,381.00	4,092.20	4,733.50
Water consumption per capita [2]	m^3/person	8.63	17.49	18.35
Emission management				
Total non-methane hydrocarbon emissions	kg	680	680	700
Total wastewater discharge	m^3	1,242.90	3,682.98	4,260.15
Chemical oxygen demand (COD) emissions (in wastewater)	t	0.029	0.95	0.214
Biochemical oxygen demand (BOD) emissions (in waste water)	t	0.15	0.15	0.22
Suspended solid (SS) emissions (in waste water)	t	0	0.02	0.01
Total volume of non-hazardous waste	t	12.50	15.87	19.60

Performance indicator	Unit	2021	2022	2023
Non-hazardous waste volume per capita [2]	t/person	0.08	0.07	0.08
Total volume of hazardous waste	t	39	27.19	44.80
Hazardous waste volume per capita [2]	t/person	0.24	0.12	0.17
Greenhouse gas emission management				
Scope 1 greenhouse gas emissions [3]	t CO_2e	5.91	13.35	9.10
Scope 2 greenhouse gas emissions [3]	t CO_2e	815.40	1,009.65	1,443.23
Total greenhouse gas emissions (Scopes 1 and 2) [3]	t CO_2e	821.31	1,023.00	1,452.33
Greenhouse gas emissions per capita (Scopes 1 and 2) [2 and 3]	t CO_2e/person	5.13	4.37	5.63
Greenhouse gas emissions per unit area (Scopes 1 and 2) [4]	t CO_2e/m^2	0.21	0.10	0.13
Environmental compliance management				
Number of cases in which penalties are imposed due to violations of environmental protection laws and regulations	No.	0	0	0

Notes: [1] The total area included the office and laboratory areas, in which the office area covered the area of Shanghai, Beijing and Hong Kong offices and the laboratory area covered the area of laboratories in Shanghai and Wuxi.

Notes: [2] The total number of employees at the end of the Reporting Period was used as the total number of employees in the calculations of electricity consumption per capita, gasoline consumption per capita, non-hazardous waste volume per capita, hazardous waste volume per capita, paper consumption per capita, water consumption per capita, greenhouse gas emissions per capita (Scopes 1 and 2).

Notes: [3] The Scope 1 greenhouse gas emissions were calculated by referring to ISO 14064-1:2018 and the *General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises (GB/T 32150-2015)* and the calculated emission sources included gasoline emissions from owned vehicles. The type of gas included in the calculation was CO_2. The gasoline emission factor was calculated by referring to the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Enterprises - Power Generation Facilities (2022 Revision)* and the calorific value was selected by referring to the *China Energy Statistical Yearbook 2021*. The Scope 2 greenhouse gas emissions in 2021 and 2022 were calculated by referring to the *Notice on Adjusting Emission Factor Values in Guidelines for Accounting Greenhouse Gas Emissions in Shanghai* published by Shanghai Municipal Bureau of Ecology and Environment. Scope 2 greenhouse gas emissions in 2023 were calculated by referring to the *Notice on the Management of Greenhouse Gas Emission Reporting of Companies in the Power Generation Industry from 2023 to 2025* published by the Ministry of Ecology and Environment.

Notes: [4] The total area at the end of the reporting area is used as the total area in the calculations of electricity consumption per unit area, gasoline consumption per unit area and greenhouse gas emissions per unit area.

Note : [5] In 2023, the paper consumption decreased from the previous year as the Company vigorously promoted the electronic office files and the use of electronic signatures.

Employment Management

Performance indicator		Unit	2021	2022	2023
Employment Management					
Total number of employees		Person	160	234	258
By gender	Number of female employees	Person	75	130	147
	Number of male employees	Person	85	104	111
By type	Number of full-time employees subject to labor contracts	Person	158	214	237
	Number of full-time employees subject to labor dispatching	Person	2	20	21
By age	Number of employees aged under 30	Person	30	45	51
	Number of employees aged 30 to 50	Person	124	184	201
	Number of employees aged over 50	Person	6	5	6
By region	Number of employees working in Chinese Mainland	Person	159	233	254
	Number of employees working in Hong Kong, Macau and Taiwan (China) and overseas	Person	1	1	4
By level	Number of frontline employees	Person	118	203	198
	Number of middle management employees	Person	32	22	51
	Number of senior management employees	Person	10	9	9
Employee turnover rate [1]		%	13	18	7
By gender	Turnover rate of female employees [1]	%	20	6	6
	Turnover rate of male employees [1]	%	7	12	8
By age	Turnover rate of employees aged under 30[1]	%	10	2	4
	Turnover rate of employees aged 30 to 50[1]	%	14	15	7
	Turnover rate of employees aged over 50[1]	%	17	1	17
By region	Turnover rate of employees in Chinese Mainland [1]	%	13	18	7
	Turnover rate of employees working in Hong Kong, Macau and Taiwan (China) and overseas [1]	%	0	0	25
Protection of employees' rights and interests					
Number of employees who died caused by occupational injuries during the Reporting Period		Person	0	0	0
Working days lost due to occupational injuries		Day	0	0	0

Performance indicator	Unit	2021	2022	2023
Number of cases in which penalties are imposed due to violations of occupational health and safety laws and regulations	No.	0	0	0
Number of cases violating laws and regulations in terms of employment and dismissal, remuneration and welfare, working hours and holidays, as well as equal opportunities and anti-discrimination	No.	0	0	0

Notes: [1] Formula of Turnover Rate: Turnover rate of employees in a certain type = number of employees in this type leaving office/number of employees in this type (at the end of Reporting Period) * 100%. In 2023, the Company saw a decrease in turnover rate of employees as the overall turnover rate was lower in the industry due to the impact of overall context.

Employee Training

Performance indicator		Unit	2021	2022	2023
Proportion of employees receiving training [1]		%	100.00	100.00	100.00
By gender	Proportion of male employees receiving training [1]	%	53.12	44.44	43.02
	Proportion of female employees receiving training [1]	%	46.88	55.56	56.98
By level	Proportion of frontline employees receiving training [1]	%	76.66	86.75	76.74
	Proportion of middle management employees receiving training [1]	%	16.67	9.40	19.77
	Proportion of senior management employees receiving training [1]	%	6.67	3.85	3.49
Average hours of training received by employees [2]		Hour	6.00	3.66	4.00
By gender	Average hours of training received by female employees [2]	Hour	6.00	3.69	4.00
	Average hours of training received by male employees [2]	Hour	6.00	3.62	4.00
By level	Average hours of training received by frontline employees [2]	Hour	6.00	3.70	4.00
	Average hours of training received by middle management employees [2]	Hour	6.00	4.18	5.49
	Average hours of training received by senior management employees [2]	Hour	6.00	2.00	2.00

Note: [1] Formula: Proportion of employees receiving training in a certain type = number of employees receiving training in a certain type (at the end of Reporting Period)/total number of employees (at the end of Reporting Period) * 100%.

Note: [2] Formula: Average hours of training received by employees in a certain type = total hours of training received by employees in a certain type/number of employees in a certain type (at the end of Reporting Period).

Supply Chain Management

Performance indicator	Unit	2021	2022	2023
Total number of suppliers [1]	No.	364	784	482
Number of suppliers in Chinese mainland	No.	303	688	428
Number of suppliers in Hong Kong, Macao and Taiwan(China) and overseas	No.	61	96	54

Note[1]: Data description: 2021 and 2023: the number of suppliers that conducted transactions in that year. 2022: the accumulated number of suppliers signed contracts since the Company's establishment.

Communication with Communities and Development

Performance indicator[1]	Unit	2021	2022	2023
Amount donated in charity activities	RMB	20,000	0	150,000
Total hours of volunteering services that employees participated in	Hour	0	35	258
Number of employees participating in volunteering services	Person	0	6	258

Note[1]: In 2023, the Company further increased the investment in public welfare charity by organizing all employees in several public welfare events.

Anti-corruption and Anti-bribery

Performance indicator	Unit	2021	2022	2023
Number of completed corruption lawsuits filed against the issuer or its employees during the Reporting Period	No.	0	0	0
Number of employees receiving anti-corruption training	Person	155	100	258
Hours of anti-corruption training per employee	Hour	1.00	1.00	1.00
Hours of anti-corruption training per director	Hour	1.00	1.00	1.00

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KPI B6.1	ESG Performance Data Table		
KPI B6.2	This indicator is not applicable as the Company had not launched new drug and was not engaged in volume production.	KPI B8.2	Public Welfare Charity and Voluntary Services ESG Performance Data Sheet

Definitions

AACR	American Association for Cancer Research
ASCO	American Society of Clinical Oncology
BTD	Breakthrough Therapy Designation
cGvHD	chronic graft-versus-host disease
CMC	Chemistry, Manufacturing and Controls
CMO	Contract Manufacture Organization
CTOS	Connective Tissue Oncology Society
E2F	Guiding Principles for Safety Update Reports during Drug Development
EMA	European Medicines Agency
ENA	European Organisation for Research and Treatment of Cancer - National Cancer Institute - American Association for Cancer Research (EORTC-NCI-AACR)
ESG	Environmental, Social and Governance
ESMO	European Society of Medical Oncology
FDA	Food and Drug Administration
FTD	Fast Track Identification
GCP	Good Clinical Practice
GDPR	General Data Protection Regulation (EU)
GMP	Good Manufacturing Practice
HEPA	High Efficiency Particle Air
HIPPA	Health Insurance Portability and Accountability Act (U.S.)
IACUC	The Institutional Animal Care and Use Committee
ICH E2B	Clinical Safety Data Management: Definitions and Standards for Expedited Reporting
ICH-GCP	Good Manufacturing Practice of the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use
IFRS S2	International Financial Reporting Standards 2 — Climate-related Disclosures
INED	Independent Non-Executive Directors
IND	Investigational New Drug
IND Enabling	Investigational New Drug Enabling
IP	intellectual property
ISSB	International Sustainability Standards Board
MSDS	Material safety data sheets
NDA	New Drug Application
NMPA	National Medical Products Administration
NSCLC	Non-Small Cell Lung Cancer
ODD	Orphan Drug Designation
ORR	Objective Response Rate
PV	Pharmacovigilance
PRIME	Priority Medicine
SOPs	Standard Operating Procedures
TGCT	Tenosynovial giant cell tumors
WIs	Work Instructions


Abbisko 和誉