



Transcenta Holding Limited 創勝集團醫藥有限公司

(registered by way of continuation in the Cayman Islands with limited liability)

Stock Code: 6628



2023

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT

CONTENTS

ABOUT THE REPORT	2
MESSAGE FROM THE CEO	4
COMPANY PROFILE	5
STATEMENTS OF THE BOARD OF DIRECTORS	8
1. COMMON PROSPERITY AND GOOD DEEDS WITH SINCERE FAITH	9
1.1. ESG Governance Structure	9
1.2. Communication with Stakeholders	10
1.3. Compliance and Business Ethics	14
1.4. Information Security and Privacy Protection	17
1.5. Risk Management	20
2. SUCCESS LEADING INNOVATION	21
2.1. Research and Development and Innovation	21
2.2. Quality Safety	24
2.3. Responsible Supply Chains	26
2.4. Win-Win Cooperation in the Industry	28
3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES	30
3.1. Diversity, Equality and Inclusion	30
3.2. Interests and Welfare of Employees	33
3.3. Training and Development	38
3.4. Occupational Health and Safety	44
3.5. Society Co-building	50
4. BUILDING CLEAN AND HARMONIOUS ECOSYSTEMS	55
4.1. Environmental Management System	55
4.2. Response to Climate Change	56
4.3. Resource Management	61
4.4. Emissions Management	66
APPENDIX I: KEY PERFORMANCE TABLES IN 2023	70
APPENDIX II: CONTENT INDEX OF HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE	72
APPENDIX III: SUMMARY OF ABBREVIATION INVOLVED IN THE REPORT	78

ABOUT THE REPORT

INTRODUCTION OF THE REPORT

This report is the third environmental, social and governance report (the “Report” or the “ESG Report”) issued by Transcenta Holding Limited (“Transcenta”), together with its subsidiaries (collectively, “we”, “us” or the “Company”), for the purpose of providing information on the Company’s environmental, social and governance (“ESG”) system building and performance and objectively disclosing the Company’s management and effectiveness in respect of sustainable development in response to the expectations of its stakeholders and the public.

REPORTING SCOPE AND BOUNDARY

The Report discloses the management and performance of ESG related issues for the period from January 1, 2023 to December 31, 2023 (the “Reporting Period” or the “Year”) and part of the information dates back to the previous year or covers the year of 2023. For details of the Company’s business, please refer to the 2023 Annual Report.

The reporting scope covers Hangzhou Facility, Suzhou Facility, Shanghai Facility and Beijing Facility. (Since Beijing Facility has been closed in October 2023, the reporting time range of the data of Beijing Facility in this Report is as of the end of October 2023. In addition, the employees at the Company’s workplace in the United States spent most of their time working from home, and therefore, the Report does not include various environmental data of the workplace in the United States. Environmental data density = environmental data/revenue of the Company)

BASIS OF PREPARATION

The Group prepared the Report in accordance with the requirements of the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”), Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“HKEx” or “Hong Kong Stock Exchange”) and based on the following principles:

- **Materiality:** As the Company believes the ESG Report has significant influence on the investors and stakeholders, we have disclosed the procedures of identifying material ESG factors in the Report, including identifying stakeholders and conducting assessment on ESG issues using the materiality matrix. We identified ESG related material factors based on our engagement mechanism with stakeholders and materiality principle, paid more attention to them and disclosed corresponding measures in the Report.
- **Quantitative:** The Company measured key performance indicators and disclosed quantitative data as required by the ESG Reporting Guide issued by the Hong Kong Stock Exchange. The Company also disclosed the calculation methods of and assumptions for the data contained in the Report.
- **Balance:** The Company fairly and objectively presented its ESG related work in the Report.
- **Consistency:** The Company adopted a consistent data disclosure approach and explained relevant statistical methods and standards.

The indicators index of the ESG Reporting Guide is set out in Appendix II to the Report for easy and quick reference by readers.

ABOUT THE REPORT

SOURCES AND RELIABILITY

The information and data disclosed in the Report are based on the statistical reports and formal documents of the Company and have been reviewed by the relevant departments. We confirm that there is no misstatement or misleading representation contained in the Report and take responsibility for the truthfulness, accuracy and completeness of the contents of the Report. All the currency amounts in the Report are denominated in RMB.

PROCESS OF PREPARATION

The contents of the Report have been determined based on a set of systematic procedures. Such procedures include, among others, forming a working group, identifying key stakeholders, conducting interviews with the stakeholders, identifying and prioritizing material ESG related topics, deciding the scope of the ESG Report, collecting relevant materials and data, determining the framework, report compiling, report designing and review by the relevant departments and the senior management.

ACKNOWLEDGEMENT AND APPROVAL

The Report has been approved by the Board of Directors of the Company (the "Board") on March 27, 2024.

REPORT ACCESS AND FEEDBACK

The electronic version of the Report is available on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.transcenta.com). Should you have any advice or recommendation as to the Company's disclosure and performance in ESG issues, please contact us through the following ways.

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MESSAGE FROM THE CEO

In this era full of challenges and opportunities, Transcenta always believes that adapting to and leading changes is the key to promoting the sustainable development of enterprises. We believe that to seek new ways of thinking, operating models and innovation paths in the midst of change is the direction of our unremitting efforts to build a better world.

The year 2023 is an important milestone for Transcenta. Our R&D team, as an industry-leading group, has successfully advanced a number of new molecular drugs to the clinical stage, demonstrating our commitment to promoting global health and well-being. We have not only made remarkable achievements in the field of research and development, but also achieved substantial progress in environmental protection, supply chain management, quality and safety, as well as diversity, equality and inclusiveness.

As a responsible enterprise, Transcenta is well aware of its ESG responsibilities. In terms of the environment, we are committed to promoting the development of a harmonious ecology and striving to reduce the impact of operations on the natural environment by improving the environmental management system, actively responding to climate change, rationally managing resources and strictly controlling emissions. In terms of employees and social responsibilities, we focus on building an inclusive and equal working environment, value employees' rights and benefits, and actively contribute to the continued progress of society through training and development, occupational health and safety measures, and social co-construction projects. In addition, in corporate governance, we promote sustainable corporate development in a transparent and responsible manner by establishing a sound ESG governance structure, strengthening stakeholder communication, strictly following compliance and business ethics, and ensuring information security and privacy protection.

The achievements of Transcenta are inseparable from the hard work and dedication of each and every employee. I am extremely proud of their commitment and efforts. It is the common goal of all of us to ensure that Transcenta not only succeeds commercially, but also contributes positively to society and achieves sustainable development.

Looking into the future, we will continue to lead change, actively respond to global challenges, and commit ourselves to scientific research and innovation to bring hope and cure to patients around the world. Transcenta promises that we will make unremitting efforts to continue to fulfill our social responsibilities and keep moving forward to achieve a more just, equal and healthy world.

Executive Director and Chief Executive Officer

Dr. Xueming Qian

COMPANY PROFILE

CORPORATE INTRODUCTION

Transcenta is a clinical stage biopharmaceutical company that fully integrates biotherapeutics discovery, research, development and manufacturing. On September 29, 2021, Transcenta was listed on the Main Board of the Stock Exchange of Hong Kong Limited with the stock code: 06628.

Transcenta has established global footprint, with Headquarters and Discovery, Clinical and Translational Research Center in Suzhou, the headquarters of Transcenta and the production base with continuous perfusion production processes as its core technology are also under construction. Transcenta possesses Process and Product Development Center and Manufacturing production base in Hangzhou, and Clinical Development Centers in Beijing, Shanghai and Guangzhou in China and in Princeton, the U.S., and External Partnering Center in Boston and Los Angeles, the U.S. Transcenta is developing 13 therapeutic antibody molecules pipelines, including tumor, bone and kidney disorders and other areas.

Mission

- Employing cutting-edge technology, we innovate to help patients with differentiated and affordable biologics

Vision

- To achieve success through innovation and benefit patients around the world

Core values

- Integrity, Science-based, Win and Respect

Corporate Culture System

PRODUCT PIPELINE

Transcenta has established a pipeline of 13 innovative molecules in oncology, bone disorders and nephrology, of which, 12 molecules are discovered and developed in house.

Oncology pipeline includes multiple innovative and differentiated biologic molecules targeting major cancer pathways or immune microenvironment which have potential synergistic mechanisms of actions for tumor indications with high clinical needs. Our pipeline includes both targeted therapy Osemitamab (TST001) as well as immunotherapy TST005 that engage either NK cells or T cells to kill tumor cells; TST003 that inhibits tumor associated fibroblast derived immunosuppressive regulatory protein; TST010 that depletes immunosuppressive Treg cells; and MSB0254 that enhances TIL infiltration into the tumor by normalizing vasculature.

COMPANY PROFILE

Transcenta’s non-oncology pipelines focus on novel indications with high unmet medical needs in bone and kidney diseases. Blosozumab (TST002) and TST004 are two highly differentiated molecules that are designed to treat osteoporosis and complement mediated disease (like kidney disease IgA) respectively, both of which are of high unmet medical needs and with high market potentials.

As of the end of the Reporting Period, the full product pipeline of the Company was as follows:

Oncology										
Drugs Candidate	Target	Indication	Clinical Trial Region	Preclinical	IND	Ph Ia	Ph Ib / Ph IIa	Pivotal Ph IIb/Ph III	Rights	Partner
Osemitamab (TST001)	Claudin 18.2	G/GEJC	Global	Combo with Nivolumab/Chemo					Global	In-house
		PADC	Global	Combo with Chemo						
MSB0254	VEGFR2	Solid Tumors	China	Monotherapy					Global	In-house
TST005	PD-L1/TGF-β Bi-functional	Solid Tumors (HPV+ and NSCLC, etc.)	Global	Monotherapy					Global	In-house
TST003	Gremlin-1 (FIC)	Solid Tumors	Global	Monotherapy					Global	In-house
TST006	Claudin 18.2/PDL1 Bi-specific	Solid Tumors	Global	Monotherapy					Global	In-house
TST010	Undisclosed ADCC enhanced mAb	Solid Tumors	Global	Monotherapy					Global	In-house
TST012	Undisclosed ADC	Solid Tumors	Global	Monotherapy					Global	In-house
TST013	Undisclosed ADC	Solid Tumors	Global	Monotherapy					Global	In-house
MSB231	PD-L1	TMB-H Solid Tumors	China	Monotherapy					Global	In-house
		Solid Tumors	China	Combo with VEGFRi						

Non-oncology										
Drugs Candidate	Target	Indication	Clinical Trial Region	Preclinical	IND	Ph Ia	Ph Ib / Ph IIa	Pivotal Ph IIb/Ph III	Rights	Partner
Blosozumab (TST002)	Sclerostin	Osteoporosis	China	Monotherapy				Lilly	Greater China	In-licensed from Eli Lilly
TST004	MASP2	IgAN, TMA	Global	Monotherapy					Global	Co-development with Alebund in Greater China
TST008	MSAP2/BAFF Bi-specific (FIC)	SLE/LN/IgAN	Global	Monotherapy					Global	In-house
TST801	Bi-specific (FIC)	SLE/LN/IgAN	Global	Monotherapy					Global	In-house

COMPANY PROFILE

AWARDS AND RECOGNITION

During the Reporting Period, the Company has received various awards and recognition.

Award/recognition	Awarding organization
Transcenta was awarded as the Most Valuable Small and Medium-Cap Company	Zhitong Finance and Tonghuashun Finance
Suzhou Transcenta was recognized as a National High-tech Enterprise	Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province, Jiangsu Provincial Tax Service of State Taxation Administration
HJB passed the review and was accredited as a National High-tech Enterprise	Zhejiang Provincial Department of Science and Technology, Department of Finance of Zhejiang Province, Zhejiang Provincial Tax Service of State Taxation Administration
HJB was honored as the Enterprise Institute of Zhejiang Province	Zhejiang Provincial Department of Science and Technology
HJB built the Postdoctoral Enterprise Work Station in Zhejiang Province	Zhejiang Province Human Resources and Social Security Department
Excellent Case of Party Building Integration between Government, School and Enterprises in Qiantang District, Hangzhou	Hangzhou Qiantang District Committee Organization Department of the Communist Party of China, Hangzhou Qiantang Science City Working Committee of the Communist Party of China

STATEMENTS OF THE BOARD OF DIRECTORS

Transcenta deeply understands the importance and necessity of the sustainable development and practically incorporates ESG factors into decision-making and daily operation, striving to achieve the common value of all stakeholders.

During the Reporting Period, Transcenta strengthened the overall ESG management of the Company by relying on the ESG management structure constructed by the supreme responsibility level, the decision-making level, the monitoring level and the execution level. The Board of Directors is the supreme responsible and decision-making body on ESG and climate-related matters of the Group, plays the leading and monitoring roles on ESG and undertakes all responsibilities. As the highest decision-making body, the Board of Directors conducts regular reviews of the Company's ESG goals and all progress in their implementation.

Meanwhile, the Company has incorporated major decision-making on ESG and climate issues into the responsibilities of the Audit Committee under the Board of Directors and has established the ESG committee on the execution level to monitor the implementation of ESG and climate work. At the business operation level, the ESG Committee, composed of the Company's core management members, provides strategic insights and resource support for ESG work, and is responsible for the overall coordination of the participation and communication of relevant departments in ESG matters to ensure that our ESG strategy is integrated into our daily operation.

In terms of risk management, the Audit Committee under the Board of Directors of Transcenta is responsible for the supervision and management of the overall risk management and internal control systems of the Company. We have incorporated ESG and climate-related risks and opportunities into the risk management system of the Company to ensure that the Company's annual risk assessment covers various aspects, including safety production, environmental protection and health management and risks on climate change.

To ensure that we attain our ESG targets, we assign employees to take responsibility for target achievement, and to regularly collect data, track progress and review performance. The Board is committed to disclosing our progress towards goals in response to the concerns and expectations of our stakeholders.

Transcenta focuses on achieving the common value of all stakeholders. We attach great importance to the improvement of the smooth and transparent communication mechanism, understand the expectations and appeals of all stakeholders through regular and diversified communications and conduct identification and assessment on ESG issues concerned by all stakeholders. The Board of Directors regularly discusses with stakeholders on their concerns and appeals, assess the ESG performance of the Company and continuously improve the sustainable development strategy and system to improve the ESG management.

1. COMMON PROSPERITY AND GOOD DEEDS WITH SINCERE FAITH

Transcenta firmly believes that compliance is the cornerstone of corporate stability and sustainable development. We adhere to business ethics and regard integrity and transparency as the core of high-quality development. During the Reporting Period, Transcenta continued to optimize its internal governance structure, strengthen internal and external risk management mechanisms, deeply integrate ESG principles into the management and operation process of the Company to continuously improve its adaptability and resilience.

1.1. ESG GOVERNANCE STRUCTURE

Transcenta is committed to fulfilling its corporate mission and actively undertakes social and environmental responsibility. Our ESG governance structure clearly stipulates various ESG responsibilities of all levels from the supreme responsibility level to the decision-making level, the monitoring level and the execution level. As the Group's supreme responsibility level, the Board of Directors guides the ESG development orientation of the Company. To promote the sustainable, standard and healthy development of the enterprise, the Board of Directors has specifically incorporated the ESG strategic development, targets setting, industry research and relevant major decisions on ESG into the responsibilities of the Audit Committee.

ESG governance structure and main responsibilities of Transcenta

Level	Responsible body	Major responsibilities
Supreme responsibility level	Board of Directors	Responsible for coordinating the ESG management policies and strategies, including climate issues, as well as the evaluation, optimal arrangement and management of key ESG matters and ensure accurate ESG disclosure
Decision-making level	Audit Committee under the Board of Directors	Responsible for formulating and reviewing the ESG strategy of the Company to ensure the operation and development of the Company in strict compliance with the ESG guiding principles and regularly reporting the progress to the Board of Directors
Monitoring level	ESG committee	With the CEO acting as the team leader and senior management of key ESG departments as other members, they jointly supervise and guarantee the implementation of ESG work
Execution level	All key departments on ESG	Responsible for promoting the achievement of key ESG performance indicators and targets, fulfilling responsibilities under the guidance of the ESG committee and reporting to the working group on important ESG matters

1. COMMON PROSPERITY AND GOOD DEEDS WITH SINCERE FAITH

We understand that the independence of the Board of Directors is positively correlated to the governance capability of the Company and continuously enhance the independence of the Board of Directors. As of the end of the Reporting Period, the Board of Directors consists of 7 directors, including 4 independent non-executive directors, 1 non-executive director and 2 executive directors.

We also deeply believe that the board diversity is beneficial to improving the ESG performance of the Company and facilitates the achievement of the strategic goals and sustainable development of the Group. The Board of Directors adopted and implemented the board diversity policy. In selecting and appointing members of the Board of Directors, the Group will consider a number of aspects on the board diversity, including but not limited to professional experience, skills, knowledge, gender, age, cultural and educational background, race and terms of service, and ensure appropriate balance in the skills, experience and diversified views of directors, thereby improving the efficiency of the Board of Directors. As of the end of the Reporting Period, the Board of Directors consists of 6 male directors and 1 female director. 2 directors are Chinese and the remaining 5 directors are from the United States and Australia, respectively.

1.2. COMMUNICATION WITH STAKEHOLDERS

Communication with stakeholders

Transcenta fully recognizes the importance of the opinions and concerns of stakeholders to the development orientation of the Company. Our major stakeholders include employees, shareholders/investors, government and regulatory authorities, suppliers, community and public, partners/industrial organizations and media. Transcenta is committed to establishing effective dialogues with all stakeholders through diversified communication channels to ensure that they fully understand the ESG decisions and actions of the Company, and actively listen to and accept their opinions and needs.

Stakeholders	Major Issues of Concern on Sustainable Development	Communication Methods of the Group
Customers	<ul style="list-style-type: none"> Product quality and safety Information security and privacy protection Cooperation and development in industry 	<ul style="list-style-type: none"> Establish and improve quality management system Improvement of R&D and innovation capabilities Enhancement of information and privacy protection measures

1. COMMON PROSPERITY AND GOOD DEEDS WITH SINCERE FAITH

Stakeholders	Major Issues of Concern on Sustainable Development	Communication Methods of the Group
Shareholders/investors	<ul style="list-style-type: none"> • Compliance operation • Medical and health affordability • Protection of intellectual property • Sustainable supply chain 	<ul style="list-style-type: none"> • Compliance information disclosure • Telephone, email and online communications with investors • Shareholders' general meeting • Investors communication meetings and on-site inspections • Improvement of R&D and innovation capabilities
Government and regulatory authorities	<ul style="list-style-type: none"> • Use of water resources • Product quality and safety 	<ul style="list-style-type: none"> • Strict compliance with laws and regulations, performing various obligations • Reporting the operation of the Group on a regular basis • Promoting upstream and downstream coordinated development of industry • Establishment of internal control mechanism on compliance operation • Complying with tax laws and regulations to ensure paying taxes according to laws
Employees	<ul style="list-style-type: none"> • Interests and welfare of employees • Product quality and safety • Product innovation and R&D 	<ul style="list-style-type: none"> • Employee meetings • Collecting employees' suggestions and feedbacks • Employee training activities • Safeguarding employees' health and safety • Distribution of employees' welfare
Suppliers	<ul style="list-style-type: none"> • Product quality and safety • Product innovation and R&D 	<ul style="list-style-type: none"> • Conducting Regular communications • Implementing supplier access assessment and review process • Promoting sustainable development of supply chains and performing corporate social responsibilities

1. COMMON PROSPERITY AND GOOD DEEDS WITH SINCERE FAITH

Stakeholders	Major Issues of Concern on Sustainable Development	Communication Methods of the Group
Community and public	<ul style="list-style-type: none"> • Use of water resources • Compliance operation 	<ul style="list-style-type: none"> • Community public welfare activities • Establishment of a sound quality management system • Improvement of R&D and innovation capabilities • Enhancement of information and privacy protection • Information disclosure
Partners/industrial organizations	<ul style="list-style-type: none"> • Cooperation and development in industry • Sustainable supply chain 	<ul style="list-style-type: none"> • Industrial communications
Media	<ul style="list-style-type: none"> • Occupational health and safety of employees • Product quality and safety 	<ul style="list-style-type: none"> • Disclosure of environmental and social performance data in compliance with regulations • Establishment of channels for communications and complaints such as official website and social media

Materiality identification and assessment

Transcenta attaches great importance to stakeholder communication and research. In 2022, Transcenta deeply understood the importance of all ESG issues to the Company's strategy and stakeholders' specific expectations on Transcenta's ESG performance through questionnaires and in-depth interviews. The Company collected and analyzed a total of 144 questionnaires. Based on this data and in combination with concerns in the capital market and the characteristics of the industry, we carried out materiality analysis in a systematic way. We identified a total of 21 material ESG issues and conducted detailed classification and assessment, covering 3 highly material issues, 14 moderately material issues, and 4 generally material issues.

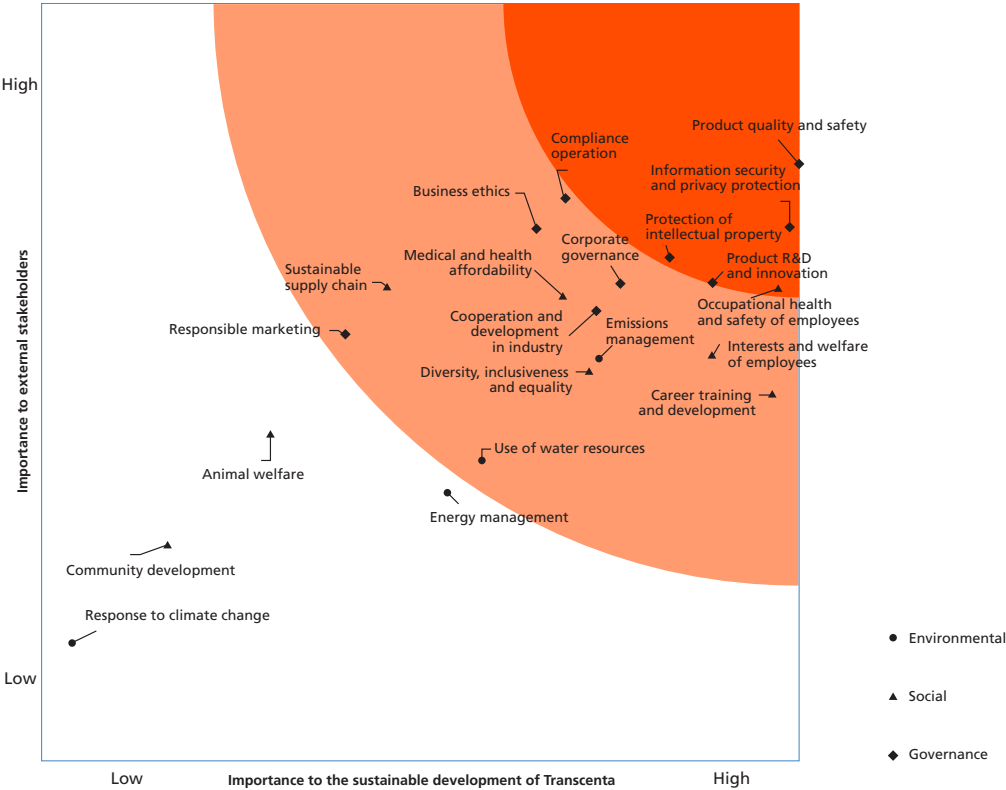
We believe that our survey results in 2022 remain valid and applicable to the situation in 2023. At the same time, we will continue to pay attention to the ESG development trends of our peers to ensure that our ESG strategies are in sync with industry standards.

1. COMMON PROSPERITY AND GOOD DEEDS WITH SINCERE FAITH

Materiality identification procedures

- Identification of ESG potentially material issues list**
 - From analysis aspects including regulatory requirements, industry benchmarks, policy situation and capital market focus, etc., Transcenta identified 21 potentially material issues to form a list of the ESG material issues of the Company
- Inspections on stakeholders**
 - 11 in-depth internal interviews were conducted within the Company and the survey questionnaires were distributed to customers, government and regulatory authorities, shareholders and investors, employees, suppliers, partners/cooperation organizations, community and public, media, etc. to develop an in-depth knowledge of ESG issues of concern to respective stakeholders
- Sequencing of the material issues**
 - Based on the two dimensions: the materiality to the sustainable development of the Company and the materiality to external stakeholders, Transcenta carefully evaluated and ranked all material issues to build up the materiality matrix
- Review and approval by the Board of Directors**
 - The ESG materiality matrix was submitted to the Board of Directors for review. The material issues were confirmed upon approval by the Board, and the Company's performance on such issues was reflected in the ESG Report in a true and fair manner

ESG materiality matrix of Transcenta



1. COMMON PROSPERITY AND GOOD DEEDS WITH SINCERE FAITH

1.3. COMPLIANCE AND BUSINESS ETHICS

Anti-Corruption

We adhere to the principle of “regarding virtue as foundation and cooperating in good faith” and are committed to integrity construction and anti-corruption management. Transcenta is in strict compliance with the Criminal Law of the People’s Republic of China 《中華人民共和國刑法》, the Anti-Unfair Competition Law of the People’s Republic of China 《中華人民共和國反不正當競爭法》, U.S. Foreign Corrupt Practices Act 《美國海外反腐敗法》, the Prevention of Bribery Ordinance of Hong Kong 《香港防止賄賂條例》 and other laws and regulations. To strengthen the supervision and management of anti-corruption and observing disciplines and laws, the Company formulated and implemented the Principles on Anti-bribery and Anti-corruption 《反賄賂和反腐敗商業原則》, Foreign Corrupt Practices Act Policy 《海外反腐敗法政策》, Anti-corruption Policy 《反貪污政策》, Transcenta’s Policy on Interactions with Healthcare Professionals 《創勝集團與醫療衛生專業人士的互動政策》 and other internal rules and systems covering the whole process of operation. We regulate and bind the Company and the individuals who act on the Company’s behalf (including distributors, other agents or the third party), specified the risks and prohibited behaviors and released and provided training on the related rules and procedures.

The Compliance Committee established by the Company, the CEO and the Audit Committee under the Board of Directors are jointly responsible for compliance in clinical R&D, production and operation and business compliance. We implemented the Measures of Compliance Committee Management 《合規委員會管理辦法》 to specify the responsibilities of the Committee, including overseeing whether the Company’s operation procedures are consistent with relevant laws, inspecting the compliance of all departments and staff, reporting and rectifying the corruption, bribery and other illegal and non-compliance acts once found in a timely manner, and taking accountability into practice.

During the Reporting Period, the Company carried out a series of key training activities, including training on “Contract Management System” 《合同管理制度》, aiming to deepen employees’ understanding of contract laws and regulations and improve the efficiency and compliance of contract management. The Company includes anti-corruption statements in the contracts entered into with suppliers to strengthen anti-corruption management on suppliers. Transcenta regularly provides anti-corruption and anti-bribery trainings for all employees, senior management and directors to raise their prevention awareness and promote the development of the Company’s compliance culture. In 2023, we held a director’s responsibility training covering anti-corruption related content, with 7 directors participating. At the same time, 101 people participated in the compliance training on Transcenta’s Policy on Interactions with Healthcare Professionals 《創勝集團與醫療衛生專業人士的互動政策》 for employees. 100% of new employees participated in trainings on business ethics and anti-corruption.

In 2023, the Company and its employees were not involved in any submitted and concluded corruption lawsuits.

1. COMMON PROSPERITY AND GOOD DEEDS WITH SINCERE FAITH

Whistleblowing mechanism

Transcenta formulated and implemented the Whistleblowing Policy (《舉報政策》) and continuously improved whistleblowing and investigation management process. To ensure standardized complaint and whistleblowing management, the Company provided various channels, such as anonymous letters, emails and Enterprise WeChat platform for employees and external parties reporting misconducts of enterprises during their operation, including bribery, extortion, fraud and money laundering, to the personnel department or internal audit department.

Channels for whistleblowing	Transcenta provides diverse whistleblowing and complaint methods for employees and external parties, including the form of anonymous letters, emails, and Enterprise WeChat. Reports or complaints can also be made directly to the personnel department or internal audit department in person.
Email address of report or complaint	compliance@transcenta.com
Procedures for investigation	Internal Audit to review and investigate => Legal & Compliance to provide legal opinions => Human Resource to suggest punishments => Compliance Committee to implement rectification measures
Protection of the whistleblower	Transcenta strictly keeps the whistleblower's personal information and the report content confidential; the person who retaliates against whistleblowers will suffer serious punishment in accordance with the relevant provisions once the circumstance is verified. The person concerned will be sent to the judicial organs to investigate criminal responsibility according to law if he/she has committed a crime

1. COMMON PROSPERITY AND GOOD DEEDS WITH SINCERE FAITH

Intellectual property protection

Transcenta has always valued and respected the power of knowledge since its establishment and is committed to the protection of intellectual property rights. The Company strictly complies with the Patent Law of the People's Republic of China 《中華人民共和國專利法》 and the Rules for Implementation of the Patent Law of the People's Republic of China 《中華人民共和國專利法實施細則》 and other relevant laws and regulations, and respects intellectual property rights and interests of all parties. The Company specified in the Conduct Code of Employees 《員工行為準則》 that "intellectual property protection" is the basic principle of the Company. Meanwhile, it formulated and implemented the Management System on Laws and Regulations on Intellectual Property Rights 《知識產權法律法規管理制度》, the Intellectual Property Management Policy 《知識產權管理政策》, the Intellectual Property Award Policy 《知識產權獎勵政策》 and the Patent Filling & Maintaining SOP 《知識產權申請與維護標準化操作規程》 to strengthen the management of intellectual property rights, enhance the awareness of intellectual property rights protection among employees and management personnel and ensure no infringement of patents, copyrights or other intellectual property rights of companies and individuals in operation. During the Reporting Period, the Company made the following important updates to the Intellectual Property Management Policy:

1. Added Enterprise WeChat approval process, covering new patent application, subsequent patent application, patent copyright changes, etc.
2. Added software copyright application process and Computer Software Copyright Registration Confirmation Form
3. Added a new chapter of Freedom to Operate (FTO), which clearly explains the definition, purpose, departments involved, implementation timing and process of Freedom to Operate

Transcenta set up and used patent protection platform to conduct the possibility of professional assessment of invention technologies, and clearly distinguished the management areas and procedures for patents, trade secret protection, patent application and maintenance.

During the Reporting Period, to enhance the awareness of intellectual property rights protection among employees, the Company carried out the training themed "Introduction to the Company's intellectual property management system", with a total of 84 participants.

In 2023, Transcenta did not involve any litigation related to intellectual property rights. As of the end of the Reporting Period, the Company obtained 2 new authorized patents and had a total of 28 valid patents.

1. COMMON PROSPERITY AND GOOD DEEDS WITH SINCERE FAITH

Animal welfare

Transcenta attaches great importance to its commitment to animal welfare and strictly complies with the Regulations for the Administration of Affairs Concerning Experimental Animals 《實驗動物管理條例》, the Guidelines on Kind Treatment of Experimental Animals 《關於善待實驗動物的指導性意見》 and the Biosecurity Law of the People's Republic of China 《中華人民共和國生物安全法》 and other relevant laws and regulations. We established special committees and implemented detailed articles of association to ensure that the ethics and welfare in the process of animal experiment are properly protected, and adhered to the 3R principle, namely "Reduction, Replacement and Refinement", in all experiment design.

In 2023, in terms of animal rooms management, we optimized the exhaust gas treatment facilities and regularly replaced activated carbon devices to ensure that the gas in the animal breeding room was discharged to the external environment after fully purified. We handled waste in strict accordance with environmental protection regulations to ensure safe and environmentally friendly waste disposal. In addition, in order to further reduce environmental impact, we added a wastewater treatment and recycling system to purify and recycle the wastewater generated by cleaning cages, reducing water waste and potential waste pollution to the environment.

In order to continuously improve animal welfare awareness and knowledge of relevant personnel, Transcenta regularly organizes targeted trainings. These trainings cover the best practices, ethical principles and relevant regulatory knowledge of animal welfare to ensure that each employee can understand and comply with animal welfare standards, thereby effectively reducing the suffering and stress of experimental animals in actual work. To further deepen employees' understanding of the contribution of experimental animals to science and human health, on the World Day for Laboratory Animals, we organized employees to pay homage to experimental animals that lost their lives for scientific experiment, and further publicized the great contributions of experimental animals.

1.4. INFORMATION SECURITY AND PRIVACY PROTECTION

Information security is one of the core operating principles in the business development of Transcenta. In 2023, to ensure internal data compliance and that no data, confidentiality or information leaks occur, Data Security Committee of Transcenta regularly held monthly meetings to review and discuss events and risks related to data protection and information security within the Group.

We strictly abide by the Biosecurity Law of the People's Republic of China 《中華人民共和國生物安全法》, the Regulation of the People's Republic of China on the Administration of Human Genetic Resources 《中華人民共和國人類遺傳資源管理條例》, the Cybersecurity Law of the People's Republic of China 《中華人民共和國網絡安全法》, the Personal Information Protection Law of the People's Republic of China 《中華人民共和國個人信息保護法》, the General Data Protection Regulation 《通用數據保護條例》 of the European Union and other domestic and overseas laws and regulations, to protect the rights and interests of customers while ensuring our own information security compliance.

1. COMMON PROSPERITY AND GOOD DEEDS WITH SINCERE FAITH

As of the end of the Reporting Period, the Group has formulated and implemented the General Guidelines of Information Security and Data Protection System (《信息安全和數據保護制度總綱》) and the IT Information Security Ordinance (《IT 信息安全條例》), the Customer Intellectual Property Rights Protection Ordinance (《客戶知識產權保護條例》), the Cooperated Hospital Privacy and Information Security Protection Ordinance (《合作醫院隱私和信息安全保護條例》), the Patients Privacy Protection and Information Security Ordinance (《患者隱私保護及信息安全條例》) and other subordinate ordinances. We established regulations on information security and privacy protection management process to specify the allocation mechanism of rights and responsibilities of each department and all employees in customer intellectual property rights protection, information and privacy protection of patients and the cooperated hospital, IT information protection and other aspects.

Transcenta also carried out information security-related training activities to enhance employees' information security awareness and information protection capabilities, ensuring that all employees within the Company realize that information security and privacy protection are everyone's responsibilities and obligations, and further strengthen data and information security management ability to win the consistent trust of customers.

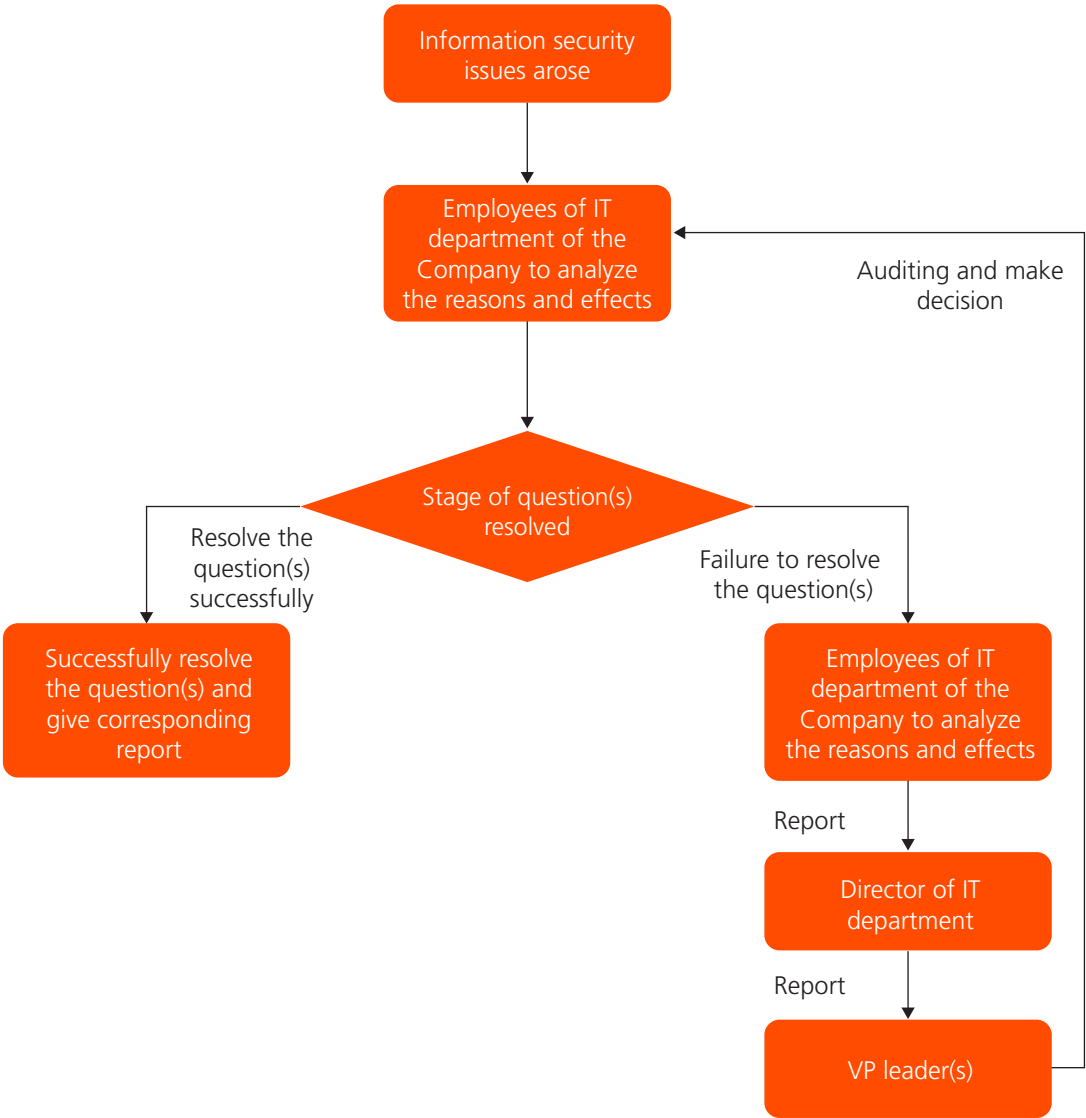
In addition, the Company pays special attention to privacy protection and personal information security of patients. The Group established and followed the internal Personal Privacy and Information Security Assessment (PIA) standards, which set out core provisions on the use, storage and transmission of patients' data and privacy. In 2023, we engaged a third-party law firm to assist in updating the "Standard Contract for Personal Information Outbound Transfer" (《個人信息出境標準合同》). This contract template was developed by the Cyberspace Administration of China to ensure that overseas entities receiving customer information fully comply with the relevant laws and regulations of the People's Republic of China. At the same time, Transcenta also engaged a third-party law firm to conduct a risk self-assessment of data outbound transfer to fully protect the security of patients' personal privacy at home and abroad.

To further improve the level of data compliance, we launched a data compliance project to comprehensively sort out and analyze the current status of clinical data and personal information protection and security within the Group. We issued the "Data Security and Personal Information Protection System" (《數據安全和個人信息保護制度》) as the general outline and guidance for data compliance work, clarifying the goals, principles, responsibilities, processes and supervision mechanisms of data compliance. At the same time, we optimized core documents such as the "Employee Personal Information Protection Statement" (《員工個人信息保護聲明》) and confidentiality agreements signed with suppliers, standardized the conditions and methods for the collection, use, sharing, transfer and disclosure of personal information, and strengthened data security requirements and supervision for suppliers. In addition, we organized data compliance training for all employees to improve their awareness and capabilities of data security and data protection to create a cultural atmosphere of data compliance.

In 2023, Transcenta did not received any complaints regarding user privacy leaks and information security from within or outside the Group.

1. COMMON PROSPERITY AND GOOD DEEDS WITH SINCERE FAITH

Procedures for handling information security events in 2023



1. COMMON PROSPERITY AND GOOD DEEDS WITH SINCERE FAITH

1.5. RISK MANAGEMENT

As a responsible operating company, Transcenta continues to improve its risk management system and integrate it into all of its business links to enhance corporate resilience, respond to and mitigate internal and external risks that may affect its business operation, and effectively ensure the Company's steady development.

Transcenta has formulated and implemented the Transcenta Risk Management Policy to ensure that the risk management of the Company has rules to follow. We conduct a formal risk assessment each year, including but not limited to the strategic risks, financial risks, market risks, operational risks, legal risks, and climate risks, etc. We focus on identifying, prioritizing, assessing and classifying all key risk factors that may impact the Company's objectives. We will continue to monitor material risks and control and will implement appropriate risk responses when necessary.

As for the issues discovered in the risk assessment, we will formulate risk management improvement plans in time, and the risk management committee of the Company is responsible for coordinating with all relevant departments to follow up and promote the implementation of the risk management plan, review and make recommendations on assessment, rewards and punishments. As the execution department of the Company's risk management, the internal audit and internal control department is responsible for risk identification, risk control and implementation, and monitor and evaluate the risk management work carried out by each department and subsidiary, and its effectiveness, and submit to the management level and Board of Directors of the Company for approval.

The Company has improved risk assessment procedures and the climate risk identification and incorporated the climate risk into the risk level assessment report. Under the background of global warming, we have identified and assessed the possible financial impacts of acute physical risks, chronic physical risks, policy and legal risks, technical and market risks, reputational risks and other risks possibly from climate change on the normal operation of the Company. As of the end of the Reporting Period, the level of all climate risks is low after the prudent judgment of the Company. Meanwhile, we have adopted corresponding measures to respond to the climate risk and strived to minimize the possible impacts and losses in business activities. For details, please refer to Chapter 4.2 Response to Climate Change.

2. SUCCESS LEADING INNOVATION

2.1. RESEARCH AND DEVELOPMENT AND INNOVATION

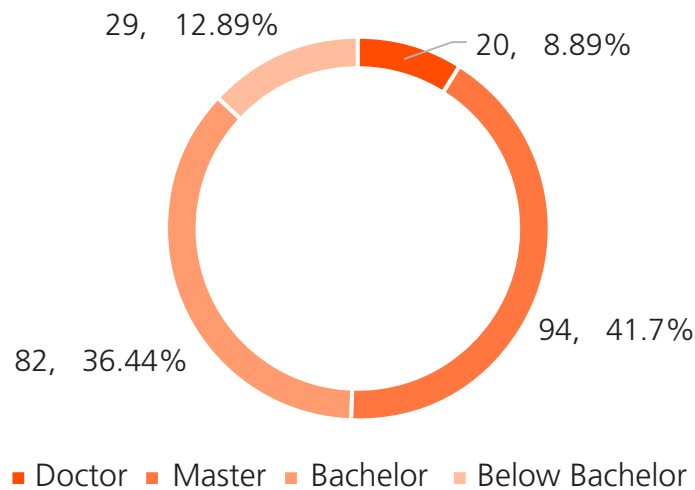
Transcenta regards continuous innovation as the core driving force for the development of the Company. We adhered to the principle of seeking truth from facts and sped up in improving its innovation capabilities in research and development and manufacturing by establishing R&D and innovation platforms, boosting the drugs R&D and innovation capabilities, promoting the transformation of innovation results and the development of innovative process, aiming to meet the needs of more patients through differentiated innovation and address clinical challenges. In 2023, Transcenta invested RMB382 million in research and development.

Research and development on biopharmaceutical drugs

Scientific research talent is the core force in promoting the innovation and progress of Transcenta. We have a professional team with extensive experience in early-stage drug candidates screening, drug discovery and development, chemical manufacturing and control (CMC) and process development, manufacturing and operation, clinical drug research, product marketing and commercialization, which provides solid direction and valuable contributions to the innovation and development of the Company. In 2023, the Company had 8 “National and Local High-level Talents”¹.

In 2023, Dr. Caroline Germa, who served as the Executive Vice President, Global Medicine Development and Chief Medical Officer of Transcenta, made significant progress in promoting the research and development of the Gremlin1-targeting antibody TST003.

Educational background distribution of employees of the Company



¹ National and Local High-level Talents refer to national or local recognized talents with a high academic level and they may be professors, PhD associate professors or outstanding doctors.

2. SUCCESS LEADING INNOVATION

R&D strength of Transcenta

Drug discovery

Our IMTB technology platform continues to demonstrate its strong innovative capabilities, facilitating the discovery of a range of antibodies to both non-conserved and conserved proteins that are difficult to generate in rodents, while revealing hidden epitopes that are challenging to discover by using conventional platforms. The application of the platform enables us to select lead candidate antibodies with broad epitope diversity, unique biological properties and strong CMC profiles, further strengthening the druggability attributes and intellectual property position of candidate molecules. Our drug R&D team has extensive experience in disease biology, antibody immunoscreening, protein science, antibody engineering, pharmacology and biomarker research. Leveraging this IMTB technology platform, we have independently developed a number of candidate molecules, including Osemitamab (TST001) · TST005 · TST003 · TST004 · TST010 · TST012 · TST013 · TST008 · TST801, etc., providing patients with more effective and affordable biological therapies.

Translational research

Our translational research generates PK (pharmacokinetics), PD (pharmacodynamics), Tox (toxicology) and immunogenicity data via advanced quantitative platforms. These data enable us to effectively model the clinical response of investigational drugs and gain in-depth understanding of PK/PD/safety profiles, thereby providing important guidance for the design and implementation of clinical studies. We evaluated the combination therapy with agents targeting different signaling pathways to provide scientific basis for the selection of best-in-class drug candidates. In addition, our immunohistochemistry platform is used not only for target detection but also for the development of companion diagnostics for patient selection and stratification in clinical trials, which can enroll patients with a high probability of responding to the drug treatment in selected indications, further improving the trial success rate.

Process development

Our CMC development team has extensive experience in antibody-based therapeutic development, covering all technical aspects of biopharmaceutical development from cell line establishment and development to upstream cell culture, downstream purification, formulation screening and analytical science. Our team not only focuses on efficient process development, but also uses advanced equipment and technologies, such as Integrated Continuous Bioprocessing (ICB) platform and modular production facilities, to shorten process development time and reduce production costs while ensuring high-quality output. These capabilities give us an advantage in a highly competitive industry and rapidly advance candidate molecules with druggable possibility to IND application and clinical development stages.

Clinical development

Based in Beijing, Shanghai, Hangzhou, Suzhou, Guangzhou and Princeton, the United States, our global clinical development teams have professional knowledge and extensive experience. We leverage the efficient regulatory approval pathway to accelerate IND applications and early-phase clinical trials in the United States and to advance the execution of clinical trials in the indications with high medical needs from a large number of patients in China. Through this global strategy, we maximize operational efficiency while ensuring global applicability of clinical data to support global registration. This strategy will also enable future indication expansion in the countries and regions where we plan for.

2. SUCCESS LEADING INNOVATION

Osemitamab (TST001) achieved a significant progress in the treatment of G/GEJ Cancer

On October 23, 2023, Transcenta announced the updated efficacy data of Osemitamab (TST001) plus CAPOX chemotherapy study as the first-line treatment of advanced G/GEJ Cancer at the ESMO annual meeting. These data show that among all patients treated in the expansion phase, the confirmed objective response rate was 55%, with the median duration of response (DoR) and median progression-free survival (PFS) both exceeding 12 months. The updated data further demonstrate encouraging efficacy of Osemitamab (TST001) as compared with the previously disclosed data. These latest data further confirm the efficacy of Osemitamab (TST001) plus CAPOX chemotherapy study as the first-line treatment for CLDN18.2 positive (including tumors with low CLDN18.2 expression) advanced G/GEJ Cancer and provides strong support for the upcoming global Phase III clinical trial of Osemitamab (TST001) in triple therapy with nivolumab and chemotherapy study as the first-line treatment of CLDN18.2 positive G/GEJ Cancer.

Transcenta's Blosozumab (TST002) has made an important breakthrough in the treatment of osteoporosis

On 17 May, 2023, Transcenta announced the encouraging phase I clinical data of Blosozumab (TST002) in Chinese patients with reduced bone mineral density (BMD). The study assessed the safety, tolerability, pharmacokinetics, pharmacodynamics, and immunogenicity of single dose of Blosozumab (TST002) in Chinese postmenopausal women and elder men with reduced BMD. Blosozumab (TST002) was well tolerated and significantly increased BMD for patients at various doses. Blosozumab (TST002), as a humanized monoclonal antibody as a drug candidate targeting sclerostin, has the dual effects of enhancing bone synthesis and antiresorptive effects. These preliminary data have paved the way for Transcenta to initiate a phase II clinical study, a multiple-dose regimen administered every two to three months, to treat postmenopausal osteoporosis patients. Phase II of the pipeline has also been approved by the State Food and Drug Administration.

Transcenta announced that TST003 (targeting Gremlin1 antibody) completed the treatment of first patient with solid tumor in the U.S.

On 23 March, 2023, Transcenta announced the successful dosing of first patient in the U.S. and China Phase I Clinical Study of TST003, its first-in-class, high affinity humanized monoclonal antibody targeting Gremlin1, which signified an important development for TST003 in the field of solid tumor treatment. The study is an open-label, dose escalation, human trial designed to evaluate the safety, tolerability, and pharmacokinetics profile of TST003 as a treatment in patients with advanced solid tumors. TST003 targets Gremlin1, a member of the TGF β superfamily. The protein is secreted by tumor-associated fibroblasts and plays important roles during epithelial mesenchymal transition process and the regulation of the tumor immune microenvironment, and is upregulated in multiple solid tumors. TST003 has demonstrated promising single agent and combination activities in the model of the difficult-to-treat solid tumors resistant to checkpoint inhibitors, particularly significant in indications such as castration resistant prostate cancer and microsatellite stable colorectal cancer. "The enrollment and dosing of the first patient in the U.S. marks a significant milestone in the development of TST003. Clinical trial will provide key data for the potential of TST003 as a single agent or in combinations with standard of care, in particular in indications with high unmet need." said Dr. Caroline Germa, our Executive Vice President, Global Medicine Development and Chief Medical Officer.

2. SUCCESS LEADING INNOVATION

Process innovation for quality and efficiency

Transcenta built a new antibody-drug conjugation (ADC) laboratory in Hangzhou

In 2023, in order to strengthen our own technological process innovation capabilities, Transcenta built a new ADC laboratory in Hangzhou. The main process operations include purification, conjugation, freeze-drying and other technologies, laying a more solid foundation for Transcenta's CDMO business.

At the same time, Transcenta continues to explore ways to save energy in the laboratory. Due to the particularity of the ADC laboratory process, it is necessary to build a fresh air mode, and the energy consumption of the air conditioner in the fresh air mode is high. The construction team of Transcenta reserved space for the installation of heat exchangers in the fresh air and exhaust air sections of the air-conditioning units to facilitate the subsequent installation of heat recovery devices.

Innovation capabilities recognized by the government

Adhering to the target of benefiting global patients, Transcenta fully met the social demand for innovative biopharmaceutical drugs through continuous improvement of innovative technologies and profound innovative strengths, gained good reputation and attention and won recognitions from the government. In 2023, the Company was awarded RMB7.66 million in various government awards and subsidies and RMB5.01 million in various talent awards and subsidies at all levels.

2.2. QUALITY SAFETY

Quality assurance is one of the core values of Transcenta. We meet the needs of customers by developing and producing products with the highest standards and of safety and effectiveness.

Quality culture

To build a world-class quality standards system, make safe and effective innovative biopharmaceutical drugs available to more patients, we continued to optimize the comprehensive quality management. Transcenta formulated strict quality policy and established the Quality Manual in accordance with the guidance of the quality policy to regulate the composition, role, responsibility and authority of the quality system. We strictly implemented a quality system to ensure the quality of the products and services provided to our customers, as well as all product-related activities.

Through multiple methods such as new employee induction training, basic course training, post qualification confirmation and re-training, Transcenta actively facilitates the enhancement of the quality management awareness of employees to further ensure the quality of products and services.

Quality policy

Science-rooted, total involvement, continuous improvement and putting patients' safety and product quality first.

2. SUCCESS LEADING INNOVATION

Lifecycle quality management

Global manufacturing oversight agencies provide drug manufacturers with a comprehensive set of guidelines and regulations covering all aspects of product development and manufacturing to ensure biopharmaceuticals are safe and effective. Transcenta is committed to meeting these guidelines and regulations, resolutely complying with GMP (Good Manufacturing Practice) requirements and ensuring the highest level of quality stability.

We adhere to the concept of lifecycle management and integrates quality management into each link to ensure the safety and efficacy of products. We have established and implemented a comprehensive quality management system applicable to the entire life cycle for products at clinical and commercial stages, which carries out strict quality management from process design (process development), technology transfer, toxicology and clinical batch production in support of clinical trials, process performance confirmation, commercial production, and continuous process performance confirmation until product retirement. The Company's production facilities can meet the requirements of the GMP of the ICH (International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use), FDA (Food Drug and Administration), EMA (European Medicines Agency) and NMPA (National Medical Products Administration) at the same time.

The quality assurance and quality control team under the Company's Technical Operation Department is responsible for quality oversight of production and testing, release and stability studies of drug substance and finished products to create superior quality.

In terms of clinical trials, the management team of the Company is responsible for establishing a quality management system that meets the GCP (Good Clinical Practice) and other relevant technical standards and regulatory requirements. Meanwhile, the clinical quality assurance team is responsible for the maintenance and implementation of the quality management system in the GCP environment to ensure the quality of products.

Quality management system

The quality management system covers the business scope of the Company and effectively guarantees the quality of products. Transcenta continuously improves the quality management system. The Company's quality management system in a GMP environment consists of 7 systems and sub-systems and corresponding processes under each system. The quality management system covers all relevant policies, procedures and documentation that guide GMP activities. We continuously improve our existing quality management system by monitoring, testing, investigating, correcting and establishing or updating control mechanisms so that all aspects of product manufacturing meet the requirements of relevant regulations and internal management procedures, and innovative technologies and control strategies are practically applied to develop safer, more effective and higher quality biotherapeutic products to benefit more patients worldwide.

During the Reporting Period, the Company worked with its suppliers to conduct regular preventive tests on all products and services for quality or safety issues that may arise through the digital quality management system, including raw material testing, intermediate process testing, process control and verification, and product release testing and stability testing of biological products to improve the quality of our products.

2. SUCCESS LEADING INNOVATION

Complaint and recall mechanism

Transcenta is entrusted by our customers to provide various services required for production, and ultimately the products are released to the market by our customers. We actively cooperate with our customers and insist on listening to their voices, protecting their values and satisfying their needs.

We have developed a complete product recall process that provides detailed operational guidelines for multiple scenarios and different levels of recall events in response to potential product quality incidents. The Company has established management procedures for quality complaints and recall of clinical trial drugs (the Procedures for Handling Complaints on Drugs for Clinical Trials and the Management Procedures for Recovery of Drugs for Clinical Trials) in accordance with relevant laws and regulations and the Administrative Measures for Drug Recalls, to provide specific operational guidance for complaints and clinical drug recalls that may arise from quality, safety or efficacy issues of clinical drugs caused in the course of any manufacturing, transportation and use. We specify complaint channels, improvement mechanisms, implementation of recalls, investigation of root causes, disposal of recalled drugs and other related requirements, which specified the values and the expectation of Transcenta on quality. The quality system also regularly audits the recall system to ensure that it is timely and effective.

During the Reporting Period, the Company conducted strict management on product quality. The Company did not observe any major quality defect in products manufactured nor experience any product recall due to product quality or safety.

Service assurance

Relying on the advanced manufacturing platform, the Company provides high-quality and all-around CDMO services to customers. We respond promptly to customer requirements and have established diversified customer feedback channels to invite them to participate in site management, and provide timely feedback on customer queries and technical issues. Upon receipt of a product complaint, we request qualified and trained professionals to conduct timely investigations and keep them record in a written report. We will take targeted corrective and preventive measures in response to the results of the investigations, conduct regular reviews of the complaints to monitor the trend of complaints, and continue to optimize our workflow to safeguard the quality of our products. In 2023, the Company did not receive any customer complaints.

2.3. RESPONSIBLE SUPPLY CHAINS

Principles and policies

A responsible and resilient supply chain is a key factor for Transcenta to maintain long-term business development. We continue to incorporate sustainability into our supply chain management and long-term cooperation with suppliers, and pass responsible operating concepts to the value chain through enhanced communication with suppliers and supplier audits.

Transcenta firmly follows the principle of “responsible procurement”. To fulfill our environmental and social commitments, it formulated and implemented management systems and operating procedures such as Procurement and Supplier Management Policy, Supplier Management Procedures and Material Control Strategy, which defined specific procedures for suppliers from access, classification to audit. During the Reporting Period, we reviewed and optimized key documents such as the Procurement and Supplier Management Policy, Procedure for Signing Procurement Master Contracts and Preferred Supplier Evaluation Form, which set out more detailed requirements for the performance of internal supplier management system.

2. SUCCESS LEADING INNOVATION

Supply chain management initiatives

In terms of access of suppliers, we control the quality and safety of suppliers' products. We take relevant legal business certificates, quality management system certifications, environmental system certifications, laboratory system certifications and environmental impact of products as the requirements and reference for suppliers' access and procurement selection. We prioritize the use of domestic raw materials, such as the localization of culture media, under the same conditions, to reduce international transportation and transportation carbon emissions resulted and shorten delivery times.

We continue to standardize the admission standards for suppliers, and during the operation process, the Company continuously supervises the implementation practices of selecting preferred suppliers offering environmentally friendly products and services by using ledgers, digital supplier management systems and other means. In addition, the Company has signed the Undertaking Letter on Anti-Corruption and Bribery with its suppliers to jointly build a fair, open, just and transparent business environment. By the end of the Reporting Period, the number of suppliers of the Company was 1,185, of which the number of the Company's preferred suppliers (those who signed long-term purchase agreements with the Company) was 129. 99 preferred suppliers have signed the Undertaking Letter on Anti-Corruption and Bribery.

The distribution of the Company's suppliers by region is as follows:

Statistics on the distribution of suppliers of Transcenta in 2023

Number of existing and new suppliers by region (as of the end of the Reporting Period)

Region	Existing suppliers	New suppliers
North China	97	10
Central China	10	2
Northwest China	1	0
South China	50	5
East China	911	76
Northeast China	0	0
Overseas	116	21

2. SUCCESS LEADING INNOVATION

In order to establish and optimize a responsible supply chain, Transcenta incorporates suppliers' environmental and social risks into its supplier shortlisting, consideration criteria and management methods. We require suppliers to fully understand and confirm their agreement to abide by Transcenta's standards and requirements for suppliers in terms of business ethics, environment and society. At the same time, we continue to monitor suppliers' performance in business ethics, society and environment in our annual evaluation. We continuously conduct annual appraisal on selected suppliers and develop different evaluation requirements according to the categories of its suppliers. The procurement department of the Company will review and evaluate the GMP suppliers' ESG performance in commercial compliance, product quality safety and service quality, environmental system, occupational health and safety system, etc. according to the indicators in the supplier evaluation form. During the Reporting Period, we completed the review and evaluation on the ESG performance of 46 GMP suppliers and none of them were identified as suppliers with significant risks. 48% of all GMP suppliers were reviewed.

For the non-GMP selected suppliers, we use the "Selected Supplier Evaluation Form" to review and evaluate, and feedback the scoring results to such suppliers. For the suppliers with a score lower than 60, we make corresponding rectification to them or remove them from the selected supplier list to achieve risk warning on suppliers and avoid risks. In 2023, we completed the selected supplier evaluation on 64 non-GMP suppliers and none of them were identified as suppliers with significant risks.

2.4. WIN-WIN COOPERATION IN THE INDUSTRY

Transcenta adheres to the core principle of strengthening industry collaboration and information exchange, constantly seeks cooperation opportunities for innovative research and development, and shares insights with industry peers. The Company attaches great importance to the partnerships with global scientific research institutions, top pharmaceutical companies and scientific research institutions, aiming to giving full play to respective professional advantages to jointly respond to industry challenges and social issues, and is committed to improving the health and well-being of patients around the world.

Strategic cooperation to advance product pipeline

Transcenta signed a framework cooperation agreement with Alebund Pharmaceuticals and established a joint venture in Greater China, mainly for the development and commercialization of TST004 for the treatment of kidney diseases.

Translational research collaboration

Transcenta reached multiple research collaborations with world-renowned academic institutions such as Dana-Farber Cancer Institute of Harvard Medical School, Beijing Cancer Hospital, Shanghai Pulmonary Hospital, Zhongshan Hospital, Sun Yat-sen University and Shanghai Jiao Tong University. The research collaborations cover Osemitamab (TST001), TST003 and TST005.

2. SUCCESS LEADING INNOVATION

Industry- university- research cooperation

Through the integration of industry and education program and other methods, Hangzhou HJB carried out different cooperation with universities in the province, such as Zhejiang University, Zhejiang University of Technology, Zhejiang Gongshang University, etc. Based on the principle of mutual benefit, the universities and enterprises made use of the advantages of both parties to improve the quality of practical teaching in universities and promote R&D and innovation in enterprises, and conducted scientific research on this basis. For research topics with certain forward-looking and results transformation value, a joint research team was formed to carry out scientific research, including establishing a practical education base for college students/graduate students, and cooperating with the college to carry out course practice, cognitive internships and graduation internships for undergraduates.

To serve the economic development of the new district, cultivate scientific and technological talents, and improve technical support capabilities, three national leading talents from HJB were engaged as distinguished/part-time professors of Zhejiang Gongshang University to guide the formulation of development plans for related disciplines, and a number of outstanding employees participated in external cooperation and exchanges as industry mentors. The two parties mainly carried out work in teaching and lecturing, industry-university-research and talent training. The Company recorded an admissions video for the School of Biological Engineering, Zhejiang Gongshang University to promote the biomedical characteristics and advantages of the new district and the school, and extended an olive branch to the students in China. In order to support the construction and development of the school's education, HJB donated to the Education Foundation of Zhejiang Gongshang University to set up special scholarships.

Hospital cooperation project

- Suzhou Transcenta has cooperated with famous renal research institutions at home and abroad for many years, such as the Nephrology of Harvard Medical School and the Peking University First Hospital.
- Transcenta and Suzhou University First Hospital jointly applied for the Suzhou Medical-Industrial Integration Collaborative Innovation Research Project.
- Transcenta and Shanghai Jiao Tong University's collaborative research results on the first-of-its-kind Gremlin1-targeted antibody for the treatment of androgen-negative/low-activity prostate cancer were published in Nature Cancer.

3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

Transcenta is committed to building a diverse, equal and inclusive working environment, hoping for the common growth of employees and the enterprise. We respect and protect the basic rights and interests of each employee, take multiple measures to protect and enhance their physical and mental health, and improve their sense of happiness and recognition. At the same time, as a corporate citizen, the Company has never forgotten to give back to the society, and always actively practices the social responsibility and encourages employees to participate in social and public welfare activities to co-build and love communities.

3.1. DIVERSITY, EQUALITY AND INCLUSION

Transcenta is always committed to developing an equal and diverse employment management system. We strictly abide by all laws and regulations in the locations where we operate. With equal stress on integrity and ability as a principle, we implement a transparent and merit-based selection policy. We strive to attract appropriate talents through extensive and diversified recruitment channels to ensure that the dignity and legitimate interests of each employee are respected, with an aim to creating an equal, safe and healthy working environment for all employees and supporting their career growth and personal development.

Legal employment

Transcenta adheres to the highest legal and ethical standards in employee recruitment and management. We strictly abide by the Labor Law of the People's Republic of China 《中華人民共和國勞動法》, the Labor Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》, the Social Insurance Law of the People's Republic of China 《中華人民共和國社會保險法》, the Implementing Regulations of the Labour Contract Law 《勞動合同法實施條例》, the Law of the PRC on the Protection of Minors 《中華人民共和國未成年人保護法》, the Special Rules on the Labour Protection of Female Employees 《女職工勞動保護特別規定》 and the Provisions on the Prohibition against the Use of Child Labour 《禁止使用童工規定》 by the State Council and other domestic laws and regulations, and implement a series of internal management systems such as the Staffing Policy 《招聘錄用管理制度》 and Code of Conduct of Employees 《員工行為準則》. During the Reporting Period, we updated the Staffing Policy, adhered to the talent concept of Transcenta and the principles of diversity and inclusiveness in the selection of talents, conducted competition in an open and fair manner, and selected talents on the basis of merit.

Transcenta always ensures that all employees recruited have reached the legal working age and strictly prohibits any form of child labor and forced labor to ensure a fair and ethical working environment. We specify in our Code of Conduct of Employees that we:

- do not use or support child labor or forced labor
- support and respect human rights protection
- advocate the employment of people with disabilities and socially disadvantaged groups

According to the Code of Conduct of Employees 《員工行為準則》, the Company issues warnings or terminates the employment contract with employees in violation of such provisions. Meanwhile, it strengthens routine supervision and sets up whistle-blowing channels. In 2023, the Company was not involved in any employment of child labor or forced labor.

3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

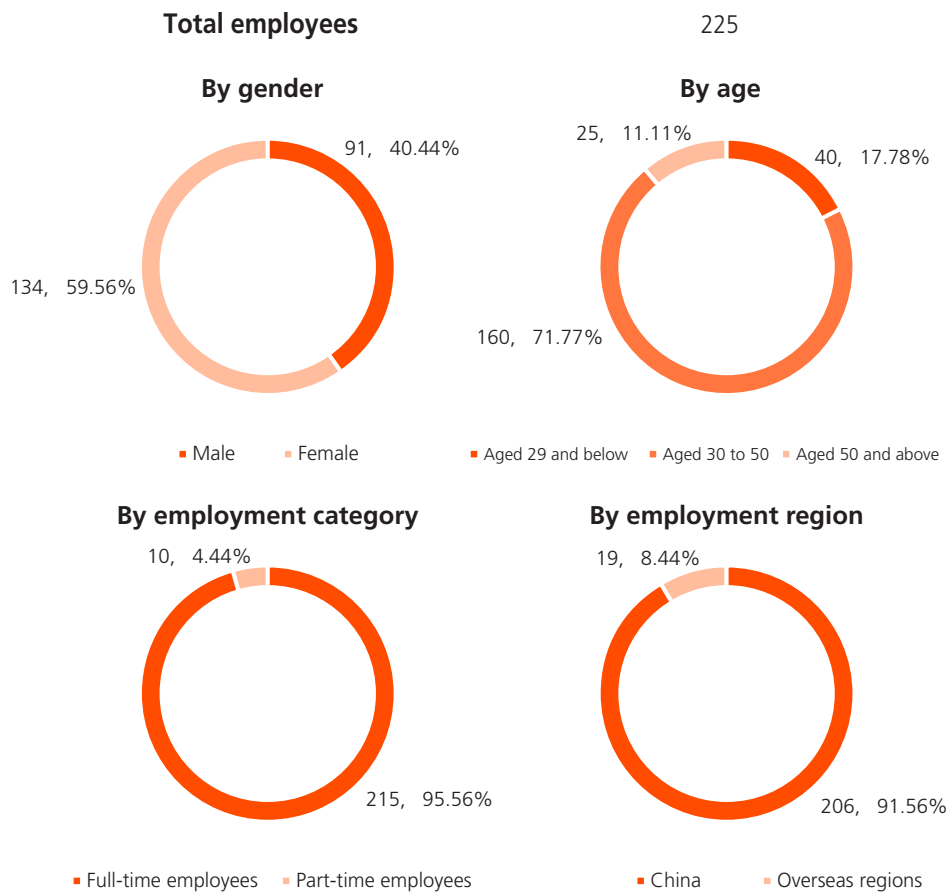
Diversified talent matrix

Transcenta is committed to a diversified talent matrix and strives to build an international talent echelon that meets the needs of our business development. We use a standardized approach to evaluate all candidates and do not discriminate them based on ethnicity, race, nationality, religious belief, gender, age, disability or marital status.

As at the end of 2023, the Company had a total of 225 employees, including 134 female employees and accounting for approximately 60%, 25 foreign employees and accounting for 11%. Among the senior management, female members accounted for 52%. In addition, the Company had 5 ethnic minority employees and 1 disabled employee. During the Reporting Period, a total of 45 employees of the Company were promoted, approximately 65% of whom were women.

The specific distribution of employees is as follows:

Employee employment of Transcenta in 2023



As of the end of the Reporting Period, the median remuneration ratio for male and female employees was 1:1.22 (female to male).

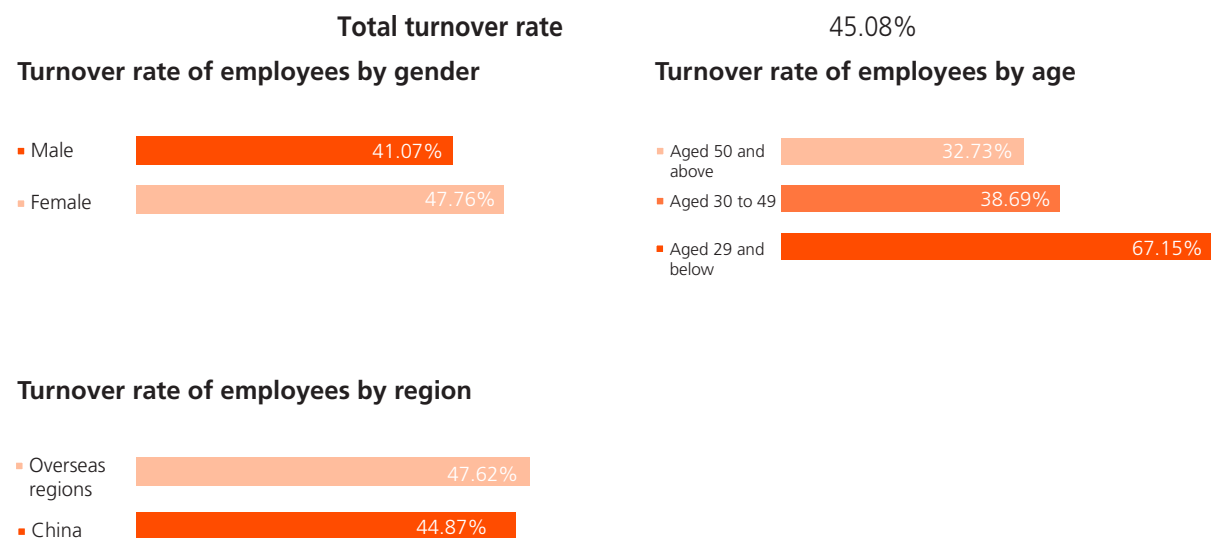
3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

Professional talent attraction and retention

Professional talents are an important cornerstone of the Company's steady development. We regard talents as the core of corporate development. To attract and retain professionals as much as possible, we develop and implement the "Transcenta Retention Bonus Plan", which offers certain cash incentives to employees serving the Company for a long time and grants equity incentive to certain employees. In 2023, we specially established and implemented the Performance Bonus Management System for the Medical Affairs Department 《醫學事務部門績效獎金管理制度》 and the CDMO Business Commission and Reward Distribution Plan for the Year 2023 《2023 年度 CDMO 業務提成及獎勵分配方案》 to uphold the principles of "fairness, impartiality, openness and science" to improve the incentive and restraint mechanisms, so as to fully mobilize the work incentives of employees and to achieve the strategic objectives of the Company with collective efforts. In addition, if the appraisee has any objection to the bonus result, he or she may lodge a complaint in writing to the human resources department of the Company.

The turnover rate of employees of the Company was 45.08% in 2023. Although the development of the biopharmaceutical industry has entered a "cold winter", we will continue to work hard and take diversified measures to reduce costs and increase efficiency while improving the retention rate of core talents and ensuring the smooth development of core pipelines.

Employees turnover of Transcenta in 2023



3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

3.2. INTERESTS AND WELFARE OF EMPLOYEES

Transcenta actively creates a dynamic and creative working environment for employees. We provide competitive remuneration and welfare, aiming to build a healthy and positive corporate culture to enhance the satisfaction and loyalty of employees. In order to enhance the sense of happiness and motivation of employees, we keep exploring and implementing more comprehensive welfare policies.

We are well aware of the importance of employee communication, so we continue to optimize communication channels to ensure that every employee's voice is heard. In addition, the Company regularly organizes various staff activities, pays attention to and supports their physical and mental health, and strives to create a warm and inclusive working atmosphere.

Remuneration and welfare

Transcenta has continued to provide its employees with competitive remuneration and comprehensive welfare, which has helped us attract and retain excellent talents over the years. In compliance with the Labor Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》, the Labor Law of the People's Republic of China 《中華人民共和國勞動法》, the Interim Provisions on Wage Payment 《工資支付暫行規定》, the Regulations on Minimum Wage 《最低工資規定》 published by the Ministry of Human Resources and Social Security of the People's Republic of China and other relevant laws and regulations, we formulated and implemented comprehensive management measures on remuneration and welfare based on the actual conditions of the Company. During the Reporting Period, we updated the Transcenta Compensation Management Policy 《創勝集團薪酬管理制度》 and Transcenta Benefits Policy 《創勝集團福利制度》, with an aim to establish a fair, just and competitive remuneration and welfare system.

We ensure that all employees are covered by five social insurance and one housing fund for the month in which they join or leave the Company, regardless of when they join or leave the Company, reflecting the Company's emphasis on and commitment to the rights and interests of its employees. We continue to implement our leave policy to ensure that employees are entitled to statutory holidays and paid leave in accordance with the Company's requirements. In addition to the statutory social insurance and housing provident fund, we provide our employees with additional commercial insurance and offer them a full range of welfare protection through various incentive schemes and subsidy policies, such as occupational physical checkups, long service bonus, Innovate to Excel bonus and special care policies.

In addition, Transcenta continues to work hard to create a comfortable and healthy working environment, provided routine welfares and provides additional care and support to employees and their families during special times. We believe that through these continuously optimized and updated policies and systems, we can continue to improve employees' sense of happiness and identity, attract and retain more outstanding talents, and jointly promote the sustainable development and success of the Company.

3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

Communication channels

In 2023, Transcenta continued to strengthen the communication mechanism between employees and management. In addition to the suggestion box set up all year round, the Company implemented a flexible communication strategy. The Company held staff meetings periodically, published internal corporate magazines on a quarterly basis, and the management issued staff communication emails from time to time. Employees were also encouraged to directly communicate with their supervisors by making appointments on a regular or irregular basis. This two-way communication model was designed to promote the free flow of information and ensured that employees have access to the Company's latest business information in the first instance and that their opinions were fully reflected and considered in the decision-making process. This move not only enhanced the interaction between employees and leaders, but also effectively improved the transparency and collaboration efficiency within the organization, further promoting the healthy development of the Company's culture.

Cultural and sports activities

Transcenta always puts staff care first to enhance the cohesion and centripetal force of its staff. We strengthen communication and collaboration among employees through various methods such as making a balance between working and life of employees, regularly organizing team building activities and celebrating traditional festivals, so that corporate culture can be implemented in daily life.

In 2023, Transcenta updated and launched a series of activities designed to promote employee communication and team cohesion. We have innovatively transformed the traditional employee birthday party into a family banquet with a more family atmosphere. Each department also spontaneously organized some team-building activities that can promote teamwork and benefit physical and mental health. In addition, sharing reading experiences at the quarterly reading parties by employees can promote knowledge exchange, the forming of team learning atmosphere and personal growth.

Through these carefully planned activities and continuous efforts, Transcenta is committed to creating a more positive, healthy and energetic working atmosphere for employees. We firmly believe that the sense of happiness and identity of employees are important driving forces for the Company's forward development, so we will continue to explore and implement more initiatives which can improve employee experience and enhance team cohesion.

3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

Cross-border cohesion: The U.S. clinical team of Transcenta carried out team-building activities

The U.S. clinical team of Transcenta conducted a meaningful cross-border team-building activity in June 2023. We visited the famous Morven Museum & Garden, and its magnificent architecture and rich history and culture left a deep impression on everyone. Here, team members not only took photos, but also gained an in-depth understanding of the history of the United States through professional tour, sharing a feast of knowledge and culture. This cross-border team-building activity not only narrowed the distance between members, but also laid a solid foundation for future cooperation and enhanced the cohesion and centripetal force of the team.



3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

Monthly birthday party of Transcenta: Celebrating the special day of every employee

Transcenta holds birthday celebrations to bring warm wishes and joys to employees who have birthdays in that month. We hold birthday parties once a month in our factories in Suzhou and Hangzhou, and once a quarter in our offices in Beijing and Shanghai. These simple and warm collective birthday parties are not only a special care for individual employees, but also an important moment to enhance the friendship and corporate culture of the whole team.



3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

Happy reading club of Transcenta: A reading journey that lights up the soul

The happy reading club of Transcenta is a spiritual feast that promotes knowledge exchange and collision of ideas among employees. In Beijing and Shanghai, each unique reading club attracted many book lovers to participate. Through sessions such as “Blind Box Book Guessing” (盲盒猜書) and “Handmade Gifts” (手作好禮), each member not only shared their reading experiences, but also enhanced their relationship through interactive activities such as DIY bookmarks. These activities not only enriched the cultural life of employees, but also stimulated the creativity and team spirit of the team, adding a significant touch to the creation of a learning organization of Transcenta.



3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

3.3. TRAINING AND DEVELOPMENT

Transcenta attaches great importance to talent cultivation and development and regards it as an important driving force for the sustainable development and success of enterprises. We continue to invest in employee development to better cope with future and industry challenges. We provide employees with rich, diverse and optional training programs and development plans to empower employees with knowledge, skills and management capabilities, comprehensively improve their competitiveness and achieve their career development.

Staff development

The Company focuses on talent training, and has implemented the Transcenta Job Grading System (《創勝集團職級結構體系》), the Job Grading Policy (《崗位級別管理制度》) and other management systems. Based on the nature and characteristics of positions, the Company conducted classification and differentiated management of positions of different functional departments and established the dual-ladder position sequence of technology and generality, which set up clear career development path for different types of talents and provide space for the development of the leadership and professional competency of employees. During the Reporting Period, we updated the talent competency model to promptly track the dynamic growth of employees in the areas of planning, effective communication, pursuit of results, creative cooperation and self-development. At the same time, we updated the content of the probationary appraisal to further required new employees to understand and practice corporate culture and values.

In order to effectively identify, cultivate, retain and develop our talents, Transcenta has established a comprehensive personal performance management and evaluation system. We adopt a unified performance management system, conduct performance appraisal in a fair and open manner, and apply the results to the allocation of remuneration and bonus. In 2023, 216 employees received regular performance appraisal and career development assessment of the Company, accounting for 96% of the total number of staff. The appraisal rates of senior management, middle management and junior employees reached 100%, 100% and 94% respectively.

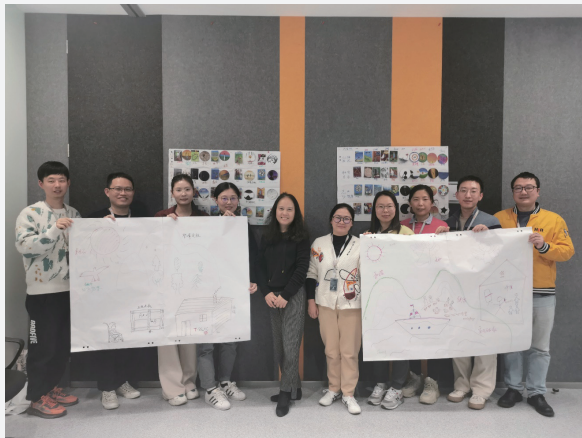
We support our employees in their efforts to achieve career advancement and expect potential leaders and talents to leverage and expand their skills to reach for the highest height in Transcenta. Therefore, the Company implements the individual development plan (IDP) on core talents. Participants formulate, implement and regularly review their IDPs, develop effective interactions with line managers and department leaders and can obtain special training and study programs provided by the Company. Through the best allocation of limited resources, IDPs can assist participants in achieving their individual development and value as planned and in steps, which also provide basis for the enterprise to formulate and implement more systematic and targeted talent cultivation strategies and fully stimulate the enthusiasm of the Company and its employees.

3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

At the same time, Transcenta also attaches great importance to the implementation of the Company's values to further strengthen the construction of corporate culture. During the Reporting Period, HR successively invited employee representatives from some departments and held three workshops on the core values of Transcenta in Suzhou and Hangzhou. Through the workshops, we collected, summarized and sorted out employees' understanding on and typical behavioral descriptions of "Going far with morality, science-rooted, ambition to win, mutual respect and win-win", and invited our senior management to vote on the most representative behavioral descriptions of values, which will be incorporated into the performance appraisal system as a specific guidance for us to continue to carry out sustainable operation activities to further enhance employees' awareness and motivation.

Value exploration, shared beliefs between employees and the Company

The human resources department held three workshops on the core values of Transcenta in Suzhou and Hangzhou. Through the sessions of team vision resonance, mission focus and Oka games, employees' imagination and creativity were stimulated and the elements of values and behaviors with typical significance were extracted through collective wisdom and co-creation.



3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

Staff training

The Company integrates internal and external training resources, formulates and actively promotes the Training Policy 《培訓管理制度》, follows the principle of systematic and targeted learning and applying what they learnt and provides diversified and multi-level training for employees in a planned and targeted way. During the Reporting Period, the Company revised the Training Policy to refine the guidance and instruction of the training management system, with a focus on the addition of training evaluation content, which allows trainees to evaluate the satisfaction and effectiveness of the training, thus enabling the Company to obtain insightful feedback from its employees on the training. At the same time, during the Reporting Period, the Company adopted the Mingdu training management system for training management, which made the entire training management more systematic, the training methods diversified, the management and storage of training materials and training data more complete, and it is easier to track the completion of training tasks and more convenient for employees to engage in online training for self-learning at any time and any place, and is also more conducive to the analysis and statistics of training data, with a view to further optimize training management.

The trainings of the Company cover GMP, GCP and other professional trainings, job skills and vocational skills improvement training, the improvement of leadership and management capability, compliance, patent protection, EHS, anti-fraud and other safety-related trainings, with a hope to offer comprehensive learning opportunities for employees at different positions and levels. In addition, the Company also organized online or offline external training courses for employees with the contents covering different levels and all business processes, allowing employees to participate in required trainings at any time and place and further improving staff's training participation.

For Transcenta to become a high-performance organization, in 2023, the Company tailor-made two workshops for the Global R&D and R&D Department to assist employees in setting clear work goals, making changes for the better, and strengthening mutual understanding and cooperation.

3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

“Hero’s Journey”, jointly promotes R&D to go far with integrity

In April 2023, all employees of the Global R&D organized a “Hero’s Journey” in the form of a workshop. The activity includes important links such as “Ice Breaking” – “Hero’s Journey” – “KISS Model”. In particular, in the “Hero’s Journey” link, employees were required to brainstorm about the team’s mission and challenges, and to develop an action plan to achieve the vision. The “KISS Model” was an important innovation of the Company in training evaluation during the Reporting Period. After this workshop, the department was able to identify common goals, where the talent resources were and where they should be directed. At the same time, it also enhanced teamwork and mutual trust.



3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

7 Habits helps employees achieve self-change

In April 2023, Transcenta launched a large-scale employee training program for the colleagues of the Global R&D: The 7 Habits Workshop. The theme of the training derives from the model and essence of high efficiency in the book "The 7 Habits of Highly Effective People" by Stephen R. Covey. The training was delivered by Ms. Dai Jie, Director of Human Resources, with the aim of delivering the efficient and high-quality lifestyle of "self-improvement, self-breakthrough, self-renewal" to our colleagues in a relaxed and pleasant way, and helping them to better improve themselves after work, improve work efficiency and their quality of life in addition to their work.



3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

To gain a deep understanding of the different “you” by virtue of the “DISC Personality Test”

Following the “Hero’s Journey”, in June 2023, the R&D Department conducted a teamwork workshop based on the DISC personality test in order to better bridge the gap between team members and build stronger trust. The most touching part of the workshop was that when the R&D colleagues expressed their vision of work, the twinkling light in their eyes reflected their affection to the Company, and the worldly love they have as scientists.



3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

In 2023, the Company's training covered 100% of employees with an average of 83.74 training hours for each employee, representing an increase of 42.24 hours as compared to the previous year. The specific training coverage and hours are as follows:

Transcenta Staff Training in 2023

Percentage of trained employees

Proportion of trained employees by level

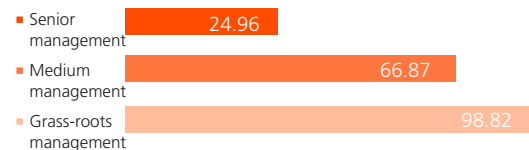


Proportion of trained employees by gender



Average training hours for each employee

Training hours per capita by level



Training hours per capita by gender



3.4. OCCUPATIONAL HEALTH AND SAFETY

Transcenta has always been committed to maintaining a safety culture of "Life First" and attaches great importance to building and maintaining a healthy and safe workplace environment. We conscientiously comply with local regulations on occupational health and safety of the place where we operate and implement a comprehensive occupational health and safety production system to ensure that each operation meets the highest safety standards. In addition, we include contractors in our employee safety management to protect the well-being of each site worker.

In 2023, we achieved significant results in safety management and completed the three-level standardization of safety production. At the same time, we were honored as the Standard Enterprise by Suzhou Industrial Park Emergency Management Bureau in October during the Reporting Period. Our proactive and effective management ensured that we did not receive any formal warnings or fines, which reflected our serious attitude and continuous efforts towards occupational safety and employee health. Transcenta will continue to promote safety culture to ensure that each employee can work in a safe and healthy environment. During the Reporting Period, Transcenta invested a total of RMB1.0195 million in safety production.

3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

Employee Health and Safety

In 2023, the Company updated and implemented safety production management systems such as the Safety Production Responsibility System 《安全生產責任制》 and the Implementation Plan on Standardization of Safety Production 《安全生產標準化實施方案》 to conduct production and operation activities in a regulated manner and ensure the safety of production conditions, thereby achieving a steady improvement in the level of safety production management for the purpose of safety production. At present, the special management personnel and special equipment personnel related to safety production of the Company all hold professional certificates, which ensures the basic production safety and equipment safety of Transcenta in an all-round way.

In terms of the prevention and treatment of occupational diseases, in compliance with the relevant requirements of the general office of the State Administration of Work Safety, Transcenta formulated and improved the management systems on the prevention and treatment of occupational diseases. We passed ISO 45001 occupational health and safety management system certification in 2023 and established comprehensive ledgers on occupational health specifications covering the whole operation process of the enterprise and provided employees with comprehensive occupational health examinations. Through regular special trainings and publicity activities, we strengthen employees' awareness of occupational health protection and ensure the safety of the working environment and the physical and mental health of employees. At the same time, the Company strictly abides by the Safety Management System on Dangerous Chemicals and the relevant operational procedures and achieves full coverage of safety management on the identification, usage and waste disposal of dangerous chemicals.

By identifying potential sources of danger in the operation process and implementing risk prevention and control measures, Transcenta compiled an Instruction Manual on the Inspection of Hidden Hazards 《隱患排查指導手冊》 and carried out targeted occupational health and safety training. In 2023, our efforts yielded remarkable results, with no accidents or work-related injuries occurred, and the number of working days lost due to work-related injuries was zero; and the number of work-related deaths in the past three years was also zero.

Operation Safety

It is equally important to cultivate employees' awareness and practical experience of production safety. To this end, Transcenta compiled and implemented the Production Safety Emergency Plan Manual 《生產安全應急預案成冊》 in 2023, focusing on standardizing the handling and reporting procedures for employees in the event of a safety incident. During the Reporting Period, we conducted multiple fire and laboratory emergency drills to train employees to better respond to emergencies.

3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

Introduction to standardized processes of safety production

Preliminary review	Conduct preliminary review on the current safety management based on the requirements of laws and standardized safety specifications
Planning	Determine and establish standardized safety plans and conduct risk analysis based on the results of preliminary appraisal; identify and obtain applicable laws and regulations, standards and other requirements on safety production, improve rules and systems and operational specifications on safety production and determine the policies and targets on safety production of the enterprise
Trainings	Organize trainings on relevant contents of standardized safety for all employees
Implementation	Implement various requirements on standardized safety based on plans and results
Self-appraisal	Conduct inspections and appraisal on the implementation of standardized safety, find the gap and propose improvement measures based on issues identified
Refinement and improvement	Refine standardized safety management and continuously improve the implementation of standardized safety and safety performance according to the results of self-assessment

Meanwhile, Transcenta also extends the scope of safety management to contractors. To strictly control the safety management process of contractors, we have formulated and implemented the Safety Management Systems on Contractors 《承包商安全管理制度》 to standardize the requirements and operating procedures on safety management at each stage of the entire work process of contractors (including contractor selection, on-site operation, appraisal and re-appointment, etc.), and provide them with necessary trainings on health and safety to jointly create a healthy, safe and standardized production and working environment with contractors.

3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

Introduction to safety management processes on contractors

Selection of contractors	<ul style="list-style-type: none">• Review on qualifications of contractors• Entering into letters of undertaking on safety
Before commencement of construction	<ul style="list-style-type: none">• Proposing notes on safety and implementing safety measures• Conducting safety education and trainings
Operation process	<ul style="list-style-type: none">• The safety supervisor from the EHS Department of the Company, the construction administrator of the project department and on-site safety officer of contractors jointly carry out safety management in construction• Contractors strictly comply with relevant systems of the Company in on-site operation
Completion	<ul style="list-style-type: none">• The construction company may handle completion procedures after the construction administrator (supervisor) conducts full inspection and confirmation on the quality of the project
Appraisal and re-appointment	<ul style="list-style-type: none">• The centralized management department of the project, the department of the operation area and the EHS Department jointly appraise the performance of contractors on safety production together after the completion of the project

3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

Completed the three-level safety production standardization to ensure standardized safety production process

In 2023, Transcenta made every effort to promote the construction project of three-level safety production standardization, aiming to become a three-level standard enterprise for safety production standardization awarded by the Suzhou Industrial Park Emergency Management Bureau, and fully responded to and implemented the Group's safety production management expectations. With reference to the requirements of the Basic Norms for Enterprise Safety Production Standardization (GB/T33000-2016) 《企業安全生產標準化基本規範》(GB/T33000 – 2016)), Grading Methods for Enterprise Safety Production Standardization Construction (Emergency [2021] No. 83) 《企業安全生產標準化建設定級辦法》(應急[2021]83號)) and other relevant guiding documents, Transcenta independently carried out enterprise self-appraisal and application, went through the work procedures of evaluation by evaluation agencies, review by the review organization unit, examination by the grading unit, etc., and was finally accredited as the three-level standard enterprise for safety production standardization and received corresponding subsidies from the government.

Take multiple measures to ensure laboratory biosafety

In order to better standardize the secondary pathogenic microorganism laboratories of Transcenta and prevent biological hazards, we carried out biosafety projects during the Reporting Period. Transcenta has clearly identified the person in charge of the secondary pathogenic microorganism laboratories, and in accordance with the Biosafety Law 《生物安全法》, Biosafety Management Regulations for Pathogenic Microorganism Laboratories 《病原微生物實驗室生物安全管理條例》 and other national management measures, occupational physical examinations, biosafety cabinet calibration, biosafety induction training, desktop drills for pathogenic microorganism leakage/infection, internal inspections of microbiology laboratories, company-level biosafety inspections and other measures were taken throughout the year to ensure laboratory biosafety.

Safety education and training

Transcenta attaches great importance to employee safety awareness training and practical experience. In 2023, the Group conducted a total of 21 comprehensive safety training sessions to ensure that employees are proficient in first aid skills and corresponding emergency response capabilities.

Themes of important safety training

- Safety and environmental protection responsibility system for all employees
- Systematic theoretical training for emergency management personnel
- Practical training on emergency response capabilities for emergency management personnel
- Simple first aid knowledge training
- Safety competition
- Emergency and firefighting training
- Safety education for new employees
- Special operations
- Special equipment

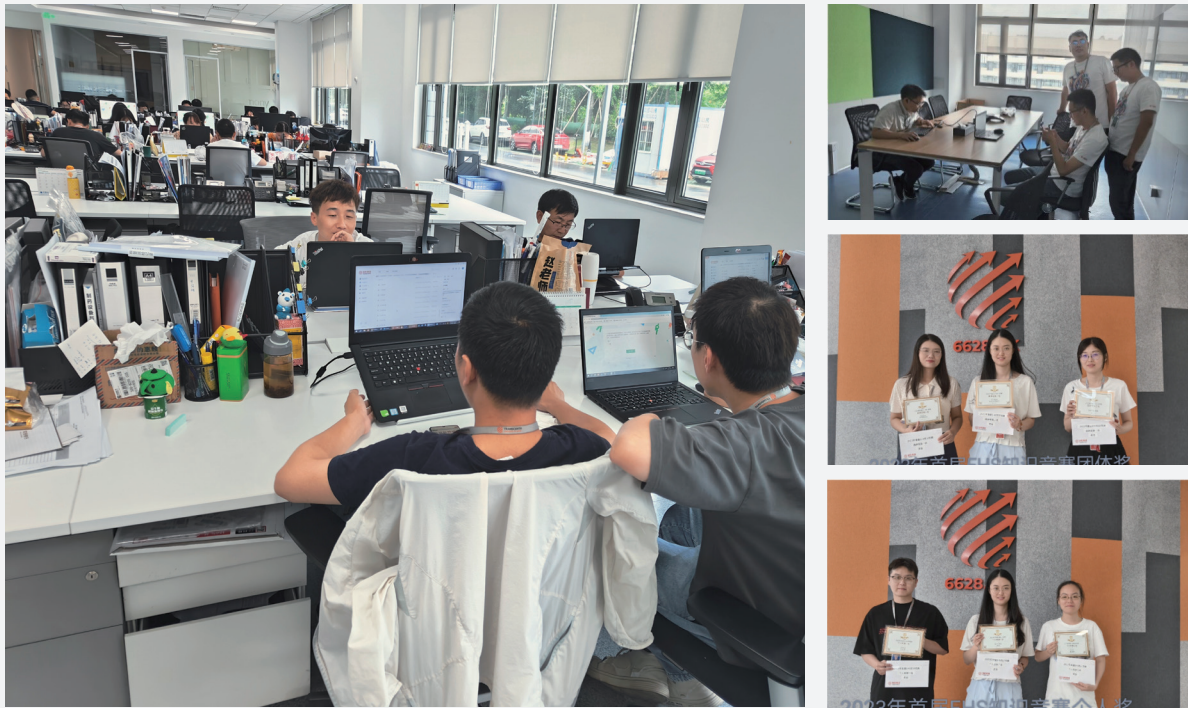
3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

Emergency plan drills

In November 2023, Transcenta carried out a comprehensive fire evacuation emergency drill in Suzhou. This drill implemented a staged emergency response, which was divided into three stages: enterprise self-rescue, industrial park support and fire rescue, which required full co-operation to ensure a close and smooth connection between all links. Thanks to this emergency drill, the staff further learnt and applied fire safety knowledge and enhanced their awareness of fire safety.

The first EHS knowledge competition

Transcenta launched the first EHS knowledge competition from March to June 2023, which was conducted in the form of guidance from local departments, independent review by employees and professional guidance from the EHS department. We set up dual awards of group awards and individual awards. The activity attracted nearly 95% of employees to participate, effectively stimulating the learning and lean management spirit of employees and teams on safety matters.



A glimpse of the award ceremony of the first EHS knowledge competition of Transcenta in 2023

3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

3.5. SOCIETY CO-BUILDING

Journey to public service

While continuously providing medical solutions to patients around the world, Transcenta has always believed that community co-building is the core of sustainable development, and has never neglected its important responsibility to give back to society. Both society and the communities where we operate are important stakeholders of the Company. We adhere to a responsible attitude to meet the expectations and demands of stakeholders, strive to improve the communities where we operate, continue to support social welfare undertakings, carry out and participate in a variety of social welfare activities. For example, we actively participated in volunteer activities in various communities where our employees are located during the Hangzhou Asian Games, to continuously expand our coverage and influence and give back to the society with practical actions.

During the Reporting Period, a total of 66 employees participated in our community contribution and public welfare activities, benefiting 598 people.

3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

Warm Winter Campaign: Join hands with public welfare foundations to send warmth and care to Fugong County, Nujiang, Yunnan Province

In 2023, Transcenta successfully held a large-scale “Warm Winter Campaign” of handover ceremony for donated materials. The campaign was a joint effort with Zhejiang Renze Charity Foundation and the Party Branch of HJB, marking Transcenta’s deep commitment to social responsibility and sustainable development. Employees and volunteers from Transcenta, Renze Charity Foundation, and more than 30 participants witnessed this important moment.

The “Warm Winter Campaign” is not only a part of the Transcenta Operation Savings Scheme (TOSS) project of Transcenta, but also a concrete manifestation of the Company’s vision of “Helping and contributing to the society”, aiming to promote sustainable development through waste reduction, low-carbon and energy-saving living and positive contribution to the society. A total of 112 employees of the Group in China participated in the donation operation, with a total of 1,210 pieces of clothing and school supplies collected. After the professional processing by the Renze Charity Foundation, these donations were sent to Fugong County, Nujiang, Yunnan in May 2023, and have brought warmth and care to the local people.

In the future, Transcenta will continue to pay attention to and participate in public welfare undertakings, continue to practice the concept of “Helping and contributing to the society”, fulfill social responsibilities and spread positive energy through practical actions.



3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

Party members volunteering in the community to welcome the Asian Games in 2023

In 2023, employees of Transcenta actively responded to the request of "Notice on In-depth Launching of the Activity of In-service Party Members Serving the Community under the Theme of "Red Leading Hangzhou • Dedication to the Asian Games" of Hangzhou, participated in volunteer services in the communities where they live, striving to serve the Asian Games. We also won the Group Competition Merit Award for the "Learning for a Stronger Nation Knowledge Contest of Hangzhou Pharmaceutical Port Management Office".



Clear Your Plate Campaign

In relatively affluent material conditions nowadays, the Company launched the "Clear Your Plate Campaign" to advocate treasuring of food and even material goods. In the activity, employees who reach the "empty plate" standard in their self-evaluation after each meal will receive "wheat ears" which will be affixed to their scorecards. If employees collect 20 "wheat ears", they can receive a commemorative gift with their scorecards. In 2023, the employees of Hangzhou Facility actively participated in the Clear Your Plate Campaign and recovered 166 scorecards.

Community contribution

The Company carries out active communication and good interaction with community stakeholders through various methods, and has continued to positively influence surrounding communities by virtue of its professional advantages in the industry and plays a key role in community progress.

3. CO-BUILDING AND LOVING BEAUTIFUL COMMUNITIES

Series campus lectures by corporate experts

In March 2023, Dr. Zhang Xichen, general manager and senior vice president of the Production Quality Department, and Dr. Ding Ding, vice president of business development and strategy of the Process Production Quality Department, held a seminar titled “Research Progress on the CMC Development, Production and Quality Management of Antibody Drugs” for teachers and students at the Moganshan Campus of the School of Pharmacy of Zhejiang University of Technology, with more than 160 teachers and students from the School of Pharmacy and the Green Pharmaceutical Collaborative Innovation Center.

During the interactive exchange session, Dr. Zhang Xichen and Dr. Ding Ding gave detailed answers to the enthusiastic questions raised by postgraduates and undergraduates on site, and encouraged them to keep their motherland in mind, be down-to-earth, explore the unknown, and ascend to new heights bravely on the road of study and scientific research, so as to contribute to building a powerful country of science and technology with the strength of pharmaceutical youth.



4. BUILDING CLEAN AND HARMONIOUS ECOSYSTEMS

4.1. ENVIRONMENTAL MANAGEMENT SYSTEM

In strict compliance with the Environmental Protection Law of the People’s Republic of China 《中華人民共和國環境保護法》, the Energy Conservation Law of the People’s Republic of China 《中華人民共和國節約能源法》, the Water Pollution Prevention and Control Law of the People’s Republic of China 《中華人民共和國水污染防治法》, Atmospheric Pollution Prevention and Control Law of the People’s Republic of China 《中華人民共和國大氣污染防治法》, Law of the People’s Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes 《中華人民共和國固體廢物污染環境防治法》 and other laws and regulations, the Company formulated the comprehensive Management System on the Identification and Appraisal of Environmental Factors 《環境因素識別和評價管理制度》 and established management systems covering the emission of exhaust, waste water and noises, energy saving and emission reduction as well as the disposal of hazardous waste. In addition, the Company ensures that the responsibilities on environmental management are fully implemented through the EHS Committee, continuously optimizes results in environmental management and actively promotes green operation. In 2023, Hangzhou plant of Transcenta obtained dual-system certification of ISO 14001 environmental management system and ISO 45001 occupational health and safety management system.

Our environmental targets

Water efficiency targets	<ul style="list-style-type: none"> • Establish a recycling water indicator system and data collection process; • Regularly engage qualified third party to conduct external monitoring of sewage treatment and discharge indicators
Waste reduction targets	<ul style="list-style-type: none"> • Ensure 100% compliance and proper disposal of all hazardous waste; • Strive to reduce the generation of general waste and ensure that all non-hazardous waste is disposed of in a compliant manner; • Increase the proportion of recyclable packaging materials used; • Strengthen staff training to reduce the generation of disposable non-essential waste (e.g. paper, cans, plastic cutlery, etc.)
Energy use efficiency targets	<ul style="list-style-type: none"> • Optimize the energy consumption of industrial systems and other equipment according to the production plan; • Establish a digital energy management system to improve the efficiency of production energy; • Formulate a renewable energy use program; • Enhance energy-saving awareness training of employees
Emission targets	<ul style="list-style-type: none"> • Increase the frequency of exhaust emission monitoring and strengthen emission control from manufacturing and office operations; • Ensure 100% compliance and proper discharge of exhaust gases; • Identify key aspects of greenhouse gas emission and implement targeted emission reduction measures

4. BUILDING CLEAN AND HARMONIOUS ECOSYSTEMS

4.2. RESPONSE TO CLIMATE CHANGE

Transcenta actively responds to climate change and integrates climate responsibilities and actions into corporate operation. In 2023, the Company further improved climate governance system, identified the risks and opportunities associated with climate, and improved climate risk management based on the analysis results, with an aim to mitigate climate risks and reduce greenhouse gas emissions during the operation and support the “dual carbon” goal of the country. Through this strategy, the Company not only contributes to environmental protection, but also demonstrates its sensitivity and responsibility to global climate change trend.

Governance

At Transcenta, the Board of Directors has leadership responsibility for addressing climate change. The Audit Committee of the Board of Directors supports the Board of Directors in overseeing ESG development and strategy implementation. The committee is chaired by an independent non-executive Director and includes another independent non-executive Director and a non-executive Director to jointly promote the Company’s actions and supervision in the field of ESG. On climate change, the Audit Committee is responsible for:

- Conducting in-depth analysis of the Company’s impact on the environment and society, continuously monitoring global and domestic ESG and climate change dynamics to ensure that potential impacts, opportunities and risks to the Company’s business are comprehensively assessed, and reporting to the Board key ESG and climate change trends that may affect the Company’s ESG strategy and target setting

The Audit Committee reports to the Board of Directors and makes recommendations at least once a year. After accepting the recommendations of the Audit Committee, the Board of Directors will conduct further review and discussion to decide whether to approve the recommendations. In assessing the risk management effectiveness of the Company, the Board of Directors and Audit Committee will consider ESG-related risks, including climate change risks. Meanwhile, the Company conducts a significant ESG issues (including climate change) assessment every year as an important part of the sustainable development strategy.

Transcenta has established an ESG Committee which focuses on the daily ESG supervision work (including climate change). The committee, together with the management and relevant departments, collects information on the progress, risks and opportunities related to climate change and regularly communicate with stakeholders. The ESG Committee reports to the Audit Committee on climate management and information disclosure at least once a year.

4. BUILDING CLEAN AND HARMONIOUS ECOSYSTEMS

Strategy

Transcenta is committed to realizing the “dual carbon” strategy of China and integrates green development into its corporate agenda. The Company strengthens energy conservation and emission reduction measures and promotes sustainable development to support the country’s climate goals. Through these efforts, Transcenta has demonstrated its active response to climate change and its commitment to environmental responsibility.

The Company recognizes that climate change will pose multiple risks to our business operation. Extreme weather and rising temperatures may negatively impact the assets, employee’s welfare and supply chains of the Company. In addition, climate change may also lead to policy, market, technology and reputation risks, potentially impacting the Company’s financial condition.

Meanwhile, the Company regards climate change a chance to create opportunities for the Company to develop low-carbon and climate-resistant technology to reduce the operating costs caused by extreme weather. This move can not only meet stakeholders’ expectations for sustainable development, but also promote the low-carbon transformation and sustainable development of the Company.

Transcenta has determined climate-related risks and opportunities and the potential financial impacts, developed early response measures to improve the Company’s capacity and resilience to cope with climate change. By conducting policy research, industry comparison, and considering suggestions from internal and external experts, the Company has identified climate change risks and opportunities related to its business operations, as shown in the chart below:

Physical risks	Transformation risks	Climate opportunities
Acute physical risks	Policy and legal risks	Improvement of resource efficiency
Chronic physical risks	Technology and market risks	Usage of renewable energy
	Reputation risks	Increase in climate resilience

Risk Management

Transcenta incorporates climate change risks into its risk management system, including risk management policies and internal control processes. These processes are designed to identify, assess and manage various risks to ensure that risks in daily operations are effectively monitored. At the same time, the management regularly receives reports on significant risks and takes appropriate measures to mitigate and manage these risks.

The management reports risk management and internal control to the Board on a regular basis for the Board to evaluate the effectiveness of these systems. The Board of Directors and the Audit Committee work together to ensure that an effective risk management mechanism consistent with the Company’s strategy and risk tolerance is established between the Company and the management. This process is to ensure that the Company’s risk management system is consistent with its overall objectives and effectively address potential risks.

4. BUILDING CLEAN AND HARMONIOUS ECOSYSTEMS

In managing climate change risks, we develop our risk response measures according to their significance and financial impact.

Determination of important climate change risks relevance	Potential financial impacts	Response measures
<p>Physical risks</p> <p>Acute physical risks Frequent extreme weather events caused by climate change may cause damage to infrastructure and affect the operation stability of Transcenta. In addition, to cope with these extreme weather, the Company may have to increase investment in safety equipment and staff training, leading to increasing operating costs.</p>	<p>Increase in operating costs Decrease in operating income</p>	<ul style="list-style-type: none"> • Formulate and regularly update the Management System on Emergency Rescue 《應急救援管理制度》 to effectively cope with climate disaster emergencies • Reserve backups for key materials through expanding the proportion of localized procurement to improve the stability and resilience of the supply chain to cope with climate risks
<p>Chronic physical risks Continuous high temperature environment may lead to unstable power supply and increase the operating costs of Transcenta. In addition, the high temperature may affect the health and safety of employees, which requires the Company to increase relevant welfare expenditures, such as high temperature subsidies and employee safety insurance, thus increasing labor costs.</p>	<p>Increase in operating costs</p>	<ul style="list-style-type: none"> • Reduce cost and increase efficiency through technical transformation of equipment • Consider renewable energy use and optimize processes for energy conservation and emission reduction in the location selection and construction of new plants • Encourage employees to actively practice green operation and green office to enhance their awareness of environmental protection

4. BUILDING CLEAN AND HARMONIOUS ECOSYSTEMS

Determination of important climate change risks relevance	Potential financial impacts	Response measures
<p>Transformation risks</p> <p>Policy and legal risks</p> <p>With the greenhouse gas emission policies and supervision keeping improved, the cost of greenhouse gas emissions is expected to continue to rise, which may affect Transcenta’s operating costs and capacity expansion. The deployment of renewable energy facilities and processes may result in increased operating costs if policy and regulation changes require the adoption or use of clean energy.</p>	<p>Increase in operating costs</p>	<ul style="list-style-type: none"> • Keep up to date with climate-related laws and regulations; collect greenhouse gas emissions data on an annual basis, and make timely responses and decisions to major changes in greenhouse gas emissions • Make the work of addressing climate change one of the priorities of the Audit Committee, the ESG Committee and the relevant ESG departments • Consider renewable energy use in the location selection and construction of new plants and implement energy conservation and emission reduction in processes
<p>Technology and market risks</p> <p>To meet the expectations of various stakeholders, Transcenta is committed to reducing its own greenhouse gas emissions and driving low-carbon process innovation and investment in clean energy and technology. The product range the Company focuses on cover oncology and other diseases. These diseases are likely to be affected by climate change and thus influence the market demand for the products.</p>	<p>Increase in operating costs</p>	

4. BUILDING CLEAN AND HARMONIOUS ECOSYSTEMS

Determination of important climate change risks relevance	Potential financial impacts	Response measures
<p>Reputation risks As a listed company, Transcenta's policies and practices to cope with climate change are increasingly under the scrutiny of the government, investors, customers, the public and other stakeholders. Failure to meet these expectations may affect the Company's reputation and investors' decisions. Therefore, Transcenta needs to pay close attention to the expectations of these stakeholders and respond actively in its strategies and operations.</p>	Increase in non-operating costs	<ul style="list-style-type: none"> Make climate change a priority issue and communicate with stakeholders through stakeholder research

Determination of important climate change opportunities relevance	Potential financial impacts
<p>Climate opportunities</p> <p>Improvement of resource efficiency Improve the use efficiency of energy, water and waste and reduce operating costs</p>	Decrease in operating costs
<p>Usage of renewable energy Effectively address the risk of future energy and carbon price increases</p>	Decrease in operating costs
<p>Increase in climate resilience Effectively enhance Transcenta's climate adaptability and resilience of development by optimizing energy-efficient processes and selecting environmentally friendly suppliers</p>	Decrease in operating costs

Indicators and targets

Transcenta mainly relies on purchased electricity and steam as energy in the experiment and production process. In addition, the Company uses diesel and gasoline in the operation and maintenance of our plants and in vehicles operation. Transcenta discloses energy usage, greenhouse gas emissions and emission intensity in the ESG report annually to evaluate our management performance on climate change and to formulate improvement plans accordingly.

In 2023, we began to set targets for reducing energy consumption and carbon emissions. The Company promoted the achievement of energy saving and emission reduction targets through by implementing policy management system, investing in energy-saving equipment, improving processes and enhancing the energy-saving awareness of employees.

4. BUILDING CLEAN AND HARMONIOUS ECOSYSTEMS

GHG Emissions of Transcenta in 2021-2023²

Indicators	Unit	2023	2022	2021
Total GHG emissions	tons of CO ₂	4,200.75	4,972.00	6,220.13
Of which: Direct emissions (Scope 1)	tons of CO ₂	26.24	16.23	33.06
Indirect emissions (Scope 2)	tons of CO ₂	4,174.51	4,955.76	6,187.07
Intensity of GHG emissions	tons of CO ₂ /RMB1 million	78.01³	48.79	123.91
Intensity of direct emissions (Scope 1)	tons of CO ₂ /RMB1 million	0.49	0.16	0.66
Intensity of indirect emissions (Scope 2)	tons of CO ₂ /RMB1 million	77.52	48.63	123.25

4.3. RESOURCE MANAGEMENT

Energy saving

Transcenta adheres to the green production and operation concept of energy saving and consumption reduction, has formulated and implemented the Management System on Energy Saving and Consumption Reduction 《節能降耗管理制度》 at the production level, and further achieves energy optimized management by improving processes and giving priority to equipment with low environmental impacts and high-cost performance to reduce energy consumption in all aspects.

At the office operation level, we have fully deployed the Building Management System (BMS) and the Environment Management System (EMS) to manage the office environment. The BMS system can automatically turn on and off the air-conditioners according to presets, and set parameters for each air conditioner to achieve precise control of temperature, airflow and humidity. The EMS system monitors and manages the environment of the clean rooms in a unified manner. The system monitors the temperature, humidity and pressure difference in each room of the clean rooms in real time, and provides alarm information and historical data information.

2 The calculation of GHG emissions refers to the Listing Rules of the Hong Kong Stock Exchange and Appendix II: Reporting Guide on Key Environmental Performance Indicators. Beijing electricity conversion coefficient (0.604t CO₂/MWh) refers to the Requirements for Carbon Dioxide Emission Accounting and Reporting for Other Industries by Beijing Municipal Administration for Market Regulation; Shanghai electricity conversion coefficient (4.2t CO₂/10⁴kWh) refers to the Notice on Adjusting the Relevant Emission Factor Values of Greenhouse Gas Emissions Accounting Guidelines by Shanghai Municipal Bureau of Ecology and Environment; Guangzhou electricity conversion coefficient (0.6379kg CO₂/kWh) refers to Guangdong Province Enterprises (Units) Carbon Dioxide Emission Information Reporting Guidelines (2023 Revision) issued by Guangdong Provincial Department of Ecology and Environment; the electricity conversion coefficient in other regions (0.5703t CO₂/MWh) refers to the Notice on Doing a Good Job in Reporting and Verifying Greenhouse Gas Emissions of Enterprises in Some Key Industries from 2023 to 2025 issued by the Ministry of Ecology and Environment of the People's Republic of China; and the purchased steam conversion coefficient (0.11t CO₂/GJ) refers to the Guidelines for the Calculation and Reporting of Greenhouse Gas Emissions from Industrial Enterprises (Trial) by the National Development and Reform Commission of the People's Republic of China. In 2023, the corporate revenue of Transcenta was RMB53.849 million.

3 The environmental aggregate data of Transcenta in 2023 remained relatively stable as compared to that in 2022, and the environmental density data showed an increase from 2022, which was mainly due to the decrease in operating income from 2022 to 2023.


4. BUILDING CLEAN AND HARMONIOUS ECOSYSTEMS

At the same time, we have developed the TOSS initiative, which aims to reduce the carbon footprint and environmental impact of all locations of Transcenta around the world and is implemented by every employee for expected efficiency.

In 2023, our TOSS was implemented and managed through three levels:

TOSS	Policies and strategies at the Group level
Department level	Implementing team actions in Tier 1 and Tier 2 departments
Staff level	Each employee's own awareness and actions

We have developed and implemented a series of programs through the TOSS plan to encourage employees to practice green office and travel:

Purchase recycled paper	Encourage staff to reduce printing, try replacing recycled paper as printing paper and share the reasons behind it
Post slogans	<p>Slogans about TOSS and resource conservation are posted in restrooms, elevator entrances, office light switches, etc. to educate and motivate employees. At the same time, we are actively seeking solutions for digital announcements to reduce the number of physical announcement boards as much as possible in the future and post resource-saving related signs and announcements on the intranet, aiming to set an example for employees and take the lead in reducing the waste of paper.</p>  <p>On top of the roll paper box, stick on the wall in each toilet room</p> <p>On the front surface of the paper towel box</p> <p>On the front surface of the hand drier</p>
Reduce the use of elevators	Shut down elevators in office facilities and encourage employees to take the stairs on one day of a week

4. BUILDING CLEAN AND HARMONIOUS ECOSYSTEMS

“One Hour Lights Out” program, caring for the earth is caring for ourselves

In March 2023, Transcenta sent an email to every employee of the Group, encouraging them to participate in the “One Hour Lights Out” program. From 12:00 noon to 1:00 pm on April 21, 2023, the World Earth Day, we turned off all lights in office areas to do something positive for the earth. Our employees also responded positively, and since then, they have tried to make it a habit to turn some lights off at noon and turn off the lights in time after work every day.



4. BUILDING CLEAN AND HARMONIOUS ECOSYSTEMS

Energy Consumption of Transcenta in 2021-2023⁴

Indicators	Unit	2023	2022	2021
Direct energy consumption				
Total direct energy consumption ⁵	tons of standard coal	10.71	6.59	13.76
Gasoline	liter	8,117	5,222	8,825
Diesel	liter	1,627⁶	800	3,500
Indirect energy consumption				
Total indirect energy consumption ⁷	tons of standard coal	1,028.77	1,124.50	1,418.30
Total power consumption	kWh	4,942,708.03	4,327,901.75	5,250,707.68
Purchased steam	GJ	12,348.00	17,368.06	22,654.80
Intensity of energy consumption				
Intensity of direct energy consumption ⁸	tons of standard coal/RMB1 million	0.20	0.06	0.28
Intensity of indirect energy consumption ⁹	tons of standard coal/RMB1 million	19.10	11.04	28.25
Intensity of comprehensive energy consumption ¹⁰	tons of standard coal/RMB1 million	19.30	11.10	28.53

⁴ The calculation of energy consumption refers to the GB/T 2589-2020 General Principles for Calculation of the Comprehensive Energy Consumption, the national standards of the People's Republic of China.

⁵ The standard coal coefficient of diesel and gasoline are 1.4571kgce/kg and 1.4714kgce/kg, respectively.

⁶ The total diesel consumption in 2023 increased by approximately 103.4% as compared to 2022, mainly due to a high-end diesel generator maintenance in 2023, during which the diesel generator was activated for 9 hours.

⁷ The electricity standard coal coefficient: 0.1229kg/kWh; the thermal standard coal coefficient: 0.03142kg/MJ.

⁸ Intensity of direct energy consumption = Total direct energy consumption/RMB1 million corporate revenue

⁹ Intensity of indirect energy consumption = Total indirect energy consumption/RMB1 million corporate revenue

¹⁰ Intensity of comprehensive energy consumption = Total comprehensive energy consumption/RMB1 million corporate revenue; Total comprehensive energy consumption = Total direct energy consumption + Total indirect energy consumption.

4. BUILDING CLEAN AND HARMONIOUS ECOSYSTEMS

Saving water


Currently, the water consumed by Transcenta comes from municipal water supply. In 2023, there were no issues in sourcing water that is fit for purpose.

In terms of saving water, we actively encourage employees to reduce water waste and post relevant slogans in bathrooms. At the same time, we replace traditional drinking water dispensers with purified direct drinking water dispensers in our Suzhou office. The energy-saving advantages of the direct drinking water dispenser include: it adopts a 7-stage composite filtration system and is equipped with UV antibacterial and pipeline thermal circulation sterilization technology to ensure the quality and safety of drinking water; the equipment’s own AES adaptive energy-saving system can save 40% of electricity; the equipment uses a water pump with an operating sound lower than 45dB, which is free from noise pollution.

Turning full "power" on, drinking water free from shortage




58L hot water in the first hour, 200 cups of continuous water flow
The maximum amount of hot water flow at a time reaches to 58L, and the water flows out uninterruptedly for 200 cups (calculated in 290 ml per cup) at a time, and there is no need to wait for fetching water during the peak period.



The water production is 160 barrels/day, which deals with inadequate drinking-water supply
A daily water production up to 800 gallons is implemented, and the total daily water production is equivalent to 160 barrels of bucket water (5G standard bucket), realizing all-day drinking of normal temperature water and avoiding manual transport of drinking water.

Innovating energy-saving, optimizing cost

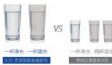


360° double-layer insulation technology
Greatly improving the thermal insulation performance of hot tank



Step-by-step heating technology
Greatly reducing heating energy consumption

Automatic standby energy saving technology
Turning into standby state when detecting no operation for 3 consecutive hours, later will start automatically after 6 hours



Wastewater ratio of 1:1
Leading industry, saving water resources

Direct drinking water dispenser energy saving display diagram

In addition, a sewage upgrading project was carried out in the area of Suzhou animal rooms to establish recyclable wastewater treatment equipment, which significantly reduced the usage of cleaning water and achieved zero discharge of nitrogen and phosphorus from the cleaning wastewater of the animal rooms.



Animal rooms wastewater treatment facility

4. BUILDING CLEAN AND HARMONIOUS ECOSYSTEMS

Water Resources Consumption of Transcenta in 2021-2023

Indicators	Unit	2023	2022	2021
Total water consumption	m ³	20,302¹¹	11,750	12,367
Intensity of water consumption ¹²	m ³ /RMB1 million	377.02	115.32	246.35

Use of packaging materials

The packaging materials used by Transcenta during production and transportation include but not limited to rubber plugs, aluminum caps and glass bottles. We are committed to advocating saving the use of packaging materials and actively promoting recyclable and renewable packaging materials. In 2023, our sustainable packaging management initiatives include:

- Centralize the storage of waste and used cartons generated during transportation and production, and to retrieve and reuse them when needed
- Upgrade the cold chain insulated boxes required during transportation, which is of better insulation performance and lower frequency of replacement as compared with the previous ones
- Completely cancel plastic packaging and use environmentally friendly white cardboard which is a kind of high-grade environmentally friendly paper made from recycled pulp and is not printed with ink, making it harmless to the environment.
- Collect the outer packaging of incoming materials by categories, recycle and transfer them to the reincarnation resource companies, such as paper and plastic

Packaging Consumables Consumption of Transcenta in 2021-2023

Indicators	Unit	2023	2022	2021
Total packaging materials	ton	1.64	1.16	57.50
Intensity of packaging materials	ton/RMB1 million	0.030	0.011	1.145

4.4. EMISSIONS MANAGEMENT

Transcenta strictly complies with national regulations on environmental protection and local emission standards, and actively undertakes environmental responsibilities. The Company scientifically manages and disposes of waste water, exhaust and wastes generated from production and operation. By developing and implementing internal management systems and methods, the Company standardizes the disposal process of wastes to ensure that emissions are compliant or even below regulatory standards, and effectively reduce the environmental impact.

¹¹ The total water consumption in 2023 increased by approximately 72.8% as compared to 2022, mainly due to the additional cooling water consumption of air conditioners in the computer rooms at Shanghai operation premises in 2023.

¹² Intensity of water consumption = Total water consumption/RMB1 million corporate revenue

4. BUILDING CLEAN AND HARMONIOUS ECOSYSTEMS

Management on discharge of waste water

The waste water of Transcenta includes waste water from production, ground cleaning, laboratories, concentrated water from the processing of pure water and domestic waste water. Based on the requirements of the place where it is located on the management of waste water discharge, the Company formulated and strictly complies with the Management System on Wastewater (《廢水管理制度》), specifying the processes for the treatment of waste water. The Company installed an online monitoring equipment in the terminal of sewage treatment stations to monitor sewage indicators in real time to ensure standard discharge of waste water. Meanwhile, in 2023, we added a new mobile APP function to monitor the indicator data of sewage stations in real time. The APP will push relevant alarm information at any time, and has a built-in cloud configuration interface to empower operators to remotely operate the sewage stations.

During the Reporting Period, after discussions with the production department, engineering department and suppliers and through experimental certification, Transcenta determined a waste water treatment scheme suitable for the Company. The scheme includes the adoption of the low-temperature evaporation system and sewage turnover tank to meet the wastewater discharge needs of the Company. In addition, the Company plans to split the existing balance pool into two functional pools, one as the balance pool and the other as drainage buffer pool. The drainage buffer pool will be installed with a COD online monitor to monitor the COD data in real time and ensure the quality of drainage.

4. BUILDING CLEAN AND HARMONIOUS ECOSYSTEMS

Wastewater Discharge of Transcenta in 2021-2023

Indicators ¹³	Unit	2023	2022	2021
Sewage treatment	m ³	7,169	7,741	7,275
Chemical oxygen demand (COD) emissions	ton	0.380	0.140	0.094
Ammonia nitrogen emissions	ton	0.052	0.048	0.002
Total nitrogen emissions	ton	0.114	0.106	0.067
Total phosphorus emissions	ton	0.031	0.008	0.001

Exhaust emissions management

The Company formulates the Management System on Exhaust Emissions (《廢氣排放管理制度》) in accordance with the Law on the Prevention and Control of Atmospheric Pollution of the People's Republic of China and conducts effective control on sulfur dioxide (SO_x), nitrogen oxides (NO_x) and particulate matters generated from production and operation. It classifies exhaust, installs exhaust treatment devices and regularly inspects and repairs the leakage of equipment to ensure that the exhaust emissions meet the emission standards of the place where it operates. During the reporting period, we installed exhaust gas treatment facilities and adopted the process of oxidation absorption + alkali absorption + defogging + activated carbon adsorption to reduce the negative impact of operations on the environment.

Exhaust Emissions of Transcenta in 2021-2023

Indicators	Unit	2023	2022	2021
Sulfur oxides (SO _x)	kg	0.15	0.09	0.19
Nitrogen oxides (NO _x)	kg	5.14	3.45	5.38
Particulate matters	kg	0.38	0.25	0.40

¹³ Emissions of chemical oxygen demand (COD), ammonia nitrogen, total nitrogen and total phosphorus is the quantity of waste water discharged into natural waters.

4. BUILDING CLEAN AND HARMONIOUS ECOSYSTEMS

Waste emissions

Transcenta categorizes waste into dangerous waste and non-hazardous waste (ordinary solid waste, construction waste and household waste). The Company implements the Management System on the Disposal of Solid Waste 《廢棄物處置管理制度》 and the Safety Operational Specifications on Dangerous Waste 《危險廢物安全操作規程》 to conduct strict management on the classification, labeling, collection, temporary storage of dangerous waste. The Company ensures that all hazardous wastes are 100% handled by qualified third-party organizations to eliminate the risks caused by improper disposal. Non-hazardous waste generated in the production process, such as cartons and plastic packaging bags, is incinerated to generate electricity, effectively realizing the reuse of waste resources. In addition, the Company optimizes the process, advocates green office and use environmental materials to reduce the use of disposable goods and total waste emissions.

Waste Emissions of Transcenta in 2021-2023¹⁴

Indicators	Unit	2023	2022	2021
Total non-hazardous waste	ton	10.57	7.86	28.24
Intensity of non-hazardous waste emissions ¹⁵	ton/RMB1 million	0.20	0.08	0.56
Total hazardous waste	ton	22.61	28.09	39.64
Intensity of hazardous waste emissions ¹⁶	ton/RMB1 million	0.42	0.28	0.79

¹⁴ The exhaust emissions data mainly comes from the gasoline consumption of commercial vehicles and the diesel consumption of diesel generators. The calculation of exhaust emissions refers to the Listing Rules of the Hong Kong Stock Exchange and Appendix II: Reporting Guide on Key Environmental Performance Indicators.

¹⁵ Intensity of non-hazardous waste emissions = Total non-hazardous waste/RMB1 million corporate revenue

¹⁶ Intensity of hazardous waste emissions = Total hazardous waste/RMB1 million corporate revenue

APPENDIX I: KEY PERFORMANCE TABLES IN 2023

Key performance indicators	2023	2022	2021	Unit
Environmental				
Direct energy consumption				
Gasoline	8,117	5,222	8,825	liter
Diesel	1,627	800	3,500	liter
Indirect energy consumption				
Total power consumption	4,942,708.03	4,327,901.75	5,250,707.68	kWh
Purchased steam	12,348.00	17,368.06	22,654.80	GJ
Energy consumption				
Direct energy consumption	10.71	6.59	13.76	tons of standard coal
Indirect energy consumption	1,028.77	1,124.50	1,418.30	tons of standard coal
Comprehensive energy consumption	1,039.48	1,131.09	1,432.06	tons of standard coal
Intensity of energy consumption	19.30	11.10	28.53	tons of standard coal/RMB1 million
GHG emissions				
Direct emissions (Scope 1)	26.24	16.23	33.06	tons of CO ₂
Indirect emissions (Scope 2)	4,174.51	4,955.76	6,187.07	tons of CO ₂
Total GHG emissions (Scope 1 + Scope 2)	4,200.75	4,972.00	6,220.13	tons of CO ₂
Intensity of GHG emissions	78.01	48.79	123.91	tons of CO ₂ /RMB1 million
Water resources				
Total water consumption	20,302	11,750	12,367	m ³
Intensity of water consumption	377.02	115.32	246.35	m ³ /RMB1 million
Waste water				
Comprehensive sewage discharges	7,169	7,741	7,275	m ³
Waste				
Total non-hazardous waste	10.57	7.86	28.24	ton
Intensity of non-hazardous waste emissions	0.20	0.08	0.56	ton/RMB1 million
Total hazardous waste	22.61	28.09	39.64	ton
Intensity of hazardous waste emissions	0.42	0.28	0.79	ton/RMB1 million
Exhaust emissions				
Sulfur oxides	0.15	0.09	0.19	kg
Nitrogen oxides	5.14	3.45	5.38	kg
Particulate matters	0.38	0.25	0.40	kg
Packaging consumables				
Total packaging materials	1.64	1.16	57.50	ton
Intensity of packaging materials	0.03	0.01	1.44	ton/RMB1 million

APPENDIX I: KEY PERFORMANCE TABLES IN 2023

Key performance indicators	2023	2022	2021	Unit
Social				
Staff overview				
Total number of employees	225	334	397	No. of people
Full-time employees	215	322	363	No. of people
Part-time employees	10	12	34	No. of people
Male employees	91	133	172	No. of people
Female employees	134	201	225	No. of people
Employees aged 29 and below	40	97	166	No. of people
Employees aged 30 to 49	160	207	200	No. of people
Employees aged 50 and above	25	30	31	No. of people
Chinese employees	206	311	377	No. of people
Overseas employees	19	23	20	No. of people
Proportion of female employees in senior management	52	41.7	45.8	%
Proportion of foreign employees	11.11	9.28	8.06	%
Proportion of minority employees	2.22	1.80	1.26	%
Proportion of disabled employees	0.44	0.60	0.76	%
Turnover rate of employees	45.08	24.94	20	%
Turnover rate of male employees	41.07	26.11	7.81	%
Turnover rate of female employees	47.76	24.15	12.19	%
Turnover rate of employees aged 29 and below	67.15	34.01	7.50	%
Turnover rate of employees aged 30 to 49	38.69	19.77	11.88	%
Turnover rate of employees aged 50 and above	32.73	25.00	0.63	%
Turnover rate of employees in China	44.87	24.88	19.06	%
Turnover rate of overseas employees	47.62	26.81	0.94	%
Occupational health and safety				
Number of work-related injuries	0	0	0	case
Lost days due to work injuries	0	0	0	day
Number of work-related fatalities	0	0	0	No. of people
Staff trainings				
Total hours of staff trainings	18,842	13,861	13,405	hour
Coverage rate of staff trainings	100	100	100	%
Average training hours of employees	83.74	41.50	33.77	hour
Supplier management				
Number of suppliers	1,185	1,069	355	No. of suppliers

APPENDIX II: CONTENT INDEX OF HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	Disclosure Requirements	Report Index
A1	<p>Emissions: General Disclosure Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. <p>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.</p>	<p>4.1. Environmental Management System 4.2. Response to Climate Change</p>
KPI A1.1	The types of emissions and respective emissions data.	4.4. Emissions Management KEY PERFORMANCE TABLES IN 2023
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.2. Response to Climate Change KEY PERFORMANCE TABLES IN 2023
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.4. Emissions Management KEY PERFORMANCE TABLES IN 2023
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.4. Emissions Management KEY PERFORMANCE TABLES IN 2023
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	4.1. Environmental Management System 4.2. Response to Climate Change
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	4.1. Environmental Management System 4.4. Emissions Management

APPENDIX II: CONTENT INDEX OF HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	Disclosure Requirements	Report Index
A2	<p>Use of Resources: General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	<p>4.1. Environmental Management System 4.3. Resource Management</p>
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	4.3. Resource Management KEY PERFORMANCE TABLES IN 2023
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.3. Resource Management KEY PERFORMANCE TABLES IN 2023
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	4.1. Environmental Management System 4.3. Resource Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	4.1. Environmental Management System 4.3. Resource Management
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	4.3. Resource Management KEY PERFORMANCE TABLES IN 2023
A3	<p>The Environment and Natural Resources: General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.</p>	<p>4.1. Environmental Management System 4.2. Response to Climate Change 4.3. Resource Management</p>
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.4. Emissions Management

APPENDIX II: CONTENT INDEX OF HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	Disclosure Requirements	Report Index
A4	Climate Change: General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	4.2. Response to Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	
B1	Employment: General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	3.1. Diversity, Equality and Inclusion
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	3.1. Diversity, Equality and Inclusion KEY PERFORMANCE TABLES IN 2023
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	3.1. Diversity, Equality and Inclusion KEY PERFORMANCE TABLES IN 2023
B2	Health and Safety: General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	3.4. Occupational Health and Safety

APPENDIX II: CONTENT INDEX OF HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	Disclosure Requirements	Report Index
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.4. Occupational Health and Safety KEY PERFORMANCE TABLES IN 2023
KPI B2.2	Lost days due to work injury.	3.4. Occupational Health and Safety KEY PERFORMANCE TABLES IN 2023
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.4. Occupational Health and Safety
B3	Development and Training: General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	3.3. Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.3. Training and Development KEY PERFORMANCE TABLES IN 2023
KPI B3.2	The average training hours completed per employee by gender and employee category.	3.3. Training and Development KEY PERFORMANCE TABLES IN 2023
B4	Labour Standards: General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	3.1. Diversity, Equality and Inclusion
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	3.1. Diversity, Equality and Inclusion
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	3.1. Diversity, Equality and Inclusion

APPENDIX II: CONTENT INDEX OF HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	Disclosure Requirements	Report Index
B5	Supply Chain Management: General Disclosure Policies on managing environmental and social risks of the supply chain.	2.3. Responsible Supply Chains
KPI B5.1	Number of suppliers by geographical region.	2.3. Responsible Supply Chains KEY PERFORMANCE TABLES IN 2023
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	2.3. Responsible Supply Chains
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	2.3. Responsible Supply Chains
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	2.3. Responsible Supply Chains
B6	Product Responsibility: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	2.2. Quality Safety
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2.2. Quality Safety
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	2.2. Quality Safety
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	1.3. Compliance and Business Ethics
KPI B6.4	Description of quality assurance process and recall procedures.	2.2. Quality Safety
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	1.4. Information Safety and Privacy Protection

APPENDIX II: CONTENT INDEX OF HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	Disclosure Requirements	Report Index
B7	Anti-corruption: General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.3. Compliance and Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	1.3. Compliance and Business Ethics
KPI B7.2	Description of preventive measures and whistle – blowing procedures, and how they are implemented and monitored.	1.3. Compliance and Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	1.3. Compliance and Business Ethics
B8	Community Investment: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities’ interests.	3.5. Society Co-building
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	3.5. Society Co-building
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	3.5. Society Co-building

APPENDIX III: SUMMARY OF ABBREVIATION INVOLVED IN THE REPORT

PCT	– Patent Cooperation Treaty
3R	– Reduction, Refinement, Replacement
CMC	– Chemical Manufacturing and Control
PK/PD	– Pharmacokinetics/Pharmacodynamics
IND	– Investigational New Drug
GCP	– Good Clinical Practice
GMP	– Good Manufacturing Practice
FDA	– Food Drug and Administration
ICH	– International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use
EMA	– European Medicines Agency
NMPA	– National Medical Products Administration
CDMO	– Contract Development and Manufacturing Organization
GLP	– Good Laboratory Practice