

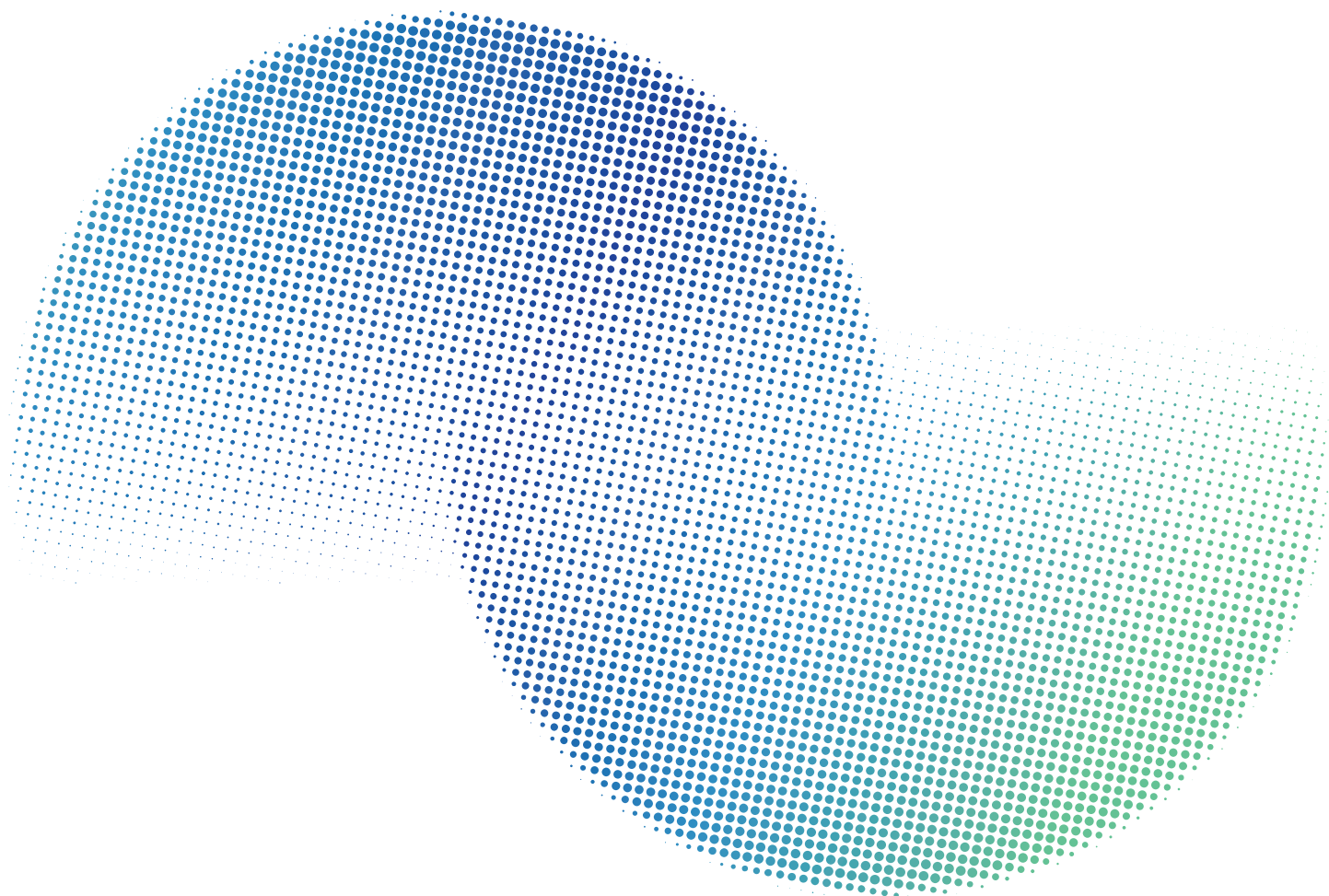


Cutia Therapeutics

科笛集团

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 2487

Environmental, Social & Governance Report 2023



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About the Report

• REPORTING PERIOD

The Environmental, Social and Governance (“ESG”) Report (the “Report”) covers the period from 1 January 2023 to 31 December 2023, with some of the contents extending forward or backward moderately. The period covered herein is consistent with that in our 2023 Annual Report (“Annual Report”).

• COVERAGE OF ENTITIES

The entities covered herein are consistent with that in our Annual Report, including Cutia Therapeutics and its subsidiaries.

• REPORTING BASIS

The Report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* contained in Appendix C2 of the Listing Rules of the Stock Exchange and the summary of its major amendments. The Report has been reviewed and approved by the Board of Directors (the “Board”) of the Company. Readers can refer to the last chapter of the Report – “Appendix II: Content Index of the *Environmental, Social and Governance Reporting Guide* of the Hong Kong Stock Exchange” for quick reference.

• SOURCE OF INFORMATION

The qualitative and quantitative information adopted in the Report is from public information, internal documents and relevant statistical data of Cutia Therapeutics.

• BASIC PRINCIPLES

The Report has complied with the mandatory disclosure requirements and “comply or explain” provisions of the *Environmental, Social and Governance Reporting Guide*, and has considered the materiality, quantitative, balance and consistency of all specific indicators related to performance disclosure on the key ESG issues.

Materiality: Identify and prioritize issues that are important to stakeholders through analysis of policies and criteria and communication with stakeholders;

Quantitative: The disclosed key performance indicators can be measured;

Balance: Objectively present the Company’s work on ESG in the Report;

Consistency: This year is the first ESG report released by Cutia Therapeutics, and the data disclosed is consistent with the Annual Report, and the data disclosure method of this Report will continue to be used in the future to show the changes in statistical methods and key performance indicators.

• PRONOMINAL REFERENCE

For easy presentation and reading, “Cutia Therapeutics” is also referred to as the “Company” or “We” in this Report. Unless otherwise defined, capitalized terms and definitions used in the Report shall have the same meaning as defined in the Annual Report.

The following abbreviations are used in this Report to define subsidiaries:

Aurora Cutis	Aurora Cutis Medical Technology (Shanghai) Co., Ltd.
Chongqing Lehao	Chongqing Lehao Pharmaceutical Co., Ltd.
Cutia HK	Cutia Therapeutics (HK) Limited
Cutia Shanghai	Cutia Therapeutics (Shanghai) Co., Ltd.
Cutia Wuxi	Cutia Therapeutics (Wuxi) Co., Ltd.

1. ESG Governance

1.1 ESG GOVERNANCE STRUCTURE

ESG Concepts

Cutia Therapeutics is an R&D-driven, dermatology-focused biopharmaceutical company dedicated to developing comprehensive solutions that are tailored to meet the diverse and evolving needs of patients and consumers in the broader dermatology treatment and care market. The Company actively fulfills the corporate social responsibilities and has integrated ESG into the Company’s management model, facilitating a high-quality and sustainable commercialization model to build a biopharmaceutical company with an international leading R&D-based dermatology platform.

ESG Governance Structure

In order to further improve the ESG management system and promote the supervision, implementation and development of ESG work, Cutia Therapeutics has built a three-tier ESG governance structure supervised by the Board, centered on the ESG Committee and executed by the ESG Working Group, with the CEO as the chairman of the ESG Committee to lead the implementation of ESG-related work. The ESG Committee, as the core body, is responsible for the supervision and promotion of all ESG matters of the Company. The ESG Working Group is composed of all functional departments and serves as a coordinating and executing body, responsible for the specific formulation and implementation of policies and action plans related to all ESG matters, implementing the ESG management concepts into all aspects of daily production and operation.



Statement of the Board

Responsibilities of the Board

- The Board, as the highest decision-making body for ESG governance of Cutia Therapeutics, is responsible for reviewing and approving ESG strategies and policies, assuming the responsibilities for the overall monitoring, guiding and reviewing of work related to ESG matters. The Board authorizes the ESG Committee to formulate ESG management policies, supervise and review the progress in achieving ESG targets, and identify and manage ESG-related risks on a regular basis. The ESG Committee consists of five members, of which the CEO of the Company serves as the chairman of the ESG Committee.

Risk Management

- Cutia Therapeutics regularly identifies and evaluates the materiality of sustainability risks, and the ESG Committee makes strategic suggestions to the Board regarding the management and control of relevant risks. The Board is responsible for reviewing the relevant risks and materiality during the Group's daily operations and monitoring the implementation and results of the risk management work to ensure that the Company's internal controls and risks are effectively managed.

ESG Matters Execution

- The ESG Committee shall convene at least one meeting a year to review, examine and provide guidance on ESG-related objectives, performance and work progress, which is subject to the review of the Board. The chairman of the ESG Committee is entitled to request an extraordinary meeting in case of important issues requiring resolution. The ESG Working Group is responsible for fully promoting the implementation and execution of the Company's ESG strategies and programs to ensure that each work is effectively executed and to improve the Company's overall ESG performance.

ESG Material Issues

- Cutia Therapeutics promptly identifies, evaluates and follows up on ESG issues with internal and external stakeholders. We have established stable and transparent communication channels and feedback mechanisms with our stakeholders to accurately understand the demands and expectations of stakeholders. During the Reporting Period, we conducted a comprehensive assessment and ranking of the materiality of ESG issues by carrying out industry analysis and distributing stakeholder questionnaires, as well as taking into account our own operations, to finalize the ESG material issues and ESG targets of Cutia Therapeutics for 2023.

1.2 COMMUNICATION WITH STAKEHOLDERS

Cutia Therapeutics has established an efficient and rapid stakeholder communication mechanism to ensure that the expectations and demands of all parties can be handled and responded to in a timely manner. Taking into account the Company’s own business and actual situation, we identify key stakeholders such as customers, shareholders and investors, employees, suppliers, government and regulators, public welfare organizations and social organizations, fully understand the expectations and demands of each stakeholder by various communication methods such as emails, regulatory communications, general meetings, and roadshows and integrate them into the strategic planning and targets of ESG.

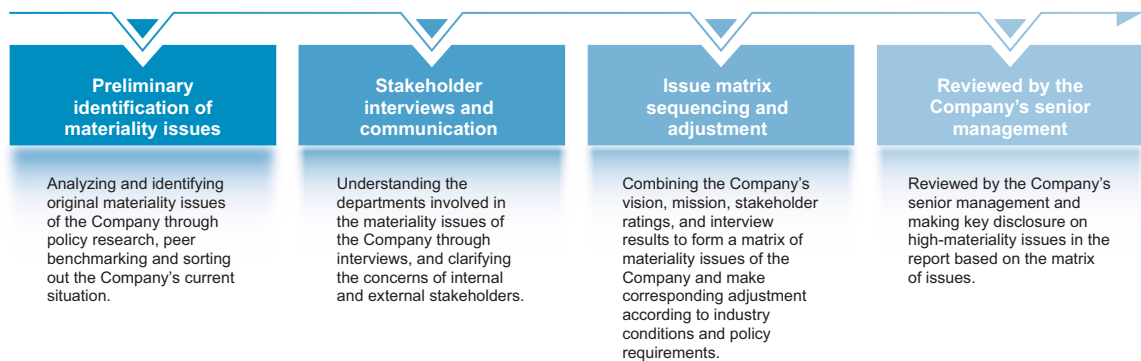
Stakeholders	Material Issues of Concern	Company Responses	Main Communication Channels
Customers	Compliance operation R&D innovation Product quality and safety	Product quality and safety R&D and innovation Compliance operation Responsible publicity Customer rights and privacy protection	Daily operation/ communication Company website Industry forum
Shareholders/ Investors	Compliance operation Anti-corruption and business ethic Intellectual property protection Community charity Industrial cooperation and development	Product quality and safety R&D and innovation Intellectual property protection Industrial cooperation and development Compliance operation Sustainable supply chain management Emission management Resource management	General meeting Industry forum Roadshow Results presentation Company website Results announcement
Employees	Employees’ rights and interests Employee communication and care Employee training and development Employee health and safety	Employees’ rights and interests Employee communication and care Employee training and development Employee health and safety	Employee training Performance appraisal Exit interview Team building activity

Stakeholders	Material Issues of Concern	Company Responses	Main Communication Channels
Suppliers	Anti-corruption and business ethic Sustainable supply chain management Industrial cooperation and development	Sustainable supply chain management	Daily operation Supplier management
Government and regulatory authorities	Anti-corruption and business ethic Compliance operation Promoting industry development Industrial cooperation and development Resource management Climate change and response Emission management	Compliance operation Emission management Resource management Community charity Anti-corruption and business ethic	Regulatory communication Industry conference Compliance report Medical department communication Professional forum
Public welfare organizations/ community organizations	Community charity Climate change and response	Community charity Climate change and response Emission management Resource management Inclusive medical care	Community organization Public welfare activity Seminar

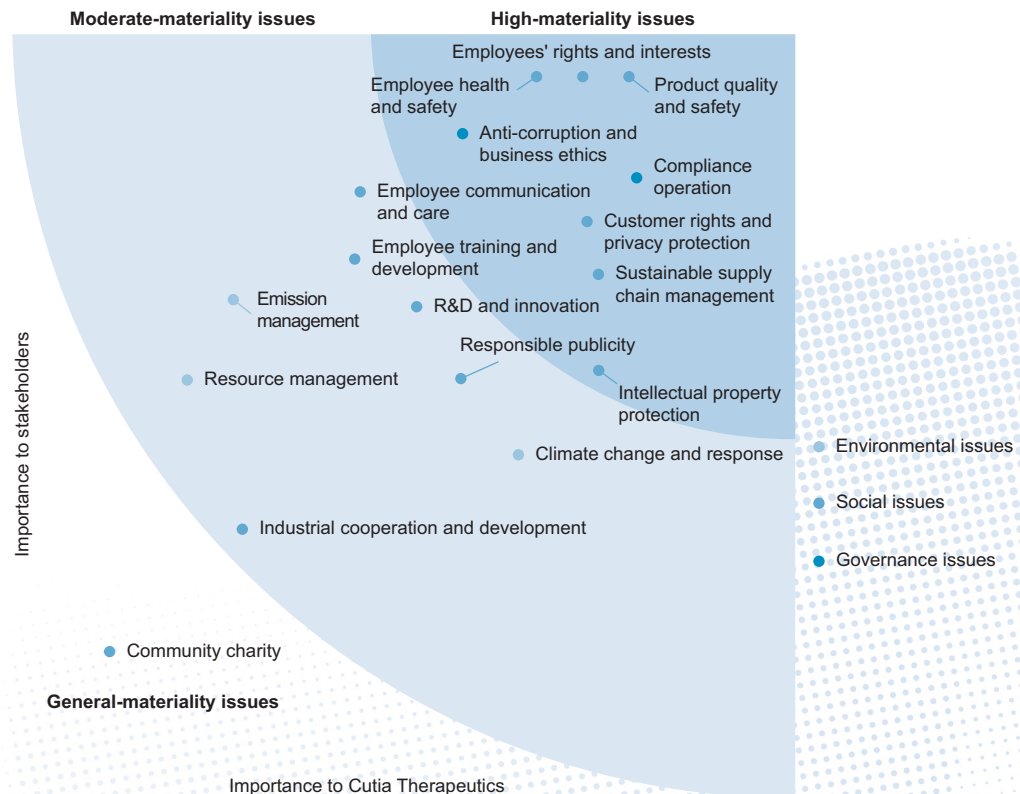
1.3 ANALYSIS OF MATERIALITY ISSUES

During the Reporting Period, Cutia Therapeutics, taking into account its own operating condition, formed a questionnaire on materiality issues through policy and industry analysis, and distributed it online to each stakeholder, so as to comprehensively understand the key concerns of each stakeholder in the development of the Company. Based on the results of the research and the feedback of the questionnaire, 8 high-materiality issues, 8 moderate-materiality issues and 1 general-materiality issue were identified in total.

Process for Assessing of Materiality Issues



2023 ESG Materiality Issues Matrix of Cutia Therapeutics



2. Products

Cutia Therapeutics is committed to providing alternative, safe, effective and high-quality drugs and products for consumers and patients with dermatological diseases. We focus on the broader dermatology treatment and care market segment. By strictly complying with quality and safety related laws and regulations and international pharmaceutical quality standards, we have built a comprehensive quality management system to ensure product quality management throughout the entire lifecycle from R&D to product termination. At the same time, we actively carry out various forms of business cooperation, and work with industry partners to lead the development of the dermatology treatment and care industry.

2.1 FOCUSING ON R&D AND INNOVATION

Cutia Therapeutics continues to promote innovative R&D from horizontal to vertical, vigorously promoting the R&D of innovative drugs, and laying a solid foundation for the sustainable innovative development of Cutia Therapeutics. During the Reporting Period, the Company's R&D investment amounted to RMB215.7 million, representing a year-on-year increase of 19.3%.

Product Research and Development Progress

As one of the few participants with comprehensive capabilities in the dermatology treatment and care market in Mainland China, Cutia Therapeutics focuses on the R&D and innovation of core technologies. From product manufacture to marketing, Cutia has maintained a strong customized commercialization strategy and online marketing strategy to promote the pipeline products of the Company through keen market insights. During the Reporting Period, a number of product pipelines of the Company achieved significant clinical progress, including:

- For CU-20401 (recombinant mutant collagenase), the first patient enrollment of the Phase II clinical trial in China for submental adipose accumulation was completed; the Phase I clinical trial in China for abdominal adipose accumulation was completed;
- For CU-40102 (topical finasteride spray), the NDA was accepted by the NMPA;
- For CU-40101 (topical small molecule thyroid hormone receptor agonist liniment), the Phase I clinical trial in China was completed;
- For CU-10201 (topical 4% minocycline foam), priority review designation has been granted by the CDE, and its NDA has been accepted by the NMPA;
- For CU-10101 (topical novel small molecule agent), the IND application was accepted by the CDE;
- For CU-30101 (localized topical lidocaine and tetracaine cream), the Phase III clinical trial in China was completed.

Establishment of R&D Platform

Leveraging its strong in-house R&D capabilities, Cutia Therapeutics has built a proprietary CATAME® technology platform to address end customers' needs in a more efficient and direct manner. Cutia Therapeutics has effectively maximized the development value of products against types of dermatological diseases by developing micron and nano-sized particulates, evaluating formulation quality and stability and performing cutaneous pharmacokinetic analysis through the technology platform. In addition, the CATAME® technology platform also contributes to the design and optimization of the most suitable product formats, which is the key technology to the effective breakthrough and development of specific agents and successful drug delivery.

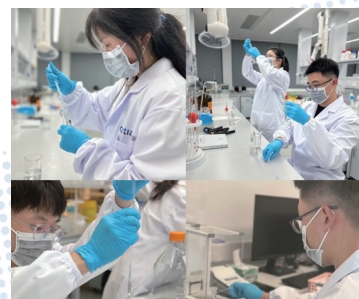
Building of R&D Team

The promotion of scientific research and innovation is always closely related to a diversified team of R&D talents. Cutia Therapeutics continues to introduce outstanding talents and is committed to building a professional R&D team dedicated to innovation and diversification. As of the end of the Reporting Period, the R&D team consisted of 49 members, 20 of whom have master's degrees and 9 of whom have doctoral degrees, with each member equipped with solid expertise and skills in their respective medical fields of specialization.

The Company established the "Cutia Academy of Dermatology" at the beginning of 2023, and regularly held seminars covering different key topics on a monthly basis, to lay a solid theoretical foundation for the R&D team's innovative research and development, and to guide the collision of thought in the research and discussion. At the same time, Cutia Therapeutics attaches great importance to the selection of talents, and recommends excellent internal R&D personnel to participate in external academic seminars and apply for awards, including the "Flying Phoenix Talent Plan" set up by Wuxi Hi-tech Zone, to further motivate the members of the R&D team to constantly improve their technical strength and enhance the Company's internal drive for innovation.

Meanwhile, the Company also conducted skill training and contests for weighing and pipetting, involving all the R&D staff. Combining theory and practice, the R&D team's vitality was triggered to effectively improve professional skills through exchanges and mutual learning.

Theoretical and Practical Contest for R&D Staff



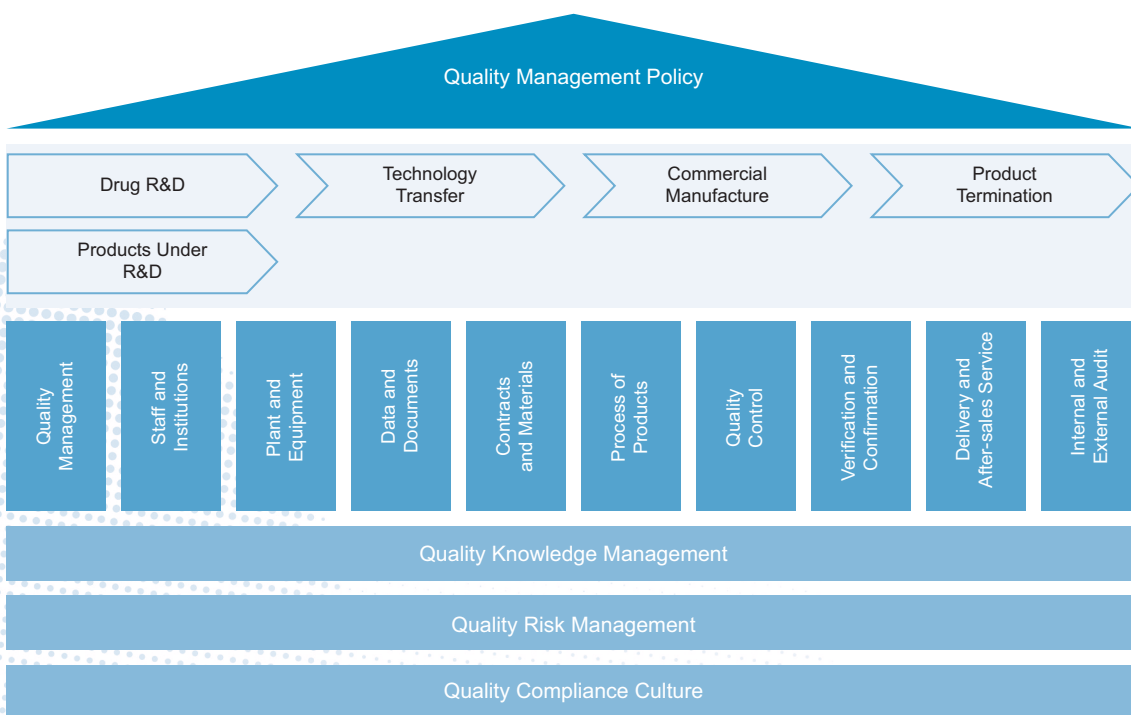
2.2 GUARANTEEING PRODUCT QUALITY

Product Quality Management System Construction

Cutia Therapeutics strictly complied with the requirements of relevant quality and safety laws, regulations and practices, such as the *Drug Control Law of the People's Republic of China*, the *Good Manufacturing Practice for Drugs*, the *Good Supply Practice for Pharmaceutical Products*, *Regulation on the Supervision and Administration of Cosmetics*, the *Measures for the Supervision and Administration of Production and Distribution of Cosmetics* and the *EU Guidelines to Good Manufacturing Practice for Pharmaceutical Products*. We established a comprehensive quality management system according to requirements under the guidelines and regulations of good practices (cGxP), and formulated the *Quality Manual* to specify the principles, structures and responsibilities of the Company's quality management, and ensure high-level quality management throughout the entire life cycle from pharmaceutical development, technology transfer, commercial manufacturing to product termination.

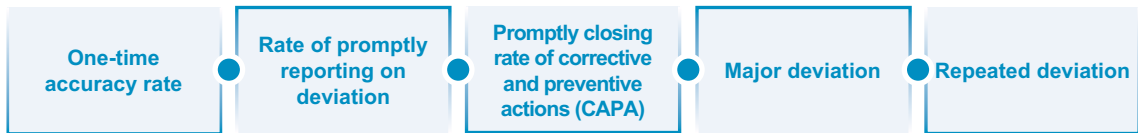
To further ensure the standardized and scientific quality management process of the Company, we established 19 standard operation procedures and quality management practices at group level, covering quality management review, reports on major quality accidents, supplier quality management, the preparation and management of pharmaceutical regulatory verification and internal audit management, to ensure strict control on the product quality in all aspects. The business entities of Cutia Therapeutics, such as Cutia Shanghai, Cutia Wuxi, Aurora Cutis and Chongqing Lehao, also combined with their business features to adjust and enhance the quality management process in an adaptive and targeted manner based on the requirements of standard operation procedures and quality management practices, so as to ensure the improvement of feasibility and effectiveness of the quality management at company level.

Quality Management System of Cutia Therapeutics



As an R&D-driven company, Cutia Therapeutics established strict quality management objectives and measurement indicator system and monitored the quality management progress by tracking the indicators monthly. Meanwhile, the Company ensured that the management was fully informed of the quality management level and objective achievement of the Company through quality management review and reports from the senior management semi-annually, based on which the Company established the future quality objectives and enhancement plans.

Quality Measurement Indicator



Quality Audit and Monitoring

To ensure the effective implementation of the quality management system, Cutia Therapeutics proactively conducted internal audit for quality system comprehensively covering each business line every two years. During the Reporting Period, Cutia Therapeutics performed internal audit against the quality management system and operation of Cutia Wuxi, Aurora Cutis and Chongqing Lehao owned by Cutia Therapeutics and conducted risk assessment for critical defects. The Company prepared internal audit reports and presented the corresponding rectification requirements, specified the corrective and preventive actions, person in charge, and the completion date of the rectification plans to ensure the effective implementation of the rectification actions.

In addition, Cutia Therapeutics continuously promoted the Computerized System Verification (“**CSV**”) initiative to intensively analyze and monitor the key nodes with quality risks. During the Reporting Period, all the business units from R&D center to plants were collectively and digitally managed under the CSV specialized computer system to further enhance quality assurance.

Quality Management Training

Cutia Therapeutics not only set high standards and strict requirements on product quality and safety, but also attached great importance to the awareness of quality and safety of the staff. The Company continued to improve the regular quality training system, such as actively conducted quality management training activities, including R&D half-a-month session, and carried out quality-related trainings at daily department meetings. Meanwhile, the staff were also tested after the training to ensure the effectiveness of the staff’s training and to imbue the staff’s minds with the importance of quality management.

Training for Quality and Safety



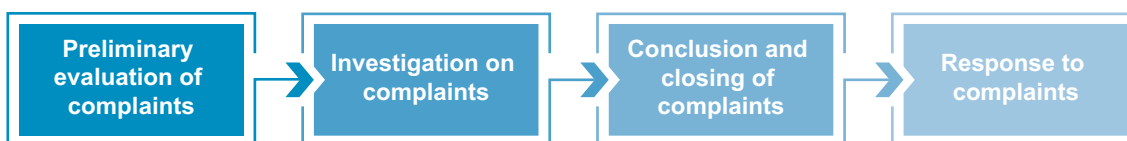
2.3 IMPROVING PRODUCTS AND SERVICES

Customer Service

Cutia Therapeutics always proactively accepts customer’s feedbacks and suggestions with an open mind and continuously improves and optimizes customer service to improve customer’s experience. We built diversified communication channels for customers and supervised public opinions regularly and promptly handled any doubt and demand from customers for the products and service.

During the Reporting Period, the Company continuously regulated the product complaint management process upon listing in accordance with *Product Quality Complaint Management*. Upon receiving complaints, staff shall report to complaint representatives in the quality department in a timely manner. Complaints are managed by levels and conclusions to define the accidents are recorded in the account. If any complaint is made with adverse accidents, the person in charge will report to the drug warning representative office of the Group within 24 hours. Furthermore, for major quality complaints or accidents, the Group shall give notice to the quality director by email and notify the relevant execution departments according to the business requirements for serious treatment. During the Reporting Period, Cutia Therapeutics experienced 10 complaints in total, which were handled promptly. The complaint resolution rate was 100%.

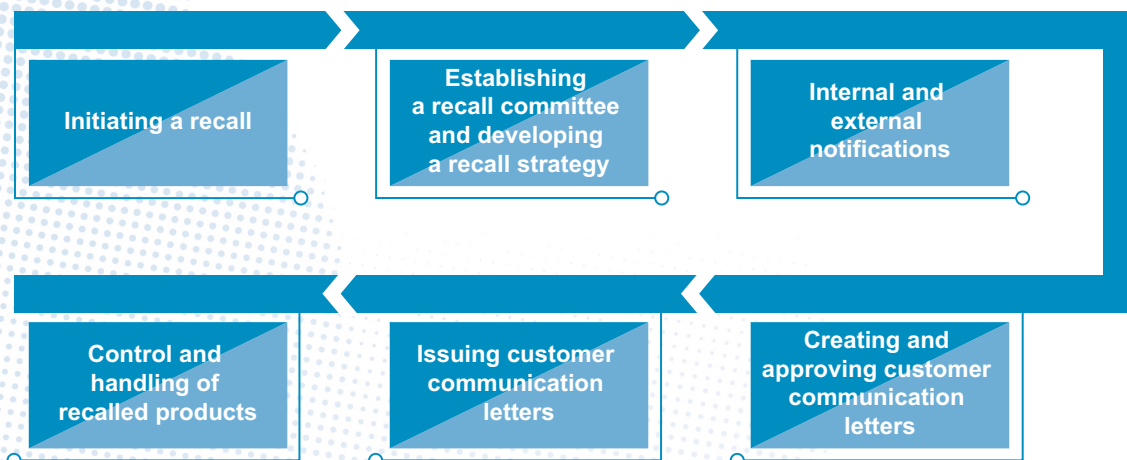
Product Complaint Process



Product Recall

Cutia Therapeutics has formulated a *Recall Management System* in strict accordance with national laws and regulations, as a standard for the recall management of drugs for clinical trial as well as marketed products for sale. The Company has established a complete product recall process, when products that are unfavorable to the Company and may endanger human health and life are identified, the person in charge of quality and his/her team will immediately convene a recall committee meeting to approve the recall decision and recall strategy for products that have been determined to be hazardous to health with sufficient reasons and evidence, and to issue the *Product Recall/Recovery Order*.

Product Recall Process



Cutia Therapeutics conducts classification and time and efficiency management on recall orders according to the degree to which products are affected, and ensures that internal and external communications are made in a timely manner to minimize the adverse impact of defective products on society and the Company.

Hierarchical Recall Management

Level 1 Recall/recovery	Level 2 Recall/recovery	Level 3 Recall/recovery
<ul style="list-style-type: none"> Submitting the investigation and assessment report and recall plan to the drug supervisory and administrative departments for record within 1 day Notifying relevant research centers, trading companies, and using units to terminate sales and use within 24 hours 	<ul style="list-style-type: none"> Submitting the investigation and assessment report and recall plan to the drug supervisory and administrative departments for record within 3 days Notifying relevant research centers, trading companies, and using units to terminate sales and use within 48 hours 	<ul style="list-style-type: none"> Submitting the investigation and assessment report and recall plan to the drug supervisory and administrative departments for record within 7 days Notifying relevant research centers, trading companies, and using units to terminate sales and use within 72 hours

After the product recall was initiated in accordance with the hierarchical management system, we carefully checked the information on the recalled products and labeled them with the required markers, took measures to store them separately and set up eye-catching signs, and then the quality control department, in cooperation with the local food and drug administration, to carry out final process to handle the drugs confirmed to be destroyed, in order to eliminate the adverse impact on the environment. During the Reporting Period, there were no product recalls of Cutia Therapeutics.

In order to enhance all employees' understanding of the recall process and strengthen the ability to respond to emergencies, Cutia Therapeutics regularly conducts full-scale simulated recall drills in conjunction with quality management, business platforms, pharmacovigilance, legal affairs and other related business departments, and actively makes improvements based on the problems identified during the drills to ensure that recall operations can be carried out swiftly and in an orderly manner in the event of a possible risk situation.

Adverse Accidents Handling

Cutia Therapeutics strictly complies with the *Measures for the Reporting and Monitoring of Adverse Drug Reactions of the PRC* and has formulated the *Pharmacovigilance Activity Management System* internally, and has specially set up a pharmacovigilance team for all types of drugs, which is responsible for collecting individual safety reports and adverse accidents information from different channels, and conducting archived file number management tracing back to their original records.

Handling Process of Adverse Accidents



In addition, we continue to improve the training mechanism of pharmacovigilance, formulate a three-tier training program of pharmacovigilance based on the functions of each position and the level of involvement in pharmacovigilance activities, and specify the requirements for training assessment, record-keeping and archiving, to comprehensively enhance the awareness of pharmacovigilance of internal staff.

Pharmacovigilance Level 1 Training	Pharmacovigilance Level 2 Training	Pharmacovigilance Level 3 Training
<p>For all Cutia Therapeutics employees (including third-party employees):</p> <p>-----</p> <p>All employees should complete assigned training on identifying and reporting adverse accidents and other safety information. All employees are obliged to report adverse accidents or other safety information to the pharmacovigilance team of Cutia Therapeutics within 24 hours after learning of the information.</p>	<p>For employees who directly face patients, consumers or doctors:</p> <p>-----</p> <p>For hotline personnel, business units, quality management teams, medical departments and other employees, based on the level 1 training, the main emphasis is on how to identify and report adverse accidents and other safety information. Pharmacovigilance level 2 training also applies to special third parties including hotline providers, customer service trustees, and literature search providers.</p>	<p>For employees who specialize in pharmacovigilance work:</p> <p>-----</p> <p>Pharmacovigilance senior specialists, senior managers, and physicians must be fully trained before they are qualified to perform their duties. The training includes but is not limited to pharmacovigilance-related laws and regulations and technical guiding principles, standard operating procedures, work guidelines, adverse reaction monitoring, reporting, analysis and evaluation and other professional skills training.</p>

2.4 EMPOWERING BUSINESS COOPERATION

Business Cooperation System

Cutia Therapeutics has always believed in the values of synergy, and has insisted that continuous contribution to customers and partners is the key to achieve long-term cooperation. Therefore, the Company actively carries out various forms of business cooperation. Through pharmaceutical industry exchange activities, academic conferences, industry summits, etc., we will build an open, collaborative and innovative standardized environment to achieve value co-creation.

Business Cooperation Projects

During the Reporting Period, Cutia Therapeutics actively carried out external cooperation and exchanges. Through its own excellent technology application practices and continuous exploration of business cooperation models, it helps build an upstream and downstream sustainable development ecosystem in the industry.

Medical Academic Exchanges

From 21 to 23 April 2023, Cutia Therapeutics participated in the “Fifth Annual Academic Conference of Dermatology Rehabilitation Professional Committee of the Chinese Association of Rehabilitation Medicine” in Shanghai, and carried out friendly academic exchanges on the problems of skin diseases. From 17 to 19 August of the same year, as a member of the committee, Cutia Therapeutics participated in the “Seventh Academic Annual Meeting and Operation Management Summit Forum of the Dermatology Committee of the Chinese Non-government Medical Institutions Association”, sharing the product information of topical finasteride spray and other product layout, and carrying out in-depth exchanges with other members and experts. During the year, the Company, together with 23 top authoritative experts in China, formulated the “2023 National Hair and Scalp Health Blue Book-Authoritative Experts Q&A” to answer questions on hair and scalp health for consumers.

Industry Forum Exchanges

While continuously improving and innovating our technologies, Cutia Therapeutics actively participates in exchange activities at the major forums of the biopharmaceutical industry to promote the co-prosperous development of the industry. In May 2023, Cutia Therapeutics participated in the “Biomedical Frontier Technology Development and Policy Seminar”, and discussed the direction and path of industrial development with the Chinese Pharmaceutical Association and other industry leaders, and is committed to making outstanding contributions to the development of the Wuxi Hi-tech District. In September of the same year, as a member of the association, Cutia Therapeutics participated in the “Wuxi Biopharmaceutical Industry Association’s Third Enlarged Meeting of the First Session of Board of Directors and the 2023 Wuxi Biopharmaceutical Industry Innovation and Development Forum”, in which the form of the current pharmaceutical enterprises and the innovative points in the current pharmaceutical environment were actively discussed.

3. Environment

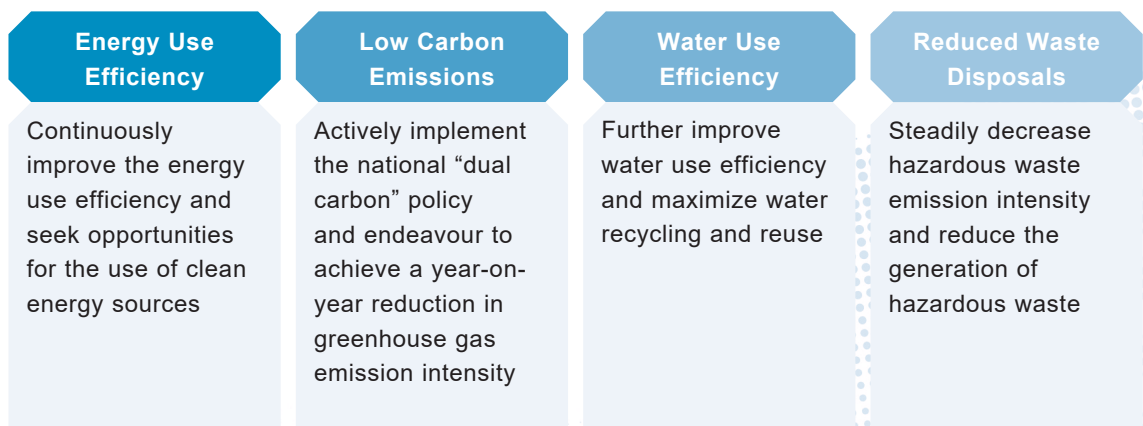
Cutia Therapeutics actively responds to the national “dual carbon strategy”, adheres to the concept of green development, strictly abides by various environmental laws and regulations, continuously improves the environmental management system, actively explores and practices low-carbon and emission reduction actions, and improves environmental performance in terms of the use of energy and resources, waste management and other dimensions. At the same time, we gradually carry out the identification and assessment of climate change risks and opportunities, and formulate response strategies for the identified risks and opportunities, comprehensively strengthen climate and environmental management capabilities, and help achieve a harmonious and win-win situation between the environment and society.

3.1 ENVIRONMENTAL MANAGEMENT SYSTEM

Cutia Therapeutics strictly abides by the *Environmental Protection Law of the People’s Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People’s Republic of China*, the *Law of the People’s Republic of China on Prevention and Control of Water Pollution*, the *Soil Pollution Prevention and Control Law of the People’s Republic of China*, and other relevant national laws and regulations, and puts environmental compliance in the first place. At the same time, we have adopted a series of environmental protection measures to further reduce the impact of production and operation activities on the environment.

We have established a comprehensive emergency management system for environmental risks, formulated the *Cutia Wuxi Emergency Response Procedures* and other emergency management systems, and strictly implemented accidental emergency prevention and mitigation of possible environmental risks to prevent the occurrence of environmental accidents during the production process. During the Reporting Period, there were no environmental penalties or environmental violations in Cutia Therapeutics.

During the Reporting Period, Cutia Therapeutics sets four environmental targets by taking into account the industry and the its own situation. We regularly track and review the achievement of our targets, and implement energy saving and emission reduction, resource utilization, clean production and other initiatives to promote the achievement of our targets.



3.2 RESPONDING TO CLIMATE CHANGE

Climate Risk Response

In recent years, climate change issue has become one of the global challenges faced by mankind as greenhouse gas emissions continue to grow. Cutia Therapeutics actively responds to climate change by paying close attention to the global trend of greenhouse gas emissions, identifying the risks and opportunities brought to Cutia Therapeutics by climate change, and continuously optimizing the internal climate risk governance structure in an effort to mitigate the negative impacts brought by climate change.

- ***Governance Strategy***

Cutia Therapeutics has incorporated climate change into the Company's daily management. In 2023, we have built a three-tier ESG governance structure centered on the ESG Committee, supervised by the Board and executed by the ESG Working Group, and incorporated climate risk management responsibilities into the work of each tier. The Company has the Board as the highest responsible body to coordinate and plan the formulation and review of climate change related objectives and strategies. The ESG Committee under the Board is set up to comprehensively carry out ESG related management and supervision, and to coordinate with business units to promote greenhouse gas emissions, energy management and other environmental related matters, so as to create a good economic and environmental performance.

- ***Risk Identification***

Cutia Therapeutics strictly follows the disclosure methods and recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), fully considers the market situation, business operation of the Company and climate change situation of the operation location, combines the excellent practices of the peers, and collates and lists the two major risks of climate change, namely, transition and physical risks, to provide guidance for the Company to achieve low-carbon development.

During the Reporting Period, our identification of climate risks and opportunities is listed as below:

Climate-related Risks (Level 1)	Climate-related Risks (Level 2)	Climate-related Risks (Level 3)	Risk Description
Physical risks	Acute risk	Extreme weather incidents such as typhoons and floods have seriously intensified	<ul style="list-style-type: none"> Disastrous weather emergencies may cause damage to properties and assets, including buildings and infrastructure, engineering and testing equipment Suppliers may not be able to complete deliveries in time, causing business interruption Labor safety, management and planning are negatively affected
	Chronic risk	Rising sea level Rising average temperature	<ul style="list-style-type: none"> Increase enterprise infrastructure maintenance and replacement costs Increase energy consumption and operating costs Cause interference with third-party logistics providers and damage to assets, resulting in reduced revenue
Transition risks	Policy and legal risk	Existing requirements and regulations	<ul style="list-style-type: none"> Existing laws and regulations include the <i>Environmental Protection Law of the People's Republic of China</i>, the <i>Energy Conservation Law of the People's Republic of China</i>, etc. If an enterprise fails to comply with relevant laws and regulations, it will result in fines, business losses, business closures, and negative impacts on brands and reputations
		Litigation risk	<ul style="list-style-type: none"> Litigation risk arising from supply chain disruption that prevents the Company from fulfilling contracts on time
		Policy risk	<ul style="list-style-type: none"> Increased inventory sales costs due to policy changes
	Technology risk	Low-carbon emission technology transition costs	<ul style="list-style-type: none"> Increased expenses related to research and development of green chemistry technologies resulted in higher operating costs
	Market risk	Changes in customer behavior	<ul style="list-style-type: none"> Lost orders and reduced revenue due to insufficient disclosure of carbon neutrality targets and data
		Market demand uncertainty	<ul style="list-style-type: none"> Climate change leads to the emergence of new viruses, which may increase the demand for medicines and other pharmaceutical products
		Rising raw material costs	<ul style="list-style-type: none"> The quantity and quality of raw materials decline. The decrease in quantity leads to an increase in the cost of raw materials, which in turn increases the operating costs of enterprises
Reputation risk	Stakeholders increasingly concerned about negative feedback	<ul style="list-style-type: none"> Corporate stakeholders, including investors and customers, are paying more attention to issues of sustainable development and climate change. Insufficient corporate information disclosure will damage the Company's reputation 	
	Rising average temperature	<ul style="list-style-type: none"> Increase energy consumption and operating costs Cause interference with third-party logistics providers and damage to assets, resulting in reduced revenue 	

Climate-related Opportunities		Potential Impact
Resource efficiency	Reducing steam use, reducing energy use and reducing water use	<ul style="list-style-type: none"> • Reducing business operating costs • Enhancing the Company's reputation
Product and service	Shifting customer preferences	<ul style="list-style-type: none"> • Developing environmental management strategies based on customer strategies and needs to enhance competitive advantage • As global climate change intensifies, customers are increasingly inclined to use environmentally friendly products and services. Corporate initiatives to reduce carbon emissions can provide us with a competitive advantage

For the identified climate risks, we made active responses from both adaptation and mitigation aspects. In response to the identified physical risks, we formulated the *Special Emergency Plan for Natural Disasters* and established an emergency command department and logistics support team, and classified accidents triggered by natural disasters into three levels of response according to their severity, scope of impact and emergency response capability to control the situation, striving to immediately adopt appropriate treatment plans when extreme weather at different levels occurs, and to practically implement the accident prevention and emergency response measures to reduce the impact on daily production and operations caused by extreme weather.

Actions to Address Extreme Weather

Emergency Command Department

- Ensuring to quickly mobilize rescue forces and set up an emergency response team in the event of a natural disaster.

Logistics Support Team

- Deploying emergency supplies and emergency equipment while rushing to the scene of the accident to ensure that rescue operations are carried out in an orderly manner.

In response to the transition risks, we actively promoted energy saving and emission reduction projects and reduced greenhouse gas emissions from the production processes in terms of energy and greenhouse gas management, committing to contributing to the mitigation of climate change.

Energy Management and Greenhouse Gas Emissions

• *Production and Operation*

Cutia Therapeutics understands that energy saving and emission reduction are inevitable for building a society which is resource-saving and environment-friendly. We strictly follow the *Energy Conservation Law of the People's Republic of China* and other laws and regulations of our operation locations, support the development of low-carbon energy, and continuously improve the efficiency of energy usage through process optimization and intelligent management.

In order to reduce greenhouse gas emissions from the use of refrigerants, Cutia Therapeutics used non-fluorine refrigerants for the scroll-type air-cooled chiller units to ensure non-fluorine emissions during the production and operation process, and to do its best to reduce the production of greenhouse gases. During the Reporting Period, we continued to take energy saving and efficiency enhancement as our key development direction. From the intelligent energy supervision and management system to energy-saving process renovation, we strive to achieve cost reduction and benefit increasing while reducing energy consumption. The main measures taken by Cutia Therapeutics in energy management include:

Intelligent Management

- Install measuring instruments and on-site sensors to monitor the operating load of the refrigerator in real-time
- Monitor energy consumption data through remote Environment Management System (“EMS”) and Building Management System (“BMS”) to facilitate real-time adjustment of parameters

Energy-saving Renovation

- Improve the stability of equipment motor operation by adjusting the parameters of the control system
- Optimize cooling tower and freezer group control to enhance cooling system operating efficiency
- Improve the switching method of lighting fixtures and optimize the lighting time of lighting fixtures to achieve the purpose of energy saving and consumption reduction

Technology Improvement Project on Operating Parameters of Intelligent Temperature Control and Adjustment

During the Reporting Period, Cutia Therapeutics made adjustments to the settings of operating parameters such as automatic switching between the temperature control and load shedding in the factory area, the EMS and BMS, so as to improve the operation effect of the units, and effectively reduce energy consumption. At the same time, by adjusting the operating parameters of the cooling tower fan and cooling water pump, the operating load of the refrigerating unit is effectively reduced.

Regular Filter Cleaning Project

During the Reporting Period, Cutia Therapeutics inspected and systematically investigated the Y-type filters of the Company's 39 water systems and then cleaned the filters to improve the problem of foreign substance accumulation and clogging in the filters, which led to an increase in water pump load and water and electricity energy consumption, and effectively enhanced the system's heat exchange efficiency and reduced energy consumption. After the improvement, the electricity consumption of the same refrigerator was reduced by 1.0%; the pressure difference of the pipe network was reduced by 8.3%; the operating frequency of the water pump was reduced by 5.0%; the heat exchange efficiency was increased by 5.0%; and the energy consumption cost was reduced by approximately RMB28,000.

Improvement Project of Intelligent Operating and Control System for Remote Lighting

During the Reporting Period, Cutia Therapeutics improved the management of lighting equipment switches in unmanned work areas by installing a smart hub to remotely control the lighting switches in each area/room, enabling remote management of the lighting system, effectively reducing the waste of energy consumption and saving approximately 10,447 kg of standard coal.

• **Green Office**

Cutia Therapeutics actively advocates a low-carbon lifestyle and raises awareness of employees, and puts forward low-carbon suggestions from four aspects, namely low-carbon office, low-carbon travel, healthy diet and waste sorting accordingly.

Low-carbon Office	Low-carbon Travel	Healthy Diet	Waste Sorting
<ul style="list-style-type: none"> • Use natural light to save power and extend the working life of bulbs • Use computers scientifically to save energy effectively • Use both sides of the paper and send a message by email instead of a paper letter • Use air conditioners skillfully to protect the environment together • Recycle the packaging • Take the stairs for lower floors, saving power while keeping fit • Save water, care for people 	<ul style="list-style-type: none"> • Green and low-carbon travel • Reduce the frequency of air travel • Purchase and maintain cars scientifically • Prioritize new energy vehicles when purchasing cars 	<ul style="list-style-type: none"> • Reduce the waste of food • Have balanced nutrition and reasonable diets • Choose food in a plain package • Reduce the use of disposable tableware 	<ul style="list-style-type: none"> • Kitchen waste • Other waste • Hazardous waste • Recyclable material

Energy Usage

Index	Unit	2023
Electricity consumption	kWh	5,058,078.4
Petrol	litre	4,176.7
Natural gas consumption	m ³	314,642.0
Direct energy consumption	ton of standard coal	422.9
Direct energy consumption intensity	ton of standard coal/ ten thousand RMB	0.03
Indirect energy consumption	ton of standard coal	621.6
Indirect energy consumption intensity	ton of standard coal/ ten thousand RMB	0.05
Comprehensive energy consumption ¹	ton of standard coal	1,044.5
Comprehensive energy consumption intensity	ton of standard coal/ ten thousand RMB	0.08

Greenhouse Gas Emissions

Index	Unit	2023
Scope 1 greenhouse gas emissions	ton of carbon dioxide equivalent	691.4
Scope 2 greenhouse gas emissions ²	ton of carbon dioxide equivalent	2,884.6
Total greenhouse gas emissions	ton of carbon dioxide equivalent	3,576.0
Greenhouse gas emissions intensity	ton of carbon dioxide equivalent/ ten thousand RMB	0.26

Notes:

- 1 The conversion coefficients selected for the calculation of the comprehensive energy consumption refer to the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T2589-2020)* issued by the State Administration for Market Regulation and Standardization Administration
- 2 The scope 2 carbon emission of electricity consumption is calculated with reference to the national average electricity emission factors (0.5703t CO₂/MWh) in the *Guidelines on Enterprises' Greenhouse Gas Emissions Accounting and Reporting – Power Generating Equipment (2022 Revision)* issued by the Ministry of Ecology and Environment

3.3 OPTIMIZING RESOURCE UTILIZATION

Usage Management of Water Resources

Cutia Therapeutics continuously optimizes water resources management, and inspects and maintains equipment regularly to avoid water leakage caused by aging equipment in strict compliance with the *Water Law of the People’s Republic of China* and in light of the Company’s operation and production. We adopt advanced water-saving technologies and equipment to enhance the efficiency of water resources utilization. In addition, we reduce the frequency of chemical solutions usage through process improvement to avoid the negative impact of the chemical solutions on water environment, achieving the synergies of environmental and economic benefits.

The main source of water intake of Cutia Therapeutics is municipal water. In addition, we attach importance to the reuse of water resources and actively explore potential reusable water sources. In 2023, the reuse rate of industrial water in the whole plant during the production process of Cutia Therapeutics reaches 97.8%, which is in line with the level I benchmark value of water reuse rate (water reuse rate $\geq 95\%$) in the *Clean Production Evaluation Index System for Chemical API Manufacturing Industry*.

During the Reporting Period, we actively carried out the following actions in two areas, namely, water efficiency improvements and water resource reuse:

Water Efficiency Improvements	Water Resources Reuse
<ul style="list-style-type: none"> • Improve the operating efficiency of water purification and water softening by adjusting the regeneration time of water purifying and softening resin • Improve the efficiency of water heating system by adjusting the running time and operating parameters of water heating system • Improve the heat exchange efficiency of the cooling tower by optimizing the pipeline for refilling cooling water, so the chemicals can be better dissolved in the whole water cooling system 	<ul style="list-style-type: none"> • Recycle of air-conditioning condensate water by collecting and reusing directly-discharged air-conditioning condensate water through a water tank • Recycle and reuse water resources directly discharged before disinfection to improve utilization efficiency of water resources

Water Purifying System Improvement Project

Cutia Therapeutics modified the drainage pipes of the water purifying system and added a drainage channel to recycle the discharged water from the system, saving water resources while effectively reducing energy consumption for wastewater treatment. After the improvements, a total of 900 tonnes of water and 1,410 kg of standard coal of energy consumption were saved.

Air-conditioning Condensate Water Recycling Project

Cutia Therapeutics collected condensate water from air-conditioners that would otherwise be discharged directly by adding water channels, and channeled the collected water resources through water pumps to cooling towers for reuse. Throughout the summer season, the equipment improvements resulted in a saving of approximately 1,323 tonnes of water and a total energy saving of approximately 590 kg of standard coal.

Air-conditioning Condensate Water Reuse Process Design



Consumption of Water Resources

Index	Unit	2023
Total water consumption	m ³	18,437.7
Total water consumption intensity	m ³ /ten thousand RMB	1.34

3.4 REGULATING EMISSIONS MANAGEMENT

Wastewater Management

Cutia Therapeutics follows its wastewater treatment standards in compliance with the requirements of standards and regulations including the *Integrated Wastewater Discharge Standard (GB8978-1996)* and the *Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)*. The wastewater that is pre-treated to meet the requirements is allowed to be discharged to the municipal water treatment plant.

We carry out the principle of water conservation and adopt a drainage system of rain and wastewater diversion to reduce wastewater discharge. The wastewater of the Company mainly consists of the production cleaning wastewater and the sanitary wastewater. The cleaning wastewater is discharged into the Company’s self-built wastewater treatment station where strict wastewater treatment processes are performed to ensure the wastewater after processing meets the standards and then it will be discharged into the municipal water treatment plant. In addition, the wastewater station equipped with online monitoring equipment and video systems uploads monitoring information to the Wuxi wastewater monitoring platform in real-time, and persons who are on duty conduct inspections.

Wastewater Treatment Process



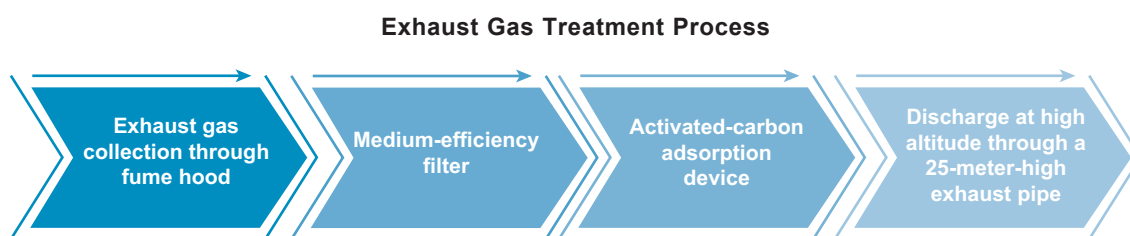
Wastewater Discharge Data

Index	Unit	2023
Waste organic solvent discharge	ton	2.0
Laboratory sewage discharge	ton	15.0

Exhaust Gas Management

For exhaust gas emissions, Cutia Therapeutics mainly complies with the requirements of standards and relevant regulations of the location where we operated, including the *Emission Standard of Air Pollutants for Pharmaceutical Industry (DB32/4042-2021)*, the *Emission Standard of Air Pollutant for Boiler (GB13271-2014)* and the *Integrated Emission Standard of Air Pollution (DB32/4021-2021)*, and strengthens its management of pollutant emissions to ensure exhaust gas emission compliant with regulations.

We continuously optimize our exhaust gas treatment scheme and strictly control the emission of unorganized exhaust gas. We take collection and treatment measures for processing waste gas during the production process in accordance with national requirements, before discharging it in compliance with regulations. For the air pollutants generated during production and laboratory testing, such as particulate matter, non-methane hydrocarbon, methanol and acetonitrile, our treatment methods are as follows:



Waste Gas Emissions

Index	Unit	2023
NOx emissions	gram	3,398.6
SOx emissions	gram	61.4
Particulate emissions	gram	250.2

Waste Management

With reference to the *Law of the People's Republic of China on Prevention and Control of Environment Pollution by Solid Waste*, *National Hazardous Waste List*, *Standard for Pollution Control on Hazardous Waste Storage*, and *Measures for the Management of Hazardous Waste Transfer Forms*, Cutia Therapeutics has formulated the *Solid Waste Management System*, which clarifies the process of classification, collection, storage, transfer, and destruction of solid waste to avoid the secondary pollution caused by improper preservation and treatment of the waste. In order to further standardize the management of solid waste, we have clarified the waste management responsibilities of each department head, set up a solid waste disposal specialist to ensure that waste is labelled and categorized in accordance with the *National Hazardous Waste List* during storage, and supervise that waste meets safety and environmental protection requirements during both storage and transport.

For special hazardous wastes generated from different production activities and experimental processes, we will carry out targeted disposal and then treat them uniformly.

Classification and Disposal Process of Hazardous Waste

Chemical Laboratories

Strong acidic and strong alkaline hazardous substances

- We will neutralize the strong acidic and strong alkaline hazardous substances in the laboratory in advance to ensure that they become slightly acidic before referring to the hazardous waste disposal process for uniform treatment.

Microbiology Laboratories

Waste with bacteria

- For waste with bacteria generated from microbiology laboratories, we require that such waste shall be effectively sterilized in the laboratory before disposing as hazardous waste.

Production and Operating Activities

Hazardous waste

- For all hazardous waste generated from production and operating activities, we will entrust units with hazardous waste disposal qualifications to deal with them safely and go through the approval procedures for the transfer and disposal of hazardous waste in accordance with the regulations.

We follow the principles of “reduction, resource utilization, non-hazardous” in the collection, disposal and comprehensive utilization of various types of waste, and ultimately achieve zero emission of solid waste. During the Reporting Period, all solid waste of the Company was safely disposed of or comprehensively utilized.

Waste Emissions

Index	Unit	2023
Household waste ³	ton	0.2
Total non-hazardous waste emissions	ton	8.5
Emissions intensity of non-hazardous waste	ton/ten thousand RMB	0.001
Total hazardous waste emissions	ton	18.0
Emission intensity of hazardous waste	ton/ten thousand RMB	0.001

Note:

3 Including disposable goods, food waste, office waste paper, etc.

4. Talents

Cutia Therapeutics believes that the realization of individual values of employees is the core of the overall value of the Group. We firmly implement the policy of equal employment, strengthen the attraction of talents, and formulate a variety of measures to protect employees' rights and interests. The Company provides abundant training resources and builds clear promotion paths for employees to help them develop upward. Cutia Therapeutics hopes to grow together with its employees and work together for a better tomorrow.

4.1 EMPLOYEE ATTRACTION AND INCLUSION

Employees' Rights and Interests

Cutia Therapeutics adheres to the principle of talent and employee employment in compliance with laws and regulations. Under the premise of strict compliance with the *PRC Labor Law*, the *PRC Labor Contract Law*, the *Social Insurance Law of PRC* and other laws and regulations, it has formulated and continued to improve the *Employee Handbook of Cutia Therapeutics*, the *Performance Management System of Cutia Therapeutics*, and the *Human Resources Business Process System of Cutia Therapeutics* and other internal employee management systems, so as to provide the basis of the system for the employment of the employees of Cutia Therapeutics, and the protection of their rights and interests.

We are against child labor, forced labor, bullying and harassment, and are committed to protecting the basic rights and interests of our employees. Our *Employee Handbook* clearly states that individuals under the age of 16 are not eligible for employment. We strictly verify the information of employees before they are hired to avoid child labor. If the employment of child labor is found, we will immediately terminate the labor contract(s) signed with him/her/them, and trace the employment responsibility of the relevant person in charge. Cutia Therapeutics strictly complies with the Labor Law and other employment laws and regulations. During the Reporting Period, there was no incident of child labor or forced labor.

Advocating for Reasonable Working Hours

Cutia Therapeutics advocated reasonable working hours for employees, and made it clear that employees are entitled to vacation and other legal rights. For employees in different positions, the Company humanely promoted flexible working system and encouraged employees to rationalize the working time and work-life balance.

Diversity Recruitment

Cutia Therapeutics is committed to continuously expanding its own talent pool, and carries out recruitment activities with the attitude of "Fair Recruitment and Cherish Talents". The Company publishes recruitment requirements through multiple channels every year according to the job recruitment plan. We continue to broaden the recruitment channels and actively practice the principle of talent diversification in our recruitment work.

We encourage talents from all walks of life to submit their resume and build a Cutia Platform for them to realize the diversified development of Cutia Therapeutics. The employees of Cutia Therapeutics can also make internal referrals based on relevant job requirements.

In 2023, the total number of employees of Cutia Therapeutics was 298, with female employees accounting for 62.1%, and the employee turnover rate was 17.0%.

The following table sets forth the employment situation of employees in 2023:

Classification of Employee	Unit	2023
Total employees	person	298
By gender		
Male employees	person	113
Female employees	person	185
By age		
> 50 years old	person	4
30 – 50 years old	person	170
< 30 years old	person	124
By region		
East China	person	198
South China	person	5
Central China	person	7
North China	person	72
Southwest China	person	12
Other regions (Hong Kong)	person	4
By grade		
Senior management	person	7
Middle management	person	120
Entry-level employees	person	171

Remuneration and Benefits

Cutia Therapeutics takes the *Employee Handbook of Cutia Therapeutics* and the *Performance Management System of Cutia Therapeutics* as the guiding documents, and has established a comprehensive remuneration system, in order to retain suitable and excellent employees by providing competitive salaries and benefits. Cutia Therapeutics adjusts employees’ salaries according to the three dimensions of “Compliance, Execution and Cooperation”. In addition to the basic benefits stipulated by the state, Cutia Therapeutics also provides employees with adequate remuneration and benefits, such as employee shareholding, project bonuses, special bonuses, president’s awards and incentives for cadres, etc., in order to reward employees for their excellent contributions to the Company.

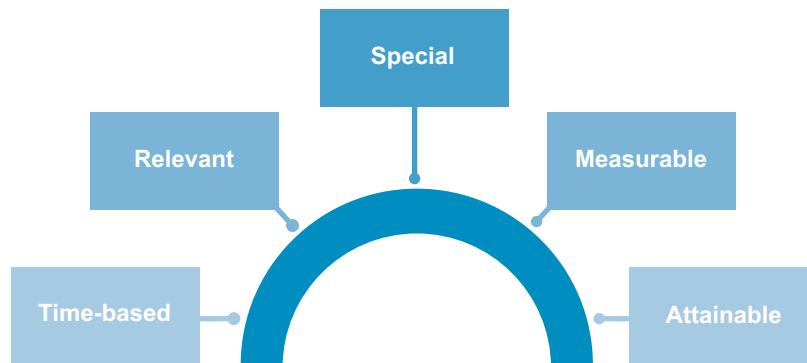
4.2 EMPLOYEE TRAINING AND DEVELOPMENT

Employee Promotion

Cutia Therapeutics firmly believes that the continuous growth of employees is the driving force for the sustainable development of the enterprise. The Company has established a comprehensive employee promotion system. We take the *Employee Handbook of Cutia Therapeutics* and the *Performance Management System of Cutia Therapeutics* as the basis of the system covering each growth cycle of the employees, and guarantee the development of the talents with a fair and just, smooth and sound promotion process.

We hope that every employee could learn and grow in Cutia Therapeutics. Through regular inventory of key talents and the “Qidi Star Program”, we clarify the promotion path of key talents. We carry out performance assessments for our employees every year, set goals based on the “SMART” principle, and make comprehensive assessments from the two dimensions of “Work Performance” and “Core Quality of Employees”. The assessment results are rated according to a five-point scale, which is an important reference for employee promotion, and outstanding talents can also be given a chance of unconventional promotion in the middle of the year.

“SMART” Principle of Performance Assessment



Cutia Therapeutics attaches great importance to the turnover of employees. We continue to improve the Group’s culture and working environment in an effort to provide our employees with more attractive opportunities for career development and growth. During the Reporting Period, the overall employee turnover rate of Cutia Therapeutics was 17.0%, which was divided into different categories as follows:

Turnover of Employee	Unit	2023
By gender		
Turnover rate of employee ⁴	%	17.0
Male employees ⁵	%	16.9
Female employees ⁶	%	17.0
By age		
> 50 years old	%	20.0
30 – 50 years old	%	14.6
< 30 years old	%	20.0
By region		
East China	%	17.8
South China	%	37.5
North China	%	14.3
Southwest China	%	14.3
Other regions (Hong Kong)	%	20.0

Employee Training

Cutia Therapeutics is dedicated to cultivating talents and attaches great importance to the overall development of every Cutia employee. With the *Cutia Therapeutics Human Resources Business Process System* as the guideline for talent cultivation, we have formulated a comprehensive talent cultivation plan and customized diversified business training for employees according to the vocational skill needs of employees at all levels, so as to help employees realize their personal career dreams by leveraging the Company platform alongside the Group’s rapid development.

For new employees, we regularly invite senior lecturers from functional departments to jointly conduct employee onboarding training every two months, which helps new employees to quickly understand the job requirements and accelerates person-job fit. During the Reporting Period, Cutia Therapeutics has carried out staff training of 9,041.7 hours accumulatively for all employees.

Notes:

- 4 The calculation is based on the number of resigned employees/(number of resigned employees+total number of employees)*100%
- 5 The calculation is based on the number of resigned male employees/(number of resigned male employees+total number of male employees)*100%
- 6 The calculation is based on the number of resigned female employees/(number of resigned female employees+total number of female employees)*100%

Cutia Talent Development Program – Scenario Leadership Training

During the Reporting Period, Cutia Therapeutics invited external professional lecturers to provide leadership training courses for employees at all levels, through simulated scenario case analysis and practical exercises, to enhance employees' leadership and ability to manage emergencies in an all-round manner, and effectively promote team cohesion and overall strength.



Meanwhile, the Company also conducts special training courses to standardize the operating procedures of relevant personnel in the R&D and production processes. During the Reporting Period, the Company conducted a total of 13 special training courses, including special topics such as *the Management of Instruments and Equipment, the Environment, Health and Safety (EHS) Training and the Requirements of the Good Manufacturing Practice for Drugs (GMP) in Different R&D Stages for R&D Centers*. After the completion of training courses, an examination was also set up for both theoretical and practical assessment to ensure that the employees fully grasped the standardized workflow.

The following table sets forth the training of our employees as of 2023:

Employee Training	Unit	2023
By grade		
Senior management	person	7
Middle management	person	120
Entry-level employees	person	171
By gender		
Male employees	person	113
Female employees	person	185
Average Training Hours Per Employee		
By grade		
Senior management ⁷	hour	42.7
Middle management ⁸	hour	36.4
Entry-level employees ⁹	hour	25.6
By gender		
Male employees ¹⁰	hour	33.0
Female employees ¹¹	hour	28.8

Notes:

- 7 The calculation is based on the training hours of senior management employees/the total number of senior management employees
- 8 The calculation is based on the training hours of middle management employees/the total number of middle management employees
- 9 The calculation is based on the total training hours of entry-level employees/the total number of entry-level employees
- 10 The calculation is based on the training hours of male employees/the total number of male employees
- 11 The calculation is based on the training hours of female employees/the total number of female employees

4.3 DELIVERING HEALTH AND CARE

Caring for Employees

Cutia Therapeutics cares about the needs of every employee and is committed to providing a safe, comfortable and warm office environment. Cutia Therapeutics cares about the physical and mental health of employees, provides rich leisure activities for employees, and encourages employees to strike a balance between work and rest. We regularly organize health clubs and team building activities, and carefully prepare birthday parties for employees every quarter, hoping to create joy for employees after work, and enhance the sense of happiness of employees.

Warm Birthday Celebration for Employees

Cutia Therapeutics holds birthday parties for employees at Shanghai office's restaurant on the first Friday of the first month of each quarter.



Happy Team Building Trip to Pingtan

From 27 August to 30 August 2023, Cutia Therapeutics organized a team building trip to Pingtan in Fujian Province.



Healthy Work-life Balance Activities

The Cutia Therapeutics Health Club held activities at a yoga studio near its Shanghai office.



Cutia Therapeutics pays attention to listening to every voice of employees. We have built diversified channels of communication for employees, actively listened to the opinions of every front-line staff, looked into the situation and ideas at the grassroots level and provided feedback in a timely manner. We are committed to creating a proper and healthy workplace environment, in order to provide employees with better workplace experience. If employees encounter illegal, discriminatory or immoral incidents, they can directly submit complaints to the human resources department.

Employee Health

Ensuring the physical and mental health of employees is an indispensable responsibility of enterprises, and also a prerequisite for the stable operation of the Group. The Company strictly complies with the *Production Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases* and other laws and regulations, and formulated the *Safe Production Accountability System of Cutia Therapeutics*, the *Contingency Plan for Safe Production of Cutia Therapeutics*, the *Operation Permit Management System of Cutia Therapeutics*, the *Safety Management System for the Operating Personnel of Special Works and Special Equipment of Cutia Therapeutics*, the *Safety Hazard Identification and Governance System of Cutia Therapeutics* as the basis for internal production safety.

In order to mitigate potential safety hazards and avoid dangers caused by improper operation, the Company organizes key person-in-charge of various departments and environmental health and safety management (EHS) officer to conduct plant-wide safety inspection every month to identify potential accident hazards. For hazards identified in the inspection, the Company designates specific person-in-charge of safety rectification, and requires timely reports and full rectification within the specified period.

We have formulated occupational hazardous factors for the corresponding positions and signed a notice with the personnel on such positions. We equip front-line staff with personal protective equipment and conduct training on how to use them to protect their health. In 2023, there was no staff with work-related injuries, no loss of working hours due to work-related injuries, and no work-related fatality in Cutia Therapeutics.

Cutia Therapeutics regards the construction of safety culture as an important means to implement safe production. We regularly organize safety emergency drills to improve employees' awareness of safe production. The Company has carried out three-level safety education and training for employees and monthly safe production campaigns for employees, as well as safety management certification training for key person-in-charge and safety management personnel of the Company. In 2023, Cutia Therapeutics has carried out three-tier safety education and training at the Company level, department level and position level, covering all employees, including special trainings such as storage of hazardous chemicals, procurement of hazardous chemicals, special operations, special equipment operations, and safety management of precursor chemicals and explosives.

Keep the Safety Awareness in Mind

With the "Safe Production Month" as a carrier, Cutia Therapeutics organizes all employees to carry out fire evacuation drills, traffic safety training, and training on how to use labor protection equipment, etc., to encourage employees to actively participate and keep the safety awareness in their mind.

On 30 June 2023, the domestic engineering safety department of Cutia Therapeutics conducted fire safety training, fire escape and evacuation drills for all Cutia Wuxi employees and third-party on-site personnel, and the total evacuation time for this drill was three minutes.

5. Society

Cutia Therapeutics focuses on building a responsible supply chain, adhering to the principle of quality first and strictly screening partners. We continue to improve our supply chain management system, optimize the procurement strategies and processes, strengthen management and communication with the suppliers, and work with the partners to achieve sustainable development of the supply chain. Cutia Therapeutics also pays attention to charity, gives back to society with love, actively undertakes corporate social responsibilities, and calls on all employees to devote to charity to build a better society together.

5.1 SUPPLY CHAIN MANAGEMENT

Supplier Management System

Cutia Therapeutics has established a multi-level supply chain management system to continuously improve supply chain compliance and supplier management capabilities. With strict reference to the requirements of local laws and regulations, we formulated a series of systems, such as the *Supplier Management System of Cutia Therapeutics* and the *Procurement Management System of Cutia Therapeutics*, to standardize the management process of suppliers and ensure the quality and stability of the supply chain.

Cutia Therapeutics established a complete evaluating approach of supplier access, assessment and exit, and strictly carried out the management of potential suppliers and recorded suppliers. In the access stage, Cutia Therapeutics comprehensively understood the basic situations, scale and operational capacity, and commodity capacity etc. of potential partners based on the background investigation on suppliers. We matched specialists to carry out pre-qualification and inspection, and suppliers passing the assessment and evaluation will be recorded in the supplier database system and become potential suppliers of the Company. After the suppliers were recorded in the supplier database system, Cutia Therapeutics carried out a comprehensive assessment of supplier deliveries in terms of quality management, anti-corruption, ESG construction and other aspects, to ensure that all suppliers strictly comply with all applicable laws and regulations on manufacturing and operation, and that all deliveries satisfy the Company's requirements for manufacturing and operation.

Based on indicators such as the suppliers' delivery quality, fulfillment performance, service and material importance, Cutia Therapeutics carried out supplier classification and sorting management. Cutia Therapeutics actively applied a multi-dimensional evaluation framework to clarify the assessment and evaluation dimensions for suppliers of different levels, and applied different management strategies and requirements to strengthen the management level of suppliers. On this basis, Cutia Therapeutics organized and launched the annual screening of outstanding cooperative brands, and selected annual outstanding and strategic cooperative brand suppliers by strengthening the frequency of cooperation and other methods.

Cutia Therapeutics conducts a comprehensive assessment of the suppliers annually, comprehensively examining on multi-dimensions such as the qualification documents, supply quality, transportation and logistics, after-sales service and finance-related information of suppliers, and categorizing the results of the assessment into four grades of A, B, C, and D, with a D being an unqualified supplier. Cutia Therapeutics regularly synchronizes the relevant results with the suppliers to ensure that the suppliers take measures to address their defects or items to be optimized within a reasonable time, and evaluate and confirm the degree of completion of their implementation.

At the same time, for suppliers that have failed to complete the rectification within three months, the internal assessment group of Cutia Therapeutics will decide whether to terminate purchasing from the supplier, and clarify whether to organize the elimination of the supplier based on the final result, to guarantee the stability of the supply chain. In the event that a supplier’s material fault results in losses to the interests of Cutia Therapeutics, procurement activities will be terminated immediately if the situation is serious.

The table below sets out our supplier data as of 2023:

Region	Unit	2023
East China	number	742
South China	number	87
Central China	number	36
North China	number	117
Northwest China	number	5
Northeast China	number	3
Southwest China	number	40
Other regions (including Hong Kong, Macau and Taiwan)	number	71

The continuous supply of key materials is the basis for the normal development of the Company’s production and operation activities. For the production of key raw materials, Cutia Therapeutics has formulated a contingency plan, effectively achieving the fastest time to complete the approval and material transport in case of emergency. At the same time, Cutia Therapeutics carries out internal production demand prediction in a timely manner, and liaises closely with suppliers to ensure the stability of raw material storage and material production of our key suppliers, and improves the stability and continuity of the Company’s supply chain in a multi-effective and concomitant manner.

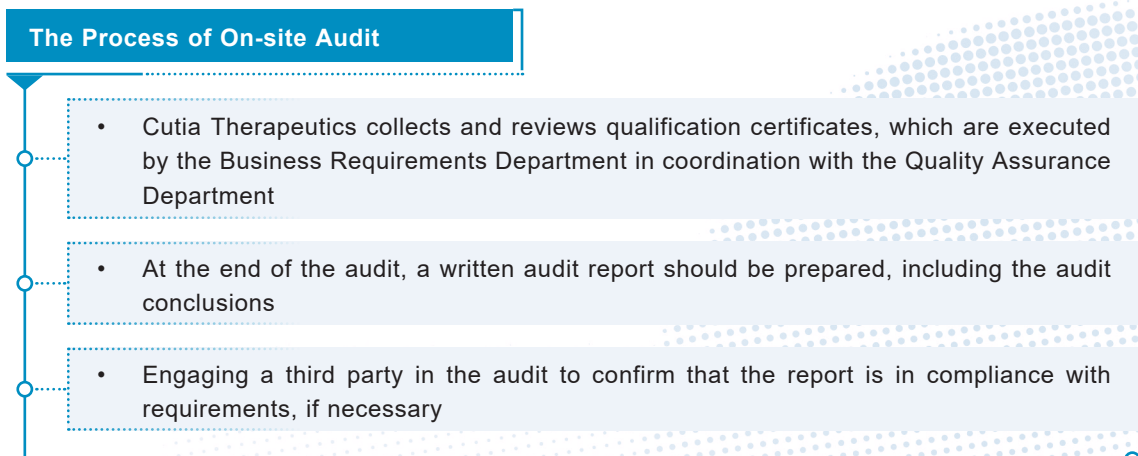
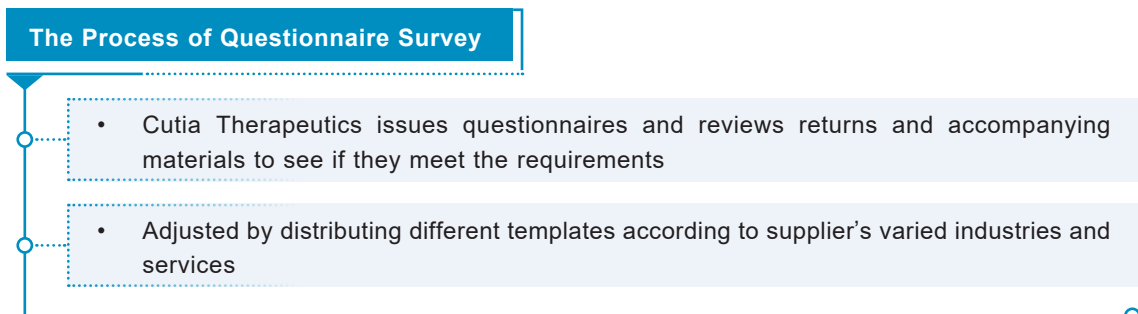
Quality Management of Suppliers

In order to strengthen the quality management of suppliers, Cutia Therapeutics continuously enhances the compliance of supplier management process. The Company has internally formulated the *Quality Management of Suppliers*, and according to the type of suppliers and business risk level, conducted a comprehensive qualification review and quality assessment through a combination of questionnaires and on-site audits, and required key suppliers to sign a quality assurance agreement in order to ensure that the quality requirements of the suppliers are in line with the Company’s standards.

Supplier Quality Management Assessment Requirements

Medical Affairs Related Suppliers	Manufacture Material Suppliers
<ul style="list-style-type: none"> • Business and strategic risk assessment is required first • Develop a due diligence strategy based on the evaluation conclusions 	<ul style="list-style-type: none"> • Materials for early clinical production: conduct questionnaire survey • Critical clinical sample production and critical materials for commercial production: conduct on-site audit and sign quality assurance agreement
Service Providers	Medical Device Manufacturers/Distributors
<ul style="list-style-type: none"> • Product commissioned research, and inspection and testing: conduct questionnaire survey • Product production and product release testing: conduct on-site audit and sign quality assurance agreement 	<ul style="list-style-type: none"> • Conduct questionnaire survey • Conduct on-site audit if necessary

Supplier Quality Management Process



Responsible Procurement

Cutia Therapeutics actively applies ESG assessment dimensions and organically integrates numerous ESG issues such as laws and regulations, business ethics and quality management into the whole process of supplier management. In accordance with the *Procurement Management System of Cutia Therapeutics*, Cutia Therapeutics optimally selects high-quality suppliers that consider environmental protection, low-carbon management, occupational health, business ethics, and community contribution based on a comprehensive evaluation of product and service prices.

Cutia Therapeutics regularly conducts strict audits and on-site inspections of suppliers, and closely monitors the Company's supply chain risks. Cutia Therapeutics is fully aware that preferring local or nearby suppliers can reduce potential carbon emissions in the transport process. Based on the principle of optimal procurement, we select suppliers according to the principle of proximity to use under the premise of meeting the quality of procurement, so as to enable more local suppliers to promote local employment, reduce the Company's operating costs, and contribute to the local low-carbon logistics and transport. During the field survey, Cutia Therapeutics pays attention to the construction of suppliers' environmental management system, energy management effectiveness, occupational health and safety management system, etc., and promotes suppliers to improve their ESG performance.

Cutia Therapeutics resolutely resists all unethical business behaviors. We clearly require anti-corruption, confidentiality and conflict of interest in the contract templates, and actively provide suppliers with relevant trainings on anti-corruption, confidentiality and conflict of interest, to ensure that the suppliers are aware of the relevant risks, and that they strictly implement the relevant contractual clauses in the course of the service. In 2023, Cutia Therapeutics has already achieved the signing of the anti-corruption commitment letter to the key suppliers, and carried out the relevant suppliers' training on anti-corruption, confidentiality and conflict of interest.

5.2 PUBLIC WELFARE AND CHARITY

Cutia Therapeutics is committed to performing social responsibility, actively participating in various social welfare activities, and actively undertaking social responsibility. Our focus areas of contribution include but not limited to environmental concerns. We have organized employees to participate in environmental protection trail walking activities for many times to convey the public welfare spirit of Cutia Therapeutics, enhance employees' sense of social responsibility, contribute to social development and create a better future.

Hiking, Cleaning and Step Donation

On 28 October 2023, Cutia Therapeutics organized employees to have a meaningful hiking activity – hike and clean along the way, in which employees donated the hiking steps and cleaned up the garbage along the way.



6. Governance

Cutia Therapeutics regards integrity as the primary principle of corporate governance. Cutia Therapeutics strictly complies with the *PRC Anti-unfair Competition Law*, the *Provisions on Banning Commercial Bribery* and other laws and regulations, constantly improves the construction of its own management system, insists on building an optimized and transparent corporate governance structure and systems and policies, and continuously strengthens integrity management, data security and intellectual property protection to provide guarantee for the sustainable, stable and healthy development of the Company.

6.1 IMPROVING GOVERNANCE OF RESPONSIBILITIES

Compliance Operation

In order to safeguard the effective implementation of the corporate governance system, Cutia Therapeutics has formulated internal regulations such as the *Administrative Measures for Legal Affairs*, the *Measures for the Administration of Legal Documents* and the *Measures for the Management of Compliance Risk Reporting* to safeguard the standardized and professional management of legal affairs and strengthen the compliance risk management process.

In order to further standardize the management of legal documents of the Company and avoid the compliance risks from legal documents of the Company, during the Reporting Period, we conducted spot checks on the internal legal documents of the Company and rectified the unqualified documents and departments.

Contents of rectification and update include:

- Strengthen the standardization of contract signing
- Improve and implement the construction of procurement-related management regulations
- Strengthen digital management to ensure the linkage between contract application (OA) and performance (SAP)
- Improve standardized operation, reinforce review, and reduce defects in document review and OA chop utilization process
- Gradually increase the number of contract templates, and strengthen the publicity and promotion of contract templates
- Actively carry out compliance trainings such as contract review process training, OA process training, and SAP system training

In order to enhance employees' awareness of compliance operations, Cutia Therapeutics has incorporated the requirements of compliance production in the performance appraisal of employees, and regularly organizes trainings on compliance systems, including compliance system introduction, publicity and training of laws and regulations for new employees, etc., to help employees better understand the laws and regulations involved in the production and operation process of the Company.

Business Ethics

• ***Integrity Management***

Cutia Therapeutics always adheres to the concept of integrity operation, in building a well-established integrity management system, and continues to develop an open and transparent company culture. We strictly abide by the *Criminal Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China* and other laws and regulations, and have formulated the *Anti-Fraud and Anti-Money Laundering Management System* of the Company, to ensure that the business actions are conducted in accordance with the highest business standards during the interactions with all stakeholders.

We actively build a culture of integrity and honesty. In order to prevent corruption and fraud, we conduct internal control self-assessments regularly. In 2023, the anti-fraud priorities carried out by Cutia Therapeutics include:



In addition, in terms of anti-money laundering, we also assist in co-operating with national or regional anti-money laundering agencies in accordance with the requirements of the system, and the board of directors of each company bears the ultimate responsibility for the completeness and effectiveness of the Company's anti-money laundering efforts.

• ***Whistleblowing Mechanism***

Whistleblowing is an important part of the Company's supervision and management of integrity. We continue to improve the whistleblowing process and ways to encourage employees and social parties who have direct or indirect business relationships with the Company to report to the Company's Audit Department on integrity violations through e-mail, letters, interviews and other means.

We have dedicated management personnel responsible for receiving and feedback complaints and whistleblowing reports, and take strict confidentiality measures for whistleblowing materials to effectively protect the legitimate rights and interests of whistleblowers. The Company stipulates that the identity of the whistleblower shall not be disclosed when publicizing reports and rewarding persons who have contributed to reporting, except with the consent of the whistleblower.

During the Reporting Period, Cutia Therapeutics has not received any anti-fraud reports and there were no corruption litigation cases.

- **Integrity Culture Construction**

Cutia Therapeutics actively promotes a culture of integrity and strives to create a transparent and honest working atmosphere to enhance the sense of integrity within the Group. We follow the principles of openness, transparency and integrity, and conduct regular business ethics and anti-corruption trainings for the Board, senior management and employees on an annual basis to ensure that employees at all levels are aware of the importance of business ethics and integrate anti-corruption awareness into their work philosophy.

On 8 December 2023, the Company's legal team specially invited experts of the Hong Kong Independent Commission Against Corruption to organize and conduct an annual anti-corruption training for staff across the Company, contributing to the anti-corruption efforts.

6.2 PROTECTING PRIVACY SECURITY

Cutia Therapeutics integrates information security and privacy protection into its operation responsibilities. We have formulated the *Management System of Information Security* in order to strictly control the scope of reasonable use of the information system, and ensure the confidentiality, completeness, and availability of the data and information, thus avoiding information security risks brought about by the improper use of the information to Cutia Therapeutics. In 2023, we upgraded our information security efforts from passive defense to active response, and continued to improve the ability to manage and control information risks.

Managed Security Service Adopted by Cutia Therapeutics

In June 2023, Cutia Therapeutics started to use the Managed Security Service to ensure our business continuity and data security with the help of the monitoring function of a third-party security service platform. The Managed Security Service analyzes and collects security risks in real-time through the cloud and local service teams, and sends security risk alerts to corresponding security experts according to different levels to comprehensively reduce the risk of data leakage.

In order to enhance employees' awareness on privacy and data security, the information technology department conducts information security training for new employees every month. In addition, in 2023, we further improved our information system for technology path and network management to ensure its continuous and stable operation. During the Reporting Period, we optimized network information security in four aspects, namely SAP system¹², anti-virus software, Internet access management and data backup:

Note:

12 SAP system is an enterprise management software integrating business and finance developed by a software vendor

Introduction of SAP System	Installation of Anti-virus Software	Internet Access Management	Data Backup
<p>In order to achieve the integration of business and finance with standardize data, we introduced the SAP system to optimize business processes and improve operational efficiency</p>	<p>We installed specialized anti-virus software for all office computers, monitoring and repairing data vulnerabilities while summarizing and analyzing security protection and risk details</p>	<p>We installed Internet access management devices to manage the online behavior of our employees and to trace the online violations in real time</p>	<p>We deployed backup software to ensure that the Group's data was protected by enterprise-grade backup and recovery technology from disruptions and cyber threats</p>

6.3 EMPHASIZING INTELLECTUAL PROPERTY

Cutia Therapeutics strictly follows the requirements of national laws and regulations such as the *PRC Anti-Unfair Competition Law*, the *Patent Law of the PRC*, the *Copyright Law of the PRC* and the *Trademark Law of the PRC*, and has prepared the *Intellectual Property Management Measures* to strengthen the Company's intellectual property protection. We continue to optimize the intellectual property management process to safeguard the lawful rights and interests of the Company.

We strictly supervise the intellectual property management process and actively safeguard the relevant rights and interests of intellectual property. We regularly inquire online platform merchants and screen the products without official authorization for rights protection. During the Reporting Period, we communicated with the infringing stores and removed all products of the infringing stores from the shelves to ensure that our patents and trademarks were properly protected.

Trademark and Patent Applications in 2023

Trademark	Patent
<ul style="list-style-type: none"> In 2023, 19 trademarks were successfully registered, and 26 trademarks were under application. In 2023, 39 registration certificates were obtained, and 1 trademark license was filed. 	<ul style="list-style-type: none"> In 2023, 5 patents have been applied and 1 patent has been authorized. The contents of patent are directly related to the contents of project, thus the patent technologies can be directly used in the product.

Appendix I: Key Performance Table

ENVIRONMENTAL PERFORMANCE

Index	Unit	2023
Use of Energy		
Electricity consumption	kWh	5,058,078.4
Petrol	liters	4,176.7
Natural gas consumption	m ³	314,642.0
Direct energy consumption	ton of standard coal	422.9
Direct energy consumption intensity	ton of standard coal/ten thousand RMB	0.03
Indirect energy consumption	ton of standard coal	621.6
Indirect energy consumption intensity	ton of standard coal/ten thousand RMB	0.05
Comprehensive energy consumption	ton of standard coal	1,044.5
Comprehensive energy consumption intensity	ton of standard coal/ten thousand RMB	0.08
Use of Water Resources		
Total water consumption	m ³	18,437.7
Water consumption intensity	m ³ /ten thousand RMB	1.34
Exhaust Gas		
NOx emissions	gram	3,398.6
SOx emissions	gram	61.4
Particulate emissions	gram	250.2
Wastewater		
Waste organic solvent discharge	ton	2.0
Laboratory sewage discharge	ton	15.0
Waste		
Household waste	ton	0.2
Total non-hazardous waste emissions	ton	8.5
Emissions intensity of non-hazardous waste	ton/ten thousand RMB	0.001
Total hazardous waste emissions	ton	18.0
Emission intensity of hazardous waste	ton/ten thousand RMB	0.001
Greenhouse Gas Emission		
Total greenhouse gas emissions	ton of carbon dioxide equivalent	3,576.0
Scope 1 greenhouse gas emissions	ton of carbon dioxide equivalent	691.4
Scope 2 greenhouse gas emissions	ton of carbon dioxide equivalent	2,884.6
Greenhouse gas emissions intensity	ton of carbon dioxide equivalent/ ten thousand RMB	0.26

EMPLOYEE EMPLOYMENT PERFORMANCE

Index	Unit	2023
Classification of Employee		
Total employees	person	298
Full-time employees	person	296
Contract employees	person	2
By gender		
Male employees	person	113
Female employees	person	185
By age		
>50 years old	person	4
30-50 years old	person	170
<30 years old	person	124
By region		
East China	person	198
South China	person	5
Central China	person	7
North China	person	72
Southwest China	person	12
Other regions (Hong Kong)	person	4
Turnover of Employee		
Employee turnover rate	%	17.0
By gender		
Male employees	%	16.9
Female employees	%	17.0
By age		
>50 years old	%	20.0
30-50 years old	%	14.6
<30 years old	%	20.0

Index	Unit	2023
By region		
East China	%	17.8
South China	%	37.5
North China	%	14.3
Southwest China	%	14.3
Other regions (Hong Kong)	%	20.0
Health and Safety of Employee		
Number of work-related injury accidents	number of accidents	0
Number of work-related fatalities	person	0
Percentage of work-related fatalities	%	0.0
Loss-time injury per million working hours	%	0.0
Development and Training		
By grade		
Senior management	person	7
Middle management	person	120
Entry-level employees	person	171
By gender		
Male employees	person	113
Female employees	person	185
Coverage Ratio of Employee Training		
Coverage ratio of employee training ¹³	%	100.0
By gender		
Male employees	%	37.9
Female employees	%	62.1
By grade		
Senior management ¹⁴	%	2.3
Middle management ¹⁵	%	40.3
Entry-level employees ¹⁶	%	57.4

Notes:

- 13 The calculation is based on the number of employees trained/the total number of employees
- 14 The calculation is based on the number of senior management trained/the total number of employees trained x 100%
- 15 The calculation is based on the number of middle management trained/the total number of employees trained x 100%
- 16 The calculation is based on the number of entry-level employees trained/the total number of entry-level employees trained x 100%

Index	Unit	2023
Average Training Hours Per Employee		
Average training hours per employee ¹⁷	hour	30.3
By gender		
Male employees	hour	33.0
Female employees	hour	28.8
By grade		
Senior management	hour	42.7
Middle management	hour	36.4
Entry-level employees	hour	25.6

PRODUCT QUALITY AND SAFETY

Index	Unit	2023
Proportion of products that need to be recalled due to safety or health reasons to the total products sold or shipped	%	0.0
Number of complaints against products and services	number	10
Processing ratio of complaints against products and services	%	100.0

SUPPLIER PERFORMANCE

Index	Unit	2023
East China	number	742
South China	number	87
Central China	number	36
North China	number	117
Northwest China	number	5
Northeast China	number	3
Southwest China	number	40
Other regions (including Hong Kong, Macau and Taiwan)	number	71
Total number of suppliers	number	1,101

Note:

¹⁷ The calculation is based on the total training hours of employees trained/the total number of employees

ANTI-CORRUPTION PERFORMANCE

Index	Unit	2023
Number of corruption lawsuits that have been filed against Company and its employees and concluded	number	0
Total hours of anti-corruption training provided to directors	hour	18.0
Number of directors attending anti-corruption training	person	9
Total hours of anti-corruption training provided to employees	hour	264.0
Number of employees attending anti-corruption training	person	132

PUBLIC WELFARE PERFORMANCE

Index	Unit	2023
Cumulative hours of volunteer service for public charity	hour	18.0

Appendix II: Content Index of the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Paragraph
A. Environmental		
Aspect A1	Emissions	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	3. Environment
KPI A1.1	The types of emissions and respective emissions data.	3.4 Regulating Emissions Management
KPI A1.2	Total greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.2 Responding to Climate Change
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.4 Regulating Emissions Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.4 Regulating Emissions Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	3.1 Environmental Management System
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.	3.4 Regulating Emissions Management
Aspect A2	Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	3. Environment
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).	3.2 Responding to Climate Change
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	3.3 Optimizing Resource Utilization
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	3.1 Environmental Management System

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Paragraph
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.	3.1 Environmental Management System 3.3 Optimizing Resource Utilization
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	During the reporting period, no large-scale production of products was carried out, and only a very small amount of primary packaging materials (aluminum tubes and aluminum cans) were involved, which will be disclosed after large-scale production
Aspect A3	The Environment and Natural Resources	
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	3.3 Optimizing Resource Utilization
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.3 Optimizing Resource Utilization
Aspect A4	Climate Change	
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	3.2 Responding 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.	3.2 Responding to Climate Change
Aspect B1	Employment	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	4. Talents
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	4.1 Employee Attraction and Inclusion
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	4.2 Employee Training and Development

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Paragraph
Aspect B2	Health and Safety	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.3 Delivering Health and Care
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	4.3 Delivering Health and Care
KPI B2.2	Lost days due to work injury.	4.3 Delivering Health and Care
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.3 Delivering Health and Care
Aspect B3	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Training refers to vocational training. It may include internal and external courses paid by the employer.	4.2 Employee Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix I Employee Employment Performance
KPI B3.2	The average training hours completed per employee by gender and employee category.	4.2 Employee Training and Development
Aspect B4	Labour Standards	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	4.1 Employee Attraction and Inclusion
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.1 Employee Attraction and Inclusion
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Employee Attraction and Inclusion
Aspect B5	Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	5. Society
KPI B5.1	Number of suppliers by geographical region.	5.1 Supply Chain Management
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.	5.1 Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.1 Supply Chain Management

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Paragraph
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.1 Supply Chain Management
Aspect B6	Product Responsibility	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	2. Products
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2.3 Improving Products and Services
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	2.3 Improving Products and Services
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	6.3 Emphasizing Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	2.3 Improving Products and Services
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	6.2 Protecting Privacy Security
Aspect B7	Anti-corruption	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	6. Governance
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.	6.1 Improving Governance of Responsibilities
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	6.1 Improving Governance of Responsibilities
KPI B7.3	Description of anti-corruption training provided to directors and staff.	6.1 Improving Governance of Responsibilities
Aspect B8	Community Investment	
General Disclosure	Policies on engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	5.2 Public Welfare and Charity
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	5.2 Public Welfare and Charity
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	5.2 Public Welfare and Charity