RemeGen
荣昌生物

榮昌生物製藥(煙台)股份有限公司
RemeGen Co., Ltd.*

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

Stock Code: 9995

2023 Environmental, Social and Governance Report

* For identification purpose only

CONTENT

ABOUT THIS REPORT

This is the fourth Environmental, Social and Governance Report (or "ESG Report") issued by RemeGen Co., Ltd., with the purpose of truly reflecting our commitment to economic, social, and environmental responsibilities, and achievement of comprehensive, coordinated, and sustainable development of the Company.

- **Reporting Period**
  This report encompasses the period spanning from January 1 to December 31, 2023. Some contents may extend beyond this timeframe.

- **Reporting Scope**
  This report pertains to RemeGen Co., Ltd and its subsidiaries.

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

- **Basis of Preparation**
  This report has been prepared in accordance with the Environmental, Social, and Governance Reporting Guide (the "ESG Reporting Guide") issued by the Hong Kong Stock Exchange, with appropriate reference to the Global Reporting Initiative Standards (GRI standards) released by the Global Sustainability Standards Board (GSSB), MSCI indexes, and other relevant issues concerning the capital market.

- **Reference**
  For the sake of convenience, RemeGen Co., Ltd may be referred to as "RemeGen", the "Company", "we", "us" or "our" in this report.

- **Representation**
  The forward-looking statements in this report, including the business plans and development strategies, do not represent any significant commitment from the Company to the investors.

- **Access to the Report**
  For this report and updates about our sustainability initiatives, please visit the "Investor Relations" Section on the homepage of our official website (https://www.remegen.com/index.php?v=listing&cid=107#xxpl).

STATEMENT OF THE BOARD OF DIRECTORS

RemeGen highly recognizes the importance of social responsibility and environment, society and governance (ESG) for the Company's long-term and stable development. The Company and the Board of Directors consistently comply with the requirements of the ESG Reporting Guide promulgated by the Hong Kong Stock Exchange and have established a three-level (decision-making level – supervisory level – executive level) ESG structure with clearly delineated power and responsibilities, aiming to continuously strengthen the Board's supervision and participation in the Company's ESG affairs. As the highest supervisory and decision-making body for the Company's ESG issues, the Board of Directors is responsible for regulating the Company's ESG management structure, formulating ESG visions, targets, strategies and policies, identifying, assessing and addressing ESG-related opportunities and risks. It is also responsible for reviewing the assessment results of the Company's major ESG issues, annual ESG report, and ESG performance. We have also established an ESG Working Group composed of specialists from the headquarters and our subsidiaries at various levels, which is responsible for implementing ESG management practices, fulfilling ESG objectives set by the Board of Directors, and reporting ESG work progress and results to the Board and the management on a regular basis.

RemeGen prioritizes the expectations and demands of its stakeholders and regularly communicates with them to evaluate the importance of ESG issues. In 2023, the Board of Directors continued to oversee the Company's ESG efforts, participated in the identification of material ESG issues, and obtained information on stakeholder communication, ESG work progress, and annual ESG information disclosure during the Reporting Period through the identification, assessment, and reporting of the ESG Working Group, so as to ensure that the Company's ESG performance met the expectations of our stakeholders.

This report comprehensively and objectively discloses the progress and results of RemeGen's ESG endeavors in 2023, in line with the principles of Importance, Quantification, Balance, and Consistency. The report was reviewed and approved by the Board of Directors on April 26, 2024.

1. ABOUT US

1.1. COMPANY PROFILE

RemeGen Co., Ltd. (HKEX: 09995.HK, 688331.SH) was co-founded in 2008 by Yantai Rongchang Pharmacy Co., Ltd., a company led by Mr. Weidong Wang, and Dr. Jianmin Fang, a scientist educated in the United States. The Company is headquartered in Yantai, Shandong Province, China, with research institutions and offices set up in both China and the United States. RemeGen is dedicated to discovering, developing, producing, and commercializing first-in-class and best-in-class biopharmaceuticals, and has developed a range of innovative biopharmaceuticals with significant clinical values in areas such as autoimmune diseases, oncology, and ophthalmology.

We are an innovative biopharmaceutical company with a global perspective, and have been focusing on therapeutic antibody drugs such as Antibody-Drug Conjugates (ADCs), antibody fusion proteins, monoclonal antibodies, and bispecific antibodies since our inception. Our commitment lies in the discovery, development, and commercialization of innovative and distinctive first-in-class and best-in-class biopharmaceuticals, especially the development of clinical value-oriented medicines and provision of safe, effective, and accessible clinical solutions for autoimmune diseases, oncology, ophthalmic diseases, etc. so as to meet those unmet clinical needs.

CORPORATE MISSION

Our mission is to discover, develop, and commercialize the first-in-class and best-in-class biopharmaceuticals for autoimmune, oncological and ophthalmological diseases, so as to create clinical values and fulfil the unmet clinical needs worldwide, thereby maximizing the value of the Company.

CORPORATE VISION

We aspire to be a leading and world-class biopharmaceutical company in China.

1. ABOUT US

1.2. ESG PERFORMANCE HIGHLIGHTS FOR THE YEAR

Sector	Performance Highlights
Environmental	• Achievement of ISO 14001 Environmental Management System Certification and ISO 50001 Energy Management System Certification. • We were committed to reducing CO2 emissions by 0.6% per year over the 2020-2025 period without increasing the total volume of greenhouse gas emissions, with a 3.1% reduction from that of 2020 in total emissions by 2025. • No major environmental violations were recorded, and no administrative penalties were imposed by environmental protection authorities.
Social	• We updated and improved the main management process in our quality management system. • No product recalls were recorded. • We successfully passed 6 external quality inspections, including regular inspections for ISO 9001 quality system certification. • We organized 22 induction training sessions for new employees and 17 company-level employee training sessions, covering more than 17,400 employee attendances in total. • We boasted a research team of 1,308 professionals, accounting for 36.18% of the Company's total workforce. • We passed the recertification audit of the ISO 45001 Occupational Health and Safety Management System and obtained a new certificate. • We made a cumulative investment of approximately RMB2,731,500 in employee health and safety, with no records of production safety incidents. • 100% coverage of occupational disease physical examination, and 100% social insurance coverage for our employees.
Governance	• No corruption-related lawsuits were launched against us. • Our directors participated in 13 business ethics training sessions, with an average training time of 9 hours per director. • We revised the Internal Audit Management Provisions to include fraud audits as a special project. • We organized a total of 39 compliant marketing training sessions, with approximately 1,900 attendances, a coverage rate of 100%.

1. ABOUT US

1.3. HONORS AND AWARDS FOR THE YEAR

Awards and honors	Issuing authorities
Second Prize in the First "Quality Products from Shandong" Story-telling Competition	The Office of Yantai Municipal Quality Enhancement and Brand Strategy Promotion Working Group
Biotech Companies with the Highest R&D Strength of the Year	China Biopharmaceutical Industry Chain Innovation and Transformation Alliance, Pharmacodia, etc.
RemeGen's independently developed "Key Technology of Antibody-Drug Conjugate (ADC) New Drug Development and Application" Project won the Special Award of the 2022 Shandong Provincial Technology Invention Award	Shandong Provincial Party Committee and Shandong Provincial Government
China's Top 30 Most Innovative Enterprises in Antibody Drugs in 2020	The Expert Committee of China's Top 100 Most Innovative Biopharmaceutical Enterprises
The Leap and Soar Award	C.Q. Pharmaceutical Holdings
The 2023 Charity Drive	Beijing Huakang Charity Foundation

2. COMPLIANCE AND INTEGRITY

RemeGen always maintains a high level of corporate governance, attaches great importance to compliance and transparent business ethics practices, and actively integrates ESG governance into its corporate strategy and operations to secure the long-term trust and support of its stakeholders and ensure the Company's steady operation and sustainable development.

2.1. CORPORATE GOVERNANCE

RemeGen is committed to building a standardized, transparent, modern, and high-level governance framework to whole-heartedly safeguard the legitimate rights and interests of its shareholders, strengthen the independence and diversity of the Board of Directors, improve its expertise in risk management, advance its compliance efforts, and continuously promote sustainable value creation.

2.1.1. Company Governance

RemeGen has established a regulatory framework consisting of the general meeting of shareholders, the Board of Directors, the Board of Supervisors, independent directors, Secretary of the Board and specialized committees in accordance with the requirements of the Articles of Association and based on the specific conditions of its business operations, and has been relentlessly optimizing it while continuously improving the independence of the Board of Directors and standardizing its corporate governance structure, so as to ensure the long-term and stable development of the Company.

RemeGen places remarkable importance on the diversity of the Board of Directors. We continuously revise and improve our *Board Member Diversity Policy* to promote the diversity of the Board members from multiple perspectives, i.e. gender, age, cultural and educational background, and professional experience, with the support from medical, economic, and financial experts as well as entrepreneurs. As of the end of 2023, RemeGen's Board of Directors had 9 members (4 executive directors, 2 non-executive directors, and 3 independent non-executive directors), including 7 male directors and 2 female directors. During the year, the Company vigorously arranged for its directors to participate in professional development training on corporate governance, risk assessment, laws and regulations, and strategic investment, aiming to give full play to their professional skills, resulting in enhanced rationality in the Board's decision-making process.

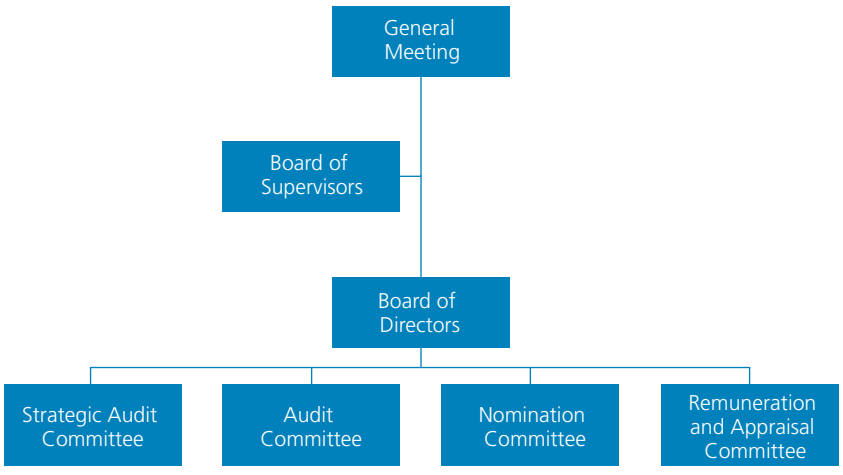


Figure: RemeGen's Corporate Governance Structure

2. COMPLIANCE AND INTEGRITY

2.1.2. Risk Prevention and Control

Risk prevention and control is the cornerstone for the Company's stable operation, and therefore, RemeGen has been constantly optimizing its internal control system, and has built a comprehensive risk prevention and control management system to identify internal control risks and put them under its daily management, aiming to enhance accuracy and timeliness thereof.

Risk Management

RemeGen has established a clear and functional risk management framework and developed a series of risk management policies in line with its overall strategic goals. The Directors and Senior Management of the Company all possess the knowledge and experience in risk management and internal control governance and supervision, and will vigorously identify, evaluate, determine and monitor potential risks in each aspect of its production and operation process, so as to effectively implement and execute the Company's risk management.

Table: RemeGen's Risk Management Framework

Audit Committee	The Audit Committee examines and manages overall risks related to the Company's business operations • reviewing and approving risk management policies to ensure alignment with the Company's corporate objectives; • reviewing and approving the Company's business risk tolerance; • overseeing the major risks associated with the Company's business operations and ensuring that the Management addresses those risks appropriately; • reviewing the Company's business risks based on the Company's business risk tolerance; • overseeing and ensuring appropriate application of the risk management framework within the Group.
Board of Directors	The Board of Directors is responsible for guiding and supervising the risk management efforts of the relevant departments • formulating risk management policies and reviewing the Company's major risk management issues; • providing guidance on risk management approaches to the relevant departments of the Company; • reviewing and providing feedback on the relevant departments' reports on key risks; • supervising the implementation of the Company's risk management measures by the relevant departments; • reporting to the Audit Committee on the Company's significant risks.

2. COMPLIANCE AND INTEGRITY

Relevant Departments	The relevant departments are responsible for implementing the Company's risk management policies and carrying out the Company's daily risk management routines • gathering information on the risks relating to their operations or functions; • conducting risk assessments, including identifying, prioritizing, measuring, and categorizing all major risks that could potentially impact their objectives; • preparing risk management reports for review by the CEO; • monitoring key risks related to their operations or functions on an ongoing basis; • implementing appropriate risk mitigation measures when necessary; • establishing and maintaining appropriate mechanisms to facilitate the application of the Company's risk management framework.

The management team of the Company analyzes the operational risks and uncertainties faced by the Company based on their likelihood and impact, and ensures that the Company is able to properly follow up, mitigate, and rectify the identified risks, minimize their potential harm and thereby ensure the stable development and sustainable growth of the Company.

Internal Control System

RemeGen constantly strengthens its internal control system construction and enhances its compliant operations. The Company has established an internal audit function to independently audit the completeness and effectiveness of its internal control system and regularly report to the Audit Committee. We have also appointed an internal control supervisor responsible for coordinating internal control, streamlining and improving business processes and management mechanisms, and conducting effectiveness evaluation of internal control. In addition to the internal control and internal audit functions, all our employees are required to undertake risk management and internal control responsibilities within their respective business scopes.

Additionally, the Company has established a comprehensive internal control framework covering procurement, sales, human resources and compensation management, marketing management, tax management, capital management, data security, intellectual property, financial reporting and disclosure, etc., with regular risk assessments scheduled to ensure effective risk management and internal control operations. During the Reporting Period, the Audit Committee stringently reviewed the Company's risk management and internal control procedures and confirmed their effective implementation. No significant risk events related to financial, operational, or compliance controls were identified throughout the period.

2. COMPLIANCE AND INTEGRITY

2.2. ESG GOVERNANCE

RemeGen insists on integrating the concept of sustainable development into corporate governance by actively fulfilling the responsibility of sustainable development, optimizing the ESG management system, regularly communicating with stakeholders, and joining hands with all parties to create a harmonious situation of sustainable development.

2.2.1. ESG Management System

RemeGen regards ESG management as one of the important measures to promote the high quality and sustainable development of the Company, and has set up a top-to-bottom ESG governance structure with clear division of power and responsibilities. The Board of Directors is responsible for coordinating ESG strategies and supervising other important matters, while the relevant staff of the head office and subsidiaries form an ESG working group, which is responsible for coordinating and executing all ESG matters.

2.2.2. Stakeholder Communication

RemeGen is clearly aware that communication with stakeholders helps the Company to anticipate and respond to potential risks and issues. In 2023, the Company adopted various communication mechanisms, such as shareholders' meetings, suppliers' meetings, employee representative meetings, and industry exchanges, to understand the needs, expectations and concerns of stakeholders, and to establish a solid and long-lasting co-operative relationship with them, so as to jointly realize the goals and visions of both parties.

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

2. COMPLIANCE AND INTEGRITY

2.2.3. Materiality Assessments

RemeGen proactively listened to the demands of internal and external stakeholders, aiming to respond to the expectations of all parties for our sustainable development to the maximum extent possible. In 2023, RemeGen assessed the matrix of material issues for 2023 based on the requirements of the ESG reporting guidelines of the Hong Kong Stock Exchange by sorting out the issues of concern to the capital market, benchmarking the performance of peers, studying domestic and international standard guidelines, and analyzing industry development trends and analyses, while taking into account the characteristics of our own operation and development as well as the concerns of our stakeholders.

After comprehensively considering the degree of influence of each issue on the Company's long-term operation and sustainable development, RemeGen's ESG materiality matrix for 2023 was established, including 8 highly material issues, 10 moderately material issues and 2 generally material issues.

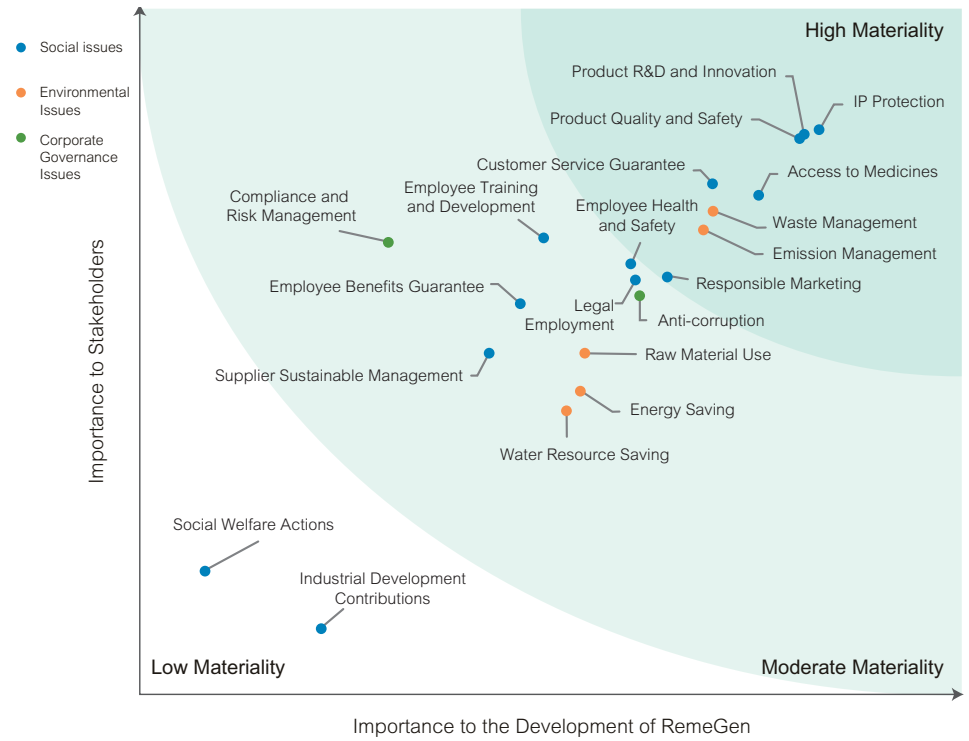


Image: ESG Materiality Matrix of RemeGen in 2023

2.3. INTEGRITY AND COMPLIANCE

RemeGen always adheres to the business philosophy of fairness, impartiality and transparency, continuously improves the internal integrity and compliance system, actively creates a culture of integrity, and insists on the implementation of compliance management into business activities and processes. At the same time, we adhere to public procurement by working with suppliers to create a healthy and win-win co-operative business model, endeavoring to build a clean, honest and compliant pharmaceutical industry ecology.

2. COMPLIANCE AND INTEGRITY

2.3.1. Business Ethics

RemeGen strictly follows the *Criminal Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations, and has revised and improved internal systems, such as the *Provisions on the Administration of Anti-Fraud and Anti-Money Laundering*, in order to strengthen the Company's compliance management of business ethics and risk management and control. We have continuously promoted the construction of the compliance system, with the Audit Committee of the Company unifying the management of the Company's compliance matters and reporting to the Board of Directors on a regular basis, and resolutely opposing any form of commercial bribery, money laundering, monopoly and unfair competition. During the reporting period, there were no corruption-related litigation cases against RemeGen.

RemeGen actively carried out business ethics-related auditing work, continuously revised the *Provisions on the Administration of Internal Audit* and other internal systems, focused on updating and improving the Company's anti-corruption-related auditing requirements, put forward fraud auditing projects as a special topic, and defined the content of fraud to further strengthen risk management related to business ethics. The Company regularly sorts out the risks of key material procurement and conducts comprehensive audits of material suppliers of key business units such as purchasing and sales[1] at least twice a year, focusing on reviewing major risk factors such as abnormal price fluctuations, supplier admittance and use of funds and conducting audit reports to ensure compliance and fairness of production and operation activities. At the same time, we assessed the current stage of the Company's business based on the audit results and guided the formulation of annual work objectives. During the reporting period, RemeGen completed on-site audits of 33 suppliers and written audits of 56 suppliers, and established a file of qualified suppliers for 132 materials.

In order to strengthen the work of monitoring and reporting business ethics, RemeGen further standardized the reporting mechanism and procedures, and opened up the reporting channels to ensure that the complaints and reports were handled in a timely and effective manner. We encourage employees and all parties in the community who are aware of relevant unlawful or non-compliant behaviors or cases to report them to the Company's Audit Committee through channels such as telephone, email and letter. The Company has also established a comprehensive whistleblower protection and reward mechanism, and in accordance with the requirements of the *Provisions on the Administration of Anti-Fraud and Anti-Money Laundering*, undertakes to maintain strict confidentiality of the whistleblower and the content of the report, and to reward the whistleblower appropriately for the report of the case if the report is verified. We oppose any discrimination or retaliation, prohibit any obstruction, intervention or hostile measures against persons involved in the investigation, and protect the legitimate rights and interests of whistleblowers in all aspects.

Whistle-blowing Channels of RemeGen

Telephone:	0535-6383102
E-mail:	shenjichu@remegen.com
Mail address:	Audit Department, 58 Middle Beijing Road, Economic and Technological Development Area, Yantai, Shandong Province

[1] From March to May 2023, the auditors of RemeGen visited 15 cities and audited the authenticity of the marketing staff expenses of the Oncology Division and Immunization Division through data analysis, spot checks, on-site visits, etc.

2. COMPLIANCE AND INTEGRITY

In terms of the establishment of an integrity culture, the Company further strengthens the integrity education and training and integrity reminder work, through educating employees about occupational ethics and integrity, organizing all new employees to attend training on intellectual property rights and trade secrets, and regularly carrying out knowledge training on the topic of integrity, watching integrity micro-videos, etc., in any time to sound the alarm for the staff in the post and build a strong integrity and self-discipline "Firewall". As of the end of the reporting period, Members of the Board attended 13 training sessions on business ethics, with each director receiving 9 hours of training.

2.3.2. Responsible Marketing

RemeGen strictly follows the *Drug Administration Law of the People's Republic of China*, the *Regulations on the Implementation of the Drug Administration Law of the People's Republic of China*, the *Advertising Law of the People's Republic of China*, the *Guidelines for Compliance Management System*, the *Guidelines for Compliance Management of Central Enterprises (Trial)*, the *Guidelines on Compliance Management of Enterprises' Overseas Operations* and other laws and regulations, and has revised and improved the *Code of Conduct for Academic Promotion of Pharmaceuticals,* the *Management System and Process of Marketing Behaviour*, the *Management System and Process of Target Hospitals* and other documents, further clarifying more than 20 regulations such as the cost standards for transport, travel, meals, etc., service requirements for guests in the roles of conference speakers and third-party management, keeping abreast of current affairs and consolidating the foundation of a responsible marketing system.

The Company established the Marketing Compliance Committee, which is fully responsible for the supervision of employee compliance and responsible marketing practices, further standardizing internal processes and improving operational management efficiency. 2023 saw the signing of the *Compliance Pledge* by all employees, so that they are fully aware of the marketing center's action plan and marketing guidelines, and that they will comply with the fair trading and competition rules and refrain from engaging in any malpractices. We also actively carry out activity approvals and unannounced inspections to maximize the avoidance of compliance risks for the Company, marketing staff at all levels and various customers through the whole process of risk management and control before, during and after the event.

The Company regularly organizes targeted compliance training activities for all employees, new recruits and marketing center staff at all levels to promote compliance systems and processes, share new industry policies, industry cases and regulatory risk identification, so as to ensure that all staff members systematically understand the Company's compliance culture and philosophy, and master the rules and processes that they must follow in their daily work. In response to compliance issues arising from marketing-related work, we conduct full assessments and put forward suggestions for improvement to further enhance employees' awareness of compliance and assist them in forming good habits of compliance behavior. Up to the reporting period, RemeGen has organized a total of 39 training sessions for marketing compliance, with around 1,900 attendances and a 100% coverage of training for marketing staff.

2. COMPLIANCE AND INTEGRITY

2.3.3. Supply Chain Management

RemeGen continuously revises and improves internal systems such as the *Measures for the Management of Centralized Procurement Suppliers* and builds an efficient and reasonable supply chain management system, to strictly control the environmental and social risks in the supply chain, and work together to seek long-term business development.

The Company's existing suppliers are classified according to the main business as suppliers of raw and auxiliary packaging materials, reagents and consumables, equipment suppliers, spare parts suppliers, office supplies and personal protective equipment suppliers, IT and technical service suppliers. During the reporting period, the Company had a total of 744 suppliers, of which 727 were located in mainland China, 3 in Hong Kong, Macao and Taiwan, and 14 in overseas regions.

We continue to improve our supplier qualification review, access and screening process system. At the access stage, we review supply chain qualifications and require our partners to provide certified resources such as ISO 9001, ISO 14001, ISO 45001, OHSAS 18001, product samples and ingredient analysis certificates, and prioritize the screening of qualified suppliers that comply with GMP certification. For special industries, we require suppliers to provide national qualification materials related to the environment, safety and labor protection, and hazardous chemical production permits. At the same time, we actively promote the global cross-region enquiry method, establish international procurement channels and select high-quality and low-priced suppliers for priority admission.

For long-term cooperation suppliers, we regularly review the qualifications of suppliers and evaluate their performance, select outstanding suppliers and strategic partners, and implement an elimination mechanism for suppliers with unqualified performance assessments to build a long-term stable supply chain system.

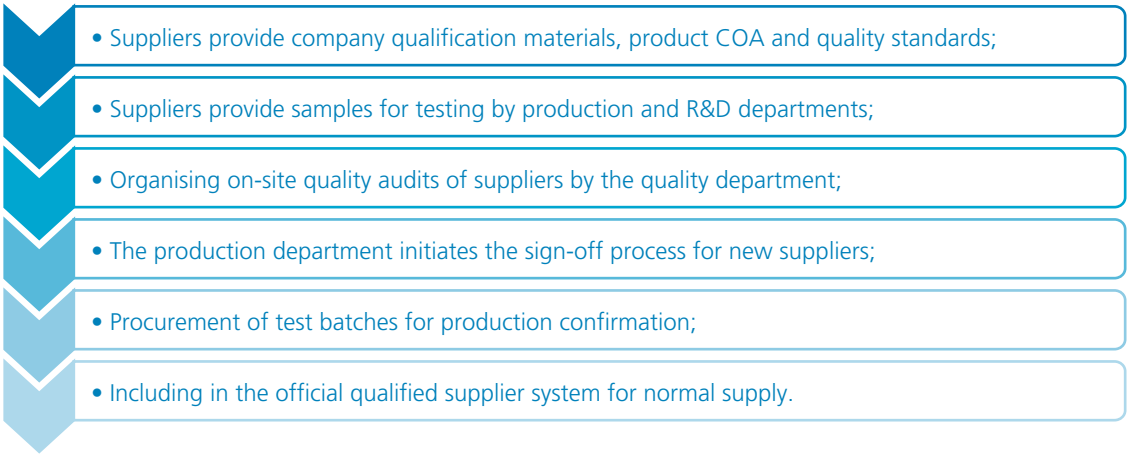


Image: Supplier Admission Process

2. COMPLIANCE AND INTEGRITY

Table: 2023 RemeGen Suppliers with ISO Certification

ISO certification category	Number of suppliers
ISO 9001	160
ISO 14001	90
ISO 45001	65

The Company also attaches great importance to supply chain risk management and focuses on improving supply chain risk management capabilities. In 2023, we actively promoted the development of second suppliers and the substitution of imported materials by domestic materials, selected 3-4 alternative suppliers for materials with large usage, regularly sorted out and updated the procurement cycle of key materials, so as to reduce supply chain risks and improve supply chain resilience.

RemeGen insists on integrating ESG factors into the supplier admission and management process to actively build a sustainable supply chain. We regularly purchase green water treatment raw materials such as sodium hydroxide and oxidizing resin to degrade and treat wastewater generated in the park and discharge it in accordance with national standards. We have signed EHS management agreements with all suppliers in the park, requiring them to comply with all safety management regulations in the park, and the Company has now passed the Shandong provincial green supply chain certification.

The Company pays high attention to the interconnection with suppliers. We regularly conduct safety training for suppliers of hazardous chemicals and require them to transport in accordance with the regulations on the management of transport of hazardous materials, and will refuse to accept the goods in case of any violation of the regulations. We proactively organize quality training for suppliers of key raw and auxiliary materials and consumables to continuously improve product quality management capabilities. In 2023, the Company conducted regular quality analysis meetings with Sartorius from Germany, and organized a cumulative total of three high-level quality communication meetings.

In addition, we continued to deepen the integrity management of our suppliers. During the reporting period, the Company and the suppliers providing key materials all signed the *Integrity Pledge*.

3. PRODUCTS AND SERVICES

RemeGen has always been committed to providing consumers with safe and effective pharmaceutical products. We maintain strict control over the quality of pharmaceutical products, actively promote technological innovation and technology research and development, and effectively improve the quality of services, thereby meeting the needs of customers.

3.1. PURSUING EXCELLENT QUALITY

RemeGen regards ensuring products quality and safety as its core responsibility. Adhering to the quality policy of "honest drug manufacturing, scientific management, continuous improvement, and the pursuit of excellence", we improve our quality management system and have all-rounded and whole-process control over quality of pharmaceutical products in place. Additionally, the Company actively carry out quality control audits and continuously promote the construction of soft power of quality culture, ensuring a solid improvement in product quality.

3.1.1. Quality Management System

RemeGen strictly complies with the relevant laws and regulations, and has established a comprehensive quality management system and quality manuals based on the *Pharmaceutical Administration Law of the People's Republic of China* and the *Good Manufacturing Practice* (2010 Revision) and its appendices to regulate quality management process of the Company. We keep updating our main management procedures in conjunction with internal operations within the Company and external regulatory requirements to ensure that they all comply with the GMP standards of the U.S. Food and Drug Administration (FDA), the European Medicines Agency (EMA) and the National Medical Products Administration (NMPA) of the PRC, so as to ensure quality and safety of our pharmaceutical products.

The Company has established a three-level documentation system consisting of quality manuals/factory master documents, strategic guidance documents and standard operating procedures in accordance with the *Chinese Pharmacopoeia*, the *United States Pharmacopoeia* (USP), the *European Pharmacopoeia* (EP), national standards and industry standards, and the Company uses document management system (edoc2) to manage quality documents to ensure the reliability of documents and data recorded in the life cycle, which meets the requirements of Good Manufacturing Practice (GMP). Besides, the Company has established an archives management system to standardize the classification, filing, borrowing, preservation and destruction of GMP documents to ensure the dynamic balance, safe storage and traceability of archives. In 2023, there were 2,182 documents in the system, including 156 for Quality Assurance Department (QA), 762 for Quality Control Department (QC), 946 for Manufacturing Department (excluding RMM) (MFG), 42 for Raw Material Management Department (RMM), 181 for Engineering Department (ENG), and 95 for Information Technology Department (IT). The Company conducts quality management system audits on annual basis, the scope of which covers the implementation of the corrective actions and preventive actions (CAPA) from the last quality management system audits, the achievement of the annual quality objectives, the implementation of GMP-related quality activities, the problems in the implementation process and the corresponding improvement plan, etc. This allows us to identify the key points that can be improved and the needs that can be changed in a timely manner to ensure the effectiveness and appropriateness of the quality management system. During the reporting period, the Company completed a total of 475 document audits.

3. PRODUCTS AND SERVICES

RemeGen has established a comprehensive periodical quality evaluation (PQE) management procedure. Based on the principles of quality risk management, it evaluates validated instruments, equipment, systems, methods and procedures of the Company, and examines the review cycle of each project. Annual and quarterly summary reports of quality evaluation are completed to review the previous quality evaluation. In 2023, a total of 501 regular quality evaluations are planned to comprehensively assess the quality of equipment, computers, utility systems, cleaning and analytical methods.

Quality Document System Management[2]	Quality Risk Management	Deviation Management	Change Control	Corrective Action and Preventive Action (CAPA)
Internal Audit	Product Quality Review	Supplier Management	Personnel Training Management	Unqualified Product Management
Complaint	Recall	Material Release Management	Batch Release Management	Authentication Management

Image: Major Management Procedures of Quality Management System of RemeGen

3.1.2. Full-process Quality Management

RemeGen is committed to implementing concepts of quality management in all details of production and operation, and has established a full life-cycle quality management system covering pre-clinical, non-pivotal clinical phase, clinical trial, drug production, package compatibility evaluation and product recall.

Pre-clinical Stage

RemeGen has established a comprehensive drug R&D compliance management system covering early-stage drug research, process development, drug synthesis R&D and conjugate development to verify and control the quality of the technology research stage. The Company focuses on the evaluation of Critical Quality Attributes (CQA) for products under development in terms of efficacy, safety, and immunogenicity, and leverages Quality Target Product Profile (QTPP) and data and knowledge gained from product trials to support the following product development and process validation. During the reporting period, RemeGen completed a total of three CQA evaluation of products. In addition, the Company completed release procedures for reference materials, test cell lines, small molecules and other supplies, ensuring the compliance during use.

[2] Quality Document System: The archives management system takes the electronic data as the original data and the paper records as the original records to ensure the integrity and reliability of the data.

3. PRODUCTS AND SERVICES

Non-pivotal Clinical Stage

Based on risk assessment, scientific judgment, product quality and system compliance, RemeGen has established a comprehensive non-pivotal clinical stage quality management system covering six systems: production system, facilities and equipment system, laboratory control system, material system, packaging and labelling system, and quality assurance system, and regularly conducts internal audits and assessments. In addition, we identify and control elements that affect product quality according to the specific conditions of the non-pivotal clinical stage, to ensure compliance, effectiveness and appropriateness of the system. While ensuring product quality, we also protect the safety of clinical trial subjects, and coordinate and accelerate the clinical trial and marketing process of projects.

During the reporting period, RemeGen conducted 1 annual internal audit, covering all six FDA systems, analysed potential risks and made quality improvements to ensure continuous improvement of the quality system. Additionally, the Company has completed the assessment report on the quality management system, covering the aspects of quality policy and quality objectives, organisation and personnel, quality documentation system, training management, quality management system, etc. No problems with the quality management system have been found for the time being.

Clinical Study Stage

RemeGen keep revising and improving the standardized management system and regularly thoroughly evaluates the effectiveness, operability and directability of the documents in strict accordance with the *Clinical Quality System Document Management Protocol*, to ensure that the quality management for clinical study stage are standardized and systematic. The protocol design, conduct, performance, monitoring, auditing, recording of all clinical trials of the Company are carried out in accordance with system documents such as three-level documentation of Quality Manual for Clinical Study (cQML), Standard Management Procedure (SMP) and Standard Operational Practice (SOP). The Company carries out all-round quality management in various processes such as clinical trial protocol design, operation management, specific implementation, and field audit to ensure the compliance and efficiency of quality management in clinical study stage.

Manufacturing Stage

RemeGen follows management regulations for operation such as the *Equipment Management* and the *Equipment Preventive Maintenance Management*, and standardizes the equipment operation procedures in the actual production process. The Company has established a comprehensive equipment management system to manage the whole life cycle of equipment from purchase application, model selection, equipment acceptance, lubrication, spare parts, transfer, idleness, and retirement, so as to reduce the occurrence of cross-contamination and confusion of drugs. In addition, the Company carried out regular inspections to analyze and count the data at the production site to ensure that the product quality meets the standards. It provides a strong guarantee for the quality and safety of the products.

3. PRODUCTS AND SERVICES

Packaging Material Compatibility

To ensure drug quality and drug safety, RemeGen continuously advances research on packaging material compatibility, improve the compatibility research platform and the compatibility analysis & technology platform, ensuring the stable supply of pharmaceutical packaging materials. The Company has established a compatibility research platform that can independently complete the packaging system, single-use process components (SUS) and drug delivery devices, and has carried out the compatibility research of 10 packaging system projects and 82 production process component projects. The Company continues to use the compatibility analysis & technology platform, complete the inspection and material identification of the inner surface of glass through scanning electron microscope technology, and optimize the evaluation model to reduce the number of extraction experiments.

The Company also has formulated compatibility research strategies for the whole life cycle of its pharmaceutical products, and has established an E&L database covering 1,573 chemical substances and toxicology data of more than 80 compounds. The platform established meets regulatory requirements of NMPA, FDA, EMEA, etc. and is able to meet our need for filing and registration at home or abroad. We also achieved outstanding results in selection of packaging materials & SUS, development of alternative suppliers, domestic-made substitutes, the variation of techniques/packing materials/dosage during the clinical stage or marketing stage of products, the variation of techniques and raw materials of suppliers, response to emergencies and irregularities, etc. During the reporting period, the Company participated in the questionnaire of the *Guiding Principles for Biological Evaluation and Trial Selection of Pharmaceutical Packaging Materials (Draft)*, and was invited to participate in its discussion meeting, in which the four suggestions we proposed were adopted.

Product Recall

RemeGen has established a comprehensive product recall procedure to regulate the levels, time limits, types and processes of product recalls, and regularly conducts mock recalls to evaluate the effectiveness of the recall procedure. The Company classifies recalls into Level 1, Level 2, and Level 3[3] based on the impact on the health of patients, and classifies them into active recalls and ordered recalls based on type. The recall process covers recall initiation, planning, notification, receipt and processing of recalled products, and recall reports. In 2023, no product recalls were issued by RemeGen.

[3] The time limits for Level 1, Level 2 and Level 3 recalls are 24 hours, 48 hours and 72 hours, respectively.

3. PRODUCTS AND SERVICES

Table: Product Recall Procedures

3.1.3. Quality Supervision

RemeGen regularly conducts internal and external audits on product quality management to accurately identify potential risks that may exist in all aspects of the quality management lifecycle and promote comprehensive rectification, thus ensuring the continuous improvement of our quality management system. The Company strictly complies with domestic and foreign regulations and requirements, and completes a comprehensive internal audit at least once a year. During the internal audit and self-inspection, the internal audit is conducted through on-site inspection, inquiries, and document inspection in accordance with the internal audit plan. For all internal audit defects, the responsible department will analyze the root cause and formulate corrective and preventive measures, and track the formulated corrective and preventive measures and internal audit recommendations. In 2023, the Company conducted a total of 9 internal audits, and in terms of all the issues identified in the internal audits, rectified measures have been formulated and completed as scheduled.

In addition, the Company worked closely with external auditors to ensure the smooth progress of the external audit work. During the reporting period, the Company received six external inspections, all of which were successfully passed. The inspection we passed includes the regular inspection of ISO 9001 Quality System Registration, and for all the issues identified in the inspection, corrective and rectified measures have been formulated to resolve the issues effectively. In 2023, the Company received the inspection by China National Accreditation Service for Conformity Assessment (CNAS) for project expansion application and supervisory review. The on-site inspection was successfully completed and we received the laboratory accreditation decision from CNAS.

3. PRODUCTS AND SERVICES

3.1.4. Quality Culture Construction

RemeGen recognizes the importance of quality culture and fully integrates quality awareness education into new employee induction training, with its training covering good documentation practices, employee training and evaluation edoc2[4] system usage, microbiology fundamentals, data reliability management and GMP fundamentals. Additionally, the Company developed an annual training plan in early 2023 and conducted company-level trainings on a monthly basis, and such trainings cover various aspects such as basic GMP management. New or transfer employees shall complete on-the-job training and assessment based on the approved job training matrix, and continue their training through individual annual training and other means. In 2023, we held 22 induction training sessions for new employees and 17 company-level training sessions, which cover more than 17,400 participants.

3.2. SCIENTIFIC RESEARCH AND INNOVATION STRENGTH

Being fully aware that innovation is the primary driving force for development, RemeGen focuses on the research and development of pharmaceuticals with independent intellectual property rights, fully respects the ethics and protection of research and development, and achieves innovative results with differentiated innovation strategies. Our goal is to become a first, best and quality pharmaceutical company of its kind that offers safer and more effective regimens for patients worldwide.

3.2.1. Innovation Achievements

RemeGen insists on independent research and development, focuses on improving innovation capabilities and achieving scientific and technological innovation by increasing R&D investment, attracting top technical talents and creating a professional and unique technology platform. In addition, the Company actively promotes drug registration, expands overseas markets and participates in industry cooperation to expand the scope of innovation.

Innovation Capability

The Company is dedicated to the research and development of biopharmaceuticals with novel targets, innovative design and huge potentials to address global underserved medical needs. We have established fully integrated, end-to-end innovative biopharmaceutical R&D and industrialization system, covering all key links of biologics development including drug discovery, pre-clinical pharmacology study, process and quality development, clinical development, and manufacturing in compliance with global Good Manufacturing Practices (GMP).

R&D Team and Investment

To further advance drug development and innovation, the Company has built a clinical development team comprised of experienced industry experts that have a wealth of successful practices in the fields of innovative drug development, clinical development and commercialization. By the end of 2023, the Company had brought in 2 talents with the title of Shandong Taishan Industry Leading Talent and 2 overseas engineers in Shandong Province, and the total number of R&D team members reached 1,308, accounting for 36.18% of the total number of the Company. Meanwhile, the Company continued to increase its capital investment in research and development and innovation, with the total R&D investment in 2023 amounting to RMB1,306,306,794, representing a year-on-year increase of 33%.

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

3. PRODUCTS AND SERVICES

Technology Projects

In 2023, the Company increased efforts to advance technology and innovation projects, and one of our projects (core technology research and platform construction of ADC drug) has been approved as national key research and development project by the Ministry of Science and Technology of the PRC, and our another project (Study on Core Technology on R&D of RC148, a Dual-target Antibody Fusion Protein) was awarded as a Shandong Special Laboratory Project.

Case: Key Special Project on Cutting-edge Biotechnologies Under the National Key R&D Programmes

In December 2023, the project of "Building, Transformation and Application of an Innovative Antibody Drug Platform Based on AI Design and Multi-dimensional Validation" led by Shenyang Pharmaceutical University and jointly undertaken by Fudan University, Institute of Basic Medicine and Cancer (IBMC), Chinese Academy of Sciences, National Institutes for Food and Drug Control and RemeGen, was official approved. RemeGen was responsible for the research task of "core technology research and platform construction of ADC drug". It provided industrialized technology and related platforms for the scientific and technological achievements transformation of the project, and made an important contribution to the overall industrialization process of the project.

The Company has over 10 special major projects for technologies of "Major Drug Innovations" approved by the National Health Commission of the PRC since its inception, and this project is not only a key project initiated by the Ministry of Science and Technology of the PRC for supporting development of cutting-edge biopharmaceutical technologies but also the first national key R&D project obtaining approval.

Case: Shandong Special Laboratory Project

In October 2023, the Shandong Laboratory Project under the Yantai Drug Innovations Program undertaken by RemeGen was successfully approved. The project is led by Bohai Rim Advanced Research Institute for Drug Discovery and jointly applied by several universities, research institutes and enterprises in or outside Shandong Province, in which RemeGen is responsible for the tasks relating to the "Study on Core Technology on R&D of RC148, a Dual-target Antibody Fusion Protein". This project is RemeGen's first approved research project entrusted by research institute, and it is expected that during the project execution, RemeGen will publish 1-2 academic papers, apply for 1-2 invention patents, complete preclinical studies of RC148 such as pharmacology, efficacy, pharmacokinetics and safety evaluation, receive one approval for clinical study and conduct Phase I clinical study.

3. PRODUCTS AND SERVICES

Technology Platforms

Being deeply engaged in the field of biotherapeutics, and with rich technology accumulation and industry experience, RemeGen has successfully built three core technology platforms with independent intellectual property rights, namely the antibody and fusion protein platform, the antibody drug conjugate (ADC) platform and the hinge-insersion bispecific antibody (HIBODY) platform, which facilitate the discovery, screening, and development of new molecules in a timely manner and ensure end-to-end integration of drugs from R&D to commercialization.

Antibody and fusion protein platform

Currently antibody and fusion protein discovery and development capabilities are driven by innovative technologies and expertise in bioinformatics-assisted protein design and protein engineering. The antibody and fusion protein platform has been firmly established and included the following key functions: Antibody/fusion protein screening and protein engineering; Cell line/process development; Drug Substance (DS)/Drug Product (DP) GMP manufacturing. A number of innovative biologics such as telitacicept (RC18) and RC28 are developed through this platform.

Antibody drug conjugate (ADC) process development technology platform

The ADC platform has the following main functions: Antibody screening and optimization platform; Filtering platform for ADC linker and payload optimization; Site-specific conjugation technology platform; Conjugation and in-vivo and in-vitro evaluation platform; Process development and GMP manufacturing of linker, payload and linker-payload; Process development and GMP manufacturing of antibody, conjugate drug substances and drug products.

Linker and payload optimization and screening platform: A number of compounds were designed and synthesized, and relevant conjugation and activity screening experiments were carried out, and a new TOPOi payload was obtained for use in the ADC pipeline projects.

Site-specific conjugation technology was developed for use in ADC projects, which brings more uniform drug distribution, wider therapeutic window, and better PK/PD profile than random conjugation.

Hinge-insersion bispecific antibody platform

Hinge-insersion bispecific antibody platform focuses on the development of next-generation bifunctional antibodies to facilitate the implementation of new therapeutic strategies. The hinge-insersion bispecific antibody (HiBody) technology is based on novel molecular forms and can be used to generate a wide range of bispecific antibodies with the potential to increase the efficacy and specificity of antibody-based therapies. The platform includes the following key functions: R&D of proprietary HiBodies for various products; R&D of next-generation immuno-oncology therapies; High production efficiency and product quality.

3. PRODUCTS AND SERVICES

Case: Telitacicept Has Been Granted Full Approval for Marketing by the NMPA

On November 22, 2023, telitacicept (RC18, brand name: 泰愛®) for injection, the first innovative drug of BLyS/APRIL dual-target fusion protein worldwide, has been formally granted full approval from conditional approval by the NMPA. The full marketing approval means that telitacicept has passed all the necessary clinical trials and demonstrated its safety and efficacy in most target populations and can be widely used in the treatment of systemic lupus erythematosus. In addition, the NDA of telitacicept for the treatment of rheumatoid arthritis has been accepted by the Center for Drug Evaluation (CDE) of the NMPA. In China and globally, a number of phase II or III clinical studies are conducted for telitacicept to treat other indications within the autoimmune disease area.

Case: The Significant Clinical Results of Disitamab Vedotin in Patients with Urothelial Cancer Were Published on Journal of Clinical Oncology

Disitamab vedotin, a proprietary product of RemeGen, is the first domestically developed antibody-drug conjugate (ADC) approved in China. It has received the breakthrough therapy designation from the FDA and the NMPA for the treatment of urothelial cancer. It has been approved for marketing for treatment of gastric cancer and urothelial cancer and has been included in the National Reimbursement Drug List (NRDL). Its clinical results were published on *Journal of Clinical Oncology (JCO)*, a top international oncology journal, and showed the combined analysis results of C005&C009 data from a domestic, multi-centre clinical study co-led by professor Guojun and professor Zhou Aiping and focusing on disitamab vedotin as monotherapy for the treatment of advanced and metastatic urothelial cancer, which demonstrates and promotes the leading efficacy of domestic innovative drugs in the field of urothelial cancer to the world.

Image: Group Photo at the Press Conference

3. PRODUCTS AND SERVICES

Drug Registration

RemeGen insists on constructing a full life-cycle pharmaceutical registration system as its work infrastructure, aims at the goals of product clinical development and commercialization, and focuses on the formulation and implementation of strategies and plans to support the development and registration of various clinical indications. We are dedicated to ensuring a smooth drug registration process and providing patients with safe and effective drug solutions. In 2023, the Company submitted one BLA and 25 IND/CTA, obtained 23 approvals for drug clinical trials (including 3 in the United States, with RC18G001 counting as 1 in other regions), and had 2 IND were still under review. In 2023, we submitted 17 supplementary IND applications/filings, with 16 being approved/announced and 1 still under review.

During the reporting period, the Company initiated 12 Drug Evaluation Center (CDE) meetings, 1 FDA meeting, 1 European Medicines Agency (EMA) meeting, which greatly supported the development of key clinical studies and the progress of compliance with post-marketing changes of the Company's projects. In addition, the Company has received one orphan drug designation (RC88 for pancreatic cancer indication) and two fast track designations (RC18 for MG indication and RC88 ovarian cancer indication). The success of the registration application has increased brand influence of RemeGen's products at home and abroad and has broadened the pathway for overseas clinical development.

Overseas Research

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

- The Phase III clinical trial for SLE in the United States is progressing smoothly. Patient enrollment of 90 subjects for first stage has been completed, and we are actively preparing to enroll patients in the second stage;

- The Phase III clinical trial for pSS in the United States was formally approved by the FDA by the end of 2023. It is the second indication of RC18 that obtains approval for overseas clinical trial following the approval for Phase III clinical trial for SLE;

- The Phase I dose finding study of RC198 in Australia is carried out simultaneously with that in China. As of the reporting period, the safety observation of the first 4 dose levels had been completed, and no dose-limiting toxicity time was observed, marking a big step for RemeGen developing into an international pharmaceutical enterprise;

- Through collaboration with Seagen/Pfizer on international trials of RC48, patients in Asia will have greater access to clinical trials of excellent products and receive excellent medical support from them.

3. PRODUCTS AND SERVICES

Industry Cooperation

Upholding the concepts of open, cooperation, sharing and win-win, RemeGen actively participates in industry exchanges, shares the experience and inspiration of drug R&D, showcases the key milestones, challenges and coping strategies in the drug R&D process to the peers, and absorbs new R&D concepts and technologies, thereby injecting new vitality into its own research and development work.

Case: RemeGen Jointed Hands with Universities to Apply for Key Special Project on Cutting-edge Biotechnologies Under the 2023 National Key R&D Programmes

In 2023, RemeGen cooperated with Shenyang Pharmaceutical University, Fudan University and the Institute of Basic Medicine and Cancer (IBMC), Chinese Academy of Sciences to jointly apply for a key special project on cutting-edge biotechnologies under the 2023 national key R&D programmes. The project is led by Professor Ma Ningning from Shenyang Pharmaceutical University, of which Shenyang Pharmaceutical University is responsible for the core technology research of bi-specific or multi-specific antibody drugs, Fudan University is responsible for the biomimetic research of antibody and antibody design with AI, Institute of Basic Medicine and Cancer (IBMC), Chinese Academy of Science is responsible for high-throughput target screening, and RemeGen is responsible for making breakthroughs in core technologies of ADC drugs and the research, development and construction of its Industrialization platform.

Case: RemeGen participated in the XDaybreak 2023

On August 18, 2023, RemeGen participated in XDaybreak 2023 held by Shanghai Yaocheng Health Science & Technology Co., Ltd. with the theme of "Embracing AI and Seeing the Future". At the industry forum, RemeGen shared its successful experience of cooperation with Aurora, and discussed with experts from the clinical operation, medicine, data management, biostatistics, registration, IT and other relevant departments of well-known domestic and foreign enterprises focused on cardiac care medical equipment, to jointly explore new trends in clinical trial informatization in the life sciences industry.

3.2.2. Intellectual Property Protection

RemeGen respects originality and the creation of intellectual property rights, attaches great importance to the management and protection of intellectual property rights. The Company strengthened the compliance of intellectual property rights -related work in a comprehensive manner in strict compliance with the *Patent Law of the People's Republic of China*, *the Trademark Law of the People's Republic of China* and other relevant laws and regulations. The Company has established and improved regulations and systems for intellectual property protection, such as the *Patent Management System* and the *Regulations on the Administration of the Legalization of Works*. The Company has continuously strengthened the management of intellectual property rights such as patents and copyrights, and completed the supervision and review of the intellectual property management system in 2023. The Company continues to improve the incentive mechanism of intellectual property rights and rewards those who make outstanding and significant contributions to various related work such as patent invention, design and management according to the *Patent Incentive and Remuneration Management Regulations*, so as to encourage the innovation and R&D among the employees and maintain a positive atmosphere for innovation.

3. PRODUCTS AND SERVICES

In 2023, in order to better realize patent information management, the Company continued to update the patent information database in which various functions such as individual task management module and various patent record forms were add and the records of the patent office system and the task allocation module were improved, thus effectively regulating and improving the procedures.

Table: Acquisition of Intellectual Property Rights of RemeGen in 2023

Type of Intellectual Property	Unit	Number
Number of invention patent applications	item	162
Number of utility patent applications	item	5
Number of design patent applications	item	0
Number of invention patents granted	item	27
Number of utility patent applications	item	3
Number of design patent applications	item	0

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

Safeguarding the Company's intellectual property

We carry out a comprehensive, global, and multiregional patent layout for the important R&D results.

By continuously improving the trade secret protection system and virtual server platform, we are able to avoid illegal leakage of important trade secrets of the Company.

Special training courses on intellectual property rights are provided with a focus on improving employees' awareness of intellectual property protection and strengthening the awareness of property rights.

In external cooperation, we strictly examine the IP related clauses in contracts and maximize the IP rights in the cooperation results.

Respecting the intellectual property of others

For the R&D project, an investigation into the risk of intellectual property infringement will be conducted. The Company completed 31 infringement and research reports in 2023.

The dedicated personnel will provide continuous support from the R&D project's inception to its subsequent stages, conducting patent searches, analysis and evaluation.

If necessary, third-party institutions will be entrusted to conduct internal and external infringement analysis, thereby identifying any possible infringement risks.

3. PRODUCTS AND SERVICES

The Company specially arranged the dedicated personnel to provide continuous support from the R&D project's inception to its subsequent stages, conducting patent searches, analysis and evaluation, including infringement or free exercise search, intellectual property due diligence search. In 2023, a total of 58 reports were completed, which effectively ensured the smooth implementation of the work of the department. At the same time, the Company regularly held intellectual property training courses and set up induction training courses including basic knowledge of patents and trade secret protection. A total of 418 people participated in the course, which effectively enhanced the awareness of patent protection and intellectual property protection of new employees.

Case: RemeGen participated in the 2023 International Conference on Pharmaceutical Innovation and Development

As a member of Yantai Intellectual Property Association, RemeGen actively responded to and participated in various activities hosted by the Association to jointly enhance the enterprises' ability to utilise and protect intellectual property rights. Representatives of the Company participated in the 2023 International Conference on Pharmaceutical Innovation and Development, and shared insights on the *Risk Management of the Intellectual Property Department of Pharmaceutical Enterprises*. The discussion focused on four key aspects: internal risk management within departments, interdepartmental collaboration risk management, risks arising from legal cognition differences, and strategies to address these risks for better managing the risks associated with enterprises' intellectual property rights from the perspective of the actual operation of the enterprises.

3.2.3. R&D Ethics

RemeGen strictly follows international and domestic medical and drug-related laws and regulations, ethics and scientific standards, pays attention to ethical principles in the process of drug development and research, and is committed to preventing any non-compliance or violation of medical ethics to protect the rights of clinical subjects and the welfare of experimental animals.

3. PRODUCTS AND SERVICES

Table: Regulatory Documents and Guiding Principles that Govern the Research Design and Manufacturing Stages of Drugs

Regulatory documents	Guiding principles	International ethics and standards
• Measures for the Ethical Review of Life Sciences and Medical Research Involving Humans • Implementation Rules for the Administrative Regulations on the Human Genetic Resources • Measures for Ethical Review of Science and Technology (Trial) • Guidelines for Submission and Review of Protocols on the Clinical Trial of Drugs • Working Procedures of CDE for the Safety Information Assessment and Risk Management During the Clinical Trial of Drugs (Trial) • M10: Bioanalytical Method Validation and Study Sample Analysis • ……	• Guiding Principles for Communication of Drug Registration Application Supported by Real-World Evidence (Trial) • Guiding Principles for the Design and Protocol Framework for Real-World Drug Studies (Trial) • Guiding Principles for Consolidated Analysis and Reporting of Safety Information During the Clinical Trial of Drugs (Trial) • Frequent Questions and Answers on Rapid Reporting of Safety Data During the Clinical Trial of Drugs (Version 2.0) • Guiding Principles of Quantitative Methodology for Extrapolation of Adult Drug Use Data to Pediatric Population (Trial) • Guiding Principles for the Benefit – Risk Evaluation Technology of New Drugs • ……	• World Medical Association Declaration of Helsinki • ICH: E6 (R2) Good Clinical Practice for Trial • ICH: E3 Structure and Content of Clinical Study Reports • ICH: E8 (R1) General Considerations for Clinical Study • ICH: E9 Statistical Guiding Principles for Clinical Trial • ……

Protection of the Rights and Interests of Subjects

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

3. PRODUCTS AND SERVICES

The Company manages the entire life cycle of subject recruitment and communication channels, informed consent signing, subject screening, and subject free opt-out mechanisms. We are committed to creating an environment that respects the wishes of the subjects and protects the rights and interests of the subjects, and ensures that the legal rights and interests of the subjects are fully protected.

During the clinical study stage, RemeGen has adopted measures to protect the rights and interests of the subjects from the recruitment process, the informed process, the consent process and the experimental process, to ensure the ethics and scientificity of the research while protecting the legal rights and interests of the subjects.

Table: Protection Measures for Subjects' Rights and Interests

Based on communication with investigators and taking into consideration protocol and project needs, the investigator completes the design of the recruitment advertisement. The Company implements subject recruitment after ethical review and approval. The recruitment advertisement specifies the recruitment channels of subjects and the scope of use therein, including advertising columns, newspapers, posters, public broadcasting, television, internet and other communication platforms in all medical institutions in China.
The Company prepares the informed consent in accordance with the *Procedures for Preparing Informed Consent* which clearly sets out the elements to be included in the document and fully describes the nature of the trial, the purpose of the trial, the possible benefits and risks, the alternative treatment options available and the subjects' rights and obligations under the *Declaration of Helsinki*, etc. The Company gives an informed consent statement with the signature page to obtain an informed consent.
The training on the informed consent process in accordance with the *Clinical Trial Centre Activation Operating Procedures* requires the investigators to fully inform the subjects in strict accordance with the ethically approved informed consent, and record the informed consent process so that the subjects are fully informed and then express their consent and sign two copies of the informed consent, one for the investigator and one for the subject.
The Company guarantees the right of subjects to withdraw from the trial at any time, fully understands the reasons for withdrawal and keeps detailed records when subjects withdraw, and promises that subjects will not be affected or discriminated against in their subsequent medical treatment.

3. PRODUCTS AND SERVICES

Experimental Animal Welfare Guarantee

At the non-clinical stage, RemeGen complies with 3R Principles[5] and strictly complies with GB/T 35892-2018 *Laboratory Animals—Guideline for Ethical Review of Animal Welfare*, GB/T 42011-2022 *Laboratory Animals—General Code of Animal Welfare* and other provisions and requirements. The Company has also established management systems such as the Management System for Ethical Review and Supervision of Experimental Animal Welfare to ensure that animal welfare is effectively protected and to promote the standardization and humanization of animal experiments. At present, the Company's non-clinical animal facilities have the "experimental animal use permits", and the experimental facilities have BSL-2[6] laboratory qualifications.

In the non-clinical research stage, RemeGen has adopted various measures to protect the welfare of animals, including environmental control, material control, quality control of experimental animals and animal welfare toys, to ensure the accuracy and reliability of the experimental results and comply with relevant ethical standards and regulatory requirements.

Table: Experimental Animal Welfare Guarantee

Environmental control	Material control
Annual environmental testing for facilities by third-party testing organizations is conducted (which has consistently met the requirements). Regular self-inspections are also carried out for temperature, humidity, pressure difference, illuminance, and other aspects to ensure compliance with the requirements of GB 14925-2010 the *Laboratory Animal-Requirements of Environment and Housing Facilities*.	We strictly screen the suppliers of laboratory animals, feed and bedding, and establish a list of qualified suppliers. We conduct audits and inspections on laboratory animal suppliers and test the microbial limit of the drinking water, feed and bedding of laboratory animals to ensure that the quality of laboratory animals entering the facility is qualified and the materials used are sterile.
Quality control of experimental animals	**Animal welfare toys**
All newly purchased laboratory animals are subject to adaptive breeding and observation during the quarantine period before they can proceed to the experimental stage. The veterinarian conducts regular inspections. Sentinel animals are in the feeding area. Regular third-party biopsy is conducted on the sentinel animals and newly purchased laboratory animals to ensure the quality of the experimental animals in the feed meets the required standards.	The cages are equipped with toys such as turntables, cylinders, hemisphere toys, paper silk, etc. according to the conditions of the experimental animals in the feed to alleviate the psychological impact of the experimental animals due to experiments or other stressful operations.

[5] 3R Principles represent the replacement, reduction and refinement of experimental animals.

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

3. PRODUCTS AND SERVICES

At the same time, we focus on strengthening the training of common laboratory animal diseases for breeding and nursing staff, laboratory personnel and veterinarians, so as to ensure the daily breeding management of laboratory animals and the timely detection and handling of abnormalities in the process of experimental operation.

3.3. SERVICE QUALITY IMPROVEMENT

RemeGen is committed to putting customers at the center, continuously optimizing service management processes, and emphasizing customer information security and privacy protection. While comprehensively promoting service capacity building, we are dedicated to providing patients with reasonably priced drugs, reducing cost of medical care, and enhancing access to healthcare services.

3.3.1. Customer Service Management

RemeGen believes that building trust with customers is one of the core elements of the Company's development. We actively understand the needs of customers and improve the process of handling adverse reactions and complaints to improve customer satisfaction.

Handling of Adverse Reaction

To establish a pharmacovigilance system centered on patients, RemeGen has established a drug safety committee, which is mainly responsible for the management of major risk studies, disposal of major or emergency drug incidents, risk control decisions and other major matters related to pharmacovigilance to ensure proper handling of certain incidents. In strict accordance with the requirements of the *Good Pharmacovigilance Practice* (GVP), we have revised and updated the *Post-marketing Drug Safety Information Reporting Management System* to establish a comprehensive channel to collect information on clinical serious adverse reaction events reports and post-marketing suspected adverse drug reactions, and to ensure that the collection channel is smooth. Additionally, we conduct regular signal monitoring and risk assessment of post-marketing drugs and analyze any identified and potential risks and propose risk control plans.

The Company attaches great importance to individual case safety reports and works closely with investigators to ensure that they provide the additional information required for follow-up visits such as past medical history, comorbidities, concomitant medications, etc. to identify other potential confounding factors and scientifically evaluate each case in detail. In 2023, the Company received 885 safety case reports, all of which have been recorded, reported, analysed and evaluated in accordance with regulatory and supervisory requirements.

3. PRODUCTS AND SERVICES

Complaint Handling

RemeGen actively listens to and responds to customers' expectations and demands, and has built an efficient and smooth customer communication and feedback mechanism. The Company has set up a special telephone service team and quality personnel to receive and preliminarily judge the complaints from customers, and then classify and transfer them to the corresponding professional departments for targeted handling according to the specific content of the complaints. We are committed to providing customers with clear results within a predetermined period of time to ensure that customers' complaints can be responded to in a timely and effective manner. The Company conducts a comprehensive review of product complaints on a regular basis every year, makes statistics on the incidence and severity of various complaints, and conducts in-depth analysis of frequent complaints and formulates corresponding improvement measures. In addition, we regularly conduct trainings and assessments for professional teams to continuously improve the professional skills and management capabilities of team members, so as to provide customers with more high-quality and efficient services.

In 2023, RemeGen received a total of one customer product complaint, which was a complaint incident occurred in the clinical stage, and no complaint occurred in the commercial stage. Such complaint was investigated and evaluated to be not due to product quality, and we have dealt with the complaint and explained the reason to the customer.

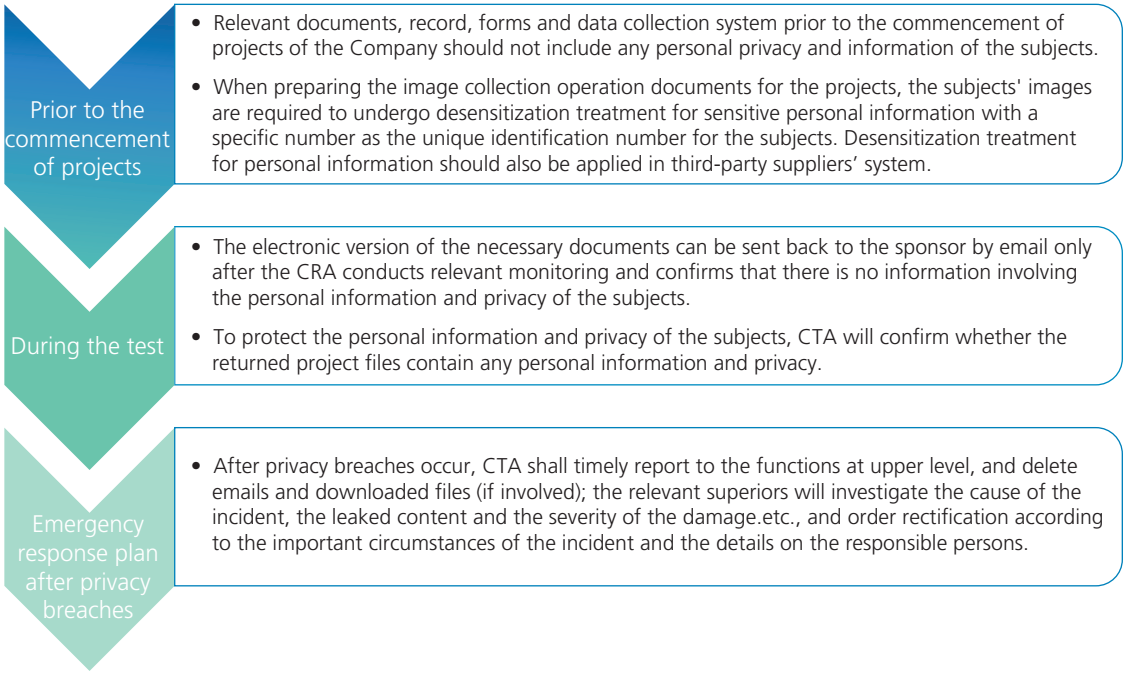
3.3.2. Information Security and Privacy Protection

RemeGen believes that safeguarding information security and customer privacy is a prerequisite for providing user services. The Company strictly abides by the *Personal Information Protection Law of the People's Republic of China*, the *Consumer Rights Protection Law of the People's Republic of China* and other relevant laws and regulations, formulates and improves the *Administrative Regulations on Commercial Customer Management*, the *Administrative Regulations on Customer Files*, the *Regulations on the Confidentiality of Secret-Related Meetings*, the *Administrative Measures for Secret-Related Areas*, the *Administrative Regulations on Data Security* and other internal documents to restrict the relevant management process at the institutional level to ensure the security of customer data and information in a systematic and organised manner. In 2023, the Company established the Informatization Work Committee as the decision-making body of the Company's informatization work for leading, arranging, and coordinating the Company's informatization strategy layout, construction planning and implementation process.

RemeGen attaches great importance to the protection of trade secrets, and has formulated and updated internal systems such as the *Business Secret Management System and the Regulations* on the *Confidentiality of Secret-Related Meetings*, to better implement specific protection measures. At the same time, the Company has formulated a SOP template for trade secret management and issued it to each department for reference and implementation, so as to refine the protection of trade secrets to the business departments.

3. PRODUCTS AND SERVICES

The Company also pays attention to the protection of personal information security and privacy of subjects. In order to guide and strengthen the Company's compliance management of personal information in clinical trials and ensure that the personal information obtained in clinical trials is in compliance with the requirements of laws and regulations in the process, the Company completed the *Compliance Management System for Handling Personal Information in Clinical Trials (Draft for Solicitation of Comments)* in 2023. Meanwhile, the Company formulates internal system documents such as the *Researcher Folder Monitoring*, the *Project Document Management*, the *IWRS and EDC System Testing and Release*, and *Preparing of Informed Consent* in accordance with relevant laws and regulations, to standardize management and protection of subjects' personal privacy prior to the commencement of projects and during the test process, and establishes an emergency response plan to prevent privacy breaches.



3.3.3. Access to Medicines

With a sense of social mission and responsibility, RemeGen aims to benefit patients and develop effective products with pharmacoeconomic benefits through the advancement of technology. We strictly control the pricing of drugs, ensure logistics and transportation, provide medical support to underdeveloped regions, and are committed to meeting the needs of patients around the world to fight against diseases.

3. PRODUCTS AND SERVICES

Pricing of drugs

RemeGen strictly follows the *Drug Administration Law of the People's Republic of China*, the *Pricing Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other relevant laws and regulations, sets the price of drugs based on the principle of fairness, reasonableness, honesty and credit, and the alignment between quality and price. The Company actively cooperates with relevant national departments in the negotiation of medical insurance prices and is committed to providing drug users with drugs at reasonable prices.

In the post-launch sales process of drugs, we abide by the regulations on drug price management promulgated by the State Council's drug price regulatory authority, actively cooperate with relevant parties to supervise and monitor drug prices in various locations, such as the operation places of drug dealers and medical institutions. The Company strongly opposes any form of profiteering, price monopoly and fraud, price gouging and other practices, with a view to ensuring that all provinces, autonomous regions, and municipalities directly under the central government implement uniform prices, and that the drug prices remain stable.

We also actively participate in the application for the adjustment of the National Reimbursement Drug List, and negotiate on the payment standard of medical insurance through "face-to-face" negotiations with negotiators organized by the National Medical Insurance Bureau. Through these initiatives, we meet the needs of clinical treatment and patients' needs for innovative biological drugs, and reduce the economic burden of medication for patients. In addition, the Company always ensures that medical institutions provide the price list of the drugs prescribed to the patients to protect the patients' right to know the prices of the drugs.

Logistics transportation guarantee

RemeGen continues to improve its drug supply and transportation capabilities, and strictly abides by the *Drug Administration Law of the People's Republic of China* and other relevant regulations to ensure the production and stable supply of drugs. The Company actively establishes a comprehensive material risk assessment mechanism with suppliers to protect suppliers' delivery capabilities, quality management capabilities, research and development and problem-solving capabilities. In order to ensure the quality and safety of pharmaceutical products in the transportation process, we cooperate with well-known domestic pharmaceutical cold chain transportation companies, conduct regular audits and conduct strict transportation verification of their finished product transportation methods. We select companies that have passed the audit and whose transportation methods have been verified to ensure timely and efficient delivery of drugs across the country to meet the needs of patients.

Medical support for underdeveloped countries and regions

RemeGen helps improve the level of global public health, strengthens international exchanges and cooperation, and continues to help underdeveloped countries and regions to improve their pharmaceutical production and research and development capabilities, and contributes to the construction of the global immune barrier.

3. PRODUCTS AND SERVICES

The Company attaches great importance to the building-up of expert management system, has successfully established the national core expert platform in the breast field and the PRaG radiotherapy innovation platform in China. We are committed to improving the management level of regional key experts, maintained regular visits to ensure accurately and timely delivering products and cutting-edge advances in tumor fields to them. At the same time, the Company actively responded to the medical needs and questions of experts and provided professional answers and support, realising all-round technical exchange and improvement.

In addition, RemeGen actively participated in external academic activities in the market, joined relevant industry associations, and carried out in-depth exchanges with industry colleagues to jointly formulate industry standards. In gastric cancer, bladder cancer, breast cancer and other fields, the Company continued to cooperate with oncology-related academic organizations such as the Chinese Anti-Cancer Association, the Chinese Society of Clinical Oncology and the Chinese Medical Association to promote and popularize the concept of standardized and individualized diagnosis and treatment of tumors, and improve the management level of regional key experts, and maintained regular visits to ensure accurately and timely delivering products and cutting-edge advances in tumor fields to them. At the same time, the Company actively responded to the medical needs and questions of experts and provided professional answers and support, realising all-round technical exchange and improvement.

The Company attended relevant meetings in the domestic biopharmaceutical field such as the trade fairs and the Pharmaceutical Innovation & Regulatory Science Conference. The Company participated in the 6th International Convention on Precision Oncology-Detection and Personalized Medicine (P4 China), the meeting of all members of the original entity responsible for the standardization of medical high-throughput sequencing technology in 2023, the 6th Shanghai Immuno-Oncology Co-Development Conference, the 2023 Annual Meeting of BioSeedin and other related industry meetings.

The Company actively participated in the proficiency test initiated by the national bureau and local bureaus by participating in the preparation and discussion of the *ADC Summa*, the survey of pharmaceutical packaging materials of the national bureau, the *2025 Chinese Pharmacopoeia*, joint verification and other ways. In 2023, we participated in four proficiency tests, all of which were awarded "satisfactory", keeping our quality standards up-to-date.

The Company participated in the questionnaire of the Draft Guiding Principles for Biological Evaluation and Trial Selection of Pharmaceutical Packaging Materials, was invited to participate in the discussion meeting. The four opinions put forward by the Company were all adopted.

The Company participated in the reply by the registration and QA organization on the Relevant Technical Guidelines of Biological Products and Antibody Conjugates (Draft for Solicitation of Comments) solicited by the CDE.

4. SAFETY AND ENVIRONMENTAL PROTECTION

RemeGen always regards safety production and environmental protection as the key tasks in the process of enterprise development. Through effective measures such as perfecting the policy, improving the system and guiding and mobilizing, we will make every effort to do a good job in safety and environmental protection, and continue to lead the high-quality green development of the Company.

4.1. OPERATION WITH SAFETY

RemeGen has established and improved the safety production responsibility system, strengthened the construction of safety production standardization, fully implemented the long-term safety production mechanism, and improved the effectiveness of the internal safety production management system to ensure the safety of all employees.

4.1.1. Safety Management System

RemeGen strictly observes relevant laws, regulations and standards such as the *Safety Production Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. We updated and improved 26 system documents such as the *Safety Management System of Related Parties*, the *Change of Safety Management System*, the *Road Traffic Safety Management Regulations*, and the *Safety Production Meeting Management System*, to accelerate the standardization of the level of governance of safety production and to promote the stable development of the Company's safety management at a high level.

RemeGen continuously promoted the construction of safety management system, integrated the ISO 45001&ISO 14001 system and the safety standardization system, and further revised and improved the *Environmental and Occupational Health and Safety Management Manual* in strict accordance with the internal systems such as the *EHS Internal Audit Control Procedures*, to ensure the institutionalization and systematization of safety management. The Company has established EHS governance with distinct powers and responsibilities, and established the Environmental Health and Safety (EHS) Committee as the top management of the Company's safety work, which is responsible for coordinating and planning the overall EHS matters, while its subordinate Safety and Environmental Protection Department is responsible for coordinating and promoting the implementation of the EHS work. The Company has established two secondary departments under the Safety and Environmental Protection Department, namely the Safety Division and the Environmental Protection Division. During the year, five additional personnel[7] were added to be responsible for the execution and implementation of EHS work.

[7] Two additional safety management personnel were added to the Safety Division and three additional personnel were added to the Environmental Protection Division.

4. SAFETY AND ENVIRONMENTAL PROTECTION

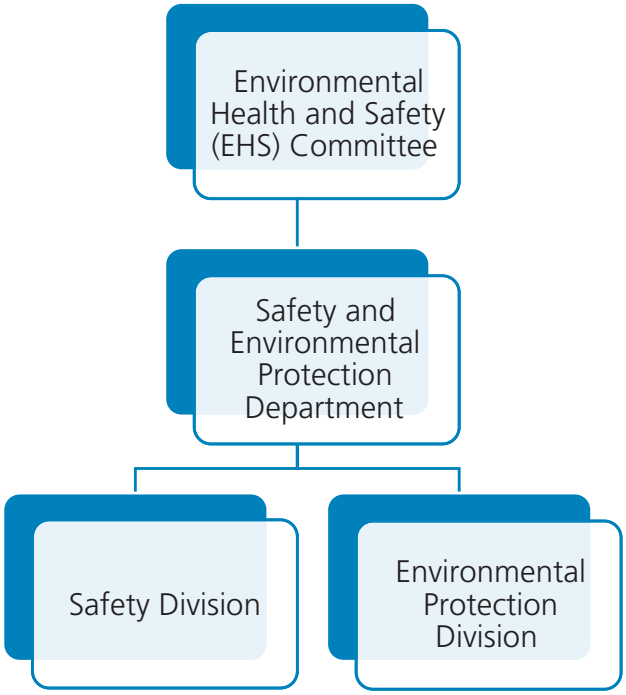


Image: EHS Governance Structure

In 2023, RemeGen passed the renewal audit of ISO 45001 system and obtained a new certificate. In addition, we also organized an internal audit of the ISO 45001 system covering all departments, issued a general non-conformity report for 2 general non-conformities found in the audit, and completed rectification of all the 8 proposed rectifications.


职业健康安全管理体系认证证书

荣昌生物制药（烟台）股份有限公司

GB/T 45001-2020/ISO 45001:2018

SEATONE 世通国际认证

Image: ISO 45001 Occupational Health and Safety Management System Certification

4. SAFETY AND ENVIRONMENTAL PROTECTION

4.1.2. Safety Management Initiatives

RemeGen is committed to creating a safe working environment for its employees, setting safety management objectives, regularly identifying safety risks, and implementing various safety prevention and hidden danger management measures through organizing safety production inspections and supervisions to ensure the stable operation of the safety management mechanism. In 2023, the Company invested approximately RMB2.7315 million[8] in safeguarding the health and safety of employees, and no production safety accident was recorded.

Safety Management Objectives	0 fire accident, 0 special equipment accident, 0 new occupational disease accident, 0 serious injury or above accident, and control of the accident rate of minor injuries below 1‰.
Achievement of Objectives	In 2023, all safety management objectives have been achieved.

Safety Risk Management

RemeGen continuously improves the safety risk management system, establishes a comprehensive risk identification mechanism and a systematic risk prevention and resolution mechanism, and uses scientific and effective risk assessment methods to improve the safety risk prevention capabilities. In 2023, the Company re-detailed and re-evaluated the tiered risk management and control list, identified 22 new risk points and adopted corresponding management and control measures.

Case: Building a Safety Production Informatization Platform

In 2023, RemeGen built a safety production informatization platform to ensure that major risks are always under control. Through setting fire alarm, gas detection, speeding capture, limited space monitoring, visitor management and control and other modules, real-time control and management have been realized, and the intelligent management and control of major risks has been achieved.

Image: Rongchang Biopharmaceutical Park Safety Informatization Platform

[8] It is mainly used for the procurement of labour protection equipment, safety equipment and facilities inspection and maintenance, safety and occupational health assessment, special equipment inspection, safety education and training, occupational hazard factors inspection, occupational health examination, hidden danger investigation and rectification, safety warning label procurement, third-party safety diagnosis, etc.

4. SAFETY AND ENVIRONMENTAL PROTECTION

To avoid hidden safety hazards and risks in all aspects, we actively conducted safety inspections and emergency drills to comprehensively improve the safety level of the Company. The Company continued to revise and improve internal systems such as the *Safety Diagnosis Work Implementation Plan* and establish a safety diagnosis activity leading group. According to the formulated safety inspection and implementation plan, we actively carried out hidden danger investigation and management from the aspects of human unsafe behaviors, unsafe state of objects, poor operating environment and management, and regularly organized and implemented special inspections, holiday safety inspections and daily inspections. As of the end of the Reporting Period, RemeGen conducted a total of 53 inspections of various types and investigated and rectified 475 hidden dangers.

We also invited professional third parties to review the Company's security-related work. During the year, we invited Huangbohai Chemical Safety Research Institute to conduct a third-party safety diagnosis review, and actively rectified the problems identified in the on-site safety diagnosis. In addition, we conducted safety inspections on the contractors' daily construction and followed up in the form of weekly safety inspections. A total of 337 hidden dangers were identified and all rectifications were completed.

In addition, in order to effectively identify and remedy the loopholes in safety risk management and further enhance the ability of employees to quickly respond to and effectively deal with emergencies, the Company continued to update and revise system documents such as the *Production Safety Accident Emergency Management System*, and prepared and issued various types of emergency response plans, covering special emergency plans for natural disasters, special emergency plans for confined space operation accidents, on-site disposal plans for hazardous chemical leakage accidents, etc., which clarified the responsibilities of each department, improved the content of emergency rescue and improved the emergency response capability to ensure the safety of the employees and the environment. In 2023, the Company organized a total of 26 safety emergency drills, with 1,015 employees participating in the events.

4. SAFETY AND ENVIRONMENTAL PROTECTION

Case: Remegen Conducting Emergency Drill Activities

In 2023, various departments of the Company carried out emergency drill activities such as fire accident on-site disposal plan drill, hazardous chemical leakage accident on-site disposal plan drill and mechanical injury accident on-site disposal plan drill in accordance with the *Emergency Drill Plan List*, so as to enhance the on-site emergency response capability of all employees in case of safety accidents.

Image: Emergency Drill Activity Site

In response to laboratory safety risks, RemeGen has formulated the *Hazardous Chemicals Management System*, and has comprehensively upgraded the public security prevention system of controlled chemical warehouses such as precursors and explosives, further improving the security prevention level of important places. We have also created the *Chemical General Form* to fully avoid the safety risks of hazardous chemicals in terms of storage, production and disposal. During the Reporting Period, RemeGen successfully passed the acceptance of the third-level standard of hazardous chemical safety standardization.

Occupational Health and Safety

RemeGen is committed to ensuring the physical and mental health and safety of its employees. It strictly abided by the *Production Safety Law of the People's Republic of China*, *Fire Control Law of the People's Republic of China* and other relevant laws and regulations. We set up the corporate health management system, under which the Company conducted regular identification procedures of workplace hazards causing occupational diseases, clarified the types and amounts of dangerous chemicals as permitted to be used by each department, prepared the *Management and Control Report on Workplace Hazards Causing Occupational Diseases* and implemented a hierarchical management of occupational disease risks. In 2023, the Company completed the on-site inspection of occupational disease hazards, and all of the sites were qualified, and the inspection results were published on-site.

4. SAFETY AND ENVIRONMENTAL PROTECTION

In addition, our GMP system personnel are required to carry out physical examination items for GMP system positions during their induction and transfer, and regular re-examinations are required during their work. For example, personnel who have direct contact with drugs and personnel related to product production, engineering equipment management, and maintenance must carry out skin-related examinations; personnel involved in cleaning validation and visual inspection positions in the production workshop and personnel with visual inspection needs, as well as sampling personnel, QC inspectors, and material receiving and dispatching personnel in the material control department must carry out vision and color discrimination inspections, etc.

During the Reporting Period, there were no any work-related fatalities or occupational cases occurred in the Company. 317 personal occupational health surveillance files were established and updated, and 424 occupational health examinations were organized, with a coverage rate of 100% for occupational disease examinations.

Table: Occupational Health in RemeGen

Indicator	Unit	2021	2022	2023
Number of work-related fatalities	person	0	0	0
Rate of work-related fatalities	%	0	0	0
Lost days due to work injury	day	81	128	54

We also attach great importance to the safety management of third-party personnel, assist contractors to improve the construction of safety management system, and conduct regular safety management system audits for all contractors and score their overall performance. In 2023, the Company signed a total of 132 *Safety Management Agreement* with contractors, with a coverage rate of 100%. In addition, we also organized contractors to conduct three special trainings related to work resumption safety education, guardian certificate training and accident case warning education. A total of 156 personnel of relevant parties were trained and assessed to enter the factory, and third-party personnel were urged to improve the necessary safety awareness.

4. SAFETY AND ENVIRONMENTAL PROTECTION

4.1.3. Development of Safety Culture

Remegen continuously improves the construction of safety culture, improves the safety production education and training system, and creates a multi-dimensional EHS training matrix covering training content, training cycle, mastery level and training methods according to the risks of different positions, job responsibilities and safety performance capabilities, so as to make safety training more targeted and ensure that employees master the safety knowledge of "what they should know and what they should master". In 2023, a total of 37 special safety education sessions were organized[9], covering 12,765 personnel, with a total training time of 82 hours. 1,079 new employees received three-level safety education, and 1,079 three-level education files were improved.

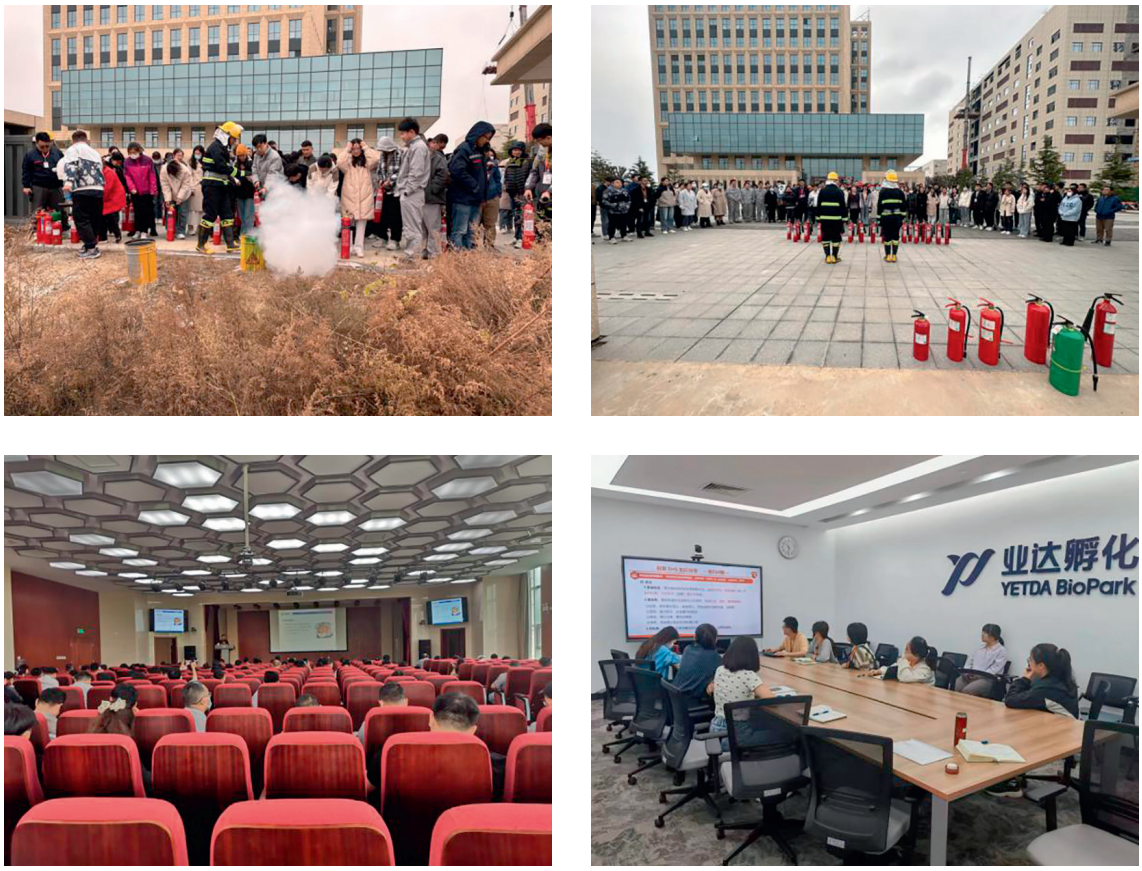


Image: Special Safety Education Site

[9] Including start-up and resumption of work education, management system training, accident case warning education, safety responsibility system training, hazardous chemical training, emergency training, fire prevention training, etc.

4. SAFETY AND ENVIRONMENTAL PROTECTION

Table: Special Trainings Conducted by Remegen In 2023

Start-up and resumption of work education	The training is organized after each holiday and covers accident cases, risk analysis for resumption of work and production, safety measures for resumption of work after the holiday and watching safety warning and education videos.
Laboratory safety management training	On February 28, the Company organized laboratory safety management training activities, covering the importance of laboratory safety, major safety risks, the "understanding, knowledge and ability" to improve the level of laboratory safety management, the configuration of laboratory personal labor protection equipment and emergency treatment.
Accident case warning education	On May 4, the Company organized and implemented accident case warning education activities, mainly including the experience and lessons of recent accident cases and the deployment of safety work.
Explosion-proof electric apparatus training	On May 22, experts from Shanghai Institute of Explosion-proof Electric Apparatus were invited to train employees on the requirements of explosion-proof electric apparatus safety management, the principle of explosion-proof technology of electrical equipment, accident cases and laws and regulations.
Accident prevention training	On June 1, the Company organized training activities related to accident prevention, covering analysis of accident cases, prevention and escape from accidents, and basic knowledge of production safety.
Emergency training	On June 12, training activities were carried out for emergency response management, covering basic knowledge of emergency management, emergency handling process and emergency plan for production safety accident, laws and regulations, first-aid knowledge and the use of protective equipment, etc.
Fire prevention training	On November 9, the Company organized and implemented practical fire extinguisher training to comprehensively improve employees' awareness of fire safety and their ability to deal with fires.

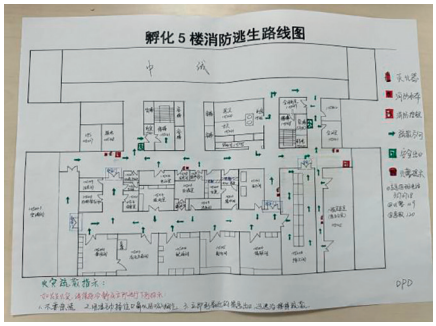
In 2023, the Company carried out the special activity of "Safety Production Month". Focusing on the activity theme of "Everyone Speaks Safety, Everyone Knows Emergency Response", and through a series of activities such as "smart drawing of escape route", "reuse of discarded items", "safety skills competition", "safety code on action", safety training, hidden danger investigation, safety works, emergency drills and knowledge competitions, the Company comprehensively consolidated the construction of safety culture, and enhanced the safety awareness, responsibility concept and accident prevention and emergency response capabilities of all employees. During the Reporting Period, more than 3,400 people participated in the event.

4. SAFETY AND ENVIRONMENTAL PROTECTION

Safety Knowledge Contest

Security Code on Action

Smart Drawing of Escape Route



Reuse of Discarded Items

4. SAFETY AND ENVIRONMENTAL PROTECTION

In addition, the Company also actively conducted external training to ensure that safety production management personnel and special operation personnel comply with the certification requirements. In 2023, we organized and participated in external trainings such as safety management qualification training, hazardous chemicals management training and special operation training organized by Huangbohai Emergency Response Branch and special equipment operation organized by Shandong Zhengda, and all of them obtained relevant qualification certificates to ensure that the relevant positions are certified in accordance with the law. In addition, a total of 53 people were organized to receive external training on certification and review for special equipment operators and special operations personnel.

4.2. GREEN OPERATIONS

RemeGen actively fulfils its environmental duty, continuously promotes its development in a low-carbon way with green energy, optimizes the environmental management system, and integrates climate change mitigation, resources and energy saving, environment protection into the operation of the Company, with the aim of achieving synergistic and sustainable development in operation and ecosystem.

4.2.1. Climate Change

With reference to the framework and recommendations of TCFD (Task Force on Climate-related Financial Disclosures) and based on its actual operations, RemeGen integrates climate change mitigation into its long-term corporate strategy, systematically identifies risks and opportunities of climate change and analyses its potential impact on the operations and development strategies of the Company.

Table: Transition Risks of Climate Change

Risk Category	Risk Description
Policy and legal risks	With the increasing focus on climate change globally, domestic and overseas government may formulate more regulations and policies on environmental protection to limit production activities involving high emission and high energy consumption, and increase the disclosure requirements of corporate environment-related data, which may expose the Company to relevant compliance risk;
	For the purpose of controlling heavily polluted weather, more stringent limitations may be imposed on carbon emissions. The environmental protection department may increase control measures, which may affect the ability of some suppliers to deliver relevant raw materials on time, resulting in a decline in the operating income of the Company.

4. SAFETY AND ENVIRONMENTAL PROTECTION

Risk Category	Risk Description
Technical risks	In response to the national carbon peaking and carbon neutrality goals, the Company may increase its investment in the construction and renovation of environmental facilities, leading to an increase in the Company's operating costs.
Market risks	Customers are paying more attention to carbon footprints in the value chain and require a reduction in carbon emissions in the whole value chain. Therefore, failure of the Company to respond to customer demand in a timely manner will lead to loss of revenue and market share;
	Climate change may lead to changes in incidence and distribution of certain diseases, resulting in possible changes in consumer demand for drugs or other pharmaceutical products, thereby exposing the Company to risk of changes in market demand;
	Extreme weather may affect the stability and sustainability of the international trade. If raw materials provided by the suppliers involve various countries and regions, the suppliers may face risks including changes in rules for international trade, fluctuations in exchange rates and increases in logistics cost, which may lead to an increase in raw material costs in the upstream market and increase the Company's operating costs.
Reputation risks	There is growing concern about climate change and environmental protection. The Company's low-carbon transition work has received close attention from stakeholders such as regulators, investors, customers and the public. Failure to take active actions to mitigate climate change and achieve good performance in environmental protection and the fulfillment of social responsibilities will have a negative impact on the Company's public image and result in a loss of revenue.

4. SAFETY AND ENVIRONMENTAL PROTECTION

Table: Physical Risks of Climate Change

Risk Category		Risk Description
Acute risks	Typhoon	Destroying the infrastructure, affecting normal operations and threatening the safety of employees;
		Affected suppliers may fail to deliver on time, resulting in business interruption, which may lead to a decrease in the Company's operating income.
	Extreme precipitation, floods	Bringing disruption to transport and destroying existing equipment and facilities, which may affect the production, transportation, and sale of products;
		Affecting the stable supply of raw materials, therefore suppliers may fail to deliver on time, resulting in an interruption to the budget, which may further lead to a decrease in the Company's operating income.
Chronic risks	Global warming	Climate warming may affect the production and supply of raw materials, resulting in business interruption, which may in turn lead to increased operating costs.
	Sea level rise	Destroying the infrastructure, threatening the safety of employees;
		Suppliers may fail to produce and supply as usual, resulting in a shortage of raw materials, which may further lead to a decrease in the Company's operating income.

4. SAFETY AND ENVIRONMENTAL PROTECTION

Indicators and targets

RemeGen attaches great importance to GHG management, establishes and improves management systems for collecting, monitoring and disclosing carbon emission statistics, conducts internal verification, supervision and inspection of GHG emissions, and takes practical actions to help achieve the carbon peaking and carbon neutrality goals.

Carbon emission reduction target of RemeGen

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

Table: GHG Emissions[10]

Indicators	Unit	2021	2022	2023
Scope 1 Direct GHG Emissions	tonne(s) of CO_2e	0	0	95.77
Scope 2 Indirect GHG Emissions	tonne(s) of CO_2e	22,183.04	39,551.55	70,100.00
Total GHG Emissions	tonne(s) of CO_2e	22,183.04	39,551.55	70,195.76
GHG emissions intensity	tonne(s) of CO_2e/revenue of RMB ten thousand	0.16	0.52	0.65

[10] As the Company's production in 2023 increased compared with that in 2022, the GHG emissions increased accordingly.

4. SAFETY AND ENVIRONMENTAL PROTECTION

4.2.2. Environmental Management System

RemeGen complies with the *Environmental Protection Law of the People's Republic of China* and other laws and regulations, establishes suitable and effective environmental management system and a green factory management committee to promote the concept of sustainable development including reducing pollution, reducing carbon emissions and green operations. In 2023, the Company renewed the ISO 14001 environmental management system certification and obtained a new certificate.


环境管理体系认证证书

荣昌生物制药（烟台）股份有限公司

GB/T 24001-2016/ISO 14001:2015

SEATONE
世通国际认证

Image: ISO 14001 Environmental Management System Certification

To ensure the effectiveness of the environmental management system, the Company carries out internal and external environmental audits on a regular basis. In 2023, we conducted an internal audit of environmental and occupational health and safety management system and completed the rectification of all general non-conformities identified in the audits. In addition, we also invited a professional third party to conduct an audit of the renewal of our certification, the scope of which covers environmental and occupational health and safety management in relation to the whole manufacturing process of therapeutic biologic products (Telitacicept and Disitamab Vedotin for injection). We completed rectification of two non-conformities identified in the audit process in a timely manner and obtained the certificate. Guided by environmental objectives, the Company further determines the direction of environmental management to enable targeted environmental protection measures to be implemented during its operations, ensuring its activities are consistent with the environmental protection objectives.

4. SAFETY AND ENVIRONMENTAL PROTECTION

Objective: Research on the reduction and disposal of hazardous wastes to reduce operating costs

- Progress: Through repeated trials, a hazardous waste classification and collection plan was developed and implemented. Pursuant to which, the MMAE waste liquid generated in the small molecule workshop shall be collected separately and be disposed of by qualified third parties entrusted for free; while the waste engine oil generated by the companies in the park shall be entrusted to the relevant qualified hazardous waste disposal unit for a fee.

Objective: Complete the installation and commissioning of environmental protection equipment at the sewage treatment station in the industrial base and the sewage station expansion project in the park

- Progress: The commissioning of equipment at the sewage station in the industrial base was completed in June. Before normal production, the sewage treatment can be carried out normally by adding bacteria to cultivate the biochemical system. The sewage station expansion project in the park was officially commissioned and put into operation in July.

Objective: Complete the exhaust gas treatment project of the active wastewater inactivation facility in the basement of block K of the antibody building

- Progress: The original plan was to install an adsorption purification device at the end of the equipment. After research and discussion, it was finally decided to start with the optimization of the equipment process and cancel the gravity discharge process. At the same time, the breathing valve was introduced to the outdoor sewage well through the pipeline to eliminate the odor of the workshop, saving RMB257,000 in equipment investment.

Objective: Implement the Three Simultaneities ("designed, built and commissioned together with the principal part of the project") policy

- Progress: The ADC upgrade project was inspected, accepted and publicized on June 5, and the filing was completed on June 30. The 304 pre-filled preparation project was inspected, accepted and publicized on September 25, and the filing was completed on October 30. We completed the environmental impact assessment of the construction project of the high-efficiency antibody drug substance production line of the industrial base with a capacity of 10,000 liters, and obtained approval from the Huangbohai New District Branch of the Yantai Ecological Environment Bureau (Yan Huang Xin Huan [2023] No. 35) on December 12.

Image: Environmental Objectives and Progress of RemeGen in 2023

As a precautionary measure, we have formulated the *Response Plan for Environmental Emergencies* to deal with environmental pollution incidents, and set up an emergency response process, which divides environmental emergencies into three levels based on their severity. In 2023, RemeGen had no material environmental incident and was not subject to any administrative penalty imposed by the environmental protection authorities.

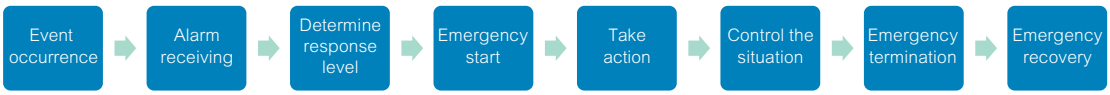


Image: Emergency Response Process

4. SAFETY AND ENVIRONMENTAL PROTECTION

Case: RemeGen Conducted Environmental Pollution Emergency Drill

In June 2023, RemeGen carried out an environmental pollution emergency drill based on the *Emergency Drill Plan for Waste Organic Solvent Leakage in Hazardous Waste Warehouses*, simulating a situation that the hazardous waste warehouse administrator discovered that waste organic solvents were leaking from the drums during a daily inspection. After receiving the notice from the administrator, the team leader immediately launched the *Special Emergency Plan for Environmental Emergencies in Hazardous Waste Warehouses*, and the disposal process was carried out in an orderly manner. This drill allowed employees to fully understand the correct handling procedures in the event of hazardous waste leakage accidents, and also verified the applicability and effectiveness of the *Response Plan for Environmental Emergencies*.

Image: Environmental Pollution Emergency Drill

4.2.3. Emission Management

RemeGen abides by laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, and is committed to reducing the emission of pollutants, ensuring that the Company's emission indicators meet standards, and reducing the impact of the Company's operations on water, air and soil, thereby providing new support for improving the ecological environment.

Management of wastewater

RemeGen continues to strengthen the compliance management and control of wastewater discharge to ensure that all wastewater is discharged in compliance with standards. The Company's wastewater mainly includes cell activity wastewater and cleaning wastewater. By optimizing wastewater equipment and wastewater treatment processes, we minimize the impact of wastewater on the environment and promote the construction of ecological civilization.

4. SAFETY AND ENVIRONMENTAL PROTECTION

In 2023, the equipment of the park's sewage station expansion project was fully installed and commissioned, and operated in good condition, ensuring that pollutants discharge meeting relevant standards. We canceled the original SBR treatment process and adopted the "collection tank + regulating tank + secondary hydrolysis and acidification + third-level contact oxidation + precipitation" process. After the expansion, the processing capacity increased from 600m³/day to 1,700m³/day with a processing capacity of 1,300m³/day reserved.

Table: Wastewater Emissions[11]

Indicators	Unit	2021	2022	2023
Wastewater emissions in total	tonne(s)	187,229.00	96,792.00	224,221.86
COD	tonne(s)	15.56	13.53	21.16
Ammonia nitrogen	tonne(s)	1.76	1.78	3.13

Management of exhaust gas

The major pollutants in the Company's exhaust gas emissions during its production and operations are volatile organic compounds (VOC). We monitor our exhaust gas emissions in strict compliance with the laws and regulations and the relevant standards of exhaust gas emission in the places where we operate and engage qualified third parties to test the Company's exhaust gas emissions and emission indicators to improve our management and control capabilities of exhaust gas emissions.

For waste gas from the sewage station, we use the "sodium hypochlorite spray + lye spray" process, with a processing capacity of 400m³/day, to ensure that the generated waste gas meets the emission standards. For odorous gas emitted by the cell activity wastewater inactivation equipment in block K of the antibody building during the steam inactivation process, we optimize the equipment process and cancel the gravity discharge process to ensure waste gas can be discharged up to standards. At the same time, the breathing valve is introduced to the outdoor sewage well through the pipeline to eliminate the odor of the workshop, thus protecting the health of the inspection personnel.

Table: Exhaust Gas Emissions

Indicators	Unit	2021	2022	2023
Exhaust gas emissions in total[12]	cubic meter(s)	168,900,000	193,040,000	167,004,000
VOC[13]	tonne(s)	0.23	0.14	0.02784

[11] In 2022, the antibody building of block K of RemeGen was not fully put into operation, and the water consumption was about 300 m³/day; in 2023, the production frequency of block K increased significantly, and the water consumption surged to about 700 m³/day. Therefore, compared with 2022, annual water consumption will increase by approximately 130,000 to 140,000, resulting in an increase in wastewater discharge.

[12] Exhaust gas emissions in total does not include exhaust gas from boilers, sewage stations and incubation building.

[13] In 2023, the VOC emission of RemeGen significantly decreased compared with 2022, due to the improvement in filtration effect resulted from equipment transformation.

4. SAFETY AND ENVIRONMENTAL PROTECTION

Management of waste

RemeGen has consistently adhered to the principle of minimizing, recycling and hazard-free. We have revised the *Waste Management System* to clearly define the responsibilities of each department in hazardous waste disposal contracts. Additionally, we have adjusted the waste classification table in accordance with the latest national hazardous waste classification catalog. This adjustment aims to ensure that all personnel involved in our business lines have a clear understanding of the proper disposal methods for internal waste, achieving standardized collection, storage, and processing.

Table: Waste by Type and Disposal Method

Type		Category	Disposal method
Hazardous waste		HW01 medical waste, HW02 pharmaceutical waste, HW06 waste organic solvents and waste containing organic solvents, HW08 waste mineral oil and waste containing waste mineral oil and HW49 other waste	Transportation and disposal are carried out by qualified third-party units. Third-party units are dispatched to the site for cleaning and transportation in a timely manner, based on the storage capacity of the warehouse, and the relevant environmental protection procedures are completed.
Non-hazardous waste	Recyclable waste	Paper, paper shells, wooden shells of equipment packaging, uncontaminated plastics, and other waste that can be sold and processed for disposal	Place them together, pack them neatly, and place them in ordinary waste bins or other designated places. They will be cleaned up by cleaning staff or waste generation department workers every day, and then sent to the Company's waste station – recyclable station.
	Non-recyclable waste	Shoe covers, hair caps, gloves, glass bottles containing non-toxic and harmless solvents, EP tubes, disinfectant buckets, rinsed cell plates, containers containing inorganic substances (except heavy metals), shake flasks, etc.	Non-special wastes such as gloves and masks are sent to the Company's waste station – non-recyclable station on the same day; Damaged waste will be sent to the Company's waste station – non-recyclable station on a regular basis by the waste generation department after being packed in boxes and affixed with a warning sign "Handle with care"; Contaminated cell culture bags, membrane bags, filters, etc. need to be inactivated by high temperature before being sent to the Company's waste station – non-recyclable station.

4. SAFETY AND ENVIRONMENTAL PROTECTION

We implement the development strategy of building a green factory, aiming at reducing the generation of hazardous waste from the source. We conduct research and implement plans for the reduction and disposal of hazardous waste, managing emission throughout the entire process, from material procurement, research and development, production input, operation behaviors in the production process, to waste generation. In the subsequent research and development process, we will strive to use environmentally friendly and renewable materials which generate less pollutants as much as possible.

The Company actively explores ways to reuse waste. Taking advantage of the high calorific value of high-concentration waste organic solvents, the MMAE waste liquid generated in the small molecule workshop can be used as fuel. We entrust qualified third parties to dispose of it for free. As high-quality waste engine oil can be re-refined, we entrust qualified disposal units to purchase the waste engine oil generated by various companies, strive to maximize waste recycling and reuse, and deeply strengthen support for emission reduction.

Table: Hazardous Waste Emissions

Indicators	Unit	2021	2022	2023
Hazardous waste emissions in total	tonne(s)	77.74	125.87	141.25
Density of hazardous waste emissions	tonnes/revenue of RMB ten thousand	0.00055	0.0016	0.0013

Table: Non-hazardous Waste Emissions

Indicators	Unit	2021	2022	2023
Non-hazardous waste emissions in total	tonne(s)	17.3	25.2	50
Density of non-hazardous waste emissions	tonnes/revenue of RMB ten thousand	0.00012	0.00033	0.00046

4.2.4. Resources Management

RemeGen rationally allocates environmental resources, improves resource utilization efficiency, establishes systematic resource management mechanisms in energy management, water resource management, greenhouse gas, and packaging materials, and creates a low-consumption, high-efficiency production model to support long-term sustainable and high-quality development of the enterprise, and builds a resource-saving and environmentally friendly enterprise.

4. SAFETY AND ENVIRONMENTAL PROTECTION

Energy management

The Company strictly abides by the *Energy Conservation Law of the People's Republic of China*, formulated management documents such as the *Energy Management Manual*, *Energy Management Procedure Documents*, *Energy Measuring Apparatus Configuration and Management System*, etc., and has continuously improved the energy management system to realize the implementation of the Company's overall energy management strategy and approach. During the reporting period, we continued to promote the ISO 50001 certification of the energy management system to ensure the continuous and effective operation of the energy management system.


CERTIFICATE

能源管理体系认证证书

证书编号：00222EN0365R0L

兹证明

荣昌生物制药(烟台)股份有限公司

管理体系符合

GB/T 23331-2020/ISO 50001:2018

RB/T 114-2014

覆盖的范围

注射用泰它西普、注射用维迪西妥单抗的生产所涉及的能源管理活动

能耗绩效和边界见附件

生效日期：2022 年 06 月 22 日

有效期至：2025 年 06 月 21 日


CERTIFICATE

Energy Management System Certificate

Certificate Number:00222EN0365R0L

CQM hereby certifies that

RemeGen

the management system conform to

GB/T 23331-2020/ISO 50001:2018

RB/T 114-2014

This certificate is valid to the following scope:

Energy management activities involved in production of Telitacicept and DisitamabVedotin for injection

Information of energy performance and boundaries refer to the attachment

Issued on: 2022-06-22

Expires on: 2025-06-21

Image: ISO 50001 Energy Management System Certificate of RemeGen

Energy saving target of RemeGen

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

4. SAFETY AND ENVIRONMENTAL PROTECTION

RemeGen adheres to the path of green and intelligent development, and has formulated the *Medium- and Long-term Strategic Plan for Green Factory*, which specifies the implementation plan and work direction. We have deeply integrated green and low-carbon concepts into all aspects of production and operation, strictly implemented various energy-saving and emission reduction initiatives, and continuously enhanced the efficiency of energy and resource use to achieve continuous improvement in environmental performance. In addition, in order to comprehensively monitor energy utilization, the Company has initiated the introduction of "energy management software" project to engage a third party with excellent qualification through bidding, and is currently conducting a preliminary research on the supplier and carrying out on-site hardware wiring construction work.

Case: RemeGen Uses the Ground Source Heat Pump System with High Efficiency and Energy Saving

To further promote energy saving and consumption reduction, the Company primarily utilizes cooling and heating energy from multiple sets of ground source heat pump systems for the air-conditioning systems in all its buildings. The ground source heat pump system is classified as national level 1 energy consumption equipment. By utilizing the constant energy exchange underground, with electricity as an auxiliary and closed-loop measures to strengthen insulation, it saves energy consumption by 36% compared with the ordinary water-cooled chiller in cooling model. The supply scope of the ground source heat pump system includes the north and south parks, covering an area of about 250,000 square meters. In addition, geothermal energy is recyclable and renewable clean energy, which reduces the use of refrigeration equipment and refrigerants, and reduces the emission of harmful gases such as carbon dioxide.

Image: Ground Source Heat Pump System with High Efficiency and Energy Saving

4. SAFETY AND ENVIRONMENTAL PROTECTION

Case: RemeGen Uses Air-cooled Chillers to Reduce Energy Consumption

Air-cooled chillers are mainly used for cooling process equipment and providing cooling energy required by air-conditioning units. The adoption of this system greatly reduces the use of refrigeration and cooling equipment, reduces energy consumption, reduces the use of refrigerants and the emission of harmful gases such as carbon dioxide. The four buildings in the Company's South Park are all equipped with air-cooled chillers and open cooling towers; the North Park's drug substance building has air-cooled chillers, and the preparation building and power center have open cooling towers. A total of 44 units are installed, covering an area of about 200,000 square meters.

Image: Air-Cooled Chillers

Major progress in RemeGen's energy-saving technological transformation in 2023

- Optimizing the use of the laminar cover in the laundry center and closing the laminar cover when sorting C/D grade clean clothes, saving RMB6,000 of electricity per year;
- Increasing the temperature of injection water used for cleaning and dispensing in the workshop, reducing the discharge of injection water and chilled water consumption by approximately RMB25,000 per year;
- Extending the disinfection and sterilization cycle of purified water and water for injection distribution systems, saving a total of RMB236,000 in purified water, water for injection, and steam consumption every year;
- Discontinuing the cold storage warehouse that originally stored dry culture medium powder and UPB samples, saving RMB33,000 of electricity consumption by the air conditioning system every year;
- The sampling frequency of purified water and water for injection is reduced, saving RMB16,000 per year in water bills;
- The process of PQ verification of the air-conditioning system of the new factory has been reduced to three static tests and three dynamic tests from seven static tests and seven dynamic tests, which is expected to reduce the electricity cost due to system maintenance by RMB645,000.

4. SAFETY AND ENVIRONMENTAL PROTECTION

In 2023, the Company actively carried out the "lean production" initiative. All employees of the Company were encouraged to participate in proposed lean production projects, which have been rated based on their results of energy saving. Feasible projects adopted were granted corresponding bonuses and incentives according to their ratings. In addition, we also organized members of various departments to carry out a special training on the establishment of energy-saving and consumption-reducing management systems and practical improvement plans for pharmaceutical factories.

Table: Energy Consumption[14]

Indicators	Unit	2021	2022	2023
Purchased electricity	kWh	36,344,609	44,574,702.8	66,055,006.4
Purchased heat	MkJ	83,596.55	125,868.86	290,390.9
Gasoline	tonne(s)	/	/	28.20
Diesel	tonne(s)	/	/	13
Comprehensive energy consumption	tce	7,344.83	9,877.56	18,265.16
Comprehensive energy consumption intensity	tce/revenue of RMB ten thousand	0.05	0.13	0.17

Water resource management

RemeGen strictly abides by the Water Law of the People's Republic of China and other national laws and regulations, and has formulated systems such as the "Water Measurement Management System" and the "Electricity and Water Conservation Management System", as well as realized water resource conservation by improving water intake methods, reducing water intake frequency, and utilizing recycling devices, etc. In 2023, we have achieved our water resource management target of saving by 2% of water consumption as compared to that of 2022.

[14] The large difference in energy consumption of RemeGen in 2023 compared to 2022 is larger, because in 2023, the Phase III workshops of the Company (106, 206, 305, weighing center and QC) were put into operation one after another, and the relevant public utility systems and workshop equipment began to be commissioned and operated, and the output in 2023 increased compared to the output in 2022, so the consumption of purchased electricity and purchased heat increased.

4. SAFETY AND ENVIRONMENTAL PROTECTION

Table: 2023 Water Resource Conservation Initiatives

Retrofitting to save water	The water intake method is optimized to "repeatedly open and close the sampling valve three times, and fully open the valve to release water for more than 35 seconds". Each water point can save 6 liters of water and 20 seconds of work, which can save a total of RMB4,200 per year. The sampling frequency of the water system was reduced. The number of water points for purified water and injection water that involved reduced sampling frequency was reduced to 221 and 125 respectively. Each water point can save 6L of water, and the cost can be saved by about RMB2,367 per time.
Recycling	The South Park uses the reclaimed water recycle device to collectively recycle the wastewater generated by the water production system to the reverse osmosis system for re-preparation. The prepared purified water is reused for water replenishment of cooling towers, ground source heat pumps and other equipment. The North Park uses the RO membrane of the water machine to recycle concentrated water into the raw water tank. In 2023, about 52,000 tons of reclaimed water was recycled. Utilizing a steam condensed water unit, all condensed water is recycled and returned to the boiler water, basically achieving the goal of saving about 90% of boiler water.

Table: Consumption of Water[15]

Indicators	Unit	2021	2022	2023
Consumption of fresh water	tonne(s)	300,600	407,176.67	694,042.91
Consumption of reclaimed water	tonne(s)	25,900	26,000	52,000
Water consumption intensity	tonne(s)/revenue of RMB ten thousand	2.11	5.3	6.35

Use of Packaging Materials

Guided by the principles of "Reduce, Reuse, Recycle and Replace", RemeGen controls the use of packaging materials in various dimensions such as the source of procurement, use process, recycling and reuse to avoid wastage of packaging materials. In 2023, RemeGen used a total of 44.35 tons of packaging materials, with the intensity of packaging materials per unit amounting to 0.41kg/revenue of RMB ten thousand.

[15] The large difference in consumption of water of RemeGen in 2023 compared to 2022 is larger, because in 2023, the Phase III workshops of the Company (106, 206, 305, weighing center and QC) were put into operation one after another, and the relevant public utility systems and workshop equipment began to be commissioned and operated, and the output in 2023 increased compared to the output in 2022, so the water consumption and corresponding reclaimed water consumption increased.

4. SAFETY AND ENVIRONMENTAL PROTECTION

Initiatives relating to packaging materials management of RemeGen in 2023

- Replacement of large packages with small packages of materials to reduce the use of packaging materials;
- Strictly follow the market and clinical needs for packaging material quotes and procurement without over-purchasing and expired packaging materials;
- When there are changes in packaging materials, assess the expected usage in advance to reduce the waste of packaging materials;
- In the process of receiving materials for production, only the packaging materials needed for the current batch of production are received; the remaining packaging materials are returned to the warehouse after the end of production;
- The principle of "first-in-first-out" is followed to avoid the accumulation of large quantities of packaging materials in the warehouse;
- Enhance the operation skills of the employees to avoid the waste of packaging materials due to operation problems;
- Regular maintenance and repair of production line equipment to maintain a stable production state and reduce the waste of packaging materials caused by equipment failure.

4.2.5. Green Office

RemeGen practices the concept of green office and low carbon life, avoiding the waste of energy and resources as much as we can in our daily operation, striving to be the demonstrator and promoter of green office. Meanwhile, we advocate our employees to enhance the awareness of green office and standardize the green office behavior.

The Company initiates to go digital and paperless, as well as use automation system to reduce paper waste. In 2023, we optimized the manual filling of batch number of production records to printing with watermark by edoc2 system for the purposes of reducing the batch number writing errors, improving work efficiency and record quality. Thus, we managed to achieve cost reduction and efficiency improvement and realize the goal of green office.

In addition, we paste water-saving signs in conspicuous locations such as bathrooms and pantries as a constant reminder for employees to pay attention to water saving; employees are encouraged to use public transportation for traveling to reduce carbon emissions; incandescent light bulbs are replaced with high-efficiency and energy-saving luminaire. In one word, we support the green development with practical actions.

5. EMPLOYEE AND COMMUNITY

RemeGen always upholds the people-oriented philosophy in managing its human resources. We established a well-developed employee management and career development system, created a diversified, fair and inclusive working environment, carried out education and training programs with preciseness, diversity and effectiveness, and provided a broad development stage for all types of talents, aiming to persistently enhance employee's sense of happiness and achieve high-quality and innovative development for the Company. The Company also plays an active role in philanthropic activities, fulfilling its social responsibilities, showing corporate image.

5.1. TALENT MANAGEMENT

RemeGen cares about the well-being of its employees, safeguards and protects their legitimate rights and interests, improves the remuneration and benefit system, gives full play to the role of employees in democratic management, democratic participation and democratic supervision, and continues to enhance their sense of happiness and accomplishment.

5.1.1. Employment and Rights

RemeGen strictly abides by relevant laws and regulations of the countries where it operates, such as the *Labour Law of the People's Republic of China* and *Labour Contract Law of the People's Republic of China*, constantly refines the *Recruitment and Employment Management Regulations*, *Resignation Management Regulations*, *Labour Contract Management Regulations*, *Labour Management Regulations* and other internal systems, through which we can ensure compliance and equality in employment and safeguard the rights and interests of employees.

The Company always adheres to the principle of "inclusiveness and diversity" and attaches great importance to the compliance and equality in employment from talents of different regions, genders, ethnicities, religious beliefs and educational backgrounds. We also stick to the principle of "equal employment, equal pay for equal work" and act fairly to all employees in employment, salary and benefits, promotion, dismissal and retirement. Meanwhile, the Company strictly monitors the review process of recruitment information of candidates, and there was no violation of laws and regulations involving the use of child labor or forced labor throughout the year.

As of December 31, 2023, RemeGen had a total of 3,775[16] employees, an increase of 13.3% over 2022.

[16] Including 3,561 contract employees and 214 part-time/outsourced labour.

5. EMPLOYEE AND COMMUNITY

Table: Employment Details of RemeGen's Staff in 2023

Indicator		Unit	2022	2023
Number of employees in total		Person	3,332	3,775
Number of new employees		Person	1,555	1,121
Number of employees by category	Contract employees	Person	3,331	3,561
	Part-time/outsourced labour	Person	1	214
Number of employees by gender	Male	Person	1,561	1,674
	Female	Person	1,771	2,101
Number of employees by age	Below 30	Person	1,543	1,466
	30-50	Person	1,740	2,254
	Above 50	Person	49	55
Number of employees by rank	Management	Person	140	163
	Mid-level staff	Person	604	743
	General staff	Person	2,588	2,869
Number of employees by geographical region	Chinese mainland	Person	3,320	3,760
	Overseas and China's Hong Kong, Macao and Taiwan	Person	12	15
Employees overall turnover rate		%	17.7	27.0
Employees turnover rate by gender	Male	%	19.7	34.9
	Female	%	8.5	20.7
Employees turnover rate by age	Below 30	%	8.7	28.6
	30-50	%	8.9	26.3
	Above 50	%	0.1	10.9
Employees turnover rate by geographical region	Chinese mainland	%	17.7	27.0
	Overseas and China's Hong Kong, Macao and Taiwan	%	0	26.7

5. EMPLOYEE AND COMMUNITY

In 2023, RemeGen further stepped up efforts in talent pool initiatives, formulated a talent development plan for the next 3-5 years. By implementing innovative talent acquisition systems and expanding talent recruitment channels, the Company aims to accelerate the introduction of talents at all levels who are innovative, international, and business-oriented. We strive to build a team that is vibrant, well-structured, and highly skilled.

Table: Recruitment and Talent Attraction Initiatives of RemeGen

- By participating in high-end academic forums and relevant conferences in the biopharmaceutical industry online and offline, we targeted candidates with the desired technical backgrounds;
- In our recruitment of young doctors, we have established close relationships with over ten renowned universities and talent associations domestically and internationally, to facilitate the supply of high-potential talents;
- We have continuously improved our internal referral channels and held the inaugural "Referral Event", while establishing attractive internal referral and reward policies, fully motivating employees to refer potential candidates;
- Through the launch of the Moka recruitment system, we have built an internal talent pool to accumulate talent assets and expedite the onboarding process for candidates.

5.1.2. Benefits and Care

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

The Company continued to strengthen the internal incentive mechanism, improved performance appraisal indicators, gave full play to the incentive and guiding role of performance appraisal, and further promoted the employee stock ownership plan. During the year, we launched two batches of restricted A share incentive plans for employees, and granted 2,134 thousand shares to 40 core employees, so as to steadily promote the common prosperity of employees and the Company. At the same time, the Company adhered to the overall principle of "incentives for high achievements and overachievements", adjusted internal remuneration and benefit policies in a targeted manner, implemented variable remuneration mechanism for non-management and sales personnel, and closely linked performance bonuses with appraisal results, so as to establish a performance-oriented corporate culture and promote the long-term and healthy development of the Company.

The Company strictly abides by the *Labor Contract Law* and other relevant laws and regulations to effectively safeguard the statutory benefits of all employees. We offer each employee the right to take paid annual leave in accordance with the law, and provide gifts on holidays, gifts on employees' birthdays, maternity subsidies, communication subsidies, free working meals, free shuttle buses, transportation subsidies, accommodation and other benefits to enhance employees' sense of belonging and happiness. During the Reporting Period, 100% of our employees are covered by our social insurance.

5. EMPLOYEE AND COMMUNITY

In 2023, the Company organized and carried out a series of employee caring activities, including 3.8 Women's Day, Dragon Boat Festival, Safety Month activities and commendation activities for excellent employees, and supported departments to organize team building activities on their own, thereby enriching employees' leisure and cultural life, building a platform for them to lead a healthy life and showcase their talents, and helping them achieve a better work and life balance.

Case: Spring Sports Meeting

At the beginning of the New Year in 2023, we held the spring sports meeting in the park. A number of competitions including badminton and basketball had been set up to help employees release pressure from work while enhancing their team cooperation spirit. In addition, we also awarded delicate prizes to the winners to motivate employees to actively practice healthy lifestyles and put their passion for sports into work and life.

Image: Spring Sports Meeting in the Park

5. EMPLOYEE AND COMMUNITY

We attach great importance to the basic rights of female employees, adopting the principle of protecting female employees in pregnancy, reducing their work burden during pregnancy, and providing nursing rooms for breastfeeding female employees to create a more inclusive and fair working environment. At the same time, we have carried out several special care activities for female employees, such as screening for breast cancer and cervical cancer, to implement the philosophy of diversified, equal employment with practical actions.

Case: Caring for Childbearing and Breastfeeding Female Employees

In 2023, the Company distributed diapers and other gifts to female employees who have given birth, and provided nursing rooms for breastfeeding female employees. We fully respect and protect the rights and interests of breastfeeding mothers, so that they are able to enjoy a private, comfort and secure environment when breastfeeding.

Image: Gifts for Childbearing Female Employees

Image: The Nursing Room

5. EMPLOYEE AND COMMUNITY

Case: Cultural Festival

On September 26, 2023, we held a cultural festival to celebrate the Mid-Autumn Festival and the National Day. The entire event featured a diverse range of programs with captivating performances, including songs, dances, and instrumental music performances. This activity enriched the cultural and entertainment lives of employees, created a strong festive atmosphere, and fostered the entrepreneurial spirit, reflecting the Company's care for its employees.

Image: Cultural Festival to Celebrate the Mid-Autumn Festival and the National Day

In addition, the Company always puts solving the difficulties of employees in an important position in the work. For employees whose families have experienced accidents or suffered from serious illnesses, we will pay visits and offer condolences or provide financial support in a timely manner, keep abreast of the life and work status of employees in difficulty, ensuring targeted provision of assistances.

In 2023, RemeGen cares about its employees and does practical things, with an accumulative investment of RMB18.1603 million. Such efforts showed our commitment to provide more attentive and targeted care for its employees, and the actual results of which have earned us the recognition and trust of the employees.

5. EMPLOYEE AND COMMUNITY

5.1.3. Democracy and Communication

RemeGen steadily promotes democratic management and fully protects the legitimate rights and interests of employees. We place great emphasis on opinions and demands of our employees and are committed to establishing and improving channels for their feedback, in order to effectively foster communication among employees. Employee representative meetings, suggestion box and employee democracy evaluation are in place to encourage employees to actively voice their opinions and facilitate efficient exchange and communication between the Company and employees.

Table: Employee Communication Channels in RemeGen

Employee representative meeting	Establish an internal consultation mechanism, regularly collect major issues related to the employees' vital interests and concerns and submit as proposals, one issue, one proposal. The employee representative meeting is held after the labor union committee has reviewed and filed the issues, to fully solicit the opinions from the labor union representatives and the employee representatives. Unanimous decision will be reached and implemented. Summarize the work of the previous year and review the work arrangements for the coming year.
Suggestion box	Provide internal communication and whistle-blowing channels to make sure the channels are kept open for employees expressing their appeals.
Democratic evaluations on employees' satisfaction	Fully understand employees' satisfaction, listen to their opinions, and make targeted improvements.

During the year, the Company conducted a total of three satisfaction surveys, covering the topics of restaurants, shuttle buses and corporate culture identity, and the surveys covered all employees in Yantai. In response to the survey results, we have taken effective and proper rectification measures, and employees' satisfaction has been significantly improved. Among them, the survey results showed that corporate culture identity of employees reached over 95%.

Image: Site Photo of Restaurant Satisfaction Survey

Image: Site Photo of Survey on Corporate Culture Identity of Employees

5. EMPLOYEE AND COMMUNITY

In 2023, the Company formulated the policy of the "Enrollment Plan" for new employees, and launched the "New Employee Growth Manual" and the "On-boarding Guide" based on the departmental guidance system to help new employees integrate into their team more quickly and give full play to their advantages. Meanwhile, we continue to use the human resources partner system to provide each employee with a human resources partner to provide feedback on various issues and demands raised by employees. The human resources department regularly conducts employee seminars, employee surveys and other related activities every year, so as to listen to employees' feedback and opinions in a timely manner, collect their issues, and ensure smooth communication mechanisms and channels.

Case: First Anniversary for the 2022 Fresh Graduates Seminar

In July 2023, the Company organized a seminar for all the 2022 fresh graduates. At the meeting, a total of 10 outstanding fresh graduates from the three systems of R&D, manufacturing, and quality were selected to give a report on annual work and interpretation of RemeGen spirit. They also shared their opinions and feedback on work and life in groups. With this event, we have built a bilateral communication channel between the junior employees and the management, showcasing the vigor and vitality of the young employees.

Image: First Anniversary for the 2022 Fresh Graduates Seminar

5. EMPLOYEE AND COMMUNITY

5.2. EMPLOYEE GROWTH

RemeGen highlights employees' growth, optimizes the high-level talent growth system, smoothes the promotion channel of cadres, establishes a special employee training mechanism and strives to stimulate the vitality of the talent team.

5.2.1. Employee Promotion

RemeGen highlights employees' career development and promotion, amends and improves some in-house systems such as *Provisions on Employee Promotion and Demotion and Personnel Assignment Management* and *Provisions on Management of Employee Performance Evaluation*, continuously improves the performance evaluation system, optimizes the promotion process, standardizes promotion channels, strengthens the development of talent team and fully stimulates the enthusiasm and creativity of employees.

Table: Employee Performance Evaluation and Promotion Mechanism of RemeGen

For non-marketing personnel	The Company conducts daily appraisal and annual appraisal through an efficient work system, regularly follows up the real-time progress of performance targets and provides performance coaching-related consulting services to department management personnel to ensure objective and fair performance management and communication in place;
For marketing personnel	The Company sets up corresponding appraisal and incentive mechanism according to the grades of employees and directly links the assessment results with bonuses through quarterly appraisal to ensure the timely effectiveness of incentives;
For marketing personnel with high performance	The Company formulates the high potential talents programs such as "Honor Star" and "Honor New Star" to create a precise and targeted training model;
For middle and senior level personnel	The Company sets up equity incentive policy to ensure the long-term stable development of outstanding employees.

5. EMPLOYEE AND COMMUNITY

The Company also regularly communicates with consulting companies such as Hewitt and Mercer to review and adjust the Company's salary system in a timely manner by comparing the salary levels provided by third parties in the industry to ensure that it is in line with the market conditions and business needs. In addition, we have repeatedly engaged experts and trainers in the human resources management industry to conduct special trainings in our Company, to provide suggestions for the formulation of the Company's remuneration and promotion appraisal plans, so as to further enhance the working ability of employees and the overall competitiveness of the Company. During the reporting period, more than 150 junior management members were promoted through performance appraisal.

Case: Special Training on Corporate Performance Management

In April 2023, we invited Professor Bin Yang[17] to conduct special training activities on the topic of "constructing systematic thinking to promote enterprise development" for middle and senior management of the Company, which deeply analyzed the generation and change factors of corporate performance from both theoretical and practical aspects and deepened the management's understanding of corporate synergy. It provided strong theoretical support for enterprise talent training.

Image: Site of Special Training on Corporate Performance Management

[17] Professor Bin Yang is a professor of the Human Resources Management Department of the Business School of Nankai University, a doctoral supervisor and an executive director of the Labor Relations Branch of the Chinese Association of Human Resource Development.

5. EMPLOYEE AND COMMUNITY

5.2.2. Employee Training

RemeGen continues to improve its high-quality and precise training system, refines its needs, further increases its efforts in talents cultivation and training coverage, continuously improves the knowledge structure of employees and comprehensively improves the professional skills and comprehensive quality of employees.

During the year, we adjusted the training courses and training formats according to the development needs of our corporate strategy and the development needs of our employees to achieve diversified coverage of all employees.

Table: Employee Training System in RemeGen

Corporate Level	Talent Pool Plan Leadership Improvement	Senior management	Talent pool for key positions (senior level)	Leadership, decision making, influence, personalized needs, cultural seminars
		Middle management	Senior managers, directors New managers	Operation management, team management, understanding and recognition of culture
		Junior management	Senior supervisors New supervisors	Competence, role conversion, self-management, employee supervision, understanding and recognition of culture
	General Training Co-cultivation and Internal Transformation	All business departments		Starting off by solving existing problem, human resource department cooperates with each department to conduct training on our business system on a priority-focused, as needed and step-by-step basis
		Competence on core business		
	Improvement on Professional Quality of All Employees	Learning and improvement mainly targeted at general staff		Conducting trainings on general skills including employee professionalism, professional etiquette, teamwork and time management
	New Employee Training during the Probation Period	Headquarter	All department	Analyzing system, optimizing and improving procedures, facilitating integration of new employees
		Expatriates	Beijing, Shanghai	Human resource departments at Beijing and Shanghai organized trainings for new employees and built a useful course system
		Marketing	Sales and marketing employees	Creating the training system tailored for new hires of marketing
				Improving training and management system for new hires of sales and marketing

5. EMPLOYEE AND COMMUNITY

Department Level	Profession/ Position Skills	Employees from the department	Completing trainings on profession and position skills required by the department and pre-job assessment
			Trend on industrial regulation/system and update on the latest knowledge empowerment
		Development plan for new employees	Position responsibility and working procedure
			Implementing mentor system to provide guidance and experience to new employees
		Improving competence	Integrating quality resources for internal/external sharing, improving competency

As of the end of the reporting period, the Company had a total of 3,293 employees participating in training, with a total training time of 56,464 hours.

Table: Employee Training of RemeGen in 2023

Indicator	Unit	2022	2023
Total number of employees participating in training	Person	2,180	3,293
Total training hours	Hour	1,100	56,464

Indicator		Unit	2022	2023
The percentage of employees trained		%	65.4	87.2
The percentage of employees trained by gender	Male	%	70.7	45.2
	Female	%	60.8	54.8
The percentage of employees trained by title	Management	%	75.0	2.6
	Middle-level employee	%	128.3	21.3
	General employee	%	50.2	76.1
Average training hours per employee trained		Hour	0.50	17.1
Average training hours per employee by gender	Male	Hour	0.36	17.6
	Female	Hour	0.31	16.8
Average training hours per employee by title	Management	Hour	0.38	9.8
	Middle-level employee	Hour	0.65	24.0
	General employee	Hour	0.25	15.5

In 2023, we actively carried out the digital transformation of training. We used the online training platform RemeGen Cloud Class to organize a number of special learning projects to conduct systematic training for platform administrators, new employees at home and abroad, and management personnel. At the same time, the platform was equipped with various sections such as training knowledge, livestream and relevant materials for employees to learn on their own and encouraged employees to take advantage of scattered time to acquire learning resources through multiple channels.

5. EMPLOYEE AND COMMUNITY

Image: Online Training Platform RemeGen Cloud Class

Case: Special Training Program of "Jingying Program"

In 2023, we designed and organized a special training program of "Jingying Program" for the Company's newly promoted executives. The program aimed to help newly promoted executives learn and practice from the four dimensions of "role change, responsibility awareness, communication skills, tools and methods" and improve their job competency. The one-time pass rate of employees reached 96%.

Image: New Employee Training Activity

5. EMPLOYEE AND COMMUNITY

Case: Clinical R&D and Registration Professional Training

In 2023, we launched online-to-offline oriented professional courses based on the functional orientation of clinical R&D and registered technicians. The training courses highly cover the professional field knowledge of the trainees, stimulate the learning motivation and exploration spirit of the employees and further improve the work skills of the employees.

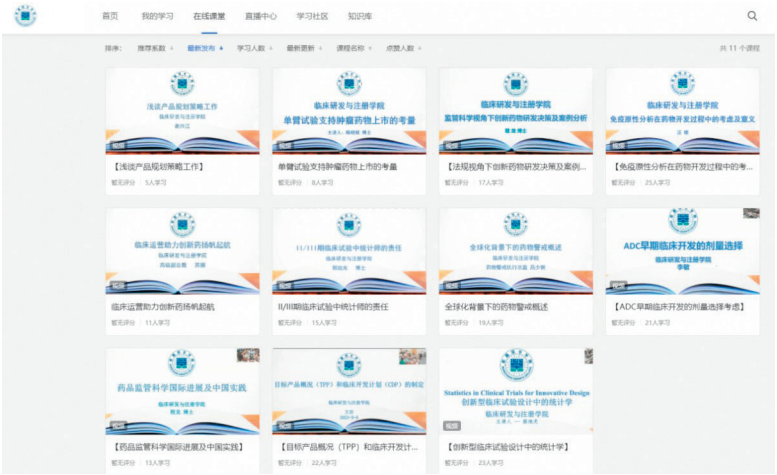


Image: Online Professional Training for Clinical R&D and Registration

In order to cope with the in-depth development trend of globalization, the Company carried out various cultural training activities for employees in accordance with the diversified policy, further improving the cultural sensitivity of employees and enhancing team cohesion. We organized and planned a series of corporate culture knowledge competitions, namely "Battle of the Peak – Bravely Climbing the Tower of Wisdom" and "Mind Arena", which attracted 1,043 participants, with a total of over 460,000 questions answered. At the same time, we invited external experts to give training lectures to explain to employees the knowledge of communication skills, teamwork, performance management, goal setting and plan implementation under the multi-cultural background. A total of 4 sessions were held, the training lasted 24 hours and the number of participants reached 391.

Image: Corporate Culture Knowledge Competition

Image: Communication and Negotiation Skills Training

5. EMPLOYEE AND COMMUNITY

In 2023, the Company continuously carried out re-education of operational skills. We provided certain policy support to employees who have obtained professional qualifications, provided relevant qualification certificates for examination and review according to the actual needs of relevant business positions and provided employees with reimbursement for examination expenses. At the same time, the Company has established a cooperative relationship with authoritative certification bodies to provide convenience and support for employees to obtain professional qualifications. During the year, the Company had a total of 65 employees with special operation certificates, 62 employees with special equipment operators, 31 employees with GCP certificates, 2 employees with PMP certificates and 18 employees with laboratory animal qualifications.

5.3. COMMUNITY CARE

At the same time of rapid development of the enterprise, RemeGen always adheres to the responsibility of benevolence, giving full play to its own advantages to carry out various public welfare activities, actively giving back to the community and fulfilling corporate social responsibilities. We also adhere to philanthropy, encourage and guide employees to participate in social welfare activities, extensively disseminate charity culture, build a high-quality platform for public welfare and charity and continuously improve social service standards.

Case: RemeGen launched the "Wei-Love Peer" patient care project

In 2023, RemeGen launched "Conveying Hope with Love" patient education activity and "Wei-Love Peer" patient care project. The plan brings together the top domestic oncology medical resources, provides original and high-quality psychological counseling and life guidance services for patients, promotes the improvement of the disease awareness of urothelial cancer patients in China, facilitates the standardization of cancer diagnosis and treatment and realizes the Company's layout from technological breakthroughs to public welfare undertakings.

Image: Kick off Meeting of "Wei-Love Peer" Patient Care Project

6. APPENDIX

6.1. HKEX ESG REPORTING GUIDANCE INDEX

Indicator			Page
Environmental	A1 Emissions	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	P49、P52-54
		A1.1 The types of emissions and respective emissions data	P52
		A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	P49
		A1.3 Total hazardous waste produced (tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	P55
		A1.4 Total non-hazardous waste produced (tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	P55
		A1.5 Description of emissions target(s) set and steps taken to achieve them	P51
		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	P54-55

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Indicator			Page
	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials	P56
		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)	P59
		A2.2 Water consumption in total and intensity (e.g., per unit of production volume, per facility)	P60
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them	P56-58
		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	P60
		A2.5 Total packaging material used for finished products (tonnes) and, if applicable, with reference to per unit produced	P60
	A3 The Environment and Natural Resources	General Disclosure: Policies on minimizing the issuer's significant impacts on the environment and natural resources	P50-P51
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	P50-52
	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	P46-48
		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	P46-48

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Indicator			Page
Social	B1 Employment	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare	P62
		B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	P63
		B1.2 Employee turnover rate by gender, age group and geographical region	P63
	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	P37-39
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	P42
		B2.2 Lost days due to work injury	P42
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored	P39-42

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Indicator			Page
	B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	P72-73
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	P73
		B3.2 The average training hours completed per employee by gender and employee category	P73
	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	P62
		B4.1 Description of measures to review employment practices to avoid child and forced labour	P62
		B4.2 Description of steps taken to eliminate such practices when discovered	P62

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Indicator			Page
	B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain	P14
		B5.1 Number of suppliers by geographical region	P14
		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	P14-15
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	P14-15
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	P14-15
	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	P16
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	P19
		B6.2 Number of products and service-related complaints received and how they are dealt with	P33
		B6.3 Description of practices relating to observing and protecting intellectual property rights	P26-27
		B6.4 Description of quality assurance process and recall procedures	P19-20
		B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored	P33-34

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Indicator			Page
	B7 Anticorruption	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	P12
		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	P12
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	P12
		B7.3 Description of anti-corruption training provided to directors and staff	P13
	B8 Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	P76
		B8.1 Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport)	P76
		B8.2 Resources contributed (e.g., money or time) to the focus area	P76

6. APPENDIX

6.2. FEEDBACK FROM READERS

Dear readers:

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

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

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

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

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

Your Information
Name
Company
Title
Fax
Tel
E-mail


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