# 2023

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

WUHAN YZY BIOPHARMA CO., LTD.

# CONTENTS

# About This Report

This report is the first Environmental, Social, and Governance (ESG) report of Wuhan YZY Biopharma Co., Ltd. (hereinafter referred to as the "ESG report" or "this report"), aiming to fully disclose the Company's ESG management, practices and performance, as a response to the expectations and concerns of all stakeholders.

**Reporting Period**

This annual report covers the period from January 1, 2023, to December 31, 2023 (hereinafter referred to as "this year"). Certain sections may contain information extending beyond this timeframe.

**Reporting Scope**

The report pertains to Wuhan YZY Biopharma Co. Ltd.

**Draft Basis**

This report has been compiled in accordance with the *Hong Kong Stock Exchange Listing Rules Appendix C2 – Environmental, Social and Governance (ESG) Reporting Guide*.

**Appellation**

For clarity and reader convenience, we will interchangeably refer to Wuhan YZY Biopharma Co., Ltd. as "YZYBIO," "the Company," and "we/us" throughout this report.

**Data Source**

All information presented in this report is drawn from official internal documents, internal statistical data, and relevant public disclosures of the Company. Unless otherwise specified, monetary amounts mentioned herein are denominated in RMB.

**Report Access**

This report is available in both Traditional Chinese and English versions for readers' reference, and can be accessed electronically on the websites of HKEX (https://www.hkexnews.hk) and YZYBIO (https://www.yzybio.com/).

**Contact Us**

We welcome valuable suggestions and feedback from all our stakeholders to continually enhance our performance in terms of sustainability and elevate our ESG management standards. For any inquiries or comments regarding this report and its contents, please feel free to contact us through:

Address: Biolake, C2-1, No. 666 High-tech Avenue, Wuhan, Hubei Province, China

Tel: 027-82668988

Email: info@yzybio.com

# Board Statement

At YZYBIO, we recognize the critical importance of integrating ESG factors into our operations and strategic decision-making processes to ensure our long-term sustainable development. The board of directors views ESG as a fundamental element in guiding the Company's growth trajectory. As the supreme authority and decision-making body on ESG matters, the Board of YZYBIO regularly reviews and updates ESG management policies and strategies. It also manages significant ESG risks and provides rigorous oversight to ensure the effective implementation of related policies and plans.

To further solidify our commitment, we have integrated ESG responsibilities into the purview of our Environment, Health, and Safety (EHS) Committee and EHS department. The EHS Committee is responsible for identifying, assessing, and addressing ESG-related risks on a periodic basis. It reports back to the Board to ensure alignment between YZYBIO's ESG practices and our long-term strategic development goals.

This report offers a comprehensive overview of YZYBIO's ESG advancements and achievements throughout 2023. We remain dedicated to continuous improvement and eagerly anticipate collaborating with all stakeholders to drive ongoing progress in ESG at YZYBIO.

# About Us

## Company Overview

Founded in 2010, YZYBIO is a biotechnology company dedicated to developing bispecific antibody (BsAb)-based therapies targeting cancer and cancer-associated complications, as well as age-related ophthalmologic diseases. Our mission is to discover and develop innovative drugs to improve the health and well-being of patients.

YZYBIO was listed on the Main Board of HKEX on September 25, 2023. Stock: 2496.

## Products

Since its inception, YZYBIO has remained steadfast in its commitment to independent innovation, driving the development of groundbreaking technologies and product pipelines focused on BsAb-based therapies for cancer, cancer-associated complications, and age-related ophthalmologic diseases. Our dedication to innovation has led to the creation of four pioneering platforms: the self-developed YBODY® platform, the Check-BODY platform, the Nano-YBODY platform, and the UVAX® platform developed in collaboration with Wuhan Institute of Virology. These platforms have empowered us to cultivate a pipeline comprising 4 clinical-stage drug candidates.

Among our product portfolio, M701 (EpCAM×CD3 BsAb) is YZYBIO's core product. Primarily utilized for palliative care, it targets malignant ascites (MA) and malignant pleural effusion (MPE) derived from EpCAM-positive cancer. M701 holds the distinction of being the world's first and currently the only EpCAM × CD3 BsAb developed for MA treatment, advancing to Phase III clinical trials. We have enrolled the first patient in these trials in March 2024.

## Honors

In 2021, YZYBIO was recognized as one of the "Top 10 Chinese Bispecific Antibody Drug Companies" by BioChina.

In 2023, YZYBIO named among "2023 Future Healthcare VB100 List - Top 100 China Innovative Pharma & Biotech Companies" by VBDATA.CN.

In November 2023, YZYBIO was officially certified as one of the Fourth Batch of High-Tech Enterprises in Hubei Province.

## Milestones

### 2010

- The predecessor of the Company, Wuhan YZY Biopharma Limited Company was established
- The initiation of BsAb platform development

### 2012

- The initiation of M802 R&D
- The filing of the PCT patent application “Bispecific antibody” for the protection of the YBODY® platform

### 2013

- The initiation of M701 R&D
- The determination of molecule structure of M802 and M701

### 2014

- Novel Bispecific Antibody Drugs for the Treatment of Tumors Development Project were selected for the Major Science and Technology Special Project for "Significant New Drugs Development"

### 2015

- M701 was selected for the Major Science and Technology Special Project for “Significant New Drugs Development”

### 2016

- M802 became the first BsAb to file IND application in China
- Completed Series Pre-A Financing and raised an aggregate amount of approximately RMB 50 million

### 2017

- Patent protection for our YBODY® platform in U.S. was expanded to cover 35 targets
- M701 became the second BsAb to file IND application in China
- Obtained NMPA IND approval for the clinical investigation of M802 in China

### 2018

- M701 received China’s second IND approval for self-developed bispecific antibody
- Established Check-BODY platform
- Completed Series A Financing and raised an aggregate amount of approximately RMB 157 million
- M802 was granted patent protection in China
- Established Nano-YBODY platform
- The anti-HER2/anti-CD3 bispecific antibody patent on YBODY® platform was granted authorized protection in U.S.

### 2019

- PCT patent application for the protection of our Check-Body Platform was filed
- Obtained FDA IND approval for the clinical investigation of M802 in U.S.
- Obtained FDA IND approval for the clinical investigation of M701 in U.S.

### 2020

- The establishment of the UVAX® platform
- Obtained FDA IND approval for the clinical investigation of Y150 in U.S.

### 2021

- Completed Series B Financing and raised an aggregate amount of approximately RMB 168.7 million
- Obtained FDA IND approval for our clinical investigation of Y101D for solid tumors in U.S.
- Completed Series B+ Financing and raised an aggregate amount of approximately RMB 20 million
- Obtained NMPA IND approval for our clinical investigation of Y101D in China
- Completed Series B++ Financing and raised an aggregate amount of approximately RMB 73.5 million
- Obtained NMPA IND approval for our clinical investigation of Y2019 in China
- Initiated a Phase II clinical trial for M701 mono-therapy in combination with systematic treatment for MA in patients with EpCAM-positive carcinomas in China

### 2022

- The Company was converted into a joint stock limited company with its name changed to “Wuhan YZY Biopharma Co., Ltd.”
- Obtained IND approval for a Phase Ib/II clinical trial of M701 for the treatment of MPE in China
- Entered into asset transfer agreement with CMS Vision for Y400
- Completed Series C Financing and raised an aggregate amount of approximately RMB 200 million
- Obtained the IND approval for a Phase Ib/II clinical trial of Y101D in combination with gemcitabine and albumin paclitaxel as the first-line treatment for pancreatic cancer patients in China
- Obtained IND approval for a Phase Ib/II clinical trial of Y101D in combination with bevacizumab in treating HCC and other advanced solid tumors in China

### 2023

- Y332 received Investigational New Drug (IND) approval from the China National Medical Products Administration (NMPA)
- Y400 received Investigational New Drug (IND) approval from the China National Medical Products Administration (NMPA)
- Was listed on the Main Board of HKEX. Stock: 2496
- Completed the M701MPE Phase Ib clinical trial
- Completed enrollment for the Y101D Phase II clinical trial for pancreatic cancer
- Obtained recognition as a High-tech Enterprise

# Responsible Operation & Excellent Management

YZYBIO is deeply committed to the principles of sustainable development, advancing the long-term health of the Company through robust corporate governance practices. We strive for continuous enhancement of our ESG (Environmental, Social, and Governance) management framework and actively engage with stakeholders to facilitate the orderly advancement of our sustainability initiatives. In our day-to-day operations, we prioritize risk compliance management and business ethics, consistently refining our compliance system, staunchly combating corruption, and safeguarding the stable development of our enterprise as a whole.

01

Contributions to SDGs

# ESG Governance

YZYBIO is progressively integrating sustainable development into its corporate operations, with the Board of Directors assuming the highest authority for the Company's ESG governance. The Board takes comprehensive leadership of the Environment, Health, and Safety (EHS) Committee, which is responsible for establishing, approving, and reviewing YZYBIO's ESG policies, objectives, and strategies. An EHS Committee, operating under the Board's auspices, oversees ESG management, monitors progress toward ESG goals, identifies and addresses relevant risks, and reports back to the Board. Dedicated safety managers, EHS Committee members, and department heads serve as ESG leaders, fully executing ESG tasks and fulfilling their responsibilities for workplace safety. As the Company evolves, we continuously refine our ESG governance structure, enhance stakeholder engagement, and bolster our ESG policy system to foster the Company's sustainable growth over the long term.

## Stakeholder Engagement

We pay close attention to the expectations and demands of our stakeholders, gathering insights and suggestions from management and employees through various channels. We maintain regular communication and exchanges with government and regulatory agencies, shareholders and investors, customers and patients, suppliers and partners, as well as community members. This practice allows us to gain a comprehensive understanding of their needs and establish robust connections with all relevant parties.

| Stakeholders | Expectations & Demands | Result of Communication |
|---|---|---|
| Government/ Regulatory Agencies | • R&D and innovation<br>• Business ethics and anti-corruption<br>• Emissions management | • Increase R&D investment<br>• Compliant disclosure<br>• Enhance environmental management |
| Shareholders/ Investors | • R&D and innovation<br>• Protection of intellectual property right (IPR)<br>• Compliance operation | • Increase R&D investment<br>• Compliant disclosure<br>• Hold regular shareholder meetings |
| Customers/Patients | • Product quality and safety<br>• Protection of customer privacy | • Compliant disclosure<br>• Improve privacy protection systems<br>• Establish official complaint channels |
| Employees | • Compliance hiring<br>• Occupational health and safety | • Emphasize communications with employees<br>• Provide training for employees |
| Community Public | • Product quality and safety<br>• Water resource management | • Improve communication channels, including official website, social media, etc.<br>• Enhance environmental management |
| Suppliers/Partners | • R&D and innovation<br>• Protection of IPR<br>• Business ethics and anti-corruption | • Regular communications<br>• Contractualized management<br>• Collaborate for sustainable development |



## Material Issues

During the reporting period, YZYBIO identified and assessed major ESG issues. Considering national policy requirements, industry trends, peer concerns, and our own development mission and vision, we identified and evaluated 22 issues with substantial impact on the Company's long-term operations and sustainable development. We collected feedback from stakeholders and management on these 22 material issues via questionnaires, with 133 valid responses. Based on this feedback, we established the 2023 ESG Materiality Issue Matrix of YZYBIO.


### Issues of high importance

1 Product Quality and Safety
2 Compliance Employment
3 Compliance Operation
4 IPR Protection
5 Waste Management
6 R&D and Innovation
7 Occupational Health and Safety

### Issues of medium importance

8 Risk Management
9 Business Ethics and Anti-corruption
10 Employee Rights and Benefits
11 Employee Equality and Diversity
12 Corporate Governance
13 Water Resource Management
14 Industry Advancement
15 Employee Training and Development
16 Universal Healthcare
17 Energy Use
18 Customer Privacy Protection

### Issues of general importance

19 Community Welfare
20 Materials and Packaging Management
21 Response to Climate Change
22 Responsible Supply Chain

# Business Ethics and Anti-Corruption

YZYBIO strives to foster a fair and orderly market environment, strictly abiding by laws and regulations such as the *Company Law of the People's Republic of China* and the *Anti-Money Laundering Law of the People's Republic of China*. We have established an *Anti-Fraud, Anti-Bribery, Anti-Money Laundering, and Anti-Sanctions Management System* tailored to our company's specific circumstances. This system serves to regulate professional conduct and prevent corruption and money laundering crimes. In addition, the Company develops guidelines and conducts anti-corruption training programs to instill an anti-corruption culture within the organization, safeguarding the interests of the company and its shareholders.

We have established a leadership group led by the head of the financial department and involving key personnel from various departments to make decisions on significant anti-money laundering and anti-corruption matters, and oversee their implementation. Additionally, we have developed supplier anti-corruption management systems and policies, such as the *Material Procurement Management System*, to uphold commercial ethics within the procurement process.

YZYBIO values the cultivation of corporate culture around business ethics and anti-corruption. We require employees to sign both the *Letter of Commitment on Joining* and the *Acknowledgment of Serious Violations of Work Discipline or Company Regulations* while signing their *Employment Contract*. We have made plans to introduce training on business ethics and anti-bribery in 2024.

## Reporting Mechanism

YZYBIO maintains zero-tolerance towards corruption. We have established the *Improper Conduct Reporting and Investigation Management System* to facilitate open communication channels for whistleblowers. Both company employees and external stakeholders can report actual or suspected cases of fraudulence through hotlines, email, letters, etc., including complaints or reports about breaches of professional ethics. Upon receiving a report, the Strategic Development Department notifies the department head or relevant personnel to convene a special meeting to decide on further investigation. Employees confirmed to have engaged in fraudulent activities will face corresponding administrative disciplinary actions. Additionally, those whose actions violate criminal law will be transferred to judicial authorities for legal proceedings.

We have established an whistleblower protection mechanism to firmly safeguard their legitimate rights and interests. The Company strictly prohibits any illegal discrimination or retaliation against whistleblowers or employees participating in investigations. Consequences, such as removal from office or termination of employment contracts, await those who violate whistleblower confidentiality or retaliate against whistleblowers.

In this reporting year, YZYBIO did
**not** encounter any major lawsuits related to corruption

# Uphold Quality & Safeguard Health

Adhering to the mission of "The Answer to Cancer", YZYBIO is dedicated to developing BsAb-based drugs for cancer or cancer-associated complications, as well as cancer and age-related ophthalmologic diseases. The Company has formulated a quality policy of "scientific development, quality foremost", ensuring rigorous control over product safety and quality. We prioritize the protection of trial participants' privacy, regulate intellectual property rights (IPR) systems, select premium and sustainable quality suppliers, and foster industry exchanges and collaborations. Through these efforts, we contribute to the advancement of the industry.

02

Contributions to SDGs

# R&D and Innovation

With the mission to "develop innovative drugs to safeguard human health", YZYBIO has established an integrated R&D platform. We relentlessly focus on developing innovative technologies and product pipelines to create BsAb-based drugs for cancer or cancer-associated complications, as well as cancer and age-related ophthalmologic diseases. The Company actively recruits R&D professionals, continually increases R&D investment, and devises innovative incentive policies to drive the progress of its R&D and innovation endeavors.

## R&D Management

During the R&D process, YZYBIO rigorously complies with pertinent laws and regulations as well as industry policies, including the *Biosecurity Law of the People's Republic of China*, the *Regulations on the Management of Human Genetic Resources of the People's Republic of China*, and industry guidelines such as the *General Biosafety Guidelines for Laboratories Handling Pathogenic Microorganisms* and the *Technical Guiding Principles for Preclinical Research on Preventive Vaccines*. We ensure strict management over early-stage R&D projects and laboratory operations.

We have established innovative technology platforms, including an antibody library platform, a humanized antibody development platform, and an antibody high-throughput screening platform, providing a highly efficient and specialized work environment for scientific talents.

As of the end of 2023, we had successfully developed 4 technological innovation platforms and 4 clinical candidate drug pipelines. Within our product portfolio, there are several novel drug varieties that encompass a series of validated innovative therapeutic targets, spanning two major disease areas: Tumor, Age-related Diseases, etc.

| | |
|---|---|
| **Tumor** | • Immuno-oncology, especially immune checkpoint inhibitor (including bispecific antibodies) and CAR-T therapy, are considered as a breakthrough to the treatment of cancer.<br>• Hence, YZYBIO devoted a significant amount of effort into the research and development of anti-tumor drugs. Our current pipelines include M701, Y101D and Y332. |
| **Age-related Diseases** | • Age-related macular degeneration (AMD) is one of YZYBIO's focus areas.<br>• YZYBIO has developed Y400 for wAMD, diabetic macular edema (DME) and other ocular neovascularization-related diseases. |

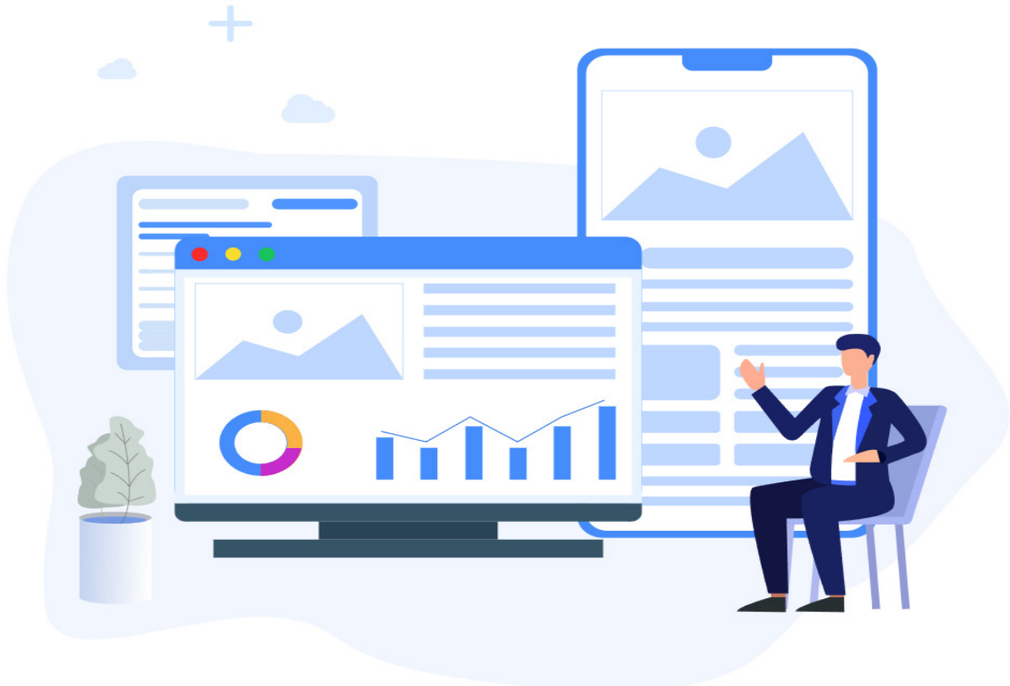
**Bio-medicine R&D Directions of YZYBIO**

## Research and Development (R&D) Team

The Company's R&D Center comprises 22 members, including three PhD holders. YZYBIO has received official approval from the Ministry of Human Resources of the People's Republic of China and the National Administrative Committee of Postdoctoral Researchers to establish a postdoctoral scientific research workstation. In 2023, to attract and cultivate high-level talents, we partnered with universities and recruited seven joint-training interns. We also actively promoted the introduction of postdoctoral talent.

YZYBIO encourages its R&D staff to engage in innovative research and offers competitive remuneration packages and career advancement opportunities. We have established an *Early Project Initiation Management System* within our project management system, which includes incentives such as rewards for early-stage R&D, clinical development, IND application projects, and patent bonuses. In 2023, our total R&D investment reached approximately RMB 155 million. To meet the needs of our R&D team, we organized multiple online and offline scientific literature sharing sessions and technical seminars, creating a platform for researchers to inspire and learn from each other.

In November 2023, YZYBIO was recognized as one of the fourth batch of high-tech enterprises certified by Hubei Province.

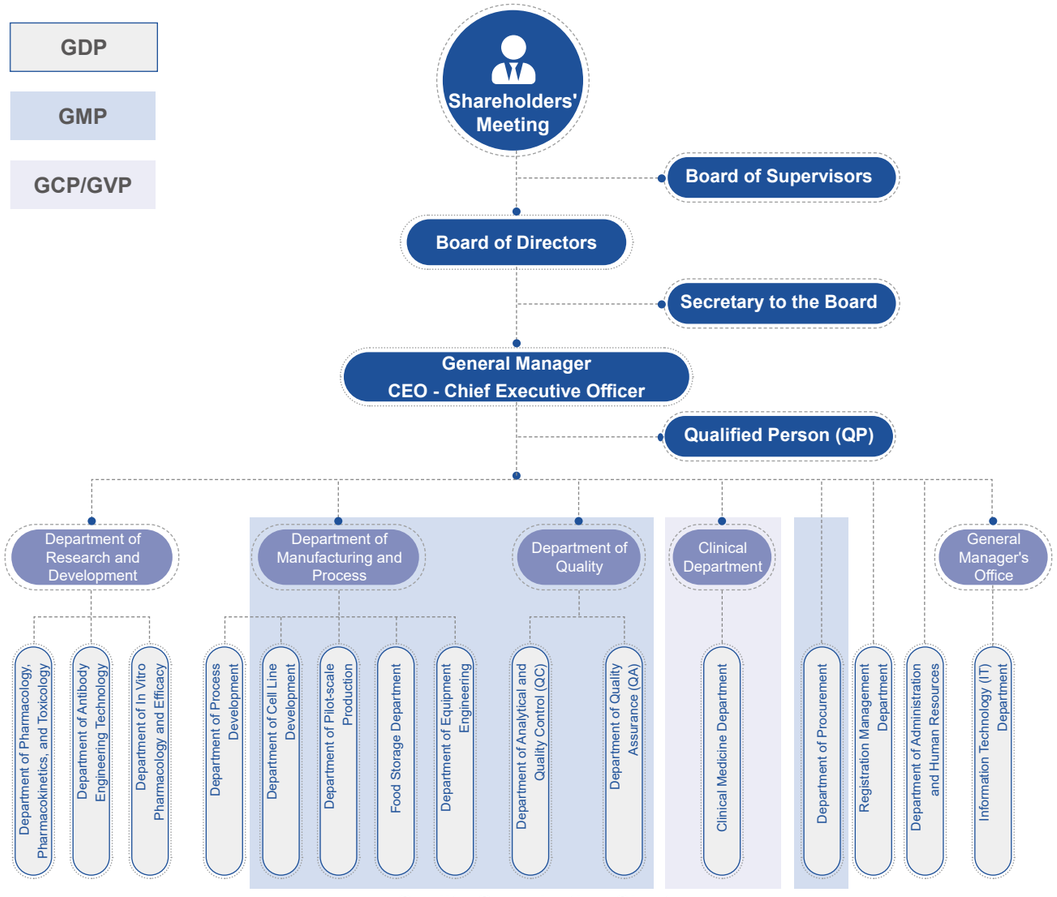


# Product Quality and Safety

YZYBIO adheres to the principle of "Scientific development, quality foremost" and meticulously follows the regulations of the National Medical Products Administration and international standards such as the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH) Q10 quality management system. We have formulated a comprehensive quality management system covering aspects such as procurement, process development, product manufacturing, storage, and transportation to ensure product quality.

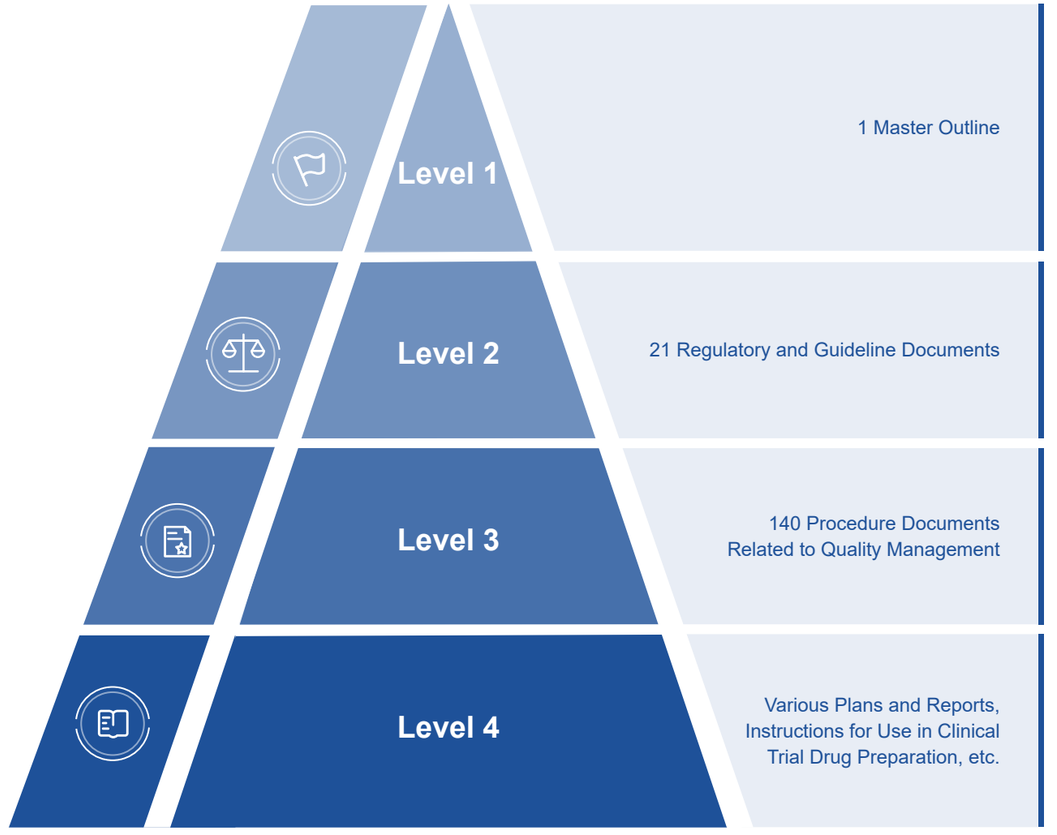
## Quality Management System

The Company strictly complies with the *Medicinal Product Administration Law of the People's Republic of China*, the *Vaccine Administration Law of the People's Republic of China*, the *Measures for the Administration of Drug Registration*, and the *Provisions for the Supervision and Administration of Drug Manufacturing*. We also comply with various GxP requirements (including but not limited to GMP, GCP, GVP), and ICH Q series guidelines to maintain high-quality standards during drug R&D and production, while implementing drug safety management requirements during clinical trials. The Company has established a quality management system compatible with early-phase clinical drug production and release testing according to GMP requirements, ensuring the quality and safety of clinical medication.




**Quality Organization Chart**

Our document management specifications include a four-level quality document system, rigorously ensuring drug production and trial safety: The Level One Document, the *Quality Manual*, serves as the overarching guideline outlining the company's regulatory compliance and overall quality management system. Level Two Documents consist of 21 internal management system documents, such as *Quality Risk Management* and *Quality Audit Management*. Level Three Documents involve 140 procedure files related to quality management, like *Clinical Trial Drug Management Procedures* and *Pilot Scale Cell Bank Management Procedures*. Level Four Documents encompass supportive validation/qualification reports, stability study protocols/ reports, records, forms, and instructions for compounding clinical trial drugs to ensure the integrity of quality data.




**Four Levels of Quality Documents**

## Product Quality Management in Production Processes

YZYBIO implements comprehensive quality control measures throughout the entire production process, covering management documents and operational files concerning 4M1E (Man, Machine, Material, Method and Environment). The Company applies a series of controls addressing these aspects to uphold stringent quality assurance.

| | |
|---|---|
| Man | • All personnel engaged in the production, inspection, storage, and release management of products subject to GMP requirements must undergo training and obtain certification before being authorized to operate.<br>• Critical operations related to product manufacturing are performed by one individual and independently verified by another to ensure the accuracy of the operation.<br>• Retraining programs are designed annually at the job, departmental, and company-wide levels.<br>• All individuals who directly or indirectly come into contact with products undergo annual health checks. |
| Machine | • All key production equipment, factory facilities, and devices follow a comprehensive annual calibration plan and undergo regular maintenance.<br>• Equipment and instruments used for GMP production and inspection must undergo metrology, qualification, or validation to ensure their stability and the accuracy of test results. |
| Material | • Rigorous qualification checks are conducted when selecting raw material suppliers, with on-site audits performed if necessary.<br>• Suppliers undergo annual re-evaluation, and all production materials are released for use only after passing inspections in accordance with relevant quality system documents.<br>• Raw materials for production are hierarchically managed based on their intended use and controlled according to clinical-stage requirements for inspection, release, storage, and usage management. Material records are clear, traceable, and consistent with inventory and documentation. |
| Method | • The production process is rigorously managed in accordance with intermediate process control procedures, SOPs for operations and inspections, process instructions, and batch record requirements.<br>• Outsourced production service providers are subjected to strict control. |
| Environment | • Prior to any GMP batch production, clearance is conducted according to relevant management requirements, followed by static environmental monitoring conducted by the Department of Quality.<br>• Environmental conditions (temperature, humidity, pressure difference, etc.) are continuously recorded during the production process, with dynamic environmental monitoring conducted for key production steps and monitoring results incorporated into the release decision-making process. |

Clinical samples are manufactured under GMP conditions, undergoing release inspection to ensure that results meet quality standards and receive approval for release before being used in clinical settings. This process ensures the safety of clinical medication.



## Quality Check

YZYBIO has developed multiple analytical techniques for comprehensive characterization research and quality control of its products. Currently, the company has established over 30 platform analysis methods compliant with both Chinese and U.S. filing requirements. These methods cover physical and chemical analysis, protein content, purity and impurity analysis, activity assays, and safety assessments, thereby expediting the product development process. Several platform analysis methods have been validated and applied for product release testing and stability studies, ensuring product quality.

The Analysis and QC Department of YZYBIO is responsible for establishing and maintaining the Company's quality testing system. This department conducts inspections on R&D samples according to the *Internal Request and Result Reporting Standard Management Procedure* and performs material testing, pilot-scale production testing, and stability testing in line with the *Inspection Work Management Procedure*.

### 2023 Quality Inspection Objectives

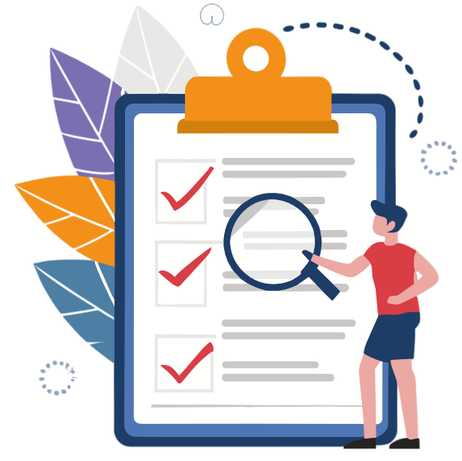
1) Accuracy rate of material (including packaging materials) and product testing **≥ 98%**
2) Timeliness rate of material (including packaging materials) and product testing **≥ 90%**
3) Release timeliness rate of materials and products **≥ 90%**

### 2023 Performance Against Targets

1) Accuracy rate of material (including packaging materials) and product testing: **100%**
2) Timeliness rate of material (including packaging materials) testing: **100%**
   Timeliness rate of product testing: **96%**
3) Release timeliness rate of materials: **100%**
   Release timeliness rate of product: **100%**

## Quality Risk Management

The Company has formulated two documents – *Quality Risk Management* and *Procedures for Quality Risk Management* – following ICH, EU, and domestic regulations. These documents aim to standardize the process and responsibilities for quality risk assessment. Quality risk assessments are typically initiated by business requirement departments and conducted in collaboration with QA departments and relevant departments to determine risk levels and implement risk control measures, thereby ensuring product quality. The quality risk management process proactively identifies, assesses, monitors, reviews, and manages potential quality risks throughout the product life-cycle. This approach enables effective and consistent risk mitigation decisions.



## Product Quality Management in Clinical Trial Phase

In the clinical trial phase, effective product quality management is vital to ensuring the safety and efficacy of products. The Company has established a pharmacovigilance system in accordance with the *Specifications for Pharmacovigilance Quality Management* by the National Medical Products Administration and relevant requirements. This system encompasses systems, management procedures, organizational structures, personnel, equipment, and resources related to the monitoring, collection, and evaluation of drug safety information, as well as product safety risk-assessment and control.

To ensure the scientific accuracy, truthfulness, and reliability of clinical trial data and results, the Company comprehensively considers the quality risk of clinical trial projects from various dimensions, including the trial stage and the incidence rate of serious adverse events (SAEs). Additionally, the Company selects 10%-30% of research centers to undergo audits or third-party quality control measures, further mitigating product quality risks through external audits. In 2023, the Company commissioned third parties to conduct 31 audits on six ongoing clinical projects.

Currently, all of the Company's projects are in the clinical and preclinical stages, with drugs being sent to hospitals for clinical trials. As a result, they do not involve large-scale production or sales, eliminating the need for product recalls. Throughout 2023, there were no instances of clinical trial drugs being recalled due to safety and health concerns, nor were there any complaints from trialed subjects.

## Quality Training

The Company emphasizes quality training and has formulated the *Procedures for Personnel Training Management* and the *Job Training Matrix*. These documents categorize employee quality training into four types: company-level, department-level, job-level, and on-the-job training. We require all personnel involved in drug research, manufacturing, production, and quality to undergo theoretical and practical training tailored to their position's requirements regarding regulations, job responsibilities, and skills, with regular evaluations of the actual training effectiveness.

In 2023, the Quality Center drafted the *2023 Company-Level Training Plan* and requested anonymous completion of training effect assessment questionnaires by attendees after each company-level training session. Additionally, quality-related departments in YZYBIO submitted department-level training plans based on actual needs, which were reviewed and implemented by the Quality Center. Throughout 2023, the Company organized 22 company-level and 28 department-level quality-related training sessions, covering all employees under the Company's quality management system, thereby completing the 2023 training plan.

We customize job-level training to meet the knowledge and skills required by GMP positions, ensuring that employee competence aligns with job requirements. New hires, role changes, and additional personnel under the GMP system must complete on-the-job training and obtain an on-the-job certificate before formally starting work. In 2023, the Company successfully conducted training or retraining for 36 individuals in 48 positions, issuing corresponding certificates.

Throughout 2023
the Company organized
**22** company-level

**28** department-level
quality-related training sessions

## Protection of Subject Rights

During the clinical trial phase, the Company strictly adheres to laws, regulations, and international guidelines such as the *Measures for the Ethical Review of Biomedical Research Involving Humans*, the *Guidelines for Ethical Review Work of Drug Clinical Trials*, the World Medical Association's *Declaration of Helsinki*, and the *International Ethical Guidelines for Biomedical Research Involving Human Subjects*. All projects undergo initial review and periodic tracking by the Ethics Committee based on these principles. Before initiating a project, the Ethics Committee examines the research proposal and informed consent form, voting to decide whether to approve the project. Throughout the project, the Company regularly reports trial progress to the Ethics Committee, which assesses whether the trial can continue, ensuring the rights of subjects throughout the study process.

### Protection of Informed Consent Rights

We ensure that research physicians guide patients through a comprehensive review of the informed consent form, explaining the trial's purpose, process, potential benefits, risks, and discomforts. This ensures that subjects fully understand and voluntarily participate in the clinical trial before signing the informed consent form.

### Protection of Subject Privacy

We assign each subject a unique identifier, associating their data while mandating strict confidentiality of subject privacy by employees and research physicians throughout and after the trial process.

### Protection of Subject Safety and Health Rights

Our pharmacovigilance system prioritizes the safety and health rights of subjects. For each product, we develop risk management and control plans, collecting and periodically reviewing adverse events during the clinical trial. This allows us to monitor new safety risks and make adjustments to existing risks. In cases of suspected and unexpected adverse reactions during the trial, the Company promptly reports to regulatory authorities, and notifies researchers, clinical trial centers, and the Ethics Committee, ensuring subject safety.

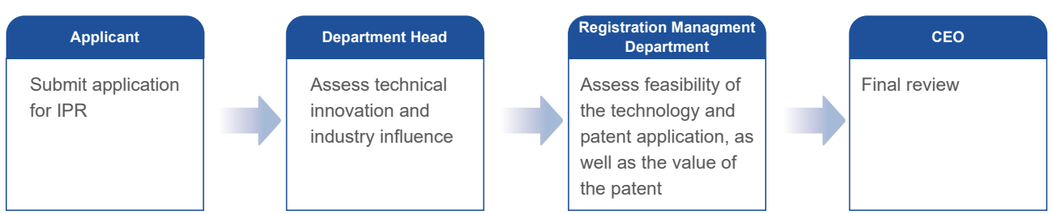
### Support for Subjects

Subjects receive complimentary access to trialed drugs, related services, and medical advice from research physicians. Depending on circumstances, they may also receive economic compensation and travel allowances. Additionally, we procure insurance for clinical trials, assuming responsibility for treatment costs and providing compensation for damages incurred due to research-related issues.

# Protection of Intellectual Property Rights (IPR)

The Company strictly complies with domestic and international IPR-related laws and regulations applicable to the pharmaceutical industry, including the *Medicinal Product Administration Law of the People's Republic of China,* the *Patent Law of the People's Republic of China*, the *United States Patent Act*, the *WIPO Convention*, and the *European Patent Convention*. We have formulated the *Regulation on Intellectual Property Management* to ensure IP compliance, facilitate R&D transformation, and protect the Company's IPR.

Internally, we have implemented a standardized patent review process. Applicants must submit an intellectual property declaration application and undergo three rounds of review, conducted by the department head, the registration management department, and the CEO. This comprehensive assessment evaluates the technical and innovative aspects before a patent application can proceed.




**Patent Review Workflow**

Moreover, to mitigate patent infringement risks, the IP specialist in the registration management department conducts patent analyses prior to R&D project initiation, performs patent reviews before engaging in external collaborations, and conducts patent checks before disclosing external information.

We have established OA workflows for patent applications, reward applications, and patent searches, enhancing the Company's patent management work compliance and ensuring comprehensive work record keeping. Additionally, the system supports the creation of a complete and searchable patent archive, improving work quality while strengthening cross-checking and supervisory capabilities within and between departments.

In 2023, the Company achieved significant milestones in intellectual property. As of December 31, 2023, the Company obtained 35 granted patents, comprising 21 domestic patents and 14 foreign patents. Furthermore, there were 46 patents under review, including 18 domestic patents and 25 foreign patents. In terms of trademarks, the Company registered 29 trademarks, consisting of 25 domestic trademarks, 3 Hong Kong trademarks, and 1 Madrid trademark. Notably, there were no IP litigation cases involving the Company in 2023.

As of December 31, 2023, the Company obtained

**35** granted patents

There were

**46** patents under review

The Company registered

**29** trademarks



# Responsible Supply Chain

YZYBIO strictly abides by national regulations such as the *Good Manufacturing Practices for Pharmaceutical Products* and the *GMP Guidelines for Pharmaceutical Products* as well as *EU GMP* standards. Upholding the principles of openness, safety, greenness, and integrity in procurement, the Company has established the *Supplier Management System* and the *Procedure for Supplier Approval Management*. We continuously refine supplier admission criteria to assist suppliers in enhancing product quality and sustainability capacity, fostering collaboration to establish a responsible supply chain management system.

## Supplier Quality and Safety Management

Based on different business requirements, we categorize suppliers into Technical Outsourcing Service Providers and Material & Equipment Procurement Suppliers, developing distinct management processes and standards for each category. Through tiered management, we rigorously control the quality and safety of all supplier products and services.

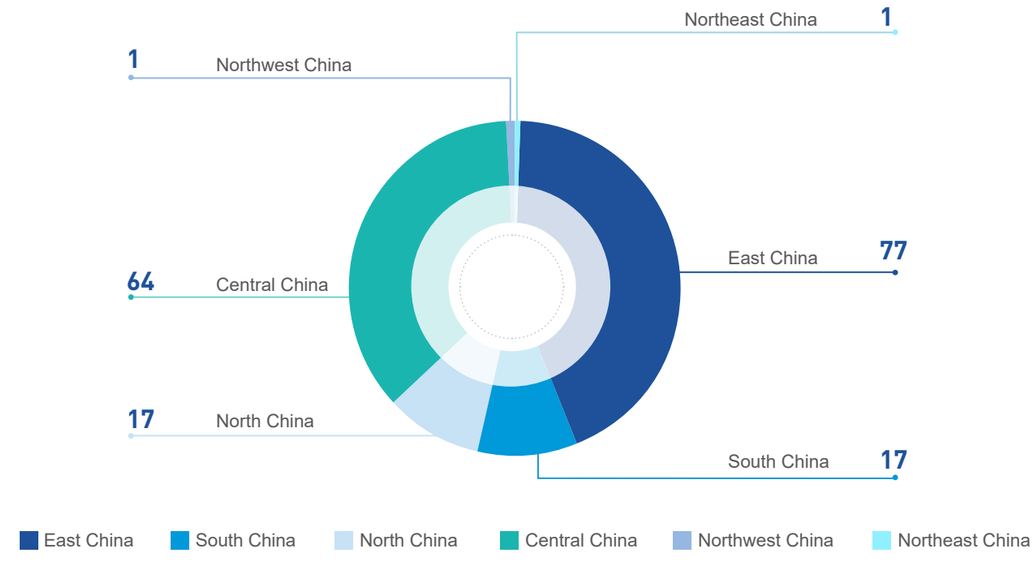
For GMP material suppliers that directly impact our production quality, we have put in place a stringent *Material Procurement Management System* to ensure product quality and safety. Moreover, according to our supplier management system requirements, we conduct thorough audits on new suppliers to assess whether their quality systems and service capabilities align with our quality and project requirements.

| Supplier Management Mechanism | Specifically |
|---|---|
| Supplier Selection | • Once supplier needs are clearly defined, we proceed with material procurement based on principles of excellent quality, designated sourcing, proximity, economy, legality, and timeliness.<br>• New suppliers are required to fill in the *Supplier Questionnaire* which will be reviewed by relevant departments of the Company |
| Supplier Assessment | • The QA Department distributes the questionnaire to suppliers and the Head of the QA Department for approval.<br>• On-site quality audits may be conducted for material suppliers when necessary. |
| Supplier Re-assessment | • Conduct annual re-assessments for qualified suppliers based on the *Supplier Re-assessment Report*, managing suppliers through a tiered system.<br>• Suppliers that fail to meet the requirements are disqualified. |
| Supplier Exit | • Suppliers should be terminated if their qualifications change and no longer meet the Company's requirements, or if significant changes in their production processes fail to meet our requirements.<br>• Suppliers should be terminated if their supplied materials are returned more than three times within a year or if losses are caused due to quality issues.<br>• Suppliers failing the annual re-assessment or found to intentionally conceal or deceive should be terminated. |

## Environmental and Social Risk Management of Supply Chain

Assuming the responsibility of establishing a responsible supply chain, we have integrated environmental and social risk considerations into our supplier management processes. In the supplier questionnaire, we extensively inquire about suppliers' environmental monitoring practices and their assessment and management of environmental and social risks during production and transportation. We incorporate environmental and social factors into the requirements for on-site supplier audits, encouraging suppliers to adopt more environmentally-friendly practices and ensuring that their environmental and social management measures align with our sustainability standards.

We require all personnel involved in the procurement process to uphold impartiality and honesty, strictly prohibiting any corrupt acts such as bribery. We are currently drafting the *Supplier Clean Cooperation Agreement*, expected to be officially released and signed by all suppliers in 2024, safeguarding commercial ethics and anti-corruption management within the supply chain and joining hands in preserving a healthy business environment.




**Distribution of Suppliers by Region**



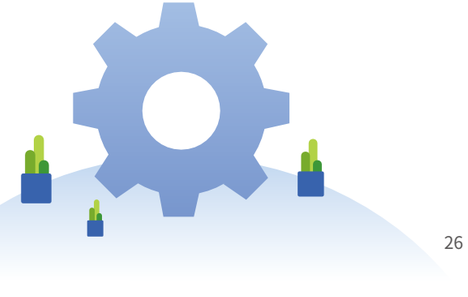
# Driving Industry Development

Remaining true to principles of openness, cooperation, and mutual benefit, YZYBIO is dedicated to collectively advancing the industry's progress and nurturing a dynamic ecosystem within the sector.

We actively pursue various forms of collaboration, fostering enduring and stable partnerships with medical institutions, universities, and other research organizations, thereby facilitating the deep integration of academic research with industrial practices. In the year 2023, we actively participated in industry conferences such as the IDC 2023 Enmore New Drugs Development Influence Conference and the 2023 BIG Winter Forum, enhancing industry exchanges and fostering innovative collaborations.

YZYBIO remains steadfast in its commitment to a win-win and efficient partnership philosophy, establishing enduring and mutually beneficial relationships with global industry leaders. Together, we strive to forge a broad and promising future for the healthcare industry.

| Collaborated Project | Topic | Outcomes |
|---|---|---|
| Team of Professor Wu Kongming, Tongji Hospital Tongji Medical College of HUST | Research on Mechanism of TGF-β/VEGF BsAb Y332D | *Synergistic efficacy of simultaneous anti-TGF-β/VEGF bispecific antibody and PD-1 blockade in cancer therapy* was issued in *Journal of Hematology & Oncology* |
| Wuhan Institute of Virology | Immunogenicity and In Vivo Protective Effects of Recombinant SARS-CoV-2 Vaccine | *Protection of the receptor binding domain (RBD) dimer against SARS-CoV-2 and its variants* was issued in *Journal of Virology* |



# Low-Carbon Operation & Green Development

YZYBIO adheres to the principles of sustainable development, integrating green and environmentally friendly concepts into daily operations. We are committed to enhancing energy and resource utilization efficiency, actively working to minimize pollutant emissions, mitigate climate change impacts, and harmonize corporate economic activities with environmental responsibilities.

In our pursuit to establish YZYBIO as a more sustainable and responsible enterprise, based on our actual operational conditions, we have set the following environmental management objectives:

With 2022 as the base year

**Water conservation goal:** By 2026, reduce per capita water consumption by **10%**.

**Energy-saving goal:** By 2026, reduce per capita electricity consumption by **10%**.

**Emission reduction goal:** By 2026, reduce per capita carbon emissions by **5%**.

**Waste reduction goal:** By 2026, reduce per capita waste emissions by **5%**.

03

Contributions to SDGs

# Energy Use

YZYBIO strictly abides by laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*, striving to transform into a resource-saving and environmentally friendly enterprise. We have established a target to reduce per capita electricity consumption by 10% from the 2022 baseline level by 2026, integrating energy conservation principles into our daily operations.

## Green Office

To create a sustainable office environment, YZYBIO integrates green practices into daily operations by implementing the *Office Environment Management System*, ensuring efficient work procedures. Night shift security guards patrol each floor to promptly switch off power and air conditioning in unused offices and laboratories.

In 2023, we upgraded our office lighting to LED lights, reducing the number of lamps by 50% and decreasing single lamp energy consumption by over 70%. We also promote the concept of a green office among employees, encouraging them to adopt energy-saving habits in their daily tasks. This includes adjusting air conditioning to reasonable temperatures and switching it off when not in use, as well as powering down unused instruments and equipment before leaving the premises during holidays.


## Green Production

YZYBIO consistently enhances its environmental protection efforts by optimizing technological and management processes through innovation. This approach aims to boost production efficiency while reducing energy consumption. Ultimately, these initiatives contribute to advancing the industry toward a greener, more efficient, and sustainable future.

### Optimizing Processes to Increase Cell Expression

Through optimizing host cells, expression systems, and cultivation processes, we achieved notable enhancements in the expression levels for dual-antibody projects. This advancement led to a significant reduction in culture volume requirements and shortened production cycles, thereby decreasing water, electricity, and gas consumption costs in the production workshop. Consequently, this optimization has bolstered overall cost-effectiveness.

### Replacing Formulations to Reduce Energy Consumption

In developing formulations, we prioritize liquid formulations to streamline production efficiency and lower operational costs. Additionally, we are actively transitioning previous freeze-dried formulations into a new generation of liquid formulations. This strategic shift not only mitigates the prolonged production cycles and heightens energy consumption associated with freeze-dried formulations but also substantially reduces electricity expenses during the production process.



# Resource Management

YZYBIO is dedicated to green and eco-friendly development, prioritizing resource management in our daily operations and experimental development processes. We enhance resource utilization efficiency and minimize resource consumption through standardized experimental workflows, the implementation of resource recycling mechanisms, and the promotion of a culture of resource conservation.

### Water Resource Usage

We strictly adhere to relevant laws and regulations such as the *Water Law of the People's Republic of China*, monitoring our water consumption and aiming to reduce per capita water usage by 10% by 2026, with 2022 as the base year. We actively implement water conservation measures, including posting water-saving signs at all water usage points within the Company to enhance employee awareness and effectively reduce water consumption in our corporate activities.

### Paper Resource Usage

We strive to minimize paper usage in office operations by fully implementing an OA system to digitize approval processes. We require double-sided printing for paper documents and encourage employees to avoid printing whenever possible, with reminders posted near printers. This has significantly reduced our reliance on paper resources.

### Package Material Usage

We have established a recycling mechanism for packaging materials, outlining clear recycling channels and procedures to promote the circular utilization of packaging resources. We collect and sort used packaging materials for reuse and proper disposal. Employees are encouraged to actively participate in recycling initiatives during their daily work, fostering environmental awareness and nurturing a green corporate culture.

### Laboratory Resource Usage

By implementing standardized laboratory management and operating procedures, we rigorously mitigate resource wastage. Regular equipment inspections are conducted to minimize damage, ensuring efficient laboratory operations. In experimental procedures, we opt for more efficient materials to reduce reagent and filler usage, thereby shortening production cycles and enhancing overall experimental efficiency.

# Emissions Management

YZYBIO adheres to relevant laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*, and the *Measures for the Prevention and Control of Environment Pollution by Discarded Dangerous Chemicals*. We have set up internal systems like the *Environmental Protection Management System* and the *Solid/Liquid Waste Management System* to strictly prevent pollution caused by our emissions.

## Wastewater Management

Our wastewater is primarily categorized as domestic sewage and laboratory waste liquid. Domestic sewage undergoes collection and treatment at the park's wastewater treatment plant, managed by a professional third party, before it is discharged into the municipal pipeline. As for laboratory waste liquid, we require our experimental staff to pre-treat it to ensure that it does not compromise the quality of water in storage tanks before being discharged in compliance with park and municipal regulations.

We actively promote the concept of water recycling among employees and encourage them to reduce wastewater emissions in their daily work.

## Solid Waste Management

The main solid waste generated by the Company is household garbage. Adhering to national and local emission standards, we collaborate with property management companies to regularly transfer sorted and stored household garbage for treatment. Our aim is to decrease per capita waste emissions by 5% by 2026, with 2022 as the base year, promoting among employees the categorization and recycling of household garbage in their daily routines to reduce waste emissions.

## Hazardous Waste Management

For solid hazardous wastes, we employ various disposal methods based on their composition and properties. These wastes are collected in designated yellow garbage bags with clear labeling and records. Once these bags are full, they are promptly transferred to a dedicated hazardous waste temporary storage area. Upon reaching a certain storage capacity, we notify a qualified third-party environmental protection company to collect, transport, and treat the waste. After rendering the waste harmless, we document this process in the *Hazardous Waste Harmless Treatment Record* and maintain transfer records for traceability.

Regarding liquid hazardous wastes, we classify and handle them based on their properties and pollutant concentration. These wastes are collected in specialized waste liquid barrels with clear labeling and records. When the barrel is 2/3 full, we promptly notify a qualified third-party environmental protection company for collection, transportation, and treatment. We maintain detailed records of waste liquid transfers to ensure traceability. For waste liquids containing infectious pathogens, the Company strictly follows the *Regulations on the Administration of Medical Wastes* and other relevant laws and regulations, establishing a *Discharge Management Procedure for Production-related Biological Wastes* to standardize the management of biological waste discharge and prevent cross-infection and environmental harm.

YZYBIO conducts regular training sessions for employees on environmental protection and waste management to enhance their environmental awareness and sense of responsibility, ensuring compliance with relevant regulations in their daily tasks. We have established stable partnerships with local environmental authorities and specialized waste liquid treatment units to ensure timely and professional handling of emissions. Additionally, we engage in regular communication with suppliers and customers regarding environmental requirements and progress, collectively promoting the construction of a green supply chain and fostering sustainable development across our entire business ecosystem.



**Quantitative Indicators**

| Indicator | 2023 Annual Data | Unit |
|---|---|---|
| Number of environmental incidents or administrative penalties related to the environment | 0 | time |

# Responding to Climate Change

In recent years, the urgency of addressing climate change has become increasingly evident, emerging as one of the foremost challenges confronting humanity. China has made a strategic commitment to peak carbon emissions by 2030 and achieve carbon neutrality by 2060, placing the creation of a beautiful China at the forefront of national development efforts. This reflects our steadfast dedication to advancing green and low-carbon social development. Aligned with this national strategic direction, YZYBIO is accelerating its transition toward green development. We are integrating climate risks into our enterprise risk management framework and actively responding to the opportunities and challenges presented by climate change. In doing so, we aim to contribute meaningfully to the establishment of a low-carbon society.

## Governance

We have elevated the issue of addressing climate change to a significant concern within corporate governance, with senior management overseeing and executing climate-related risk management strategies in the EHS Committee, reporting directly to the Board to ensure alignment between climate risk management measures and company strategy & objectives.

## Strategy

We identify, assess, and manage physical risks and transition risks related to climate annually, formulating response strategies to address climate change, aimed at minimizing the impacts of extreme weather events on our operations.

## Risk Management

We conduct in-depth assessments of potential risks arising from climate change and develop corresponding actions and emergency plans systematically to address the challenges posed by climate change, ensuring the safety and smooth progression of our research experiments. During the reporting period, we identified 2 physical risks and 1 transition risk that may affect our company and developed climate risk management methods and countermeasures.

| Physical Risks | Response Measures |
|---|---|
| Impact of Persistent Rainfall During the Plum Rain Season on Laboratory Clean Environment Control | • Strengthen monitoring of air humidity and temperature within the laboratory, increasing the frequency of checks to promptly detect anomalies.<br>• Conduct regular deep cleaning and use highly effective disinfectants to thoroughly sterilize equipment and surfaces, mitigating the risk of microbial proliferation.<br>• Implement stricter enclosed storage measures for items prone to moisture absorption and mold formation, ensuring they are isolated from external air.<br>• Adjust ventilation levels in the laboratory as needed to maintain optimal indoor humidity levels.<br>• Establish an emergency response protocol, outlining procedures to address sudden extreme weather events or unforeseen circumstances, thereby safeguarding laboratory safety and preserving the integrity of experimental data. |
| Impact of Extreme High Temperatures in Summer on Continuous Scientific Research Experiments | • Install a backup power generator in the laboratory to mitigate disruptions during power outages.<br>• Organize experimental schedules based on their characteristics and requirements, prioritizing critical operations during periods of cooler temperatures to minimize heat-related impacts.<br>• Enhance regular inspection and maintenance of instruments and equipment within the laboratory to reduce the risk of experiment interruptions due to equipment failure. |
| **Transition Risks** | **Response Measures** |
| National Energy Conservation and Emission Reduction Policy | • Develop specific energy management measures and systems, promoting energy-saving technologies and products.<br>• Strengthen employee training on energy conservation and emission reduction. |

## Indicators and Targets

To ensure robust monitoring and mitigation of climate-related risks, we prioritize annual energy consumption density and annual greenhouse gas emission density as key assessment benchmarks. Our target is to achieve a 5% reduction in per capita carbon emissions by 2026, with 2022 as the base year, aligning with our proactive stance on climate change mitigation and the promotion of environmentally sustainable industry practices. We commit to regular reviews of these indicators and goal attainment, making adjustments as needed in response to evolving climate dynamics and policy changes.

### Quantitative Indicators

| Indicators | 2023 Annual Data | Unit |
|---|---|---|
| Total greenhouse gas emissions | 677.15 | Tonnes of $CO_2$ equivalent |
| Greenhouse gas emission density | 5.17 | Tonnes of $CO_2$ equivalent per person |
| Direct (Scope 1) greenhouse gas emissions | 7.38 | Tonnes of $CO_2$ equivalent |
| Direct (Scope 1) greenhouse gas emission density | 0.06 | Tonne of $CO_2$ equivalent per person |
| Indirect (Scope 2) greenhouse gas emissions | 669.77 | Tonnes of $CO_2$ equivalent |
| Indirect (Scope 2) greenhouse gas emission density | 5.11 | Tonnes of $CO_2$ equivalent per person |

# People-Oriented & Advance Together

We firmly recognize that our employees constitute the bedrock of our company's enduring progress, consistently prioritizing the protection of their rights and interests. We are committed to fostering a safe and healthy work environment while emphasizing the enhancement of employee skills and career progression. Simultaneously, we are actively engaged in enhancing healthcare accessibility through the development of innovative drugs, thereby facilitating broader access to high-quality medical services for a greater number of individuals.

04

Contributions to SDGs

# Protection of Employee Rights

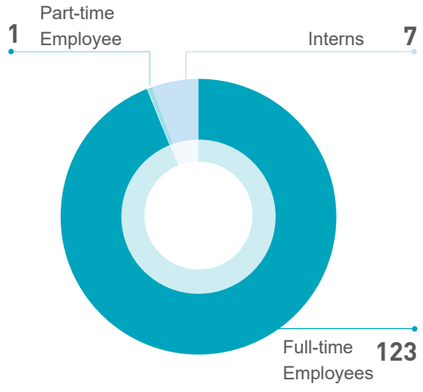
YZYBIO remains steadfast in its commitment to compliant employment practices, placing utmost importance on the physical and mental well-being of its employees. Our goal is to enhance their satisfaction, happiness, and sense of belonging within the company. To achieve this, we have implemented a fair and comprehensive compensation and benefits system, emphasizing equitable remuneration, performance incentives, and work-life balance to elevate employee satisfaction and fulfillment. Additionally, we actively foster the establishment of internal communication mechanisms, utilizing various employee activities to bolster team cohesion and cultivate a harmonious and positive working environment.

## Compliance of Employment

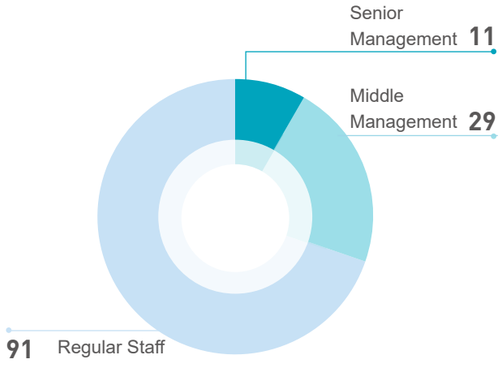
YZYBIO remains dedicated to fostering an environment of equality and fairness, steadfastly adhering to all relevant labor laws and regulations, such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China*, and the *Regulations of Hubei Province Concerning the Labor Protection of Female Staff and Workers*. We strictly prohibit child labor, forced labor, and any discriminatory hiring practices based on region, gender, or ethnicity. Should any violations be detected, we promptly address them and report to relevant external institutions when necessary.

The Company has formulated the *Recruitment and Hiring Management System*. This system emphasizes principles such as "open recruitment," "equal competition," "person-job fit," and "internal candidates first." All job vacancies are publicly posted on recruitment platforms, facilitating fair application by candidates and ensuring equal pay for equal work regardless of gender. Recognizing the value of diversity, we actively attract top talent through initiatives such as an internal referral reward mechanism and reimbursement of travel expenses for off-site candidates visiting Wuhan for interviews. Moreover, we are committed to supporting individuals with disabilities by partnering with third-party labor service companies to provide them with job opportunities. Additionally, the Company enters into employment contracts with all full-time employees and contributes to social insurance for each full-time staff member.

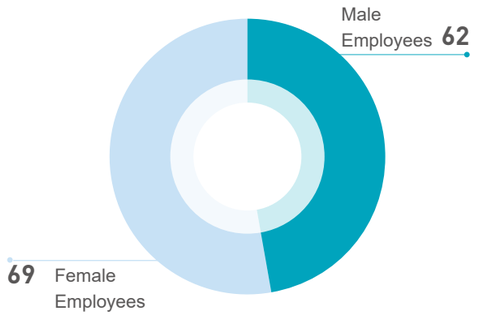
### Employees by Employment Type



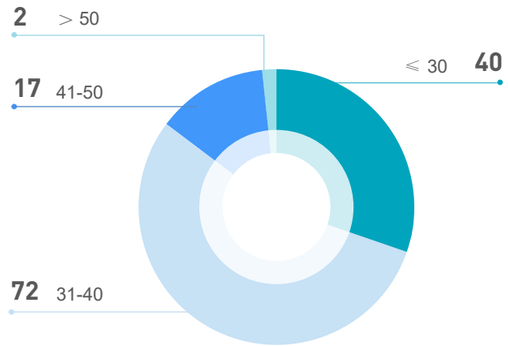

### Employees by Employee Category



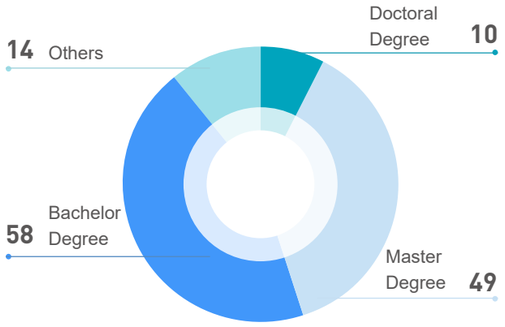

### Employees by Gender



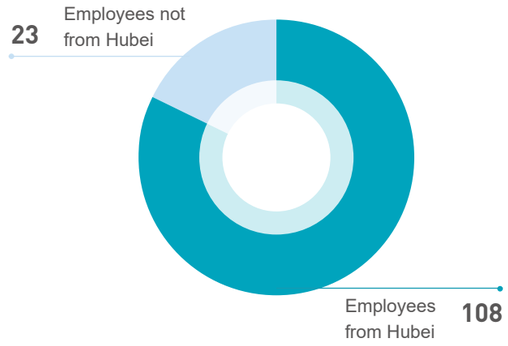

### Employees by Age




### Employees by Education Level




### Employees by Region




Number of Employees by Different Categories in 2023

### Quantitative Indicators

| Indicators | 2023 Annual Data | Unit |
|---|---|---|
| Labor Contracts Coverage of Full-time Employees | 100 | % |
| Social Insurance Coverage of Full-time Employees | 100 | % |

## Remuneration & Benefits

In terms of remuneration and benefits, we have established a *Remuneration & Benefits Management System* and an *Attendance & Leave Management System*, strategically aligning our compensation packages with the upper-middle range of regional industry standards. This ensures that we offer competitive remuneration packages that attract and retain exceptional talent.

Our company's remuneration structure encompasses various components, including basic salary, position salary, performance-based pay, confidentiality allowances, comprehensive subsidies, and year-end performance bonuses. Additionally, we provide welfare allowances such as communication subsidies, meal allowances, commuting subsidies, and seniority allowances to support our employees. Our salary grades are categorized into three groups: research, engineering, and functional roles, with annual adjustments based on performance evaluations, contributions, and work achievements. Furthermore, we prioritize the well-being of our employees by organizing festive benefits and team-building activities to enrich their personal lives.

During 2023, we organized multiple employee team-building and sports activities, including a "Defining Ourselves - Breaking Stereotypes" event for Women's Day, a "Passionate Dragon Boat Festival" event, a "China-chic Sales" celebration prior to the Mid-Autumn Festival, and irregular employee sports activities to invigorate the work atmosphere and enhance employee cohesion.

Dabie Mountain Team-Building Photos


Happy Women's Day


"Defining Ourselves - Breaking Stereotypes" Event for Women's Day


East Lake Cycling Activity



"China-chic Sales" Celebration for National Day and Mid-Autumn Festival

## Internal Interactions

YZYBIO places great importance on the invaluable contributions of its employees to the Company's growth trajectory. We have established accessible channels for employees to voice their suggestions or opinions, whether directly to their department leaders or anonymously through the General Manager's mailbox. Every piece of feedback received undergoes thorough evaluation, and appropriate actions are taken to facilitate healthy business development and continuous improvement.

Every year, the Company produces the Yearbook - *Home of Dual-Antibody* featuring dedicated sections such as "Employee World," "Management Forum," and "Annual Excellence Awards." We actively encourage all employees to contribute their insights and memorable moments from both work and personal life to these pages. Furthermore, we extend invitations to employees who have been honored with awards such as the Outstanding Team Award, Excellent Employee Award, Management Model Award, Innovation Star Award, Service Star Award, and Best Newcomer Award to share their enriching work experiences in detail.

# Employee Training and Development

YZYBIO places great importance on the comprehensive development of its employees, conducting regular internal and external training sessions to offer diverse learning opportunities. We have established multiple promotion pathways, ensuring a talent-driven approach to the high-quality development of the Company.

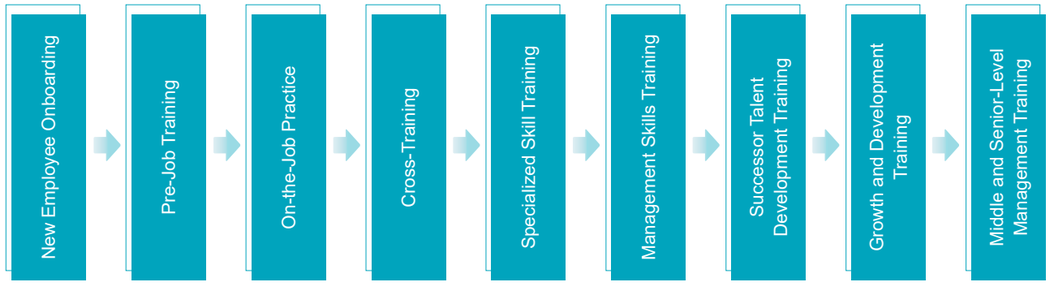
### Diverse Career Advancement

Considering the diverse professional strengths of our employees and the unique positions within our company, we provide numerous promotion channels and abundant opportunities for career advancement. Our *Employee Career Advancement Pathways and Position Grade Management System* outline multi-path development principles, including management, technical, production, and professional tracks, along with tiered hierarchy and dynamic competitive principles. These pathways clearly define promotion evaluation criteria, requirements, and procedures, for conducting annual job grade assessments. Furthermore, to incentivize active innovation and the enhancement of professional skills, employees making significant and outstanding contributions, such as leading successful project initiations or achieving major research milestones, are eligible to apply for exceptional promotions.

## Empowerment & Development of Employees

To regulate training management and effectively enhance employees' work knowledge and skills, the Company has implemented the *Employee Training Management System.* This system scientifically devises comprehensive training plans for the upcoming year based on practical demands and evolving trends across various business areas.

We assign a mentor to every new employee to facilitate swift adaptation and integration into their roles through a "pass-it-on" approach. This initiative not only enhances team collaboration efficiency but also accelerates individual professional development. Additionally, we prioritize inter-departmental communication and mutual learning. Each department is mandated to conduct at least two cross-departmental training sessions annually, covering a range of topics such as professional skills, workflow, tools, and industry insights. This strategy fosters deep exchanges and knowledge sharing among departments, bolstering synergy within the organization and collectively propelling ongoing organizational development and innovation.




Employee Training System

In 2023, alongside professional skill training, we conducted two training sessions focused on enhancing management capabilities and two sessions on legal and compliance matters. These sessions collectively drew 131 participants. The training initiatives proved highly effective in bolstering participants' core competencies in leadership, organizational coordination, and team execution efficiency. Moreover, they deepened attendees' understanding and practical application of pertinent laws, regulations, and corporate compliance requirements. This concerted effort significantly elevated our overall management prowess and fortified the Company's risk control system.


Management-level Training

In 2023, YZYBIO's training programs covered all employees, with approximately

**1500** persons participating throughout the year

An average training duration of about

**12.5** hours per person

# Occupational Health and Safety

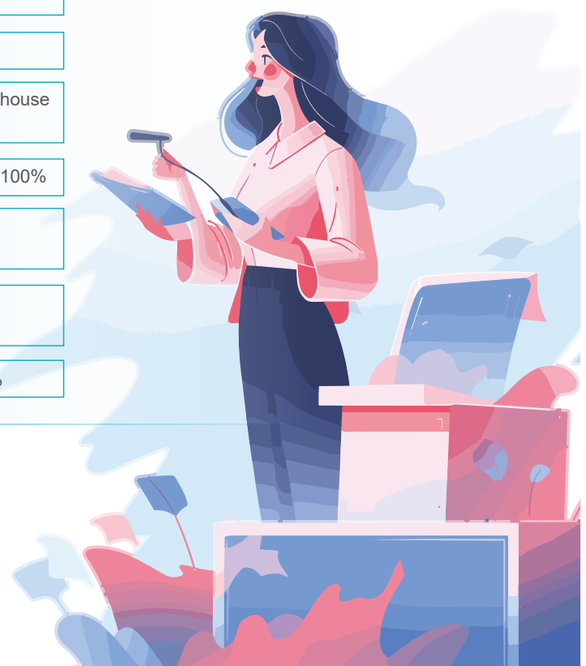
YZYBIO prioritizes the health and safety of its employees above all else. The Company consistently enhances its occupational health and safety management system by implementing various measures. These measures are designed to mitigate health and safety risks, improve employees' safety skills and awareness, and ultimately ensure their well-being and safety in the workplace.

## Occupational Health & Safety Management System

Adhering to the principle of "Safety First, Prevention-Oriented, Comprehensive Management", YZYBIO has established a comprehensive occupational health and safety management system. We have formulated the *EHS Responsibility and Assessment Management System*, which serves as the backbone of our occupational health and safety management efforts. Led by the EHS Committee, this system sets forth annual occupational health and safety targets and delineates the EHS responsibilities of various departments, including Equipment Engineering, Production, R&D, Warehouse, and all levels of management and employees. Moreover, the system incorporates assessment criteria and mechanisms for rewards and penalties. It links EHS performance to employee performance appraisal and promotion, aiming to foster employee enthusiasm and a sense of responsibility. Through this integrated approach, we continually elevate our EHS management standards.

**In 2023, we successfully achieved all occupational health and safety targets:**

- Progression of company-level, department-level, and job-specific safety education and training for new employees: 100%
- Incidence rate of work-related injuries: 0%
- Pass rate of public security bureau hazardous chemical warehouse inspections: 100%
- Specialized occupation certification rate within the company: 100%
- Employee satisfaction rate regarding the Company's working environment: ≥90%
- Pass rate for safety equipment, special equipment, and fire protection facility inspections: 100%
- Registration rate of hazardous chemicals procurement: 100%





## Safeguarding Occupational Health

YZYBIO strictly follows laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Labor Contract Law of the People's Republic of China*, and the *Regulation on Work-Related Injury Insurance*. We have devised five occupational health system documents, including the *Occupational Health Management System*, *Personal Protective Equipment Management System*, and *Occupational Health Hazards Notification and Health Surveillance System*. Based on the principle of "Prevention First with Treatment Combined", these documents delineate occupational health tasks, organizational structures, and responsibilities. They standardize the procurement, distribution, usage, and maintenance of personal protective equipment, ensuring uniformity and effectiveness across our operations. Additionally, they outline procedures for notifying occupational hazards and monitoring mechanisms, along with details and methodologies for regular health surveillance. These measures collectively safeguard the occupational health of our employees.

We employed Job Hazard Analysis (JHA) to identify company hazards. By identifying the primary risks associated with each position, we provide appropriate PPE tailored to specific needs. For instance, cleaning personnel were equipped with specialty cleaning gloves, masks, and protective clothing, while laboratory researchers were provided with different types of gloves, masks, protective/clean clothing, eye masks, gas masks etc.

The Company conducts pre-employment physical examinations. Furthermore, we organize annual physical examinations for all employees to gain a comprehensive understanding of their health status. In November 2023, we conducted an annual physical examination covering 117 employees.

## Strengthen Safety Management

In compliance with laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Regulations on the Safety Management of Hazardous Chemicals*, and the *Regulation on the Bio-safety Management of Pathogenic Microbe Labs*, YZYBIO has developed 48 guideline documents on safety, including safety management systems, safety operating procedures, and emergency response plans, such as the *Production Safety Responsibility System*, the *Hazardous Chemicals Management System*, and the *P2 Laboratory Bio-safety Management System*. These documents delineate the production safety responsibilities of personnel at all levels and functional departments, ensuring clear accountability and providing comprehensive guidance to employees for maintaining safety throughout R&D and production processes.

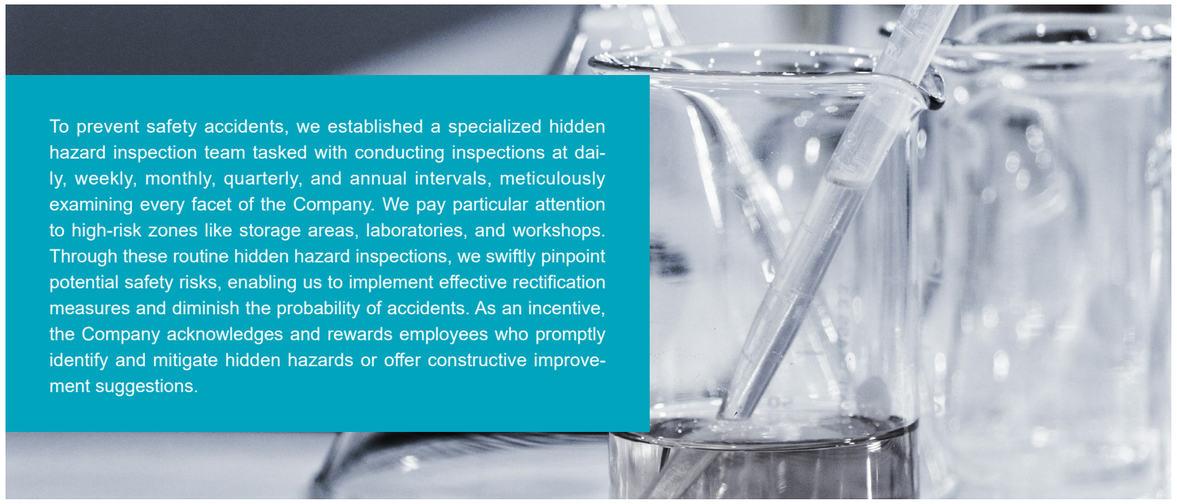
### Safety Risk Management

Using the Safety Checklist (SCL) Method, we conducted thorough hazard identification and assessment according to the Company's *Risk Management System* and the *Biological Risk Assessment and Risk Control System*.

In terms of equipment safety, we established rules and regulations such as the *Equipment Operation, Maintenance, and Servicing Management System* and *Production Facilities Management System*. These systems entail regular inspections and maintenance to ensure equipment remains in optimal condition, free from leaks, and upholds good hygiene standards. We mandate that safety devices like safety valves and pressure gauges be regularly inspected, maintained within designated periods, and subjected to periodic testing.

In our daily production activities, safety inspections take precedence to ensure equipment is consistently checked, operated, and managed in accordance with both national regulations and company protocols, effectively mitigating risks. For identified risks, we promptly implement suitable protective measures. For instance, to prevent falling accidents involving gas cylinders, we securely fasten all test cylinders within the Company premises. Additionally, to mitigate the risk of inadequate oxygen levels in laboratories, we have installed oxygen concentration alarms in cell banks and gas cylinder rooms to swiftly detect potential hazards.

### Identification and Elimination of Insidious Safety Hazards



To prevent safety accidents, we established a specialized hidden hazard inspection team tasked with conducting inspections at daily, weekly, monthly, quarterly, and annual intervals, meticulously examining every facet of the Company. We pay particular attention to high-risk zones like storage areas, laboratories, and workshops. Through these routine hidden hazard inspections, we swiftly pinpoint potential safety risks, enabling us to implement effective rectification measures and diminish the probability of accidents. As an incentive, the Company acknowledges and rewards employees who promptly identify and mitigate hidden hazards or offer constructive improvement suggestions.

## Emergency Response Plans

Moreover, the Company has developed emergency response plans, including the *Emergency Plan for Hazardous Chemical Accidents*, the *Emergency Plan for Production Safety Accidents*, and the *Emergency Plan for Biological Safety Accidents*, to effectively address potential safety incidents and safeguard the well-being of employees. In terms of hazardous chemical safety, we strictly adhere to the stipulations outlined in the *Regulations on the Safety Management of Hazardous Chemicals* and completed the internal list of control over Class III controlled hazardous chemicals under the Public Security Bureau, updating the procurement, storage, and usage records of Class III controlled hazardous chemicals in real-time. In 2023, the Company underwent over ten external inspections of its hazardous chemical warehouses by the district Public Security Bureau and street police stations without encountering major safety hazards.

### Work Safety

The Production Department conducts quarterly safety inspections to identify and address hidden hazards promptly. In 2023, the department successfully completed the annual re-evaluation of special equipment and key machinery, ensuring uninterrupted operations throughout the year without any significant production accidents.

### Biological Safety

In 2023, the Company implemented bio-safety regulations and established a laboratory bio-safety management system. The pathogenic microorganism laboratories underwent bio-safety risk inspections conducted by the district Health Commission. We standardized documentation for chemical monitoring, biological monitoring, and ultraviolet intensity monitoring records. Additionally, we installed warning signs at main entrances and sterilization rooms and regularly updated emergency and protective supplies.



## Safety Training and Emergency Drills

To bolster employee self-protection capabilities and ensure occupational health and safety, the Company organizes pre-employment training for employees in specialized production roles. Additionally, we conduct regular safety training sessions and emergency drills tailored to different employee groups to continuously enhance their safety awareness and emergency response skills.

To ensure that employees in specialized production roles possess the requisite occupational health and safety protection capabilities prior to commencing work, we have formulated regulatory frameworks such as the *Dangerous Operations Management System*, the *Regulations for Specialized Occupational Personnel Management*, and the *Process Management System*. These systems clearly outline the corresponding safety training requirements.

Employees engaged in hazardous tasks and specialized occupations are mandated to undergo safety training and acquire certifications before commencing work.

Operators in process positions are required to adhere strictly to the product's specified process specifications, following operational procedures and safety protocols meticulously.

To ensure employees are well-versed in relevant safety protocols and procedures, the Company regularly conducts safety training sessions. These sessions cover a range of topics including laboratory operating norms, safe chemical handling, and emergency response measures. Following each training session, we assess its effectiveness by gathering feedback and suggestions from employees via questionnaires and assessments, adjusting and refining the training content and methods accordingly. In 2023, the Company conducted 17 safety training sessions, including chemical laboratory safety management training, pathogenic microorganism laboratory bio-safety training, and special equipment safety management training.


Production Safety Training

We prioritize practical training and case analysis to improve employees' ability to handle emergencies effectively. In 2023, the Company organized four emergency drills targeting various scenarios: elevator accidents, bio-security incidents, fires, and hazardous chemical incidents. These drills aim to ensure that employees are well-prepared to respond swiftly and appropriately in emergency situations.

### Case Study: Bio-security Emergency Response Drill

Bio laboratories involve numerous high-risk operations, such as microbial culturing. To improve the bio lab's capability in handling unexpected events and ensure the safety and standardization of experimental procedures, the Company conducted a bio-security emergency drill, during which, a scenario was simulated where an accidental incident occurred during experimentation. Laboratory staff rapidly responded according to the emergency plan, actions included isolating the accident area, donning protective gear, and utilizing disinfectants. Additionally, personnel learned how to properly manage post-incident tasks, such as waste disposal, environmental cleaning, and decontamination. This drill significantly heightened the bio-security awareness among laboratory personnel and improved their ability to handle unforeseen incidents.

Bio-security Emergency Response Drill

### Quantitative Indicators

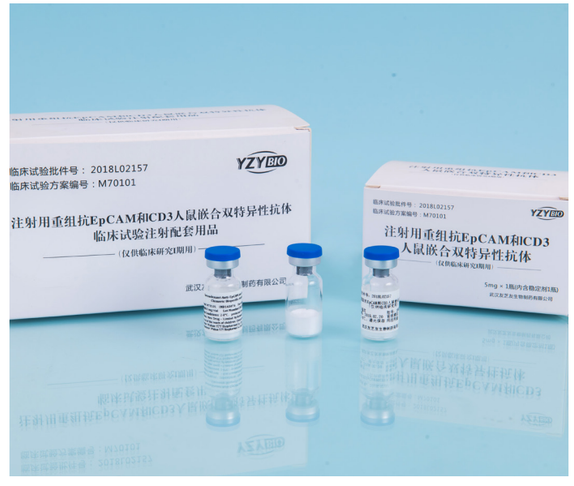
| Indicators | 2023 Annual Data | Unit |
|---|---|---|
| Employee Health Check Participation Rate | 100 | % |
| Percentage of Production Staff Certified to Operate | 100 | % |
| Number of Fatalities Due to Work-related Accidents Over the Past Three Years | 0 | Person |
| Number of Workdays Lost Due to Workplace Injuries | 0 | Day |
| Total Number of Production Safety Incidents | 0 | / |



# Inclusive Development

YZYBIO is committed to enhancing global health, especially by reducing the financial burden of treating severe illnesses like cancer for middle and low-income individuals. We are committed to innovation, striving to develop optimal treatment solutions and promote inclusive healthcare.

Currently, our drug candidates are in the research phase and have not yet reached commercialization. We collaborate closely with clinical researchers to ensure the efficacy and safety of ongoing clinical trials. Through meticulous patient screening and treatment plan design, we aim to empower clinical researchers with the knowledge and tools to effectively administer our therapies. Throughout the trial process, we closely monitor patient progress, gather feedback, and disseminate valuable insights to ensure informed decision-making.




Looking forward, we will expedite the commercialization process of innovative drugs, aiming to swiftly extend efficacious medications from the clinical trial stage to a broader patient population, allowing more patients to benefit from our cutting-edge medical advancements. At the same time, we will lead our employees in participating in philanthropic and volunteer activities, actively fulfilling our social responsibilities.

# Appendix

## Appendix I Table of Key Performance Indicators

### Environmental Performance

| Indicators | | | 2023 | Unit |
|---|---|---|---|---|
| Emissions | Hazardous Waste | Hazardous Waste Discharge | 7.63 | Tonnes |
| | | Solid Hazardous Waste Disposal | 6.63 | Tonnes |
| | | Liquid Hazardous Waste Disposal | 1 | Tonne |
| | | Density of Hazardous Waste Discharge | 0.06 | Tonne per person |
| | Nonthazardous Waste | Non-hazardous Waste Disposal | 7 | Tonnes |
| | | Density of Non-hazardous Waste Disposal | 0.05 | Tonne per person |
| Greenhouse Gas Emissions | Total Greenhouse Gas Emissions | | 677.15 | Tonnes of $CO_2$ equivalent |
| | Greenhouse Gas Emission Density | | 5.17 | Tonnes of $CO_2$ equivalent per person |
| | Direct (Scope 1) Greenhouse Gas Emissions | | 7.38 | Tonnes of $CO_2$ equivalent |
| | Direct (Scope 1) Greenhouse Gas Emission Density | | 0.06 | Tonne of $CO_2$ equivalent per person |
| | Indirect (Scope 2) Greenhouse Gas Emissions | | 669.77 | Tonnes of $CO_2$ equivalent |
| | Indirect (Scope 2) Greenhouse Gas Emission Density | | 5.11 | Tonnes of $CO_2$ equivalent per person |
| Resource Utilization | Total Energy Consumption | | 121.57 | Tonnes of standard coal |
| | Intensity of Comprehensive Energy Consumption | | 0.93 | Tonne of standard coal per person |
| | Water Usage | | 2823.53 | Tonnes |
| | Density of Water Use | | 21.55 | Tonnes per person |
| | Wastewater Discharge | | 1500 | Tonnes |
| | Electricity Consumption | | 96 | 10,000 kWh |
| | Petrol Consumption | | 3250 | Liters |
| | Diesel Consumption | | 50 | Liters |
| | Natural Gas Consumption | | 0 | $m^3$ |
| | Purchased Heat Energy | | 1111.64 | GJ |
| | Packaging Material Consumption | | 1.08 | Tonne |
| | Density of Packaging Material Consumption | | 0.01 | Tonne per person |
| | Office Paper Usage | | 1.24 | Tonne |
| | Number of Environmental Incidents or Administrative Penalties Related to the Environment | | 0 | Time |

### Social Performance

| Indicators | | | 2023 | Unit |
|---|---|---|---|---|
| Employment | Total Number of Employees | | 131 | Persons |
| | Number of Employees by Employment Type | Full-time Employees | 123 | Persons |
| | | Part-time Employees | 1 | Person |
| | | Other (Interns) | 7 | Persons |
| | Number of Employees by Employee Category | Senior Management | 11 | Persons |
| | | Middle Management | 29 | Persons |
| | | Regular Staff | 91 | Persons |
| | Number of Employees by Gender | Male | 62 | Persons |
| | | Female | 69 | Persons |
| | Number of Employees by Age Group | ⩽ 30 | 40 | Persons |
| | | 31-40 | 72 | Persons |
| | | 41-50 | 17 | Persons |
| | | ＞ 50 | 2 | Persons |
| | Number of Employees by Region | Employees in Hubei | 108 | Persons |
| | | Employees in Other Places | 23 | Persons |
| | Number of Employees by Education Level | Doctoral Degree | 10 | Persons |
| | | Master Degree | 49 | Persons |
| | | Bachelor Degree | 58 | Persons |
| | | Others | 14 | Persons |
| | Labor Contracts Coverage of Full-time Employees | | 100 | % |
| | Social Insurance Coverage of Full-time Employees | | 100 | % |
| | Number of Employee Turnovers | | 17 | % |
| | Turnover Rate | | 13.88 | % |
| | Turnover Rate by Gender | Male | 12.39 | % |
| | | Female | 15.15 | % |
| | Turnover Rate by Age | ⩽ 30 | 9.09 | % |
| | | 31-40 | 15.83 | % |
| | | 41-50 | 5.56 | % |
| | | ＞ 50 | 100.00 | % |
| | Turnover Rate by Location | Employees in Hubei | 12.00 | % |
| | | Employees in Other Places | 22.22 | % |

| Indicators | | | 2023 | Unit |
|---|---|---|---|---|
| Health and Safety | Employee Health Check Participation Rate | | 100 | % |
| | Percentage of Production Staff Certified to Operate | | 100 | % |
| | Safety Training | Times | 17 | Times |
| | | Number of Participants | 510 | Persons |
| | Emergency Response | Times | 4 | Times |
| | | Number of Participants | 130 | Persons |
| | Times of Large-scale Safety Check | | 7 | Times |
| | Number of Fatalities Due to Work-related Accidents Over the Past Three Years | | 0 | Person |
| | Fatality Rate Due to Work-related Accidents Over the Past Three Years | | 0 | % |
| | Number of Workdays Lost Due to Workplace Injuries | | 0 | Day |
| | Number of Production Safety Accidents | | 0 | Time |
| Development & Training | Number of Trainees the Whole Year | | 1500 | Persons |
| | Annual per Capita Training Hours | | 12.5 | Hours |
| | Investment in Training the Whole Year | | 9.60 | 10,000 yuan |
| | Percentage of Trainees by Gender | Male | 47.33 | % |
| | | Female | 52.67 | % |
| | Percentage of Trainees by Employee Category | Senior Management | 8.40 | % |
| | | Middle Management | 22.14 | % |
| | | Regular Staff | 69.47 | % |
| | Average Training Hour per Trainee by Gender | Male | 12.5 | Hours |
| | | Female | 12.5 | Hours |
| | Average Training Hour per Trainee by Employee Category | Senior Management | 8 | Hours |
| | | Middle Management | 12.5 | Hours |
| | | Regular Staff | 12.5 | Hours |



| Indicators | | | 2023 | Unit |
|---|---|---|---|---|
| Product Responsibility | Holdings of Intellectual Property | | 115 | Items |
| | Total R&D Investment | | 155 | Million yuan |
| | Size of R&D Team | | 22 | Persons |
| | Number of Authorized Patents | | 35 | Items |
| | Number of Patents Under Review | | 46 | Items |
| | Number of Registered Trademarks | | 29 | Items |
| | Number of Approved Research Topics | | 1 | Item |
| | Number of Published Research Papers | | 2 | Papers |
| | Number of Product Recalls Due to Safety and Health Concerns | | 0 | Item |
| | Coverage Rate of Informed Consent Forms for Clinical Trial Participants | | 100 | % |
| | Number of Third-party Quality Audits Conducted on Clinical Trials | | 31 | Times |
| | Quality-Related Training | Company-wide Training Sessions | 22 | Times |
| | | Department-level Training Sessions | 28 | Times |
| | | Coverage Rate of Employees under GMP System | 100 | % |
| Supply Chain Management | Total Number of Suppliers | | 177 | Suppliers |
| | Number of Suppliers by Region | East China | 77 | Suppliers |
| | | South China | 17 | Suppliers |
| | | North China | 17 | Suppliers |
| | | Central China | 64 | Suppliers |
| | | Northwest China | 1 | Supplier |
| | | Northeast China | 1 | Supplier |
| | Number of Suppliers Subjected to On-site Inspections | | 1 | Supplier |
| | Percentage of Suppliers Including Environmental and Social Impact in Supplier Evaluation Questionnaire | | 100 | % |
| Anti-corruption | Number of Concluded Corruption Cases | | 0 | Case |

# Appendix II HKEX ESG Reporting Guide

| Subject Areas | Description | Page |
|---|---|---|
| A. Environmental | | |
| Aspect A1: Emissions | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(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. | 31 |
| A1.1 | The types of emissions and respective emissions data. | 31, 49 |
| A1.2 | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity. | 34 |
| A1.3 | Total hazardous waste produced and, where appropriate, intensity. | 49 |
| A1.4 | Total non-hazardous waste produced and, where appropriate, intensity. | 49 |
| A1.5 | Description of emissions target(s) set and steps taken to achieve them. | 32-34 |
| 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. | 31 |
| Aspect A2: Use of Resources | | |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. | 29-30 |
| A2.1 | Direct and/or indirect energy consumption by type in total and intensity. | 49 |
| A2.2 | Water consumption in total and intensity. | 49 |
| A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | 29 |
| 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. | 30 |
| A2.5 | Total packaging material used for finished products and, if applicable, with reference to per unit produced. | 49 |
| Aspect A3: The Environment and Natural Resources | | |
| General Disclosure | Policies on minimising the issuer's significant impacts on the environment and natural resources. | 29-31 |
| A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | 29-31 |
| Aspect A4: Climate Change | | |
| General Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. | 32-34 |
| 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. | 33 |
| *B. Social* | | |
| Aspect B1: Employment | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | 37, 39, 41 |
| B1.1 | Total workforce by gender, employment type, age group and geographical region. | 50 |
| B1.2 | Employee turnover rate by gender, age group and geographical region. | 50 |
| Aspect B2: Health and Safety | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(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. | 43-46 |
| B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | 47 |
| B2.2 | Lost days due to work injury. | 47 |
| B2.3 | Description of occupational health and safety measures adopted, and how they are implemented and monitored. | 43-47 |
| Aspect B3: Development and Training | | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | 42 |
| B3.1 | The percentage of employees trained by gender and employee category. | 51 |
| B3.2 | The average training hours completed per employee by gender and employee category. | 51 |
| Aspect B4: Labour Standards | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | 37 |
| B4.1 | Description of measures to review employment practices to avoid child and forced labour. | 37 |
| B4.2 | Description of steps taken to eliminate such practices when discovered. | 37 |
| Aspect B5: Supply Chain Management | | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain. | 24-25 |
| B5.1 | Number of suppliers by geographical region. | 25 |
| 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. | 24 |
| B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | 25 |
| B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | 25 |
| Aspect B6: Product Responsibility | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(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. | 17-22 |
| B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | 21 |
| B6.2 | Number of products and service related complaints received and how they are dealt with. | 21 |
| B6.3 | Description of practices relating to observing and protecting intellectual property rights. | 23 |
| B6.4 | Description of quality assurance process and recall procedures. | 20-21 |
| B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | 22 |

| Subject Areas | Description | Page |
|---|---|---|
| Aspect B7: Anti-corruption | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | 11-12 |
| 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. | 12 |
| B7.2 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. | 11-12 |
| B7.3 | Description of anti-corruption training provided to directors and staff. | 11 |
| Aspect 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. | 48 |
| B8.1 | Focus areas of contribution. | 48 |
| B8.2 | Resources contributed to the focus area. | 48 |


YZY BIO