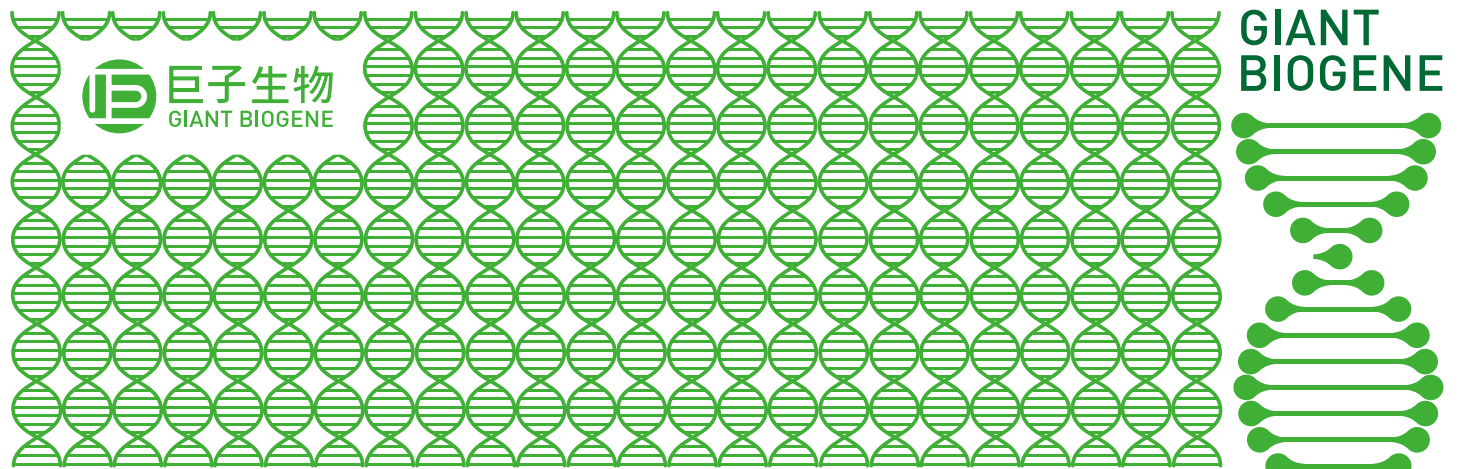
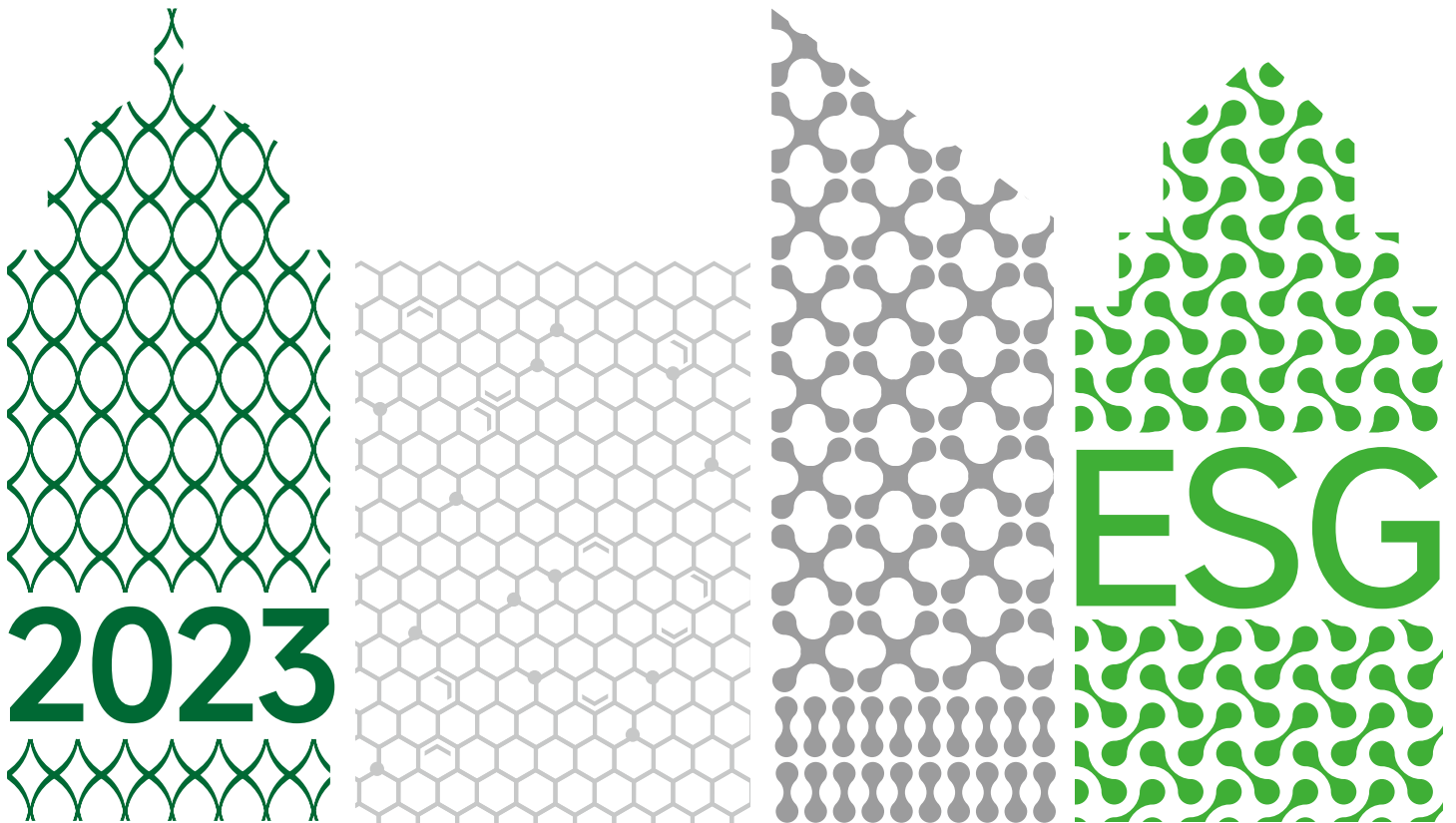


2023



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

Giant Biogene Holding Co., Ltd
Stock Code : 2367



ABOUT THIS REPORT

This is the second environmental, social and governance ("ESG") report ("ESG Report") published by Giant Biogene Holding Co., Ltd ("the Company") and the first separate ESG Report published by the Company with truthful disclosure to all stakeholders of governance structure, management system, practice measures and performance of the Company and its subsidiaries and consolidated associated entities ("Giant Biogene", "the Group" or "we") in the areas of ESG.

SCOPE AND BOUNDARIES OF THE REPORT

This report covers the Group's ESG work from 1 January 2023 to 31 December 2023 (the "Reporting Period"), with some information backdated to prior years. The policies and data provided in this report cover the Company's head office and subsidiaries. The scope of the report is consistent with the 2023 annual report.

SOURCES OF INFORMATION AND ASSURANCE OF RELIABILITY

The data and cases disclosed in this report are mainly derived from the Company's statistical reports and related documents. The Board of Directors of the Company undertakes that this report does not contain any false statements or misleading representations, and is responsible for the truthfulness, accuracy and completeness of its contents.

BASIS OF PREPARATION

This report has been prepared in compliance with Appendix C2 (former Appendix 27) the Environmental, Social and Governance Reporting Guide of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") ("ESG Reporting Guide").

This report follows the reporting principles of materiality, quantitative and consistency, and has been prepared in accordance with the steps of identifying and ranking significant stakeholders and important ESG-related issues, determining the boundaries of the ESG report, collecting relevant materials and data, preparing the report based on such data and reviewing the data in the report.

| Materiality |

This report reports on ESG issues that have significant impact on investors and other stakeholders as determined by the Board of Directors of the Company. Please refer to sections "Communication with stakeholders" and "ESG materiality issues" for the identification process of ESG materiality issues of Giant Biogene in 2023 and its results.

| Quantitative |

This report discloses the relevant quantitative data, standards and methods used in statistics and calculations in the field of ESG, and provides textual explanations for quantitative data. Please refer to the corresponding sections of each chapter for quantitative ESG data of Giant Biogene in 2023.

| Consistency |

Unless otherwise stated, the Company will apply a consistent statistical method of disclosure for each reporting period.

REPORT LANGUAGE AND FORM

This report is available in both Chinese and English, and is available in electronic form for reference. For more information on the background, business development and sustainable development concept of Giant Biogene, please visit Giant Biogene's official investor relations website.

CONFIRMATION AND APPROVAL

This report was passed by the Board of Directors on 25 March 2024 upon confirmation by the management.

RESPONSE TO THIS REPORT

We value opinions of stakeholders. Do not hesitate to contact us via the following. Your feedback will help us further improve ESG report disclosure and enhance our ESG performance.

✉ E-mail: ir@xajuzi.com

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GIANT
BIOGENE

YAN Jianya

Giant Biogene Holding Co., Ltd
Chairman of the Board, Executive Director
and Chief Executive Officer

CHAIRMAN'S STATEMENT

Time passed by and the year 2023 has been another extraordinary year. We all know that no man is an island and if an enterprise desires to make a significant progress, it will need, in addition to its own unremitting efforts, support from and solidarity with all of its stakeholders. Similarly, to achieve sustainable development, an enterprise should not just put its focus on pursuing its own economic benefits, it should also pursue common prosperity for and bring well-being to the society as a whole. Only by building up our internal resiliency and external competitiveness, taking a rational and pragmatic attitude, upholding our original commitment, and moving forward hand in hand with our employees can we find hope and strength amid uncertainty and realize eternal excellence. In 2023, we continued to uphold our mission of "Biotechnology to empower beauty and health" and integrated ESG concepts into all aspects of our operations to promote the sustainable and high-quality development of the Company.

We continue to improve ESG governance, establishing a three-level ESG governance structure with the board of directors as the highest decision-making body, and engage in in-depth communication with stakeholders through various channels. We identify major ESG issues and clarify the importance ranking of ESG work based on our industry experience. We adhere to the bottom line of compliant operations and establish a solid three-level risk defense mechanism; In terms of business ethics management, we uphold a zero-tolerance attitude, establish and improve internal audit mechanisms, and continuously create a clean corporate atmosphere.

We value the importance of refining our business operation and the putting the sustainable development concept into practice throughout the entire business chain. We keep making investment in research and development, and our comprehensive R&D system and high product standard have been consolidating our technological advantages and have earned our products wide acceptance and recognition in the market. We have refined our quality assurance system to clearly vest the responsibility for quality management to the general manager and add a number of certifications for the quality management system. Our culture of pursuing high quality has been established through various activities such as internal training, quality assurance month and safety awareness week. During the Reporting Period, we were awarded a number of national, provincial and municipal awards for quality and safety.

We look forward to making progress with our stakeholders and realizing a healthy development of the entire industry chain. We have been placing great emphasis on the compliance, green sustainability, integrity and stability of the supply chain, and on growing together with our partners. We appreciate consumer satisfaction and keep improving the quality of our customer services. We strictly implement responsible marketing, and have developed a comprehensive system for content review. A treasure chest database was established to increase the efficiency of review and improve data accuracy.

We actively assume social responsibilities and have been making contributions to the well-being of all sectors of the community. We practice our philosophy of green business and have realized energy saving and emission reduction in every part of our production process by optimizing relevant workflow and strengthening recycling and reusing packaging materials, etc. We care about our employees' development, improve the employee training system and medium - and long-term incentive mechanisms, and increase our employee's sense of well-being by organizing various cultural and sports activities for them. We have been participating in social welfare activities and making contribution as a social corporate citizen to Women' Day, 525 Skin Care Day and Teachers' Day. To fulfill our value of developing a standardized and healthy industry, we took the lead in formulating three group standards, and hosted and participated in a number of academic activities to promote high-quality advancement of the industry.

Since its establishment more than two decades ago, Giant Biogene has been committed to bringing technology from the laboratory to daily life, striving to establish itself as a leading company in beauty and health sector in China. We believe that, to build an everlasting company, we must consider the Company's growth and social advancement as a whole so as to lay a solid foundation for the Company. Although there were stormy waves ahead, we mustered our courage and bravery to sail successfully across the raging sea. We will keep upholding the idea of sustainable development to steer the Company to achieve a high-quality growth, bringing more and better experience to a wide range of consumers, and striding forward with all stakeholders on our journey toward a better tomorrow.

ABOUT GIANT BIOGENE

Founded in 2000 and located in Xi'an High-tech Zone, Giant Biogene (02367.HK) is a high-tech enterprise focusing on "Technology-based Beauty", and a leader in bioactive ingredient-based professional skin treatment product industry in China. On 4 November 2022, the Company was successfully listed on the main board of the Hong Kong Stock Exchange, and has become "the first listed company in the field of recombinant collagen" in China. The Company utilizes proprietary synthetic biology technology to design, develop and produce recombinant collagen, rare ginsenosides and other bioactive ingredients. The Company focuses on the three major industries of functional skincare products, medical devices, functional foods and foods for special medical purposes, takes "biotechnology to empower beauty and health" as its mission, adheres to the relentless pursuit of innovative technologies and product R&D for natural beauty and health, and strives to bring technology from the laboratory to life, so as to become a leading enterprise in the field of beauty and health in China.

The Company utilizes proprietary synthetic biology technology platform to research and develop, and manufacture multiple types of recombinant collagen and rare ginsenosides in-house. As of December 2023, it has 93 patents and patent applications.

The Company was granted the first patent for its recombinant collagen technology in the industry in China, and won the Second Prize of National Technology Invention Award and China Patent Gold Award in 2013 and 2016, respectively. Giant Biogene has also become the first company in China to achieve mass production of recombinant collagen and apply it in the medical device industry. The Company has been awarded the "Top 100 Private Enterprises in Xi'an (西安市民營企業100強)" for many times, was approved as a "Post-doctoral Research Center (博士後工作站)" in 2015, "Academician and Expert Workstation in Xi'an (西安市院士專家工作站)" in 2018, "High-tech Enterprises (高新技術企業)" in 2020, "Post-doctoral Innovation Base (博士後創新基地)" in 2021, recognized as "Technological Innovation Demonstration Enterprise in Xi'an (西安市技術創新示范企業)" in 2021, "Quality Benchmarking Enterprise in Xi'an (西安市質量標桿企業)" in 2021, etc., and was admitted to the Science and Technology Innovation and Transformation Base of National Clinical Research Center for Dermatologic and Immunologic Diseases (國家皮膚與免疫疾病臨床醫學研究中心科創與轉化基地) in 2021.

Deeply rooted in the collagen market, the Company is a leader in bioactive ingredient-based professional skin treatment product

industry in China. As of December 2023, the Company had a portfolio of over 100 SKUs across eight major brands covering functional skincare, medical dressings and functional foods, namely Comfy, Collgene, Keyu, Kehen, Kefuping, Leeyen, SKIGIN, and Shengan. The Company has won a number of honors such as "National Key New Product (國家重點新產品)", "Well-known Product in Shaanxi Province (陝西省名牌產品)", "Famous Trademark in Shaanxi Province (陝西省著名商標)", "Well-known Product in Xi'an (西安市名牌產品)", "Famous Trademark in Xi'an (西安市著名商標)", and has been recognized as the "Most Competitive Brand", the "Most Favorite Brand among Consumers (消費者最喜愛品牌)", the "Industry Pioneer Brand", etc.. In the field of medical devices, the Company has obtained a number of Class II medical device registration certificates, which demonstrate the significant clinical efficacy in promoting wound healing, relieving skin inflammation, assisting in the treatment of eczema, inhibiting the formation of scars and relieving allergic rhinitis.

In terms of marketing, the Company implements dual-pronged "medical institution + mass consumer" sales strategy. We had sold and distributed products to approximately 1,500 public hospitals, approximately 2,500 private hospitals and clinics, as well as approxi-

mately 650 pharmacy chain brands across China. Our mass market distribution covers individual consumers, cosmetic store chains and supermarket chains such as Watsons, Afiona, The COLORIST, Ole', Hualian Group and Hema Fresh with approximately 6,000 stores in China. Meanwhile, the Company carries out product marketing, promotion and brand building through e-commerce and social media platforms such as Tmall, JD.com and Douyin, realizing the strategic plan of multi-media and multi-level coverage of target consumer groups.

GIANT BIOGENE



01

RESPONSIBLE GOVERNANCE AS FOUNDATION

Giant Biogene attaches great importance to the continuous optimization of corporate governance. By building a three-tier ESG work and governance system, it strengthens regular communication with all stakeholders and focuses on operation compliance and strictly adheres to business ethics in its operation to build a sound system for the Company's sustainable development in the long term.

CORPORATE GOVERNANCE

Board statement

Giant Biogene adheres to a sustainable development strategy, and the Board of Directors, as the highest leadership body for ESG, is fully responsible for overseeing ESG matters. At the same time, the Board of Directors formulates the Company's ESG management policy and strategy in strict accordance with the relevant requirements under Appendix C2 of ESG Reporting Guide of the Main Board Listing Rules of Hong Kong Stock Exchange, and incorporates the latest regulatory requirements into the day-to-day ESG management.

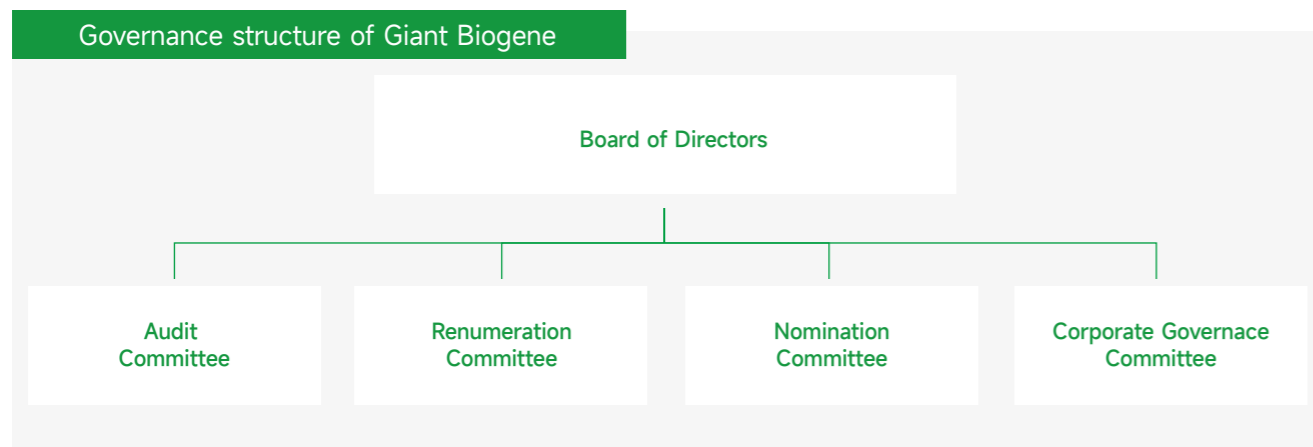
We actively engage in stakeholder's communication, participate in the identification of ESG issues, analysis and prioritization of ESG importance, and guide the ESG management and ESG information disclosure accordingly. During the Reporting Period, the Board of Directors assessed and determined the Company's environmental, climate and social risks and opportunities based on the development trends of the industry in which Giant Biogene operates and feedback from stakeholders.

In order to effectively conduct ESG work, the Board of Giant Biogene established a Corporate Governance Committee (the "Corporate Governance Committee") which is responsible for reporting to the Board on ESG-related matters regularly. We also set up ESG targets, covering ESG performance indicators such as three wastes emissions, greenhouse gas emissions, energy use, quality and safety, etc. The Board of the Company regularly reviewed the progress of achieving ESG targets and considered it as part of the key performance indicators and provided relevant action suggestions in respect of the indicators for improvement.

Governance structure of Giant Biogene

Giant Biogene has established a sound corporate governance structure to enhance the transparency, fairness and stability of the Company's operations and decision-making and protect the interests of shareholders and stakeholders.

The Board of Directors of Giant Biogene is responsible for the management, operation and strategic direction of the Company, makes major decisions for the development of the Company, and authorizes and supervises the management to carry out the day-to-day operation of the Company. The Board of Directors has four specialized committees, including the Audit Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee.



ESG GOVERNANCE

ESG governance structure

Giant Biogene is committed to bringing technology from the laboratory to life. Relying on core scientific technology, the Company continues to emphasize and implement the integration of sustainable development concepts in its daily operations, in an effort to become China's leading enterprise in the field of beauty and health and to bring pleasant experience and value contributions to stakeholders.

The Company has established a ESG governance structure that covers the entire group to ensure the smooth and efficient promotion of ESG management and the transmission and implementation of ESG concepts.

The Board of Directors of the Company, at the decision-making level, is in charge of the Company's overall sustainable development work and formulates strategic plans and development goals. The Corporate Governance Committee is responsible for the deployment of specific ESG work, and regularly reviews and reports the same to the Board of Directors. ESG-related functional departments comprise the executive team responsible for the implementation of daily ESG work. The top-down three-tier structure ensures the effectiveness of the Company's ESG work and provides a strong foundation for the Company's long-term development.

ESG three-tier governance system of Giant Biogene

- Monitoring ESG developments in the industry and assessing the Group's ESG risks and opportunities
- Regularly reviewing the fulfilment of the Company's ESG strategy and objectives
- Making decisions and leading the Company's ESG planning and reviewing the annual work report

Board of Directors
Decision-making level

- Establishing daily communication channels with stakeholders, improving communication mechanisms, and implementing daily communication and record-keeping
- Organizing the annual materiality assessment and reporting the results of the materiality issues assessment to the Board of Directors
- Developing and updating ESG policies and management systems
- Reporting regularly to the Board of Directors on ESG management strategies, policies and performance

Corporate Governance Committee
Management level

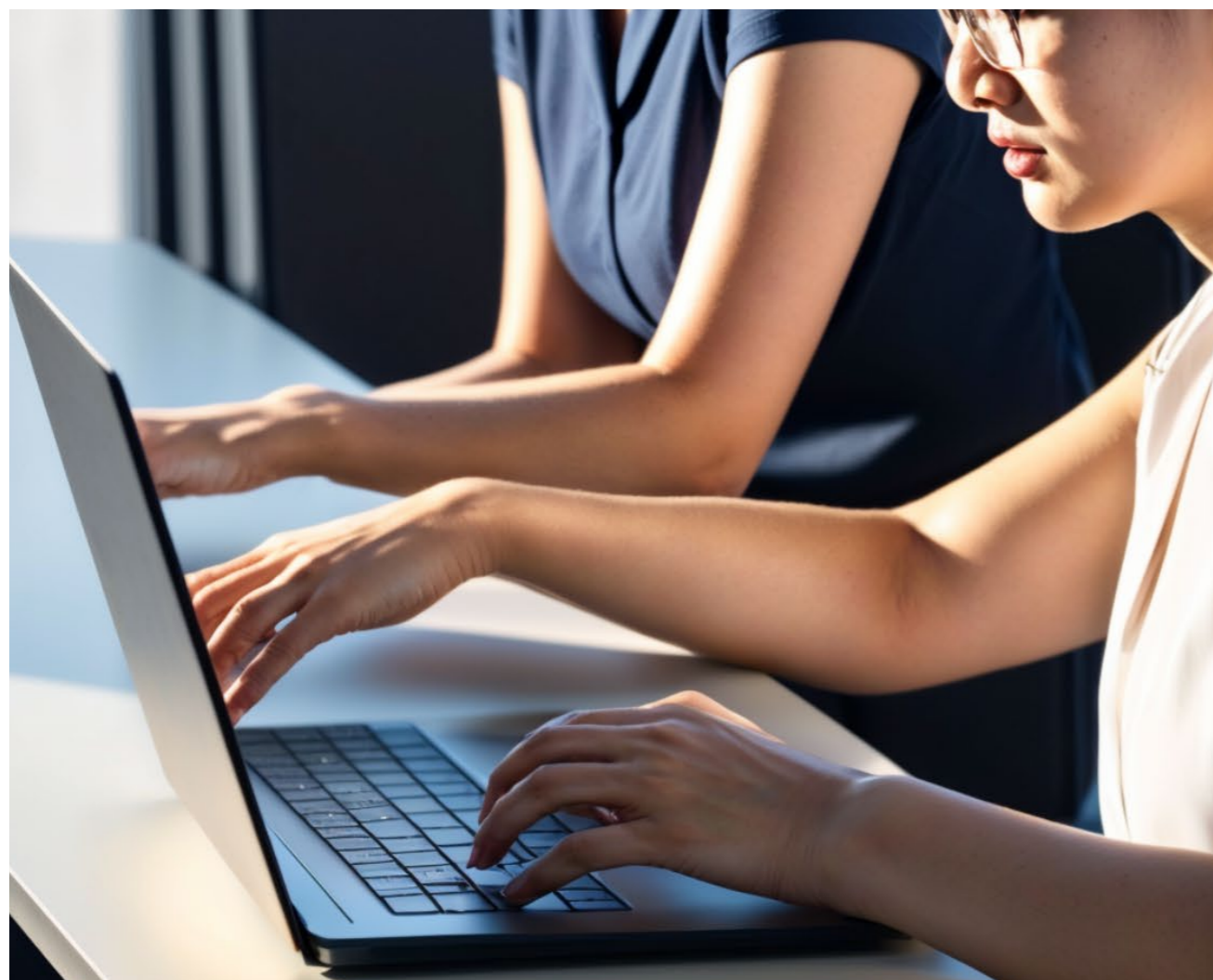
- Collecting ESG-related information
- Participating in and implementing work plans for all levels of ESG in business operations

ESG-related functional departments
Executive level

Communication with stakeholders

Giant Biogene attaches great importance to the expectations of stakeholders. Through maintaining regular communication with stakeholders, we collect opinions and suggestions from all parties to make timely adjustments and respond to the expectations and demands with responsible practices, which gains recognition, trust and support from all stakeholders.

We have established an effective communication approach to respond to stakeholders' concerns and suggestions and incorporate them into the Group's ESG governance and decision-making process.



Stakeholders identified	Issues concerned	Communication and response methods
Government/Regulatory bodies	<ul style="list-style-type: none"> Compliance operation Business ethics Emissions management Energy use and resource management Hazardous chemicals management Risk management 	<ul style="list-style-type: none"> Policy directives Work reports Information submission On-site inspection Telephone communication
Shareholders and investors	<ul style="list-style-type: none"> Compliance operation Risk management Business ethics Climate change 	<ul style="list-style-type: none"> General meetings of shareholders Performance briefing sessions Investor conferences Research roadshows Disclosure of information of the listed company Telephone and email communication
Customers	<ul style="list-style-type: none"> Product quality and security Data security and privacy protection Customer services Compliance operation Responsible marketing 	<ul style="list-style-type: none"> Customer visits National customer service hotline Customer satisfaction survey
Employees of the Group	<ul style="list-style-type: none"> Inclusion, equality and diversity Employee welfare and security Occupational health and safety Employee training and development 	<ul style="list-style-type: none"> Site visits Employee activities Employee satisfaction survey
Suppliers and partners	<ul style="list-style-type: none"> Supply chain management Product quality and safety Intellectual property management Business ethics 	<ul style="list-style-type: none"> Tender meetings Research visits Exchange and cooperation Industry forums
Environment	<ul style="list-style-type: none"> Climate change Hazardous chemicals management Experimental ethics and morality Emissions management 	<ul style="list-style-type: none"> Implementing environmental policy Environmental information disclosure
Members of the community	<ul style="list-style-type: none"> Community benefit Emissions management Energy use and resource management 	<ul style="list-style-type: none"> Community investment Voluntary services Community events

ESG materiality issues

During the Reporting Period, Giant Biogene carried out the identification of materiality issues

We listened to the views of various stakeholders, conducted internal interviews and comprehensive analysis with reference to guidelines of Hong Kong Stock Exchange and the disclosure of issues by peers.

In 2023, Giant Biogene identified a total of 19 material issues, including 7 issues of high materiality, 9 issues of moderate materiality, and 3 issues of general materiality.

LISTENING TO THE VIEWS OF VARIOUS STAKEHOLDERS

CONDUCTING INTERNAL INTERVIEW

DOING COMPREHENSIVE ANALYSIS

During the reporting period, Giant Biogene identified a total of 19 material topics

Issues of high materiality

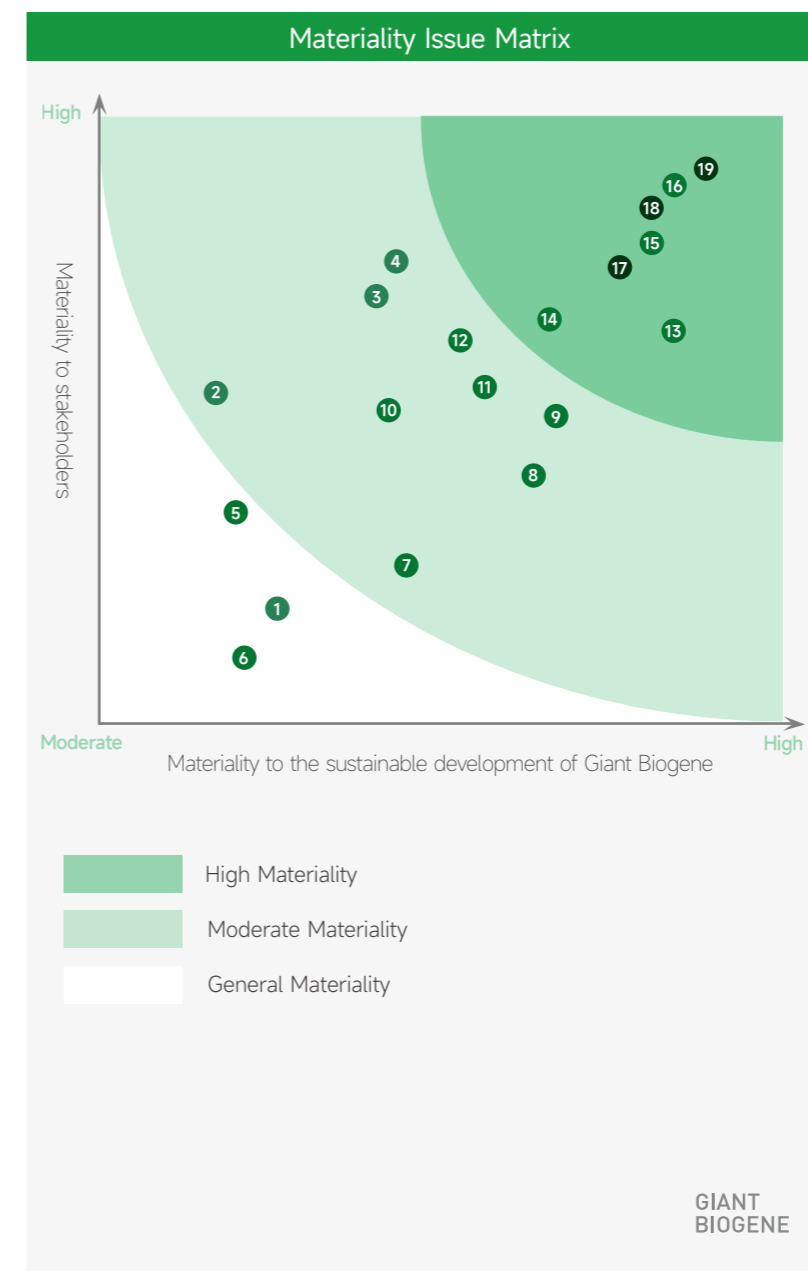
7

Issues of moderate materiality

9

Issues of general materiality

3



● Environmental issues

1. Hazardous chemicals management
2. Climate change
3. Energy use and resource management
4. Emissions management

● Social issues

5. Community benefit
6. Experimental ethics and morality
7. Supply chain management
8. Intellectual property management
9. Inclusion, equality and diversity protection
10. Data security and privacy protection
11. Occupational health and safety
12. Employee welfare and security
13. Responsible marketing
14. Employee training and development
15. Customer services
16. Product quality and security

● Governance issues

17. Business ethics
18. Risk management
19. Compliance operation

OPERATIONAL COMPLIANCE

Risk Management

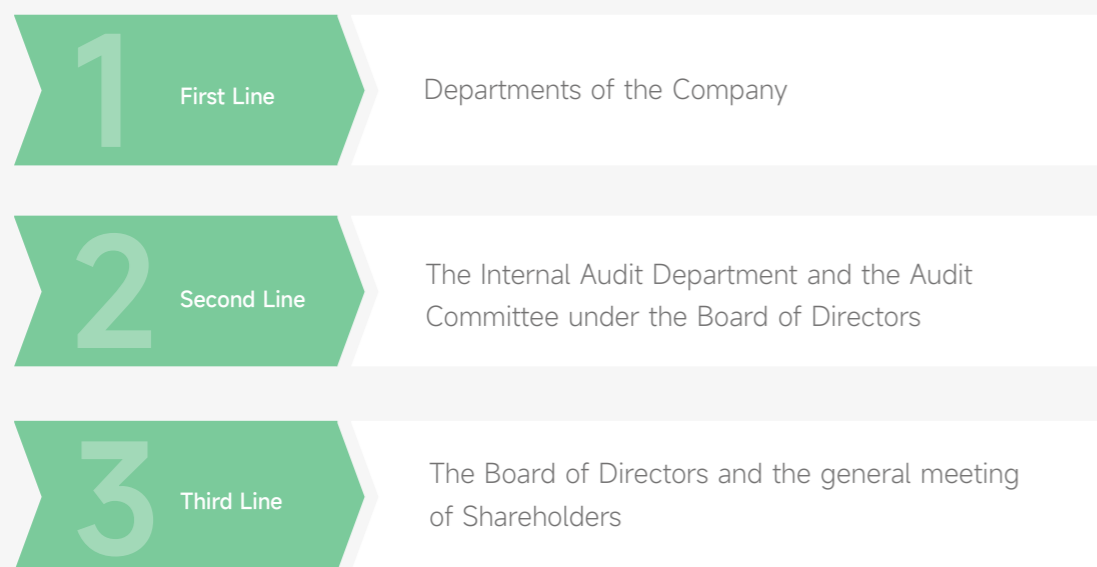
Giant Biogene lays emphasis on improving the Company's ability to withstand risks, protecting the Company's assets and interests as well as avoiding losses. We effectively manages various types of risks to improve the Company's operational efficiency and competitiveness, thereby promoting the Company's sustainable development.

Giant Biogene has currently established internal systems such as the Enterprise Risk Management System, Management of the Use of Seals, Capital Management System, Internal Control System and Compliance Management System, to build a sound enterprise risk management system. In addition, we have improved and optimized our internal control system in accordance with the requirements under the rules of the Stock Exchange.

In practice, we have established three lines of defense to deal with risks: the various departments of the Company as the first line of defense mechanism for risk management, the Internal Audit Department and the Audit Committee under the Board of Directors as the second line of defense for risk management, and the Board of Directors and the general meeting of Shareholders as the third line of defense for risk management.

During the Reporting Period, we carried out risk management in accordance with the requirements of relevant systems, paying particular attention to business decision-making, laws and regulations, financial safety, asset safety and other risks, and timely identify, judge and handle them. The relevant departments assessed risk factors in an all-round manner through daily work analysis, regular safety checklists and consequence analysis of key projects. The head of Internal Audit Department leads the team to carry out internal audits, identify and improve problems in internal control, and report to the Audit Committee.

Three-line risk management structure of Giant Biogene



Business ethics management

Giant Biogene is committed to practicing high standards of ethical integrity and anti-corruption business practices by adopting a zero-tolerance policy for corruption, strengthening the control of corrupt behaviors from both institutional and practical dimensions, and strictly prohibiting any form of bribery and corruption.

We strictly abides by the Company Law of the People's Republic of China, the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, the Interim Provisions on the Prohibition of Commercial Bribery and other laws and regulations, and at the same time, we have established a code of conduct, such as the Anti-Corruption and Reporting System, to strengthen the construction of the management mechanism for anti-corruption and fraud. During the Reporting Period, the Group did not have any corruption and bribery related cases.

During the Reporting Period

The number of cases related to corruption and bribery of the Group

0 case

We have established a top-down anti-fraud management structure, whereby the Board of Directors and the Audit Committee are responsible for the improvement of relevant mechanisms, the ongoing oversight of anti-fraud efforts and the building of an anti-fraud culture; the management and the internal whistleblowing management leadership team is responsible for the optimization of sound internal control mechanisms and the promotion of treatment of anti-fraud and whistleblowing, whereas each center together with the human resources and administration department and the finance department are responsible for self-examination and self-correction that align with the implementation of anti-fraud work.

Employees will be punished according to the severity of fraud, including but not limited to verbal warning, written warning, pay back of the money, termination of labor contracts, administrative penalties and referring to the judicial organs.

Anti-fraud management structure of Giant Biogene

GIANT BIOGENE

- ## 01

Board of Directors

- Responsible for supervising management to establish a company-wide anti-fraud culture environment and a sound internal control system including fraud prevention, reporting and investigation and handling
 - Delegating authority to the Audit Committee of the Board to direct the Company's anti-fraud efforts
- ## 02

Audit Committee

- The Audit Committee of the Board of Directors is the body primarily responsible for the Company's anti-fraud work and is responsible for the ongoing oversight of anti-fraud efforts
- ## 03

Management Level

- Responsible for establishing sound internal control mechanisms including fraud prevention
 - Responsible for implementing controls to reduce the chances of fraud, taking appropriate and effective remedial actions against fraud and conducting self-assessment
- ## 04

Internal Whistleblowing Management Leadership Team

- Responsible for the development, revision and implementation of the internal reporting system
 - Receiving internal operational defects or irregularities reported by employees and organizing the investigation and analysis of such acts and determining their nature
 - Discussing and studying remedial and corrective measures for operational defects or irregularities and reporting them to the Company
 - In accordance with the relevant rules and regulations of the Company, issuing opinions on the handling of persons responsible for operational defects or irregularities and reporting them to the Company
- ## 05

The Head of Each Center

- The head of each center is the first person responsible for and the counterpart of, anti-fraud work in each department and branch and subsidiary
 - Responsible for cooperating with and assisting the anti-fraud investigation team in its work
 - Responsible for self-examination and self-correction of corrupt practices in their departments
- ## 06

Legal Department

- Reviewing cases and evidential materials referred by fraud investigation teams
 - Referring fraud cases that are eligible for filing to the judicial authorities
 - Initiating legal proceedings against those involved in the case
- ## 07

Finance Department

- Referring fraud leads identified in their financial management activities to the internal whistleblowing management leadership team in a timely manner
 - Freeze all payments to those liable for fraud until the case is closed
 - Assisting in the recovery of financial compensation in fraud cases
- ## 08

Human Resources Department

- Taking disciplinary action against all the fraudsters involved in fraud cases
 - Dealing with the labor relations, remuneration and salaries for labor of fraudsters

Giant Biogene has set up various reporting channels, including official complaint mailboxes, telephones and email (complaint@xajuji.com). The internal whistleblowing management leadership team is responsible for managing relevant whistleblowing matters, including handling reports, conducting investigations, making dispositions, and archiving results.

The Anti-Corruption and Reporting System stipulates the procedures and timing requirements for handling reports of business ethics incidents, and emphasize on the protection of complainants and whistleblowers in assisting in the investigation process.

During the Reporting Period

Relevant whistleblowing reports and complaints received of Giant Biogene

0 case

Report processing process of Giant Biogene



We attach importance to the formation of an anti-corruption culture and the dissemination of anti-corruption awareness, and have conducted relevant internal training and educational activities.

During the Reporting Period, we provided anti-corruption training to the Board of Directors and our employees through our orientation programme, covering more than 1,000 staff with a 100% training coverage rate.

During the Reporting Period, we provided anti-corruption training to the Board of Directors and our employees

Cover **1,000** +persons | Coverage rate of **100** %

02

INNOVATIVE R&D FOR SUPERIOR QUALITY

With our development philosophy of "Sincerity, Goodwill, Excellence and Innovation", Giant Biogene is committed to the application of biotechnology in beauty and health field, providing more and better experience to consumers. We have established a complete product quality management system to ensure product quality and safeguard the rights and interests of consumers through systematic daily quality management and internal quality and safety culture construction. We place great importance on product research and development, for which we have established a scientific research and development system, built a research and development team with extensive experience and focused on intellectual property protection. We continue to enhance our supply chain management, and are committed to supply chain compliance and its green sustainability for mutual development with suppliers.

QUALITY MANAGEMENT

Quality management system

I Laws and regulations relating to quality management I

Giant Biogene attaches great importance to the management of product quality. We have always regarded product quality and safety as one of the cornerstones for the development of an enterprise. Depending on the category of our products, we apply and comply with different laws and regulations.

Category of products	Applicable laws and regulations
Cosmetics	<ul style="list-style-type: none"> Regulation on the Supervision and Administration of Cosmetics (《化妝品監督管理條例》) Measures for the Supervision and Administration of Cosmetics Production and Operation(《化妝品生產經營監督管理辦法》) the Code of Practice for the Quality Management of Cosmetics Production (《化妝品生產質量管理規範》)
Foods	<ul style="list-style-type: none"> Food Safety Law (《食品安全法》) Regulation on the Implementation of the Food Safety Law (《食品安全法實施條例》) Good manufacture practice for health food (《保健食品良好生產規範》) Administrative Measures of Food Production Licensing (《食品生產許可管理辦法》)
Medical devices	<ul style="list-style-type: none"> Regulation on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》) Measures for the Supervision and Administration of Medical Device Production(《醫療器械生產監督管理辦法》) the Code of Practice for the Quality Management for Medical Devices Production (《醫療器械生產質量管理規範》)

In accordance with national regulatory requirements, the Company has implemented four additional regulations during the Reporting Period, including "GB/T 42061-2022 Medical devices—Quality management systems—Requirements for regulatory purposes" (《GB/T 42061-2022醫療器械質量管理體系用於法規的要求》), "GB/T 42062-2022 Medical devices—Application of risk management to medical devices" (《GB/T 42062-2022醫療器械風險管理對醫療器械的應用》), "Provisions on the Supervision and Administration of Enterprises' Implementation of Primary Responsibilities for Quality and Safety of Medical Devices" (《企業落實醫療器械質量安全主體責任監督管理辦法規定》) and "Provisions on the Supervision and Administration of Enterprises' Implementation of Primary Responsibilities for Quality and Safety of Cosmetics" (《企業落實化妝品質量安全主體責任監督管理規定》), further enhancing enterprises' quality and safety management in medical devices and cosmetics fields.

During the Reporting Period, for particular policies relating to quality management, various new internal documents and control mechanisms were adopted in the cosmetics segment following the implementation of "Provisions on the Supervision and Administration of Enterprises' Implementation of Primary Responsibilities for Quality and Safety of Cosmetics" (《企業落實化妝品質量安全主體責任監督管理規定》), such as "Responsibilities Management Protocols for Cosmetic Safety" (《化妝品安全責任管理規程》), "Responsibilities of the General Manager"(《總經理崗位職責》), "Responsibilities of the Person in Charge of Quality Management" (《質量安全負責人崗位職責》), "Review Management Protocols for Production Consistency of Cosmetics" (《化妝品生產一致性審核管理規程》), and "Responsibilities and Position Requirements for Cosmetics Adverse Reactions Supervision Team" (《化妝品不良反應監測小組職責及任職要求》).

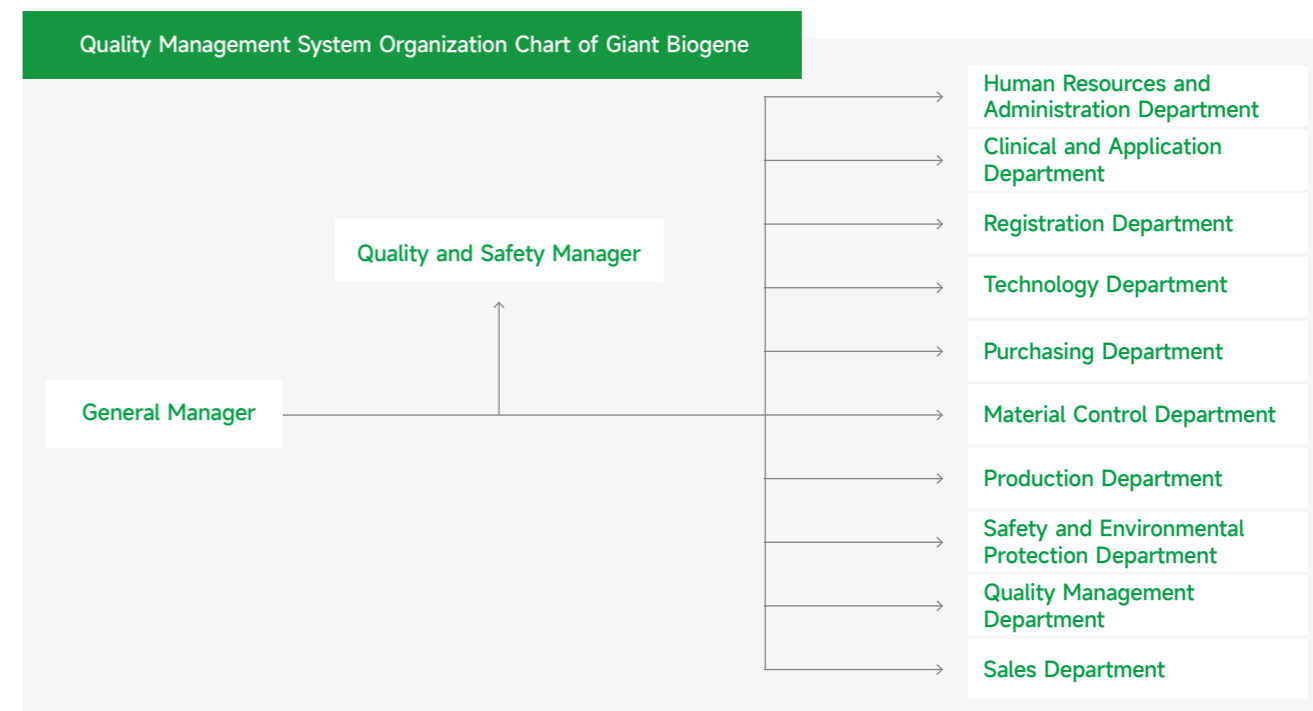
In terms of medical device segment, since the implementation of "Provisions on the Supervision and Administration of Enterprises' Implementation of Primary Responsibilities for Quality and Safety of Medical Devices"(《企業落實醫療器械質量安全主體責任監督管理辦法規定》), the Company has established mechanisms for guaranteeing the performance of key positions for quality and safety and mechanisms for the management of quality and safety, and has added new internal regulations such as the "Mechanisms for Guaranteeing the Performance of the Key Positions of the Personnel in the Key Positions of Quality and Safety" (《質量安全關鍵崗位人員履職保障機制》) and held meeting for scheduling medical devices on quarterly basis.



I Quality management organization structure I

Giant Biogene has established a complete quality management system, which adopts the general manager accountability system and clearly defines the positions and responsibilities for each department, including the Quality Management Department, Technology Department, Purchasing Department, Production Department, Material Control Department, Safety and Environmental Protection Department, Human Resources and Administration Department, Sales Department, Registration Department and Clinical Approval Department.

The quality management system involves all aspects from design and development, raw and auxiliary material management to product production and sales, thus realizing all-round control and ensuring product safety and traceability.



I Quality management system certification I

We continue to lay emphasis on quality system certification.

During the Reporting Period, on the basis of maintaining the continuing operation of FSSC 22000, ISO 13485 and ISO 22716 quality management systems, we added ISO 9001 quality management system, further enhancing the quality management system level of the Company and moving towards a more standardized and normalized direction of development.

Quality Management System Certifications of Giant Biogene



I Internal audits of the quality management system I

Giant Biogene continuously conducts internal audits of quality management system and problem solving.

During the Reporting Period, 6 internal audits (2 of which for cosmetics, 2 for medical devices and 2 for food) were organized on the quality system. The operation of the Company's overall quality management system was effective, with the main identified issues being the omission of filling information and inconsistent format, incomplete verification of output specifications and incomplete verification of relevant parameters.

In response to relevant issues, we have carried out all rectifications after verification, focusing on the maintenance of system documents, supplementing the output of all specifications of product development, and has covered all documents of the Technical Department. Through system verification, we identify and solve problems, enhance the level of quality management system, and at the same time increase the quality control awareness of all employees, which helps ensure the long-term healthy and effective operation of the quality management system.

2 QUALITY AUDITS

- Internal audits are organized twice a year to inspect the implementation of documents of each department, production processes, hygiene, training, warehousing, sales and other aspects.
- Issuing non-conformities in response to the inspection, and formulating corrective/preventive measures.
- The Quality Management Department follows up the verification of improvements and the actual operation effect after improvement to ensure continuous enhancement of management level.

1 MANAGEMENT AUDITS

- Report on the annual work and summarize the existing problems.
- Develop work plans and improve targets for the coming year to continually improve product quality.



Quality management actions

| Comprehensive Quality Management Measures |

Giant Biogene has established a complete set of product quality management process

Through the supplier evaluation, acceptance, QA (Quality Assurance) and QC (Quality Control) of production, sample retention observation, etc. in the daily work of the whole process of control, we ensure product quality and safety and protect the rights and interests of consumers. In addition, Giant Biogene achieves systematic improvement of quality management through customer complaint handling, quality analysis meeting, customer satisfaction survey, quality internal audits, management evaluation and other initiatives.

Quality Management Procedure of Giant Biogene

STEP 1 ● Supplier evaluation

The Quality Management Department and the Material Control Department evaluate the suppliers of materials and require the suppliers to provide legal qualifications and product qualification certificates, and only those who pass the evaluation are allowed to make purchases.

STEP 2 ● Material acceptance

Upon receiving the materials, the Quality Management Department conducts acceptance and inspection of the materials. If any unqualified products are found, the unqualified products will be returned immediately to ensure that the quality of purchases meets the requirements and to prevent unqualified products from entering the process.

STEP 3 ● Production process control

Establishing of the first article inspection system, monitoring the whole process of production by QA, including the environment, water used during the process, personnel, raw and auxiliary materials and packaging materials acceptance as well as production process.

STEP 4 ● Laboratory testing of raw and auxiliary materials, and packaging materials

The Quality Management Department sets up laboratories, which include physical and chemical laboratory, instrument laboratory, microbiological limit laboratory, positive bacteria laboratory, with the ability to test the raw and auxiliary materials, packaging materials finished products.

STEP 5 ● QC of finished products

Products are inspected according to their internal control quality standards. If any unqualified products are found, the unqualified products will be dealt with immediately to ensure that unqualified products are not released.

STEP 6 ● Sample retention management

Establishing sample retention management protocols, retaining samples for products, observing retention samples regularly, and filling in records.

In the daily quality management process, Giant Biogene has set up the following work processes and important nodes to ensure that the quality management can be implemented through regular and systematic work, so as to ensure that the product quality and consumer rights and interests are protected.

Systematic Work of Quality Management

Processes	Details
Quality analysis meetings	For customer complaints and daily abnormal situations, weekly and monthly quality analysis meetings are organized to analyze and solve various quality issues, as well as develop and improve corrective/preventive measures, which is followed up by QA on regular basis.
Customer satisfaction survey	Formulating a satisfaction survey plan each year, carrying out product satisfaction survey, and feeding back the results to relevant departments for improvement.
Quality internal audits	Internal audits are organized twice a year to inspect the implementation of documents of each department, production processes, hygiene, training, warehousing, sales and other aspects, issuing non-conformities in response to the inspection, and formulating corrective/preventive measures. The Quality Management Department follows up the verification of improvements and the actual operation effect after improvement to ensure continuous enhancement of management level.
Management audits	A management review is organized each year to report on the annual work and summarize the existing problems. Develop work plans and improve targets for the coming year to continually improve product quality.

| Product and quality safety inspection and review initiatives |

Giant Biogene has developed and continuously implemented a complete inspection and review system for the products and quality safety to ensure the quality of the ex-factory products.

Product and quality safety inspection and review system

Processes	Details
Quality monitoring	Monitoring the first article and the production process, and enacting quality standards and testing according to the requirements
Handling of non-conforming products	Non-conforming raw and auxiliary materials and packaging materials found in the purchasing process, warehouse storage, and production site are handled according to the corresponding review and initiative sheets

| Emergency response mechanism and emergency drill for product safety incident |

In our daily work, Giant Biogene regularly conducts emergency response mechanisms and emergency drills for product safety incidents, tests the workflow in emergencies, identifies risk points, and improves the efficiency and effectiveness of emergency response.

During the Reporting Period

Food safety emergency drill and food safety protection drill

1 time

Water outage, power cut and gas outage emergency plan drill training and drill practice

1 time

Quality and safety incidents

0 case

| Product recall mechanism and related work |

In order to enhance the emergency response capability for product quality and safety emergencies and to improve the comprehensive management of product quality and safety, Giant Biogene has developed a relatively well-established product recall system and is constantly optimizing our product recall system to ensure a rapid response in the event of product quality defects or possible hazards to human health.



Product recall mechanism of Giant Biogene

Recall object

- Cosmetics: Products with quality defects or other possible hazards to human health
- Medical devices: Defective medical device products of a certain category, model or batch that have been launched on the market by the manufacturers of medical devices according to the prescribed process
- Food: Unsafe food

Recall situation

- Complaints and whistleblowing: Public complaints and reports on our Company's product quality and safety hazards.
- Self-inspections of the Company: Risk of quality and safety hazards in delivered products is identified through internal inspections and self-inspections of the Company.
- External supervision and management: Quality and safety hazards of our products are identified in the process of supervision and sampling by supervision and management departments.
- Emergency: Other changes (including technical, regulatory, compliance and unforeseen events) that affect the quality or safety of the delivered products.

Recall process

- Issuing the Recall Notice by the Quality Management Department.
- Tracing sales and delivery records in accordance with the Recall Plan, verifying the areas where the recalled products are located, relevant contacts, contact details, etc., identifying remedial measures to be taken by the Company and informing relevant parties of the safety precautions to be taken for the recalled products, and preparing appropriate storage and transportation facilities according to the quantity and weight of the products to be recalled by the Sales Department, Production Material Control Department

During the Reporting Period, we conducted product recall drills and regularly reviewed possible process issues in the recall work.

Product recalls during the Reporting Period due to the Company's good quality management

0 case

I Safety of chemicals I

In terms of chemical safety, Giant Biogene complies with the Law of the People's Republic of China on Work Safety (《中華人民共和國安全生產法》), Regulations on the Safe Management of Hazardous Chemicals (《危險化學品安全管理條例》), Chemicals Convention Concerning Safety in the Use of Chemicals at Work (《作業場所安全使用化學品公約》), and "GB 13690 General Rules for Classification and Hazard Communication of Chemicals (《GB/T 13690化學品分類和危險性公示通則》)" and other relevant laws and regulations and national

We have developed chemical safety and security initiatives for different phases of our business process:

Chemical safety security initiatives of Giant Biogene

Processes	Details
Research and development phase	Strictly comply with the requirements of the Chemical Safety Code and other regulations, do not use any banned ingredients, reduce the use of disputable ingredients and actively seek for new materials to substitute or reduce usage
Procurement phase	Plan the procurement of chemicals according to actual needs, conduct strict safety assessment on chemicals, reduce chemical abuse and waste, and ensure that raw materials do not involve banned ingredients
Storage management	Categorize and store chemicals according to type and nature, delegate a specialist to be responsible for management and install alarm devices for monitoring; a system of registration and verification of inventory of the entry and exit of hazardous chemicals has been established to ensure the legal use of hazardous
Emergency management	Establish an emergency response leadership team to enable rapid and effective handling in the event of hazardous chemical leakage and other accidents to minimize the impact on chemical safety



Building a quality culture

I Quality culture training, publicity and implementation I

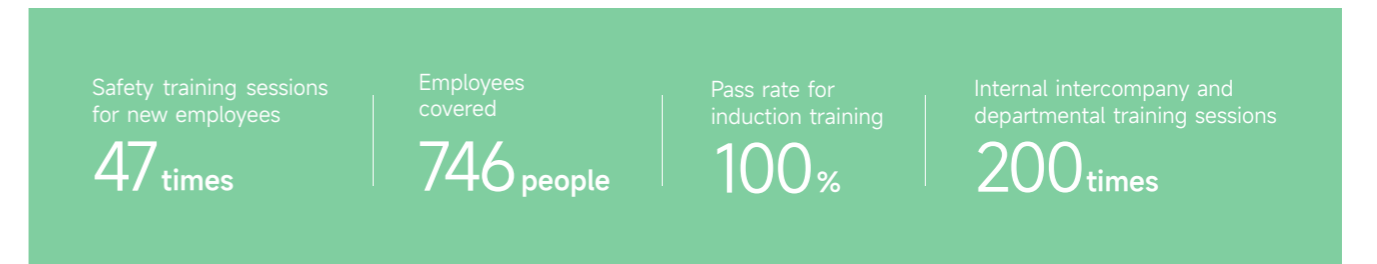
Building a quality culture is essential to enterprises, which can improve product quality, enhance competitiveness, advance employee satisfaction and performance, reduce costs and risks, promote organizational reform and innovation, as well as create the corporate image and brand value. We believe that a good quality culture is of fundamental significance for the long-term and high-quality development of an enterprise.

In order to enhance our employees' awareness and knowledge level of product quality, we have carried out a series of training on quality and safety.

For new employees from the beginning of their employment, they were required to participate in induction trainings and pre-job trainings (including theoretical examinations and practical operation), and they can only start working after completing trainings and obtaining competency certifications.

We regularly organized relevant training to publicize and implement quality culture in our daily work, including trainings on standards, regulations, management procedures, skills, professionalism, and testified by means of examinations and on-site questions, so as to create a sound atmosphere where all employees pay attention to quality. We organized workshop directors or equipment operators to conduct on-site equipment practical operation trainings or panel internal trainings for workshop staff in respect of different equipment and theoretical knowledge on regular basis each week, which improved employees' personal operation skills in a shorter time and was more conducive to the personal growth of workshop staff while meeting the needs for equipment operators of workshops.

During the Reporting Period, we completed a total of 47 induction safety training sessions for new employees, covering 746 employees, with a 100% pass rate for induction training; while a total of 200 internal intercompany and departmental training sessions were conducted to promote the healthy development of our quality culture.





| Activities featuring quality culture |

During the Reporting Period, we have organized a wide array of activities to build quality culture in every corner of the Company.

GIANT BIOGENE

01

The Quality Month activity

By means of video publicity, skills competition and posters, we promoted knowledge of laws and regulations in various industries and advocated quality culture, which further increased the quality awareness of all employees and enhanced their quality literacy.



02

Organizing QC group activities and competitions

During the Reporting Period, we have carried out 13 QC group activities to enhance the emphasis on QC work.



03

Cosmetic Safety Promotion Week and Medical Device Safety Promotion Week

Through producing promotion posters, we advocate the safe use of cosmetics and medical devices among all employees, answered common queries relating to medical device knowledge from employees, enhanced their awareness of the safe use of cosmetics, safe and proper use of equipment, created a good atmosphere, fully stimulated their engagement enthusiasm to interact and communicate, and carried out centralized promotion and education activities.



| Awards for quality management |

Giant Biogene has won a number of national awards in terms of quality and safety, demonstrating the Company's outstanding results in quality management.

During the Reporting Period, in the national "Quality Month" event of 2023 jointly held by 25 departments such as the State Administration for Market Regulation, Giant Biogene was awarded multiple honorary titles including "National Quality Integrity Benchmark Enterprise (全國質量誠信標杆企業)", "National Quality Leader in Recombinant Collagen Industry (全國重組膠原蛋白行業質量領先企業)", "National Product and Service Quality Integrity Enterprise (全國產品和服務質量誠信品牌)" and "Reliable Products for National Quality Inspection (全國質量檢驗信得過產品)" for 2023.



PRODUCT R&D

R&D System establishment

Giant Biogene has established a sound product R&D process to ensure the efficient launch of new products with high quality, which covers the whole process from market research, product design to testing and release, fully interconnected with each other.

Product R&D Procedure of Giant Biogene

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01

Product initiation

- Self-analysis
- Market research
- Competitive product selection
- Competitive product trial
- Product design
- Discussion and review
- Compliance confirmation
- Product finalization



02

Design and development input

- Packaging confirmation,
- Raw material confirmation
- Efficacy design confirmation
- Safety confirmation
- Formulation design, production
- Inspection confirmation



03

Planned trials and improvements

- Basic system trial and confirmation
- Safety confirmation
- Effectiveness confirmation
- Repeatability confirmation
- Internal and external testing
- scope testing
- Repetition of the above steps



04

Design and development output

- Output of product formulations
- Output of processes
- Output of inspection methods
- Designs confirmation
- Formulation confirmation
- Production and inspection confirmation



05

Design and development conversion and validation

- Trial production
- Self-build
- Record inspection
- Efficacy assessment
- Safety assessment, etc



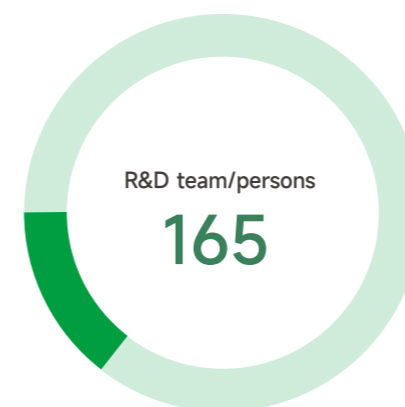
06

Design and development confirmation

- Ramping up production
- Evaluating and confirming that the design and development of the product meets the requirements
- Monitoring the safety, effectiveness and stability of the product over its useful life

We have a professional and experienced R&D team with diversified backgrounds covering different disciplines such as biochemistry, molecular biology, bioengineering, and applied chemistry, etc. Led by chief scientists, our team consisted of chief technology officers, technical R&D personnel, product R&D personnel, professional laboratory technician, science promotion officer and other members, who apply their professional knowledge and skills in the fields of basic research, application basic research, product development, market science promotion and other fields, to promote research and development work and make outstanding contributions to the med- and long- term development of the Company.

As of the end of the Reporting Period, the Company had a total of 165 R&D personnel, accounting for 14% of the total employees of the Company.



Team	No. of employee	% of total employee
R&D team	165persons	14%

GIANT BIOGENE

We attach great importance to the capacity building and all-round cultivation of our R&D team, and provide systematic trainings and opportunities for capacity improvement.

We regularly conducted internal operation trainings. Our R&D team actively participated in API^[1], PCHI^[2], CDA^[3] and other industry-related exhibitions to keep abreast of industry developments and new technologies. We have arranged our team to participate in external paid operation trainings on cosmetic safety assessment, medical device process technology improvement, etc., and conducted technical exchanges with other leading enterprise teams in the industry.

As for the innovative achievements of R&D personnel, Giant Biogene also provides a variety of incentives. We encourage R&D personnel to apply for patents related to technology R&D as the main inventors, and the number of patents granted are considered as a key criterion for their promotion, professional title evaluation, and personal honor application, etc.

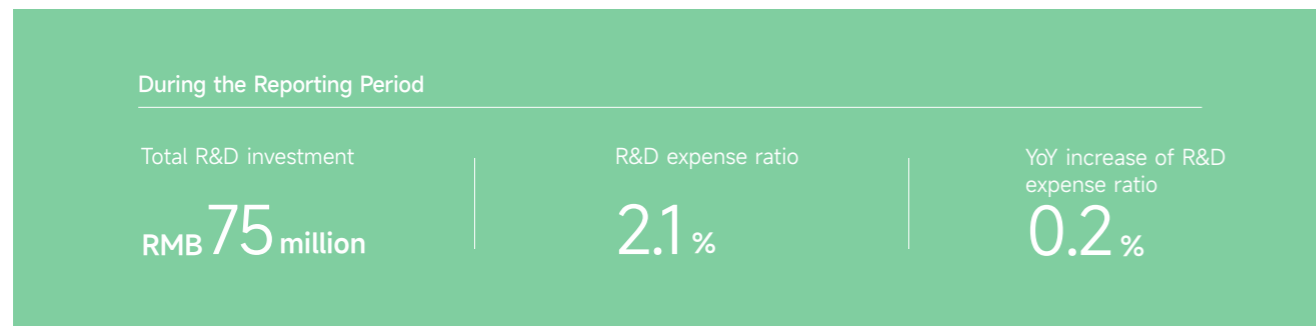
We advocate improving quality with technology while lowering costs. During the Reporting Period, we internally provided economic rewards for teams and individuals with outstanding contributions, and offered outstanding employees with opportunities to apply for engineer certification and other professional titles, in a bid to help them fly higher, obtain more opportunities and make greater progress.



[1] Active Pharmaceutical Ingredient China
[2] Personal Care and Homecare Ingredients
[3] China Dermatologist Association

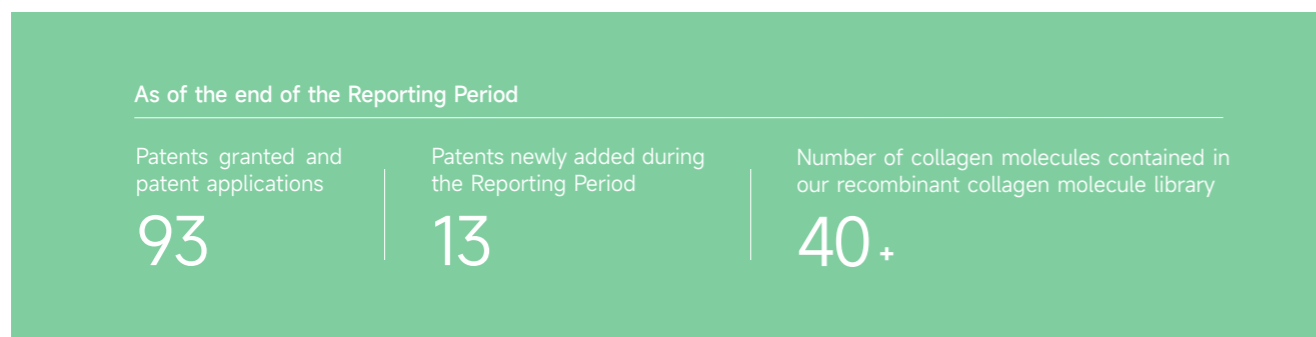
Innovative results

During the Reporting Period, our total R&D investment was RMB75 million, accounting for 2.1% of our revenue, representing a year-on-year increase of 0.2 percentage points.



During the reporting period, Giant Biogene achieved significant results in research and development, as 54 cosmetic products were filed and 4 Class II medical device registration certificates were obtained. In the R&D pipeline, we continued to promote the clinical trials and registration applications of 4 skin rejuvenation products, and continued the R&D work of product candidates in the serious medical field.

As of the end of the Reporting Period, we had 93 authorized patents and patent applications, of which 13 were newly added during the Reporting Period. Our recombinant collagen molecule library contained over 40 kinds of collagen molecule, allowing us to maintain our leadership in the industry.



During the Reporting Period, we launched various self-developed raw materials or raw material combinations. The rare ginsenoside CK monomer has the evident efficacy of oil control, anti-inflammatory and acne treatment by efficiently regulating the expression of anti-inflammatory gene. Proprietary Juganyuan (巨昔源) raw material combinations can achieve the repair of key skin protein such as collagen and elastin, which play a role in the efficacy of mitigating skin redness and soothing in our products such as Comfy Collagen Emulsion.

We are not only at the forefront of the research of recombinant collagen, but also actively participate in the drafting and formulating of the industry standards and group standards from differences aspects, leading the industry to healthy, scientific, standardized and high-quality development. In April 2023, the group standard "Recombinant Collagen Raw Materials for Cosmetics" (《化妆品用重组胶原蛋白原料》) formulated under Giant Biogene's lead was formally published. This is the first group standard for recombinant collagen in the cosmetics industry in China. In September 2023, two group standards "Test Method for Determination of Collagen Secreted from Human Cells Induced by Recombinant Collagen" (《重组胶原蛋白促人源细胞胶原蛋白分泌测定方法》) and "Test Method for Absorption of Recombinant Collagen through the Skin" (《重组胶原蛋白透皮吸收测定方法》), both formulated under Giant Biogene's lead, were formally published, which set out the basis for the standards and a guideline for the methodology for evaluating the biological functions of recombinant collagen, and solved the lack of testing methodology in that regard.

In the future, we will continue to focus on research and development, promote technological development and develop more good products to serve the vast number of consumers.



Intellectual Property Protection

Giant Biogene attaches great importance to intellectual property protection, committed to creating a standardized intellectual property protection work system and a cultural atmosphere for intellectual property protection. We strictly abides by the laws and regulations such as the Trademark Law of the People's Republic of China (《中华人民共和国商标法》) and the Patent Law of the People's Republic of China (《中华人民共和国专利法》), and have a series of procedures and systems in place to realize the standardized management of intellectual property rights.

During the Reporting Period, we continued to keep abreast of the developments of relevant national regulations and policies, and incorporated the latest policy requirements into our intellectual property protection work system as follows.

- | GIANT BIOGENE | |
|---------------|---|
| 01 | Opinions on Strengthening Administrative Adjudication of Patent Infringement Disputes in the New Era (《關於加強新時代專利侵權糾紛行政裁決工作的意見》) |
| 02 | Guidelines on the Application for International Registration of Designs (《關於外觀設計國際注冊申請的指引》) |
| 03 | Guidelines on Judging the Object of Utility Model Patent Protection (《關於實用新型專利保護客體判斷的指引》) |
| 04 | 《Provisions on Regulating Patent Application Activities (《規範申請專利行為的規定》) |
| 05 | Transitional Measures for Handling Relevant Examination before and after the Implementation of the Amended Patent Law and the Implementing Regulations of the Patent Law (《關於施行修改後的專利法及其實施細則相關審查業務處理的過渡辦法》) |



We attach great importance to intellectual property management.

In 2023, we upgraded the management rules and regulations related to intellectual property based on the actual needs of the company, and optimized the internal management processes. According to the requirements of intellectual property management system standardization, we have conducted annual supervision and audit, and has been audited by qualified institutions to maintain compliance with GB/T 29490-2013 management system requirements. As a result, we have established a comprehensive knowledge product management system and continuously strengthened the systematic construction of intellectual property management capabilities.

We adopted a comprehensive intellectual property protection system and continuously optimized relevant workflow according to actual situations.

During the Reporting Period, we carried out 4 trainings related to intellectual property protection, with the theme of "Training on appearance patent application", "How to improve the quantity and quality of patent applications from industry peers", "Enterprise trademark brand creativity and utilization strategy", and "Standards for rapid examination of intellectual property".



Training on appearance patent application



How to improve the quantity and quality of patent applications from industry peers

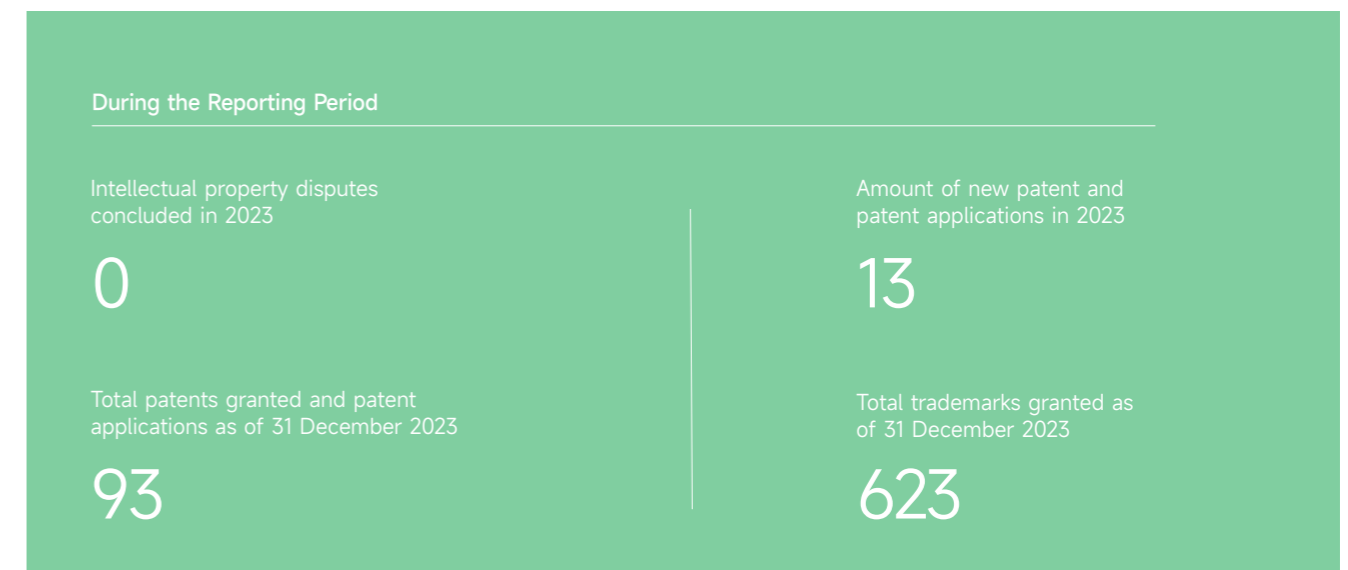
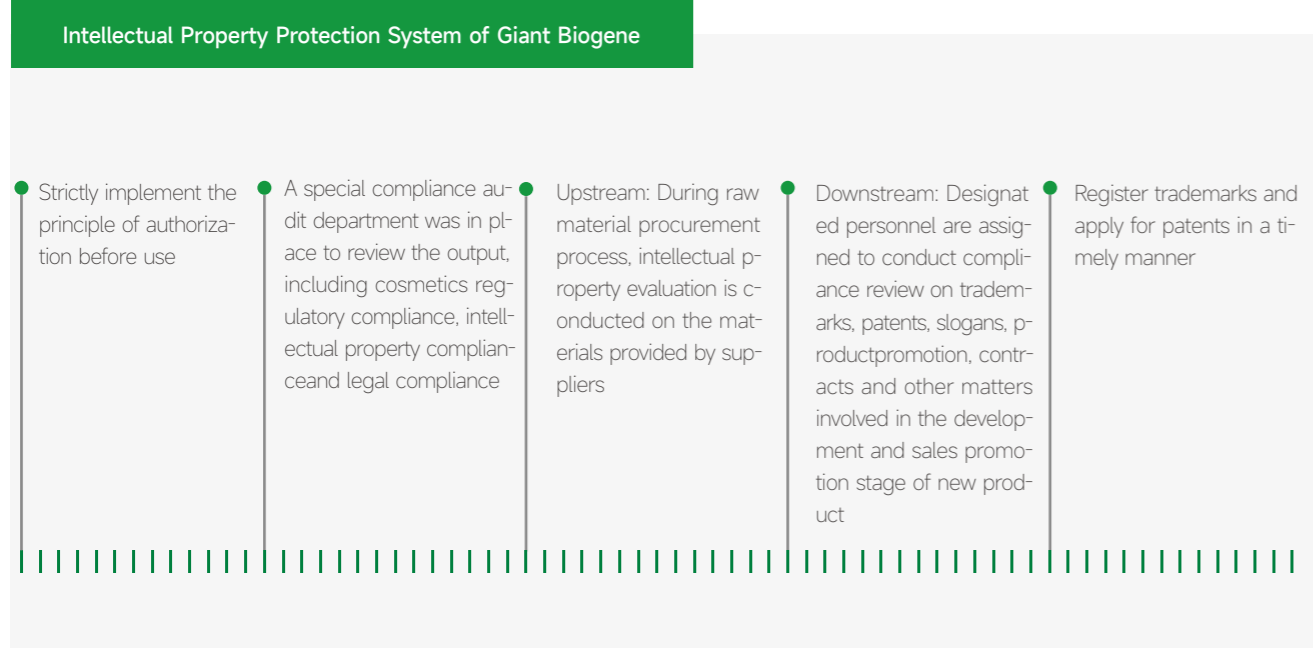


Enterprise trademark brand creativity and utilization strategy



Standards for rapid examination of intellectual property

During the Reporting Period, there were no intellectual property disputes, and the progress and achievements of patent work were as follows



SUPPLY CHAIN MANAGEMENT

Supplier management

Giant Biogene strictly abided by relevant laws and regulations and national standards, such as "the Cosmetic Production Quality Management Practices (《化妝品生產質量管理規範》)", "the Measures for Administration of Cosmetic Labels (《化妝品標籤管理辦法》)", "Evaluation Guide of Suppliers for Manufacturers of Cosmetic Raw Material" (《化妝品原料生產企業供應商審核指南》), "Evaluation Guide of Suppliers for Manufacturers of Medical Devices" (《醫療器械生產企業供應商審核指南》), "Application Guide Medical devices — Quality management systems — Guidance on the application of YY/T 0287-2017(《醫療器械質量管理體系 YYT0287-2017應用指南》) and "the Law of the People's Republic of China on the Food Safety (《中華人民共和國食品安全法》)", ISOTS2002-1-2009- Prerequisite Program on Food Safety (《ISOTS2002-1-2009-食品安全前提方案》), GBT42061-2022 Medical Devices Quality Management Systems Requirements for Regulatory Purposes (《醫療器械質量管理體系用於法規的要求》), and paid attention to the rigorous, compliance, systematization and systematization of procurement work.

During the Reporting Period, we revised the procurement-related policy documents, refined the management granularity and performance requirements for suppliers and procurement, including Procurement Control Procedures (《採購控制程序》), Supplier Evaluation Management Procedures (《供應商評價管理規程》), Material Procurement Management Procedures (《物料採購管理規程》), etc., refined the supplier evaluation process by adding an audit process from the Company's Quality Management Department in the supplier catalog and performance assessment and adding the shelf-life requirements for raw materials to the material management procedures.

During the Reporting Period, we signed an annual framework purchase and sales contract with some suppliers, which imposed stricter requirements on supply quality, and added treatment of unqualified products to the material supply and production process. We also signed quality agreements with some suppliers to stipulate the quality standard requirements of materials.

We conducted annual evaluation of suppliers in accordance with the "Supplier Evaluation and Management Procedures" (《供應商評價管理規程》). Suppliers were classified into three grades based on performance assessment scores and were managed according to grades. We always attach importance to the management, investigation and evaluation of suppliers. During the Reporting Period, we conducted inspections of 196 suppliers by giving out the Supplier Quality System Evaluation Form (供應商質量體系考察表) and on-site inspections of 24 suppliers of raw materials and packaging materials to evaluate their production site, equipment and quality system management. 24 suppliers met our requirements in the production capacity and quality.



As of the end of the Reporting Period

Number of suppliers of Giant Biogene

196



Supplier Admission Process of Giant Biogene

- The identification of raw material suppliers is tested by the R&D department, and handed over to the purchasing department for procurement after passing the test. The purchasing department will confirm the inspection standards of the materials with the suppliers, and ask for relevant certificates to ensure that the materials meet the relevant quality requirements.
- The purchasing department is responsible for the selection of packaging material suppliers. According to the access process of suppliers, the sampling and machine testing are carried out, and the conformity of package materials is confirmed by R&D personnel. After passing the test, the supplier evaluation and standard are confirmed before procurement.
- The Company signs a Letter of Quality Commitment (《質量承諾書》) with each supplier to stipulate quality requirements
- After making purchases from the qualified suppliers, the quality management department shall inspect the purchased materials in accordance with the inspection standards of the materials to ensure that the purchased materials continue to meet the requirements when use

We have set up strict supplier admission standards, requiring suppliers to sign a quality commitment and provide relevant qualification certification materials. In the selection of suppliers, the Company gives priority to enterprises with qualifications (such as environmental management, FSC certification, etc.), and comprehensively evaluates whether the quality and technical capabilities of suppliers meet the product quality requirements.

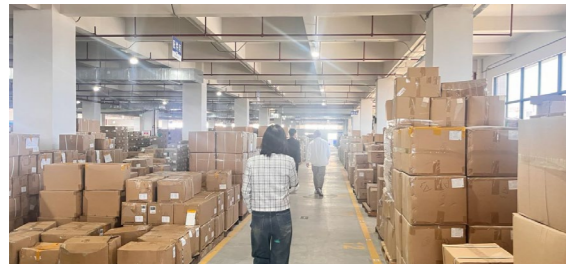
Region	No. of supplier in 2022	No. of supplier in 2023
East China	80	88
North China	45	51
Central China	9	8
North China	18	17
Northwest China	27	30
Southwest China	5	1
Northeast China	2	1

Supplier cooperation

During the Reporting Period, we communicated with our suppliers in various ways to enhance mutual understanding and increase cooperation efficiency and quality.



We invited strategic cooperation suppliers to visit and study at the site, and communicated with suppliers on quality issues from time to time. Local suppliers visited and studied at the site to discuss and share excellent cases on the quality of deliveries, so as to study and make progress together



We invited more than 20 suppliers to the site for new product promotion and factory visits



We participated in Beauty Expos in Hangzhou, Shanghai and Guangzhou, API^[1], PCHI^[2], as well as Raw Material Expo West for a total of 6 times, and communicated with suppliers on site for products.

[1] Active Pharmaceutical Ingredient China
[2] Personal Care and Homecare Ingredients

Sustainable supply chains

We attach high importance to the sustainable development of our supply chain, and safeguard the integrity and legal compliance of supply chain through the following work initiatives on integrity management.



Enter into framework agreements with cooperating suppliers to stipulate quality requirements, intellectual property rights, integrity requirements, etc.



Enter into the Letter of Integrity and Anti-Bribery Commitment (《廉潔反賄賂承諾書》) with each supplier



Provide anti-corruption training and send notification to suppliers



Set up an internal bribery whistleblowing mailbox



Strengthen propaganda to procurement staff in the daily communication and meetings of the department, such as emphasizing on anti-corruption and integrity in the weekly meeting and monthly meetings of the department, and promote the relevant videos and national regulations on anti-corruption in the departmental working group, especially during the traditional festivals.

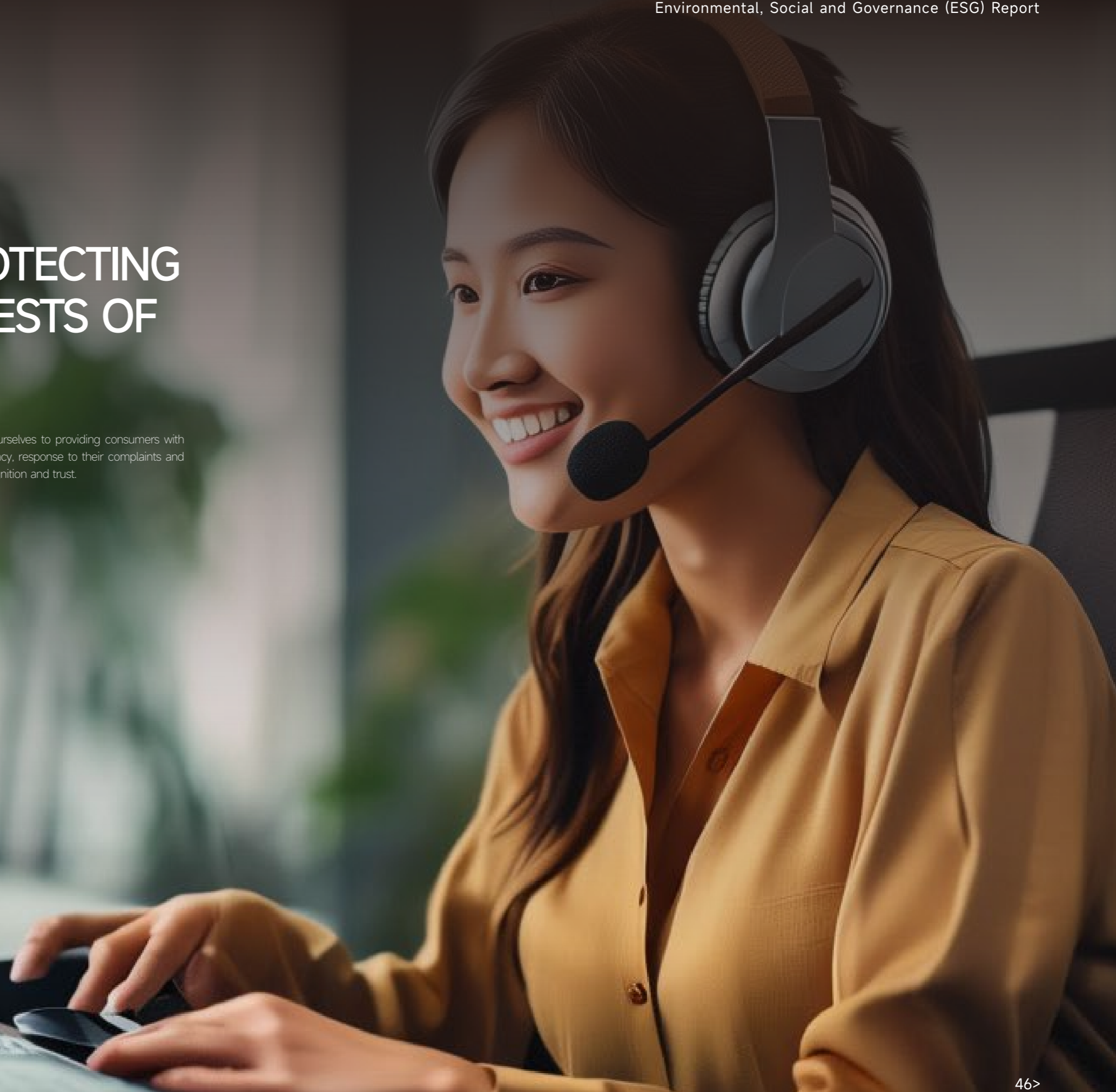
We attach importance to guaranteeing the supply chain stability, and select local suppliers in our work to strengthen connections with suppliers; at the same time, we prioritize ocean-friendly materials, simpler design of packaging and the use of raw materials from the palm oil coalition, so as to ensure sustainable development



03

SERVICE FIRST AND PROTECTING THE RIGHTS AND INTERESTS OF CUSTOMERS

Consumers are our valuable assets. We attach importance to consumer experience, devote ourselves to providing consumers with high-quality products, communicate and interact with them, strengthen protection of their privacy, response to their complaints and suggestions in a timely manner, protect their rights and interests, and win more consumer recognition and trust.





CUSTOMER SERVICES

Giant Biogene serves customers attentively, and sets up a user service department within the Company, which is responsible for handling users' complaints and feedback, establishing contact with customers through various e-commerce platforms, solving users' problems, collecting feedback on user problems and suggestions, tracking user feelings, and promoting the brand image through services. We hope to continuously improve the user experience by listening to every customer's voice through sincere, patient and efficient service.

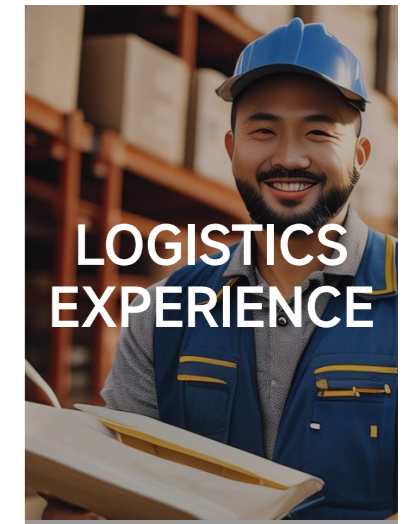
Customer services and communication channels

We have formed comprehensive and diversified communication channels for all kinds of customers.

Categories	Communication Channels
Dealers	We learn about customer demands through WeChat, telephone and field visits in offline channels, and hold dealer meetings half a year and throughout the year with core personnel to understand customer demands. At the same time, we also hold meetings with TOP10 customers for in-depth exchanges and reports to understand customer problems, plan and negotiate for solutions.
Medical terminal customers	We share information on, among others, market demand, product application and new product research and development in face-to-face interaction through academic conferences, departmental training and salon meetings and other forms.
Consumers	We understand and deal with customer complaints and suggestions through the official public account, WeCom, 400 calls, etc. The business department will contact the local distributors and terminals timely to understand the situation when receiving customer complaints, and cooperate with the Company's production, quality, finance and other relevant departments to coordinate treatment.

Customer satisfaction survey

We regularly carry out various customer satisfaction surveys, collect customer feedback and look for the direction of work improvement to provide the basis for continuous optimization of customer service. Satisfaction is mainly investigated and researched from three aspects: product, service quality and logistics experience. The survey methods include: product satisfaction questionnaires distribution, complaining users satisfaction return visit, platform products, logistics, service star rating, etc.



During the reporting period

our overall online satisfaction score was

90%+

our annual customer service quality goals were all achieved, and the online store experience score exceeded

99% stores

Provide full chain and full cycle service to consumers, truly satisfying them.

Pre-sales customer service:

Build trust and provide attentive service

In-sales customer service:

Respect users, provide proactive service, and reassure users

After-sales customer service:

Maintain empathy from the user's perspective, comprehensively and thoughtfully solve problems, and do a good job of protecting the user

Continuous improvement of customer service

We improve customer satisfaction through continuous optimization of workflow and content, and keep pace with the times, regularly investigate and study horizontal competitive products according to the business stages to improve service level and optimize service process.

During the Reporting Period, we further refined the work content from multiple dimensions in pre-sales and after-sales. In pre-sales posts, we focused on improving the response speed and enthusiastic service attitude to improve user satisfaction, and in after-sales posts, we established special negative information feedback channels and timely interact with relevant ports to constantly optimize customer satisfaction. In 2023, the main types of customer complaints received by Giant Biogene were delayed product delivery, missing or incorrect shipments, and activity inquiries. A total of 460 customer complaints were received, and there were no major customer complaints.

Continuous optimization of consumer services of Giant Biogene

Improving response speed

- (1) The response speed is increased by 50% from 24h to 12h
- (2) The average response time of customer service in 2023 is 29s, which is 17s shorter than that of 2022

Effective response to complaints

- (1) Classify the complaints and analyze them regularly to find the best way to solve the problems
- (2) Provide trainings to the complaint commissioners regularly to improve their complaint handling skills and level
- (3) Apply intelligent work to ensure 100% receipt of complaints and improve work efficiency
- (4) The annual complaint rate decreased by 23.3% year-on-year compared with that of 2022, and the completion rate was 100%

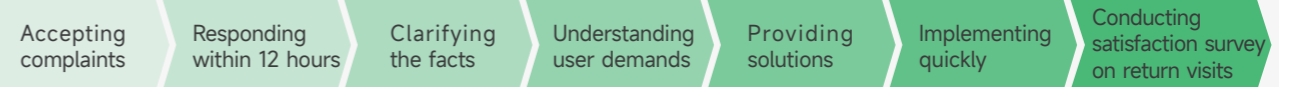
Empowering service talents

- (1) Formulate a performance appraisal system, establish a special appraisal system for the complaint handling team and the person responsible for the complaint, and conduct rewards and punishments according to the comprehensive evaluation of user satisfaction, processing efficiency and processing quality
- (2) Train a number of customer service managers in 2023 and empowered the department's management team from management capability to business professionalism, so as to empower the customer service team and improve user service satisfaction

Improving the customer complaint management system

We have established a sound customer complaint management procedure, and have a complete set of acceptance procedures for customer complaints.

Improving customer complaint management system of Giant Biogene



For different customer complaints, we identify the main contradictions from the problems, refine the preliminary work process, and propose the solutions for most customer complaints, including improving service attitude; promoting service efficiency; strengthening terminal training; tracking complaints to the end etc., thus putting forward systematic countermeasures to reduce and effectively solve most customer complaints.



Improving service attitude



Promoting service efficiency



Strengthening terminal training



Tracking complaints to the end

RESPONSIBLE MARKETING

We strictly comply with the relevant laws and regulations relating to responsible marketing, including the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》), the Interim Administrative Measures for the Review and Management of Advertisements for Drugs, Medical Devices, Functional Foods and Foods for Special Medical Purpose (《藥品、醫療器械、保健食品、特 殊醫學用途配方食品廣告審查管理暫行辦法》), the Standards for the Examination and Publication of Advertisements for Medical Devices (《醫療器械廣告審查發佈標準》), the Regulations on the Supervision and Administration of Cosmetics (《化妝品監督管理條例》), the Administration of Cosmetic Labels (《化妝品標籤管理辦法》).

We have established a strict content review system for each business outlet to review all external promotional materials to ensure that all materials are subject to a strict content review.

GIANT BIOGENE

01 Offline materials

Timely feedback on the offline materials; timely notification to offline synchronization for offline information updates

02 Online materials

- Adopt a unified and updated mechanism;
- Invite partners and legal advisers to conduct risk screening on commodity information;
- The brand department gives feedback on errors and risks of the platform page from time to time

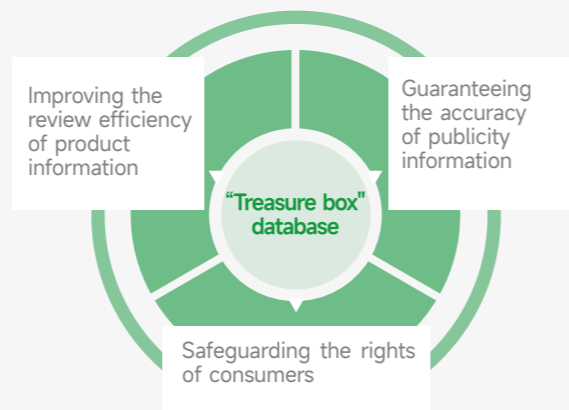
03 Partner

Pre-review coverage of 90%+ and sub-review coverage of 100%

"Treasure box" database of Giant Biogene

During the Reporting Period, we added a "treasure box" database, which significantly improved the review efficiency of product information while guaranteeing the accuracy of publicity information and safeguarding the rights and interests of our consumers.

The basic information of the products was comprehensively organized in the treasure box, which can help internal personnel obtain accurate, unified and safe information and materials. The relevant team will continue to review, maintain and optimize the contents of the treasure box, including weekly content maintenance and information supplementation; adding new entries when the product is launched; updating information according to review specifications and so on.



We regularly conduct various forms of responsibility marketing training to improve the knowledge level and work capacity of the related internal teams, forming a cultural atmosphere that attaches importance to responsibility marketing, material review and external output.

Various responsibility marketing training of Giant Biogene

Training on laws and regulations

Monthly legal knowledge training is conducted, including case analysis, advertising review, etc.; inviting external legal counsel to conduct legal knowledge training

Publicizing and implementing the internal system

Training and publicizing are carried out in a timely manner when the review standards of the internal review group are updated

Summarizing and analyzing the problem

We review the summary and analysis of the work order problem as well as the factors related to public opinion and incorporate them into the SOP for public opinion management, and conduct relevant trainings to ensure the accuracy of the interaction process with consumers

During the Reporting Period, Giant Biogene had no disputes or complaints or whistleblowing incidents related to marketing and labelling use, and no litigation cases were caused by the above matters.

During the Reporting Period

Litigation cases caused by the above matters

0 case



PRIVACY PROTECTION

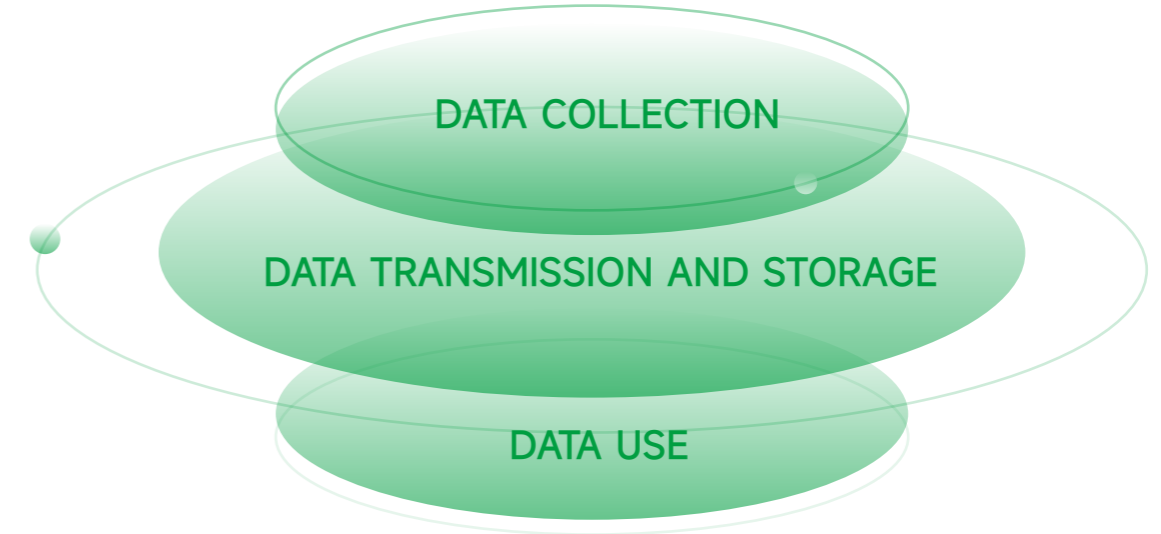
Giant Biogene is committed to protecting consumers' data privacy, and we have adopted strict security measures to protect consumers' data, including data encryption, access control and employee training.

In regard of the public platforms, each e-commerce platform has encrypted customer information, and we comply with the platform rules and practices related to consumer privacy protection, and do not have access to consumers' privacy data.

In the internal work, we have carried out detailed regulations on data acquisition and processing, and firmly safeguard the privacy and security of our customers.



In our work, we protect the security of consumers' personal information in various ways, preventing it from being attacked, leaked or damaged.



Various ways to protect consumers' personal information in Giant Biogene

Data collection

We follow strict procedures and security measures to prevent unauthorized access to such data

Data transmission and storage

- (1) We adopt security measures such as data masking to ensure the security of transmission and storage
- (2) We process data and standardize data storage according to different needs
- (3) We set up an information protection organization in the e-commerce center to protect the security of the database

Data use

- (1) We adopt a variety of data masking techniques, including content replacement and SH-A256, to enhance the information use security
- (2) We classify account permissions according to organizational structure and job types for data account management
- (3) The data center team has signed a confidentiality agreement and emphasize on data confidentiality obligations in daily work

04

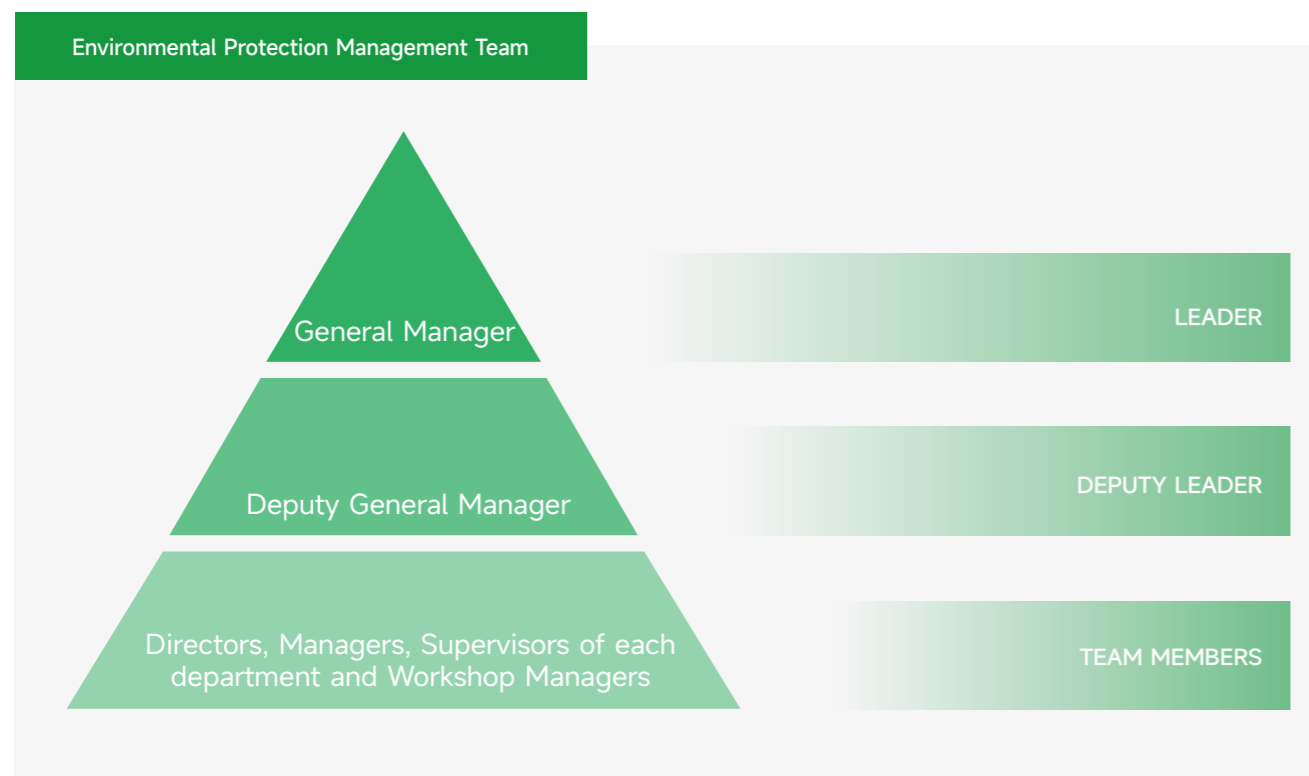
GREEN OPERATION FOR SUSTAINABLE DEVELOPMENT

Giant Biogene attaches great importance to environmental protection and green operation, and has formulated an environmental management system, rules and organizational structure in accordance with relevant laws and regulations. It strictly implements three-waste management and attaches importance to emission reduction, strengthens energy and resource utilization and management, continuously saves energy and reduces emissions, improves resource utilization efficiency, and reduces the impact on the environment.

ENVIRONMENTAL MANAGEMENT

Giant Biogene complies with the Law of the People's Republic of China on Environmental Protection (《中華人民共和國環境保護法》), the Law of the People's Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), the Law of the People's Republic of China on the Prevention and Control of Air Pollution (《中華人民共和國大氣污染防治法》), the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), the Law of the People's Republic of China on the Prevention and Control of Noise Pollution (《中華人民共和國噪聲污染防治法》) and other laws and regulations, and carries out the construction of the Company's environmental management system and the establishment of systems to promote the work related to internal management in energy management, resource management, emissions of three wastes, carbon emissions, climate change risks and other dimensions. During the Reporting Period, Giant Biogene added the Environmental Emergency Response Plan (《突發環境事件應急預案》), the Environmental Protection Responsibility System (《環境保護責任制度》) and other systems and about 20 specific operational standards to further improve the institutional guarantee of environmental management related work.

During the Reporting Period, we established the Environmental Protection Responsibility System (《環境保護責任制度》) and set up an environmental protection management team, with the general manager of the Company as the leader, the deputy general manager as the deputy leader, and the directors, managers and supervisors of each department as well as workshop managers as the team members.



The main responsibilities of the environmental protection management team are to collectively lead the Company's environmental protection work, formulate and implement environmental protection management system, regularly inspect, summarize and evaluate environmental protection work.

We conduct environmental audits annually according to requirements. In April 2023, we passed the on-site examination of GB/T 24001-2016 and ISO 14001:2015 Environmental Management System Certification, demonstrating the standardization and effectiveness of our environmental management system.

With reference to the ESG Reporting Guide by the Stock Exchange, and drawing on excellent management practices in China, Giant Biogene has formulated four major environmental management objectives, and continued to thoroughly implement the relevant work.



Emission Reduction

A range of carbon reduction initiatives to reduce carbon emissions from the Company's production and offices



Solid Waste Reduction

Improving the Company's three waste policies, enhancing the efficiency of the use of raw materials, reducing solid waste emissions through recycling and other means, and continuing to reduce the intensity of solid waste emissions



Water Use Efficiency

Refining the Company's water conservation system, increasing the investment in and application of water-saving technologies, and improving water efficiency in production and office areas



Energy Use Efficiency

Strengthening energy-consuming management, adopting appliances with low energy consumption and reducing energy consumption intensity in production and office areas

Under the guidance of the four major environmental objectives, Giant Biogene did not experience any environmental pollution incidents or receive any environmental administrative penalties during the Reporting Period and all waste gas and wastewater were discharged and disposed of in a compliant manner.

During the Reporting Period

Environmental pollution incidents or environmental administrative penalties

0 case

EMISSIONS MANAGEMENT

Wastewater management

In the field of wastewater management, Giant Biogene complies with the relevant laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), the Integrated Sewage Discharge Standard (《污水綜合排放標準》) and the Standard for the Quality of Sewage Discharged into Urban Sewers (《污水排入城鎮下水道水質標準》), and has established internal regulations such as the Wastewater Treatment Management System (《廢水處理管理制度》) and the Wastewater Discharge Management Regulations (《污水排放管理規程》), to standardize and systematize emissions management.

During the Reporting Period, the wastewater discharged mainly consisted of domestic wastewater and production wastewater. Our workflow for wastewater treatment is as follows.

Workflow for wastewater treatment of Giant Biogene

WASTEWATER GENERATION

Reduction of wastewater generation through workshop process optimization, water recycling, etc.



WASTEWATER TREATMENT

Treatment of wastewater to meet the standard through self-built sewage plants



WASTEWATER MONITORING

Continuous monitoring of wastewater indicators through a combination of daily self-testing and third-party national standard monitoring

We pay attention to emission reduction throughout the entire process of generating and treating wastewater, and monitor the wastewater through daily self-inspection and regular third-party testing to ensure that the wastewater treatment work complies with regulations and reduces its impact on the environment. During the Reporting Period, the indicators related to wastewater discharge of Giant Biogene are as follows.

Name of Indicator	Total Quantity	Unit
Total wastewater discharge	12,396.6	tonnes
COD discharge	1.8	tonnes
Ammonia and nitrogen discharge	0.1	tonnes



Waste gas management

Giant Biogene complies with relevant national laws and regulations such as the Law of the People's Republic of China on Air Pollution Prevention and Control (《中華人民共和國大氣污染防治法》), the Emission Standards for Air Pollutants from Boilers (《鍋爐大氣污染物排放標準》), and establishes relevant internal systems such as the Waste Gas Treatment Management System (《廢氣處理管理制度》), adopts a variety of equipment to achieve waste gas emission reduction and emission standards, and continuously monitors the generation of waste gas to improve the Company's ability to control and manage waste gas.

During the reporting period, the main types of waste gases emitted by Giant Biogene include non-methane total hydrocarbons, sulfur dioxide, particulate matter, dietary fumes, ozone, nitrogen oxides, etc. We have engaged qualified third parties to regularly monitor the company's waste gas emission indicators, and the relevant test results meet national and local standards. Our monitoring frequency for different indicators of waste gas is detailed in the table below.

Name of Indicator	National standard	Frequency of monitoring
Sulfur dioxide	HJ 57—2017	Monitoring annually
Particulate matters	HJ 836—2017	Monitoring annually
Darkness of smoke	HJ/T 398—2007	Monitoring annually
Cooking fume	GB 18483—2001	Monitoring annually
Ozone concentration	GB/T 14675—1993	Monitoring semi-annually
Non-methane hydrocarbon	HJ 604—2017	Monitoring semi-annually
Oxynitride	HJ 693—2014	Monitoring monthly

During the Reporting Period, we continued to improve the relevant workflow in the production process to reduce waste gas emission and reduce its impact on the environment. For example, in the welding process, we adopted the use of low-dust and low-toxicity welding rods, automatic welding technology and gas-shielded welding technology.



Workshop organic waste gas treatment equipment



Plasma photo-oxygen integrated machine



Oil fume purifier

During the Reporting Period, the major waste gas emissions of Giant Biogene were as follows:


Name of Indicator	Total Quantity	Unit
Oxynitride	0.808	tonnes
Oxysulfide	0.072	tonnes
Dust	0.010	tonnes
Suspension particles	0.062	tonnes

Waste management

Giant Biogene complies with laws and regulations relating to waste management such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), and has established hazardous waste management policy like the Solid Waste Management System (《固體廢棄物管理制度》), the Measures for the Management of Hazardous Waste Transfers (《危險廢棄物轉移管理辦法》), the Standards for the Control of Pollution from the Storage of Hazardous Wastes (《危險廢棄物儲存污染控制標準》), and the Technical Specifications for the Setting of Identification Markers for Hazardous Wastes (《危險廢物識別標識設置技術規範》).

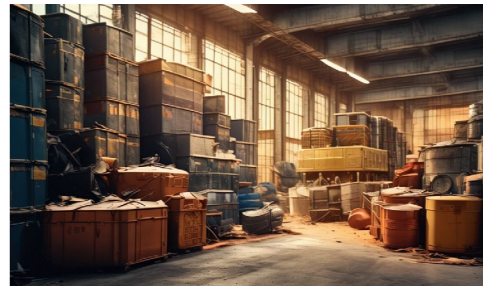
During the Reporting Period, the types of solid waste emission from Giant Biogene include normal solid waste (domestic garbage and general industrial solid waste) and hazardous waste. The workflow for the treatment of different types of waste is set out below.

Normal Solid Waste



- Reusable waste will be recycled
- Non-recyclable waste will be delivered to qualified third parties for transport and disposal

Hazardous waste



- Entrusted to a third party with a corresponding hazardous waste management license
- Handed over to a unit qualified to transport and transfer hazardous waste by road, and issued a hazardous waste transfer list
- Execute the transfer of hazardous waste and dispose of it in accordance with the requirements on the hazardous waste transfer list

During the Reporting Period, the data on the total volume and density of waste discharged by Giant Biogene were as follows:

Name of Indicator	Total Quantity	Unit
Total volume of hazardous wastes	17.13	tonnes
Intensity of hazardous wastes	0.0049	tonnes/million revenue
Total volume of non-hazardous wastes	293.99	tonnes
Intensity of non-hazardous wastes	0.083	tonnes/million revenue

RESOURCE MANAGEMENT

Energy management

Giant Biogene complies with relevant laws and regulations such as the Law of the People's Republic of China on Energy Conservation (《中華人民共和國節約能源法》), the Law of the People's Republic of China on Renewable Resources (《中華人民共和國可再生能源法》) and the Law of the People's Republic of China on Circular Economy Promotion (《中華人民共和國循環經濟促進法》), and has established internal policies and systems relating to energy management such as the Energy Conservation Target Responsibility System (《節能目標責任制度》), the Energy Management Regulations (《能源管理規定》) and the Energy Utilization Analysis System (《能源利用狀況分析制度》), and the Comprehensive Utilization of Energy Management Control Procedures (《能源綜合利用管理控制程序》) were newly added during the Reporting Period.

During the Reporting Period, the types of energy consumption of Giant Biogene included natural gas, diesel, gasoline, purchased electricity and solar energy. We strengthened the efficiency of energy use through a number of measures to save energy, reduce emissions and energy consumption.

Case 1 | Energy saving of boiler

- Adjusting the combustion ratio adjustment of boiler combustion nose to improve the adequacy of natural gas combustion and reduce natural gas consumption.
- Requiring boiler operators to set the start and stop temperature for the boiler based on weather forecast, and set different parameters at different times of the day to save energy.
- Carrying out systematic maintenance for the boiler before using it to avoid gas leakage, bubbling, dripping and water leakage.



Effectiveness: Natural gas consumption in December 2023 decreased by 43% year-on-year.

Case 2 | Energy saving of cartoning machine and film wrapping machine in packaging workshop

- Installing control valve in the main pipeline of the equipment's inlet pipe or the leakage point of the fore-end inlet pipe.
- When the equipment is in standby mode, debugging or maintenance without using compressed air, the equipment operators of the production department manually close the compressed air to reduce wasting compressed air and save energy.



During the Reporting Period, we continued to strengthen the training and promotion of energy conservation, and develop a culture of energy conservation within the Company through advocacy. In December 2023, the Company's safety and environmental protection department took the lead in conducting 1 energy conservation training for the major energy-consuming departments. The production department conducted more than 3 trainings for all staffs of outsourcing workshops at the morning meeting and emphasized on the saving compressed air, with participants of approximately 200.



During the Reporting Period, Giant Biogene's data on energy consumption and greenhouse gas emissions by category are as follows.

Name of Indicator	Unit	2023年
Natural gas	cubic meters	651,192.00
Diesel, gasoline	liters	40,358.00
Purchased electricity	ten thousand kwh	866.20
Self-generated solar energy	ten thousand kwh	0.19
Total direct energy consumption	tonnes of standard coal	762.82
Total direct energy consumption intensity	tonnes of standard coal/million revenue	0.22
Total indirect energy consumption	tonnes of standard coal	1,064.52
Total indirect energy consumption intensity	tonnes of standard coal/million revenue	0.30
Total integrated energy consumption	tonnes of standard coal	1,827.34
Total integrated energy consumption intensity	tonnes of standard coal/million revenue	0.52

Name of Indicator	Unit	2023年
Scope 1 greenhouse gas emissions	tonnes of carbon dioxide equivalent	1,505.67
Scope 2 greenhouse gas emissions	tonnes of carbon dioxide equivalent	4,939.74
Total greenhouse gas emissions (Scope 1 and Scope 2)	tonnes of carbon dioxide equivalent	6,445.41
Greenhouse gas emission intensity	tonnes of carbon dioxide equivalent/million revenue	1.83

Energy consumption is calculated according to the General principles for Calculation of Total Production Energy Consumption (GB/T 2589—2020). The calculation of Scope 1 emissions adopts the low calorific values of gasoline and diesel as specified in the 2005 China Greenhouse Gas Inventory Study, which are 44.8 GJ/t and 43.33 GJ/t, respectively. Additionally, the carbon content per unit of energy for gasoline and diesel, derived from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the Provincial Greenhouse Gas Inventory Guidelines (Trial), is 0.0189 tC/GJ and 0.0202 tC/GJ, respectively. Furthermore, a carbon oxidation efficiency of 98% for both gasoline and diesel is applied, as outlined in the Provincial Greenhouse Gas Inventory Guidelines (Trial). Scope 2 emissions are calculated using the average emission factor for China's national power grid in 2022, which is 0.5703 t CO₂/MWh. The data was published by the Ministry of Ecology and Environment in the Notice on the Management of Greenhouse Gas Emission Reporting for Enterprises in the Power Generation Industry in 2023-2025.

Use of resources

Giant Biogene adheres to the concept of water conservation and water saving, and strictly complies with the requirements of the Law of the People's Republic of China on Water (《中華人民共和國水法》), the Law of The People's Republic of China on Water Pollution Prevention and Control (《中華人民共和國水污染防治法》) and other laws and regulations. Relevant management policies have been formulated in line with our own operating conditions, and we have taken targeted measures to improve the efficiency of water use in our production and office environment.

During the Reporting Period, our main source of water was municipal water, no problems encountered in obtaining suitable water sources, and the water consumption is shown as below:

Name of Indicator	Total volume/intensity	Unit
Total water consumption	82,360	cubic meters
Intensity of water consumption	23.37	cubic meters/ million revenue

We insist on implementing a series of water-saving measures for production and office, aiming to improve the efficiency of water resource utilization and reduce waste through a dual approach of technology and management. In terms of production, advanced circulating water systems are adopted to ensure that every drop of water is fully utilized. In the office environment, we strengthen education on water-saving awareness among employees and regularly inspects water pipe facilities to prevent leaks.

| Training and advocacy |

In order to deeply implement the concept of water conservation and improve the awareness of water conservation among all employees, Giant Biogene organized and implemented a comprehensive water-saving themed training and publicity activity in 2023. This event places special emphasis on effectiveness and participation, ensuring that it covers every employee in all departments of the Company.



| Water saving in the office |

Our equipment maintenance staff regularly inspect the water facilities to check for runs, bubbles, drips and leaks, and troubleshoot them promptly.

Strengthening the management in all departments of the Company, raising the awareness of water conservation among the Company's staff, developing water conservation habit of turning off the taps and avoiding long running water.

According to the seasonal and weather changes, irrigation is carried out in a scientific and timely manner, and irrigation methods such as sprinkler, micro-irrigation and drip irrigation are promoted to encourage the use of rainwater and minimize water consumption.

| Water saving in production |

01

Chilled water circulation system for the process

Chilled water circulation system for the process, using purified water intermediate water circulation, without impurities and scaling, and has better water quality, lower water temperature, improved heat exchange rate and equipment utilization rate, reduced equipment corrosion rate, which greatly reduces the use of industrial circulating water. Since the implementation of the project, 292 tonnes of water can be saved each day theoretically and 87,600 tonnes of water can be saved each year theoretically.



02

Enclosed cooling towers

The cooling water saving circulation system for the process adopts enclosed cooling tower. As it enables fully closed circulation cooling, no debris can enter the cooling pipeline system, which avoids the occurrence of pipeline blockage, and can be directly used in the cooling of water, oil, alcohol, quenching liquid, brine and chemical liquid and other media, with no loss of media and has a stable composition. It also adopts the air cooling, evaporation and heat absorption dual cooling method, and has high cooling efficiency. With this system, 196 tonnes of water can be saved each day theoretically and 58,800 tonnes of water can be saved each year theoretically.



03

Equipment CIP circulation cleaning pumps

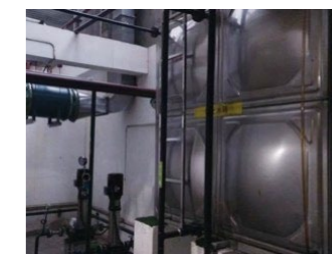
The conventional process used for cleaning the inside of the production pipe is to drain while feeding water, which has a lower water utilization rate. By cleaning with CIP, the injected water can be recycled, reducing the amount of water injected and thus realizing water saving.



04

Cooling circulation system

The cooling circulation system mainly recycles the condensate produced by the combined air conditioner shelf surface cooler and heating coil of the air handling units, and the fan coil of the central air-conditioners for the use at the boiler water softening system. With this system, 40 tonnes of water can be saved each day theoretically and 12,000 tonnes of water resources can be recycled each year theoretically.



I Use of packaging materials I

In terms of the use of packaging materials, Giant Biogene upholds the concept of recovery, reuse and recycle, simplifying and using more eco-friendly packaging materials, in order to achieve green packaging and green transportation.

Through measures such as tray recycling and reuse, cardboard box recycling and reuse, the Company has been able to save costs while demonstrating a positive attitude towards environmental protection, promoting the sustainable use of resources.

Measures	Description	Purpose and benefits
Reutilization of pallets	Reutilizing the pallets used for receiving goods such as raw materials and packages, and recycled for reutilization after qualified inspection according to Giant Biogene's internal control quality standards.	Reducing the need for new pallets and increased the reutilization of resources.
Reutilization of outer cartons	Recovering the outer box when receiving goods such as raw materials, packaging materials, and recycled for reutilization after qualified inspection according to Giant Biogene's internal control quality standards.	Reducing the use of disposable packaging materials and waste disposal cost.
Reutilization of product transfer cartons	Recovering the outer boxes used in product transfer, storage and logistics, and recycled for reutilization after qualified inspection according to Giant Biogene's internal control quality standards.	Reducing the waste of packaging materials and environmental pollution and demonstrating environmental responsibility.

The table shows the comparison between the expected recycling target and the actual recycle result in 2023. Based on the data, it can be seen that in all projects, the actual recycling quantity exceeded the planned target, demonstrating the efficient execution and good results of recycling.

Target material	Expected recycling quantity	Actual recycling quantity
EPS boards	25,000sets	25,305sets
Carton	100,000sets	111,448sets
EPE foam	8,000sets	9,915sets

During the Reporting Period, the major types of internal packaging materials we used included plastic bottles, aluminum foil bags and glass bottles, and the main types of external packaging materials included paper boxes and cartons.

During the year, the use of all packaging materials by Giant Biogene is as follows:

Name of Indicator	Unit	2023年
Metals	tonnes	133.71
Papers	tonnes	1,889.90
Plastics	tonnes	2,481.12
Fabrics	tonnes	249.13
Intensity of packaging materials used	tonnes/million revenue	1.35

COPING WITH CLIMATE CHANGE

In order to actively address the issue of global climate change, Giant Biogene has incorporated coping with climate change into the Company's environmental management, and has carried out initial work on climate change risk identification with reference to the framework recommendations issued by the Task-force on Climate-related Financial Disclosures (TCFD).

During the Reporting Period, Giant Biogene has established comprehensive contingency plans for extreme weather, including the Emergency Plan for Flood and Storm Prevention (《防洪防汛、防暴雨应急预案》) and the Emergency Plan for Freeze Prevention(《防凍应急预案》), to ensure the continuity of the Company's operation and the safety of employees.

Before the seasonal rainstorm in summer, we actively organize personnel to comprehensively clean the rainwater wells in the factory and external rainwater pipeline networks while preparing sufficient sandbags and strengthening inspections in key areas to prevent from flood and waterlogging.

Before the harsh winter, we conduct detailed insulation inspections on the pipelines outside the factories to ensure that their pipes are not affected by low temperature. Additionally, salt is sprinkled on the ground in a timely manner during snowy days to accelerate the melting of snow and electrical heating technique is applied to insulate important pipelines so as to ensure the normalization of production and life and effectively respond to the challenges brought by adverse weather.

05

TALENT PROTECTION AND CREATING EXCELLENT WORKPLACE

It is the vision of our human resource management to achieve mutual development with our employees and to promote the evolution of our organization through the growth of our employees. We believe that human resources are the source of vitality for the innovative development of an enterprise. We uphold the core values of corporate culture: "correct direction, pragmatic and progressive, unity and perseverance, active collaboration, efficient execution and sincere altruism", and constantly improve our human resource management system to protect the legitimate rights and interests of our employees and support their development.

EMPLOYMENT

Labor rights and interests

Giant Biogene is committed to legal employment. On the basis of complying with relevant laws and regulations such as the Labor Law of the People's Republic of China, the Company has also formulated a series of management rules such as the Staff Recruitment Management Regulations (《员工招聘管理规程》) and the Labor Contract Management Regulations (《劳动合同管理规程》). In 2023, such rules have been updated and optimized to better adapt to the Company's development needs and the market environment.

In terms of Staff Recruitment Management Regulations, in addition to strictly prohibiting the employment of child labor and forced labor, recruiting and hiring employees reached the legal employment age. In the actual recruitment process, we verify valid identification information such as ID cards and graduation certificates during the initial trial stage to eliminate the possibility of using child labor from the source. If suspected incidents of child labor or forced labor are discovered, the group will immediately initiate internal investigation procedures and take improvement measures.



In terms of Labor Contract Management Regulations, Giant Biogene has updated and improved the content and terms of labor contract. In the new regulations, the Company has added provisions to protect the rights and interests of employees, including but not limited to regulations on working hours, vacation, social insurance, etc.



Giant Biogene has improved the recruitment process, enhancing recruitment efficiency and candidate quality. For example, the Company has added a process of evaluating candidate abilities and adaptability to ensure that the recruited talents truly meet the Company's needs.

| Anti-discrimination |

Giant Biogene is firmly against all forms of discrimination and unequal competition, and we have zero tolerance towards acts of discrimination that restrict career choices on the basis of gender, education, age, health status, religious beliefs, etc. The Company's anti-discrimination philosophy has been deeply embedded and implemented through a series of management measures and publicity campaigns.

| Staff Diversity |

Giant Biogene attaches importance to the diversity of its workforce and aims to build a diverse talent pool through its recruitment efforts. In 2023, we focused on our recruiting goals with the concept of welcoming all talented employees from far and wide and recruited a large number of outstanding talents who share our values through campus and social recruitment.

Diversified recruitment

| Campus recruitment |

In order to build a solid talent base, we launched the campus recruitment plan in 2023 and successfully held more than 20 campus recruitment activities, covering a wide range of colleges and universities to ensure the diversity and breadth of talent selection. We had deep communication with a total of more than 1,000 candidates, and successfully recruited more than 100 outstanding talents for a number of core departments such as R&D, functions and production.



In 2023, we cooperated with Northwest University of Political Science and Law, Shaanxi Polytechnic Institute and other colleges respectively to carry out student practice projects, such as network customer service project, new media project, employment and education school-enterprise cooperation projects.

| Social recruitment |

In addition to campus recruitment, through recruitment websites, on-site job fairs organized by the Xi'an Talent Center and internal referral, Giant Biogene focuses on the selection of talents that fits our requirements in terms of both job competencies and corporate core values and optimized the recruitment process. After receiving the recruitment demands, we carried out deep communication with departmental leaders on talent profiling every week rather than executing them aimlessly to ensure that the recruitment of talents is accurate and quick.



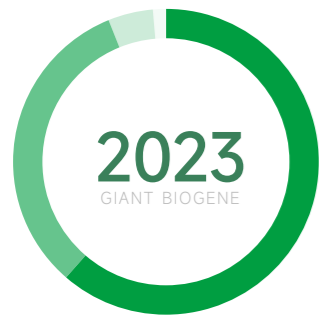
As of the end of the Reporting Period, Giant Biogene had a total of 1,164 employees, with a breakdown of the number of employees by gender, region, age and employment category as shown in the chart below:



Number of employees by gender (headcounts)	unit	2023
• Male Staff	people	471
• Female staff	people	693



Number of staff by region (headcounts)	unit	2023
• North-west region	people	1,137
• Other regions	people	27



Number of staff by age (headcounts)	unit	2023
• Aged 30 and below	people	716
• Aged 31-40	people	377
• Aged 41-50	people	56
• Aged 51 and above	people	15



Number of staff by employment category (headcounts)	unit	2023
• Full-time staff	people	1,164
• Part-time staff	people	0

RIGHTS AND BENEFITS

Remuneration and benefits

Giant Biogene appreciates the dedication of every employee and has established a salary and performance assessment management method to effectively motivate employees and create a win-win incentive mechanism for both employees and the Company.

| Remuneration management |

Remuneration System

We have established a comprehensive and flexible remuneration system to support and facilitate the talent strategy of the Company. The system is regularly adjusted according to the development needs of the Company and expectations of employees, aiming at attracting top talents, retaining existing employees and stimulating their work enthusiasm through a competitive remuneration incentive mechanism, thus enhancing the talent competitiveness of the enterprise.

Remuneration Sequences

We have designed 15 remuneration sequences, which comprehensively cover the whole system of positions from R&D to production to sales. Each position has 11 to 16 salary levels, which are further subdivided into three salary bands: junior, intermediate and senior in accordance with the level of the employees, ensuring that each employee's salary matches his/her ability and contribution, and achieving full employee coverage.

Remuneration Calculation

In order to cope with the rapid growth in the number of employees, we have introduced information technology tools to handle payroll accounting, ensuring a high level of accuracy in payroll payments. In 2023, we will develop the "Employee Growth System" (《員工成長體系》) to systematically standardize the salary adjustment process for employees from onboarding, becoming a regular employee to promotion, and provide clear planning for their career development paths and promotion channels. The system also provides clear and executable guidelines for employee remuneration adjustments and career development, ensuring the mutual growth between the Company and our employees

| Performance assessment |

In order to enhance organizational efficiency, stimulate innovation and ensure fairness in remuneration and performance, we adopted the OKR (Objectives and Key Results Approach) as the performance management tool. We have implemented a dual assessment system of OKR and KPI (Key Performance Indicators) in accordance with different levels of our business.

In addition, we closely align our individual assessment objectives with the long-term strategy and annual business plan of the Company to ensure the working direction of our employees in line with the overall objectives of the Company, while encouraging employees to actively participate in implementing the strategic plans of our departments and the Company from the bottom up. Through the above initiatives, we have enhanced employees' involvement in performance management and stimulated their motivation and willingness to proactively take on tasks and jointly achieving the goals of the Company.

Employee benefits

Giant Biogene insists on putting people first and carries out employee care in multiple dimensions. Through efficient employee communication, various employee benefits and diversified employee activities, Giant Biogene conveys the care and warmth of our employees and continues to improve their sense of belonging and satisfaction.

I Employee care I

In 2023, the Company implemented a series of employee care activities with an aim to strengthen team cohesion and enhance the sense of belonging and satisfaction of our employees.

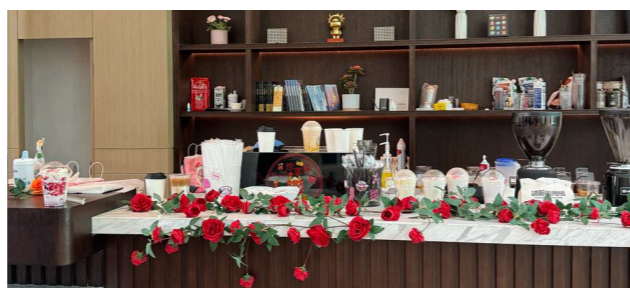
The monthly birthday party brought a warm celebration moment for the employees of the month's birthday, and the exquisite cakes and custom-made gifts made each employee feel the warmth of home.

In addition, we have organized sports activities such as basketball and soccer matches, which not only exercised our body, but also strengthened the communications and cooperation among employees.

In order to further enhance the spirit of teamwork, we specially organized the "Employee Growth Camp" (員工成長營), which allowed employees to build closer connections in a relaxed and pleasant atmosphere through team building games and activities.

While coffee tasting salons provided employees with an opportunity to relax, learn coffee culture and enjoy quality life, we also paid attention to the needs of employees with young children and set up a baby care room to provide them with convenience and care.

These colorful activities not only enriched the spare time life of our employees, but also showed the attention of the Company to the well-being of our employees. We believe that through these meticulous care measures, we can effectively enhance the happiness and loyalty of employees and jointly promote the sustainable development and prosperity of the Company.



Employee benefits

Statutory benefits

- Social insurance
- Housing provident fund
- Statutory holidays

Female employee care

- Organize warm greetings for female staff on the 8 March Women's Day to express our care to them on such festival
- Set up a baby care room

Holiday and birthday benefits

- Holiday gift packs and holiday greetings for staff during every festive occasions
- Organize activities on staff birthdays and distribute birthday gifts

Additional benefits

- Provide employees with housing and car purchase benefits
- Organize annual medical examination for all employees
- Set up a retirement office to take care of retired employees regularly
- Establish the Employee Cafe

I Employee communication I

Giant Biogene attaches great importance to listening to the voices of our employees. During the reporting period, we optimized and improved the "Employee Mental Health Management Regulations" (《員工心理健康管理規程》) and "Employee Symposium Management Mechanism" (《員工座談會管理機制》), established the organizational principles, processes, and follow-up measures for employee symposiums, and ensured that the voices of employees can be effectively heard and responded to.

In order to build diversified communication channels, we have taken measures such as symposiums, intelligent service desks, and employee suggestion boxes:

Regularly hold symposiums:

Giant Biogene has organized 16 symposiums throughout the year, including 9 company level symposiums for new employees and 7 specialized symposiums for social recruitment, to promote the rapid integration of new employees and in-depth communication among peers. The Human Resources and Administration Department categorizes and organizes the issues collected during the symposium, and provides solutions and feedback within three working days to promptly improve and resolve existing issues.

Establish an intelligent service desk:

The Company has established intelligent service desks for departments such as Human Resources and Administration, and Finance, which use a knowledge base to automatically answer common questions from employees and push important information through this platform to improve service efficiency.

Establish an employee suggestion box:

We encourage employees to provide suggestions and feedback, and management regularly reviews and responds to enhance their sense of participation and belonging.

Through the implementation of these measures, Giant Biogene not only optimized internal communication channels, but also significantly improved employee's working enthusiasm and satisfaction, injecting new vitality into the Company's sustainable development and innovation, and improving employee satisfaction.

In order to effectively reduce employee turnover rate, the Company has taken a series of innovative measures



strengthening communication with new employees by holding small-scale care sharing sessions, especially focusing on interns, to ensure that every employee can feel the humanistic care of the Company



optimizing the talent structure and improve the overall employee quality



regularly analyzing the reasons for leaving and communicating with the applicants on the common leaving reasons at the early stage of recruitment in order to reduce future attrition



implementing precise recruitment strategy and working closely with department leaders to ensure that the most suitable talent is recruited

All of these comprehensive measures not only increased employees' satisfaction, but also significantly reduced the turnover rates, demonstrating the efforts of the Company in talent management and retention.

During the Reporting Period, the Company's employee turnover rate was 36%, with a breakdown of employee turnover by each group as follows:

Category	Groups	Turnover Rate
Employee turnover rate by gender	Male	33.85%
	Female	37.62%
Employee turnover rate by age	Employees aged 30 and below	37.08%
	31-40 years old	31.58%
	41-50 years old	34.12%
	Employees aged 51 and above	16.67%
Employee turnover rate by region	Northwest region	36.59%
	Other regions	10.00%

SAFE AND HEALTHY

Production safety management

Giant Biogene implements the production safety policy of "safety first, prevention oriented, comprehensive management", and has formulated systems such as the Regulations on Safe Management and Use of Gas Cylinders (《氣瓶安全管理與使用規定》), Regulations on Safe Management and Use of Gas Cylinder (《氣瓶安全管理與使用規定》), Hazardous Chemicals Position Safety Responsibility System (《危險化學品崗位安全責任制》), Emergency Plan for Hazardous Chemical Accidents (《危險化學品事故應急預案》), and Management System for Hazardous Chemicals Double-locked with Two Keepers (《危險化學品雙人雙鎖管理制度》). We comprehensively promote the construction of safety production standardization and continuously improves the level of safety production.

To ensure production safety, we strictly implement safety production inspections, identify safety hazards, conduct regular safety training and fire drills, and strengthen the safety production awareness of all employees.

Letters of commitment to production safety objectives were signed by employees of all departments of the Company.

Implement safety production plans for departments with higher risk areas in the company, clarifying the safety responsibilities and awareness of management personnel in each department.

Holiday safety inspection, monthly comprehensive safety hazard inspection, monthly natural gas leak detection, daily fire inspection and safety inspection were carried out.

On-site signs for hazardous chemicals warehouse, personal protective equipment and hardware facilities were standardized in accordance with the provisions of Regulations on the Safe Management of Dangerous Chemicals (《危險化學品安全管理條例》), Measures for the Management of Explosive Dangerous Chemicals (《爆炸性危險化學品管理辦法》), Regulations on the Management of Precursor Chemicals (《易制毒化學品管理條例》) and other relevant laws.

Relevant initiatives implemented in safe production and operations

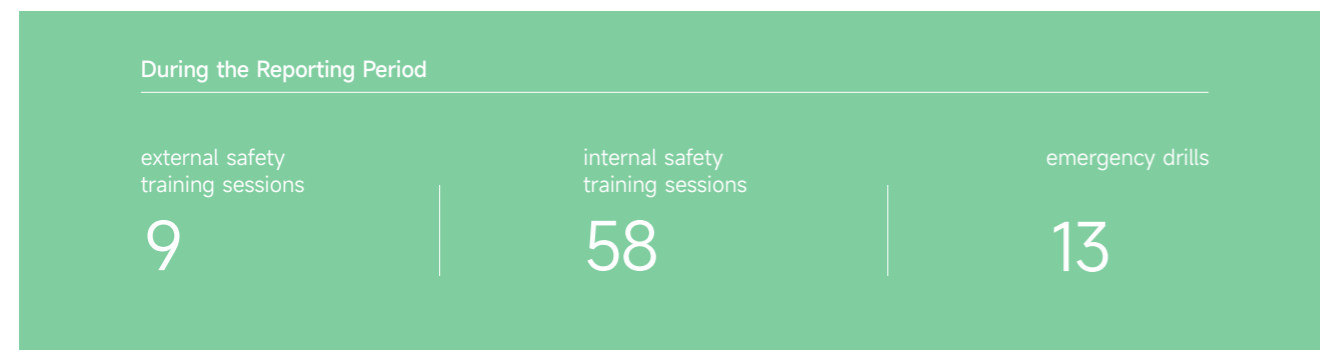


Improved awareness among all employees on safety production



Strengthened capability for security emergency response

During the Reporting Period, the Company held numerous internal and external trainings relating to production safety for the year, including 9 external safety training sessions for safety management personnel, a total of 58 internal production safety training sessions, fire safety training, special equipment training, hazardous chemical training, natural gas safety training, limited space training, environmental protection training, and hazardous waste training sessions, as well as 13 emergency drills organized throughout the year.



Highlights relating to production safety

Category of objectives	Highlights
Fatalities and serious injuries	0 (No accident)
Major fire (explosion) accidents	0 (No accident)
Major equipment safety incidents	0 (No accident)
Major safety responsibility incidents	0 (No accident)
Employee safety education and training rate	100% (Full coverage)
Rectification rate of potential safety accidents	100% (Overall rectification)

During the Reporting Period, our production work proceeded smoothly, with no major safety accidents occurring throughout the year. The certification rate for special operation personnel reached 100%, and the safety production training rate reached 100%. Our group has not had any fatalities caused by work-related injuries in the past three years. During the reporting period, 127 working days were lost due to work-related injuries.



Support for the health of employees

In order to ensure the occupational health of its employees, Giant Biogene strictly complies with relevant laws and regulations such as the Work Safety Law of the People's Republic of China and the Occupational Disease Prevention and Control Law of the People's Republic of China. We added and improved a series of internal rules and regulations during the Reporting Period, including Occupational Disease Hazard and Rescue Management System (《職業病危害與救援管理制度》), Emergency Plan for Occupational Health (《職業衛生應急預案》), Occupational Disease Prevention and Control Management Performance Appraisal Management System (《職業病防治管理績效考核管理制度》), to further strengthen our safety management and to enhance our emergency response capability.

Name of systems	Updated content	Purpose of improvement
Management System for Responsibilities of Prevention and Control of Occupational Disease Hazards	Define duties and obligations of managers and employees at all levels in the prevention and control of occupational hazards, and strengthen the implementation of responsibilities.	Ensure that personnel at all levels are fully aware of the importance of preventing and treating occupational diseases and are actively involved in the prevention and treatment efforts.
Management System of Declaration of Occupational Disease Hazards	Online declaration and electronic management have been added to simplify the declaration process and improve work efficiency.	Timely and accurately declare occupational hazards to ensure compliance with laws and regulations.
Management System of Occupational Disease Protective Equipment	Regular inspection and maintenance of protective equipment have been strengthened to ensure the effectiveness.	Protect the occupational health of employees and prevent occupational diseases.

During the Reporting Period, the following initiatives and actions were made and taken to protect employees' health:

- organizing training on laws of prevention and control of occupational diseases and environmental protection
- purchasing and distributing personal labor protective equipment and setting up a ledger
- assessing the status of occupational hazard site
- detecting occupational hazard factors in the working environment
- organizing employees for occupational health examination
- carrying out the third-party environmental monitoring on a regular basis
- conducting drills on occupational hazards
- setting up first aid boxes to ensure that employees receive timely medical treatment in case of colds and heatstroke

During the Reporting Period, the company organized a total of 2 occupational health training sessions, and the number of occupational diseases in the company was 0.

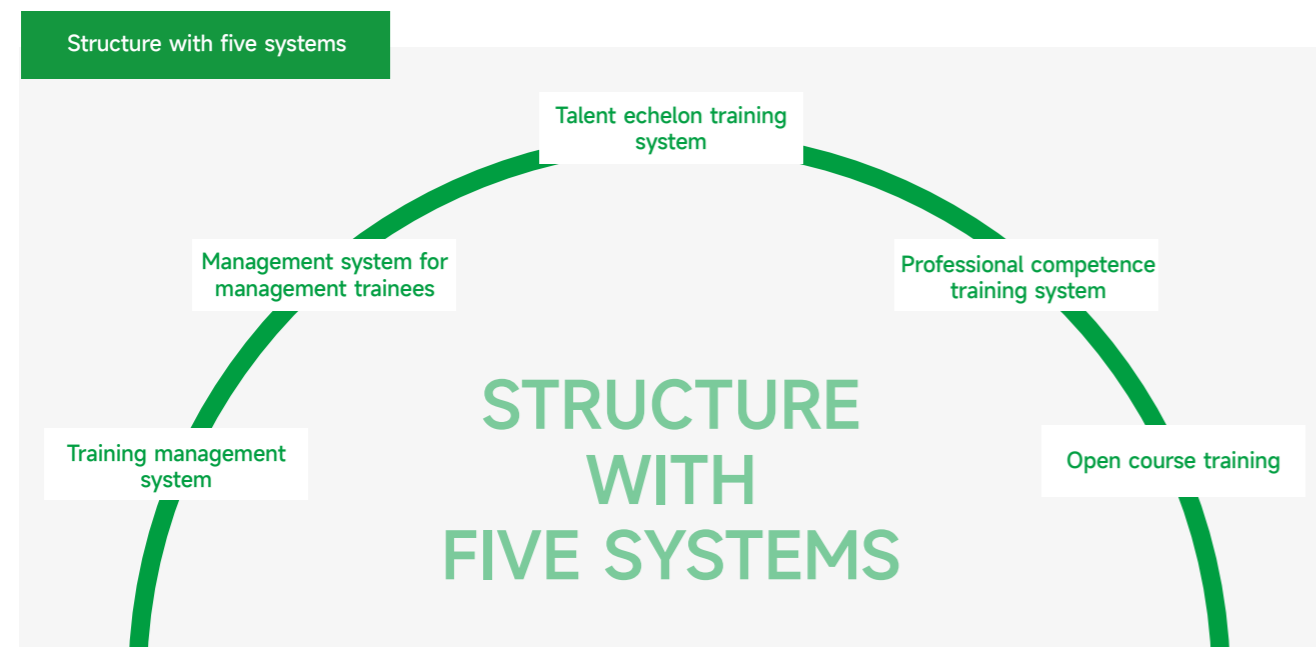


TRAINING AND DEVELOPMENT

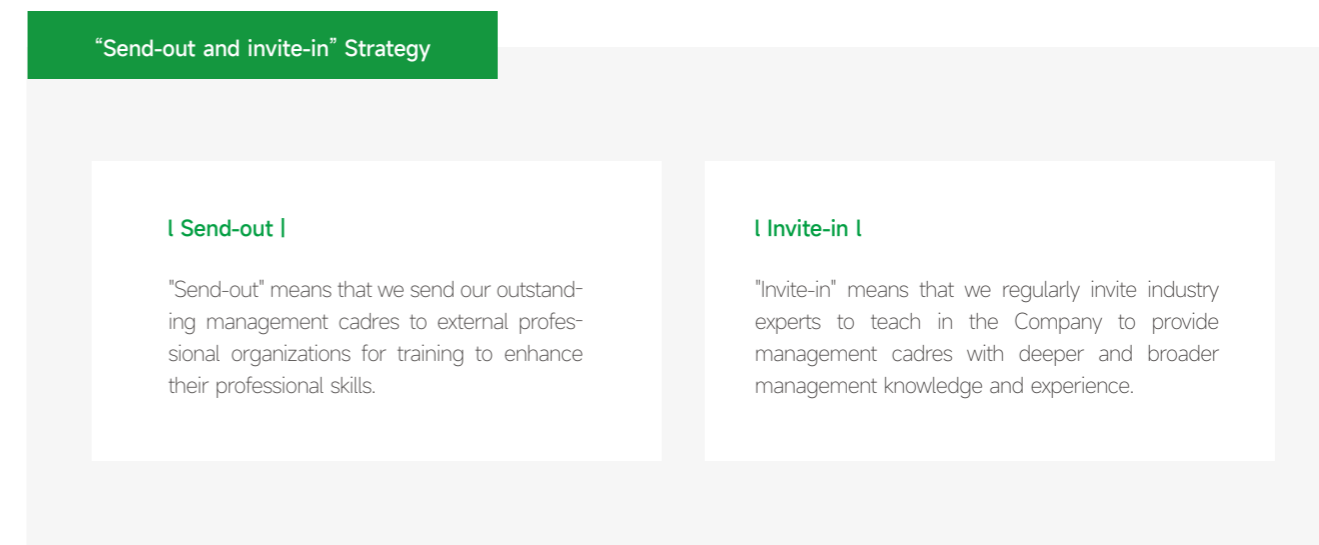
Employee training

Giant Biogene places great importance on the training and development of our employees and believes that the development of our employees is the key to our growth. We have established a comprehensive talent training system, planned a smooth career development path, actively encouraged employees to obtain relevant occupational certifications, and supported every employee to continuously improve his own abilities.

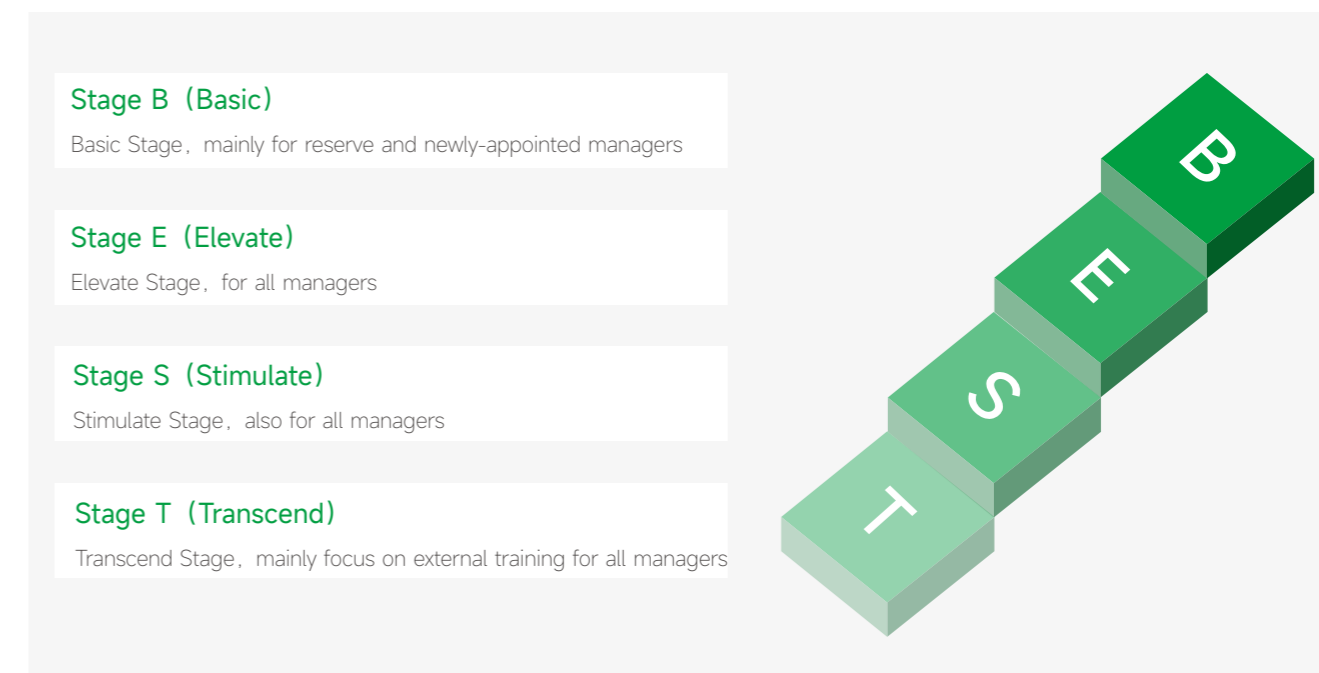
Centered on building an efficient talent supply chain, the Company's training system is based on the employee quality evaluation system and professional behavior evaluation system. To achieve this aim, we have set up a structure with five systems:



For management cadres training system, we have implemented the "Candidates Program" and the "AIB Role Development Program". Through the learning strategy of "Send-out and invite-in", we are committed to improving the quality and broadening the vision of management cadres.



Moreover, we launched the "BEST Management Training System" during the Reporting Period, with an aim to comprehensively enhancing the management's capability in basic management, career cognition, management skills and communication skills.



For young cadres, we provide them with opportunities to access to the market and undertake projects independently. They build teams from scratch and develop their business capabilities, execution capabilities and coordination abilities through market practice.

Through this series of training and development programs, we are committed to building a high-quality, visionary management team that lay a solid foundation for the Company's sustainable development.

Employee development

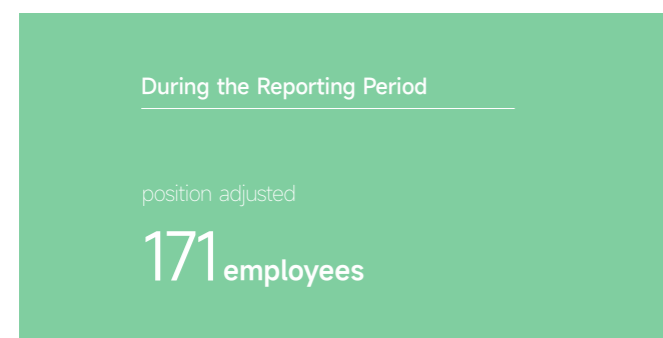
Giant Biogene has placed great importance on employee growth and career development in 2023, and formulated and implemented the Employee Growth System (《員工成長體系》), Continuing Education Program for Working Personnel (《在職人員繼續教育方案》), Reserve Manager Training Program (《儲備經理培養方案》), and Reserve Director Training Program (《儲備總監培養方案》), which provides clear guidance on career planning and promotion paths for employees.

Giant Biogene encourages and supports employees to enhance their professionalism and skills, continuously enhancing their abilities through obtaining professional qualification certificates, promoting professional titles, and participating in continuing education. To this end, the Company provides policy support and subsidy policies to motivate employees for continuously making contribution to the Company after obtaining higher titles and qualifications. At the same time, we have established a smooth career development path for every employee, encouraging them to be brave and enterprising, promoting the growth of backbone employees, and expanding career paths.

We support employees to enhance their academic qualifications and obtain professional certification. During the Reporting Period, remarkable achievements were made on staff development, with 4 persons successfully applied for senior professional titles, 7 persons applied for intermediate professional titles and 6 persons applied for junior professional titles, while 21 E talents and 8 D talents were recognized and applied, providing strong talent support for the sustainable development of Giant Biogene.



In order to further broaden the knowledge and vision of management cadres, we have adopted a rotation system for management cadres with potential. By rotating them to different departments, they are able to gain wider experience and improve their understanding of various business areas, thus enhancing their management skills. During the Reporting Period, a total of 171 employees had their position adjusted. This strategy not only promotes the personal growth of employees, but also injects new vitality into the Company's overall development and its strategic goals. Through these measures, Giant Biogene has demonstrated its commitment to the comprehensive development of its employees and laid a solid foundation for building a learning-oriented organization and enhancing the corporate competitiveness.



Category	Unit	Data
Trained employees as a percentage of total employees	%	100
Total hours of training received by employees	hour	23,973
The percentage of senior management personnel participating in training	%	0.69
The percentage of middle-level management personnel in the company participating in	%	3.61
The percentage of grassroots employees participating in training in the company	%	95.70
The percentage of female employees participating in training	%	59.54
The percentage of male employees participating in training	%	40.46
The total number of training hours for senior management personnel in the company	hour	120
The total number of training hours for middle-level management personnel in the company	hour	1,050
The total number of hours trained among ordinary employees in the company	hour	22,803
Total number of hours of female employees participating in training	hour	14,553
The total number of training hours for male employees participating in training	hour	9,420
Per capita training hours for senior management of the company	hour	15.0
Per capita training hours for middle-level management personnel in the company	hour	25.0
Per capita training hours among grassroots employees in the company	hour	20.5
Per capita training hours for female employees participating in training	hour	21.0
Per capita training hours for male employees participating in training	hour	20.0

06

GIVING BACK TO COMMUNITY AND DEMONSTRATING RESPONSIBILITY

Building upon and leveraging the industrial advantages, Giant Biogene serves the public and makes contribution to the society. On one hand, we actively participate in industry activities and work with partners to explore new paths and opportunities for industry development. On the other hand, we also take the initiative to assume social responsibility, actively participate in public welfare, and devote ourselves to giving back to society with love.

SOCIAL WELFARE

Giant Biogene actively fulfills social responsibility, practices the core values of socialism and creates social value together.

In order to enhance our corporate credibility, we actively respond to calls from government departments, communities and non-governmental organizations, and are always active in the front line of public welfare. We have carried out a number of public welfare activities in various areas such as knowledge dissemination, charity donations and volunteer services.

During the Reporting Period, we contributed a total of RMB13.98 million

During the Reporting Period

we contributed a total of

RMB 13.98 million



Public welfare and charity

[Case] Guardian of Educators – Women’s Day Activity and “Teachers’ Day Public Welfare Action” (守護教育工作者·暖春愛心行動)

During the period between International Women’s Day and Teachers’ Day in 2023, Giant Biogene, joining hands with Shaanxi Provincial Charity Federation and Jubilee Educational Development Foundation, launched the “Guardian of Educators – Women’s Day Activity” and “Teachers’ Day Public Welfare Action 2023”, respectively..

Through these two campaigns, Giant Biogene donated skincare products worth of more than RMB10 million to over 20,000 teachers, aiming to honor the hard work of teachers and show care for their skin health.

These initiatives not only honored the selfless dedication of educators, but also advocated the society’s widespread concern and support for education. Giant Biogene’s practice reflected its strong commitment to public welfare, contributing health, beauty and love to the enhancement of social values



[Case] 525 Skin Care Day Charity Clinic

On 25 May 2023, Giant Biogene joined hands with the China Dermatologist Association (CDA) to launch a large-scale public welfare clinic and donated soothing gifts to the public.

The event aims to popularize proper skin health knowledge, promote the concept of scientific skincare, and provide free professional skincare consulting services, thus raising the public’s awareness and understanding of skin health.

This move not only showed Giant Biogene’s strong commitment to social responsibility, but also demonstrated its determination to improve the public’s quality of life. As an enterprise participating in the National SkinCare Day for the eighth consecutive year, Giant Biogene has made positive contribution to the development of social wellbeing through this event



INDUSTRY DEVELOPMENT

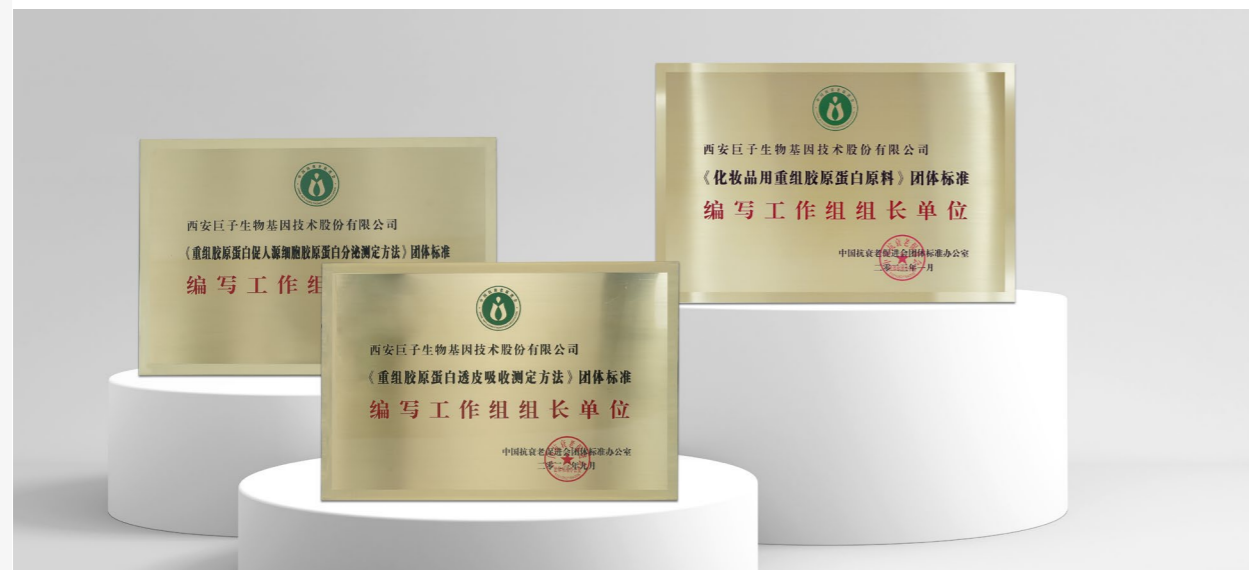
We actively participate in industry events, creating communication and learning opportunities through industry alliances and summits, linking peers, authoritative experts and scholars, professional leaders and emerging leaders in the industry, promoting Giant Biogene's continuous research on core technologies while enhancing Giant Biogene's industry influence and broadening public awareness.

[Case] Promotion of the industry standardization

As a global leader in the field of recombinant collagen, Giant Biogene actively promotes the development and implementation of industry standards to facilitate the standardization and high-quality development of the industry.

In 2023, two important group standards, "Test Method for Determination of Collagen Secreted from Human Cells Induced by Recombinant Collagen" (《重组胶原蛋白促人源细胞胶原蛋白分泌测定方法》) and "Test Method for Absorption of Recombinant Collagen through the Skin" (《重组胶原蛋白透皮吸收测定方法》), both formulated under Giant Biogene's lead set out the scientific basis for evaluating the biological functions of recombinant collagen, and solved the lack in the industry. In addition, Giant Biogene also participated in drafting the group standard "Recombinant Collagen Raw Materials for Cosmetics" (《化妆品用重组胶原蛋白原料》), which is the first raw material standard for recombinant collagen in the cosmetics industry in China and provides a clear guideline for the quality control over raw materials of recombinant collagen in the cosmetics.

The development and implementation of these standards have not only enhanced Giant Biogene's leading position in the industry, but also laid a solid foundation for the healthy development of the entire recombinant collagen industry.



[Case] Active participation in industry events

Giant Biogene has played an active role in promoting industry exchange and fostering industry development.

At the Annual Meeting of Chinese Society of Dermatology (CSD2023) (CSD2023中华医学会全国皮肤性病学术年会), Giant Biogene organized a special satellite session which focused on the academic research of recombinant collagen, and attracted thousands of science researchers and professionals. In addition, the Company also participated in the "Belt and Road" Forum on Big-health & International Symposium on Recombinant Collagen (「一带一路」大健康论坛暨重组胶原蛋白国际研讨会) to explore the deep integration between science and technology and industry and to promote global scientific and technological innovation.

Through these high-end academic platforms, Giant Biogene not only demonstrated its scientific research achievements and technological innovations in the field of recombinant collagen, but also strengthened exchanges and cooperation with peers at home and abroad, contributing the wisdom and strength of the PRC to the development of the industry.



Appendix I Index of Appendix C2 of the Hong Kong Stock Exchange

ESG Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)

Environmental			Indexes
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	4.2 Emissions Management
	A1.1	The types of emissions and respective emissions data	4.2 Emissions Management
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	4.1 Environmental Management
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	4.2 Emissions Management
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	4.2 Emissions Management
	A1.5	Description of emissions target(s) set and steps taken to achieve them	4.1 Environmental Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	4.1 Environmental Management 4.2 Emissions Management
	A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials
A2.1		Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	4.3 Resource Management
A2.2		Water consumption in total and intensity (e.g. per unit of production volume, per facility)	4.3 Resource Management
A2.3		Description of energy use efficiency target(s) set and steps taken to achieve them	4.1 Environmental Management 4.3 Resource Management
A2.4		Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	4.1 Environmental Management 4.3 Resource Management
A2.5		Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	4.3 Resource Management

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Environmental			Indexes
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources	4.1 Environmental Management 4.2 Emissions Management
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	4.1 Environmental Management 4.2 Emissions Management
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	4.4 Coping with Climate Change
	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	4.4 Coping with Climate Change
Social			Indexes
B1: Employment	General Disclosure	Information on: 1.the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	5.1 Employment
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	5.1 Employment
	B1.2	Employee turnover rate by gender, age group and geographical region	5.2 Rights and Benefits
B2: Health and Safety	General Disclosure	Information on: 1.the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	5.3 Safety and Health
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	5.3 Safety and Health
	B2.2	Lost days due to work injury	5.3 Safety and Health
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	5.3 Safety and Health

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Social			Indexes
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	5.4 Training and Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	5.4 Training and Development
	B3.2	The average training hours completed per employee by gender and employee category	5.4 Training and Development
B4: Labour Standards	General Disclosure	Information on: 1.the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	5.1 Employment
	B4.1	Description of measures to review employment practices to avoid child and forced labour	5.1 Employment
	B4.2	Description of steps taken to eliminate such practices when discovered	5.1 Employment
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain	2.3 Supply Chain Management
	B5.1	Number of suppliers by geographical region	2.3 Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	2.3 Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	2.3 Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, how they are implemented and monitored	2.3 Supply Chain Management

ESG Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)

Social			Indexes
B6: Product Responsibility	General Disclosure	Information on: the policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuerrelating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	2.1 Quality Management 3.1 Customer Services 3.2 Responsible Marketing 3.3 Privacy Protection
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2.1 Quality Management
	B6.2	Number of products and service related complaints received and how they are dealt with	3.1 Customer Services
	B6.3	Description of practices relating to observing and protecting intellectual property rights	2.2 Product R&D
	B6.4	Description of quality assurance process and recall procedures.	2.1 Quality Management
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	3.3 Privacy Protection
B7: Anti-corruption	General Disclosure	Information on: the policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuerrelating to bribery, extortion, fraud and money laundering	1.3 Operational Compliance
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	1.3 Operational Compliance
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	1.3 Operational Compliance
B8: Community Investment	B7.3	Description of anti-corruption training provided to directors and staff	1.3 Operational Compliance
	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	6.1 Social Welfare
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	6.1 Social Welfare
B8.2	Resources contributed (e.g. money or time) to the focus area	6.1 Social Welfare	



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