Shandong Boan Biotechnology Co., Ltd.

山东博安生物技术股份有限公司

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

Stock Code : 6955

2023

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Boan Biotech
博安生物

CONTENTS

1 DEFINITIONS

Unless otherwise stated in the Report, the following terms are defined as follows:

"Boan Biotech" or the "Company"	Shandong Boan Biotechnology Co., Ltd.
the "Board"	Board of Directors of the Company
"China"	People's Republic of China
"CMO"	CMO manufacturers entrusted by Boan Biotech
"EHS"	Environment, Health and Safety
"ESG"	Environmental, Social and Governance
"ESG Committee" or "Committee"	Environmental, Social and Governance Committee
"ESG Guide"	Environmental, Social and Governance Reporting Guide set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange
"ESG Report" or the "Report"	Environmental, Social and Governance Report
"GMP"	Good Manufacturing Practice for Pharmaceutical Products
"GSP"	Good Supply Practice for Pharmaceutical Products
the "Group" or "we"	Shandong Boan Biotechnology Co., Ltd. and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"KPI"	Key Performance Indicator
"QA"	Quality Assurance Department
"QC"	Quality Control Department
"RMB"	Renminbi yuan, the lawful currency of China
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Year" or "Reporting Period"	From 1 January 2023 to 31 December 2023

2 ABOUT THIS REPORT

This is the second publicly available ESG Report issued by the Company on Boan Biotech's ESG performance for the year 2023. Boan Biotech will disclose our environmental and social management policies, strategies, targets and performance indicators in various sections of this Report.

2.1 BASIS OF PREPARATION

The Company has prepared this Report in accordance with the ESG Guide issued by the Stock Exchange. The Report has been prepared pursuant to the four Reporting Principles set out in the ESG Guide, namely materiality, quantitative, balance and consistency. Boan Biotech has determined the key disclosures in the Report through materiality assessment.

2.2 REPORTING BOUNDARY

Unless otherwise specified, the content of this Report primarily covers the core business having financial significance to and operational impact on Boan Biotech, which is intended to report on Boan Biotech's environmental and social policies and performance. This Report covers the period from 1 January 2023 to 31 December 2023.

2.3 REPORTING PRINCIPLES

The four reporting principles set out in the ESG Guide have been applied in this Report as follows:

Reporting Principles	Response from the Group
Materiality	The Company has identified material issues related to the Company through materiality assessment, including inviting various internal and external stakeholders to prioritise the material issues and presenting them in the form of a materiality matrix in this Report. For details of the materiality assessment process and results, please refer to the "Materiality Analysis" section in this Report.
Quantitative	In order to comprehensively assess the Company's ESG performance during the Reporting Period, the Company disclosed the applicable quantitative KPIs specified in the ESG Reporting Guide, and set out the criteria, methodologies, assumptions and references used for calculation of the quantitative KPIs, including the sources of key conversion factors.
Balance	The Report provides an unbiased picture of the Company's performance during the Reporting Period, and avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.
Consistency	The Report uses uniform calculation and statistical methodologies. We will note and explain any changes (if possible) in the footnotes.

2.4 CONSIDERATION AND APPROVAL OF THE REPORT

All information disclosed in this Report is based on the Company's documents and data. The Board assumes full responsibility for the Company's ESG strategy and reporting.

Upon review and confirmation by the Board, this Report was considered and approved on 25 March 2024.

2.5 READER'S FEEDBACK

If readers have any comments on Boan Biotech's ESG Report or related work, please feel free to contact Boan Biotech by the following means:

Address:
Shandong Boan Biotechnology Co., Ltd.
No. 39 Keji Avenue, High-Tech Industrial Development Zone, Yantai, Shandong Province, China

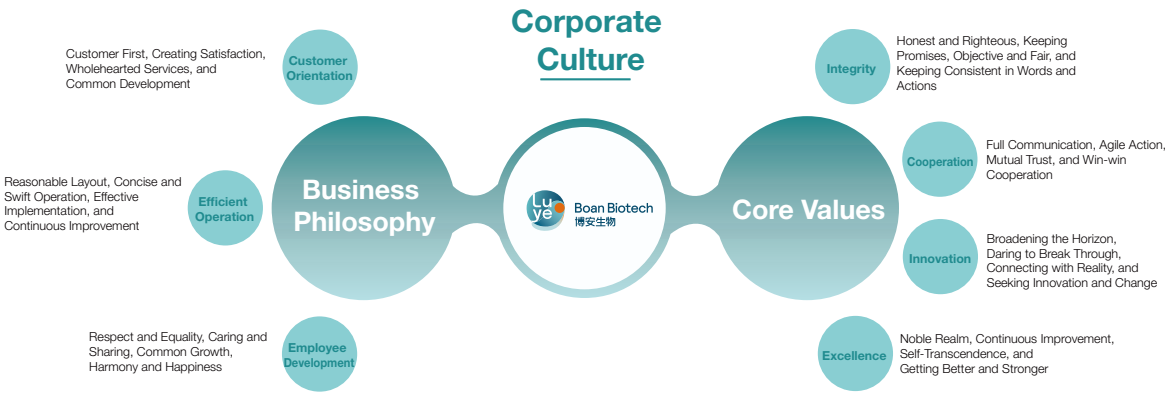
3 ABOUT BOAN BIOTECH

3.1 COMPANY PROFILE

Boan Biotech (6955.HK) is a fully-integrated biopharmaceutical company developing, manufacturing, and marketing biologics, with a focus on oncology, autoimmune diseases, ophthalmology, and metabolic diseases. The Company's drug discovery activities revolve around multiple platforms: Human Antibody Transgenic Mouse and Phage Display Technology Platform, Bispecific T-cell Engager Technology Platform, ADC Technology Platform and Cell Therapy Platform.

Boan Biotech operates across the entire value chain of the industry covering antibody discovery, cell line development, upstream and downstream process development, analytical and bio-analytical method development, technology transfer, non-clinical research, clinical research, regulatory affairs and registration, and commercial production. In the cell therapy field, Boan Biotech focuses on a new generation of enhanced and regulated CAR-T technology, developing safer, more effective, and affordable treatments.

Boan Biotech's portfolio includes two commercial products. Its pipeline includes multiple novel biologics as drug candidates protected for their international intellectual property rights and a number of biosimilar candidates. The Company has been recognized as a "National High-tech Enterprise" and possesses provincial technology platforms such as "Shandong Provincial New R&D Institution" and "Shandong Provincial Engineering Research Center". In addition to China, the Company is also developing biopharmaceutical products in overseas markets, including the U.S., the EU and Japan. With a differentiated portfolio and well-established commercial capabilities, Boan Biotech operates across the industry's value chain from research and development to manufacturing and commercialization, laying a solid foundation for long-term, high-quality growth in the future.



3.2 HONOURS AND RECOGNITION

Three major international standard certifications, ISO9001/ISO14001/ISO45001

After strict review and evaluation by esteemed certification bodies, Boan Biotech has passed the three major international standard certifications, being ISO9001, ISO14001, and ISO45001. These certifications are testaments to the Company's outstanding performance and management standards in terms of quality, environment and occupational health and safety management system.

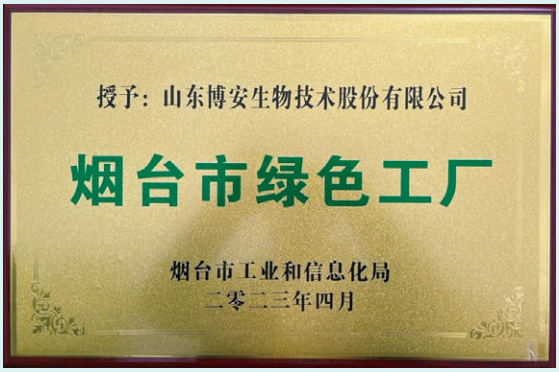
"One Enterprise, One Technology" R&D Center for Yantai City Industrial Enterprise


烟台市工业和信息化局

2023年第一批烟台市工业企业"一企一技术"研发中心名单公示

"One Enterprise, One Technology" is an innovative approach where an enterprise establishes a technology research and development institution based on its own development needs, leading to pivotal breakthroughs in key technologies within its industry or expertise, and strategically positioning the enterprise at the forefront of science and technology. In March 2023, Boan Biotech was recognized as a "One Enterprise, One Technology" R&D Center in Yantai City, demonstrating our competitiveness in continuous innovation.

Yantai Green Factory



Bureau of Industry and Information Technology of Yantai City released the "2023 Yantai Green Factory List" in April 2023. Boan Biotech was successfully selected, demonstrating that our efforts in green manufacturing and low-carbon transformation have been recognized and appreciated by competent authorities.

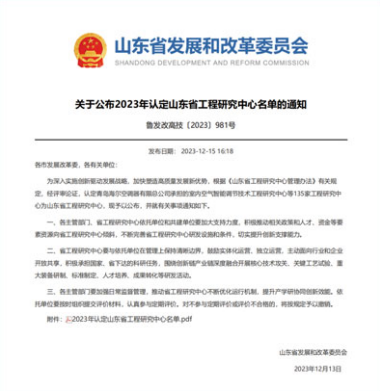
Top 10 Most Influential Antibody Companies

On 29 June 2023, at the "Ninth China Biopharmaceutical Innovation Cooperation Conference and Huayi Ranking (華醫榜) 2023 China Biopharmaceutical Industry Value Ranking Award Ceremony" held in Suzhou, Boan Biotech once again won the "2023 China Biopharmaceutical Industry Value Ranking-Top 10 Most Influential Antibody Companies" award in recognition of its innovation ability and development potential.

Leading Award for Digital and Intelligent Transformation and Intelligent Production of Pharmaceutical Enterprises

The Pharma Digital Intelligence Summit (PHDI) held in Chongqing on 5 September 2023 (PHDI 2023) is one of the important events of the "Smart China Expo 2023". Relying on the successful experience of intelligent production, Boan Biotech won the "Leading Award for Digital and Intelligent Transformation and Intelligent Production of Pharmaceutical Enterprises".

Shandong Provincial Engineering Research Center for Biopharmaceutical Development


山东省发展和改革委员会
SHANDONG DEVELOPMENT AND REFORM COMMISSION

关于公布2023年认定山东省工程研究中心名单的通知

鲁发改高技〔2023〕981号

发布日期：2023-12-15 16:18

各市发展改革委，各有关单位：

为深入实施创新驱动发展战略，加快塑造高质量发展新优势，根据《山东省工程研究中心管理办法》有关规定，经评审论证，认定青岛海尔空调器有限总公司承担的室内空气智能调节技术工程研究中心等135家工程研究中心为山东省工程研究中心，现予以公布，并就有关事项通知如下。

一、各主管部门、省工程研究中心依托单位和共建单位要加大支持力度，积极推动相关政策和人才、资金等要素资源向省工程研究中心倾斜，不断完善省工程研究中心研发设施和条件，切实提升创新支撑能力。

二、省工程研究中心要与依托单位在管理上保持清晰边界，鼓励实体化运营，独立运营，主动面向行业和企业开放共享，积极承担国家、省下达的科研任务，围绕创新链产业链深度融合开展核心技术攻关、关键工艺试验、重大装备研制、标准制定、人才培养、成果转化等研发活动。

三、各主管部门要加强日常监督管理，推动省工程研究中心不断优化运行机制，提升产学研协同创新效能。依托单位要指派对组织提交评价材料、认真参与定期评价。对不参与定期评价或评价不合格的，将按规定予以撤销。

附件：关2023年认定山东省工程研究中心名单.pdf

山东省发展和改革委员会

2023年12月13日

In December 2023, Boan Biotech was recognized as one of the “Shandong Provincial Engineering Research Centers for Biopharmaceutical Development” by the Shandong Provincial Development and Reform Commission. Our research and development center is anchored in the national strategic requirements, dedicating its efforts to biopharmaceutical discovery, research and development innovation, core technological advancements in the industrial chain, achievement transformation and industrial development. We aim to make it a leading demonstration base for biopharmaceutical discovery, development and manufacturing in the province and even the country, while promoting the development of the regional biopharmaceutical industry.

Top 20 Chinese Pharmaceutical Listed Companies in ESG Competitiveness


2023中国医药上市公司
ESG竞争力TOP20

博安生物：

基于贵司在ESG透明度与ESG绩效评价方面的卓越表现，特授予“2023中国医药上市公司ESG竞争力TOP20”称号。

Given your excellent performance in ESG reporting transparency and ESG indicators, the company is hereby awarded the title of "Top 20 Chinese Pharmaceutical Listed Companies in ESG Competitiveness in 2023".

E药经现人

In December 2023, at the 15th China Healthcare Summit of Entrepreneurs, Scientists and Investors (CHSESI), the award list for the ESG Competitiveness Series Selection of China Listed Pharmaceutical Companies was announced, and Boan Biotech was awarded the title of “Top 20 Chinese Pharmaceutical Listed Companies in ESG Competitiveness in 2023”.

4 RESPONSIBLE OPERATIONS

4.1 SUSTAINABLE DEVELOPMENT CONCEPT

4.1.1 Governance Structure

Boan Biotech is committed to realising the vision of "becoming a leading biopharmaceutical company", and takes a leading role in pharmaceutical research and development and sustainable progress. The Company actively integrates the concept of sustainable development into its strategic planning and operational practices. By incorporating ESG factors into our governance system, we effectively monitor and manage Boan Biotech's performance in sustainability, thereby not only pursuing economic benefits but also committing to the fulfilment of social responsibilities.

4.1.2 ESG Governance and Risk Management of the Board

As the highest governing body for ESG issues of the Company, the Board has the overall supervision responsibility for ESG governance strategy, targets and reporting.

4.1.3 ESG Committee

The Board supervises and manages the Group's ESG governance work through the ESG Committee, which listens to regular reports on sustainability strategy, progress and performance. The ESG Committee is responsible for identifying relevant ESG risks and opportunities and reporting the Group's risk identification and risk response performance to the Board for review, ensuring that the Group has established a reasonable and effective ESG risk management and internal control system. The ESG Committee is also responsible for studying and formulating ESG targets related to the Group's business and for tracking and reviewing performance and progress against these targets. The management of ESG targets will be regularly reported to the Board for consideration and approval.

Through the establishment of a dedicated ESG Committee, the Group has ensured a high level of attention to, and effective management of, ESG aspects. The committee, authorised by the Board, is responsible for:

(1) Overseeing the effectiveness of the Group's policies and strategies in ESG, and conducting regular reviews on the strategy, progress and performance of sustainable development.

(2) Identifying ESG risks and opportunities, and reviewing the effectiveness of the Group's risk management and internal control systems.

(3) Setting business-related ESG targets, while monitoring the implementation and progress of these targets.

(4) Reporting to the Board on the management of ESG targets.

The Board has selected two directors to join the ESG Committee and designated one of them as the chairperson. The ESG Committee holds at least one formal meeting annually and, where required, convenes ad hoc meetings by the chairperson to assess and guide the Group's ESG management strategies and practices, so as to regularly monitor the implementation of ESG policies, evaluate their effectiveness, and prepare and review key aspects of the annual ESG report and other related disclosures.

The Committee is also responsible for regularly assessing the Group's performance on key ESG issues and reviewing progress towards the achievement of targets through annual and special reports. It makes recommendations on actions required to achieve these targets, and the management and progress must be regularly reported to the Board, thereby continuously driving improvements in the Group's ESG management. Based on the recommendations and reports of the committee, the Board assumes the monitoring responsibility, providing necessary guidance and support to achieve ESG targets.

4.1.4 ESG Working Group

The ESG Committee has set up an ESG Working Group to assist the Committee in coordinating and managing the Group's ESG issues and coordinating the implementation and execution of ESG-related work across various functional departments, including strategic development, supply chain, administration and R&D project management, manufacturing, environmental and occupational health and safety, human resources, patents, laws, finance, etc. Its functions include:

(1) assessing, prioritising and managing material ESG-related issues (including risks to the Group's business)

(2) assisting in setting ESG targets, developing work plans

(3) reviewing progress of the targets, preparing lists and analysis reports on material issues

(4) recommending appropriate and effective ESG risk management and internal control measures

4.2 STAKEHOLDER ENGAGEMENT

Boan Biotech expects this Report to serve as a bridge for communicating with various stakeholders and to respond to the concerns of the public and industry by reporting on Boan Biotech's annual progress in achieving the sustainability-related goals. Over the past year, Boan Biotech has conducted an in-depth questionnaire survey among stakeholders, gaining a comprehensive understanding of their perspectives and the emphasis they place on key issues such as environmental protection, employee welfare and corporate operations. Throughout this process, open and transparent communication with all parties has been maintained. In this Report, we place special emphasis on the main concerns identified in 2023, ensuring that our efforts towards sustainable development remain aligned with the expectations and needs of our stakeholders.

Case: 2023 Outstanding Supplier Award Event

Boan Biotech held the Outstanding Supplier Award Ceremony to recognise partners who have demonstrated exceptional performance within the supply chain, while strengthening relationships with suppliers.

Case: 2023 Annual Gala

During the Reporting Period, Boan Biotech successfully convened its annual gala, summarizing the achievements of the past year, mapping out future development directions, and enhancing the connection and understanding between internal employees and external stakeholders.

Case: Third Edition of "Asia Summit on Global Health"

In May 2023, Boan Biotech participated in the third edition of Asia Summit on Global Health jointly organised by the Government of the Hong Kong Special Administrative Region and the Hong Kong Trade Development Council, where Boan Biotech engaged in discussions with global experts and industry professionals on the prospects and business opportunities in public health, medical technology, and healthcare investment.

4.2.1 Communication with Stakeholders

Boan Biotech consistently prioritizes establishing solid and proactive communication with all stakeholders. By creating an open and effective communication channel, we aim to gain a deeper understanding of the needs and suggestions of our partners, while identifying possible challenges and development opportunities in terms of ESG structure. This approach will help realize the long-term sustainable development strategy of the Company. Our stakeholders' expectations and our regular communication methods include:

Main Stakeholders	Expectations	Communication Methods
Government and regulatory bodies	• Compliance with laws and regulations • Strengthening R&D of pharmaceutical technologies	• Optimising the legal risk prevention and control system • Vigorously investing in R&D of drugs
Investors	• Good operational management to reduce operational risks • Good return on investment • Transparent information disclosure • R&D ethics	• Regularly holding results announcement conferences and general meetings of shareholders • Optimising the legal risk prevention and control system • Regularly updating the website to ensure the investors have access to the latest information of the Company • Regularly organising investor survey and company day events • Regularly participating in strategy sessions and roadshows
Customers	• Providing safe and high-quality medicines • Constantly developing new drugs • Protecting consumers' rights and interests	• Vigorously investing in R&D of drugs • Improving the drug production management system • Conducting customer satisfaction surveys
Employees	• Good working environment • Good career prospects	• Providing good remuneration • Organising various training activities • Organising various employee activities • Providing a safe working environment
Partners/suppliers	• Mutual cooperation for win-win results	• Actively seeking superior suppliers and CMO/CDMO partners
Peer companies	• Promoting industry development	• Actively organising and participating in industry forums and exchange events

Main Stakeholders	Expectations	Communication Methods
Non-governmental organisations	• Constantly developing new drugs	• Vigorously investing in R&D of drugs
Media	• Transparent information disclosure	• Regularly updating the website to ensure the public have access to the latest information of the Company • Release of major business progress via news or WeChat official account

4.2.2 Materiality Assessment

In order to respond to the sustainability needs of various stakeholders in a timely manner, and to effectively manage and report on issues that have a significant impact on us and our stakeholders, we conducted materiality assessment during the year to determine the scope of our disclosure priorities for this Report. The specific assessment process is described as follows:

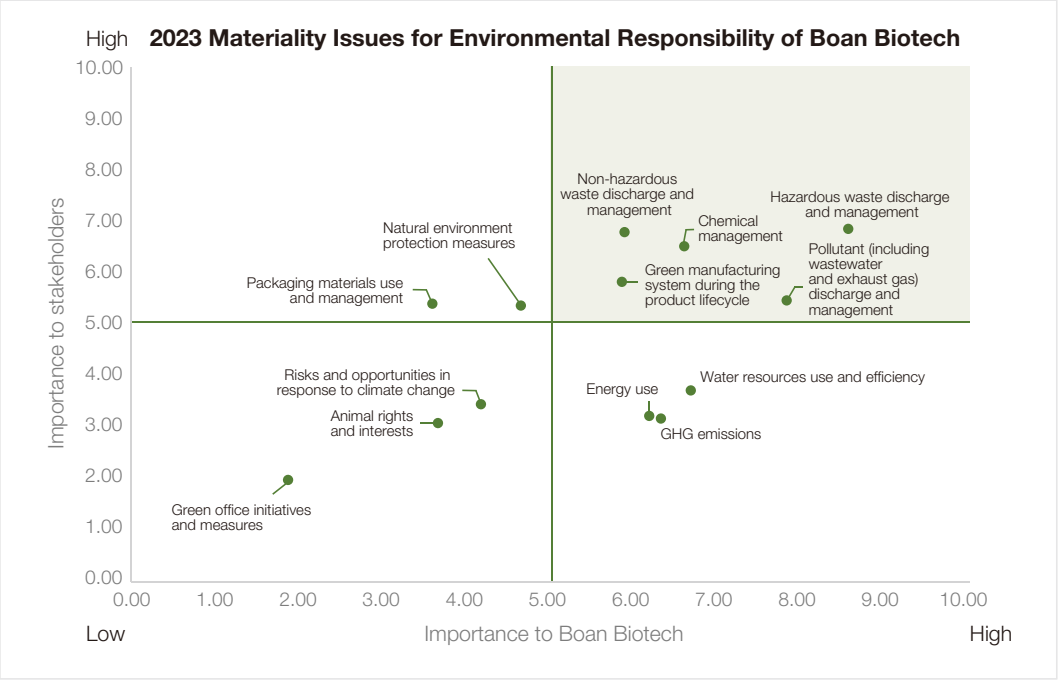
Identification
- Identify material issues that can reflect the environmental and social impact of the business, and the relevant stakeholders through internal management systems, peer benchmarking analysis and other relevant research.

Ranking
- We invited internal and external stakeholders to rate the issues identified through online questionnaires. Potentially material issues were analysed and ranked in terms of "importance to the development of the Company" and "importance to stakeholders".

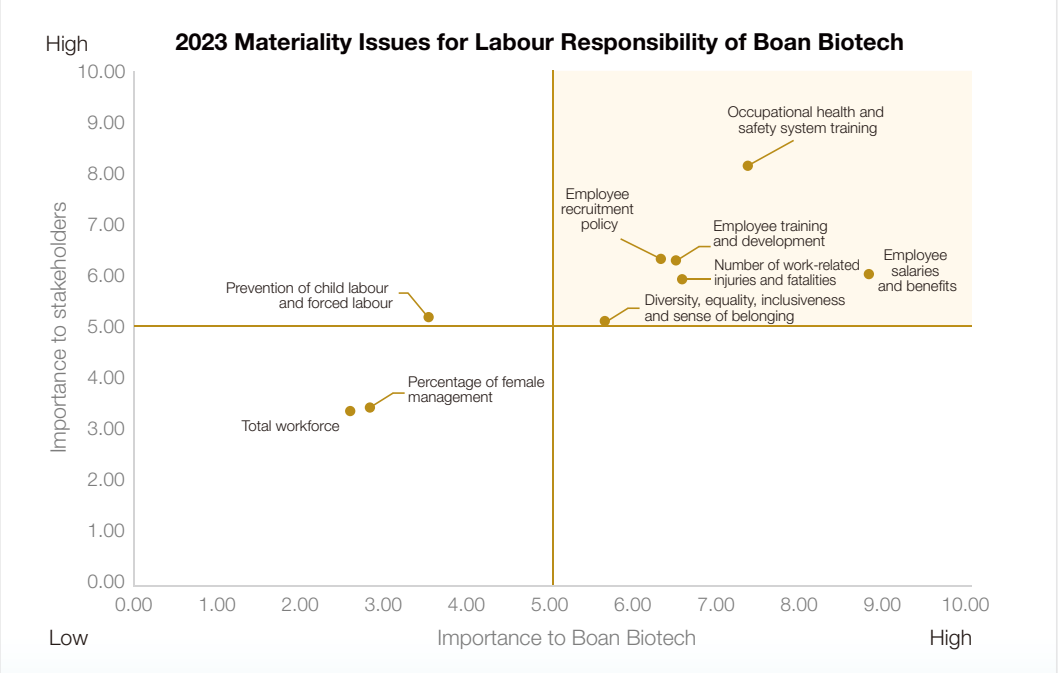
Assessment
- Review and assess the material issues screened by stakeholders to create a materiality matrix of these issues, and ultimately confirm the ESG-related material issues for 2023.

Response
- Discuss and consider the issues identified and stakeholders' views on sustainable development, and formulate ESG management measures accordingly.

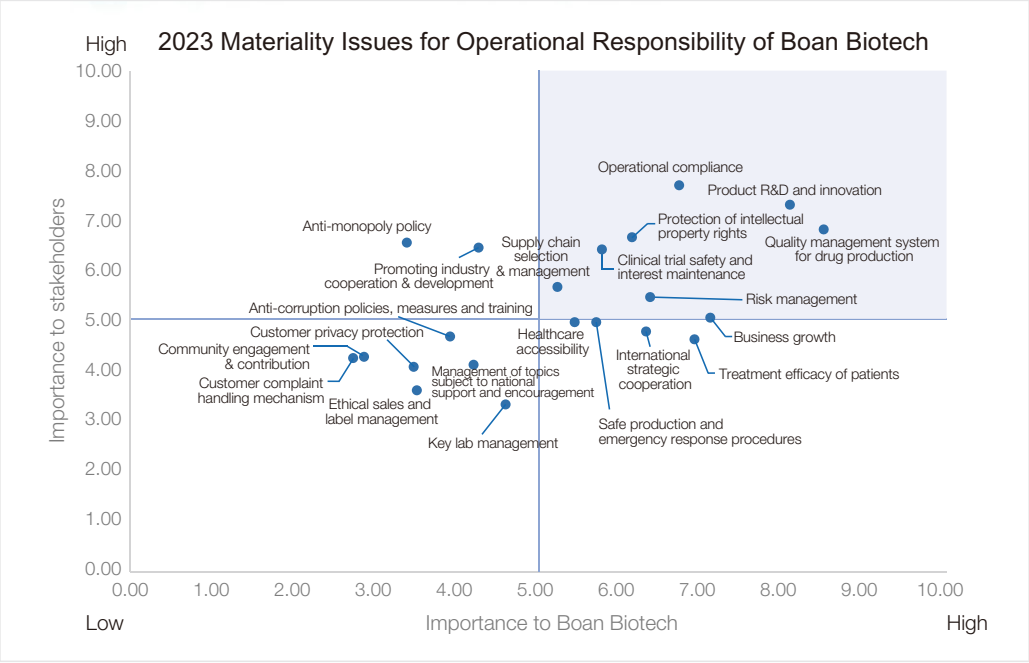
We invited internal stakeholders (the Board and senior management) and external stakeholders (employees, partners, investors and the public) to participate in this materiality survey to thoroughly discuss their opinions on our ESG issues in three major aspects, including environment, society, and operations. In this questionnaire, we received a total of 39 valid responses to the questionnaire. Based on the analysis results, the following matrices of material issues was developed. We presented the materiality analysis matrices of ESG issues for 2023 below, with the material issues in the upper right quadrant of the matrix:



2023 Materiality Issues Matrices for Environmental Responsibility of Boan Biotech



2023 Materiality Issues Matrices for Labour Responsibility of Boan Biotech



2023 Materiality Issues Matrices for Operational Responsibility of Boan Biotech

After reviewing and confirming the analysis results of material issues, the Group has identified a total of 18 material issues. Such issues will be taken as important considerations for our future sustainability direction and are also the focus of disclosures in this Report.

Material Issues (in the order of importance from top to bottom)

Environmental responsibility	**Labour responsibility**	**Operational responsibility**
Hazardous waste discharge and management	Occupational health and safety system training	Product R&D and innovation
Pollutant (including wastewater and exhaust gas) discharge and management	Employee salaries and benefits	Quality management system for drug production
Chemicals Management	Employee training and development	Operational compliance
Non-hazardous waste discharge and management	Employee recruitment policy	Protection of intellectual property rights
Green manufacturing system during the product lifecycle	Number of work-related injuries and fatalities	Clinical trial safety and interest maintenance
	Diversity, equality, inclusiveness and sense of belonging	Risk management
		Supply chain selection and management

4.3 INTEGRITY AND COMPLIANCE

Fully aware of the significance of fostering a fair and incorruptible business environment and ethical culture, the Company considers anti-corruption efforts as a top priority in management. We have set up a strict code of business conduct for our employees and partners in accordance with the Criminal Law of the People's Republic of China, the Law of the People's Republic of China Against Unfair Competition and other laws and regulations in relation to bribery, extortion, fraud and money laundering, which have a significant impact on us. During the Reporting Period, there were no incidents of bribery, extortion, fraud and money laundering in the Group, nor were there any material breaches of anti-corruption related laws and regulations by the Group or concluded corruption proceedings against the Group.

4.3.1 Anti-Corruption Policies and Preventive Measures

Boan Biotech has always been committed to continuously elevating the standards of integrity and compliance, actively constructing and optimizing our internal management policies and risk management mechanisms. Our corruption management system encompasses numerous key policies, such as the Whistleblowing Policy and the Anti-Fraud and Anti-Bribery Policy, aiming to ensure the transparency and integrity of the Company's operations.

To enhance the efficiency of internal supervision, Boan Biotech has established the Whistleblowing Policy, which provides detailed report handling procedures and protective measures for whistle-blowers. We provide our employees and partners with various reporting channels, including telephone, email, and written correspondence, and accept both real-name and anonymous reports. Upon receiving a report, we may assign a dedicated person to manage it and all reported information and investigation records will be kept strictly confidential. Depending on the severity of the incident, we may take disciplinary action against the employees involved, including a range of actions from written warnings to dismissal if a violation is confirmed.

Handling procedures of the Audit Department or the Chairman of the Audit Committee upon receipt of a whistleblowing report

1 Confirm the receipt of a whistleblowing report;

2 Inform the whistleblower on whether the whistleblowing case will be further investigated, and where appropriate, inform the whistleblower of the actions taken or to be taken, or the reasons why no investigation has been made in respect of the whistleblowing case;

3 If feasible, provide an estimated timetable for the investigation and final response; and

4 Indicate whether any remedial or legal action has been or will be taken, and provide feedback to the whistleblower on the investigation and handling results.

We are acutely aware of the importance of upholding principles against corruption and bribery in our cooperation with business partners and agents. Under the cooperation agreements, all our agents shall assume the obligation to comply with anti-corruption and anti-bribery measures, including strict compliance with relevant local laws and regulations. During the Reporting Period, there were no allegations of corruption, embezzlement, or bribery against any agents due to the involvement in the sales of our products.

4.3.2 Anti-Corruption Training Measures

To continuously enhance the compliance awareness among management and staff, and to ensure the effective implementation of the Company's compliance policies, a series of compliance training courses have been provided for both management and staff during the Reporting Period, thereby strengthening their compliance awareness.

Case: Anti-corruption Compliance Training

In June, August and November of this year, the Legal Department organised a total of three anti-corruption compliance training sessions, covering topics such as the code of conduct and anti-corruption compliance.

Case: Training on New Laws and Regulations

In September 2023, the Legal Department conducted online and offline training sessions for middle and senior management, focusing on significant new laws and regulations on anti-corruption compliance in the pharmaceutical sector.

5 CONTINUOUS INNOVATION

Boan Biotech focuses on exploring, developing, manufacturing and marketing innovative biological products, and is committed to becoming a global leader in the field of biopharmaceuticals. In terms of R&D system, we possess a series of independently developed drug candidates and proprietary technology platforms. We are among the few pharmaceutical companies in China capable of independently completing the entire process from early drug research to commercialization. We also have profound professional knowledge and extensive industry experience, covering antibody discovery, cell line development, upstream and downstream process development, analytical method development, technology transfer, pilot and commercial scale production.

Boan Biotech: Product Images of Boyounuo® and Boyoubei®

5.1 PRODUCT INNOVATION & PROTECTION OF SCIENTIFIC RESEARCH ACHIEVEMENTS

Boan Biotech is committed to the research and development of biosimilars and advanced biological products, gathering talented individuals in biotechnology and collaborating with numerous industry partners. We also focus on strengthening our technology research and development platform, with innovation and excellence as the core development strategy. The Company's research and development capabilities are based on platforms for antibody development and cell therapy technologies, which provide robust technical support and innovative momentum at every critical stage of new drug development.

Antibody R&D Technology Platforms	**Human Antibody Transgenic Mouse and Phage Display Technology Platform** • **BA-huMab® Platform** o Contains 30 human antibody κ light chain variable region genes, and 110 human antibody heavy chain variable region genes (IgM&IgG1) o Elicits an immune response quickly and produce a high antibody tier after immunization o Verified on a large number of antibody projects • **Phage Display Technology Platform** o Adopts new vaccine and immune adjuvant technology o Mature phage library construction technology o High-throughput and diverse phage based panning strategies o Capability to develop common light chain bispecific antibodies
	Bispecific T-cell Engager Technology Platform o High affinity with tumor target antigen by bivalent binding to achieve better drug efficacy o Low affinity with T cells by monovalent binding to lower toxicity o Reduces CD3 antibody binding affinity which significantly reduces the risk of CRS o Develops a CD3 trispecific antibody targeting two tumor antigens which can kill highly heterogeneous tumors more efficiently
	ADC Technology Platform o Top 1 inhibitor toxoids with superior properties o Antibodies with high internalization potential o Bispecific ADCs using a common light chain, addressing high heterogeneity of tumors o Site-specific conjugation technology o Process development and quality analysis for ADC products

Cell Therapy Technology Platform	**Non-Viral Gene Delivery Process Platform** o Free from virus research and production limitations, saving costs and development cycles o The large load can accommodate multiple functional structural genes to achieve efficient transduction o The population of stem-like cells is higher in proportion and more durable in vivo
	4th Gen CAR-T Technology • **Enhanced CAR-T** o To overcome the limitations of the tumor microenvironment, multiple structures that enhance T cell function were selected • **STEALTH™ CAR-T** o Dual-target CAR kills antigenically heterogeneous tumors o The function of "primary action CAR structure" and "secondary action CAR structure" is regulated to reduce the target risk
	Non-Gene-Edited Universal CAR-T Technology o The expression of TCR was down-regulated with "ReceptorTAC™" protein degradation technology o Simple and efficient, CAR transduction and TCR down-regulation can be achieved in one step o Good safety, no off-target risk associated with gene editing o Developed with proprietary IP, the technology can be expanded to other cell therapy products

We fully recognize the pivotal role that the construction and maintenance of intellectual property rights play in ensuring the long-term development of the Company. To protect our innovative achievements, we have established a dedicated Intellectual Property Department to ensure that the concept of intellectual property management is deeply embedded at every stage, from research and development in the laboratory, to manufacturing on the production line, as well as sales in the global market. This strategic measure not only ensures that our technology remains at the forefront of the industry but also protects our commercial interests and legal rights from infringement.

Boan Biotech adheres to the relevant intellectual property laws of the People's Republic of China, including but not limited to the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China and other related regulations. Internally, we have established a series of detailed internal intellectual property management systems, such as the "Intellectual Property Workflow of Shandong Boan Biotechnology Co., Ltd." and "Patent Management System of Shandong Boan Biotechnology Co., Ltd." to ensure strict implementation of relevant regulations and comprehensive protection of the Company's intellectual property rights.

In the "Patent Management System of Shandong Boan Biotechnology Co., Ltd.", we have specified all aspects of patent management, from the allocation of responsibilities within Boan Biotech's patent work organization and personnel to the management and implementation of patent rights as well as the utilization of information. The "Intellectual Property Workflow of Shandong Boan Biotechnology Co., Ltd." covers intellectual property management in various fields from patents to trademarks and copyrights to know-hows, including application processes, rights evaluation and search procedures, aiming to build a professional, standardized and systematic intellectual property management framework. Through these work procedures, we can effectively mitigate intellectual property risks, while enhancing the values of the Company's intangible assets, and utilizing resources more efficiently.

For our drug candidates, we have filed a series of patent applications worldwide to ensure the protection of patent rights in different countries and regions. In addition, our intellectual property strategy extends beyond patents to include trademarks, trade secrets and other forms of intellectual property, creating a comprehensive protection front. During the year, Boan Biotech has applied for a total of 80 patent applications worldwide, including 33 registered patents and 47 pending patent applications. 63 PRC and overseas trademarks were validly licensed, while 28 trademarks were pending.

As at the end of the year, the number of patents and trademarks of Boan Biotech granted and pending in PRC and overseas is as follows.

Registered patents		
	Validly licensed patents	Validly pending patents
Domestic	28	10
Overseas	5	37

Registered trademarks		
	Validly licensed trademarks	Validly pending trademarks
Domestic	24	2
Overseas	39	26

Some patents granted to Boan Biotech in 2023

证书号第5681992号

发明专利证书

发明名称：多价多特异性抗体

发明人：周立;阿瓦尼许.瓦许尼;哈沙尔.帕特尔;依瑞娜.施耐德

专利号：ZL 2021 1 0794916.9

专利申请日：2021年07月14日

专利权人：山东博安生物技术股份有限公司

地址：264670 山东省烟台市高新区科技大道39号

授权公告日：2023年01月06日　　授权公告号：CN 114057882 B

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局长
申长雨

第1页(共2页)

其他事项参见续页

Patent Name: Multivalent Multispecific Antibody
(Patent No.: ZL 2021 0794916.9)

证书号第6166954号

发明专利证书

发明名称：IL-2突变体免疫缀合物

发明人：饶木顶;宋德勇;窦昌林;王巧平;潘荣荣;邢平平;矫婕
莫蕊

专利号：ZL 2022 1 1346800.X

专利申请日：2022年10月31日

专利权人：山东博安生物技术股份有限公司

地址：264670 山东省烟台市高新区科技大道39号

授权公告日：2023年07月21日　　授权公告号：CN 116041539 B

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局长
申长雨

2023年07月21日

第1页(共2页)

其他事项参见续页

Patent Name: IL-2 Mutant Immune Conjugate
(Patent No.: ZL 2022 1 1346800.X)

5.2 PRODUCTION MANAGEMENT & QUALITY ASSURANCE

Excellence in quality forms the solid foundation of our production management. Adhering to the highest internationally recognized standards, we leverage our large-scale production capacity to ensure that every step in the entire production process, from the procurement of raw materials to the dispatch of the finished goods, meets rigorous quality control measures, which underpins our core competitive advantage.

5.2.1 Quality Management System

Our production base located in Yantai High-Tech Zone, Shandong Province specializes in the pilot and commercialization of antibody products. Equipped with a high-standard quality control system, this base complies with GMP and other related quality control standards of China and the EU, and has successfully passed stringent inspections by both Chinese and European authorities. In accordance with the latest revisions of the Pharmaceutical Administration Law (revised in 2019) and the Good Manufacturing Practice for Pharmaceutical Products (revised in 2010), we have established a comprehensive quality control system and developed the Quality Manual, which specifies the quality policy with “improving product quality and satisfying customer needs” as the core.

GMP Pharmaceutical Quality Management System

Our quality control system covers the entire lifecycle of a product, from the research and development stage to technology transfer, commercial production, supply chain management and post-market supervision, and includes all factors that could potentially impact the quality of drugs. Within this system, we have developed a series of management documents and operational procedures that cover the production process, ensuring comprehensive control over the quality of drugs. In addition, we have established a quality assurance system to ensure that the relevant quality control regulations are strictly enforced.

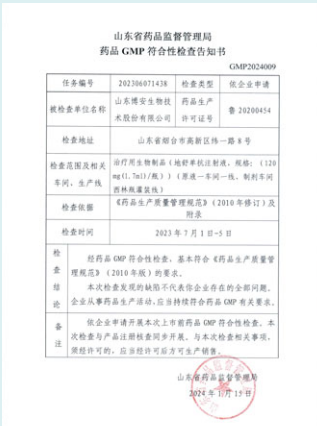
Quality Manual

In compliance with the requirements of the Pharmaceutical Administration Law, the Good Manufacturing Practice for Pharmaceutical Products and other related regulations, as well as ISO 9001:2015 – Quality management systems – Requirements, ICH Q10 Pharmaceutical Quality System and the Good Manufacturing Practice for Pharmaceutical Products (GMP), the Company has developed the Quality Manual. The manual is designed to ensure the high quality standards of our products and serves as the fundamental standards and action guidelines for implementing quality control. It is the core document in the construction and implementation of the quality management system.

5.2.2 Production Quality Assurance

Our production and operation team works closely with our functional departments, such as quality assurance, quality control, pharmacovigilance and supply chain management, jointly adhering to stringent GMP standard operating procedures, and committed to producing safe and high-quality products. Our manufacturing activities have met or even surpassed international regulatory requirements and related regulations set by the U.S. Food and Drug Administration (FDA), the European Medicines Agency, and other national pharmaceutical regulatory authorities. During the year, we also successfully passed the GMP inspection with no observations in Brazil, demonstrating our high regard for maintaining strict quality control measures and our continuous efforts to improve production processes.

GMP certification of Denosumab Injection (Boluojia) in China, QP declaration to EU GMP for Denosumab Injection and GMP certification of Bevacizumab Injection (Boyounuo) in Brazil

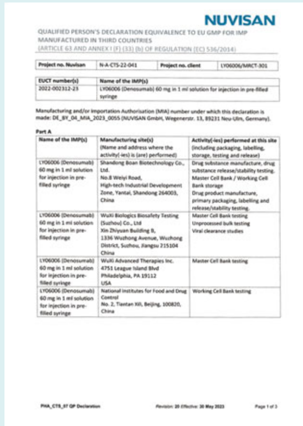


山东省药品监督管理局
药品 GMP 符合性检查告知书

GMP2024009

任务编号	202306071438	检查类型	依企业申请
被检查单位名称	山东博安生物技术股份有限公司	药品生产许可证号	鲁 20200454
检查地址	山东省烟台市高新区纬一路 8 号		
检查范围及相关车间、生产线	治疗用生物制品（地舒单抗注射液，规格：（120 mg(1.7ml)/瓶））（原液一车间一线，制剂车间西林瓶灌装线）		
检查依据	《药品生产质量管理规范》（2010 年修订）及附录		
检查时间	2023 年 7 月 1 日-5 日		
检查结论	经药品 GMP 符合性检查，基本符合《药品生产质量管理规范》（2010 年版）的要求。本次检查发现的缺陷不代表你企业存在的全部问题。企业从事药品生产活动，应当持续符合药品 GMP 有关要求。		
备注	依企业申请开展本次上市前药品 GMP 符合性检查，本次检查与产品注册核查同步开展。与本次检查相关事项，须经许可的，应当经许可后方可生产销售。		

山东省药品监督管理局
2024 年 1 月 15 日



NUVISAN

QUALIFIED PERSON'S DECLARATION EQUIVALENCE TO EU GMP FOR IMP MANUFACTURED IN THIRD COUNTRIES
(ARTICLE 63 AND ANNEX I (F) (33) (b) OF REGULATION (EC) 536/2014)

Project no. Nuvisan	N-A-CTS-22-041	Project no. client	LY06006/MRCT-301

EUCT number(s)	Name of the IMP(s)
2022-002312-23	LY06006 (Denosumab) 60 mg in 1 ml solution for injection in pre-filled syringe

Manufacturing and/or Importation Authorisation (MIA) number under which this declaration is made: DE_BY_04_MIA_2023_0055 (NUVISAN GmbH, Wegenerstr. 13, 89231 Neu-Ulm, Germany).

Part A

Name of the IMP(s)	Manufacturing site(s) (Name and address where the activity(-ies) is (are) performed)	Activity(-ies) performed at this site (including packaging, labelling, storage, testing and release)
LY06006 (Denosumab) 60 mg in 1 ml solution for injection in pre-filled syringe	Shandong Boan Biotechnology Co., Ltd. No.8 Weiyi Road, High-tech Industrial Development Zone, Yantai, Shandong 264003, China	Drug substance manufacture, drug substance release/stability testing. Master Cell Bank / Working Cell Bank storage. Drug product manufacture, primary packaging, labelling and release/stability testing.
LY06006 (Denosumab) 60 mg in 1 ml solution for injection in pre-filled syringe	WuXi Biologics Biosafety Testing (Suzhou) Co., Ltd. Xin Zhiyuan Building B, 1336 Wuzhong Avenue, Wuzhong District, Suzhou, Jiangsu 215104 China	Master Cell Bank testing. Unprocessed bulk testing. Viral clearance studies
LY06006 (Denosumab) 60 mg in 1 ml solution for injection in pre-filled syringe	WuXi Advanced Therapies Inc. 4751 League Island Blvd Philadelphia, PA 19112 USA	Master Cell Bank testing
LY06006 (Denosumab) 60 mg in 1 ml solution for injection in pre-filled syringe	National Institutes for Food and Drug Control No. 2, Tiantan Xili, Beijing, 100820, China	Working Cell Bank testing

PHA_CTS_07 QP Declaration Revision: 20 Effective: 30 May 2023 Page 1 of 3

GOOD MANUFACTURING PRACTICES CERTIFICATE Page 1 of 1

MINISTRY OF HEALTH
BRAZILIAN HEALTH REGULATORY AGENCY

GOOD MANUFACTURING PRACTICES CERTIFICATE

SHANDONG BOAN BIOTECHNOLOGY CO., LTD.

5.3 DRUG SALES AND CUSTOMER SERVICE MANAGEMENT

While upholding the highest standards in drug research and manufacturing, we also strictly abide by laws and regulations to ensure the quality of drug sales and customer service. We ensure that all drug labels and instruction manuals are prepared in accordance with the approved standards of the National Health Commission and the National Medical Products Administration, and in line with the Regulations on the Administration of Drug Instructions and Labels. Furthermore, the advertising creation and distribution processes of our drugs strictly follow requirements of the Pharmaceutical Administration Law of the People's Republic of China, the Measures for the Examination of Drug Advertisements and related drug advertising management regulations, which ensures that drug promotion on various media platforms only proceeds after obtaining official drug advertising approval with an approval number, guaranteeing the authenticity and accuracy of the advertising content and eliminating any possibility of misleading or false publicity.

5.3.1 Product Sales and Quality Management

In accordance with relevant laws and regulations of the PRC, we have established a comprehensive product quality assurance system. We have formulated the "Sample Receiving, Inspection and Handling Procedures", which clearly defines the responsibilities of each party involved to implement strict monitoring and establish a perfect quality inspection process covering inspection, review and submission. For non-conforming products, we followed the Drug Return Handling Procedures to be liable for all return and exchange costs of such products in a timely manner. We also attach great importance to feedback received from distributors and consumers. We have established a dedicated customer service team to handle complaints via phone calls and conduct periodic analysis of feedback to continuously optimize our products. We treat every piece of feedback and complaint with utmost seriousness, and have established a comprehensive quality feedback handling mechanism to ensure a rapid response and effective resolution to consumer's concerns. Through closely monitoring the progress of each feedback, our quality supervision and assurance team can safeguard consumer rights and earn satisfaction.

The Company has also formulated the Drug Recall Management Regulation in accordance with relevant requirements (including GMP), which includes detailed recall guidelines and steps. Such procedures clearly stipulate the responsible persons to be notified in the event of a recall and the procedures for handling the recalled products. During the Reporting Period, we also revised this management regulation to further optimise the drug recall process. During the year, we received seven product complaints, all of which were properly handled according to established standard procedures. There were no cases of product recalls due to quality issues during the year.

5.3.2 Information Security and Privacy Protection

In safeguarding the personal information security of customers and partners, Boan Biotech complies with the relevant national laws and regulations, as well as the Personal Data Protection Policy formulated and implemented by Luye Pharma, its parent company. With advanced information security technologies and management measures, such as high-level encryption of electronic data, we ensure that the confidentiality and integrity of personal information are strictly protected.

6 SUSTAINABLE SUPPLY CHAIN

Responsible and sustainable supply chain practices are crucial in achieving our ESG targets. We are committed to building a supply chain that is not only efficient, but also meets ethical and environmental standards, thereby having a positive impact on society and the environment.

6.1 SUPPLY CHAIN FUNCTIONS

Our Supply Chain Management Team has the following four functions:

Functions of the Supply Chain Management Team of Boan Biotech

Business Planning	Procurement	Supply Chain Operations	Supply Chain Optimisation
Development of supply and demand planning, shipment planning and raw materials planning	Procurement of equipment and materials for preclinical studies, clinical trials and manufacturing	Import and export customs declaration, transportation and storage of raw materials, clinical samples and drugs	Continuous optimisation of supply chain operations and management

6.2 SUPPLY CHAIN MANAGEMENT

We have implemented a set of standardized operating procedures to manage our supply chain, including the establishment of a detailed asset procurement and expansion process, ensuring that all procurement activities have complete process records and approvals. When submitting a procurement request, the relevant department must first complete the Asset Requisition List and obtain approval from the authorized financial officer before the department head can sign off on the purchase, ensuring that procurement activities comply with the regulatory requirements of the Company. For direct procurement, we prioritize suppliers from the GMP-certified supplier list, and for indirect purchases, we select suitable agents or distributors through a bidding process.

In the process of selecting suppliers, we adopt a comprehensive evaluation approach to ensure that each supplier meets our strict standards and requirements. We focus not only on the quality control and compliance history of the suppliers, but also comprehensively consider factors such as price, supply capacity, company size, reputation and logistics costs, ensuring that the selected suppliers can meet the business needs of the Company at multiple levels.

At the same time, we also attach great importance to the environmental and social performance of our suppliers, and have developed supplier policies and specified environmental safety requirements in our contracts. We require all cooperative suppliers to comply with local laws and regulations, take measures to prevent environmental pollution, and commit to continuous improvement of their environmental performance. During the supplier review process, we require suppliers to provide certificates of ISO system certification, and use specialized software to check for any adverse records among suppliers, thereby mitigating environmental and social risks in supply chain management.

6 SUSTAINABLE SUPPLY CHAIN

Boan Biotech actively promotes green procurement, and has developed and implemented environmentally friendly procurement practices, including:

- When purchasing office supplies, give priority to products with environmental certification documents and environmental rating labels
- When purchasing electrical products used in offices or workshops, consider environmentally friendly products with low energy consumption (e.g. Class I energy efficiency), which are more energy efficient and environmentally friendly
- When purchasing office furniture, require the boards and substrates to meet the E0 level of the new international testing standard

Supplier Distribution of Boan Biotech in 2023

Total number of suppliers		Number	1,732
By geographical region	Domestic	Number	1,662
	Overseas	Number	70

During the year, Boan Biotech had a total of 1,662 domestic suppliers and 70 overseas suppliers, and the above supplier engagement practices apply to all suppliers to ensure the sustainability of our supply chain.

7 GREEN HOME

At Boan Biotech, sustainable development is deeply embedded in our corporate culture. Through the implementation of the Emergency Response Plan for Sudden Environmental Incidents, the Environment, Health and Safety (EHS) Education Program and other management policies, we aim to minimise the impact of our business activities on the environment and natural resources, thereby creating an environmentally friendly enterprise. At the same time, we also advocate and collaborate with the employees of our partners to practice environmental protection, jointly promoting an environmentally friendly transformation across the entire industry chain.

Boan Biotech's main operations cover the production bases, laboratories and offices, with its major environmental impacts including hazardous and non-hazardous waste discharge, energy use, GHG emissions and disposal of chemicals. Please refer to the Environmental and Social KPIs Table in the appendix for detailed environmental performance data. During the year, we have complied strictly with laws and regulations relating to air and GHG emissions, pollutant discharges to water and land, and the generation of hazardous and non-hazardous waste, which have a significant impact on us. There were no major environmental non-compliance events during the Reporting Period.

Boan Biotech complies with the following laws and regulations related to environmental protection and having a significant impact on us (including but not limited to):

- Environmental Protection Law of the People's Republic of China
- Environmental Protection Tax Law of the People's Republic of China
- Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste
- Law of the People's Republic of China on the Prevention and Control of Water Pollution
- Law of the People's Republic of China on Environmental Impact Assessment
- Law of the People's Republic of China on Energy Conservation
- Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution
- Law of the People's Republic of China on the Prevention and Control of Soil Pollution
- Law of the People's Republic of China on the Promotion of Cleaner Production
- Renewable Energy Law of the People's Republic of China

In view of various major environmental factors, we have developed a number of environmental protection policies with reference to the applicable laws and regulations, some of which are shown as follows:

Major environmental factors	Internal policies of Boan Biotech (including but not limited to)
• **Hazardous and non-hazardous wastes**	• Waste Management Procedures • Toxic, Hazardous and Combustible Gas Leakage Detection and Alarming Management System
• **Environmental accidents**	• Emergency Response Plan for Sudden Environmental Incidents
• **Energy management**	• Energy and Resource Management Procedures
• **Noise**	• Noise Management and Control Procedures

7.1 GREEN OPERATIONS

Adhering to the philosophy of "focusing on environmental protection and ensuring sustainable development", Boan Biotech consistently integrates the concept of green sustainability into the whole process of production and operation. From product design to disposal, we uphold the principles of "non-hazardous raw materials, clean production, waste resource utilization, and low-carbon energy" throughout the entire lifecycle. By establishing a comprehensive environmental management system, we enhance resource utilization rates and promote energy conservation and emission reduction.

Categories	Management measures
Energy use	• Post environmental protection slogans on "Save Electricity" • Control the temperature of air conditioners and avoid running air conditioners and heaters during non-working hours • Turn off computer screens and other electrical equipment after work • Use low energy-consuming lighting fixtures (e.g. LED lights) • Purchase electrical appliances with energy labels (e.g. Class 1 energy label appliances)
Water resource use	• Post environmental protection slogans on "Save Water" • Promote awareness of water conservation and guide employees to use water rationally • Use water-saving systems and appliances (e.g. water-saving taps)
Office supplies	• Post 'Save Paper' signs in key locations • Encourage double-sided printing to reduce paper use • Promote paperless (OA) office work
Packaging materials	• Implement a packaging material recycling system

7.2 AIR EMISSIONS & WASTE MANAGEMENT

The biopharmaceutical industry's responsibility to the environment is particularly pronounced in a context of growing global environmental awareness. Recognising the importance of reducing our ecological footprint, Boan Biotech not only complies with the Law of the People's Republic of China on the Prevention and Control of Air Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution and other national environmental protection laws, but also proactively adheres to stricter local environmental regulations and best practices in international environmental protection.[1]

To minimise the environmental impact of our business operations, Boan Biotech has established a series of comprehensive internal environmental management policies, including Waste Management Procedures and other policies. Through these rules, we have strengthened the management of wastewater, exhaust gas and solid waste, implemented a range of emission reduction measures, and continuously improved our waste treatment and resource utilization efficiency.

In terms of waste management, we have implemented a series of environmental policies, including the Waste Treatment Regulations and the Emergency Response System for Hazardous Chemical Leakage to strictly manage the whole process of solid waste from production to treatment, which covers all stages of waste generation, collection, storage, transportation, reuse and final disposal. Our general waste, such as recycled waste packaging materials and cartons, has been uniformly collected and delivered to urban environmental protection agencies for centralized treatment. The hazardous waste generated in our operational process mainly includes waste reagent bottles, medical waste and ink cartridges used in the office. We have entrusted these to third-party vendors with legal qualifications and professional capabilities for non-hazardous treatment, ensuring that these activities will not adversely affect the environment.

Our EHS protection measures in relation to operations and manufacturing include:

EHS protection measures in relation to Boan Biotech's operations and manufacturing

1. Strictly comply with GMP certification regulations and relevant pollutant discharge standards in the production process to reduce the discharge of (including but not limited to) air and wastewater pollutants;

2. Implement safety guidelines on employees' EHS, operation of laboratory and production facilities and production safety, and closely monitor internal compliance with these guidelines;

3. Appoint qualified third parties to dispose of all hazardous wastes arising from R&D and production activities in accordance with applicable laws and regulations.

[1] The Company's air emissions are generated by its own vehicles.

Air Emissions & Waste Management Targets and Actions of Boan Biotech

Waste reduction target: Hazardous waste generation ≤ 35 tonnes

Measures taken

- The penicillin bottles generated during the experimental process in the preparation workshops are first washed, crushed, and then disposed of as general waste to reduce the disposal amount of hazardous waste; and
- Reasonably control the purchase quantity of chemical reagents to reduce the amount of obsolete scrapped products.

Emission reduction target: Standard emission of volatile organic compounds (VOCs)

Measures taken

- Waste collection and disposal devices are regularly maintained to ensure their normal operation; and
- Entrust a qualified third party to monitor the exhaust gas every six months.

7.3 WATER RESOURCES MANAGEMENT

We recognise the preciousness of water resources and are committed to water conservation and recycling. We strictly implement wastewater treatment procedures to ensure that all wastewater discharges comply with national and local environmental standards, thereby safeguarding the rational use and protection of water resources. Adhering to the principles of water resource protection, the Company strictly follows the Water Law of the People's Republic of China and other relevant laws and regulations and has developed water resource management strategies and measures to enhance water recycling applicable to the Company based on its operation. During the Reporting Period, the Company encountered no issues related to water withdrawal and consumption.

In various aspects, such as industrial water, cleaning water, cooling water and domestic water, we adhere to the principle of water conservation, and encourage and implement strategies for water conservation and the practice of using water for multiple purposes. Additionally, we regularly cooperate with professional third-party vendors and institutions to conduct routine testing and evaluation of wastewater, maintaining high standards of water quality management.

Case: Optimizing the Water Softener of the Purification System

During the Year, we have increased the regeneration cumulative flow rate of our water softener of the purification system from 260 tonnes to 400 tonnes, resulting in a significant reduction of up to 60 regenerations per year. At the same time, this measure has resulted in a significant water saving of 1,920 tonnes of tap water, demonstrating a significant impact on water conservation.

7.4 ENERGY USE & CLIMATE CHANGE

In the severe situation of global warming, responding to climate change has become an inescapable responsibility for companies. On another front, China's 14th Five Year Plan has set the goal of "achieving carbon peaking by 2030 and carbon neutrality by 2060", charting the course for China's sustainable development and setting new operating standards for companies. Actively engaging in the response to climate change, Boan Biotech has been implementing its internal ESG risk management strategies. We proactively identify and respond to the physical and transformation risks that climate change may pose to the Company, and take corresponding measures to mitigate the impacts of climate change. In research and development and production, we continuously optimize our production processes to increase efficiency, and enhance energy utilization rate to reduce consumption.

Physical risks	Transformation risks
Our production facilities in the coastal area of Yantai, Shandong may be affected by extreme weather events and natural disasters that may occur as a result of climate change	In the context of policy trends towards low-carbon, high-efficiency and green transformation, the government may impose higher low-carbon technology requirements on companies, resulting in higher operating costs. For instance, upgrades in production processes aimed at energy saving and emission reduction may increase the investment costs of the Company

Boan Biotech keeps pace with the trend of green development, and is committed to adopting specific environmental goals and energy conservation and emission reduction actions. To better address the challenges of climate change, we have introduced an advanced energy management system that can comprehensively monitor the Company's energy consumption to enable precise consumption management of water, electricity and other resources, thereby effectively improving energy efficiency and reducing environmental footprint. In addition, we are committed to improving our environmental performance by increasing publicity and practice of environmental protection awareness through specific environmental goals and energy conservation and emission reduction actions.

Case: Adoption of Magnetic Levitation Chiller Unit

In order to improve energy efficiency, Boan Biotech has adopted a magnetic levitation chiller in our power plants 9# and 33B#. This unit offers higher energy efficiency, effectively reducing energy consumption and waste, thereby saving energy costs. Additionally, the unit also features a higher degree of system sustainability, enhancing both the sustainability and production efficiency of the system.

7.5 PACKAGING MATERIALS MANAGEMENT

We are committed to optimising the use of packaging materials throughout the product lifecycle, from production, transportation, sales, to storage. Through innovating packaging design, optimising production processes, and improving material transportation, we actively promote the lightweight of packaging materials to improve utilisation efficiency. Currently, we primarily use cartons for product packaging. By strengthening our supply chain management and enhancing our packaging design, we are striving to reduce the consumption of raw and auxiliary materials and packaging materials and replace them with environmentally friendly materials. We will continue our efforts in pursuit of more sustainable packaging solutions to minimize the impact on the environment.

8 EHS SYSTEM AND SAFE PRODUCTION

In the daily operations of Boan Biotech, we uphold the business philosophy of "customer-oriented, efficient operation and employee development" as the core, and continuously build and improve an integrated environment, health and safety (EHS) management system by adhering to internationally leading management principles and taking into account our unique operational status and business environment. In order to regulate all EHS management practices internally, we formulated and revised the EHS Manual during the Reporting Period. Such measures not only provide a solid foundation for achieving our EHS policy and management objectives, but also demonstrate our active commitment to environmental protection and social responsibility. We are dedicated to integrating EHS concept into every level of the Company's culture and operations. The following is an overview of our EHS principles, commitments, targets and indicators:

EHS Principles "Focus on environmental and occupational health and safety to ensure sustainable development"

- Strive to protect the environment, health and safety of employees, establish an EHS Management System, and adhere to a source control approach with an emphasis on prevention
- Committed to strict compliance with laws and regulations, meet the expectations of stakeholders to the greatest extent, maintain open communication
- Dedicated to continuous improvement and enhancement, upholding innovation in technology and management

EHS Commitment Maintain and take effective measures to continuously improve the management system

- Correct and prevent any deviation from the EHS policy and EHS target
- All employees shall follow our EHS policy, EHS target and commitment

EHS Targets and Indicators Maintain the normal operation and continuous improvement of the integrated EHS management system

- The Company established an EHS target system that includes general target and sub-target for each department to ensure the smooth operation of EHS management and the continuous improvement of environmental and occupational health and safety performance
- At the beginning of each year, set the annual targets and indicators according to the overall business targets and the characteristics of the project construction, and properly apply them to the relevant departments/projects based on the allocation of responsibilities, as the basis of control and assessment for the year

EHS MANAGEMENT PLAN

In accordance with our EHS management policies, commitments and target and indicators, our Safety and Environmental Protection Department organizes the formulation and periodic review of EHS Management Plan, and is also responsible for conducting quarterly supervisory inspections on the implementation and effectiveness of the environmental and occupational health safety management plans, reporting the results to management representatives to ensure the achievement of annual safety and environmental targets and indicators.

The plan shall include details of relevant action plans, responsibilities and timelines, covering the responsibilities must undertake to achieve the targets and indicators at the various functions and levels, the specific methods, measures and technical means taken to achieve these targets, as well as the necessary technical and resource requirements, ensuring the feasibility and success of the plan.

ENVIRONMENTAL FACTORS, HAZARDOUS SOURCE IDENTIFICATION, RISK ASSESSMENT, AND RISK CONTROL PLANNING

Through the identification of environmental factors, hazardous source identification and assessment, we have identified significant environmental factors and major risks, as well as intolerable risks, and planned for their management and control. Our Safety and Environmental Protection Department is responsible for formulating the Procedures for Environmental Factor Identification, Hazardous Source Identification and Risk Assessment and Control, with each department identifying environmental factors and hazardous sources according to the procedural requirements and assessing potential significant risks and impacts on the environment or occupational health and safety.

Environmental factors	Hazardous sources
• Emissions to the air and water • Waste management • Soil pollution • Community impact • Use of raw materials, resources, and energy	• Activities that may cause personnel injuries • Occupationally induced disease • Property loss or operational disruptions

8 EHS SYSTEM AND SAFE PRODUCTION

We have taken different measures to ensure to operate our businesses in a manner that safeguards the health and safety of our employees, contractors, suppliers, customers, as well as visitors to our business premises and production bases in the community. The relevant measures include:

- Implementing a safety production responsibility system to enhance supervision and management of the production process, with the aim of preventing and reducing production safety accidents, ensuring the safety of employees' lives and protecting property from damage;
- Strictly adhering to Good Manufacturing Practice (GMP) and relevant environmental emission standards to reduce air pollution, wastewater discharge and other environmental pollutions;
- Implementing occupational health and safety and environmental protection guidelines that cover operational safety in laboratories and production facilities, while also closely monitoring compliance with these guidelines;
- In accordance with the law, we entrust qualified third-party vendors and institutions with the handling of hazardous waste generated during research and development and production processes to meet legal and regulatory requirements.

Exterior of Boan Biotech Manufacturing Center

8.1 SAFE PRODUCTION

As a leading biotechnology enterprise, we fully recognize that our operations and research activities may be accompanied by various EHS-related risks. Therefore, not only do we strictly comply with all relevant EHS-related regulations and policies, but we also establish our internal management policies and procedures based on these regulations and procedures and ensure that they are rigorously enforced.

Our Chief Executive Officer directly leads and is responsible for promoting the management and implementation of social responsibility, employee health, workplace safety and environmental protection matters, covering management systems and procedures related to process safety and hazardous material management, safety production responsibility system, employee health and safety regulations, and the responsibilities of the Safety and Environmental Protection Department, ensuring that the Company's operating activities fully comply with relevant laws and regulations.

We focus on creating a safe working and research environment for both employees and subjects participating in clinical trials. In our employee training and induction processes, we have incorporated work safety guidelines, including accident prevention and reporting, as core content. At the same time, we also ensure that subjects in clinical trials are fully informed about relevant safety information before participating in the trial and at all times necessary to ensure that their rights and interests are protected to the greatest extent possible.

To maintain a healthy and safe working environment, we adhere to a set of strict rules, standard operating procedures and measures, including the Employee Health and Labour Protection Management Regulations and safety standards that meet the requirements of GMP standards. In addition, we regularly conduct comprehensive safety assessments and inspections of laboratories and production facilities to ensure that all operations meet the highest safety and environmental standards.

Production safety-related policy documents
• **Production safety responsibility system**
• **Production safety meeting management system**
• **Occupational health and supervision management system**
• **Personal labour protection equipment management procedures**
• **Fire management system**
• **Special operation personnel management system**
• **Emergency management system**
• **Emergency response plan for production safety accidents**
• **Special equipment operator management system**
• **Dangerous goods management procedures**

To identify and address potential safety risks, we have established the Production Safety Inspection System and the Accident and Hidden Hazard Identification and Management System, which clarify the frequency, methods and division of responsibilities for safety inspections, ensuring a comprehensive identification and rectification of safety hazards in all aspects of the workplace. We also place great emphasis on building a strong internal safety culture. Relevant departments have conducted employee safety training and awareness education based on the Company's Environment, Health and Safety (EHS) Education and Training System. These trainings cover topics such as safe operating procedures, emergency response measures, the proper use of personal protective equipment and others, aiming to enhance employees' awareness and response capabilities regarding safety issues. We have also established a comprehensive occupational health supervision system to protect the health rights and interests of our employees, prevent the occurrence of work-related diseases, and provide appropriate work adjustments and compensation measures for employees diagnosed with occupational diseases. During the Reporting Period, Boan Biotech recorded no work-related fatalities or lost days due to work injury.

Case: Fire Evacuation Emergency Drill of the Manufacturing Department

In December 2023, the Manufacturing Department conducted a fire evacuation emergency drill, aiming to enhance employees' response capabilities to fires and emergency situations to ensure that they can evacuate swiftly and orderly to a safe location, and take appropriate measures to protect the lives and property of themselves and others.

8.2 EHS MANAGEMENT SYSTEM

Boan Biotech has established the Safety and Environmental Management Department to actively respond to the national requirements for environmental protection. This department is responsible for closely monitoring and implementing local policies, directives or notices relating to fire safety, safety supervision and environmental protection, and is also tasked with developing the specific safety production and operational guidelines of the Company. In accordance with the EHS-related laws and regulations, as well as the Company's policies, management personnel and employees at all levels of the Company are required to clarify their job responsibilities, and implement corresponding internal management measures. Through such systematic arrangements and the implementation of responsibilities, Boan Biotech is committed to building a safe, healthy and environmentally friendly workplace.

Strictly adhering to the provisions of occupational health and safety, we have established a comprehensive EHS (Environment, Health and Safety) management system based on the ISO 14001:2015 and ISO 45001:2018 standards. By establishing the EHS Safety Manual as the general outline of health and safety production, we guide employees in their daily work and protect them from occupational hazards. In response to sudden and unexpected incidents, we have also designed and implemented an emergency response system that includes a comprehensive emergency plan, a special emergency plan, and an on-site response plan. Through this system, we can ensure that appropriate measures can be effectively taken in emergency situations to minimize potential losses and impacts.

Municipal Green Factory 2023

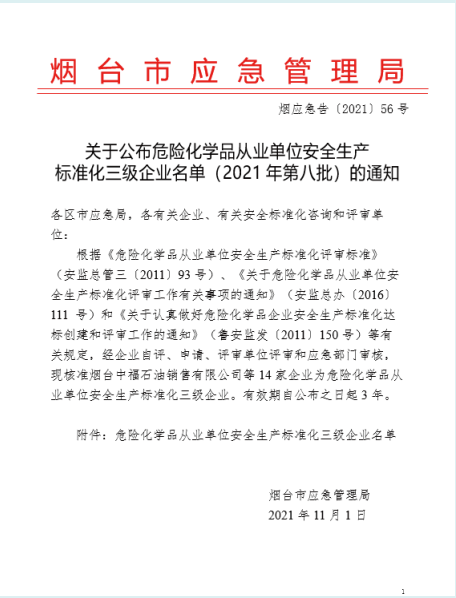
In April 2023, the Bureau of Industry and Information Technology of Yantai City announced the "2023 Yantai Green Factory List". Boan Biotech was successfully selected, demonstrating that our efforts in green manufacturing and low-carbon transformation have been recognised and appreciated by competent authorities.

8.3 CHEMICALS MANAGEMENT

At Boan Biotech's production bases, a series of high-standard research and development, quality control and testing, as well as routine workplace maintenance tasks are carried out, often involving various hazardous chemicals. Therefore, we attach great importance to safety production, and have established a complete set of strict safety protection system in terms of fire prevention, electric shock prevention and other aspects. In our production process, particularly during high-risk operations such as the dismantling of lye pipelines, we provide a full range of personal protective equipment, such as protective masks and emergency eyewash stations, to ensure the safety of our employees in both daily work and emergency situations.

We strictly abide by the Production Safety Law of the People's Republic of China and other relevant production safety laws and regulations, and have established the specified responsibilities in accordance with the Departmental Responsibilities of the Manufacturing Department of the Company. The Safety and Environmental Protection Department not only actively implements national and Company's guidelines, laws, regulations, policies and systems related to production safety and environmental protection but also keeps abreast of and communicates the latest directives and notices of government authorities such as fire protection, safety supervision and environmental protection. The department organises or participates in the formulation of the Company's production safety regulations and operating procedures, and provides consultation on production safety and environmental protection management in the Company's operational decision-making. It also offers suggestions for improvement, ensuring that all departments and individuals adhere to their respective responsibilities.

Boan Biotech was selected as a Level 3 Enterprise for Production Safety Standardisation of Hazardous Chemicals (the eighth batch in 2021)



烟 台 市 应 急 管 理 局

烟应急告〔2021〕56号

关于公布危险化学品从业单位安全生产标准化三级企业名单（2021年第八批）的通知

各区市应急局，各有关企业、有关安全标准化咨询和评审单位：

根据《危险化学品从业单位安全生产标准化评审标准》（安监总管三〔2011〕93号）、《关于危险化学品从业单位安全生产标准化评审工作有关事项的通知》（安监总办〔2016〕111号）和《关于认真做好危险化学品企业安全生产标准化达标创建和评审工作的通知》（鲁安监发〔2011〕150号）等有关规定，经企业自评、申请、评审单位评审和应急部门审核，现核准烟台中福石油销售有限公司等14家企业为危险化学品从业单位安全生产标准化三级企业。有效期自公布之日起3年。

附件：危险化学品从业单位安全生产标准化三级企业名单

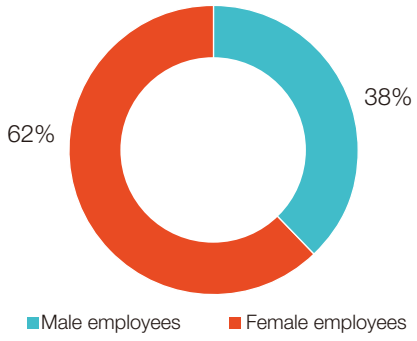
烟台市应急管理局
2021年11月1日

In accordance with the Evaluation Standards for Safety Production Standardisation of Hazardous Chemical Enterprises of the People's Republic of China (AJZGS No. [2011] 93), the Notice on Matters Relating to the Evaluation Work on Safety Production Standardisation of Hazardous Chemical Enterprises (AJZB [2016] No. 111) and the Notice on Seriously Doing a Good Job in Standard Creation and Evaluation of Safety Production Standardisation of Hazardous Chemical Enterprises (LAJF [2011] No. 150) and other relevant provisions, 14 enterprises, including Boan Biotech, were accredited as a Level 3 enterprise for production safety standardisation of hazardous chemicals, upon self-evaluation, application of the enterprises, evaluation by evaluation agencies and audit by emergency departments. The validity period is 3 years effective from the date of the notice.

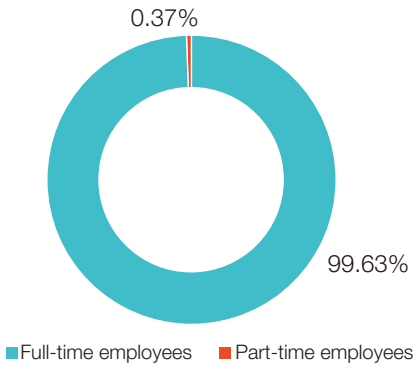
9 PEOPLE ORIENTATION

Cultivating and building an outstanding team of talents is one of the core elements for Boan Biotech's success. To meet the increasing business demands, we have established a comprehensive training and development system, focusing on enhancing various skills and qualities of the team. This ensures that we always maintain high efficiency and innovation capabilities in the field of drug research and development. At the same time, we continue to improve our training structure, providing employees with a range of training in areas such as innovative research and development, professional technologies and business management. We encourage our employees to choose career paths that suit their future aspirations, so that they can fully develop their potential and realise their own value.

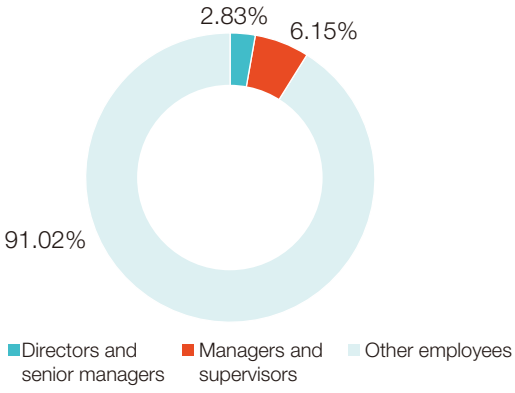
Number of Employees
(by gender)



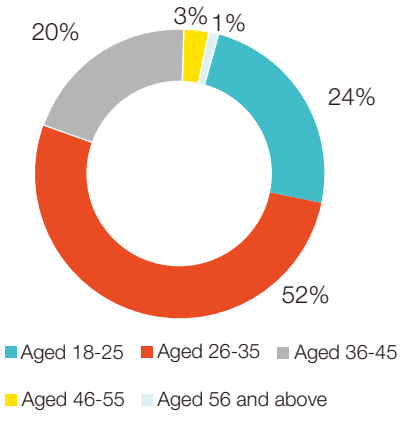
Number of Employees
(by employment type)



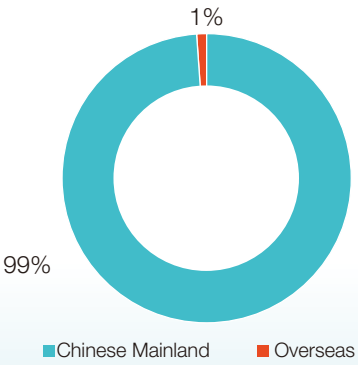
Number of Employees
(by job title)



Number of Employees
(by age group)



Number of Employees
(by geographical region)



During the Reporting Period, Boan Biotech had a total of 813 employees, including 810 full-time employees and 3 part-time employees. A breakdown of the Company's workforce by gender, age group, employment type and geographical region is shown below:

Number of employees	Total workforce	813	Person
By gender	Male employees	309	Person
	Female employees	504	Person
By employment type	Full-time employees	810	Person
	Part-time employees	3	Person
By employee category (by job title)	Directors and senior managers	23	Person
	Managers and supervisors	50	Person
	Other employees	740	Person
By age group	Aged 18-25	197	Person
	Aged 26-35	424	Person
	Aged 36-45	161	Person
	Aged 46-55	25	Person
	Aged 56 and above	6	Person
By geographical region	Chinese Mainland	808	Person
	Overseas	5	Person

During the Year, the employee turnover rate of Boan Biotech by gender, age group and geographical region is shown as follows[2]:

Employee turnover rate		Number	Percentage %
By gender	Male employees	30	9.71%
	Female employees	47	9.33%
By age group	Aged 18-25	33	16.75%
	Aged 26-35	40	9.43%
	Aged 36-45	2	1.24%
	Aged 46-55	2	8.00%
	Aged 56 and above	0	0%
By geographical region	Chinese Mainland	77	9.53%
	Overseas	0	0%

[2] Calculation formula for employee turnover rate: Number of resigning employees in this category / Total number of employees in this category x 100%

9.1 EMPLOYMENT MANAGEMENT

Recruitment, dismissal and promotion

Boan Biotech is committed to complying with a series of key laws and regulations, including the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Employment Promotion Law of the People's Republic of China, the Contract Law of the People's Republic of China, and other relevant laws and regulations. We have established a comprehensive human resource management system aimed at implementing the principles of selecting, fairly assessing, and fully utilizing outstanding talents, and adopting the fairest employment standards on this basis. In addition, we have established the comprehensive Recruitment and Interview Management System, which sets out our principles of "openness, fairness, competition and merit-based" in recruitment, and specify the recruitment and employment process, the determination of salary and position and subsequent induction arrangements.

All recruited employees will sign an employment contract with us in accordance with the Labour Contract Management System, which specifies in detail the terms of the employment contract, the employee's position, working hours and various circumstances that may lead to the termination of the employment contract, and comprehensively protects the employee's legal rights in accordance with applicable laws and regulations. Furthermore, to ensure that employees receive their due compensation and encourage higher work performance, we have established internal management policies such as the Remuneration and Welfare Management System. We provide our employees with a competitive remuneration system and an open and transparent assessment and promotion mechanism. We are committed to fostering a working environment in which employees can feel their own worth and achievement, while encouraging continuous progress and development throughout their careers.

Working hours, holidays, equal opportunities, diversity, anti-discrimination and other benefits and welfare

Boan Biotech upholds a profound commitment to equality, diversity, and anti-discrimination. We regard each employee as a valuable asset to the Company, treating them honestly and respecting their cultural background and customs. The Company ensures that there is no discrimination on the basis of race, ethnicity, age, gender, religious belief or physical condition and that all employees have equal opportunities through its human resources policies, including recruitment, career development, promotion, training and incentive schemes. At the same time, we are committed to fostering an inclusive working environment where harmony and multiculturalism coexist, creating a space where employees can respect each other and develop their unique strengths. Through such an environment, we aim to enhance the overall well-being of our employees and attract a broader range of talents, laying the foundation for our sustainable development.

Adhering strictly to the Law of the People's Republic of China on the Protection of Women's Rights and Interests, the Law of the People's Republic of China on the Protection of Persons with Disabilities and other relevant laws and regulations, Boan Biotech firmly opposes any form of discriminatory practices. Our Human Resources Department has also formulated a comprehensive Working Hours and Leave Management System for Employees, which clearly stipulates standard working hours, rest days, and leave policies, ensuring the full protection of employees' labour rights and interests.

Elimination of child labour and forced labour

Boan Biotech strictly abides by the Law of the People's Republic of China on the Protection of Minors and the Regulations on the Prohibition of Child Labour, and is committed to managing labour relations with employees according to laws and regulations to resolutely eliminate the issues of child labour and forced labour. The Company strictly complies with the national laws on prohibiting the employment of child labour. During the recruitment process, the Human Resources Department strictly sets and verifies the minimum age threshold for job applicants, ensuring their compliance with the legal working age requirements through careful verification of identity documents. Should any instance of child labour be identified, we will immediately terminate the employment relationship, promptly establish a special investigation team to identify the issue, and take corresponding remedial measures. We will also strengthen policy implementation and improve prevention and investigation mechanisms to ensure that similar incidents do not recur.

During the Reporting Period, we did not have any breach of laws and regulations relating to employment and labour practices, nor did we find any incident of child labour or forced labour.

9.2 TALENT TRAINING

Boan Biotech regards talent as its most precious asset, and we are committed to nurturing and developing the finest team of professionals within the industry through continuous education and career development opportunities. To align with the enhancement of employee capabilities and the realization of the Company's strategic goals, we have designed talent development and training plans tailored to our business development. Through comprehensive training programs and personalized development paths, we can foster personal and professional development of our employees, while driving innovation and competitiveness of the Company.

To facilitate the continuous learning and growth of our employees, we offer a wide range of communication and learning platforms, including but not limited to participation in cutting-edge industry technology seminars, internal skills enhancement workshops and specialised skills competitions. These opportunities not only promote mutual understanding and cooperation between team members, but also encourage innovative thinking and teamwork spirit, while strengthening the Company's ability to share and innovate in the technology sector. Furthermore, we encourage our employees to engage in external academic conferences and technical training to absorb and introduce new knowledge and technologies, continuously enhancing their own and their team's innovative capabilities. Through such a comprehensive training and development strategy, Boan Biotech aims to build a learning organisation and promote continuous innovation and growth of the Company to ensure that it maintains a leading position in the fierce market competition.

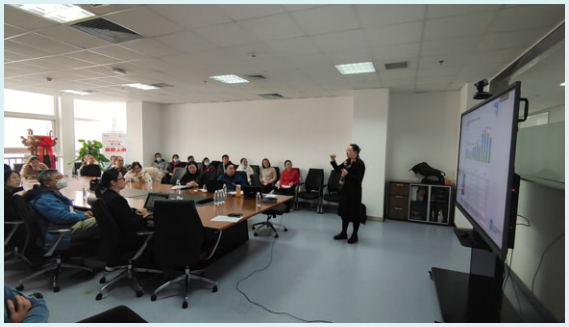
Case: Employee Induction Training

We organise induction training for our employees, covering aspects such as corporate culture, core values, policies and regulations, business processes and job responsibilities. We also run orientation programmes to enhance new employees' awareness and understanding of our culture, helping them to integrate quickly into the Company and increasing their sense of belonging.

Case: Incentive and Recognition Workshop

From September to October 2023, we organised two sessions of the "Incentive and Recognition Workshop" for management personnel. Through various cases and external good practices, management personnel were able to broaden their horizons, learn more about employee incentive methods, and apply and innovate in practical management.

Case: Boan Lecture Series 2023



Since 2021, Boan Biotech has been conducting the Boan Lecture Series, a series of sharing lectures aimed at promoting employees' understanding of industry trends and cutting-edge technologies. During the Year, we invited Ms. Jiang Hua, our CEO, Dr. Zhou Ming, Chief Medical Officer of Boan Biotech, and Ms. Bao Shuxin, Senior Business Solutions Consultant at Clarivate, to deliver a series of lectures on special topics covering multiple key areas in the pharmaceutical and healthcare sectors, including venture capital and private equity, pharmaceutical clinical development strategies, and key drugs and related trends focused on by the world and China

In order to continuously promote the integration of individual professional development with the Company's business progress, enhance teamwork and work efficiency, and meet the demands of industry changes, we have formulated the Management System for External Training Programmes. Based on position requirements and future development directions, we allocate an annual educational budget to support employees to participate in various training and learning programmes offered by the Company, including:

1. Online and offline training provided by external institutions (including: PMP and other certification qualification exams); and

2. On-the-job education courses (including: on-the-job undergraduate and postgraduate courses, MBA or EMBA training).

Any employee who meets the training requirements may apply for training in accordance with the system's approval process, subject to review and approval.

In response to the specific needs of different business units and teams, and to comprehensively enhance employees' professional skills, job competency and competitiveness, the Human Resources Department and relevant departments has formulated the Annual Training Plan, which covers three aspects, being pre-job training, ongoing job training and off-job training, as well as the detailed implementation of training content.

Pre-job training	**On-boarding training** • Corporate culture, policies and regulations, products and areas of business of the Company, getting to know the office environment, etc. **Induction training** • Job responsibilities, mastering relevant knowledge and skills for the position
Job training	**Basic training** • Pharmaceutical Administration Law, GMP/GLP/GCP and other quality control regulations, microbiology knowledge, safety knowledge, etc. **Professional training** • SOP documents, pharmaceutical regulations, EHS systems, computer systems, management skills, etc.
Off-job training	Participating in external training activities organised by government authorities, industry associations, training institutions, etc., including specialized training courses, seminars, public lectures, overseas study tours, and other external training events

In addition, based on the unique characteristics of positions and individual career development paths, we have developed a diversified training curriculum system that includes customised induction training for new college graduate employees, management training programmes, project management skills, as well as courses on workplace culture and communication skills, designed to help employees improve themselves in a diversified work environment and adapt to and lead the development trend of the industry.

During the Year, the employee training data of Boan Biotech are as follows[3]:

Total number of employees trained during the Reporting Period			**785 persons**	**Percentage of employees trained**
By gender	Number of male employees trained	Person	305	98.71%
	Number of female employees trained	Person	480	95.24%
By employee category (by job title)	Number of directors and senior managers trained	Person	23	100%
	Number of managers and supervisors trained	Person	50	100%
	Number of other employees trained	Person	712	96.22%

[3] The percentage of employees trained by relevant category is calculated by dividing the number of employees trained in that category by the total number of employees trained; the average training hours of employees by relevant category is calculated by dividing the total training hours of employees in that category by the total number of employees in that category.

Total training hours of employees completed during the Reporting Period		Hour	Average training hours	Total training hours
By gender	Total training hours of male employees	Hour	72.4	22,082
	Total training hours of female employees	Hour	76.2	36,576
By employee category (by job title)	Training hours of directors and senior managers	Hour	30.1	692
	Training hours of managers and supervisors	Hour	45.2	2,260
	Training hours of other employees	Hour	78.2	55,706

9.3 EMPLOYEE CARE

At Boan Biotech, we not only comply with national regulations to provide employees with basic welfare benefits, but we have also established a wealth of welfare programmes. We are committed to creating a caring and friendly working environment, aiming to inspire employees' potential and enable them to make full use of their talents at work. Moreover, we place special emphasis on the comprehensive development of our employees, and have actively planned and organized a series of employee activities, which are designed not only to improve the physical health of our employees, but also to strengthen communication and cooperation between team members, thus promoting the physical and mental health of our employees in all aspects.

Recognising the importance of communication between employees, we have actively planned a series of events to encourage interaction and team spirit among employees. Our activities are diversified, including sports and fitness clubs, birthday celebrations for employees, themed activities to promote healthy living, and parent-child activities to promote family harmony. We not only meet the basic welfare requirements set by the state, but also strive to improve the quality of life for our employees by providing a range of premium benefits and remuneration, which include but are not limited to:

Holiday benefits	To provide employees with certain holiday benefits during traditional holidays in some countries, including the Chinese New Year, Women's Day, Mid-Autumn Festival, Children's Day, etc.;
Commercial insurance	To strengthen the protection of employee health by providing inpatient and outpatient medical insurance, 24-hour personal accident insurance and critical illness insurance;
Annual physical examination	To organise a physical examination every year and establish health records for employees;
Employee mutual assistance guarantee plan	An employee mutual assistance guarantee fund was established to assist employees suffering various accidents and major family hardships. In addition to assisting employees in obtaining statutory benefits and commercial insurance, a certain amount of money will be granted from the mutual assistance fund to help employees and their families to tide over their difficulties;
Wedding gift money	To prepare wedding gift money for newly married employees;
Rewards for excellence	Annual commendations at the Company level and the subsidiary level are held every year to reward employees and teams with outstanding performance and to encourage employees to actively participate in practical projects with innovative value; and
Other employee benefits	Such as birthday benefits, childcare fees, long-term service awards, etc.

Case: Boan Biotech Goddess Festival Event

Boan Biotech places special emphasis on the welfare of female employees. On International Women's Day (8 March) this year, we organised a special Goddess Festival event to give our female employees a chance to relax and celebrate, while recognising and praising their achievements in the workplace.

Case: Boan Biotech Autumn Garden Party

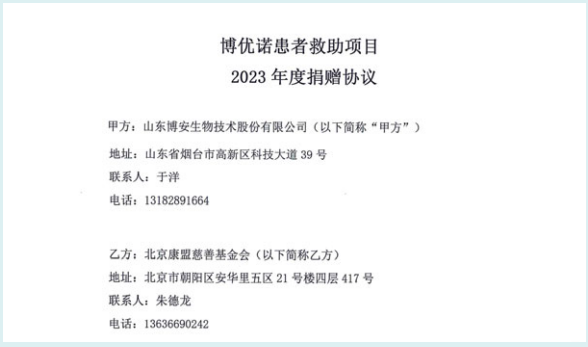
In November 2023, Boan Biotech organized an autumnal botanical garden treasure hunt activity for our employees. Taking full advantage of the rich and diverse natural resources of the botanical garden, we designed a series of treasure hunt missions and fun challenges to promote interaction and teamwork among employees, while enjoying the beautiful scenery of nature in autumn.

10 COMMUNITY CONTRIBUTIONS

Upholding a mission of public welfare and taking social responsibility as its duty, the Company has made positive contributions to the sustainable development of society through continuous efforts and investment. In terms of supporting medical construction, we have been committed to benefiting patients around the world with our medical resources and new drug research and development. The Boyounuo Patient Relief Project is a major initiative of the Company, which aims to help patients who are unable to access necessary medical services due to financial difficulties, ensuring that patients receive timely and quality medical care to improve their health conditions.

In the future, we will continue to fulfil our social responsibilities and deepen our support in various charitable areas.

Case: Boyounuo Patient Relief Project



博优诺患者救助项目
2023 年度捐赠协议

甲方：山东博安生物技术股份有限公司（以下简称“甲方”）
地址：山东省烟台市高新区科技大道 39 号
联系人：于洋
电话：13182891664

乙方：北京康盟慈善基金会（以下简称乙方）
地址：北京市朝阳区安华里五区 21 号楼四层 417 号
联系人：朱德龙
电话：13636690242

In line with our social responsibility to promote the development of public welfare, the Company voluntarily donated a total of 2,129 vials of bevacizumab injections to Beijing Health Alliance Charitable Foundation and other organizations, valued at approximately RMB2.25 million. This project will be carried out nationwide, with the aim of providing pharmaceutical assistance to more patients in need, effectively reducing their financial burden and supporting the development of charity and public welfare in China.

Case: 2023 Spring Arbor Day

In the spring of 2023, Boan Biotech organised employees and their families to participate in Arbor Day activities to promote environmental protection and raise employees' ecological awareness.

APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE

ENVIRONMENTAL KPIS TABLE[4]

Environmental Data Summary Table of Boan Biotech in 2023			Previous data
	Unit	Data in FY2023	Data in FY2022
Air Emissions[5]			
Nitrogen oxides (NO_x)	kilograms	0.04	–
Sulphur oxides (SO_x)	kilograms	0.04	–
Carbon monoxide (CO)	kilograms	1.06	–
Fine particulate matter (PM2.5)	kilograms	0.0069	–
Inhalable particulate matter (PM10)	kilograms	0.0069	–
Energy consumption[6]			
Total direct energy consumption	'000 kWh	2.24	–
Direct energy consumption intensity[7]	'000 kWh/Revenue in RMB'000	0.0000036	–
Total indirect energy consumption	'000 kWh	29,343.20	30,171.07
Indirect energy consumption intensity	'000 kWh/Revenue in RMB'000	0.047	0.058
Gasoline			
Total consumption	litres	241	–
Total consumption	'000 kWh	2.24	–
Consumption intensity	'000 kWh/Revenue in RMB'000	0.0000036	–
Outsourced electricity			
Total consumption	'000 kWh	10,782.41	9,813.03
Consumption intensity	'000 kWh/Revenue in RMB'000	0.017	0.019
Outsourced industrial steam			
Total consumption	tonnes	25,075.00	27,503.00
Total consumption	'000 kWh	18,560.81	20,358.04
Consumption intensity	'000 kWh/Revenue in RMB'000	0.030	0.039
Water			
Total consumption	m^3	159,936.00	196,969.00
Consumption intensity	m^3/Revenue in RMB'000	0.26	0.38
Packaging materials			
Total consumption	tonnes	25.30	17.00
Consumption intensity	tonnes/Revenue in RMB'000	0.000041	0.000033

4 The statistical scope of environmental data for FY2023 is Boan Biotech Yantai Production Base.

5 The calculation method of air pollutant emission data is based on the Technical Guidelines for the Preparation of Air Pollutant Emission from Road Motor Vehicles (Trial) published by the Ministry of Ecology and Environment of the People's Republic of China.

6 The total energy consumption of the Company includes gasoline, outsourced electricity and outsourced industrial steam consumption, and the conversion method is based on the "Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Enterprises in Other Industries" (Trial).

7 The Company's annual revenue per RMB'000 is used as the denominator. The Company's total revenue for FY2023 was RMB618,129,000.

Environmental Data Summary Table of Boan Biotech in 2023			Previous data
	Unit	Data in FY2023	Data in FY2022
GHG emissions (Scope 1 and 2)			
Emissions from refrigerants (Scope 1)[8]	tonnes	0	130.74
Emissions from industrial steam usage (Scope 2)[9]	tonnes	7,350.07	8,061.78
Emissions from electricity usage (Scope 2) [10]	tonnes	6,149.22	5,596.37
Total GHG emissions	tonnes	13,499.85	13,788.89
Total GHG emissions intensity	tonnes/Revenue in RMB'000	0.022	0.027
Production wastewater discharge			
Production wastewater discharge	tonnes	91,571.6	129,010.00
Production wastewater discharge intensity	tonnes/Revenue in RMB'000	0.15	0.25
Non-hazardous waste produced[11]			
Total production	tonnes	3.68	3.21
Production intensity	tonnes/Revenue in RMB'000	0.0000060	0.0000062
Paper			
Total production	tonnes	3.68	3.21
Total recovery	tonnes	3.68	
Production intensity	tonnes/Revenue in RMB'000	0.0000060	0.0000062

8 The calculation of GHG emissions from refrigerants (Scope 1) is based on the "Sixth Assessment Report on Climate Change" issued by the Intergovernmental Panel on Climate Change (IPCC).

9 The calculation of GHG emissions from industrial steam (Scope 2) is based on the "Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Enterprises in Other Industries" (Trial) issued by the National Development and Reform Commission.

10 The emission factors for GHG emissions (Scope 2) in FY2023 are with reference to the "Notice on the Management of Greenhouse Gas Emissions Reports of Enterprises in the Power Generation Industry for 2023-2025" published by the Ministry of Ecology and Environment of China.

11 Packaging materials were collected uniformly by the municipal environmental and sanitation department, with no weight statistics available for the year.

APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE

Environmental Data Summary Table of Boan Biotech in 2023			Previous data
	Unit	Data in FY2023	Data in FY2022
Hazardous waste produced			
Total production	tonnes	32.50	21.53
Total production intensity	tonnes/Revenue in RMB'000	0.000053	0.000042
Medical waste			
Total production	tonnes	12.62	9.99
Waste culture media	tonnes	10.65	8.00
Waste biological drugs	tonnes	1.97	1.99
Production intensity	tonnes/Revenue in RMB'000	0.000020	0.000019
Organic waste liquid			
Total production	tonnes	0.54	0.88
Production intensity	tonnes/Revenue in RMB'000	0.00000087	0.0000017
Waste reagent bottles and packages			
Total production	tonnes	18.90	10.12
Production intensity	tonnes/Revenue in RMB'000	0.000031	0.0000196
Waste mineral oil and lubricating oil			
Total production	tonnes	0.08	0.04
Production intensity	tonnes/Revenue in RMB'000	0.00000013	0.000000079
Laboratory waste			
Total production	tonnes	0.36	0.5
Production intensity	tonnes/Revenue in RMB'000	0.00000059	0.00000097

SOCIAL KPIS TABLE[12]

Social Data Summary Table of Boan Biotech in 2023			
Employment			
		Number	**Unit**
By gender	**Total workforce**	813	Person
	Male employees	309	Person
	Female employees	504	Person
By employment type	Full-time employees	810	Person
	Part-time employees	3	Person
By age group	Aged 18-25	197	Person
	Aged 26-35	424	Person
	Aged 36-45	161	Person
	Aged 46-55	25	Person
	Aged 56 and above	6	Person
By geographical region	Chinese Mainland	808	Person
	Overseas	5	Person
Employee turnover rate			
		Number	**Percentage**
By gender	Male employees	30	9.71%
	Female employees	47	9.33%
By age group	Aged 18-25	33	16.75%
	Aged 26-35	40	9.43%
	Aged 36-45	2	1.24%
	Aged 46-55	2	8.00%
	Aged 56 and above	0	0%
By geographical region	Chinese Mainland	77	9.53%
	Overseas	0	0%

[12] The statistical scope of social data for FY2023 is within the Group. Unless otherwise specified, the statistical scope of social data of the Group for the year is consistent with that for FY2022

Health and Safety

Number of work-related fatalities

	2023	2022	
Number of work-related fatalities	0	0	Person
Rate of work-related fatalities	0	0	%

Lost days due to work injury

	2023	2022	
Lost days due to work injury of employees of the Company	0	0	Day

Occupational Health and Safety Measures

Number of employees participating in safety training during the Reporting Period	Around 6,000	Person

Development and Training

Percentage of Employees Trained

	Total number of employees trained during the Reporting Period	Person	Number	Percentage of Employees Trained
By gender	Number of male employees trained	Person	305	98.71%
	Number of female employees trained	Person	480	95.24%
By employee category (by job title)	Number of directors and senior managers trained	Person	23	100%
	Number of managers and supervisors trained	Person	50	100%
	Number of other employees trained	Person	712	96.22%

Training Hours Completed

	Total training hours of employees completed during the Reporting Period	Hour	Average training Hours	Total training hours
By gender	Total training hours of male employees	Hour	72.4	22,082
	Total training hours of female employees	Hour	76.2	36,576
By employee category (by job title)	Training hours of directors and senior managers	Hour	30.1	692
	Training hours of managers and supervisors	Hour	45.2	2,260
	Training hours of other employees	Hour	78.2	55,706

Supply Chain Management			
Number of suppliers			
Suppliers		Supplier	1,732
By geographical region	Domestic	Supplier	1,662
	Overseas	Supplier	70
Product Responsibility			
Percentage of products sold subject to recalls			
Total number of products sold during the Reporting Period		Vial	676,400
Percentage of products sold subject to recalls		%	0
Number of complaints			
Number of complaints		Case	7
Anti-corruption			
Number of legal cases regarding corrupt practices			
Number of concluded legal cases regarding corrupt practices brought against the Company during the Reporting Period		Case	0
Number of concluded legal cases regarding corrupt practices brought against the employees during the Reporting Period		Case	0
Community Investment			
Resources Contributed			
Amount of donations to local communities (including direct and indirect) donations of materials and cash during the Reporting Period		A total of 2,129 bevacizumab injections were donated in batches, worth about RMB2.25 million	

APPENDIX II CONTENT INDEX OF THE ESG REPORTING GUIDE

Mandatory Disclosure Requirements	Description	Relevant Section or Statement in this Report
Governance Structure	A statement from the Board containing the following elements: (i) a disclosure of the Board's oversight of ESG issues; (ii) the Board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	4.1 Sustainable Development Concept
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG Report: **Materiality:** The issuer should make a report when the ESG issues determined by the Board become sufficiently important to investors and other stakeholders. **Quantitative:** KPIs in respect of historical data need to be measurable. The issuer should set targets (which may be actual numerical figures or directional, forward-looking statements) to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate. **Balance:** The ESG Report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgement by the report reader. **Consistency:** The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.	2.3 Reporting Principles
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG Report and describing the process used to identify which entities or operations are included in the ESG Report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	2.2 Reporting Boundary

General Disclosures and KPIs	Description	Relevant Section or Statement in this Report
Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	7.2 Air Emissions & Waste Management
KPI A1.1	The types of emissions and respective emissions data.	APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE
KPI 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).	APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Given that the Company was listed in 2022, the environmental data collection currently in place does not yet reflect the comprehensive operation of the Company. Therefore, no emission targets have been set for the Reporting Period. In the next year, we will continue to review the setting of targets.
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	7.2 Air Emissions & Waste Management

General Disclosures and KPIs	Description	Relevant Section or Statement in this Report
Environmental		
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7 Green Home
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	7.4 Energy Use & Climate Change Given that the Company was listed in 2022, the environmental data collection currently in place does not yet reflect the comprehensive operation of the Company. Therefore, no energy use efficiency targets have been set for the Reporting Period. In the next year, we will continue to review the setting of targets.
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	7.3 Water Resources Management Given that the Company was listed in 2022 and has encountered no issues in sourcing water, no water efficiency targets have been set for the Reporting Period. In the next year, we will continue to review the setting of targets.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	7.5 Packaging Materials Management APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE

General Disclosures and KPIs	Description	Relevant Section or Statement in this Report
Environmental		
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	7 Green Home
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	7 Green Home
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	7.4 Energy Use & Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	7.4 Energy Use & Climate Change
Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	9.1 Employment Management
KPI B1.1	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	9.1 Employment Management APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	9.1 Employment Management APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE

General Disclosures and KPIs	Description	Relevant Section or Statement in this Report
Social		
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to providing a safe working environment and protecting employees from occupational hazards	8.1 Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	8.1 Occupational Health and Safety APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE Given that the Company was listed in 2022, health and safety information for the current year includes only the number and rate of work-related fatalities for 2022 and 2023. In the future, the Company will statistically disclose relevant information in accordance with the principle of consistency.
KPI B2.2	Lost days due to work injury.	8.2 EHS Management System APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	8.2 EHS Management System

General Disclosures and KPIs	Description	Relevant Section or Statement in this Report
Social		
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	9.2 Talent Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	9.2 Talent Training APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE
KPI B3.2	The average training hours completed per employee by gender and employee category.	9.2 Talent Training APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to preventing child and forced labour.	9.1 Employment Management
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	9.1 Employment Management
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	9.1 Employment Management

General Disclosures and KPIs	Description	Relevant Section or Statement in this Report
Social		
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	6.2 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	6.2 Supply Chain Management APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	6.2 Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.2 Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.2 Supply Chain Management

General Disclosures and KPIs	Description	Relevant Section or Statement in this Report
Social		
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	5.3 Drug Sales and Customer Service Management
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5.3 Drug Sales and Customer Service Management APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	5.3 Drug Sales and Customer Service Management APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.1 Product Innovation & Protection of Scientific Research Achievements
KPI B6.4	Description of quality assurance process and recall procedures.	5.3 Drug Sales and Customer Service Management
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	5.3 Drug Sales and Customer Service Management

General Disclosures and KPIs	Description	Relevant Section or Statement in this Report
Social		
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to bribery, extortion, fraud and money laundering.	4.3 Integrity and Compliance
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	4.3 Integrity and Compliance APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	4.3 Integrity and Compliance
KPI B7.3	Description of anti-corruption training provided to directors and staff.	4.3 Integrity and Compliance
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	10 Community Contributions
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	10 Community Contributions
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	10 Community Contributions APPENDIX I ENVIRONMENTAL AND SOCIAL KPIS TABLE

Boan Biotech
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