



Akesobio

康方生物科技(開曼)有限公司 Akeso, Inc.

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 9926

2023 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



CONTENTS

1	ABOUT THIS REPORT	2
2	STATEMENT OF THE BOARD	3
3	ESG MANAGEMENT	4
3.1	ESG MANAGEMENT STRUCTURE	4
3.2	COMMUNICATION WITH STAKEHOLDERS	5
3.3	MATERIALITY ANALYSIS	7
4	PRODUCT RESPONSIBILITY	8
4.1	QUALITY MANAGEMENT	8
4.1.1	Drug Manufacturing	8
4.1.2	Product Research and Development	9
4.2	PHARMACOVIGILANCE	11
5	COMPLIANCE OPERATIONS	12
5.1	BUSINESS ETHICS	12
5.2	INTELLECTUAL PROPERTY PROTECTION	13
5.3	SUPPLY CHAIN MANAGEMENT	14
5.3.1	Management System	14
5.3.2	Sustainable Procurement	15
5.3.3	Integrity Construction	15
6	EMPLOYMENT RESPONSIBILITY	16
6.1	EMPLOYMENT AND RETAINING TALENTS	16
6.1.1	Labor Rights and Interests	16
6.1.2	Remuneration and Benefits	20
6.2	COMMUNICATION WITH EMPLOYEES	21
6.3	DEVELOPMENT AND TRAINING	21
6.4	HEALTH AND SAFETY	23
6.4.1	Safe Production	23
6.4.2	Occupational Health	24
6.4.3	Chemical Management	25
7	ENVIRONMENTAL RESPONSIBILITY	26
7.1	ENVIRONMENTAL MANAGEMENT SYSTEM	26
7.2	EMISSION MANAGEMENT	27
7.2.1	Waste Gas	27
7.2.2	Wastewater	28
7.2.3	Waste	29
7.3	USE OF RESOURCES	30
7.3.1	Energy	30
7.3.2	Water Resources	31
7.3.3	Packaging Materials	31
7.4	CLIMATE CHANGE	32
7.4.1	Greenhouse Gas Management	32
7.4.2	Governance Strategy	32
7.4.3	Risk Management	33
8	COMMUNITY RESPONSIBILITY	38
9	APPENDIX: CONTENT INDEX OF APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE	39

1 ABOUT THIS REPORT

OVERVIEW

This report is the fourth environmental, social and governance (ESG) report issued by Akeso, Inc. for the period covering January 1, 2023 to December 31, 2023.

BASIS OF PREPARATION

This report is prepared in compliance with the Appendix C2 Environmental, Social and Governance Reporting Guide to the Listing Rules And Guidance on The Stock Exchange of Hong Kong Ltd. The contents of this report are determined according to a set of systematic procedures, which include identifying and ranking key stakeholders and prioritizing material ESG issues, setting the scope and boundary of the ESG report, collecting relevant information and data, preparing reports based on such information, and reviewing the data contained herein.

This report is prepared in line with the reporting principles of materiality, quantification, balance and consistency. In this report, the Company illustrates how to identify and engage with our stakeholders, and determines the materiality matrix and key issues. On this basis, the Company has made quantitative disclosures on the key performance metrics and ensured that the report on its ESG performance is comprehensive and fair.

REPORTING SCOPE

The disclosure scope in this report is consistent with the 2023 annual report of Akeso, Inc., including the financial statements of the Company and its subsidiaries. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company.

EXPLANATION FOR ABBREVIATIONS

For better presentation and understanding, each of “Akeso, Inc.”, “the Company” and “we” or “us” refers to “Akeso, Inc.” in this report.

SOURCE OF DATA AND RELIABILITY ASSURANCE

The data and other information contained in this report are mainly extracted from the relevant documents, reports and statistic results of Akeso, Inc. Akeso, Inc. undertakes that this report contains no false information or misleading statements, and is responsible for the truthfulness, accuracy and completeness of its contents.

CONFIRMATION AND APPROVAL

Upon the confirmation of the management, this report has been approved by the Board on March 18, 2024.

2 STATEMENT OF THE BOARD

Akeso, Inc. has always been highly concerned with the environmental, social and governance work. We have established the Company's ESG governance system in accordance with the requirements of the Appendix C2 Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange, to ensure that the Company gains steady development in respect of sustainability.

As the highest governance unit of the Company, the Board of Directors is fully responsible for overall planning and supervision of the implementation of the ESG work, and takes full responsibilities for the ESG management of Akeso, Inc. The Board puts a new premium on the comprehensive performance of the ESG governance of the Company, and continuously delivers long-term value in such aspects as environmental protection, employee care, product responsibility and other ESG development matters, while ensuring the attainment of the operations targets of the Company, in a bid to scrupulously fulfil the corporate social responsibility.

The Board actively incorporates ESG into the decision-making and business practice of the Company, communicates with the stakeholders on the production and operation performance in a regular manner, and comprehensively identifies ESG-related risks and opportunities. Meanwhile, the Board evaluates the materiality of the ESG issues in terms of relevant risks and opportunities, and defines the priorities of annual ESG management. Based on the results of the materiality evaluation, we optimize and adjust ESG management targets and action plans promptly, proactively take measures to mitigate the impacts of the ESG risks, regularly supervise and discuss the progress of relevant targets, and provide action suggestions for improvement areas. The Board meeting is held at least twice a year, to listen to the internal working group's report on ESG work and review the annual Environmental, Social and Governance Report.

3 ESG MANAGEMENT

3.1 ESG MANAGEMENT STRUCTURE

Akeso, Inc. places a high value on the sustainability work, has established top-down ESG management structure by combining operation and development with the regulatory requirements, and has determined a closed-loop management system from decision-making, execution to reporting, so as to ensure the ESG management efficiency.

As the highest governance unit of ESG matters, the Board of Directors is responsible for deliberating the ESG-related visions, strategies and management approaches of the Company, supervising and reviewing the execution performance and progress of the ESG targets, and guiding the implementation of the ESG affairs, to ensure that the Company establishes a sound and effective ESG management system.

Under the Board of Directors, we have set up an Environmental, Social and Governance Working Group (the “ESG Working Group”) to coordinate with the Administrative and Facilities Department, the Environment, Health and Safety (EHS) Department, the Human Resources Department, the Logistics and Procurement Department and the Quality Control Department for organizing and initiating ESG tasks. Under the guidance and planning of the Board, the ESG Working Group is responsible for formulating ESG working plan, identifying and managing ESG risks and opportunities, and promoting the effective implementation of the ESG management. Besides, the ESG Working Group regularly summarizes the progress and performance of the Company’s ESG works, reports to the Board of Directors, and makes sure that the sustainability concept is comprehensively implemented in the Company’s operation.

3.2 COMMUNICATION WITH STAKEHOLDERS

In the hope of achieving a harmonious and win-win situation with the stakeholders, Akeso, Inc. takes the initiative to respond to the expectations and concerns of different stakeholders by carrying out various exchanges, putting diverse communication channels in place, stepping up publicity and education and other routine communication methods. On top of that, the Company consistently optimizes the ESG management planning, and pushes ahead with the implementation of the ESG tasks in an orderly manner.

In 2023, we strengthened the implementation of the ESG works with respect to food and drug safety, production safety, green development, ecological protection, philanthropy and volunteer service, shored up the regulation on New Drug Application (NDA), license out, research and development intellectual property protection, drug import and export compliance, supply chain anti-bribery and other key areas, and actively responded to the concerns of the stakeholders, steadily promoting the ESG development of Akeso, Inc.

Table 1: List of Stakeholder Engagement of Akeso, Inc.

Stakeholders	Concerns	Communication and engagement channels
Shareholders	Compliance operation Corporate governance enhancement Transparent information disclosure International strategic cooperation	Implementation of relevant policies Strengthening of anti-corruption measures Efficient operational system Enhancement of corporate governance Convening of shareholders' general meetings Improvement of communication with shareholders Regular information disclosure Optimization of cooperation platform
Customers	Product quality control Innovative research and development platform Customer services Protection of intellectual property rights International strategic cooperation	Establishment of a comprehensive quality control system Enhancement of productivity Improvement of research and development and innovation capacity Launch of customer satisfaction survey Stringent protection measures for intellectual property rights Optimization of cooperation platform

Stakeholders	Concerns	Communication and engagement channels
Employees	Caring for employees Occupational health and safety Employee ability training Employment policy Remuneration and benefits	Fostering of corporate culture Introduction of employee communication mechanism Enhancement of employee benefits Employee stock incentive plan Safeguarding of employees' health and safety Organization of training sessions for employees Fair recruitment Provision of reasonable remuneration packages Provision of reasonable promotion path
Government	Operational compliance Transparent information disclosure Environmental protection Emission management Energy saving	Implementation of relevant policies Enhancement of corporate governance Strengthening of anti-corruption measures Regular information disclosure Compliance with the environmental protection laws and regulations Reduction of pollutant emission Resources saving
Suppliers	Procurement management Compliance operation	Strengthening of procurement management Implementation of relevant policies Strengthening of anti-corruption measures
Community and the public	Promotion of local employment Charitable activities for the community Environmental protection Emission management Energy saving Use of materials/resources	School-enterprise cooperation Organization of charitable activities Compliance with the environmental protection laws and regulations Reduction of pollutant emission Enhancement of material and resource usage efficiency

3.3 MATERIALITY ANALYSIS

We have identified and assessed the 2023 material ESG issues of Akeso, Inc. by reviewing the 2022 material ESG issues and 2023 business development of the Company in conjunction with communications with the external and internal stakeholders.

Based on the materiality assessment result of the ESG issues of the Company from various stakeholders, we identified 21 ESG issues that have material effects on Akeso, Inc., including 7 highly important issues, 12 moderately important issues, and 2 general issues.



Highly important issues	Moderately important issues		General issues
1. Safety of clinical trial	8. Occupational health and safety	14. Employment compliance	20. Community engagement
2. Product quality and safety	9. Corporate governance	15. Access to healthcare	21. Response to climate change
3. Product R&D and innovation	10. Data and Privacy security	16. Industry cooperation and development	
4. Protection of intellectual property rights	11. Supply chain management	17. Material/resource usage	
5. Employee rights and benefits	12. Compliance with business ethics	18. Water usage	
6. Employee development and training	13. Emission management	19. Energy usage	
7. R&D ethics			

Fig.1: Materiality matrix of ESG issues of Akeso, Inc. in 2023

4 PRODUCT RESPONSIBILITY

4.1 QUALITY MANAGEMENT

4.1.1 Drug Manufacturing

Akeso, Inc. strictly complies with relevant laws and regulations such as the *Drug Administration Law of the People's Republic of China* (《中華人民共和國藥品管理法》), the *Administrative Measures for Drug Registration* (《藥品註冊管理辦法》), the *Administrative Measures for the Supervision of Pharmaceutical Manufacturing* (《藥品生產監督管理辦法》), *Good Manufacturing Practice of Medical Products* (《藥品生產質量管理規範》) (GMP) and the *Notice of Enhancing the Supervision of Drug Marketing Authorization Holders that Outsource Manufacture (the 2023 No. 132)* (《加強藥品上市許可持有人委託生產監督管理工作的公告》(2023年第132號)). With reference to the international advanced drug manufacturing quality systems and standards, such as U.S. Food and Drug Administration (FDA), Australia Therapeutic Goods Administration (TGA) and The International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH), the Company constantly improves and upgrades the quality management system and processes including drug R&D, non-clinical research, clinical trials, and commercial manufacture, further implements the principal responsibility for quality and safety of the drug marketing authorization holders that outsource manufacture, and ensures the quality and safety of the whole lifecycle of the drugs.

We laid down the new *Process for Quality Control Evaluation Management* (《質量管理評審管理程序》) in 2023, and continued to improve the standard management of the quality control system by regularly evaluating the quality control in production and operation, in an effort to comply with the regulatory requirements, customer expectations and the Company's quality assurance. Besides, we conduct drug quality management according to the *GMP Records Management Procedures* (《GMP記錄管理程序》), the *Self-inspection Management Procedures* (《自檢管理程序》), the *Management Procedures for the Authorization of GMP Production Quality and the Authorized Production* (《GMP生產質量授權與受權行為管理程序》), *Document Management Procedures* (《文件管理程序》), *Change Control Management Procedures* (《變更控制管理程序》), *Deviation Management Procedures* (《偏差管理程序》), to ensure the safety and control of product manufacturing activities.

We emphasize in identification and management of product quality risks, and classify the Company's quality risk management into risk identification, risk evaluation, risk control, risk review, risk communication, risk inspections and other steps. The Risk Management Group identifies the risks in relation to the drug quality during the production process, and performs qualitative, quantitative, and semi-quantitative evaluation and analysis of potential risks, according to the internal management regulations such as the *Quality Risk Management Procedures* (《質量風險管理程序》) and using risk analysis tools such as Failure Mode and Effect Analysis (FMEA), Hazard Analysis Critical Control Point (HACCP). Apart from that, the Risk Management Group carries out graded management of the evaluation results, formulates corresponding quality risk control measures, and ensures that the potential risks are mitigated, controlled and eradicated, thereby guaranteeing the product and service quality in an all-round manner.

According to the relevant requirements of the drug regulators, we have developed the product recall management programs, such as the *Product Recall Management Procedures* (《產品召回管理程序》), the *Reject Management Procedures* (《不合格品管理程序》), the *Return Handling and Management Procedures* (《退貨處理管理程序》), to reinforce emergency response capabilities for product safety and improve relevant product management standards. With regard to quality complaints, adverse effects and other quality problems, the Company adopts necessary recall measures in line with the safety hazards and hazard severity, and destroys products returned due to quality issue after making recording. In September 2023, we carried out product simulation emergency drills, to ensure that the Company can conduct product recall in a quick, orderly and effective manner in case of product safety contingency. During the Reporting Period, the Company did not experience any sold or shipped products recall due to safety and health concerns, and there were no product-related complaints.

In the meantime, we formulate regular trainings and qualification assessments for our quality system-related employees at all levels each year, covering drug management policies and regulations, GMP fundamental knowledge, fundamental knowledge of microbiology and hygiene. We actively organize employees to participate in the trainings on the interpretation and validation of laws and regulations concerning aseptic process and sterilization & filtration, process breakdown and technology transfer, advanced bioreactor cultivation technology and other external exchanges and trainings, to improve their awareness of quality risks and quality management capabilities. Also, we evaluate the quality management implementation of all departments through the monthly quality evaluation meeting, and ensure we conduct production and operation in an orderly and compliant manner.

4.1.2 Product Research and Development

Research and Development Management

In accordance with the requirements of the laws and regulations such as the *Drug Administration Law of the People's Republic of China* (《中華人民共和國藥品管理法》), the *Good Manufacturing Practice for Drugs* (《藥品生產質量管理規範》) and the *Clinical Investigational Product (Trial)* (《臨床試驗用藥品(試行)》), Akeso, Inc. strictly regulates the research and development of clinical trials, has formulated multiple standard operating procedures, such as the *Drug R&D Management Guidelines* (《藥物研發管理指南》), the *R&D Department Management Guidelines for Quality Risk Assessments* (《研發部門質量風險評估管理指南》), the *R&D Lab Management Guidelines for Clinical Sample Stability Tests* (《研發實驗室臨床樣品穩定性試驗管理指南》), which cover various aspects such as file management, clinical operation, clinical medical research, pharmacovigilance, data collection and management, and supplier management, to ensure the process compliance, product safety and data reliability for clinical trials.

In order to further regulate process management and quality control of clinical trials and effectively mitigate drug quality and safety risks, we developed four new R&D management regulations, i.e., *Release Management Guidelines for Primary Cell Bank* (《原始細胞庫放行管理指南》), *Release Management Guidelines for Clinical Products of R&D Production Workshop* (《研發生產車間臨床產品放行管理指南》), *Release Management Guidelines for Materials of Pilot Trial Workshop* (《中試車間物料放行管理指南》), *Management Guidelines for R&D Production Material Suppliers* (《R&D生產用物料供應商管理指南》), ensuring that material quality and product storage comply with drug registration standards, and improving the compliance, effectiveness, safety and reliability of product research and verification. In addition, we updated the *R&D Department Changes Management Guidelines* (《研發部門變更管理指南》), to polish up the R&D quality management and provide standards for the R&D quality management of the Company.

4 Product Responsibility

During the non-clinical research stage, we carry out trials and researches in accordance with the *Good Laboratory Practice (GLP)* (《藥物非臨床研究質量管理規範》), and conduct on-site audit of the outsourced researchers, to ensure that those researchers are in compliance with GLP, ISO 17025:2005 *General requirements for the competence of testing and calibration laboratories* (《檢測和校準實驗室能力的通用要求》) and ISO 15189:2012 *Medical laboratories – Requirements for quality and competence* (《醫學實驗室質量和能力認可準則》).

Adherence to Ethics

In light of R&D ethics, we strictly observe laws and ethics, protect the rights and interests of the subjects and uphold the welfare of the laboratory animals, in the process of clinical trials and animal experiments.

We follow the principle of *Declaration of Helsinki* (《赫爾辛基宣言》) and declare and experiment in accordance with the *Measures for the Ethic Review of Life Sciences and Medical Science Research Involving Human* (《涉及人的生命科學和醫學研究倫理審查辦法》) and other requirements. The Company requires that all clinical trials can be performed only after the subjects understand the trials and sign the *Informed Consent Form* (《受試者知情同意書》) before participating in any clinical trial, and stipulates that the subjects can choose to reject or withdraw the trial at any time, practically guaranteeing the right to know and choose of the subjects. Concurrently, we fully protect the subjects' personal information and privacy and prevent the damage and risk due to divulgence of their privacy scrupulously pursuant to the industry standards and regulatory requirements.

Regarding the ethics of animal experiments, we meticulously adhere to the *Regulations for the Administration of Affairs Concerning Experimental Animals* (《實驗動物管理條例》), the *Laboratory animal — Guideline for Ethical Reviews of animal Welfares* (《實驗動物福利倫理審查指南》), the *Regulations for the Administration of Affairs Concerning Experimental Animals of Guangdong* (《廣東省實驗動物管理條例》) and other applicable regulations on animal experiments of the People's Republic of China and the regions where we operate, follow through on the *Guiding Opinions for the Care of the Experimental Animals* (《關於善待實驗動物的指導性意見》), protect the welfare of the animals by law, and guarantee biological safety. We have established the Experimental Animal Management Committee and Ethics Committee, and prepared a series of supporting policies for animal experiments including the guideline for animal laboratory management, the guideline for emergency plan management of animal laboratories, and the guideline for ethical review of animal welfares, thereby continuously optimizing the procedures of animal experiments, and supervising the necessity, reasonableness and standardization of animal experiments. We have passed the quinquennial assessment of experts on-site review and obtained the Certificate for *Use of Laboratory Animals* (《實驗動物使用許可證》) from Guangdong Provincial Department of Science and Technology in 2022.

During the Reporting Period, we were focusing on the animal experiment protocols designed based on the 3R principles, i.e., Reduction, Replacement and Refinement. While continuously optimizing the approval process for animal experiment ethics, we scrupulously executed animal experiment ethic review and supervision, and organized relevant personnel to receive operating skills training, to ramp up their professional capacities and effectively protect the ethic welfare of experimental animals.

4.2 PHARMACOVIGILANCE

To take the responsibility for patient safety, Akeso, Inc. scrupulously abides by the ICH guidelines. In accordance with the *Drug Administration Law of the People's Republic of China* (《中華人民共和國藥品管理法》), the *Specifications for Pharmacovigilance Quality Management* (《藥物警戒質量管理規範》) and other relevant laws and regulations, Akeso, Inc. keeps optimizing pharmacovigilance management system, and has worked out a series of pharmacovigilance operating procedures and policies, covering adverse effect collection and disposal, signal monitoring, analysis evaluation, risk identification and control, and other pharmacovigilance processes. The Company ensures the whole lifecycle of pharmacovigilance operations comply with requirements and run in a high-quality manner, and aims to achieve safety, rationality and effectiveness of medicinal product use by the public.

For the purpose of ensuring the safe and healthy drug use by the public, we have set up a Drug Safety Committee responsible for major risk analysis, handling major or emergency drug incidents, risk control decision-making and other major issues related to the pharmacovigilance, ensuring the balance between drug risks and benefits. In the meantime, the Pharmacovigilance Department has been set up to conduct regular signal detection and risk management for the safety of our medical products, amend the pharmacovigilance regulations in a timely manner to address relevant safety issues, so that the orderly advancement of pharmacovigilance work can be guaranteed.

Meanwhile, we have established standard and open channels to collect adverse event-related information of drugs, provided a Pharmacovigilance email, complaint hotline and other product safety information collection channels for patients and hospitals to report issues in association with pharmacovigilance and safety. Once an adverse event in clinical trials and post-marketing use is reported, we will organize and roll out an investigation for drug safety testing, validation and evaluation, and promptly take appropriate measures, with a view to realizing effective monitoring and control of product safety.

Moreover, we proactively undertake the main responsibility for safety as a drug marketing authorization holder, and render trainings on adverse event and side effect reporting to all employees each year, with the aim of elevating the employees' risk control capabilities in adverse events. We have always been monitoring risk relating to drugs supplied in the market, actively follow up on subjects for drug medication feedbacks, and practically guarantee the drug use safety of patients and hospitals.

5 COMPLIANCE OPERATIONS

5.1 BUSINESS ETHICS

Akeso, Inc. strictly abides by the *Company Law of the People's Republic of China* (《中華人民共和國公司法》), the *Anti-Unfair Competition Law of the People's Republic of China* (《中華人民共和國反不正當競爭法》), the *Bidding Law of the People's Republic of China* (《中華人民共和國招標投標法》), the *Anti-Money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》) and other relevant laws and regulations. We have formulated internal systems such as the *Anti-fraud Management Measures* (《反舞弊管理辦法》) and the *Anti-Unfair Competition Management Measures* (《反不正當競爭管理辦法》) to explicitly prohibit corruption such as bribery, extortion, fraud and money laundering. We require employees to abide by business ethics, require employees to sign the *Anti-commercial Bribery Undertaking Letter* (《反商業賄賂承諾書》) once they join the Company, and adhere to integrity and self-discipline in strictly accordance with the requirements of the ethical standards in the *Employee Handbook* (《員工手冊》). We also require employees in important positions to sign the *Integrity and Self-discipline Undertaking Letter* (《廉潔自律承諾書》) and promise to abide by professional ethics in the performance of their duties. In addition, we specify that customers, suppliers, service providers and contractors should sign the *Anti-commercial Bribery Undertaking Statement* (《反商業賄賂承諾函》) regarding the compliance provisions on the anti-commercial bribery, require each stakeholder to commit to working with integrity, and eradicate business dealings with stakeholders failing to sign the relevant agreements in accordance with the regulations.

To strengthen the development of our anti-corruption culture, we require all employees to be trained for business ethics and compliance once they join the Company, provide regular anti-corruption and compliance trainings for directors and all employees of the Company, and provide those employees who take important compliance responsibilities with special trainings.

Table 2: Anti-corruption and Compliance Trainings for Akeso, Inc. Employees in 2023

Employee types	Unit	Number of trainees
Directors	Personnel	9
Employees	Personnel	2,769

We have established channels of real-name or anonymous reports on misconduct from employees and partners, and set up the President's Office as the executive body for anti-fraud work, which is responsible to conduct investigation on the received reports, and report to the management or the Board of Directors of the Company. Once the report is verified, we will punish the employees who commit frauds according to the *Reward and Punishment System* (《獎懲制度》), and those who violate the law will be transferred to the judicial authority. At the same time, we resolutely protect the legal rights and interests of whistle-blowers, and strictly keep the personal privacy and information of the whistle-blower confidential. We also stipulate that the case investigator shall abstain from the case if he or she or any of his/her close relatives is interested in the case.

During the Reporting Period, there were no reported or concluded legal cases regarding corrupt practices litigation with the involvement of the Company or its employees, to the knowledge of the Company.

5.2 INTELLECTUAL PROPERTY PROTECTION

Strictly abiding by the *Patent Law of the People’s Republic of China* (《中華人民共和國專利法》), the *Trademark Law of the People’s Republic of China* (《中華人民共和國商標法》) and other applicable laws and regulations, Akeso, Inc. has built the management system that meets the national standards GBT 29490-2013 *Administration of Intellectual Property Rights of Enterprises* (《企業知識產權管理規範》), actively carry out patent application and maintenance, and sign the *Confidentiality Clauses* (《保密條款》) and the *Confidentiality and Non-competition Agreement* (《保密與競業禁止協議書》) with each of its employees, which specify the obligations and responsibilities of each employee for protecting the intellectual property of the Company.

In order to further standardize the intellectual property management system, we have established the Intellectual Property Department to review and revise documents related to intellectual property and intellectual property management system on a regular basis. Patent information search analysts are responsible for tracking the latest domestic and international patent information continuously, and keeping abreast of the numbers and types of intellectual property of our peers in a timely manner. Legal and R&D crews compare and analyze such intellectual property information to conduct whole-process control and assessment of intellectual property risks and prevent the Company from any patent infringement risks constantly. In addition, we require our suppliers to guarantee that none of their products or services supplied to us infringe upon any intellectual property right or other legal right or interest of any third party.

Table 3: Intellectual Property Obtained by Akeso, Inc. in 2023

Total number of patent applications	Total number of trademark applications
708 patents	400 trademarks
Total number of issued patents	Total number of issued trademarks
133 patents	304 trademarks

We are committed to combating counterfeit and shoddy drugs that may endanger the patient safety, and continue to strengthen the intellectual property management to ensure the medication safety of patients. We label products with drug supervision codes on the packaging, and upload the relevant product information to the electronic supervision network of the National Medical Products Administration through this code to form the drug uniqueness, thereby making customers search the authenticity and quality of drugs through the drug supervision codes and effectively protecting legal rights and interests of consumers. Meanwhile, we also attach special anti-counterfeiting sealing labels on the packaging of drugs to ensure the safety and authenticity of drugs.

5.3 SUPPLY CHAIN MANAGEMENT

5.3.1 Management System

Akeso, Inc. has developed the *Supplier Management Procedures for GMP Production Materials* (《GMP生產用物料供應商管理程序》), the *Change Control Procedures* (《變更控制程序》) and other internal management systems, and established the full life-cycle management system of admission, change, audit, approval and rectification for suppliers. In 2023, we updated 9 internal management systems including the *Procurement Management Procedures for Fixed Assets* (《固定資產採購管理程序》), the *Procurement Management Procedures for Entrusting Services* (《委託服務採購管理程序》) and the *Management Procedures for External Sales of Materials* (《物料對外銷售管理程序》) to strictly regulate the operation process of each business segment in the procurement requirements, supplier selection and other links, updated and adjusted the content of supplier demand changes in the *Procurement Management Procedures for Production Materials* (《生產物料採購管理程序》), and increased the procurement operation process standard to improve the procurement efficiency.

After suppliers obtain the admission qualification, we sign the *Quality Assurance Agreement* (《質量保證協議》) with them according to the cooperation of products and services, and classify suppliers into three categories according to the importance of the materials provided to the products, namely Class A/B/C. We conduct audit and management for suppliers through supplier data review, issuing the *System Check List* (《體系調查表》), carrying out quality assessment experiments and on-site audits. An on-site audit group, consisting of the people above the supervisor level or those authorized specially, issues on-site audit reports to make truthful evaluations on the premises, material quality, document systems and production records, production technologies, and process quality controls. After the process of examination and approval, suppliers who failed to meet our requirements will be terminated. In 2023, we conducted a total of 40 on-site audits, with a pass rate of 97.5%.

Table 4: Supplier Classification and Management Measures

Supplier category	Definition	Management measures
Class A	Suppliers which supply the materials that will directly come into contact with our final products or the material whose quality will directly affect the product quality for our production	<i>System Check List</i> <i>Quality Assurance Agreement</i> Information audit Quality assessment experiment (A risk assessment would be initiated to determine whether to conduct the experiment) On-site audit
Class B	Suppliers which supply the materials that will indirectly come into contact with our final products or the materials whose quality will directly affect the product quality for our production	<i>System Check List</i> <i>Quality Assurance Agreement</i> Information audit Quality assessment experiment (A risk assessment would be initiated to determine whether to conduct the experiment) On-site audit (A risk assessment would be initiated to determine whether to conduct the audit)
Class C	Suppliers which supply the materials that will not come into contact with our final products or the materials whose quality will not affect the product quality for our production	<i>Quality Assurance Agreement</i> Information audit

5.3.2 Sustainable Procurement

In terms of improving the quality stability of the supply chain, Akeso, Inc. reserves 1-2 qualified backup suppliers for all important materials in accordance with the requirements of the *Supplier Management Procedures for GMP Production Materials* (《GMP生產用物料供應商管理程序》), and actively develops the alternative options of main production materials and confirms effective alternative materials after investigation, test, trial and other processes to effectively deal with the material shortage risks of the supply chain and guarantee stable and efficient product and service supply. During the reporting period, we developed alternative options for 10 types of production materials such as packaging materials, auxiliary materials and pipelines.

While ensuring the supply quality, we also take multiple measures to reduce the environmental and social risks of the supply chain. In the preliminary screening and inspection process, we focus on the environmental and social performance of suppliers providing products or services, give priority to suppliers who have obtained ISO 14001 environmental management system certification and relevant certifications. In the audit process, we focus on the environmental and social performance of suppliers to ensure that their responsibility management practices are in line with our sustainable development requirements.

5.3.3 Integrity Construction

Akeso, Inc. always sticks to the integrity principle of “fairness, justice and openness” for upholding integrity, requires all procurement personnel to sign the *Anti-commercial Bribery Undertaking Statement* (《反商業賄賂承諾函》), prohibiting them from gaining any unjustified business benefits or plans for themselves or anyone else through any channels in any business activity or cooperation. Meanwhile, we have set incorruption clauses in our equipment procurement contracts and service framework agreements with our suppliers to prevent any form of corruption, for our dedication to working together with our suppliers to build an honest and transparent business environment.

Table 5: Distribution of Suppliers of Akeso, Inc. in 2023

Geographical location of supplier	Unit	Quantity
China (including Hong Kong, Macau, and Taiwan)	Number	418
Outside China	Number	28

6 EMPLOYMENT RESPONSIBILITY

6.1 EMPLOYMENT AND RETAINING TALENTS

6.1.1 Labor Rights and Interests

In strict accordance with the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》), the *Employment Promotion Law of the People's Republic of China* (《中華人民共和國就業促進法》) and the Employment Ordinance of the Hong Kong Special Administrative Region (Chapter 57 of the Laws of Hong Kong) and other applicable laws and regulations, Akeso, Inc. adheres to the principle of "openness, fairness, competitiveness and meritocracy", makes its recruitment information available to the society, and smoothes the school recruitment, social recruitment, introduction of internal and external talents and other recruitment channels to keep enriching the talent reserve.

We have formulated internal management policies such as the *Employee Handbook* (《員工手冊》) and the *Administrative Measures for Overtime* (《加班管理辦法》), and take a number of effective measures to prevent illegal acts and discrimination such as forced labor and employment of child labor, effectively protecting the legitimate rights and interests of workers. During the Reporting Period, the Company did not recruit any child labor or use any forced labor. In case of any violation of the employment principles, the Company will immediately require such unreasonable employment to stop, compensate its employees and seriously hold the relevant people accountable.

Furthermore, the dismissal of an employee shall be subject to several internal management systems, including the *Management System for Employment and Dismissal of Employees* (《員工入、離職管理制度》) and the *Disciplinary Procedures for Misconduct of Employees* (《員工違反制度懲戒管理規程》).

Table 6: Key Measures for Protection of Labor Rights and Interests

Anti-discrimination	We treat every employee with respect and equality, and ensure that employees would not be discriminated due to the factors such as ethnicity, race, religion, gender, age, marital status or sexual orientation to create a diverse, fair, open and inclusive working atmosphere.
Prevention of child labor	We strictly comply with the <i>Law of the People's Republic of China on the Protection of Minors</i> (《中華人民共和國未成年人保護法》), the <i>Provisions on the Prohibition of Using Child Labor</i> (《禁止使用童工規定》) and other applicable laws and regulations. Our <i>Employee Handbook</i> (《員工手冊》) stipulates that the employment of any person under the age of 18 shall be prohibited. In order to ensure the authenticity of employees' identities and to prevent the employment of child labor, the Human Resources Department is required to carry out the examination and inspection of the basic personal information, including education background, identity documents and physical examination certificate for competence for a position, provided by those people intended to be employed when they go through the formal employment formalities.
Forced labor	We strictly prohibit forced labor and any form of slave trade and human trafficking and implement matched systems of working hours for different positions, including the standard working hour system, consolidated working hour system and irregular working hour system.
Overtime compensation	We have formulated the <i>Administrative Measures for Overtime</i> (《加班管理辦法》) to clearly stipulate the breaks and leave arrangements for employees, and have developed the overtime allowance standards to subsidize and compensate employees for their working hours beyond normal working hours.

6 Employment Responsibility

As of the end of the Reporting Period, Akeso, Inc. had 2,778 full-time employees. The classifications of our full-time employees by gender, age group, geographical location and employment type are set out in the charts below. During the Reporting Period, the overall employee turnover rate¹ was 17.82%. The classifications of employee turnover rate by gender, age group and geographical location are set out in the table below.

Table 7: Employee Turnover Rate of Akeso, Inc. in 2023

Types of employees		Unit	Turnover rate
Total employee turnover rate		%	17.82
Classified by gender	Male employees	%	21.67
	Female employees	%	15.19
Classified by age	Employees under the age of 30	%	20.88
	Employees aged 30 to 50	%	14.80
	Employees aged 51 or above	%	21.88
Classified by geographical location	Employees in China (including Hong Kong, Macau, and Taiwan)	%	17.82
	Employees outside China	%	16.67

¹ "Employee turnover" includes those formal employees with whom the employment relationships are terminated due to voluntary resignation, dismissal, retirement or death, excluding interns. Calculation method of employee turnover rate: Number of employee turnover in the current year / total number of such type of employees.

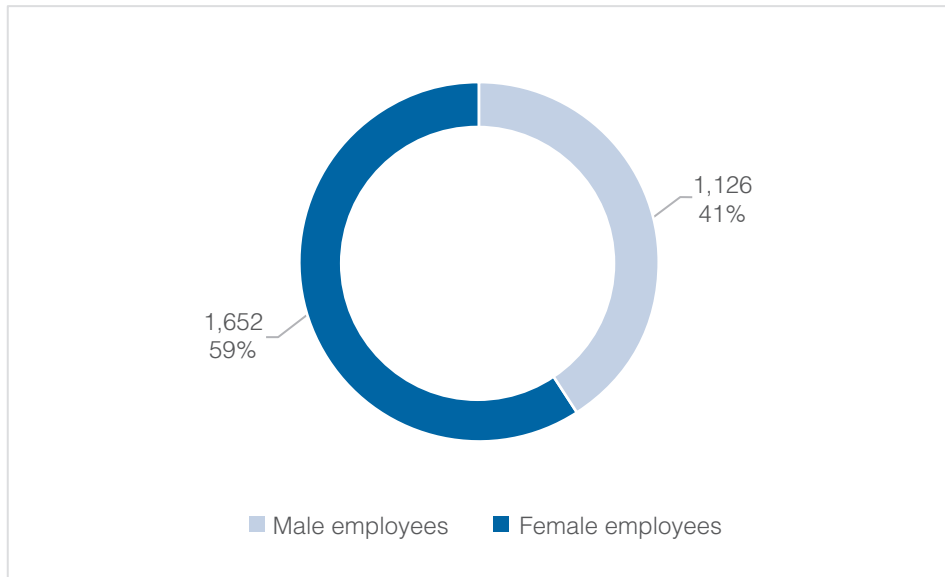


Fig. 2: Total number of employees of Akeso, Inc. in 2023 classified by gender

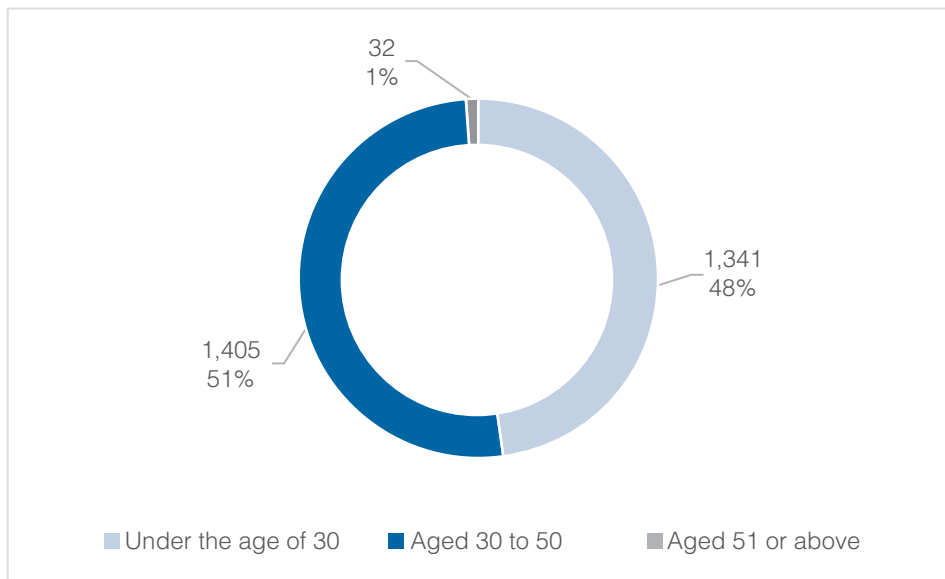


Fig. 3: Total number of employees of Akeso, Inc. in 2023 classified by age

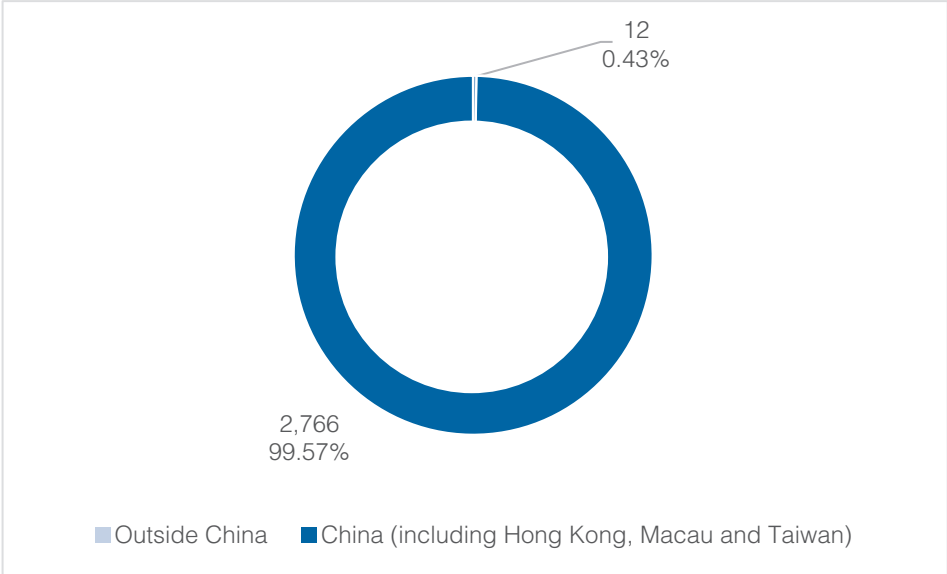


Fig. 4: Total number of employees of Akeso, Inc. in 2023 classified by geographical location

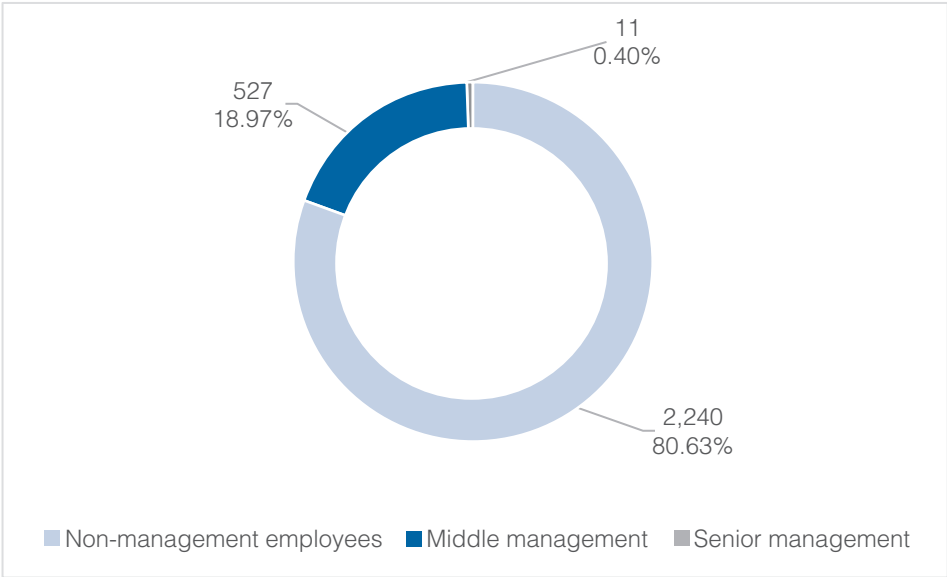


Fig. 5: Total number of employees of Akeso, Inc. in 2023 classified by position

6.1.2 Remuneration and Benefits

As required by the relevant laws and regulations, Akeso, Inc. has developed the internal policies such as the *Administrative Measures for Remunerations* (《薪酬管理辦法》) and the *Performance Assessment Management Plan* (《績效考核管理方案》), establishing and persistently perfecting a scientific and reasonable remuneration system consisting of “basic salary, performance pay, comprehensive fee, subsidies such as variable year-end bonus” in accordance with the principles of strategic orientation, justice and equity, performance-based remuneration, clarity and transparency, and benefit sharing.

In terms of employee performance management, we conduct objective, fair and impartial evaluations of employees' probation performances, monthly or quarterly performances and annual performances taking into account the types and natures of employees' posts, in accordance with the *Performance Assessment Management Plan* (《績效考核管理方案》). In the meantime, we set annual targets for departments and post with reference to our business strategies and annual goals, and set departmental annual work objectives and post annual work objectives, and regard completion of the relevant objectives as an important basis for the employee performance assessment result to motivate employees for their enthusiasm and subjective initiative.

Strictly abiding by the *Social Insurance Law of the People's Republic of China* (《中華人民共和國社會保險法》), we provide employees with mandated benefits, including payment of social insurance, group commercial insurance and the housing provident fund, and assure that our employees are entitled to the official holidays and other holidays, including annual leaves, sick leaves and maternity leaves, in accordance with the internal systems, such as *Administrative Measures for Remunerations* (《薪酬管理辦法》), the *Administrative Measures for Transportation Allowances* (《交通補貼管理辦法》), the *Employee Attendance and Leave Management System* (《員工考勤與休假管理制度》) and others. In terms of non-mandated benefits, we provide regular subsidies including free working meals, reimbursement of physical examination fees, festival allowances, subsidies for commuting costs etc. We also offer cash gift for marriage and cash gift for childbearing in accordance with the provisions of the *Welfare Handbook* (《福利手冊》), and organize employee care activities, for example, birthday parties, festival and holiday activities, parents-children campaigns, activities for hobbies, team building, and cultural activities and trips, according to employees' actual demands, so as to increase the happiness of our employees and enhance our cohesive force. In the meanwhile, we have established employee mutual fund to help employees who are in need due to serious diseases or accidents, solving actual difficulties for our employees.

In addition, we assist our relevant employees in applying for policy-oriented housing for talents, public rental housing, talents allowances and other subsidies, and set up our center for post-doctoral studies to provide highly educated talents with benefits for introduction of the center, rewards for internal recommendation of talents, etc., strengthening the attraction to talents.

6.2 COMMUNICATION WITH EMPLOYEES

Akeso, Inc has set up communication process with employees when they onboarding, become a regular worker, performance assessment and other daily works, to help employees better understand corporate rules and the skills required for their jobs, and smoothing the communication channels for employees, to listen to the voice of each employee, so that employees' demands and suggestions can be respected, and feedback can be given in a timely manner to practically solve difficulties in the work and the life for employees.

For employee complaints, we provide employees with smooth and confidential procedures of formal complaint and reporting in accordance with the *Employee Handbook* (《員工手冊》), and set up reporting and complaints channels such as e-mail and telephone of the Human Resources Department, and investigate, handle and subsequently follow up on all complaints and reporting received. The investigation results will be given back to complainants or reporters in writing or by phone, with the relevant information of reporters, including names, workplaces and home addresses and others, are strictly kept confidential.

6.3 DEVELOPMENT AND TRAINING

Akeso, Inc. keeps improving its employees development and cultivation system, taking into account its business requirements and development strategies. We provide employees with equal promotion opportunities and keep improving the vertically smooth and horizontally through paths of career development, and provide all employees with abundant training resources to build a high-quality talent team with high qualified thoroughly.

According to the *Management Procedures of Employee Training* (《員工培訓管理規程》) and our business development goals, we make annual training plans to establish a comprehensive employee training system for employees of different ranks and positions. The Company takes measures such as coordinate employees' training records and files, incorporate the requirements for training into the performance assessment and other measures to reinforce the employee training management, laying solid business foundations for its employees and reaching employees' full potentials.

We provide a total of five types of trainings for employees of different ranks and positions, such as onboarding training, special operator training, business training, self-training and other trainings. We provide corporate-level, department-level and position-level trainings for new employees.

Details of the three training stages for new staff are as follows:

- Corporate-level training is organized by the human resources department for introduction of basic knowledge, including corporate overview, labor law and disciplines, and the Good Manufacturing Practice (GMP);
- Department-level training is organized by the technological research and production quality management department for the training of safe production, laboratory management mechanism and occupational health and safety, while the training for department rules is organized by the management department;
- Position-level training for equipment operation, equipment management and safe production is organized by the specific team in which employees involved in.

6 Employment Responsibility

Moreover, our employees are encouraged to participate in training programs in the forms of correspondence courses and self-directed learning, and to acquire professional qualifications by participating in general skill training programs, to enhance their diversified development.

During the Reporting Period, 2,778 employees of the Company received training, representing 100% of the headcount.

Table 8: Training Overview of Akeso, Inc. in 2023

Types of employees		Number of employees participating in training	Average training hour(s)	Percentage of employee trained
	All employees	2,778	8	100%
By gender	Male employees	1,126	8	100%
	Female employees	1,652	8	100%
By position	Senior management	11	8	100%
	Middle management	527	8	100%
	Non-management employees	2,240	8	100%

6.4 HEALTH AND SAFETY

6.4.1 Safe Production

Akeso, Inc. complies with relevant laws and regulations, including but not limited to the *Work Safety Law of the People's Republic of China* (《中華人民共和國安全生產法》), the *Fire Protection Law of the People's Republic of China* (《中華人民共和國消防法》), and the *Provisions on the Management and Supervision of the Fulfillment of Responsibility of Security Principals for Safety by Special Equipment Users* (《特種設備使用單位落實使用安全主體責任監督管理規定》), and builds a safety management system composed of the source prevention and control, prevention and control in the process and target control, solidifying the foundation for its safe production.

We keep improving the internal management systems such as the *Safe Production Liability System* (《安全生產責任制》), the *Management Guideline of Safety Targets and Responsibilities* (《安全目標與責任管理制度》), the *Management Guideline of Fire Safety* (《消防安全管理制度》) and the *Management Guideline of Personal Protective Equipment* (《個人防護用品管理制度》), and formulate the safe operation specifications for various posts. We set up the Safe Production Committee, which set targets of safe production and safety incidents annually with taking into account the number of employees of each department, the number of equipment, the difficulty of the process and other factors, and require all the safety management levels to sign the *Safe Production Declaration* (《安全生產責任書》) to implement the hierarchical management system for safe production, in order to ensure the achievement of safe production targets.

To further reduce risks for safe production, we have developed the *Classified Control System for Safety Risks* (《安全風險分級管控制度》) and the *Identification and Monitoring System for Sources of Major Dangers* (《重大危險源辨識和監控制度》). We have allocated full-time and part-time safety management staff to regularly perform daily safety check and potential safety risk troubleshooting for control of various safety and fire risks. We have appointed the person in charge of safety management, safety directors and managers for special equipment to reinforce the special equipment management, and organize the risk assessments made by professionals for all positions. Meanwhile, we conduct irregular special safety check for workplaces, equipment, and operation procedures, which are liable to serious accidents, and carry out a comprehensive major inspection for all safety measures before major festivals and holidays. For any potential safety hazards found in the process of check or inspection, the Company would require responsible department, team and construction project to proactively take measures for rectification.

We constantly improve our internal contingency plan system for safety, and review and update the *Contingency Proposal for Safety Production Incident* (《安全生產事故應急預案》), the *Contingency Proposal for Barrier Environment of Laboratory* (《屏障環境實驗室應急預案管理制度》) and other internal policies in real-time every year. Emergency drills for safety accidents are organized on a regular basis, such as drills for fire accidents, drills for electric shock accidents, to enhance employees' capabilities of handling safety accidents comprehensively.

Furthermore, attaching importance to the development of safe production culture, we train our employees in the relevant positions for routine safe production by reference to the contents of safe operation procedures and the contingency plan system. We also hold activities including safety knowledge competitions on a regular basis, and engage professionals such as experts from the Red Cross Society to train employees for professional first aid, effectively raising employees' awareness of safe production and accident prevention.

In the past three years, Akeso, Inc. had no material safe production incidents and no work-related deaths or injuries. The number of lost days due to work-related injury was zero.

6.4.2 Occupational Health

Viewing guaranteeing employees' occupational health as a mission, Akeso, Inc. strictly abides by and implements relevant laws and regulations such as the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》), the *Provisions on the Supervision and Administration of Occupational Health at Workplaces* (《工作場所職業衛生監督管理規定》), the *Measures for the Supervision and Administration of Employers' Occupational Health Surveillance* (《用人單位職業健康監護監督管理辦法》), and establishes the *Occupational Hazard Declaration System* (《職業病危害項目申報制度》), the *Management System for Occupational Hazard Monitoring and Evaluation* (《職業病危害監測及評價管理制度》), the *Emergency Rescue and Management System for Occupational Hazards* (《職業病危害應急救援與管理制度》), the *Responsibility System for Prevention and Treatment of Occupational Diseases* (《職業病防治工作責任制度》), and the *Warning and Notification System for Hazards of Occupational Disease* (《職業病危害警示與告知制度》) and other internal management policies, in a bid to keep perfecting the framework of occupational health management duties, to ensure the occupational health of employees thoroughly.

We offer emergency drugs to all employees, and establish employee health archives for the uniform recording, storage and management of employees' daily health conditions by Human Resources Department. We provide safety helmets, gas masks, acid-alkali resistant gloves and other personal protective equipment and emergency washing devices meeting standards to those employees in special positions, and regularly check whether our employees correctly wear such protective equipment. Besides, we engage a third-party institution to detect and assess occupational hazards at the workplace regularly, and organize physical examinations of the employees in the relevant positions with potential exposure to occupational hazards according to the assessment results, ensuring the physical and mental health of employees.

In accordance with the *Standard Operation Procedures of Health Management of Employees* (《工作人員健康管理標準操作規程》), we require personnel who are responsible for feeding and managing laboratory animals and conducting animal experiments to receive medical check-up in qualified medical centers on an annual basis in an effort to timely discover and prevent potential health problems.

6.4.3 Chemical Management

Akeso, Inc. continuously perfects the *Hazardous Chemical Safety Management System* (《危險化學品安全管理制度》), the *General Rules on Warehousing of Hazardous Chemicals* (《危險化學品倉庫儲存通則》), the *Management of Precursor and Explosive Chemicals* (《易製毒、易製爆化學品管理》) and other chemical management systems. Continuously keeping track of applicable laws, regulations and standards, Akeso, Inc. updates the list of chemicals under control on a regular basis, stipulates the limited purchase and prohibited storage of precursor and explosive chemicals, and requires the employees in the relevant positions to get such chemicals as needed with the relevant information recorded in connection with getting such chemicals.

We monitor and manage the procurement, warehousing, classified storage, use, delivery from storage and disposal of chemicals by building standard inventory record, setting up complete chemical warehouse monitoring facilities, and engage a third-party institution to dispose of the waste chemicals. Meanwhile, we ensure the availability of emergency supplies and accept regular visits and investigations by government departments, for the effective prevention of potential safety accidents including chemical leakage, intoxication, etc.

In addition, we conduct training and assessment for all the relevant people exposed to chemicals, and will obtain the *Chemical Processing Certificate* (《化學品操作》) job certificate in their position after they pass the assessment. The material Safety Data Sheets (SDS), information cards and management system statements are posted in storage areas to alert workers, comprehensively raising the relevant people's awareness of safe operation, and further ensuring the safe storage and standardized use of chemicals.

7 ENVIRONMENTAL RESPONSIBILITY

7.1 ENVIRONMENTAL MANAGEMENT SYSTEM

Akeso, Inc. strictly complies with relevant laws and regulations such as the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》) and the *Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise* (《中華人民共和國環境噪聲污染防治法》) to continuously improve its internal environmental management system. We have formulated internal environmental management systems such as the *Environmental Management Ledger Record System* (《環境管理台賬制度》) and the *Emergency Response Plan for Environmental Emergencies* (《突發環境事件應急預案》), and determined environmental management targets for wastewater, gas emission, waste, noise, and other aspects. We regularly identify, evaluate, and manage factors that may cause environmental impacts, analyze the sources of potential environmental risks, deploy and carry out corresponding emergency rescue drills to enhance our emergency response capabilities for unexpected environmental incidents. Moreover, we proactively cooperate with government departments to conduct environmental inspections and evaluations of the Company's production base and R&D center, with a view to reducing possible environmental impacts during construction and operation.

We actively fulfill our environmental protection responsibilities and strictly abide by various laws and regulations such as the *Environmental Impact Assessment Law of the People's Republic of China* (《中華人民共和國環境影響評價法》), the *Regulations on the Administration of Construction Project Environmental Protection* (《建設項目環境保護管理條例》), and the *Water and Soil Conservation Law of the People's Republic of China* (《中華人民共和國水土保持法》) during the construction process of commercial production bases in Guangzhou, Zhongshan, and other places of operation. We regularly monitor and evaluate environmental risks, and formulate the *Administrative Measure for Waste Effluent, Gas Emission and Waste Residue Treatment* (《生產廢液、廢氣及廢渣處理管理制度》) to promote compliant treatment and standard discharge of various pollutants, in order to reduce the negative impact on the environment and natural resources during construction and operation.

7.2 EMISSION MANAGEMENT

7.2.1 Waste Gas

Akeso, Inc. strictly complies with relevant laws and regulations such as the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國大氣污染防治法》) and the *Regulation on the Administration of Permitting of Pollutant Discharges* (《排污許可管理條例》), and strictly implements the emission requirements for different types of waste gases, such as the *Emission Standard of Air Pollutants for Pharmaceutical Industry* (《製藥工業大氣污染物排放標準》) (GB 37823-2019), the *Emission Standards for Odor Pollutants* (《惡臭污染物排放標準》) (GB 14554-93), and the *Emission Limits of Air Pollutants* (《大氣污染物排放限值》) (DB44/27-2001). We have set up waste gas collection facilities to continuously reduce sulfuric acid mist, hydrogen chloride, volatile organic compounds, and other waste gases generated during drug R&D and production, ensuring the attainment of waste gas management goals.

We appoint staff to conduct inspections of the waste gas treatment facilities on a weekly basis, and regularly conduct spot checks on equipment, pipelines, and valves to ensure good airtightness of the equipment. Moreover, we also maintain and manage the waste gas collection system and replace waste gas adsorbents on a regular basis to increase the waste gas collection rate, in order to minimize unorganized gas emissions and ensure that the factory boundary is free of odors. Meanwhile, we continuously strengthen the management for standard operations by all laboratory technicians, guaranteeing that all operations strictly comply with the established rules and procedures to ensure effective implementation of waste gas treatment work.

Table 9: Air Pollutant Emission of Akeso, Inc. in 2023

Air Pollutant Type	Unit	Emission
Sulfuric acid mist	kilogram	14.34
Hydrogen chloride	kilogram	33.87
Volatile organic compounds	kilogram	33.49
Non-methane hydrocarbons	kilogram	300.30

7.2.2 Wastewater

Wastewater generated by Akeso, Inc. mainly includes domestic sewage and cleaning sewage and production sewage generated during its manufacturing and operation. We strictly abide by relevant laws and regulations such as the *Water Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國水污染防治法》) and the *Regulation on the Administration of Permitting of Pollutant Discharges* (《排污許可管理條例》), and take targeted treatment measures for different types of wastewater to ensure that all wastewater discharge indicators comply with relevant standards. This year, we reinforced our routine inspections of our drainage pipelines and wastewater collection facilities, and additionally installed automatic monitoring equipment to monitor the operation of the water collection facilities, ensuring effective reduction of wastewater discharge and prevention of wastewater leakage risks. In 2023, Akeso, Inc. generated 60,840 tonnes of production wastewater in total².

- Production sewage
 - ◆ Source: Culture solution in the production workshop, sewage generated from cleaning equipment and floor, etc.
 - ◆ Treatment method: Discharged into our sewage collection tank after being sterilized with high-pressure steam and transferred by a qualified third-party sewage treatment company for treatment on a regular basis
- Domestic sewage
 - ◆ Source: Sewage generated by employees in their daily activities
 - ◆ Treatment method: Discharged into municipal sewage pipe network and handed over to the urban sewage treatment plant for unified treatment after being treated by septic tanks in the plant
- Cleaning sewage
 - ◆ Source: Pure water preparation, industrial steam, cooling tower drainage, etc.
 - ◆ Treatment method: Discharged into municipal sewage pipe network and handed over to the urban sewage treatment plant for unified treatment

² There were no construction projects carried out in 2023, resulting in a decrease in industrial wastewater discharge compared to 2022.

7.2.3 Waste

Akeso, Inc. conscientiously observes relevant *laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes* (《中華人民共和國固體廢物污染環境防治法》), and *Regulation on the Administration of Permitting of Pollutant Discharges* (《排污許可管理條例》), and strictly implements the amendment standards of the *Technical Specification for Setting Identification Signs of Hazardous Waste* (《危險廢物識別標誌設置技術規範》) (HJ 1276-2022) and *Graphical Signs for Environmental Protection Solid Waste Storage (Disposal) Site* (《環境保護圖形標誌—固體廢物貯存(處置)場》) (GB 15562.2-1995). We have formulated internal systems such as the *Waste Management Practices* (《廢棄物管理規範》), the *Administrative Measures for Prevention and Control of Environmental Pollution of Hazardous Wastes* (《危險廢棄物污染環境防治管理制度》), which clearly specify the storage and disposal requirements for hazardous and non-hazardous waste generated in our operational activities. Meanwhile, we require the relevant responsible departments to work out the waste reduction plan and measures, whereby minimizing the environmental damage caused by wastes.

For hazardous wastes, the EHS Department formulates the *Management Plan for Hazardous Wastes* (《危險廢物管理計劃》) at the beginning of every year, which determines the waste generated from the production, procurement, storage, and other operation segments, proposes the corresponding plans and practicable measures for waste reduction. The department also submits the action plans to treat hazardous wastes on the “Guangdong Solid Waste Environmental Supervision Information Platform” (廣東省固體廢物環境監管信息平台) as required.

- Hazardous wastes
 - ◆ Hazardous waste (medical waste, pharmaceutical waste, laboratory waste effluent, other hazardous wastes)
 - ◆ Treatment: Qualified third-party hazardous waste treatment companies are engaged in treating hazardous waste offsite
- Non-hazardous wastes
 - ◆ Recyclable waste (packaging boxes, wooden products)
 - ◆ Treatment: Collected by recycling companies
 - ◆ Non-recyclable waste (office and domestic wastes)
 - ◆ Treatment: Collected by sanitation companies

Table 10: Waste Produced by Akeso, Inc. in 2023

	Unit	Waste production
Hazardous waste production	tonne	88.95
Non-hazardous waste production	tonne	103.30
Average hazardous waste production per person	tonne/person	0.03
Average non-hazardous waste production per person	tonne/person	0.04

7.3 USE OF RESOURCES

7.3.1 Energy

The main energy sources of Akeso, Inc. are electricity and purchased heat used for daily operation. We are well-aware that energy conservation is critical to achieving sustainable development of enterprises. Strictly in compliance with laws and regulations such as the *Energy Conservation Law of the People's Republic of China* (《中華人民共和國節約能源法》), we have prepared internal systems such as the *Management System for Office Energy Consumption* (《辦公能耗管理制度》) to regulate the use of energy consuming equipment, such as lighting fixtures, air conditioning and computers, used by employees in daily work spaces, like offices and laboratories. Also, we arrange security personnel to inspect the implementation of regulations, continuously reinforcing energy control of the Company.

In addition, we have set corresponding energy management goals in light of the actual business situation of the Company, and regularly record and analyze energy consumption data to track energy consumption situation toward achieving correspond goals. We also explore the potential for energy conservation and consumption reduction in the production and operation process, and take targeted energy conservation and consumption reduction measures such as intelligent circular distribution, reasonable planning of transportation routes, and replacement of energy-saving equipment to continuously improve energy efficiency.

Table 11: Energy Consumption of Akeso, Inc. in 2023³

	Unit	Consumption
Gasoline consumption	liter	26,984.59
Diesel consumption	liter	1,524.00
Steam consumption	tonne	32,895.66
Purchased electricity consumption	kWh	29,958,159.28
Natural gas consumption	m ³	616,167.00
Average gasoline consumption per person	liter / person	9.71
Average diesel consumption per person	liter / person	0.55
Average steam consumption per person	tonne / person	11.84
Average purchased electricity consumption per person	kWh / person	10,784.00
Average natural gas consumption per person	m ³ / person	221.80

³ The production and operation scale of AD Pharmaceuticals Co., Ltd. were further expanded in 2023, so the energy consumption of the Group increased as compared with that in 2022.

7.3.2 Water Resources

In strict compliance with laws and regulations such as the *Administrative Regulations on Urban Water Conservation* (《城市節約用水管理規定》), Akeso, Inc. continuously promotes the improvement of water resource management, adopts water conservation management measures in various aspects of corporate operation, and has formulated water resource management goals according to the actual needs of business development. We continue to strengthen the daily monitoring and supervision of water resource consumption, and conduct regular checks and random inspections to strictly monitor the water usage in canteens, office areas, and washrooms. We also dispatch employees from the functional departments to inspect the operation of water facilities and equipment such as pure water machines and faucets every day, and promptly identify and solve abnormal consumption of water. Moreover, we carry out water resource reuse programs, and fully utilize cleaning sewage in routine green plant irrigation and other processes, improving the water resource utilization efficiency.

Besides, we provide training on water resource management skills for relevant employees and enhance the publicity and education towards water conservation among employees in routine production and operation activities on a regular basis, comprehensively enhancing their awareness of water conservation.

During the Reporting Period, water resources currently used by Akeso, Inc. were from the municipal pipe network and there was no difficulty in the supply and purchase of water resource.

Table 12: Water Resource Consumption of Akeso, Inc. in 2023⁴

	Unit	Consumption
Municipal water consumption	tonne	204,914.00
Average municipal water consumption per person	tonne / person	73.76

7.3.3 Packaging Materials

The packaging materials used by Akeso, Inc. are mainly paper-based outer packaging materials used for manufactured products. In terms of packaging development and design, we comprehensively take into account factors such as product quality protection and green environmental protection, and adopt packaging material reduction design. In the process of packaging production and supply, we preferably purchase recyclable environmentally friendly materials to improve the recycling rate of packaging material and help to build a green packaging recycling ecosystem.

Table 13: Consumption of Packaging Materials of Akeso, Inc. in 2023⁵

	Unit	Consumption
Consumption of paper packaging materials	kilogram	9,719.00
Consumption of paper packaging materials per person	kilogram / person	3.50

⁴ The production and operation scale of AD Pharmaceuticals Co., Ltd. were further expanded in 2023, so the water resource consumption of the Group increased as compared with that in 2022.

⁵ The production and operation scale of AD Pharmaceuticals Co., Ltd. were further expanded in 2023, so the consumption of packaging materials of the Group increased as compared with that in 2022.

7.4 CLIMATE CHANGE

7.4.1 Greenhouse Gas Management

Our greenhouse gas emission mainly consists of indirect emission generated from electricity and purchased heat used for equipment and lighting system in offices and projects under construction. We have established a greenhouse gas management system and continuously improve it. We regularly collect, analyze, and report data related to greenhouse gas emission, and grasp the accurate carbon emissions in each operation process of the Company, thus formulating targeted emission reduction measures.

Table 14: Greenhouse Gas Emission of Akeso, Inc. in 2023⁶

	Unit	Consumption
Greenhouse gas emission (Scope 1)	tCO ₂ e	1,397.58
Greenhouse gas emission (Scope 2)	tCO ₂ e	26,831.85
Total greenhouse gas emission (Scope 1 and Scope 2)	tCO ₂ e	28,229.43
Greenhouse gas emission per person	tCO ₂ e / person	10.16

7.4.2 Governance Strategy

Akeso, Inc. is fully aware of the seriousness of climate changes and the urgency of coping with climate change. We actively carry out climate change risk identification and analysis, and have prepared management and response measures, in an effort to reduce the impact of climate change on our business.

We have established a three-level ESG management system led by the Board of Directors, the “ESG Working Group”, and key executive departments to carry out climate risk identification, assessment, prevention and control decision-making, and incorporate climate-related risks into our overall risk management work of the Company.

In addition, we regard “Response to climate change” as one of our ESG substantive issues. Following the guidance and planning of the Board of Directors, the “ESG Working Group” is responsible for developing ESG working plans including climate change-related content, identifying and managing climate change risks, promoting effective implementation of the climate change management work, regularly reporting work results to the Board of Directors, conducting timely review to make improvement, ensuring that the issue of response to climate change is included in the Company’s strategic decisions.

⁶ The production and operation scale of AD Pharmaceuticals Co., Ltd. were further expanded in 2023, so the greenhouse gas emission of the Group increased as compared with that in 2022; Scope 1 of GHG emission refers to the direct GHG emission from the sources owned and as controlled by the organization, such as emissions from vehicles owned by the organization; Scope 2 of GHG emission refers to the indirect GHG emission from outsourced power. The carbon emission factor for outsourced electricity calculated in 2022 and 2023 greenhouse gas emissions performance data adopts the grid emission factor, 0.5703 tCO₂/MWh, for calculating outsourced electricity in 2022 set out in the Notice on the Management of Reports on Greenhouse Gas Emissions from Enterprises in the Power Generation Industry in 2023–2025 issued by the Ministry of Ecology and Environment of the People’s Republic of China in 2023.

7.4.3 Risk Management

Akeso, Inc. has carried out climate change risk identification work, identified physical and transition risks in the industry and the operation of the Company, and clarified the list of climate change risks, which includes 2 physical risks and 5 transition risks. We take corresponding risk response and mitigation measures for different risk types, unremittingly strengthening our climate resilience and response capabilities.

Table 15: Identification and Response of Climate Change Risks

Risk Type	Risk Type	Risk Description	Response Measures
Physical risks	Regulatory risks	The international and domestic regulatory agencies and capital market rating indicators constantly increase their disclosure requirements for corporate environmental data. In the meanwhile, to cooperate with the implementation of carbon trading, the government has increased requirements for the accuracy of carbon emission data declared by enterprises. If the Company fails to disclose corresponding environmental information in accordance with relevant laws, regulations, and policies, it will be confronted with compliance risks.	<ul style="list-style-type: none"> ➤ We have established special plans such as the <i>Contingency Plan for Safe Production Accidents</i> (《生產安全事故應急預案》), and <i>Typhoon Emergency Command Plan</i> (《防颱風應急指揮預案》), organized an accident emergency team, and define the responsibilities of its members, in order to improve the emergency command system for extreme weather with a view to minimizing casualties and property damages caused by extreme weather. ➤ We carry out regular inspections in daily operation to comprehensively inspect equipment and facilities on site that may be affected by extreme weather, and take timely measures to eliminate hidden dangers; We also strengthen the inspection and protection of outdoor fixed facilities, electrical instruments and equipment to reduce the risk of object falling. ➤ We pay attention to the inventory of raw and auxiliary material warehouse and finished product warehouse, and develop reasonable stocking strategies; We also inspect and maintain the drainage system, and prepare emergency drainage facilities and flood prevention materials.

7 Environmental Responsibility

Risk Type	Risk Type	Risk Description	Response Measures
Physical risks	Chronic risks	Chronic risks such as rising sea levels, water scarcity, humid air, and average warming caused by climate change may lead to various risks, such as increased costs in water and energy consumption, deteriorated quality of raw materials and products due to moisture, and reduced production efficiency due to rusting and aging of factory equipment.	<ul style="list-style-type: none"> <li data-bbox="1070 347 1378 476">➤ We have set water resource management goals, reduce fresh water usage and improve wastewater recycling. <li data-bbox="1070 508 1378 638">➤ We have set energy management goals, and take energy conservation measures to improve energy efficiency. <li data-bbox="1070 670 1378 853">➤ We adopt an intelligent circular distribution model to reasonably schedule vehicle resources, balance resource allocation and reduce the empty load rate of transportation vehicles. <li data-bbox="1070 886 1378 1041">➤ We advocate new energy conserving and emission reducing transportation vehicles and new energy transportation vehicles.

7 Environmental Responsibility

Risk Type	Risk Type	Risk Description	Response Measures
Transition risks	Regulatory risks	<p>The international and domestic regulatory agencies and capital market rating indicators constantly increase their disclosure requirements for corporate environmental data. In the meanwhile, to cooperate with the implementation of carbon trading, the government has increased requirements for the accuracy of carbon emission data declared by enterprises. If the Company fails to disclose corresponding environmental information in accordance with relevant laws, regulations, and policies, it will be confronted with compliance risks.</p>	<ul style="list-style-type: none"> ➤ We continuously track low-carbon policies, conduct timely research and analysis on the policies issued, and strengthen communication with the regulatory departments and stakeholders. ➤ We continue to promote carbon reduction actions, encourage the selection of video conferencing, phone call communication, and other methods instead of business trips in routine office operations, and remind employees to practice low-carbon work and travel through daily publicity. ➤ We emphasize the importance of energy consumption reduction and resource conservation among employees, and enhance their awareness of energy conservation and emission reduction.

7 Environmental Responsibility

Risk Type	Risk Type	Risk Description	Response Measures
Transition risks	Litigation risks	Fines and judgments result in increased costs and/or reduced demands for products.	<ul style="list-style-type: none"> ➤ We have established a comprehensive environmental management system to avoid the occurrence of negative environmental events.
	Technical risks	Technological improvements or innovations that support the transition to a low-carbon and energy-efficient economic system may generate an impact on business operation.	<ul style="list-style-type: none"> ➤ We phase into energy conservation renovation of existing buildings, and reduce electricity consumption in office by replacing with LED lamps and selecting energy-conserving air conditioners and other equipment and facilities. ➤ We phase out fossil fuels and promote electrification to reduce carbon emissions from heating systems, and probe into low-carbon energy alternative plans such as solar heat, heat pump systems, and biomass energy. ➤ We have applied the GPS for comprehensive and real-time visual management of transportation vehicles, and carried out reasonable layout and planning of transportation routes to shorten transportation routes and improve freight transportation efficiency.

7 Environmental Responsibility

Risk Type	Risk Type	Risk Description	Response Measures
Transition risks	Market risks	Changes in consumer behaviors, uncertainty in market signals, and increased raw material costs cause potential market risks.	<ul style="list-style-type: none"> ➤ We continuously optimize product packaging design, intervene from the source to reduce unwanted packaging, and preferably purchase environmentally friendly materials. ➤ Regarding the low carbon needs of consumers, we take corresponding measures to meet their expectations, and take into account the preference factors of customers.
	Reputation risks	Poor ESG performance or insufficient efforts to address climate related issues, cause negative feedback from consumers and other stakeholders, may have an impact on product sales.	<ul style="list-style-type: none"> ➤ We ensure the legality and compliance of ESG information disclosure. ➤ We disclose climate related risks and opportunities and their response measures in the ESG report, and continuously monitor the risks brought about by climate changes to avoid negative impact on the corporate image. ➤ We actively cope with climate change, and consciously promote the low-carbon image of the Company to enhance the green credibility of the enterprise.

8 COMMUNITY RESPONSIBILITY

In response to the call of the *Opinions on Strengthening the Modernization of the Primary Governance System and Governance Capability* (《關於加強基層治理體系和治理能力現代化建設的意見》), Akeso, Inc. proactively undertakes corporate social responsibilities, supports and cares for the academic research of medicines and the health of patients, and participates in a wide range of social programs for the healthcare of the public. Under co-operation with the Beijing Health Alliance Charitable Foundation, we use our own resources and strengths to serve the society by launching a patient assistance project called “Peace of Mind Youni” (“安心有尼”) in various regions of China. The purpose of this is to maximize the quality of life of patients, enlighten the hope of life for those who have diagnosed with malignant tumor by helping more of them to complete standardized treatment and lightening the burden of their families. In addition, we encourage our employees to give back to the society and actively make contributions to the development of a harmonious society.

Table 16: Charitable Donations of Akeso, Inc.

	Unit	Donations in 2023	Donations in 2022
Amount of Charitable Donations	RMB	23,570,936.08	11,761,000.00

9 APPENDIX: CONTENT INDEX OF APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

This report is prepared in accordance with the Appendix C2 Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange. The table below sets forth the response index to the general disclosure and key performance indicators.

Subject Areas, Aspects, General Disclosures and KPIs			Section
A. Environmental			
Aspect A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	7.2 EMISSION MANAGEMENT
	KPI A1.1	The types of emissions and respective emissions data.	7.2 EMISSION MANAGEMENT
	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).	7.4 CLIMATE CHANGE
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.2 EMISSION MANAGEMENT
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.2 EMISSION MANAGEMENT
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	7.2 EMISSION MANAGEMENT
	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 EMISSION MANAGEMENT

9 Appendix: Content Index of Appendix C2 Environmental, Social and Governance Reporting Guide

Subject Areas, Aspects, General Disclosures and KPIs			Section
Aspect A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7.3 USE OF RESOURCES
	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).	7.3 USE OF RESOURCES
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	7.3 USE OF RESOURCES
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	7.3 USE OF RESOURCES
	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 USE OF RESOURCES
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	7.3 USE OF RESOURCES
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	7.1 ENVIRONMENT MANAGEMENT SYSTEM
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	7.1 ENVIRONMENT MANAGEMENT SYSTEM
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 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 CLIMATE CHANGE

9 Appendix: Content Index of Appendix C2 Environmental, Social and Governance Reporting Guide

Subject Areas, Aspects, General Disclosures and KPIs			Section
B. Social			
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.	6.1 EMPLOYMENT AND RETAINING TALENTS
	KPI B1.1	Total workforce by gender, employment type (for example, full time or part time), age group and geographical region.	6.1 EMPLOYMENT AND RETAINING TALENTS
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	6.1 EMPLOYMENT AND RETAINING TALENTS
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.	6.4 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.	6.4 HEALTH AND SAFETY
	KPI B2.2	Lost days due to work injury.	6.4 HEALTH AND SAFETY
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6.4 HEALTH AND SAFETY
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.3 DEVELOPMENT AND TRAINING
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	6.3 DEVELOPMENT AND TRAINING
	KPI B3.2	The average training hours completed per employee by gender and employee category.	6.3 DEVELOPMENT AND TRAINING

9 Appendix: Content Index of Appendix C2 Environmental, Social and Governance Reporting Guide

Subject Areas, Aspects, General Disclosures and KPIs			Section
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.	6.1 EMPLOYMENT AND RETAINING TALENTS
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	6.1 EMPLOYMENT AND RETAINING TALENTS
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	6.1 EMPLOYMENT AND RETAINING TALENTS
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.3 SUPPLY CHAIN MANAGEMENT
	KPI B5.1	Number of suppliers by geographical region.	5.3 SUPPLY CHAIN MANAGEMENT
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	5.3 SUPPLY CHAIN MANAGEMENT
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.3 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.	5.3 SUPPLY CHAIN MANAGEMENT

9 Appendix: Content Index of Appendix C2 Environmental, Social and Governance Reporting Guide

Subject Areas, Aspects, General Disclosures and KPIs			Section
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.	4.1 QUALITY MANAGEMENT
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	4.1 QUALITY MANAGEMENT
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	4.1 QUALITY MANAGEMENT
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.2 INTELLECTUAL PROPERTY PROTECTION
	KPI B6.4	Description of quality assurance process and recall procedures.	4.1 QUALITY MANAGEMENT
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	During the Reporting Period, the Company does not collect any consumer data and privacy and all sale activities are conducted by our partner. This indicator is not applicable.

9 Appendix: Content Index of Appendix C2 Environmental, Social and Governance Reporting Guide

Subject Areas, Aspects, General Disclosures and KPIs			Section
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.	5.1 BUSINESS ETHICS
	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.	5.1 BUSINESS ETHICS
	KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	5.1 BUSINESS ETHICS
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	5.1 BUSINESS ETHICS
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.	8 COMMUNITY RESPONSIBILITY
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	8 COMMUNITY RESPONSIBILITY
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	8 COMMUNITY RESPONSIBILITY

