



# Transcenta Holding Limited 創勝集團醫藥有限公司

(registered by way of continuation in the Cayman Islands with limited liability)

Stock Code: 6628



## 2024

ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE  
REPORT

---

# CONTENTS

ABOUT THE REPORT	2
MESSAGE FROM THE BOARD	4
ABOUT TRANSCENTA	5
Corporate Introduction	5
Corporate History	5
Product Pipeline	8
Transcenta 2024	9
I. COMPLIANCE IN OPERATION WITH SINCERITY AT HEART	10
1. Governance for sustainable development	11
2. Internal control and compliance	15
3. Business ethics	16
4. Information security and privacy protection	17
5. Welfare of animals	17
II. INNOVATION IN PRIORITY ON THE ROAD TO SUCCESS	18
1. Innovation leadership	19
2. Quality and safety assurance	22
3. Responsible supply chain	24
4. Support for industry development	25
III. GREEN SYMBIOSIS PAVES THE WAY TO CLEAN ENVIRONMENT	26
1. Environmental management	27
2. Energy management	27
3. Water resources management	29
4. Emissions and waste management	30
5. Responding to climate change	33
IV. WORKING TOGETHER TO PAINT A BEAUTIFUL LIFE	38
1. Protecting the interests of employees	39
2. Occupational health and safety	43
3. Employee training and development	46
4. Caring for employees' well-being	49
5. Contributing to social welfare	50
APPENDICES	52
APPENDIX 1 TABLE FOR KEY PERFORMANCES IN 2024	52
APPENDIX 2 CONTENT INDEX OF HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE	56
APPENDIX 3 SUMMARY OF ABBREVIATIONS IN THE REPORT	60

## ABOUT THE REPORT

This report is the fourth environmental, social and governance report (the “Report” or the “ESG Report”) issued by Transcenta Holding Limited (“Transcenta”), together with its subsidiaries (collectively, “we”, “us” or the “Company”), for the purpose of providing information on the Company’s environmental, social and governance (“ESG”) system building and performance and objectively disclosing the Company’s management and effectiveness in respect of sustainable development in response to the expectations of its stakeholders and the public.

### REPORTING SCOPE AND BOUNDARY

The Report discloses the management and performance of ESG related issues for the period from January 1, 2024 to December 31, 2024 (the “Reporting Period” or the “Year”) and part of the information is beyond the above scope.

The reporting scope covers Suzhou Facility, Hangzhou Facility, Beijing Facility, Shanghai Facility, Guangzhou Facility and overseas facilities. For details of the Company’s business, please refer to the 2024 Annual Report.

### BASIS OF PREPARATION

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) in Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“HKEX” or “Hong Kong Stock Exchange”) on the basis of the four principles of materiality, quantification, balance and consistency in information disclosure:

- **Materiality:** As the Company believes the ESG Report has significant influence on the investors and stakeholders, we have disclosed the procedures of identifying material ESG factors in the Report, including identifying stakeholders and conducting assessment on ESG issues using the materiality matrix. We have identified ESG related material factors based on our engagement mechanism with stakeholders and materiality principle, paid more attention to them and disclosed corresponding measures in the Report.
- **Quantification:** The Company has measured key performance indicators and disclosed quantitative data as required, and the calculation methods of and assumptions for the data contained in the Report are also disclosed.
- **Balance:** The Company has fairly and objectively presented its ESG related work in the Report.
- **Consistency:** The Company has adopted a consistent statistical approach for data disclosure and explained the relevant standards applied.

## ABOUT THE REPORT

### SOURCES AND RELIABILITY

The information and data disclosed in the Report are based on the statistical reports and formal documents of the Company and have been reviewed by the relevant departments. All the currency amounts in the Report are denominated in RMB. We confirm that there is no misstatement or misleading representation contained in the Report and take responsibility for the truthfulness, accuracy and completeness of the contents of the Report.

### PROCESS OF PREPARATION

The process of preparation of the Report involves the completion of a series of procedures, including, among others, forming a working group, identifying key stakeholders, conducting interviews with the stakeholders, identifying and prioritizing material ESG related topics, deciding the scope of the ESG Report, collecting relevant materials and data, determining the framework, report compiling, report designing and review by the relevant departments and the senior management. The Report has been reviewed and approved by the Board of Directors.

### REPORT ACCESS

The Report is issued in electronic version and is available on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the official website of the Company ([www.transcenta.com](http://www.transcenta.com)) for reading and download.

Should you have any queries or recommendations on the Company's disclosure and performance in ESG issues, please contact us through the following ways.

E-mail: [ir@transcenta.com](mailto:ir@transcenta.com)

Tel: +86 0512-67079200



## MESSAGE FROM THE BOARD

Transcenta is fully aware of the importance and necessity of sustainable development and promotes the integration of ESG philosophy into corporate decision-making and business operations of the Company, so as to create common value with relevant parties.

During the Reporting Period, Transcenta consolidated its overall ESG management by relying on the ESG governance structure formed by the highest responsible level, the decision-making level, the supervisory level and the executive level. The Board is the highest responsible and decision-making body for ESG and climate-related matters of Transcenta. It is responsible for reviewing the Company's ESG objectives, strategies and management approaches, identifying, evaluating and supervising the Company's key ESG-related issues, and reviewing the annual material ESG issues and ESG report. The progress of the Company's ESG work was reviewed through relevant meetings organized on regular basis, and the ESG factors were actively promoted for incorporation into the Company's strategic decision-making.

Meanwhile, the Company has incorporated major ESG and climate-related decisions into the responsibilities of the Audit Committee under the Board and established an ESG working group at the executive level to oversee the implementation of ESG and climate work. At the risk management level, the Audit Committee is responsible for assessing ESG risks and opportunities and formulating relevant risk management and response plans. At the business operation level, the ESG working group consisting of core management members provides strategic insights and supporting resources for ESG work, and is responsible for coordinating the participation and communication of relevant departments on ESG matters, and reviewing the specific progress and performance of ESG matters on regular basis for reporting to the Board to ensure our ESG strategy is integrated into our daily operations.


## ABOUT TRANSCENTA

### CORPORATE INTRODUCTION

Transcenta is a clinical stage biopharmaceutical company that fully integrates biotherapeutics discovery, research and development, technology development and manufacturing. On September 29, 2021, Transcenta was listed on the Main Board of the Hong Kong Stock Exchange with the stock code: 06628.

Transcenta has established global business presence successfully with its headquarters located at Suzhou: it has a pharmaceutical discovery, clinical and transformation research center in Suzhou, a technology and product development center and pharmaceutical production base in Hangzhou, and it has established clinical development centers in Princeton of the United States, Beijing, Shanghai and Guangzhou respectively, and also has established business development centers in Boston and Los Angeles of the United States. The development pipelines of Transcenta has 14 antibody molecules for novel medicines used for therapeutic purposes in the areas of oncology, orthopedics and nephrology.

### CORPORATE HISTORY

- 
- A vertical timeline on the left side of the page, consisting of a series of small orange circles connected by a dotted line. The circles are positioned to the left of the year markers, with the top circle being solid and the others being hollow.
- 2012**
    - Established the Mabspace Biosciences (Suzhou) Co., Ltd. (now it is known as Suzhou Transcenta Therapeutics Co., Ltd.)
  - 2013**
    - Established the immunological tolerance barrier breakthrough (IMTB) technology platform
  - 2016**
    - Established the HJB (Hangzhou) Co., Ltd.
  - 2018**
    - IND application of MSB2311 obtained approval from the FDA and NMPA successively
    - The manufacturing plant of HJB (Hangzhou) was completed in Hangzhou
  - 2019**
    - Transcenta was established through the merger of Mabspace Biosciences and HJB (Hangzhou) Co., Ltd.
    - Blosozumab (TSTO02) was introduced from Eli Lilly and Company
    - IND application for MSB0254 obtained approval from NMPA
  - 2020**
    - IND application of Osemitamab (TST001) obtained approval from NMPA and FDA successively
    - Phase I clinical research of Osemitamab (TST001) in the United States completed drug administration on the first patient
    - Cooperation with Merck for joint development of continuous downstream production facilities
    - Established joint venture with Alembic Pharmaceuticals for joint development of TST004 targeting at kidney diseases

## ABOUT TRANSCENTA



### 2021

- IND application of TST005 obtained approval from FDA
- Osemitamab (TST001) in combination chemotherapy completed drug administration on the first patient of Phase I clinical trial in China
- Global Phase I clinical trial of TST005 in the United States completed drug administration on the first patient
- Osemitamab (TST001) in the therapy of gastric cancer and gastro-oesophageal junction cancer obtained orphan drug designation from FDA
- Conference for researchers was convened smoothly and completed drug administration on the first patient in Phase IIa clinical trial of TST001 in China
- Listing on the Hong Kong Stock Exchange on September 29 (06628.HK)
- IND application of TST002 obtained approval from NMPA
- Phase Ib clinical trial of MSB0254 completed drug administration on the first patient
- IND application of TST005 obtained approval from NMPA

### 2022

- Osemitamab (TST001) in combination with cisplatin and gemcitabine in first line therapy of cholangiocarcinoma patients completed drug administration on the first patient in Phase IIa clinical trial
- Collaboration with Bristol-Myers Squibb to develop assessment of Osemitamab (TST001) in combination with Opdivo® for global clinical trial
- Phase I clinical trial of TST002 in China completed drug administration on the first patient
- The joint research results on the therapy of androgen negative/low activity prostate cancer by TST003 in collaboration with Shanghai Jiao Tong University was published in the *Nature Cancer* magazine
- Osemitamab (TST001) in combination therapy was published at ASCO 2022
- Phase I clinical data of CAPOX as the first line therapy for advanced and metastasis gastric cancer/gastro-oesophageal junction cancer
- Pre-clinical data of TST004 were presented at the 2022 frontier conference on complement related kidney disease hosted by the International Society of Nephrology
- The interim data of Phase II clinical trial of Osemitamab (TST001) in combination chemotherapy as first line therapy for gastric cancer were presented at the 2022 ESMO annual conference
- TST003 and TST004 obtained approval for clinical trials in the United States

## ABOUT TRANSCENTA



### 2023

- TST003 obtained approval for clinical trials in China
- The research result of non-invasive imaging targeted CLDN18.2 immunity PET probe for use in gastrointestinal tumor was published in the *Journal of Pharmaceutical Analysis*, the Phase I clinical trial of TST003 in the United States completed drug administration on the first patient
- Osemitamab (TST001) in therapy for pancreatic cancer obtained orphan drug designation from FDA
- The Phase II clinical research in China on Osemitamab (TST001) in combination with nivolumab and chemotherapy or in combination with nivolumab for use as the first line therapy for patients of gastric or gastro-oesophageal junction cancer completed patient enrollment for C and G teams
- TST002 as a therapy for patients with decreased bone density in China obtained encouraging Phase I clinical data
- The latest data of Osemitamab (TST001) in combination with CAPOX as first line therapy for gastric or gastro-oesophageal junction cancer were published in ASCO and ESMO GI
- Global Phase III critical clinical trial of Osemitamab (TST001) obtained approvals from CDE, MFDS and FDA
- Phase II clinical trial of TST002 as a therapy for patients of decreased bone density in China obtained approval from CDE
- Updated data on the therapeutic effect of Osemitamab (TST001) in combination with CAPOX as first line therapy for gastric or gastro-oesophageal junction cancer were published in ESMO
- The pre-clinical research results of the potential new therapy of [177Lu] Lu-TST001 radionuclide antibody conjugates for metastatic gastric cancer were published in the periodical *European Journal of Nuclear Medicine And Molecular Imaging*

### 2024

- Collaboration with Agilent to develop the Claudin 18.2 companion diagnostics test kit for supporting the global Phase III clinical trial of Osemitamab (TST001)
- The latest clinical progress of Osemitamab (TST001) and TST003 was unveiled at AACR 2024
- The encouraging Phase II clinical data of the triple therapy of Osemitamab (TST001) as first line therapy for gastric or gastro-oesophageal junction cancer were released for the first time at ASCO 2024
- The encouraging updated data of therapeutic effect of the triple therapy of Osemitamab (TST001) as first line therapy for gastric or gastro-oesophageal junction cancer were released at the 2024 Annual Conference of ESMO
- The pre-clinical data of novel LIV-1ADCs for use in the therapy for triple-negative breast cancer were published for the first time at the 2024 SABCS

## ABOUT TRANSCENTA

### PRODUCT PIPELINE

Transcenta has established a product pipeline covering 14 innovative molecules for the treatment of tumors, orthopedics and kidney diseases, of which 13 molecules are independently discovered and developed. The oncology pipeline includes targeted therapy drug Osemitamab (TST001) that can induce NK cells or T cells to kill tumor cells and immunotherapy drug TST005, as well as immunosuppressive modulatory protein (TST003) that is fibroblast-derived and inhibits tumors, the depleting immunosuppressive Treg cells (TST010) and enhancing TIL infiltration into tumors through vascular normalization (MSB0254). The non-tumor pipeline focuses on new indications with high unmet medical needs in orthopedics and kidney diseases, such as for the treatment of osteoporosis (TST002) and for the treatment of complement-mediated diseases (TST004).

	Drug candidate	Target	Modality	indications	Preclinical	IND	Phase 1	Phase 2	Pivotal Phase 3	Rights	Partner
Oncology	Osemitamab (TST001)	Claudin18.2	mAb	G/GEJC 1L						Global	In-house
				G/GEJC 1L							
				PDAC 1L							
	TST003	Gremlin1 (FIC)	mAb	Solid tumors						Global	In-house
	TST006	Claudin 18.2/PDL1	BsAb	Solid tumors						Global	In-house
	TST010	Undisclosed	mAb	Solid tumors						Global	In-house
	TST105	FGFR2b Bi-Specific	ADC	Solid tumors						Global	In-house
	TST012	FGFR2b	ADC	Solid tumors						Global	In-house
	TST013	LIV-1	ADC	Solid tumors						Global	In-house
	MSB2311	PD-L1	mAb	Solid tumors						Global	In-house
MSB0254	VEGFR2	mAb	Solid tumors						Global	In-house	
TST005	PD-L1/TGF-β	BsP	Solid tumors						Global	In-house	
Non-oncology	Blosozumab (TST002)	Sclerostin	mAb	Osteoporosis						Greater China	Lee
	TST004	MASP2	mAb	IgAN, TMA						Global	ALEBUND
	TST008	MSAP2/BAFF (FIC)	BsAb	SLE/LN/IgAN						Global	In-house
	TST801	BAFF/APRIL (FIC)	BsP	SLE/LN/IgAN						Global	In-house
	TST808	Undisclosed	mAb	IgAN						Global	In-house

Diagram: All product pipelines of the Company

## ABOUT TRANSCENTA

### TRANSCENTA 2024

#### 2024 Corporate Honors



### PERFORMANCE HIGHLIGHTS

- Collaboration with Agilent to develop the Claudin 18.2 companion diagnostics test kit for supporting the global Phase I clinical trial of Osemitamab (TST001)
- The latest clinical progress of Osemitamab (TST001) and TST003 was unveiled at AACR 2024
- The encouraging Phase I clinical data of the triple therapy of Osemitamab (TST001) as first line therapy for gastric or gastro-oesophageal junction cancer were released for the first time at ASCO 2024
- The encouraging updated data of therapeutic effect of the triple therapy of Osemitamab (TST001) as first line therapy for gastric or gastro-oesophageal junction cancer were released at the 2024 Annual Conference of ESMO
- The pre-clinical data of novel LIV-1 ADCs for use in the therapy for triple-negative breast cancer were published for the first time at the 2024 SABCS



## I. COMPLIANCE IN OPERATION WITH SINCERITY AT HEART

### Our Actions

- Governance for sustainable development
- Business ethics
- Welfare of animals
- Internal control and compliance
- Information security and privacy protection

### Our Performance

- Identification of **22** material issues on sustainable development
- **193** employees have participated in the training sessions on business ethics and anti-corruption
- Coverage ratio of staff training on business ethics and anti-corruption reached **100%**
- **0** case of lawsuit against corruption has occurred

### Contribution to SDGs



# I. COMPLIANCE IN OPERATION WITH SINCERITY AT HEART

## 1. GOVERNANCE FOR SUSTAINABLE DEVELOPMENT

Transcenta adheres to the sustainable development concepts of “compliant operation, science-based, harmonious ecology and shared happiness” and continuously promotes the integration of environmental, social and governance factors into all aspects of corporate strategies and daily operations, and is committed to achieving coordinated development of the economy, society and the environment.

### 1.1 ESG Governance Structure

Transcenta has integrated the ESG concepts into the Company’s development strategies and established an ESG governance structure with clear levels and responsibilities to ensure the effective implementation of ESG tasks and support sustainable development of the enterprise.

Level	Responsible body	Main responsibilities
Highest responsible level	Board of Directors	Responsible for coordinating and formulating ESG management policies and strategies including climate issues, assessing, prioritizing and managing key ESG issues, and ensuring the accuracy and transparency of ESG disclosure
Decision-making level	Audit Committee under the Board of Directors	Responsible for formulating the Company’s ESG strategy, ensuring that the Company’s operations and development strictly follow ESG guidelines, and reporting the progress to the Board of Directors on a regular basis
Supervisory level	ESG working group	The team led by the CEO, composed of core management, is jointly responsible for supervising and ensuring the effective implementation of ESG work
Executive level	Each ESG-related key department	Responsible for driving the achievement of various ESG KPIs and targets, performing duties under the guidance of the ESG Working Group, and reporting to the Working Group on material ESG issues

Diagram: The ESG Governance Structure and Main Responsibilities of Transcenta



# I. COMPLIANCE IN OPERATION WITH SINCERITY AT HEART

## 1.2 Communication with Stakeholders

The Company actively builds a platform for communication with stakeholders, and responds to the expectations and demands of stakeholders such as the government and regulatory authorities, shareholders and investors, customers and users, employees, suppliers, media, communities and the public in a timely manner through diversified communication channels and methods to address the concerns of stakeholders.

Stakeholders	Expectations and demands	Method of communication and response
Government and regulatory authorities	Complying with regulatory requirements and promoting standardized development of the industry	Dedicated personnel are assigned to promptly communicate policy changes, cooperate with regulatory inspections and ensure compliance.
Shareholders and investors	Stabilizing investment returns, understanding corporate strategies and risk management	Disclosing financial information regularly, convening shareholders' general meetings, interacting with investors through multiple channels and listening to suggestions.
Customers and users	Providing high-quality products and services and protecting privacy and interests	Providing support through hotlines and online customer service platforms and paying follow-up visits regularly to collect feedback for enhancing interactive trust and strict protection of customer privacy.
Employees	Providing favorable working environment and room for career development to enhance team cohesion	Providing training and fair assessment opportunities, organizing cultural and team activities, establishing a smooth feedback mechanism to enhance a sense of belonging. Organizing various employee activities, such as team building, cultural activities and sports competitions to enhance employee cohesion and sense of belonging.
Suppliers	Maintaining long-term stable cooperation to promote sustainable development of the supply chain	Conducting regular evaluations on supplier performance, providing assurance for cooperation, implementing sustainable development projects and promoting the establishment of green supply chains.
Media	Gathering information on corporate activities and reporting corporate news objectively	Strengthening cooperation through press conferences and regular communications, monitoring and responding to public opinions in a timely manner, and enhancing corporate image.
Communities and the public	Paying attention to corporate social responsibility and expecting active corporate participation in community development	Publicizing our social responsibility achievements, participating actively in public welfare and environmental protection activities, maintaining good interactions with community organizations and public representatives and making contributions to society.

# I. COMPLIANCE IN OPERATION WITH SINCERITY AT HEART

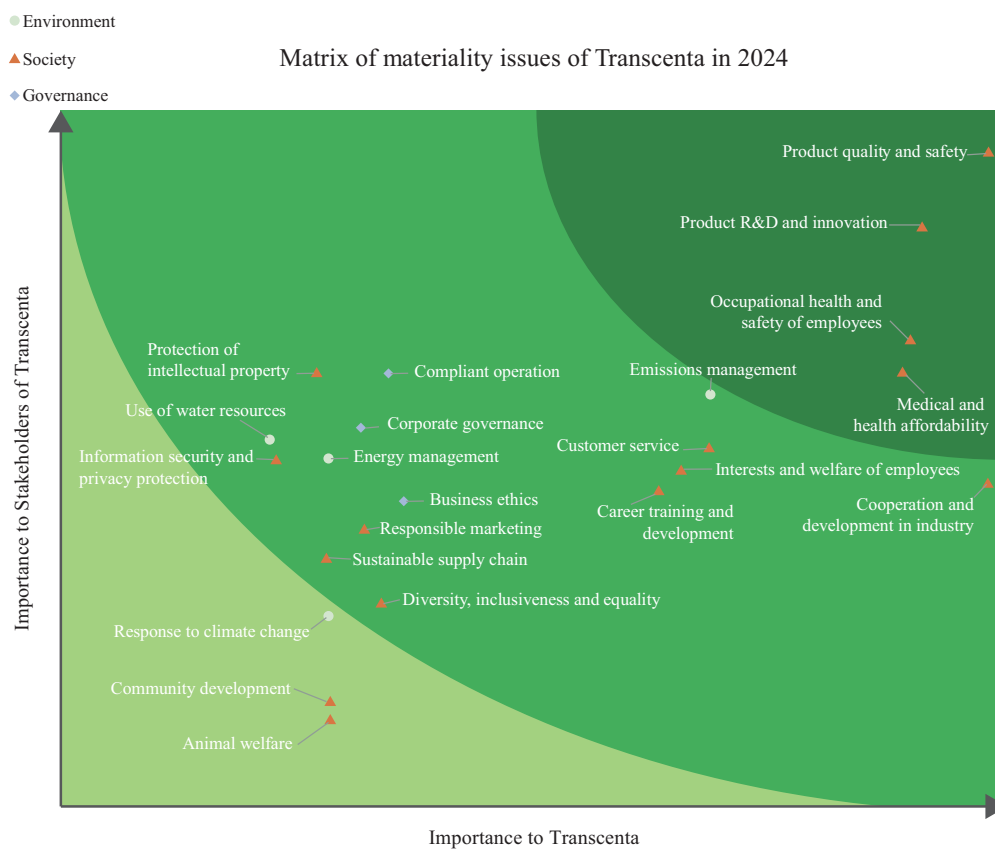
## 1.3 Identification and determination of material issues

Transcenta comprehensively considers the dynamics of national policy, the development trends of industry, domestic and international ESG-related standards and other aspects, and combines its own business development characteristics to identify and screen its list of major sustainable development issues of 2024 through benchmarking with peers, expert evaluations and stakeholder questionnaires, providing a reference for the Company's sustainable development information disclosure to better addressing the concerns and expectations of stakeholders.

### Analysis process of materiality issues on sustainable development of Transcenta in 2024:

Identification of issues	<ul style="list-style-type: none"> <li>Through analyzing domestic and foreign ESG-related standards and national regulatory policy requirements, conducting industry benchmarking analysis, and taking into account the Company's actual situation and business layout, 22 material issues of sustainable development were selected.</li> </ul>
Survey on issues	<ul style="list-style-type: none"> <li>A questionnaire survey was carried out targeting internal and external stakeholders such as government and regulatory bodies, shareholders and investors, customers and users, employees, suppliers, media, communities and the public, and a total of 52 valid questionnaires were collected.</li> </ul>
Sequencing of issues	<ul style="list-style-type: none"> <li>Based on the results of the questionnaire survey and from the perspectives of "importance to the development of Transcenta" and "importance to the stakeholders of Transcenta", the issues were arranged in the sequence of priorities to form a matrix of materiality issues on sustainable development of Transcenta in 2024.</li> </ul>
Review and approval of issues	<ul style="list-style-type: none"> <li>The Company's internal management and external experts conducted reviews on the results of the selected issues, and make final determination on issues with high importance for key disclosure in the report.</li> </ul>

## I. COMPLIANCE IN OPERATION WITH SINCERITY AT HEART



Level of importance	Issues of sustainable development	
High importance	• Product quality and safety	• Product R&D and innovation
	• Occupational health and safety of employees	• Medical and health affordability
Medium importance	• Cooperation and development in industry	• Emissions management
	• Customer service	• Interests and welfare of employees
	• Career training and development	• Compliant operation
	• Protection of intellectual property	• Corporate governance
	• Energy management	• Use of water resources
	• Information security and privacy protection	• Business ethics
	• Responsible marketing	• Sustainable supply chain
	• Diversity, inclusiveness and equality	
General importance	• Response to climate change	• Community development
	• Animal welfare	

# I. COMPLIANCE IN OPERATION WITH SINCERITY AT HEART

## 2. INTERNAL CONTROL AND COMPLIANCE

We strictly abide by the Company Law of the People's Republic of China, Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the Corporate Governance Code) and other relevant laws, regulations and rules, and keep on improving our corporate governance structure, continuously enhancing our governance level and optimizing our corporate operations.

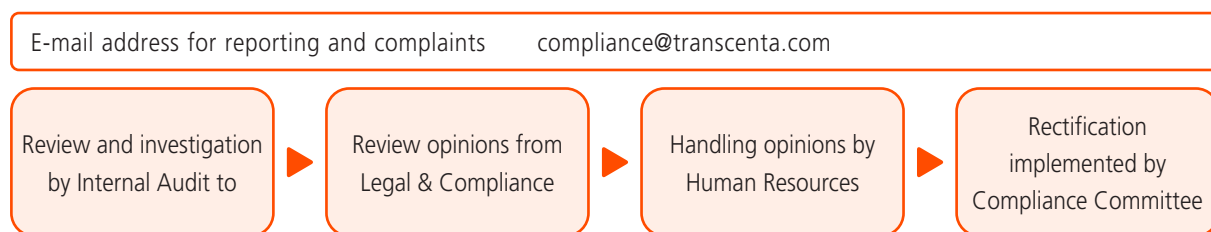
The Company attaches great importance to the establishment of risk management system and internal control, it has established a compliance system covering all operational areas, and enhances employees' compliance awareness through training. We have established a compliance committee, which is jointly responsible for R&D clinical compliance, production operation compliance and business compliance with the CEO and the Audit Committee under the Board of Directors. Through the implementation of the "Management System of Compliance Committee", we have clarified the committee's responsibilities, including supervising the lawfulness of the Company's operating procedures, inspecting the compliance in various departments and by employees, promptly reporting and rectifying any unlawful acts, such as corruption and bribery, and holding the responsible person liable.

We integrated risk management into all aspects of our business to ensure stable development of the Company. We continue to improve our risk management structure. The Board of Directors formulates strategies and policies and supervises their implementation. The Risk Management Committee coordinates the work of all departments and regularly analyzes major risks. Business departments are the first line of defense and are responsible for identification and management of their own risks. The internal audit department carries out independent supervision and reports to the Committee and the Board. We continue to improve our risk assessment capabilities and optimize the risk assessment process. Each business department identifies and analyzes risks according to standards, adopts a combination of qualitative and quantitative methods to assess and classify risks, and formulates countermeasures according to the level of risk (such as avoidance and management strategies for high, medium and low risks) to ensure the interests of stakeholders and improve risk resistance capabilities.

# I. COMPLIANCE IN OPERATION WITH SINCERITY AT HEART

## 3. BUSINESS ETHICS

We strictly comply with laws and regulations such as the Anti-unfair Competition Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China and the Prevention of Bribery Ordinance, formulate internal management policies such as The Foreign Corrupt Practices Act Policy and the Anti-corruption Policy to improve the monitoring, inspection and restraint mechanisms for anti-corruption purpose continuously. We have established the Compliance Committee and effectively prevent business ethics risk through internal control measures in accordance with the Anti-Bribery and Anti-Corruption Business Principles of Transcenta to create a law-abiding, honest, fair and clean operating environment. We have set up various whistle-blowing channels for employees and external personnel, including anonymous letters, emails and corporate WeChat, and accept face-to-face whistle-blowing reports from the human resources or audit departments. We strictly implement the Whistleblowing Policy, standardize the handling process of whistleblowing in writing, and ensure the whistle-blowing information are handled impartially. We strictly protect the interests of whistleblowers, keep the personal information of and relevant information provided by the whistleblowers strictly confidential, and strictly prohibit any form of retaliation. If any crime is involved, relevant responsibilities will be determined according to the law. In 2024, no corruption lawsuit has occurred in the Company.

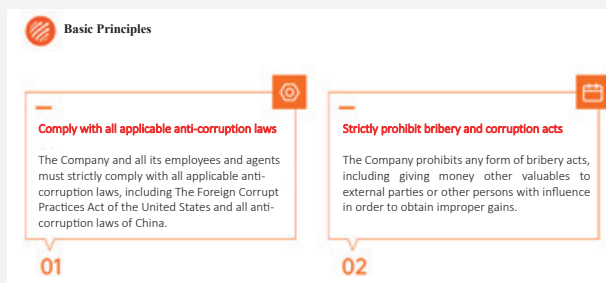


**Diagram: Process of Investigation**

The Company attaches great importance to the establishment and promotion of integrity culture, and regularly conducts relevant trainings on business ethics to enhance employees' awareness of integrity. In 2024, the average training time for directors of the Company was 1 hour, and the number of trained persons was 6; the average training time for employees was 1 hour, and the number of trained persons was 193.

### Case: Transcenta provides training on anti-corruption and anti-commercial bribery

In December 2024, Transcenta conducted special trainings on anti-corruption and anti-commercial bribery within the Company, covering the law enforcement trends, key areas and the latest laws and policies in the pharmaceutical industry. The trainings have thoroughly implemented Transcenta's anti-bribery and anti-corruption business principles, combined with typical case analysis and inspiration, to guide all employees to establish a sense of integrity and self-discipline.



**Diagram: Transcenta's anti-bribery and anti-corruption business principles**

# I. COMPLIANCE IN OPERATION WITH SINCERITY AT HEART

## 4. INFORMATION SECURITY AND PRIVACY PROTECTION

We comply with domestic and foreign laws and regulations including the Biosecurity Law of the People's Republic of China, the Regulation of the People's Republic of China on the Administration of Human Genetic Resources, the Cybersecurity Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China and the General Data Protection Regulation (GDPR) of the European Union to protect the interests of customers and ensure corporate compliance with excellent practices, so as to lay a solid foundation for development. We have formulated information security management systems such as the General Outline of Information Security and Data Protection System, the IT Information Security Regulations, and the Patient Privacy Protection and Information Security Regulations which cover management of information assets by classification and tiers, IT system protection and patient privacy protection, and ensure the data are effectively protected through encrypted storage, access restriction and standardized procedure.

The Company has established a Data Security Committee, to analyze risks regularly, formulate countermeasures and engage third party to assess data security. Trainings and drills are provided to all employees to enhance their information security awareness and capability to handle emergencies. In clinical trials of new drugs, we strictly implement the procedure of signing informed consent forms, encrypted storage and specialized training to ensure the safety of patient information.

## 5. WELFARE OF ANIMALS

The Company strictly complies with the domestic and foreign laws, regulations and institutional requirements, including the Guide for the Care and Use of Laboratory Animals and the Regulation on the Administration of Laboratory Animals, and has established an Animal Management and Ethics Committee to regularly review experimental projects and policy implementation to ensure the effective implementation of the animal welfare protection system in the research and development process of biopharmaceuticals. Our company imposes strict management on the laboratories and breeding rooms where the animals live, with regular cleaning and disinfection, and provides toys and teething sticks to the animals to enhance their quality of life. We also help to improve employees' awareness and knowledge related to animal welfare through training and continuous publicity, promoting the best practices for animal welfare and the "3R" principles (reduce, replace, refine) to ensure that each employee has a deeper understanding of the requirements of animal welfare standards and will improve relevant work continuously.



## II. INNOVATION IN PRIORITY ON THE ROAD TO SUCCESS

### Our Actions

- Innovation leadership
- Responsible supply chain
- Quality and safety assurance
- Support for industry development

### Our Performance

- Total investment in scientific research amounted to RMB**192.055** million, the R&D team comprises **91** persons.
- Ownership of **300** items of intellectual property
- Coverage ratio of **96%** in quality-related staff training
- **27** licensed patents and **95** registered trademarks in possession
- **0** product was recalled due to reasons of safety and health

### Contribution to SDGs



## II. INNOVATION IN PRIORITY ON THE ROAD TO SUCCESS

### 1. INNOVATION LEADERSHIP

In the highly competitive biopharmaceutical industry, innovation is the core driver for sustainable development of an enterprise. Through a comprehensive innovation management system, incentive mechanism and efficient resource allocation, Transcenta continues to promote the progress and transformation of research and development results to maintain its leading position in the industry.

#### 1.1 Innovation R&D Management

We formulate key directions for innovation and research and development every year based on market demand and technology trends. We prioritized the development of novel immuno-oncology drugs in our oncology therapeutic areas with phased development plans. We have developed an evaluation mechanism for R&D projects. R&D projects are subject to internal and external expert evaluation to ensure that the scientific nature of the projects is in line with the R&D strategy.

We also monitor the R&D process and ensure that technical difficulties can be resolved in a timely manner through regular reports by the project manager and the dynamic adjustments by the steering committee. In drug production projects, we have successfully resolved key technological problems by breaking through the technical bottleneck through the joint efforts of inter-departmental teams. We have made progress in improving our continuous bioprocessing platform technology HiCB (Highly Intensified Continuous Bioprocessing) and successfully implemented this technology in the GMP manufacturing of osemitamab (TST001) for use in pivotal trials. By rationally allocating our investment resources in research and development, and leveraging on advanced equipment and technologies such as continuous manufacturing process (ICB) platform and modular manufacturing facilities, we can better balance speed, quality and cost, so as to rapidly advance our potential drug candidates to IND filing and clinical development. In 2024, the Company's R&D investment reached RMB192 million.

We have set up an innovation incentive system that includes achievement awards, technical breakthrough awards and other incentives, as well as promotion opportunities for outstanding employees, which are included in performance evaluation. We encourage employees to actively participate in R&D and innovation through project awards and patent awards, and provide overseas study opportunities for outstanding scientific researchers.

We attach great importance to the establishment of a scientific research team and attract top scientific research talents with our "global vision". Our global clinical development and monitoring teams, based in Beijing, Shanghai, Guangzhou and Princeton in United States, have extensive knowledge and experience in all phases of designing and executing clinical trials for indications with significant global unmet medical needs. We attach great importance to the cultivation of scientific research talents by providing them with induction training, opportunities for improving professional skills and academic exchange, and organizing various trainings on GMP, CMC, clinical, IT, engineering and other aspects to enhance their professional and technical knowledge and competency. In 2024, we have 18 scientific researchers with doctoral degrees or above.



## II. INNOVATION IN PRIORITY ON THE ROAD TO SUCCESS

### 1.2 Transformation of Innovation Achievements

Transformation of innovation achievements is a key indicator to measure an enterprise’s R&D strength and market competitiveness. Transcenta has achieved many key R&D achievements in 2024:

Name of project	Progress in 2024	Brief description of achievements
TST001 (Osemitamab)	Global Phase III clinical trial obtained approval from CDE, FDA and MFDS and the combining treatments for gastric cancer recorded positive results	TST001 is a potential best-in-class monoclonal antibody targeting CLDN18.2. It has higher affinity, enhanced ADCC and CDC activeness, and has shown stronger anti-tumor activity in multiple PDX animal experiments, especially the potential synergy with immunotherapy drugs. The clinical data of TST001 combined with immune checkpoint inhibitor and chemotherapy as first-line treatment for gastric cancer were published in international academic conferences such as ASCO and ESMO.
TST003	Completion of phase I dose escalation study	TST003 is a first-in-class high-affinity humanized monoclonal antibody targeting Gremlin1 developed by Transcenta. In the phase I dose-escalation clinical studies conducted in the United States and China, it has shown favorable safety and preliminary anti-tumor activity.
TST002	Phase II clinical study has been approved by the Center for Drug Evaluation (CDE) under National Medical Products Administration (NMPA) in China	TST002 is a monoclonal antibody against sclerostin and has the dual mechanism of promoting bone formation and inhibiting bone resorption. Phase I clinical studies have shown that a single dose of TST002 can increase the bone mineral density (BMD) of the lumbar spine up to 6.20% in three months, and the BMD of the hips up to 2.24%. Therefore, TST002 has the potential to reduce fracture risk and to be a therapy for osteoporosis and bone-related diseases.
TST801	Entered the stage of preparatory research of IND and achieved breakthrough on overcoming key technical difficulties	Focusing on the field of nephropathy, bifunctional inhibitors of BAFF/APRIL targeting antibodies to SLE/IgAN nephropathy targets have been developed. It can effectively inhibit the activity of pathogenic memory B cells and reduce B cell-mediated immune factors and proteinuria. The clinical trial application is expected to be submitted within 12-15 months.

## II. INNOVATION IN PRIORITY ON THE ROAD TO SUCCESS

### 1.3 Intellectual Property Protection

In the biopharmaceutical field, intellectual property is the core protection for innovation achievements of enterprises and are crucial to long-term development and market competitiveness. Transcenta always attaches great importance to the protection of intellectual property. It has formulated policies and systems such as the Management System of Laws and Regulations on Intellectual Property, the Intellectual Property Management Policy and the Standardized Operation Procedures for Application and Maintenance of Intellectual Property to continuously improve the Company's intellectual property management system. We have continuously improved employees' awareness of intellectual property protection through training and publicity. In 2024, we have conducted special training on intellectual property protection for the CMC segment of the Hangzhou Plant with more than 50 participants.

**The Company's intellectual property management system covers all aspects of creation, utilization, protection and management:**

#### "Management System of Laws and Regulations on Intellectual Property"

- Sorting through relevant domestic and foreign laws and regulations, including the Patent Law and treaties administered by the World Intellectual Property Organization, to clarify the legal requirements and obligations of employees.

#### "Intellectual Property Management Policy"

- Formulating strategies centered on the protection and utilization of intellectual property, and refining the management principles of patents and copyrights. For example, giving priority to patent protection of core technological achievements, and formulating a long-term plan of patent coverage.

#### "Standardized Operation Procedures for Application and Maintenance of Intellectual Property"

- Standardizing the entire process from innovation assessment to patent application and licensing maintenance to ensure the success rate and continuing effectiveness.

As of the end of 2024, the Company has filed applications for a total of 241 patents, of which 99% are invention patents, covering key technological fields such as the R&D and production of biopharmaceuticals, 27 patents have been licensed and 144 patents are under review, providing legal protection for R&D of new drugs in the areas of oncology, orthopedics and nephrology. In addition, the Company has successfully registered 95 trademarks, covering the Company's branding signs and products, to enhance brand recognition and market competitiveness. Our self-developed software for pharmaceutical research and development and production control have been registered with 11 copyrights to safeguard the security of core software assets.

## II. INNOVATION IN PRIORITY ON THE ROAD TO SUCCESS

### 2. QUALITY AND SAFETY ASSURANCE

Taking quality and safety assurance as its core mission, Transcenta has established and improved its quality management system, which has comprehensive coverage over the Company's scope of business scope to ensure product quality effectively.

#### 2.1 Product quality management system

The quality management system established by Transcenta covers all processes in R&D and production:

##### R&D stage

- Review and approve project establishment to assesses feasibility and risks, adopt standardized experimental operations and data records to ensure the authenticity and traceability of data.

##### Production process

- Strictly follow GMP standards, implement process control to ensure the quality of raw materials, and use advanced automation technology to ensure product consistency, comprehensive quality inspection is carried out on the finished products before leaving the factory.

#### 2.2 Quality management throughout the entire life cycle

##### R&D stage

- Incorporate quality concepts into project establishment to ensure that product technology is feasible and risks are controllable; cooperate with experts and scientific research institutions to ensure that the R&D direction is clear and the results are safe and effective.
- Use advanced technology to ensure the accuracy of experimental data, and establish R&D document management system to improve traceability. In 2024, the Company conducted quality reviews many times to ensure that the R&D results have met strict quality standards.

##### Quality control of raw materials

- Implement strict supplier evaluation and screening, and only suppliers that have passed the review are selected.
- Sign up quality agreement to clarify the responsibilities of both parties, conduct test and acceptance inspection on each batch of raw materials to ensure compliance with standards.
- Establish a traceability system, maintain close cooperation with suppliers, and improve supply chain quality management capabilities through quality audits and training.

## II. INNOVATION IN PRIORITY ON THE ROAD TO SUCCESS

<p><b>Quality supervision in production process</b></p>	<ul style="list-style-type: none"> <li>• Strictly follow GMP practice, adopt automated monitoring systems and monitor production process parameters in real time to ensure product consistency.</li> <li>• Set up quality control points and focus on monitoring key processes; ensure drug sealing and dosage accuracy by using advanced equipment and standard operating procedures.</li> <li>• Strengthen personnel management and environmental control to ensure the production environment meets required standards and avoid pollution.</li> </ul>
<p><b>Product inspection before delivery</b></p>	<ul style="list-style-type: none"> <li>• Products must pass comprehensive tests on appearance, purity and activeness before leaving the factory. Advanced equipment will be used by professional inspection department to ensure reliable results and record data in detail.</li> <li>• Unqualified products are strictly isolated to prevent them from entering the market and ensure product quality.</li> </ul>
<p><b>Quality tracking and after-sales service</b></p>	<ul style="list-style-type: none"> <li>• Establish a product tracking and feedback mechanism to regularly collect customer feedback and make quality improvements. Provide professional after-sales service, establish diversified customer feedback channels, respond to customer questions and requirements in a timely manner, and improve customer satisfaction. Once we receive customer product complaints, we immediately require professionals to investigate in a timely manner, and record them in the form of written reports. At the same time, we take targeted corrective and preventive measures on the investigation results, regularly review the complaints, and continuously optimize the technological process to ensure product quality.</li> <li>• Implement a rapid response product recall system and process, and establish and implement the Procedures for Handling Complaints for Drugs Used in Clinical Trials and the Procedures for the Management of Recycling of Drugs Used in Clinical Trials. Provide specific operational guidance for complaints and clinical drug recalls that may be caused by quality, safety or efficacy issues of clinical drugs during production, transportation and use process. Regularly review the recall system to ensure timely and effective recall system to protect patient safety.</li> </ul>

Through quality management measures covering the entire life cycle, Transcenta has significantly improved product quality and ensured the pharmaceutical products are under strict control from R&D to production. The Company will continue to optimize its management system, provide health protection for patients with high-quality products and services, and contribute to innovation development of the biopharmaceutical industry.

## II. INNOVATION IN PRIORITY ON THE ROAD TO SUCCESS

### 2.3 Quality culture and policy

Transcenta adheres to the quality-centered development policy, regarding quality as the foundation of enterprise development and innovation as the key to improving quality, with the goal of providing patients with safe and effective pharmaceutical products. The Company strengthens the awareness of quality of employees through training, competitions and thematic activities, experts are invited to give lectures and impart knowledge, excellent teams are commended and employees are encouraged to take the initiative to report problems and participate in improvement measures to build a positive quality culture with participation of all employees. The Company refines quality goals for various departments and positions to establish a complete an excellent quality management system and ensure the products comply with strict standards. As quality management is continuously optimized through the coordination of systems, culture and policies, we will win market recognition and make continuous contributions to the biopharmaceutical industry.

### 3. RESPONSIBLE SUPPLY CHAIN

Through optimizing the systematic regimes and technological innovations, Transcenta has built up a responsible supply chain management system covering the entire chain of “access-monitoring-evaluation”. In 2024, the Company continued to standardize the supplier management system, promote digital collaboration, improve the stability of supply chain through localization strategy and hierarchical management and control, further integrate the concept of sustainable development into supplier management, and achieve a comprehensive upgrade of supply chain management capabilities.

- **Synergy between system standardization and digitalization**

The internal management systems of the Procurement and Supplier Management System and the Supplier Management Regulations are revised to strengthen the core functions of the QA department in reviewing and approving supplier qualifications, while streamlining the redundancy process. By relying on the WMS/U8 system, digital management throughout the entire process of supplier qualification documents and evaluation data can be achieved and the Evaluation Rules for Preferred Suppliers are also optimized dynamically.

- **Localization strategy and hierarchical risk control**

In response to uncertainties of the international supply chain, the Company has deepened cooperation with local leading enterprises, giving priority to purchasing domestic raw materials (such as culture media and filtration consumables), shortening the procurement cycle and reducing supply risks. The Company has established a hierarchical risk management mechanism for suppliers and implemented annual ESG special reviews for GMP suppliers (covering 12 indicators such as compliance, quality and environment). Non-GMP suppliers are dynamically evaluated on a 100-point scale, rectification or elimination will be triggered if the score is below 70 points. In 2024, evaluations of 146 suppliers (46 GMP and 100 non-GMP) have been completed with removal of one low-score supplier.

- **Deep integration with ESG and optimization of resource efficiency**

We have embedded environmental and social responsibility into supplier access and daily management. In terms of supplier access, we have taken quality management system certification, environmental management system certification and the environmental impact of products as considerations in supplier access and selection, and give priority to environmentally friendly products and services under the same conditions. We have added the ESG Questionnaire for Suppliers and required suppliers to sign the Anti-Commercial Bribery Commitment. In addition, we conduct annual monitoring and evaluation on suppliers' performance in business ethics, society and environment. The Cold Chain Transportation Management Procedures have been updated to specify the transportation standard for pharmaceutical stock solution at  $\leq -20^{\circ}\text{C}$ , packaging strategy has been optimized to reduce the risk of damage, and the Smart Vue system has been deployed to achieve real-time monitoring of temperature and humidity. The Company has provided special trainings on Invoice Compliance and Delivery and Acceptance Inspection to more than 30 core suppliers, zero irregularity in delivery and no invoice problem are realized throughout the year.

## II. INNOVATION IN PRIORITY ON THE ROAD TO SUCCESS

### 4. SUPPORT FOR INDUSTRY DEVELOPMENT

The Company fully utilizes its own advantages, actively participates in the formulation of industry standards and international exchanges, and promotes the overall progress of the biopharmaceutical industry through industry-university-research cooperation and the release of research and development results of innovative drugs.

We have reached a number of research collaborations with world-renowned academic institutions, covering Osemitamab (TST001), TST003 and TST005. Moreover, the Company has established strategic partnerships with a number of technology platform companies to explore different modes of therapy for innovative targets (including multiple ADC platforms). These research collaborations have further enhanced the Company's global leading position in Claudin18.2 targeted combination therapies.



Diagram: Some academic institutions cooperating with the Company

In terms of industry standards, the Company has organized experts from multiple departments to cooperate with leading enterprises, scientific research institutions and regulatory authorities to participate in the formulation of standards for key indicators such as purity, activeness and impurity detection of antibody drugs. These results have been included in the industry draft to promote quality standardization. At international academic conferences such as ASCO and ESMO, the Company presented innovation results such as TST001, which has attracted global attention, promoted academic exchanges and pushed forward technological development in the industry.

We have established long-term industry-university-research cooperation with universities such as Shanghai Jiao Tong University to jointly proceed with the research and development of tumor immunotherapy, accelerate the transformation of scientific research results, and cultivate professional talents for the industry. Through cooperation with well-known medical institutions such as Peking University Cancer Hospital, the Company has achieved remarkable results in multi-center clinical trials, orthopedic pharmaceutical research and development and research on therapies for kidney disease, providing patients with better treatment options. For example, the research results of Osemitamab (TST001) triple combination therapy for gastric cancer released at the 2024 ASCO conference have attracted widespread attention and provided new ideas for the research development of related technologies.

In the future, we will continue to promote the R&D of innovative drugs, deepen industry-university-research cooperation, strengthen the industry standardization process, and contribute more efforts to the well-being of patients and the global healthcare industry.



### III. GREEN SYMBIOSIS PAVES THE WAY TO CLEAN ENVIRONMENT

#### Our Actions

- Environmental management
- Water resources management
- Responding to climate change
- Energy management
- Emissions and waste management

#### Our Performance

- Consolidated energy consumption: **409.96** tonnes of standard coal
- Water consumption: **46,181** tonnes
- Greenhouse gas emissions: **2,816.18** tonnes of carbon dioxide equivalent

#### Contribution to SDGs





### III. GREEN SYMBIOSIS PAVES THE WAY TO CLEAN ENVIRONMENT

#### 1. ENVIRONMENTAL MANAGEMENT

The Company regards environmental protection and resource conservation as its core responsibilities, and strictly abides by the requirements of laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, the Law of Water Pollution Prevention and Control of the People's Republic of China, the Law of Air Pollution Prevention and Control of the People's Republic of China and the Law of Prevention and Control of Environmental Pollution by Solid Waste of the People's Republic of China, and is committed to developing a green, environmentally friendly and sustainable business model.

In order to effectively identify and assess environmental factors, the Company has formulated a comprehensive Management System for Identification and Assessment of Environmental Factors, which covers exhaust gas emissions, wastewater discharge, noise emissions, energy conservation and consumption reduction, hazardous waste disposal and other aspects. A set of scientific and systematic management system has been established. In addition, the Company has also set up the EHS (Environment, Health and Safety) Committee to ensure that its environmental management responsibilities are fully implemented. The EHS Committee is responsible for supervising and coordinating the Company's environmental protection work, and continuously optimizing the effectiveness of environmental management through regular inspection, evaluation and improvement.

#### 2. ENERGY MANAGEMENT

As a company that attaches importance to sustainability, Transcenta is well aware of the effects of energy usage and carbon emissions on the environment. We have set the energy use efficiency target of "reducing energy consumption intensity by 5% by 2030 from the level of 2021", and has formulated and implemented long-term energy efficiency enhancement strategies to support our efforts to meet the target. The Company mainly relies on purchased electricity and steam as energy, and uses diesel and gasoline in vehicles operation. To better manage and reduce energy emission and greenhouse gas emissions, Transcenta has adopted and implemented a series of measures. The Company has formulated and implemented the Management System on Energy Saving and Consumption Reduction that covers various aspect such as energy usage, resources consumption and waste management, aiming to cut consumption of energy and material arising from operation; the Company has formulated a renewable energy use program and established a digital energy management system; the Company has fully deployed the Building Management System (BMS) through investing in energy-saving equipment. The BMS system can automatically turn on and off the air-conditioners according to presets, and set parameters for each air conditioner to achieve precise control. The Company has also initiated the Environment Management System (EMS), which monitors and manages the environment of the clean rooms in a unified manner.

To make greater efforts to conserve energy and reduce emissions, Transcenta has decided to continue the initiative of the "One Hour Lights Out" program, our campaign of environmental protection, by which our employees will turned off all power consumption equipment for an hour at noon to reduce power consumption. In addition, we will make rational adjustments to the temperatures of our air-conditioners, which mean the temperature will not be set below 25°C in summer and will not be set above 20°C in the winter, to reduce energy consumption. Meanwhile, we encourage our employees to use public transportation, shared transportation or bicycles when they are commuting to work to reduce carbon footprint. To further reduce the impact of commutes on the environment, we also offer the option of working remotely, by which the employees may choose to work from home once a week. We expect that we can contribute positively to environmental protection.

Transcenta is committed to green operation. By environmental, energy-saving, low-carbon and sustainable means, Transcenta has been working to minimize negative effects on the environment and enhancing efficiencies in resource use, effectively control environmental risks and promoting the development of the Company in a green and sustainable manner.

During our daily work, we encourage the employees to make full use of natural light, thereby reducing reliance on artificial lighting. We placed red/green marks on each switch of the lightings to identify whether it is necessary. A red mark means the switch is not necessary or the area is left unattended when the lights should be turned off. A green mark means the area requires lighting. Through these comprehensive measures, Transcenta has effectively reduced energy consumption and carbon emissions, while enhancing efficiencies in resource use, lowering operating cost and strengthening its competitiveness in the market, and ultimately made contribution in meeting the targets of sustainability.



### III. GREEN SYMBIOSIS PAVES THE WAY TO CLEAN ENVIRONMENT

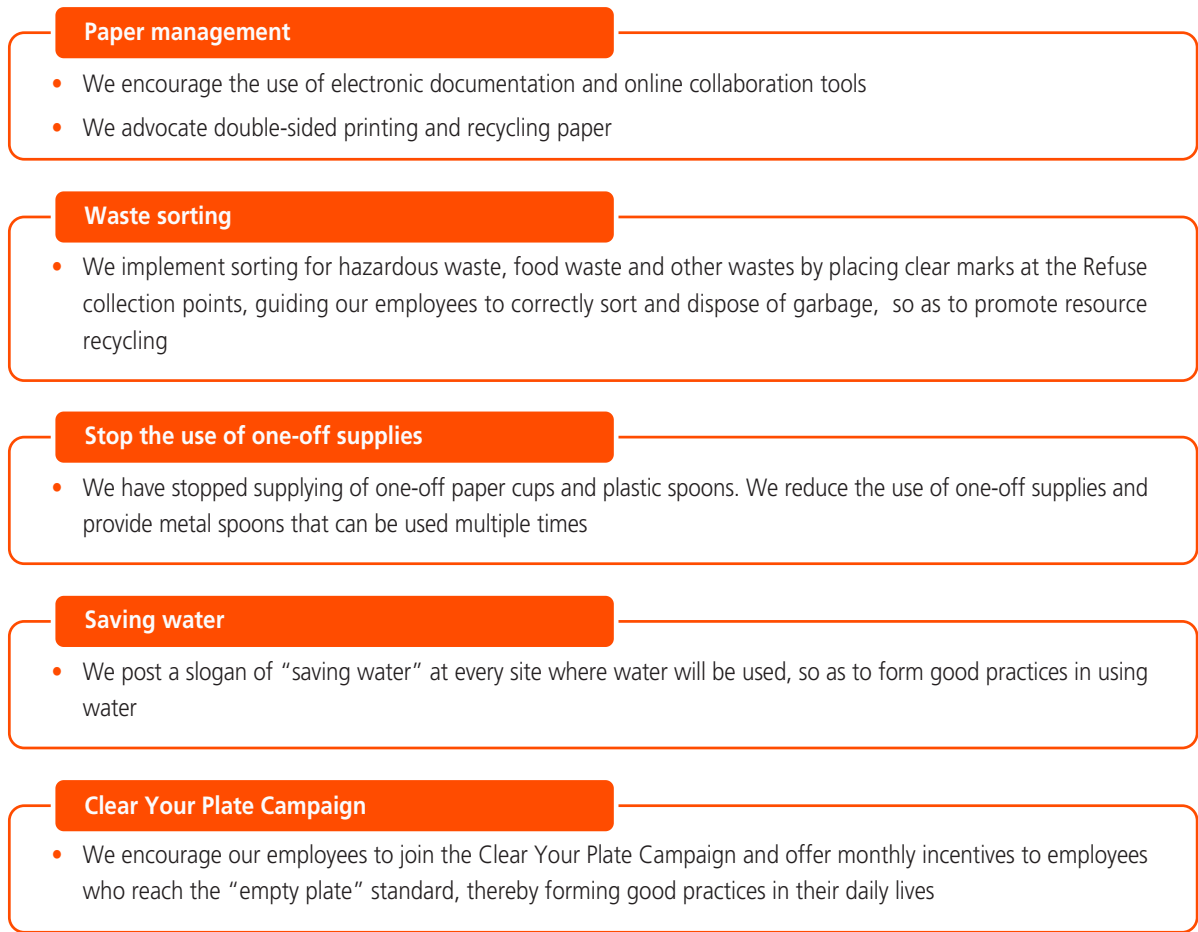


Diagram: Transcenta’s green office measures

These measures of green office enable energy saving, while enhancing social image of the Company. Through these specific and effective measures of green operation, the Company has made contribution to the development of green economy with its strength.

Indicators	Unit	2024
Total comprehensive energy consumption	tonnes of standard coal	409.96
Intensity of comprehensive energy consumption	tonnes of standard coal/RMB million	36.28
Power consumption	kWh	3,333,105.40
Gasoline	liter	6.87
Purchased steam	GJ	9,342

### III. GREEN SYMBIOSIS PAVES THE WAY TO CLEAN ENVIRONMENT

#### 3. WATER RESOURCES MANAGEMENT

In strict compliance with the Environmental Protection Law of the People's Republic of China, Water Law of the People's Republic of China, Law of the People's Republic of China on Water and Soil Conservation and other laws and regulations, Transcenta has reduced the use of water resources and enhanced the efficiency of water use through a series of measures.

We are committed to achieve efficient use of water resources through effective management on water use and innovative water-conserving technologies, enabling us to meet the water use efficiency target of "reducing energy consumption intensity by 5% by 2030 from the level of 2021". We post slogans of water conservation in bathrooms and other common areas to remind and encourage employees to avoid waste of water, thereby forming the awareness of water conservation among the employees. We replace traditional drinking water dispensers with purified direct drinking water dispensers in our Suzhou office. The equipment ensures the safety of drinking water, while it saves 40% of electricity as its in-built AES adaptive energy-saving system can effectively reduce power consumption. In addition, the Company has carried out a sewage upgrading project in the area of Suzhou animal rooms through investment in the setting up of a recyclable wastewater treatment equipment. The implementation of this project has significantly reduced the usage of cleaning water and achieved zero discharge of nitrogen and phosphorus from the cleaning wastewater of the animal rooms, thereby significantly enhancing the efficiency in recycling water and minimizing the impact on the environment. Currently, the water consumed by Transcenta comes from municipal water supply. In 2024, there were no issues in suitability of water sources or water intake.

Indicators	Unit	2024
Total water consumption	tonnes	46,181
Intensity of water consumption	tonnes/RMB million	4,086.81

### III. GREEN SYMBIOSIS PAVES THE WAY TO CLEAN ENVIRONMENT

#### 4. EMISSIONS AND WASTE MANAGEMENT

##### 4.1 Emissions management

Transcenta is well aware of the importance of atmospheric pollution prevention, and formulates the Management System on Exhaust Emissions 《廢氣排放管理制度》 in accordance with 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 other relevant laws and regulations to conduct effective control on harmful gases such as sulfur dioxide (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>) and particulate matters generated from production and operation..

Transcenta has paid close attention to the impact of exhaust emissions on the environment and is well aware that reduction in emissions is important in pursuing ecological civilization. To this end, we are committed to formulate and implement a series of emission reduction measures, aiming to optimize our production process, enhance efficiency in energy use and reduce emissions. Our pledge is to keep tracking and assessing the status of emissions, actively explore effective ways of preventing and recycling emissions, and achieve effective control on emissions by improving emission control technologies, optimizing energy structure, and strengthening maintenance of facilities and management on operation. During the Reporting Period, Transcenta has no case of emissions.

Under the guidance of Management System on Exhaust Emissions, the Company has adopted the following measures to ensure exhaust emissions that comply with environmental requirements:

##### Classified management on emissions

- The Company conducted classification for various types of exhaust generated from its operation, in order to take targeted measures in handling these exhaust

##### Installation of exhaust treatment devices

- The Company has invested in the installation of an advanced exhaust treatment facilities, which adopted techniques including oxidation absorption, alkali absorption, defogging and activated carbon adsorption to reduce the negative impact of operations on the environment to reduce emissions of harmful substances.

##### Regular inspections and maintenance

- The Company conducts regular leakage inspections and maintenance of the exhaust treatment facilities to ensure that these facilities are operating normally, so as to minimize malfunction and pollution arising from leakage.

### III. GREEN SYMBIOSIS PAVES THE WAY TO CLEAN ENVIRONMENT

#### 4.2 Sewage management

Transcenta attaches great importance on sewage management. The Company formulates systematic management systems and technical measures for waste water from production, ground cleaning, laboratories, concentrated water from the processing of pure water and domestic waste water, so as to ensure standard disposal and discharge of waste water. Based on the standards of the place for discharge, Transcenta formulates the Management System on Wastewater (《廢水管理制度》), specifying detailed requirements in relation to processes and standards for the treatment of waste water.

##### Online monitoring equipment

- The Company installed an online monitoring equipment in the terminal of sewage treatment stations to monitor sewage indicators in real time to ensure discharge of waste water in compliance with environmental standards.

##### Mobile APP monitoring

- We have developed the mobile APP function to monitor the indicator data of sewage stations in real time. The APP will push relevant alarm information at any time to empower operators to remotely operate the sewage stations.

##### Efficient sewage treatment techniques

- Low-temperature evaporation system: it is used in treatment of sewage with high concentration or special characteristics.
- Sewage turnover tank: it is used in storage and treatment of sewage to meet the discharge needs of the Company.

Through these measures, Transcenta ensures compliance in treatment and discharge of sewage, while minimizing the impact on the environment by enhancing efficiency and effectiveness in sewage treatment.

Indicators	Unit	2024
Sewage discharges	m <sup>3</sup>	5,940
Intensity of sewage discharges	m <sup>3</sup> /RMB million	525.66

### III. GREEN SYMBIOSIS PAVES THE WAY TO CLEAN ENVIRONMENT

#### 4.3 Waste management

Transcenta attaches great importance to the segregated management and safe disposal of waste to reduce its impact on the environment and promote the recycling of resources. According to the nature and the severity of its hazardous impacts, the Company classifies waste into two main categories: hazardous waste and non-hazardous waste. In order to strengthen hazardous waste disposal management of the Company, prevent environmental pollution, institutionalize and standardize disposal management, the Company has formulated and implemented the Management System on the Disposal of Solid Waste 《廢棄物處置管理制度》 and the Safety Operational Specifications on Dangerous Waste 《危險廢物安全操作規程》. We are committed to continuously optimizing our waste management process and achieve the waste reduction target of “reducing the emission intensity of hazardous waste by 5% by 2025 taking 2021 as the baseline”.

The specific measures are as follows:

- **Strict classification management:** the Company strictly classifies waste to ensure that each type of waste can be disposed of in accordance with corresponding regulations.
- **Labeling:** all waste containers are clearly labelled to identify waste types and disposal requirements.
- **Professional collection and temporary storage:** the Company has set up special waste collection points and temporary storage areas, which are managed by special personnel to ensure that waste is properly stored before disposal.
- **100% compliance treatment of hazardous waste:** the Company cooperates with qualified third-party treatment institutions to ensure that all hazardous wastes are 100% treated in compliance with regulations, eliminating the risk of improper disposal.
- **Resource reuse:** for non-hazardous wastes generated in the production process, such as cardboard boxes and plastic packaging bags, the Company realizes the recycling and utilization of wastes through incineration and power generation.
- **Reducing waste generation:** the Company reduces the use of disposable products through measures such as process optimization, promotion of green office and use of environmentally friendly materials, thereby reducing waste.

Indicators	Units	2024
Total non-hazardous waste	ton	9.97
Intensity of non-hazardous waste emissions	tons/RMB million	0.88
Total Hazardous Waste	ton	6.98
Intensity of hazardous waste emissions	tons/RMB million	0.62

### III. GREEN SYMBIOSIS PAVES THE WAY TO CLEAN ENVIRONMENT

#### 5. RESPONDING TO CLIMATE CHANGE

According to the Intergovernmental Panel on Climate Change (IPCC) of the United Nations, it is estimated that human activities have caused global warming to be about 1.0°C higher than the pre-industrial level. If climate change continues at the current rate of warming, global warming may reach 1.5°C between 2030 and 2052, and the cooling of the planet is urgent. To reduce greenhouse gas emissions, give support to achieve the goal of “two carbons”, Transcenta proactively addresses climate change and integrates climate responsibility and action into its corporate operations.

##### 5.1 Governance

The Board of Directors of Transcenta is responsible for leading us to face the challenges of climate change and work hand in hand with the Audit Committee to promote the Company's environmental, social and governance (ESG) practices and supervisory work. Regarding climate change, the Audit Committee is responsible for in-depth assessment of the Company's impacts on the environment and society, keeping abreast of the latest development of ESG and climate change in China and abroad and comprehensively considering the potential impacts, opportunities and risks of these factors on the business; at the same time, reporting to the Board of Directors key ESG and climate change trends that may affect the Company's ESG strategy and target setting.

In addition, Transcenta has set up an ESG Committee to oversee the day-to-day work of ESG, including climate change. The ESG Committee, in collaboration with management and relevant departments, collect information on the progress, risks and opportunities of climate change and communicate with all stakeholders on a regular basis. The ESG Committee reports on climate management and information disclosure as integral parts of our sustainability strategy to the Audit Committee at least once a year.

##### 5.2 Climate risk and opportunity management

Climate change brings various risks to our business. Physical risks, such as extreme weather and rising temperatures, can negatively impact assets, employees and the supply chain and may cause climate transition risks, such as policy risks, market and technology risks, reputational risks, etc., leading to potential financial impacts.

In response to these, we have established a comprehensive risk management framework and related risk management systems. In accordance with the risk management framework, management formulates risk management policies and internal control processes to identify, assess and manage risks. Policies and procedures are implemented in daily operations by business and functional departments, and issues identified by them are reported to management on a regular basis. Management identifies and assesses the significant risks reported in a timely manner and then allocates adequate resources to mitigate and manage the related risks. The management will submit the results of risk management and internal control to the Board of Directors to assess the effectiveness of the risk management and internal control systems of the Company. The Board of Directors and the Audit Committee play their roles of risk monitoring to ensure that an effective risk management mechanism is established with the management and is in line with the Company's strategy and risk tolerance. For managing the risks of climate change, we develop relevant risk response measures based on their significance and financial impact.

### III. GREEN SYMBIOSIS PAVES THE WAY TO CLEAN ENVIRONMENT

#### *Identifying and responding to climate change risks*

Risk type	Risk impact	Potential financial impact	Countermeasure
<b>Acute physical risk</b>	The frequent occurrence of extreme weather brought about by climate change may cause damages to infrastructure and affect Transcenta's operational stability; at the same time, in order to cope with extreme weather conditions, the Company needs to increase safety equipment and investment in training and increase operating costs.	An increase of operating costs and a decrease in operating income	<ol style="list-style-type: none"> <li>1)The Company has established and regularly updated the Emergency Rescue Management System to respond to climate disaster emergencies.</li> <li>2)The Company has increased the proportion of local procurement, made good preparations for the reserve of key raw materials, and improved the stability and resilience of the supply chain in dealing with climate risks.</li> </ol>
<b>Chronic physical risk</b>	Sustained high temperature may lead to unstable power supply and an increase in operating costs; at the same time, hot weather will affect the health and safety of employees, thus the Company shall bear HR costs such as granting hot weather subsidies and purchasing employee safety insurance.	An increase of operating costs	<ol style="list-style-type: none"> <li>1)Cost reduction and efficiency enhancement through equipment technical transformation</li> <li>2)During the site selection and construction of a new factory, considerations of renewable energy use and energy conservation and emission reduction in process flow shall be included</li> <li>3)To encourage and promote employees to practice green operation and green office awareness</li> </ol>

### III. GREEN SYMBIOSIS PAVES THE WAY TO CLEAN ENVIRONMENT

Risk type	Risk impact	Potential financial impact	Countermeasure
<b>Policy and legal risk</b>	As greenhouse gas emission policies and supervision are constantly being improved, the cost of greenhouse gas emissions is expected to continue to rise, which will affect the operating costs and capacity expansion of the Group. The adoption/deployment of renewable energy facilities and processes may result in an increase in operating costs if there is a change in policies or laws to require the installation or use of clean energy.	An increase of operating costs	<p>1)To keep track of climate-related laws and regulations in a timely manner; compile statistics on greenhouse gas emissions every year Significant changes in greenhouse gas emissions to be taken in a timely manner responses and decisions, and make timely responses and decisions on major changes in greenhouse gas emissions</p> <p>2)To make climate change response a priority for the Audit Committee, ESG Committee and ESG-related departments</p> <p>3)During the site selection and construction of a new factory, considerations of renewable energy use and energy conservation and emission reduction in process flow shall be included</p>



### III. GREEN SYMBIOSIS PAVES THE WAY TO CLEAN ENVIRONMENT

Risk type	Risk impact	Potential financial impact	Countermeasure
<b>Technology and market risk</b>	To respond to the expectations of various stakeholders, Transcenta needs to reduce its own greenhouse gas emissions. This will drive low-carbon process innovation and investment in clean energy and technology; Transcenta has product candidates covering oncology and other diseases. These diseases may be affected by climate change, which affects the market demand for the Company's products.	An increase of operating costs	<p>1) To keep track of climate-related laws and regulations in a timely manner; compile statistics on greenhouse gas emissions every year</p> <p>Significant changes in greenhouse gas emissions to be taken in a timely manner responses and decisions, and make timely responses and decisions on major changes in greenhouse gas emissions</p> <p>2) To make climate change response a priority for the Audit Committee, ESG Committee and ESG-related departments</p> <p>3) During the site selection and construction of a new factory, considerations of renewable energy use and energy conservation and emission reduction in process flow shall be included</p>
<b>Reputational risk</b>	As a listed company, Transcenta's policies and initiatives in response to climate change have attracted more and more attention from stakeholders such as the government, investors, customers and public. Failure to meet stakeholders' expectations may affect the Company's reputation and the decision-making of investors.	An increase of non-operating costs increased	1) To take climate change as a key topic and communicate with stakeholders through stakeholder surveys

### III. GREEN SYMBIOSIS PAVES THE WAY TO CLEAN ENVIRONMENT

#### *Identifying and responding to climate change opportunities*

Opportunity type	Opportunity impact	Potential financial impact
<b>Improved resource efficiency</b>	Improve the efficiency of energy, water and waste use and reduce operating costs	A decrease of operating costs
<b>Renewable energy use</b>	Effectively address the risks of rising energy and carbon prices in the future	A decrease of operating costs
<b>Improved climate resilience</b>	By optimizing technological processes with higher energy efficiency and selecting environmentally-friendly suppliers, the Company can effectively improve its adaptability to climate change and enhance its development resilience	A decrease of operating costs

#### **5.3 Indicators and targets**

- Target: reducing the carbon emission density by 5% by 2030 taking 2021 as the baseline.

Indicators	Units	2024
Total GHG Emissions	tonnes CO <sub>2</sub> e	2,816.18
GHG Emission Intensity	tonnes/RMB million	249.22
Direct (Scope 1) GHG emissions	tonnes CO <sub>2</sub> e	0.0153
Direct (Scope 1) GHG emission intensity	tonnes/RMB million	0.0014
Indirect (Scope 2) GHG emissions	tonnes CO <sub>2</sub> e	2,816.16
Indirect (Scope 2) GHG emission intensity	tonnes/RMB million	249.22



## IV. WORKING TOGETHER TO PAINT A BEAUTIFUL LIFE

### Our Actions

- Protecting the interests of employees
- Employee training and development
- Contributing to social welfare
- Occupational health and safety
- Caring for employees' well-being

### Our Performance

- **193** employees
- **22,018** hours of staff training
- **59.59%** of employees are female
- **0** work-related casualties & injuries

### Contribution to SDGs



## IV. WORKING TOGETHER TO PAINT A BEAUTIFUL LIFE

### 1. PROTECTING THE INTERESTS OF EMPLOYEES

The development of an enterprise is supported by talents, who are the solid foundation for the sustainable growth of the business. The Group attaches great importance to the introduction and cultivation of talents and always respects and protects the legitimate rights and interests of each and every employee. We are committed to creating a positive and supportive working environment, providing unlimited development opportunities for our employees, and continuously enhancing their sense of happiness and satisfaction. At the same time, Chuang Sheng Group actively fulfils its corporate social responsibility and encourages its employees to devote themselves to social welfare and work together to build a better community and share a happy life.

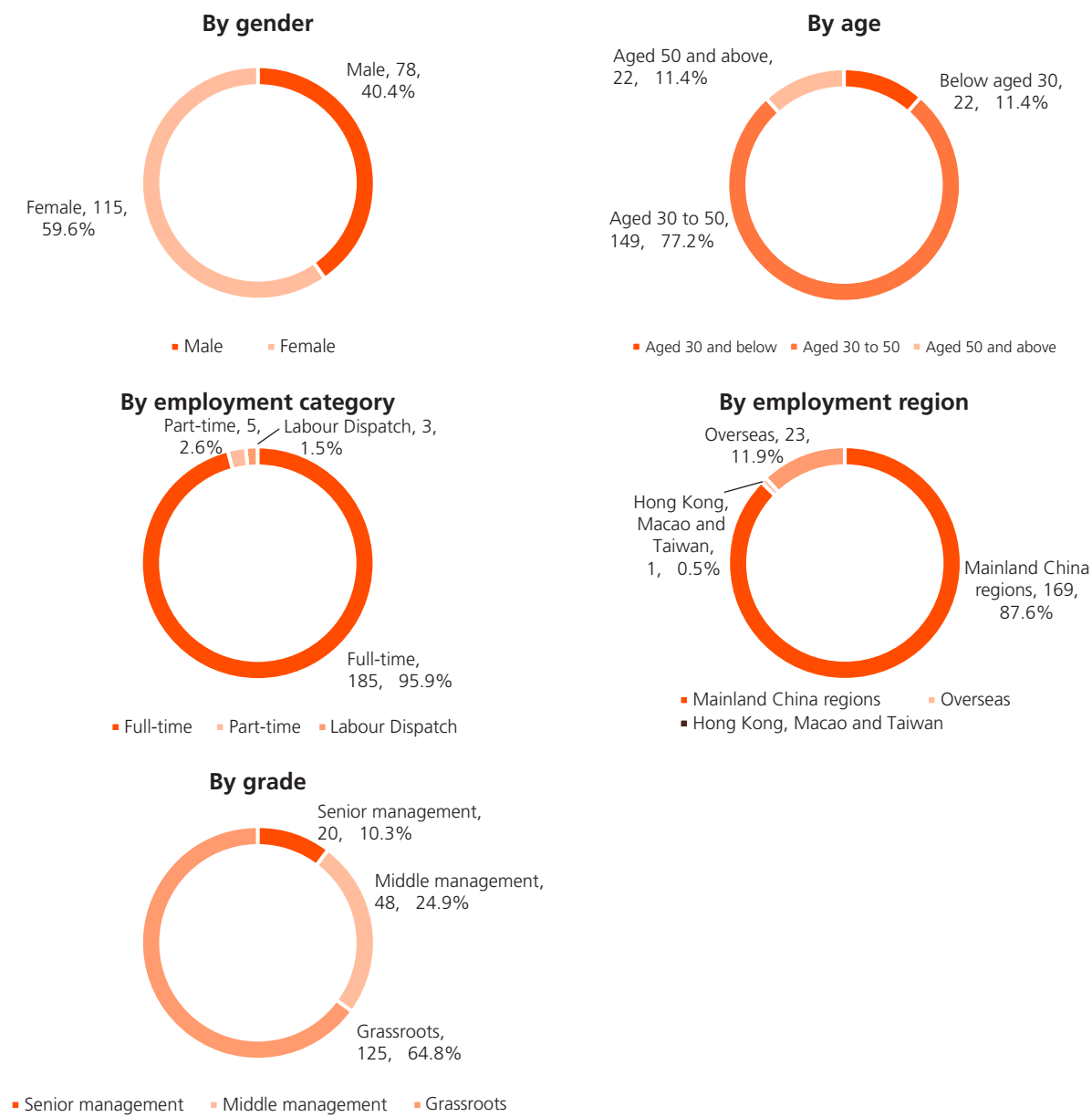
- **Legal Employment**

Transcenta complies 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 Convention on the Prohibition of Child Labor 《禁止童工勞動公約》, the Convention on Discrimination in Respect of Employment and Occupation 《就業和職業歧視公約》, the Convention on Forced or Compulsory Labor 《強迫勞動公約》, and other relevant international and domestic laws and regulations, and is firmly committed to prohibiting child labour and forced labor. The Recruitment and Entry Management System 《招錄及入職管理制度》 and the Code of Conduct for Employees 《員工行為準則》 have been formulated and implemented internally to set out clear requirements on the recruitment process and staff behavior. In accordance with the principle of "Equality, free will and mutual consultation", Transcenta establishes a labor relationship with its employees through labor contracts, specifying the responsibilities, rights and obligations of both parties to ensure that the legitimate rights and interests of the employees and the Company are not infringed upon. During the recruitment process, the Company establishes a corresponding examination system and examines the identity of candidates and other recruitment procedures on a step-by-step basis to ensure that employment practices are in compliance with the requirements of laws and regulations. In case of non-compliance, the Company will provide timely feedback after verification and carry out follow-up actions in accordance with the requirements of the laws and regulations. During the reporting period, Transcenta was not aware of any incidents of child labor or forced labor.

- **Diversity and Inclusion**

We uphold the principles of diversity and inclusion, select talents fairly and openly, hire on the basis of merit, and resolutely eliminate discrimination on the basis of gender, age, race, nationality, religious beliefs, or other social and personal factors, and safeguard equal employment opportunities for all employees and job seekers in accordance with the law. In 2024, the Company signed a co-operation agreement with an external third-party organisation in Hangzhou for a corporate philanthropy program for the disabled. As of December 31, 2024, the total number of employees of Transcenta was 193.

## IV. WORKING TOGETHER TO PAINT A BEAUTIFUL LIFE



## IV. WORKING TOGETHER TO PAINT A BEAUTIFUL LIFE

We firmly believe that talent is the cornerstone of corporate development. Transcenta has adopted a number of strategies to reduce turnover rate of employees by providing career development paths for our employees, building a barrier-free communication environment, conducting regular employee communication and responding to employee needs promptly. Through these initiatives, we have been able to increase employee satisfaction and reduce employees' turnover. The turnover rate of employees was 23% in 2024.

**Table: Employees turnover of Transcenta in 2024**

Indicators		Unit	2024
Turnover rate of employees		%	23
Turnover rate by gender	male	%	29
	female	%	19
Turnover rate by age	below aged 30	%	27
	aged 30 to 50	%	23
	above aged 50	%	18
Turnover rate by regions	Employees of Mainland China	%	22
	Employees of Hong Kong, Macao and Taiwan	%	0
	Employees of Overseas	%	30

## IV. WORKING TOGETHER TO PAINT A BEAUTIFUL LIFE

- **Compensation and Benefits**

Transcenta always complies with the Social Insurance Law of the People’s Republic of China 《中華人民共和國社會保險法》, the Labor Law of the People’s Republic of China 《中華人民共和國勞動法》 and other relevant laws and regulations, updates and implements internal systems such as the Transcenta Benefits Policy 《創勝集團福利制度》, the Transcenta Compensation Management Policy 《創勝集團薪酬管理制度》, and the Employee Incentive System 《員工獎勵制度》, etc., and is committed to creating a work environment that attracts and retains outstanding talent. Based on the value contribution of our employees, we provide them with market-competitive salaries and comprehensive welfare packages to enhance their motivation, sense of achievement and sense of belonging.

**Employee insurance**

- Commercial insurance is provided for all regular employees, fully borne by the Company, serving as supplementary welfare insurance to safeguard the rights and interests of the employees
- Contributing to the five social insurances and one housing fund to ensure employees’ rights and interests related to retirement, medical care, maternity, work-related injuries, unemployment, and housing

**Employee holidays**

- The Company has paid leave such as sick leave, marriage leave, maternity leave, bereavement leave, annual leave, parental leave and leave for single parents

**Employee health**

- Provide health checks for all regular employees

**Employees’ welfare**

- Relatively flexible working hours and location arrangements are allowed under certain conditions according to the nature and content of the work

Diagram: Diversified Benefit System of Transcenta

- **Employee Communication and Democratic Management**

Transcenta places great importance on the voices and needs of every employee. To better listen to the genuine opinions of employees and address their reasonable requests, the Company holds bi-weekly discussion meetings in Hangzhou. Through these meetings, employees are informed about the progress of the Company’s business and gain cross-departmental professional knowledge. In addition, the Company engages in regular and ad-hoc communications with employees in Suzhou, Hangzhou, Shanghai, and the United States, both on-site and online to fully gather their opinions and suggestions, thereby fostering interaction and exchange between the company and its employees.

## IV. WORKING TOGETHER TO PAINT A BEAUTIFUL LIFE

### 2. OCCUPATIONAL HEALTH AND SAFETY

Transcenta places a high priority on safety management, having established a plant-wide safety committee and a secondary biosafety committee for biological laboratories, which jointly oversee the Company's safety management operations.

The plant-wide safety committee is headed by 1 primary safety officer, who is responsible for the overall operation of the committee and the general command of safety management tasks. To ensure the professionalism and continuity of safety management, we have also appointed a dedicated safety officer with a safety management qualification certificate to handle the Company's day-to-day safety management. Furthermore, to better address the safety needs of various departments, we also have designated 4 part-time laboratory safety officers who possess relevant laboratory expertise and can assist the dedicated safety officer with laboratory safety matters. The secondary biosafety committee for biological laboratories also has 1 primary officer to ensure that all laboratory operations comply with national and industry biosafety standards.

Moreover, the Suzhou region has introduced a unified system, the SIP360 Safety Management System, aimed at enhancing compliance and safety management across enterprises. This system encompasses the "Three Modernizations" construction of enterprise safety, hazardous operation approvals, risk self-assessments, and the issuance of tasks by emergency management departments, covering the entire process of enterprise safety management. Enterprises are required to submit their safety management records and complete tasks issued by the emergency management department through the system. Based on these safety management records, a real-time safety profile and ranking of the enterprise within the industrial park or the specific innovation zone are generated. Enterprises can identify and improve weak links in their safety management by referring to their safety profile, taking effective measures for improvement through the system's guidance and recommendations, thereby reducing the occurrence of safety incidents. According to the management requirements of the Suzhou SIP360 Safety System, enterprise safety ratings are categorized into three levels: A, B, and C. Enterprises that achieve an A-level rating signify that their safety management has reached the highest standard, and the emergency management department will generally not conduct on-site inspections. Enterprises with a B-level rating will undergo intermittent inspections, while those with a C-level rating will be subject to frequent inspections, thereby urging enterprises to strengthen their safety management and ensure safe production. During the reporting period, the Company had no work-related fatalities, and the number of workdays lost due to work-related incidents was zero. The Company also conducted safety training sessions.

On March 21, 2024, Suzhou Transcenta Therapeutics Co., Ltd, was awarded the "2023 Outstanding Safety Production Navigator" ("2023年度安全生產優秀領航員") trophy by the Science and Technology Innovation Safety Supervision Department.



## IV. WORKING TOGETHER TO PAINT A BEAUTIFUL LIFE

### Case: Tabletop exercise on escape and evacuation

In an effort to further enhance employees' awareness of fire safety and improve their ability to self-rescue and assist others in the event of a sudden fire, the Company organized a personnel evacuation and escape drill in April 2024. Upon the issuance of the drill commencement command, employees swiftly and orderly proceeded to the B6 common office area. The drill was both comprehensive and practical, beginning with a video presentation that detailed crucial skills such as quickly assessing a fire situation, selecting the optimal escape route, and utilizing escape tools. Additionally, safety management personnel used a meticulously prepared PowerPoint presentation to thoroughly explain the on-site response procedures following a fire outbreak, including but not limited to alerting authorities, initial fire suppression, evacuation guidance, and casualty assistance.

Through this drill, the safety awareness and emergency response capabilities of the Company's employees have been effectively enhanced. It has also contributed to the establishment of a safer and more stable working environment, enabling everyone to remain calm and orderly when dealing with sudden fire incidents.



Picture: Tabletop exercise on escape and evacuation

## IV. WORKING TOGETHER TO PAINT A BEAUTIFUL LIFE

### Case: Annual fire drill

On November 13, 2024, the Company arranged a comprehensive personnel evacuation and escape drill to further enhance employees' fire safety awareness and emergency escape capabilities. As the drill commenced with a broadcast announcement, employees swiftly and orderly made their way to the B5 atrium. The drill encompassed various aspects such as fire escape, emergency assembly, and fire extinguisher usage training, aiming to enable employees to react promptly and correctly in emergency situations through practical operations. The first activity was the fire escape drill. Simulating a fire alarm, employees, under the guidance of safety officers, evacuated through the designated escape routes in a low posture, quickly and orderly, exiting to the B5 atrium via the safety exits. During the escape process, everyone learned how to remain calm in smoke, how to use a wet towel to cover their mouth and nose, and how to avoid crowding and stampedes. Following this was the emergency assembly segment. After safely reaching the B5 atrium, employees quickly grouped by department for assembly, with each group leader responsible for headcount to ensure all personnel had safely evacuated. This segment aims to test the Company's organizational coordination and rapid response capabilities in emergency situations. Subsequently, the drill moved on to the fire extinguisher usage training segment. The Company invited professional firefighters to provide on-site instruction, detailing the types of fire extinguishers, their applicable scenarios, operational steps, and precautions. Under the guidance of the firefighters, employees took turns operating the extinguishers, gaining hands-on experience and improving their practical skills. This drill not only tested the practicality and effectiveness of the emergency response plan but also enhanced the employees' ability to self-rescue and assist others in the face of emergencies such as fires, providing a more solid foundation for the Company's safe production and the life safety of its employees.



Picture: Annual fire drill

## IV. WORKING TOGETHER TO PAINT A BEAUTIFUL LIFE

**Case: Shape the Challenge, Win a Healthy Future – Transcenta 2024 BMI Reduction Fitness Challenge**

In May 2024, Transcenta launched an innovative “Health Transformation Challenge”(“健康蛻變挑戰賽”): using the reduction in Body Mass Index (BMI) as the criterion, the Company encouraged employees to actively participate in fitness activities and pursue a healthier lifestyle. During this competition, employees worked hard to lower their BMI through scientific exercise and a reasonable diet. At the conclusion of the competition, Transcenta ranked the participating employees based on the extent of their BMI reduction and awarded substantial prizes to those with significant results, thereby recognizing their perseverance and progress in the journey towards better health.

### 3. EMPLOYEE TRAINING AND DEVELOPMENT

Transcenta implements a dual-track development model, which categorizes and differentially manages positions across various functional departments within the organization based on the nature and characteristics of each role. The system encompasses the Technical Sequence (S Sequence) and the General Sequence (G Sequence), with each sequence further subdivided into different levels according to the depth of expertise required and the scope of management for the positions.

Technical Sequence (S Sequence)	General Sequence (G Sequence)
<ul style="list-style-type: none"><li>Typically includes positions in research and development, process development, and production</li></ul>	<ul style="list-style-type: none"><li>Typically includes positions in functional departments, clinical development, and related areas</li></ul>

## IV. WORKING TOGETHER TO PAINT A BEAUTIFUL LIFE

Transcenta actively encourages its employees to improve their academic standards and obtain work-related professional qualifications and certifications in their spare time. During the Reporting Period, a total of 12 employees of Transcenta improved their professional titles and 10 employees improved their academic qualifications.

In 2024, Transcenta carried out comprehensive training activities targeting employees in different fields through a variety of training methods and achieved remarkable results.



Through the above training activities, the professional skills and comprehensive quality of employees were improved effectively, providing solid assurance of human resources for the sustainable development and enhancement of competitiveness of the Company. Moreover, we have launched the training program of "Transcenta Core Competency Model" to strengthen team cohesion.

## IV. WORKING TOGETHER TO PAINT A BEAUTIFUL LIFE

### Case: The core competency project was successfully launched

In order to further empower employees and enhance corporate resilience and cohesion, Transcenta launched the core competency model training program at the end of 2024. This training course closely focused on the competency model of Transcenta. The course content covered concept analysis of the competency model, introduction of the competency model, and a variety of training approaches, including on-site/online group games, case discussions, self-improvement tools and book recommendations. In the interactive session of creative cooperation, the participants showed excellent creativity and collaboration ability. Whether it was on-site or online, each group built an eye-catching model of the team's vision, which fully reflected the innovative spirit of the team. During the case discussion sessions, the participants conducted in-depth analysis around the competency criteria, all participants expressed their own opinions, which stimulated a rich exchange of ideas. The feedback from the survey after the training showed that the training participants generally believed that the course was well prepared, highly logical, with diversified teaching methods and highly interactive, which greatly enhanced the sense of involvement and learning effect. The successful implementation of this training program has laid a solid foundation for the professional growth of employees and the deepening of corporate culture.



Picture: At the site of the Transcenta core competency model training program



## IV. WORKING TOGETHER TO PAINT A BEAUTIFUL LIFE

### 4. CARING FOR EMPLOYEES' WELL-BEING

Transcenta proactively carries out a variety of activities for employees to enrich their leisure life and enable them to feel the warmth of home after work. The Company regularly organizes festivals, birthday parties, anniversaries for employees, team building and other activities to allow employees release pressure in a relaxed and happy atmosphere and enhance bonding between colleagues. In addition, Transcenta also pays attention to the health of its employees, and regularly organizes physical examinations to provide health protection for employees. In the future, Transcenta will continue to pay attention to the needs of employees, create a better working and living environment for employees, and work together to achieve long-term development of the enterprise.

#### Case: Transcenta's handmade health tea workshop

In pursuit of a healthy life, Transcenta has launched the refined Transcenta Workshop in 2024. It is a journey of experience that blends traditional tea culture with modern health concepts, aiming at providing employees with a unique and healthy feast. In this ingenious workshop, participants not only made health tea by themselves but also gained deeper understanding on the profoundness of the Chinese tea culture. Through this unique approach, Transcenta promotes healthy living, delivers care for staff and makes wellness an attitude towards life.

#### Case: US team building activities

On April 12, 2024, Dr. Charlie Qi, Senior Vice President of Global R&D Department, came to New Jersey, USA to host a strategy meeting for the leadership of Global R&D Department and participated in team building with employees. During the meeting, Dr. Qi had in-depth discussions with leaders of R&D departments from all parts of the world, reviewed the current R&D trends together, clarified the future development direction and had in-depth discussions on how to improve R&D efficiency and quality. Moreover, Dr. Qi also emphasized the importance of teamwork and encouraged leaders to utilize their leadership and unlock team potential. After the meeting, while enjoying the beautiful scenery of New Jersey, Dr. Qi and his colleagues participated in a series of well-planned team building games and interactions, which not only deepened mutual understanding and trust, but also enhanced team cohesion and bonding of the global R&D team.



Picture: US team building activities

## IV. WORKING TOGETHER TO PAINT A BEAUTIFUL LIFE

### 5. CONTRIBUTING TO SOCIAL WELFARE

We actively undertake social responsibilities, uphold the original corporate aspirations, actively contribute to the society and encourage employees to actively participate in volunteer and charitable activities, and we are committed to contributing to the development of a harmonious society with our own strengths. Transcenta continues to provide scholarships to Zhejiang Gongshang University for the fifth consecutive year. In June 2024, the “Transcenta Scholarship” award ceremony was held at the School of Food and Bioengineering of Zhejiang Gongshang University. The then Chief Operating Officer, Dr. Feng Ye, and Human Resources Director, Mr. Jinye Hu of Transcenta attended the award ceremony. Transcenta hopes to fulfill its corporate social responsibilities through these public welfare activities and encourages students to pursue their dreams with steadfast confidence and courage and become future building blocks of the rising biopharmaceutical industry!



## IV. WORKING TOGETHER TO PAINT A BEAUTIFUL LIFE

### Case: Promoting Public Welfare Together – Transcenta supports student development project of Xi'an Jiaotong-Liverpool University

On the road of promoting social welfare activities and supporting the growth of young people, Suzhou Transcenta Therapeutics Co., Ltd. and Xi'an Jiaotong-Liverpool University have successfully held two social welfare activities in March and November 2024 – ice-breaking activities for off-campus tutors. These two events aimed to establish a barrier-free communication platform, enabling students to have direct dialogue with industry mentors, enriching students' social experience and laying a solid foundation for their future career development. Through participating in various interactive games and discussions, the tutors had a better understanding of the students' personality traits, academic backgrounds and future career plans, laying a good foundation for future tutoring work.

Transcenta firmly believes that these public welfare activities can effectively promote the integration of education resources and social practices to help students better prepare for their future careers. In the future, Transcenta will continue to adhere to the principles of public welfare first, deepen its cooperation with educational institutions, organize more public welfare activities beneficial to the all-round development of students, support social welfare organizations with practical actions to facilitate the cultivation higher education talents and promote the overall progress of the society.





## APPENDIX 1: TABLE FOR KEY PERFORMANCES IN 2024

### • ENVIRONMENT

Aspect	Indicators	2024	Unit
Waste	Exhaust emissions	0	tonnes
	Intensity of exhaust emissions	0	tonnes/RMB million
	Wastewater discharge	5,940	m <sup>3</sup>
	Intensity of wastewater discharge	525.66	m <sup>3</sup> /RMB million
	Hazardous waste discharge	6.98	tonnes
	Intensity of hazardous waste discharge	0.62	tonnes/RMB million
	Non-hazardous waste discharge	9.97	tonnes
	Intensity of non-hazardous waste discharge intensity	0.88	tonnes/RMB million
Greenhouse Gas (GHG) emissions <sup>1</sup>	Total GHG emissions	2,816.18	tonnes of CO <sub>2</sub> equivalent
	Intensity of GHG emissions	249.22	tonnes of CO <sub>2</sub> equivalent/RMB million
	Direct (Scope 1) GHG emissions	0.0153	tonnes of CO <sub>2</sub> equivalent
	Intensity of direct (Scope 1) GHG emissions	0.0014	tonnes of CO <sub>2</sub> equivalent/RMB million
	Indirect (Scope 2) GHG emissions	2,816.16	tonnes of CO <sub>2</sub> equivalent
	Intensity of indirect (Scope 2) GHG emissions	249.22	tonnes of CO <sub>2</sub> equivalent/RMB million
Energy use	Comprehensive energy consumption <sup>2</sup>	409.96	tonnes of standard coal
	Intensity of energy consumption	36.28	tonnes of standard coal/RMB million
	Electricity usage	3,333,105.4	kWh
	Water usage	46,181	tonnes
	Intensity of water usage	4,086.81	tonnes/RMB million
	Office paper usage	0.71	tonnes
	Packaging materials consumption	1.846	tonnes
	Intensity of packaging materials consumption	0.16	tonnes/RMB million
	Number of administrative penalty related to environmental event or aspect	0	times

Note 1: The Company's scope 1 GHG emissions are from the consumption of gasoline, and the scope 2 GHG emissions are from the use of purchased electricity and steam. For relevant data, please refer to the Reporting Guidance on Environmental KPIs issued by the Hong Kong Stock Exchange. The GHG emission factor of purchased electricity refers to the national electricity average carbon dioxide emission factor in 2022.

Note 2: Comprehensive energy consumption mainly includes gasoline consumption and energy consumption generated from the use of purchased electricity and purchased steam. The energy consumption coefficient refers to General Rules for Calculation of the Comprehensive Energy Consumption (GB/T2589-2020).

## APPENDIX 1: TABLE FOR KEY PERFORMANCES IN 2024

### • SOCIETY

Aspect	Indicator		2024	Unit
Staff employment	Total number of employees		193	persons
	Number of employees by type	full-time	185	persons
		part-time	5	persons
		dispatched labor	3	persons
	Number of employees by level	senior	20	persons
		middle	48	persons
		basic	125	persons
	Number of employees by gender	male	78	persons
		female	115	persons
	Number of employees by age	below 30 years of age	22	persons
		30-50 years of age	149	persons
		above 50 years of age	22	persons
	Number of employees by geographical regions	Mainland China	169	persons
		Hong Kong, Macau and Taiwan	1	persons
		Overseas	23	persons
	Number of employees with disability		1	persons
	Percentage of female senior management officers		55	%
	Coverage ratio of labor contract		100	%
	Coverage ratio of social insurance		100	%
	Turnover rate of employees		23	%
	Turnover rate by gender	male	29	%
		female	19	%
	Turnover rate by age	Below 30 years of age	27	%
		30-50 years of age	23	%
		Above 50 years of age	18	%
	Turnover rate by geographical regions	Mainland China	22	%
		Hong Kong, Macau and Taiwan	0	%
		Overseas	30	%

## APPENDIX 1: TABLE FOR KEY PERFORMANCES IN 2024

Aspect	Indicator		2024	Unit
Health and safety	Health examination ratio of all employees		92	%
	Occupational health examination ratio		100	%
	Work-related fatalities in the past three years		0	persons
	Hours of work loss due to injury		0	hours
	Production safety incidents		0	cases
Development and Training	Total hours of employee training		22,018	hours
	Total attendances of employee training		244	attendances
	Average training time per employee		90.24	hours
	Participation of employee training by gender	male	104	attendances
		female	140	attendances
	Participation of employee training by rank	senior	23	attendances
		middle	54	attendances
		junior	167	attendances
	Proportion of employees participating in training by gender	male	100	%
		female	100	%
	Proportion of employees participating in training by rank	senior	100	%
		middle	100	%
		junior	100	%
	Average training time per person by gender	male	75.38	hours
		female	101.27	hours
	Average training time per person by rank	senior	7.46	hours
		middle	46.42	hours
		junior	115.81	hours
Product responsibility	Total R&D investment		19,205.5	RMB10,000
	Number of proprietary patents		300	patents
	Number of licensed patents		27	patents
	Number of registered trademarks		95	trademarks
	Number of products recalled due to safety and health reasons		0	products
	Number of complaints on products and services		0	cases

## APPENDIX 1: TABLE FOR KEY PERFORMANCES IN 2024

Aspect	Indicator		2024	Unit
Supply chain management	Total number of suppliers		374	suppliers
	Number of suppliers by geographical regions	Overseas	17	suppliers
		East China	300	suppliers
		South China	15	suppliers
		North China	29	suppliers
		Central China	4	suppliers
		Northwestern China	4	suppliers
		Northeastern China	2	suppliers
		Southwestern China	1	suppliers
		Others	2	suppliers
Anti-corruption	Number of suppliers conducted on-site inspection		4	suppliers
	Coverage ratio of suppliers that incorporate environmental and social impact into the evaluation questionnaire of suppliers		29	%
	Number of concluded lawsuits related to corruption		0	cases
	Training on business ethics and anti-corruption	Number of directors trained	6	persons
		Number of employees trained	193	persons
		Number of training hours per director	1	hours
		Number of training hours per employee	1	hours

## APPENDIX 2: CONTENT INDEX OF HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Environmental, Social and Governance Aspects and General Disclosure and Key Performance Indicators (KPI)			Section
Environmental			
A1: Emissions	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	4.1 Emissions management
	A1.1	The types of emissions and respective emissions data	Appendix 1: Table for Key Performances in 2024
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity	5.3 Indicators and targets Appendix 1: Table for Key Performances in 2024
	A1.3	Total hazardous waste produced and intensity	4.3 Waste management Appendix 1: Table for Key Performances in 2024
	A1.4	Total non-hazardous waste produced and intensity	4.3 Waste management Appendix 1: Table for Key Performances in 2024
	A1.5	Description of emission target(s) set and steps taken to achieve them	4.3 Waste management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	4.3 Waste management
A2: Use of resources	General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	2 Energy Management 3 Water Resources Management
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total volume and intensity	2 Energy Management Appendix 1: Table for Key Performances in 2024
	A2.2	Water consumption in total volume and intensity	3 Water Resources Management Appendix 1: Table for Key Performances in 2024
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	3 Water Resources Management
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	3 Water Resources Management
	A2.5	Total quantity of packaging materials used for finished products and the percentage for per unit produced	Appendix 1: Table for Key Performances in 2024

## APPENDIX 2: CONTENT INDEX OF HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Environmental, Social and Governance Aspects and General Disclosure and Key Performance Indicators (KPI)			Section
A3: Environment and nature resources	General disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources	2 Energy Management
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	2 Energy Management 3 Water Resources Management 5 Responding to Climate Change
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	5 Responding to Climate Change
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	5.2 Climate risk and opportunity management
Social			
B1: Employment	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	1. Protection of Employees' Rights and Interests
	B1.1	Total workforce by gender, employment type, age group and geographical region	1. Protection of Employees' Rights and Interests Appendix 1: Table for Key Performances in 2024
	B1.2	Employee turnover rate by gender, age group and geographical region	1. Protection of Employees' Rights and Interests Appendix 1: Table for Key Performances in 2024
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	2. Occupational Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years	Appendix 1: Table for Key Performances in 2024
	B2.2	Loss of working days due to work injury	Appendix 1: Table for Key Performances in 2024
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	2. Occupational Health and Safety

## APPENDIX 2: CONTENT INDEX OF HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Environmental, Social and Governance Aspects and General Disclosure and Key Performance Indicators (KPI)			Section
B3: Development and training	General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	3. Employee Training and Development
	B3.1	The percentage of employees trained by gender and employee category	Appendix 1: Table for Key Performances in 2024
	B3.2	The average training hours completed per employee by gender and employee category	Appendix 1: Table for Key Performances in 2024
B4: Labor 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 labor	1. Protection of Employees' Rights and Interests
	B4.1	Description of measures to review employment practices to avoid child and forced labour	1. Protection of Employees' Rights and Interests
	B4.2	Description of steps taken to eliminate such practices when discovered	1. Protection of Employees' Rights and Interests
B5: Supply chain management	General disclosure	Policies on managing environmental and social risks of the supply chain	3. Responsible Supply Chain
	B5.1	Number of suppliers by geographical region	Appendix 1: Table for Key Performances in 2024
	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	3. Responsible Supply Chain
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	3. Responsible Supply Chain
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	3. Responsible Supply Chain

## APPENDIX 2: CONTENT INDEX OF HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Environmental, Social and Governance Aspects and General Disclosure and Key Performance Indicators (KPI)			Section
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	2. Quality and Safety Assurance
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Appendix 1: Table for Key Performances in 2024
	B6.2	Number of products and services related complaints received and how they are dealt with	Appendix 1: Table for Key Performances in 2024
	B6.3	Description of practices relating to observing and protecting intellectual property rights	1.3 Intellectual Property Protection
	B6.4	Description of quality assurance process and recall procedures	2.2 Quality management throughout the entire life cycle
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	4. Information Security and Privacy Protection
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	3. Business Ethics
	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	3. Business Ethics Appendix 1: Table for Key Performances in 2024
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	3. Business Ethics
	B7.3	Description of anti-corruption training provided to directors and staff	Appendix 1: Table for Key Performances in 2024
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	5. Contributing to Social Welfare
	B8.1	Focus areas of contribution	5. Contributing to Social Welfare
	B8.2	Resources contributed to the focus area	5. Contributing to Social Welfare



## APPENDIX 3: SUMMARY OF ABBREVIATIONS IN THE REPORT

For the convenience of presentation and reading, unless otherwise specified in the context, the following terms and expressions used in this year's ESG report have the following meanings:

ESG	– Environmental, Social and Governance
KPI	– Key Performance Indicator
GMP	– Good Manufacturing Practice
IT	– Information Technology
CDE	– Center for Drug Evaluation, National Medical Products Administration
MFDS	– Ministry of Food and Drug Safety of South Korea
FDA	– Food and Drug Administration of United States
NMPA	– National Medical Products Administration
AACR	– American Association for Cancer Research
ASCO	– American Society of Clinical Oncology
ESMO	– European Society for Medical Oncology
CLDN18.2	– Claudin 18.2
PET	– Positron Emission Tomography
SDGs	– Sustainable Development Goals
CMC	– Chemistry, Manufacturing and Controls
BMI	– Body Mass Index
BMS	– Building Management System
EMS	– Environment Management System

# APPENDIX 3: SUMMARY OF ABBREVIATIONS IN THE REPORT

IMTB	– Immunological Tolerance Barrier Breakthrough (IMTB) Technology Platform of Transcenta
IND	– Investigational New Drug
SABCS	– San Antonio Breast Cancer Symposium
ADCC	– Antibody-Dependent Cell-Mediated Cytotoxicity
CDC	– Complement Dependent Cytotoxicity
WMS	– Warehouse Management System
ADC	– Antibody-Drug Conjugates
SIP	– Session Initiation Protocol
GCP	– Good Clinical Practice