



# Environmental, Social and Governance Report

2024



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# About this Report

## Overview

This report marks Laekna, Inc.'s (hereinafter referred to as "Laekna" "the Company" "we") second Environmental, Social, and Governance (ESG) Report, showcasing the achievements and commitments of the Company in these critical areas.

## Reporting Methodology

This report adheres to the Environmental, Social, and Governance Reporting Guide (ESG Guide) outlined in Appendix C2 of the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange"). Concurrently, our ESG report aligns with the guidelines set forth by the Global Reporting Initiative's Sustainability Reporting Standards 2021 (GRI Standards 2021). Additionally, it reflects our Company's current developmental stage and the practical aspects of our ESG activities. The compilation of this report adheres strictly to the reporting principles of materiality, quantitative, balance, and consistency as set out in the ESG Guide.

## Scope and Boundary

This report covers the environmental and social performance of Laekna and its subsidiary companies during the period from January 1, 2024, to December 31, 2024 (hereinafter referred to as the "reporting period"). To ensure comprehensive disclosure, we have included relevant information that, where necessary, precedes or follows the designated reporting period.

## Data Sources and Reliability Commitment

The data and cases presented in this report are primarily sourced from the Company's statistical reports and pertinent documents. Our Board of Directors pledges that there are no false records or misleading statements in this report, and we assume full responsibility for its authenticity, accuracy, and integrity.

## Confirmation and Approval

This report was approved by the Board of Directors on March 24, 2025 after confirmation by the Environmental, Social, and Governance committee (hereinafter referred to as the "ESG committee").



# A Letter from CEO

Dear Stakeholders,

I am proud to share Laekna's 2024 Environmental, Social, and Governance (ESG) Report with you. In the past year, Laekna pursued holistic excellence through relentless exploration. With the support of our employees, investors, partners, experts, and stakeholders, Laekna's ESG rating has soared from B+ to A-. This represents recognition from all stakeholders of the Company's sustainable development capabilities, as well as our commitment to fulfilling the corporate mission.

In the challenging year of 2024, Laekna formed an innovation pipeline, ranging from LAE102 (ActRIIA monoclonal antibody) with potential for building muscle and reducing fat, to LAE002 (afuresertib, an oral AKT inhibitor) offering hope to patients with advanced breast cancer. We accelerated clinical trials at full speed while continuing to focus on internal discovery of our drug candidates. We actively engaged in the global biopharmaceutical collaboration network, and partnered with the international pharmaceutical company Lilly to accelerate the development of LAE102 as a novel therapy for obesity through shared resources and expertise.

These significant advancements stem from the synergy of innovation spirit, know-how experience, efficient execution, and humanistic care under the guidance of ESG-driven corporate philosophy. The past year marked a pivotal year for **"Laekna's ESG digital empowerment"**.

In 2024, Laekna achieved standardized and transparent governance by launching the **OA system and QMS (Quality Management System), streamlining processes and improving efficiency**. The OA system replaced the cumbersome approval procedures, and integrated the previously fragmented decision-making structures, making all procedures from R&D project initiation and tracking, to payment process, and contract execution fully traceable. This allowed our employees to dedicate themselves to creative work, while ensuring our clinical stage drug candidates met regulatory requirements and quality standards.

**At the corporate culture level, digitization conveys positive energy.** Sincere thanks to colleagues, cross-departmental collaborations, and praise and encouragement for project completions are all converged on the online platform of "Laekna Land", ensuring visibility and recognition of employees. The exclusive WeChat emoji packs also convey the unique understanding within Laekna, turning the organization into a warm community.

**In fulfilling social responsibilities, digitization transcends geographical barriers.** Laekna's "Children's Science and Innovation Classroom" continuously sparks children's curiosity in Gansu. Beyond material supplies, we bridge Laekna's laboratory in Zhangjiang, Shanghai with Taiping Town Central Primary School in Jingchuan County, Gansu Province. Through cloud-based classes, children ask questions, and scientists explain the mechanisms of drugs. Additionally, our "ESG Quick Fill" mini-program allows Laekna employees to engage in social responsibilities, whether sponsoring stray animals or making a charitable donation. The kind deeds collectively map the journey of accountability.

If ESG is the cornerstone of a company's sustainable development, then digital empowerment is an engine driving Laekna forward, making R&D more efficient, management more transparent, culture more cohesive, and responsibility more tangible.

I would like to extend my gratitude to all partners. In 2025, let's constantly engage in innovative efforts that truly revolutionize patient health.

Dr. LU Chris Xiangyang  
Chairman and Chief Executive Officer  
March, 2025





## About Laekna

Founded in 2016, Laekna is a science-driven, clinical-stage biotechnology company committed to bringing novel therapeutics to patients with metabolic diseases, cancer and liver fibrosis around the world.

As of December 31, 2024, Laekna has initiated seven clinical trials for LAE102, LAE002(afuresertib), LAE001 and LAE005 to address unmet medical needs in obesity and cancers.

LAE102 is our internally discovered antibody against ActRIIA. Blocking Activin-ActRII pathway could promote muscle regeneration and decrease fat mass, this positions LAE102 as a promising drug candidate for achieving quality weight control. We've obtained IND approvals from the FDA and the CDE for LAE102 in obesity indication and are advancing the Phase I clinical trial in China. In November 2024, Laekna entered into a clinical collaboration agreement with Eli Lilly and Company to support and accelerate global clinical development of LAE102 for the treatment of obesity.

Laekna team has accumulated tremendous experiences and deep know-how in the specific field of targeting ActRII receptors and is developing more drug candidates (LAE103 and LAE123), in addition to LAE102, to maximize the value of the target. LAE103 is an ActRIIB-selective antibody and LAE123 is a dual inhibitor against ActRIIA/IIIB. Both are our internally discovered antibodies for muscle and other disease indications.

In the cancer area, Laekna has built a comprehensive portfolio of drug candidates including LAE002(afuresertib), LAE001 and other seven pre-clinical drug candidates. LAE002 (afuresertib) is a potent AKT inhibitor that inhibits all three AKT isoforms (AKT1, AKT2 and AKT3) as well as one of the only two AKT inhibitors in late-stage development for breast and prostate cancer globally. Laekna has commenced the Phase III clinical trial (AFFIRM-205) for LAE002 in patients with HR+/HER2- breast cancer and the study recruitment is on track.

Laekna, Inc. (2105.HK) was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on June 29, 2023.

For more information, please visit: <https://www.laekna.com/> or <https://www.linkedin.com/company/74110713/>

## ESG Performances Highlights



RMB **215+** million  
R&D expenses



**7**  
Clinical trials covering obesity and cancer fields



**12**  
Internally discovered preclinical drug candidates

**LAE102**

Clinical collaborations with Lilly in the United States



**7**  
Presentations on international scientific conferences

**6**  
Office automation system launched

**100%**  
Employee training rate



**62%**  
Proportion of female employees

**319.5** hours  
Employee volunteering activities



# Honors & Awards

Most Popular Stock Connect  
Enterprises

GuruClub



High-performing IR Team

GuruClub



Most Valuable Pharmaceutical  
and Healthcare Company

ZhiTong Financial Information



Zhangjiang International Safety  
Community Occupational Health  
Model Enterprise

People's Government of Zhangjiang  
Town, Pudong New Area, Shanghai





# 01

## Striving for Excellence in Governance

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Laekna is committed to continuously improving its corporate governance structure and management systems, deepening compliance operations and internal risk control to ensure the scientific and rational decision-making of the enterprise. Meanwhile, the Company focuses on enhancing ESG governance structure and capabilities, maintaining communication and trust with stakeholders, and striving to create long-term value for society.

### 100%

coverage of employee compliance, risk management, and business ethics training

### 200+

Investment analyst research sessions and roadshows





# Compliance Operations and Regulatory Corporate

We place great emphasis on compliance operations and regulatory corporate. The Company has established effective management systems and governance structure, and adopted actionable governance strategies to continuously elevate its management and governance capabilities.



## Corporate Governance

The Laekna Board of Directors oversees corporate strategy and operations, ensuring competitiveness in a complex market environment. The Board consist of experienced professionals with diverse expertise, and is composed of four committees, including the Audit Committee, Remuneration Committee, Nomination and Corporate Governance Committee, and ESG Committee. The Board convenes regular meetings to fulfill supervisory and management functions and to advance corporate governance in a steady manner.

Laekna adheres to a diversity policy for the Board and appoints directors in consideration with factors such as gender, age, cultural and educational background, professional qualifications, skills, knowledge and experience. In 2024, the Board consisted of 8 members, including 3 independent directors and 1 female director. In 2024, Laekna convened a total of 5 board meetings, during which the Company solicited professional insights from board members, and thoroughly deliberated on key corporate matters including business collaboration, R&D advancement, and corporate sustainability.



Dr. **LU Chris Xiangyang ( 呂向陽 )**  
Aged 61  
Appointed as a Director in 2016  
Chairman of the Board  
Executive Director & CEO  
Chairman of the Nomination and Corporate Governance Committee



Dr. **GU Xiang-Ju Justin ( 顧祥巨 )**  
Aged 59  
Appointed as a Director in 2022  
Executive Director  
Chief Scientific Officer



Mr. **SUN Yuan ( 孫淵 )**  
Aged 36  
Appointed as a Director in 2022  
Non-Executive Director



Dr. **LI Min ( 利民 )**  
Aged 62  
Appointed as a Director in 2023  
Independent Non-executive Director  
Member of the Audit Committee  
Member of the Nomination and Corporate Governance Committee



Ms. **XIE Ling ( 謝玲 )**  
Aged 53  
Appointed as a Director in 2018  
Executive Director  
Senior Vice President  
Chairwoman of the ESG Committee  
Member of the Remuneration Committee



Dr. **WANG David Guowei ( 王國璋 )**  
Aged 63  
Appointed as a Director in 2019  
Non-Executive Director  
Member of the Audit Committee



Mr. **YIN Xudong ( 尹旭東 )**  
Aged 58  
Appointed as a Director in 2023  
Independent Non-Executive Director  
Chairman of the Remuneration Committee  
Member of the Nomination and Corporate Governance Committee



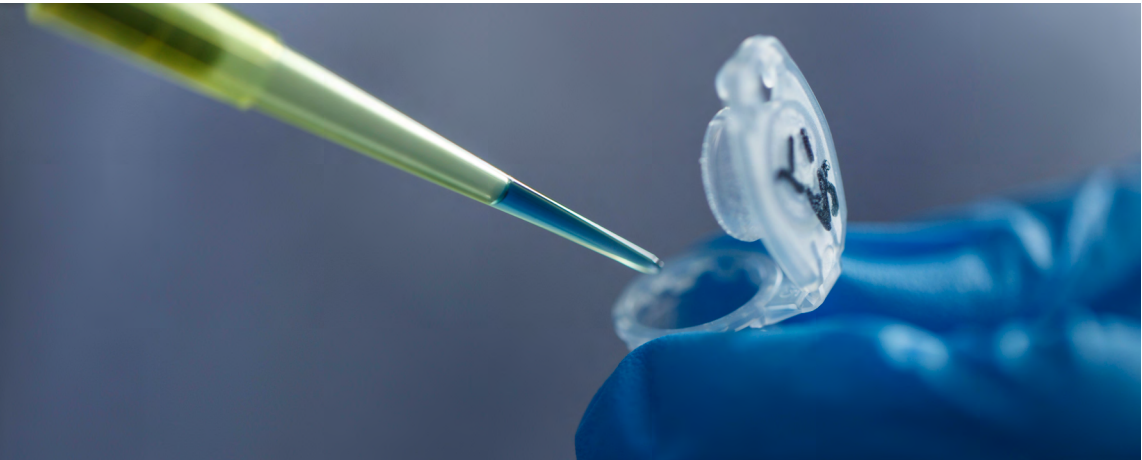
Mr. **ZHOU Jian ( 周健 )**  
Aged 46  
Appointed as a Director in 2024  
Independent Non-executive Director  
Chairman of the Audit Committee  
Member of the Remuneration Committee

# Compliance Operation

Compliance operation is pivotal to the long-term sustainable development of an enterprise. In its operations, Laekna strictly adheres to the *PRC Company Law*, the *Hong Kong Listing Rules*, and other relevant laws and regulations. The Internal Control Department collaborates with Legal Affairs, Finance, Information Technology (IT), and Procurement departments to advance compliance frameworks, and establish issue-resolution mechanisms to mitigate compliance risks.

Laekna's Internal Control Department conducts annual reviews of compliance policies, evaluates risks based on the organizational structure and business progress, and dynamically updates or formulates new policies. Under the guidance of the Audit Committee, Laekna has established an independent internal audit mechanism to monitor operational compliance and proactively prevent violations during the operation process. In 2024, the Finance and IT departments jointly upgraded the Office Automation (OA) system, achieving significant enhancements in data processing and information security. This optimization improved approval efficiency and accuracy, strengthened data traceability and transparency, and effectively mitigated risks.

Laekna has established a reporting email address ([whistleblow@laekna.com](mailto:whistleblow@laekna.com)) and a robust handling mechanism.



## Procedures for reporting and compliant handling:

- 01
- Upon receiving a report, the Legal Department coordinates with Internal Control and relevant departments to form a task force for verification and investigation.
- 02
- The task force evaluates the effectiveness of internal control, risk management, and compliance management to identify potential deficiencies in internal control.
- 03
- The task force proposes remediation recommendations, and submit an investigative report to senior management.
- 04
- Upon verification of the facts, the Human Resources (HR) Department will impose internal disciplinary sanctions on the responsible person in accordance with company regulations. Should the matter involve illegal activities, the case will be transferred to judicial authorities for legal proceedings.

Laekna continuously updates compliance policies and actively conducts compliance training among employees. Staff must complete compliance courses regularly via the learning platform. In 2024, Laekna organized 5 compliance training sessions, achieving 100% employee participation in the training program.

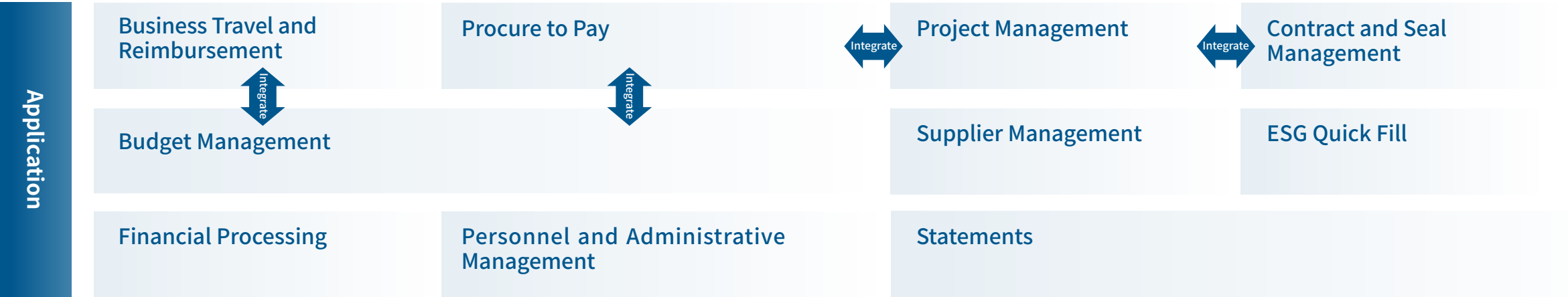


# Digital Empowerment

At present, digital technologies have been deeply integrated into Laekna's daily operations, enabling the Company to streamline and standardize workflows, significantly enhance operational efficiency, strengthen cross-departmental collaboration capabilities, and provide data-driven decision-making support. In 2024, the IT Department supported key functions including Finance, HR, Procurement, and Administration by optimizing and upgrading a series of OA systems, spanning key modules of financial management, project management, R&D project management, and HR & administrative management, thereby comprehensively empowering corporate governance.



## Application Scenarios of OA System



Using Digital Tools to Ensure Drug Quality and Safety



The Quality Management System (QMS) strengthens quality compliance risk control. Digital tools cover full-process monitoring from R&D to production, replacing traditional paper-based records with real-time electronic data records. The system integrates critical nodes such as quality review, incident handling, and document management, forming a complete evidence chain for every quality incident, operational procedure, and validation report. This enables employees to focus more on creative work while ensuring that clinical trial drugs better comply with regulatory requirements in terms of quality compliance and data integrity.

Digital Procurement for Efficient Management and Transparent Transactions



The Procure-to-Pay (P2P) process requires enterprises to handle complex information such as supplier data, delivery timelines and quality of products and services. Meticulous management of P2P workflows demands significant manpower and time. In 2024, the IT Department collaborated with Finance and Procurement departments to advance P2P digitalization. Cross-functional teams streamlined and decomposed the entire process by identifying key nodes and steps for digital transformation.

Today, processes such as procurement request submission, contract management, goods receipt confirmation, and advance payment applications can be completed online, with clear visibility of information flow and traceability of critical steps.





# ESG Governance

Laekna has established a three-tiered ESG governance structure and set up a mechanism to support the smooth operation of the structure to coordinate ESG work and support the Company to gradually achieve the goal of "becoming a company with leading ESG performance in the biopharmaceutical field".



## ESG Objectives and Strategies



# Board of Directors

## Decision-making level

Composition:  
Board members

Main responsibilities:

- Reviewing and approving annual ESG report
- Reviewing the progress of ESG objectives at least once a year
- Providing technical and budget support to achieve ESG management objectives

# ESG Committee

## Management level

Composition:  
At least 1 board director as Chairperson, 1-3 senior executives as members

Main responsibilities:

- Assisting operational departments in setting ESG objectives.
- Monitoring the attainment of ESG objectives and provide support.
- Overseeing ESG report preparation, climate change response, policy compliance, and ESG budget planning.

# ESG Working Group

## Executive level

Composition:  
Core team members selected from each department as ESG ambassadors

Main responsibilities:

- Developing and implementing ESG objectives
- Reporting on the attainment of phased and annual objectives
- Supporting ESG report preparation.
- Communicating with stakeholders.



# Materiality Identification and Assessment

Laekna identified key ESG issues for concerns and management through a comprehensive process. Firstly, we addressed the "mandatory disclosure" and "interpretation of non-compliance" issues outlined in Appendix C2 Listing Rules of Hong Kong Stock Exchange, we responded to the compliance requirements for listed companies. Secondly, we conducted a comparative analysis of leading companies in the industry, incorporating the unique characteristics of the pharmaceutical industry. Additionally, we integrated international and domestic ESG rating rules to ensure a comprehensive response to the concerns of the capital market. Ultimately, the Company identified a total of 15 ESG material issues, including 4 environmental issues<sup>1</sup>, 8 social issues, and 3 governance issues.

Environmental Issues	01 Climate Change and Carbon Emissions	03 Waste Management
	02 Energy Management	04 Water Resource Management
Social Issues	05 Supply Chain Management	09 Social Contribution and Public Welfare
	06 Occupational Health and Safety	10 R&D and Innovation Management,
	07 Staff Training and Development	11 Information Security Protection and IP Protection
	08 Diversity, Equity, and Inclusion in Workplace	12 Clinical Trial Advancement and Product Safety
Governance Issues	13 Compliance Operations and Corporate Governance	15 Business Ethics and Anti-corruption
	14 Risk Management and Internal Control	

<sup>1</sup> Currently, the issue of biodiversity has received increasing attention. After conducting a preliminary analysis of the Company's location and business value chain, Laekna believes that its main operation locations are not in ecologically vulnerable areas, and Laekna's products and services do not directly affect any protected species, organisms or ecosystems. Therefore, Laekna believes that under the current circumstances, the issue of biodiversity is not of significance to Laekna, and it will not provide management disclosure on this issue for the time being.

After preliminary screening, we evaluated the issues from two perspectives: the impact materiality and the financial materiality.

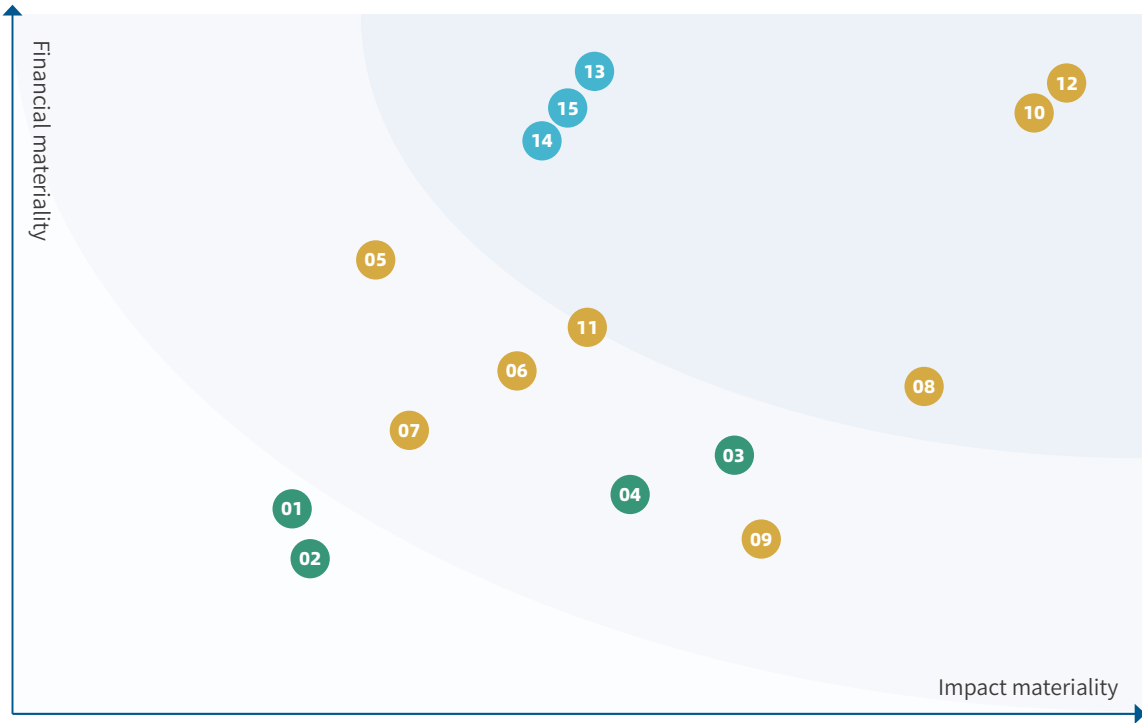
Financial materiality assessment:

Assessed factors including cash flow, stock price, financing costs, and business growth.

Impact materiality assessment:

Assessed based on economic, environmental, and social impacts, with scores assigned by internal and external stakeholders to ensure the objectivity of results.

The assessment results are visualized in a matrix, where issues in the top-right corner hold the high-level impact and financial materiality.



# Stakeholder Engagement

The following table outlines the topics and methods employed by Laekna during the reporting year to communicate with eight categories of stakeholders.

Stakeholders	Stakeholder's Issues of Interest	Laekna's Approach	Stakeholders	Stakeholder's Issues of Interest	Laekna's Approach
<div>Government and Regulators</div> <div></div>	<ul style="list-style-type: none"><li>The Company's interpretation of and response to industry policies</li><li>Business development, investment updates, financial disclosures, etc.</li><li>Selecting industry benchmarks and acknowledging corporate achievements</li></ul>	<ul style="list-style-type: none"><li>Interpreting and responding to the latest policy guidelines; participating in government-organized exchanges and seminars and providing corporate recommendations</li><li>Regularly disclosing information and publishing financial results to the public.</li><li>Maintaining communication with clinical trial regulators to ensure that clinical operations comply with legal and policy standards</li></ul>	<div>Collaborative Research Institutions</div> <div></div>	<ul style="list-style-type: none"><li>Progress and quality of clinical trials</li></ul>	<ul style="list-style-type: none"><li>Providing support to clinical trials and implementing rigorous quality control in strict adherence to Good Clinical Practice</li></ul>
<div>Investors and Shareholders</div> <div></div>	<ul style="list-style-type: none"><li>Progress in R&amp;D initiatives</li><li>Corporate governance and ESG management</li></ul>	<ul style="list-style-type: none"><li>Conducting regular information disclosures</li><li>Communicating with stakeholders through one-on-one meetings, group discussions, forum presentations, and online/offline communication channels</li></ul>	<div>Industry Associations and Peers</div> <div></div>	<ul style="list-style-type: none"><li>Corporate R&amp;D advancements, operations, and reputation</li><li>Collecting corporate recommendations and opinions</li><li>Development direction of industries, including Laekna</li></ul>	<ul style="list-style-type: none"><li>Actively participating in association-led conferences, surveys, consultations and discussions to share industry insights</li><li>Supporting public welfare campaigns initiated by industry</li></ul>
<div>Researchers, Trial Participants, and Patients</div> <div></div>	<ul style="list-style-type: none"><li>Clinical trial safety/efficacy and future accessibility of drugs with commercialization potential</li></ul>	<ul style="list-style-type: none"><li>Strictly adhering to the requirements of Good Clinical Practice and clinical trial protocols</li></ul>	<div>Suppliers</div> <div></div>	<ul style="list-style-type: none"><li>Transparent procurement strategies</li><li>Long-term stable partnerships</li></ul>	<ul style="list-style-type: none"><li>Establishing robust supplier evaluation mechanism, complaint management and feedback mechanism to meet quality standards</li><li>Establishing a strong partnership with suppliers</li></ul>
<div>Employees</div> <div></div>	<ul style="list-style-type: none"><li>Inclusive workplace environments</li><li>Occupational safety</li><li>Corporate growth prospects</li><li>Career development pathways</li></ul>	<ul style="list-style-type: none"><li>Maintaining multi-channel real-time communication with employees</li><li>Hosting annual employee meeting for direct communication and feedback between the management and all employees</li><li>Organizing diverse team-building activities</li></ul>	<div>Community</div> <div></div>	<ul style="list-style-type: none"><li>Corporate fulfillment of social welfare and environmental responsibilities</li></ul>	<ul style="list-style-type: none"><li>Engaging closely with the community where the Company is located by participating in various activities such as fire safety, public health, education, and public welfare.</li><li>Supporting a broader range of social welfare initiatives, including rural revitalization, children's education, and animal rescue.</li></ul>



# Maintaining Investor Relations

Laekna places great emphasis on maintaining communication with both current and potential investors. The Investor Relations Department strives to establish a long-term and trust-based partnership with investors and shareholders, guided by a transparent, honest, timely, and professional approach. We regularly release annual reports, interim reports, ESG reports, announcements, and circulars to ensure investors and shareholders receive accurate, clear, comprehensive, and timely information. Such information are available in real-time on the Hong Kong Stock Exchange website and Laekna's official website at [www.laekna.com](http://www.laekna.com).

The Board of Directors maintains regular contact with institutional investors and analysts to communicate the Company's strategies, operations, management, and plans. Members of the Board and its committees attend the Company's Annual General Meetings to address inquiries during the meetings. Individual resolutions on significant matters are proposed at general meetings. Voting results are announced during the meetings and subsequently published on the Hong Kong Stock Exchange website and the Company's website.

In 2024, Laekna organized approximately 200 research sessions and roadshows with investors and analysts, participated in around 40 brokerage strategy conferences and industry summits, and engaged in over 100 investor exchanges during these events. Laekna leverages the strengths of diverse communication channels and platforms through one-on-one meetings, group discussions, forum presentations, and online and offline interactions.

In 2024, the Company held four online financial conference calls to promptly communicate with the market following the disclosure of financial results and major business developments.

## In the 4th DJSeedin Innovation Collaboration Summit

Case

In May 2024, Laekna's CFO, CHAU Kwok Keung ( 鄒國強 ), attended the 4th DJSeedin Innovation Collaboration Summit and participated in a panel discussion titled "Growth Pathways, Market Value Management Opportunities and Challenges for Innovative Pharmaceutical Companies Under New Market Dynamics". He introduced Laekna's growth model and pathways, market value management, investor relations practices, and shared future outlooks

He also utilized this opportunity to present the Company's key R&D pipelines and progress to potential investors. Laekna's internally discovered LAE102 is a highly selective ActRIIA monoclonal antibody. Pre-clinical studies indicate that combining LAE102 with GLP-1 receptor agonists can further reduce fat mass while significantly mitigating muscle loss caused by GLP-1 receptor agonists.



# Risk Management and Internal Control

Laekna is committed to establishing a robust risk management and internal control system, conducting risk awareness training, and implementing comprehensive risk management and internal control measures to mitigate operational risks.

The Audit Committee consists of two independent non-executive directors and one non-executive director, whose duties are to oversee close collaboration between the finance department and business units to execute internal audits and risk management. The Company has established an independent internal audit mechanism for regular inspections and evaluations. Internal audit reports are reviewed and approved by the Audit Committee. Additionally, Laekna has formulated policy documents such as *Risk Management* and *Internal Audit*, which clearly define risk management procedures and internal audit workflows. In 2024, the Company engaged professionals to conduct internal control reviews, with no material deficiencies identified.



## Risk Management Procedures

Risk Assessment

**Risk-related information collection:**

All departments comprehensively, systematically, and continuously gather internal/external primary information related to corporate risks and risk management, including historical data and future forecasts, and then analyze, refine, compare, categorize, and synthesize such information.

**Risk evaluation:**

Qualitative and quantitative methods are combined to analyze and prioritize identified risks based on their likelihood of occurrence and potential impact.

**Dynamic management and reassessment:**

Departments dynamically manage risk information and promptly reassess emerging risks and changes to existing risks.

Risk Response

**Risk avoidance:**

For risks exceeding tolerance levels, discontinuing or terminating operations associated with risks to prevent or mitigate losses.

**Risk reduction:**

After weighing the cost-effectiveness, taking appropriate control measures to minimize risk or mitigate losses, keeping risks within acceptable thresholds.

**Risk sharing:**

Implementing business subcontracting, purchasing insurance, and other appropriate control measures to keep risks within acceptable thresholds.

**Risk acceptance:**

After weighing the cost-effectiveness, we do not intend to implement control measures to mitigate risks or minimize losses.

**Integrated response:**

Applying internal control measures, such as segregation of incompatible duties, authorization approvals, system controls, asset protection, budget control, operational analysis, and performance evaluation to keep risks within acceptable thresholds.

Risk Monitoring and Early Warning

**Daily monitoring:**

The Legal Department and Finance Department enhance daily risk monitoring. Through effective communication and feedback, the Company's management and all departments are informed of business and asset risks in a timely manner and the risk management policies and management measures are adjusted accordingly.

**Compliance with regulations:**

All departments of the Company strictly abide by the internal control system to minimize the probability of risks.

**Risk early warning:**

Proactive risk prevention measures are implemented in response to macroeconomic policy shifts, industrial policy changes, or impending major natural disasters.

**Checks and balances for key positions:**

Systems such as decision-making committees for major matters and authorization approvals are established to form a check and balance mechanism and reduce operational risks.



Internal Audit Mechanism

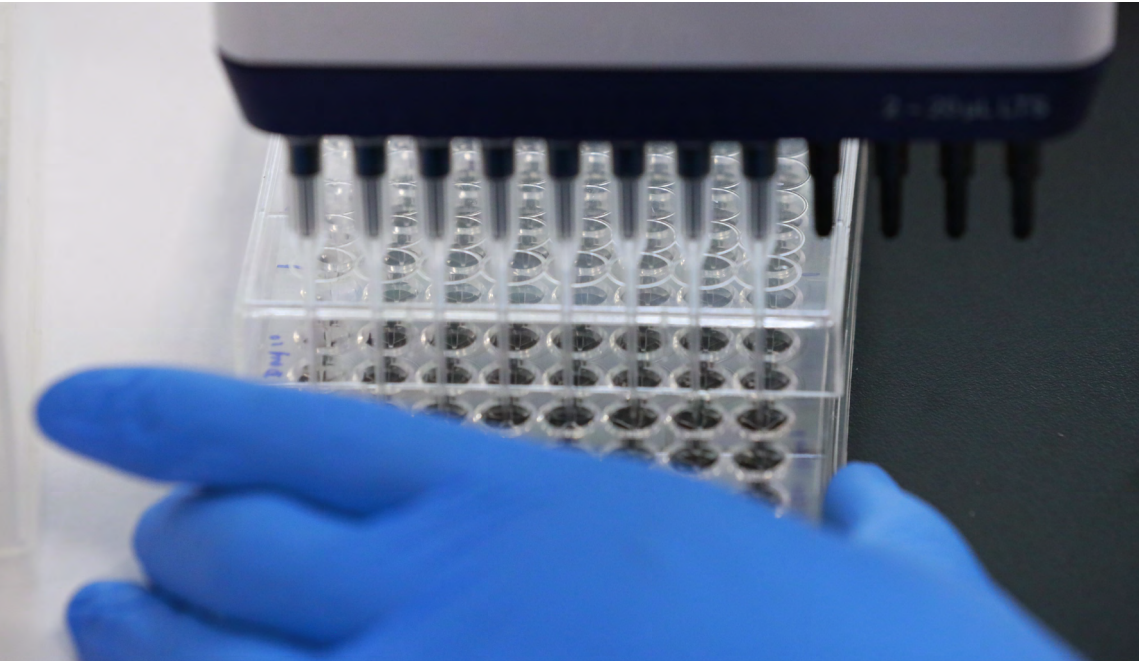
01	<p><b>Formulating Internal Audit Plans</b></p> <p>The internal audit team develops audit plans based on an understanding of business activities and quantitative and qualitative risk analysis.</p>
02	<p><b>Audit Notification</b></p> <p>Upon audit initiation, the internal audit team issues an audit notification to the audited department.</p>
03	<p><b>Audit Execution</b></p> <p>The internal audit team designs audit procedures per the audit plan and conducts audits through document reviews, interviews, voucher sampling, and statistical analysis. External professionals may be engaged for audit or to propose professional suggestions if required.</p>
04	<p><b>Audit Feedback</b></p> <p>If issues are identified during the audit, the audited department is required to respond with proposed rectification plan, schedule, and responsible person.</p>
05	<p><b>Audit Report</b></p> <p>After receiving feedback, the audit report is submitted to the CEO, the Audit Committee, and other relevant personnel for review or approval.</p>
06	<p><b>Follow-up Audit</b></p> <p>The internal audit team organizes follow-up audits to verify the implementation of rectification measures and the rectification effect.</p>

In 2024, Laekna conducted 13 risk management training sessions, attended by a total of 803 participants, achieving 100% employee training coverage. This significantly enhanced the risk management awareness for employees.

# Business Ethics and Anti-corruption

The Legal Department, Internal Control of Finance Department and Human Resources Department collaborate to oversee Laekna's business ethics governance. The Human Resources Department and Legal Department jointly act as supervisory bodies, working to raise employees' ethical awareness and effectively mitigate potential corruption risks. Laekna developed policy documents, including *Conflict of Interest Management*, *Anti-Fraud Measures*, *Guidelines for Company Gift Applications and Giving*, and *Employee Handbook*. These documents outline clear behavioral requirements for all workplace processes and scenarios. All employees are required to sign a confirmation after reading the *Employee Handbook*.

In 2024, employees completed one business ethics and anti-corruption training session with 100% coverage. During the reporting period, no corruption-related lawsuits were filed against the Group or its employees.



# Supply Chain Management

A well-coordinated, stable, and professional supply chain is critical to Laekna's operations and R&D. Laekna has taken steps to integrate ESG values into its partnerships, aiming to build a resilient, low-risk, and responsible supply chain.

In the supplier engagement process, Laekna evaluates collaboration risks and capabilities for suppliers meeting certain procurement value thresholds using a *Supplier Information Collection Form*. For the types of suppliers engaged in drug development and need to comply with Good Practice Guidelines and regulations, Laekna conducts additional due diligence via questionnaires to ensure alignment with its standards. After preliminary risk screening, Laekna utilizes the *Purchase Inquiry and Price Comparison Summary* and *Supplier Evaluation Form* to assess and select suppliers based on fairness and transparency. In 2024, suppliers managed through the above engagement process accounted for 40% of total suppliers and 90% of total procurement spending.

Laekna selects suppliers with excellent results in long-term cooperation and evaluation, and adopts a more expedited engagement process to ensure a stable collaboration. For service with high demand, high frequency and high-level importance for production and operation, the Procurement Function and the Business Unit work together to assess the respective demand. During the supplier screening stage, additional suppliers are introduced as candidates to enhance the resilience of the supply chain and prevent the Company from being affected by accidents involving individual suppliers.

Likewise, Laekna fully safeguards supplier's rights and interests in management, maintains open communication, and has established a dedicated email address ([procurement@laekna.com](mailto:procurement@laekna.com)) for daily communications. Laekna also displays the official email address ([communication@laekna.com](mailto:communication@laekna.com)) on the Company's official website for potential suppliers to submit partnership proposals. Laekna's *Supplier Complaint Traceability Form* established in 2023 has been put into use. We take a responsible attitude to identify, trace and resolve related issues to protect the supplier's rights and interests.

As of December 31, 2024, Laekna had 627 suppliers, including 564 Chinese suppliers and 63 overseas suppliers.

In 2024, Laekna reinforced the management of responsible supply chain:

As of December 31, 2024





Supplier screening phase:

Laekna investigates potential suppliers' environmental and social performance over the past three years to avoid collaborating with higher-risk suppliers. The investigation is conducted with reference to the United Nations Global Compact, the Pharmaceutical Supply Chain Initiative and the practices of some industry leaders, covering environmental pollution, occupational health and safety, child labor, forced labor, workforce stability, animal ethics, clinical trial compliance, and business ethics.

Supplier acceptance phase:

Laekna reviews potential suppliers' certifications in environmental and labor management systems and, under the same or similar evaluation criteria, gives priority to the suppliers with outstanding performance in environmental and social management.

Laekna has completed the preparations for the above investigation content and working methods in 2024, and plans to implement this process to screen new suppliers from January 1, 2025. For existing suppliers, Laekna will adopt the same method to evaluate their environmental and social risks in batches according to the importance of their business.

Laekna explores the way to procure **green products and services** in operation and R&D processes. Currently, the main procurement categories include raw materials, consumables for clinical trial and office supplies. In terms of consumables, Laekna prioritizes items with lower waste generation during the use stage, and constantly seeks eco-friendly raw materials and consumables on the market to incorporate them into procurement plans.

In terms of **green procurement of office supplies**, the ESG Committee collaborates with administrative departments to conduct an assessment of current usage of office supplies and gradually adopt eco-friendly consumables. In 2024, Laekna procured and utilized office paper with Forest Stewardship Council (FSC) certification, which offers superior environmental benefits. Throughout the year, 98% of A4 paper used was FSC-certified.





# 02

## Innovative R&D

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Laekna aims to address disease-related challenges for patients through high-quality novel drugs. Upholding the mission of "Let Health be Your Choice", Laekna's innovative R&D team accelerates drug development to bring hope to patients as soon as possible.

RMB **215+** million  
R&D expenses

**70.9%**  
R&D personnel ratio

**7**  
clinical trials





Management of R&D and Innovation

Innovative R&D Mechanisms

As a science-driven clinical-stage biotechnology company, Laekna is dedicated to accumulating experience and expertise in fields of metabolic diseases and oncology.

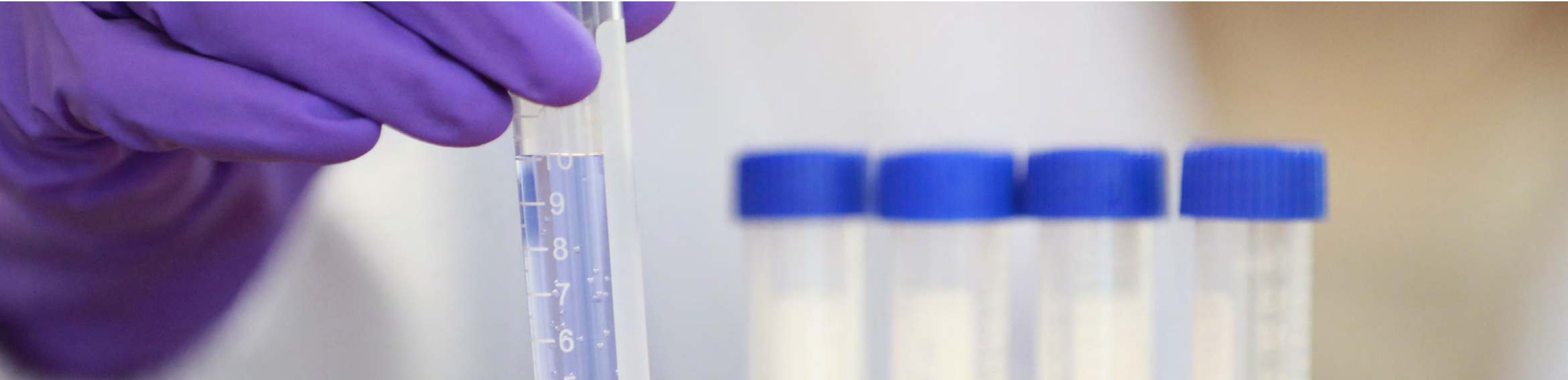
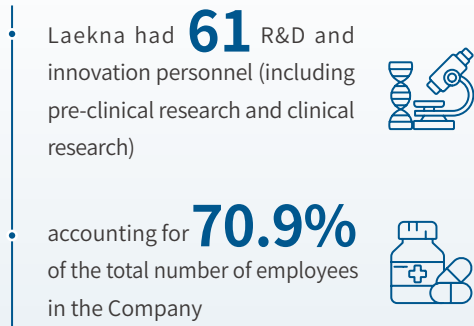
We implement a series of initiatives to strengthen R&D capabilities, form independent innovation features, and accelerate clinical development. During the reporting period, we initiated seven clinical trials for LAE102, LAE002 (afuresertib), LAE001, and LAE005 to address unmet medical needs in fields of obesity and oncology.

We have assembled a seasoned management team with extensive experience and expertise covering the full cycle of drug discovery and development process, from pre-clinical asset discovery, clinical trial design and execution to regulatory process management and drug manufacturing.

As of the end of the reporting period, Laekna had 61 R&D and innovation personnel (including pre-clinical research and clinical research), accounting for 70.9% of the total number of employees in the Company. Among them, 14 employees have a doctoral degree, accounting for 23% of the R&D team, and 32 employees have a master's degree or above, accounting for 52%.


Laekna continues to promote and expand its R&D pipeline with a "three-engine" development model (independent innovation, translational research, and business development), and is committed to bringing new treatment solutions to more patients around the world.

As of December 31, 2024



The "Three-Engine" Development Model

Internal Discovery




We are committed to advancing the pipeline through internal discovery and independent innovation to address the needs of patient groups with unmet medical needs, and plan to have one candidate drug enter the clinical stage every year.

Based on our rich experience in the Activin-ActRII pathway, the Group has established a comprehensive ActRII portfolio and strives to maximize the value of targeting ActRII receptors. While, LAE102 is our internally discovered monoclonal antibody against ActRIIA. Blocking Activin-ActRII pathway could promote muscle regeneration and decrease fat mass, this positions LAE102 as a promising drug candidate for achieving quality weight control.LAE103 is an ActRIIB-selective antibody and LAE123 is a dual inhibitor against ActRIIA/IIB. Both are our internally discovered antibodies for muscle and other disease indications.


We are in the process of developing multiple innovative drug candidates, including small molecules, bispecific antibodies, and bifunctional NK engagers against various diseases.

Translational Research



The Group also actively explores potential combination therapy opportunities among our pipeline and with existing approved drugs as well as conventional therapies. Our LAE002 (afuresertib) combination trial with Fulvestrant has demonstrated remarkable clinical value to treat HR+/HER2- breast cancer patients who have failed previous standard of care treatments of endocrine/anti-estrogen therapies, including CDK4/6 inhibitors which represent a big unmet medical need with huge market potential. Our combination therapy of LAE002 (afuresertib) plus LAE001 to treat the second generation A/AR drug-resistant mCRPC also demonstrated promising treatment benefits to mCRPC patients. We are committed to unleashing the clinical values of our drug candidates.

Business Development

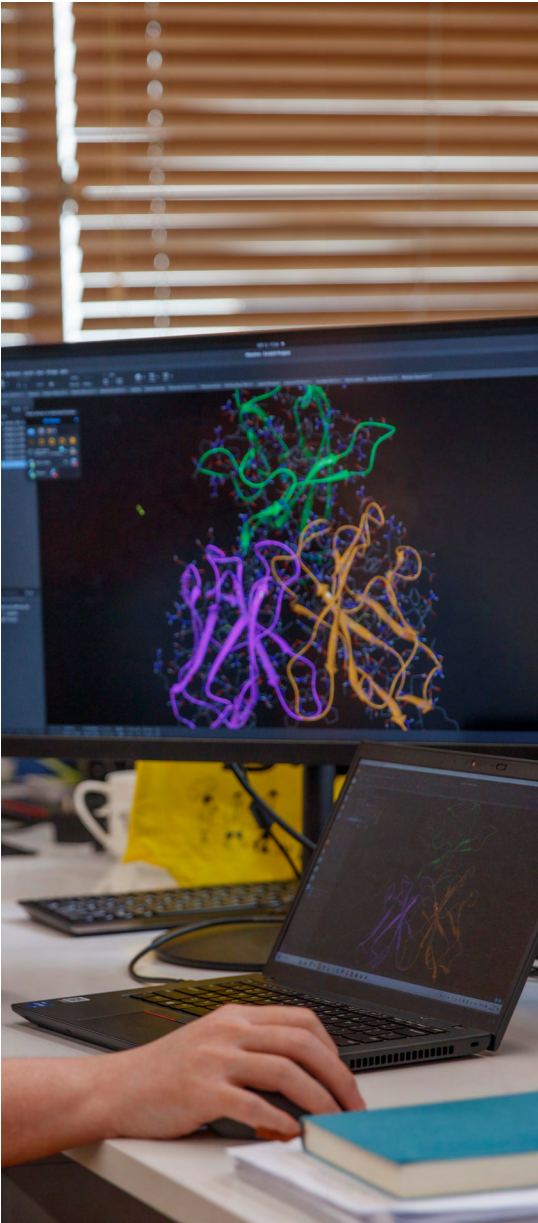


We plan to pursue more strategic partnerships with global leading pharmaceutical companies to accelerate clinical development and commercialization of our drug candidate assets. In 2024, Laekna announced a clinical collaboration with Eli Lilly and Company (Lilly), a global leader in cardiometabolic health, including diabetes and obesity, to accelerate the development of LAE102 as a novel treatment for obesity. Lilly will be utilizing Lilly's Catalyze360-ExploR&D engine to accelerate the development of LAE102, and will fund, share resources and expertise to accelerate research and development timelines. Laekna retains global rights for LAE102.





To accelerate the process of innovative R&D, Laekna has established characteristic platforms such as a macromolecule conditional specific binding screening platform and an AI-assisted drug design platform by leveraging advanced technical capabilities. These platforms have greatly promoted the efficiency of drug R&D and expedited the R&D process. In terms of internal management, Laekna has formulated a series of standard operating procedures (SOPs), including the initiation of new projects, the confirmation of PCCs, the initiation of IND application research, and the initiation and promotion of clinical trials, which effectively improve the efficiency of R&D work. The company also tracks project progress through a digital system to optimize project management efficiency.



Quick Q&A by Laekna's AIDD Team on AI-driven Drug Discovery

Case

**Q1** When did Laekna start applying AI for drug discovery?

**A1** We started applying it around the beginning of 2023. It was first used in small molecule projects. The opportunity came when we wanted to try using it to predict the affinity of a new molecule. Later, we also began to use AI models to support our macromolecule projects, and the scope of application has become increasingly extensive.

**Q2** How much time can AI help us shorten in the process of drug discovery? Are there any surprises?

**A2** We will first give AI an idea, a hypothesis, and then let it help us filter out some results that may not have a high accuracy rate. For example, if there are 50 compounds, we can first use AI to make predictions, and prioritize screening a part of the compounds that AI deems promising, and eliminate some molecules with less satisfactory performance. In this way, we can save time costs. Overall, AI can indeed accelerate our drug discovery process.

**Q3** Nowadays, AI is very popular. Will it bring revolutionary changes to drug discovery in the future?

**A3** The general trend in the future is that most pharmaceutical companies will make use of these AI models as much as possible to accelerate drug discovery. At the same time, with more frequent use, these models will become more and more mature and reliable. It can be said to be a mutually reinforcing process.

In the future, it is not excluded that a molecule may be independently discovered by AI. However, currently, AI is just an auxiliary tool. What is more crucial is our own decision-making, knowing what we want to do, and which tools we can use to do it faster and better.

# Innovative R&D Achievements

During the reporting year, Laekna's R&D team achieved multiple milestones and reported a number of latest advancements at international and domestic large-scale scientific conferences.

## Pre-clinical Candidate Progress

### Targeting ActRII Receptors

- We have commenced IND-enabling studies for LAE103 (ActRIIB-selective antibody) and LAE123 (a dual- inhibitor against ActRIIA/IIB). Laekna plans to submit IND applications for LAE103 and LAE123 in the second and fourth quarter of 2025, respectively.

### Oncology Field

- LAE118 (PI3Kα mutation-selective inhibitor) entered IND-enabling studies in the fourth quarter of 2024.
- LAE120 (USP1 inhibitor) obtained the IND approval from FDA in February 2025.
- LAE122 (WRN mutation-selective inhibitor) completed PCC declaration in the first quarter of 2025.



7 Presentations at International Scientific Conferences

January 4-6, 2024

NASH-TAG

Laekna presented its internally discovered bifunctional NK-aHSC engager platform targeting activated hepatic stellate cells at a poster session. LAE105, an antibody engineered by this platform, recruits immune cells to elicit aHSC clearance and improves liver fibrosis. LAE105 is a potentially first-in-class drug candidate. The mechanism and preclinical data of LAE105 were disclosed at the conference.

October 2024

International Gynecologic Cancer Society (IGCS)

Phase I data of LAE002 (afuresertib) plus sintilimab and nab-paclitaxel were presented. High response rates were observed in cervical and endometrial cancer patients after third-line SOC therapies, such as PD-1 inhibitors and/or chemotherapy.

April 2024

American Association for Cancer Research (AACR)

1

Phase I study of LAE002 (afuresertib) plus LAE005 and nab-paclitaxel in triple-negative breast cancer. The clinical data showed preliminary anti-tumor activity, indicating potential efficacy in patients with drug-resistance.

2

LAE119 (PARP1-selective inhibitor)

3

LAE120 (USP1-selective inhibitor)

Preclinical data for the above two drug candidates were presented at poster sessions. Both candidates demonstrated promising anti-tumor efficacy and well-tolerated safety profile in animal models.

December 2024

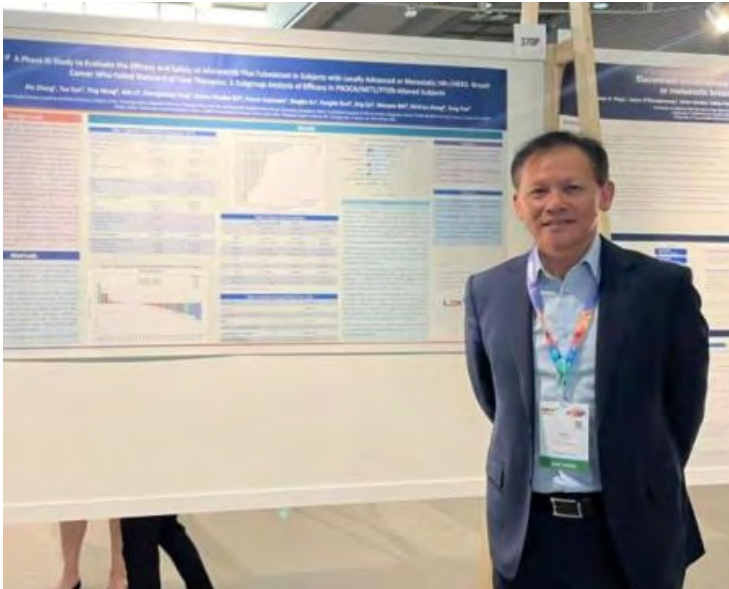
San Antonio Breast Cancer Symposium (SABCS)

LAE118 study data were presented as at a poster session. LAE118, a mutant-selective PI3Kα inhibitor, was developed through collaboration among medicinal chemistry, biology, and AI-driven drug discovery teams. AI tools accelerated the R&D progress of the project. Latest data highlighted LAE118's superior activity, selectivity, and safety in animal models compared to competitors, positioning it as a best-in-class candidate.

September 2024

European Society for Medical Oncology (ESMO)

Updated Phase Ib data for LAE002 (afuresertib) plus fulvestrant in the treatment of HR+/HER2- locally advanced or metastatic breast cancer patients who failed standard therapies were presented at a poster session. The therapy showed promising anti-tumor efficacy and well-tolerated safety profile in 31 subjects and in a subgroup with PIK3CA/ AKT1/PTEN alterations from China and the United States.



Dr. LU Chris Xiangyang, Chairman and CEO of Laekna, presented at ESMO 2024

	Product	Mono / Combo	Target	Indications	Lead Discovery	Proof of Mechanism	CMC IND Enabling	Phase I	Phase II	Phase III
Cancer	LAE002	+ Fulvestrant(China) + Elacesrant(US)	AKT+ER	2L-3L Locally Advanced or Metastatic HR+/HER2-BC						
		+ LAE001/ Prednisone	AKT+CYP17A	2L-4L mCRPC						
		+ Paclitaxel	AKT+Chemo	2L-6L PROC						
		+ Sintilimab + Chemo	AKT+PD-1+Chemo	PD-1/L1 drug-resistant solid tumors						
		+ LAE005 + Nab-Paclitaxel	AKT+PD-L1+Chemo	2L-3L TNBC						
	LAE001		CYP17A/CYP11B2	1L mHSPC						
	LAE120		USP1	Cancer						
	LAE118		PI3Kα mutants	Cancer						
	LAE119		PARP1	Cancer						
	LAE122		WRN	Cancer						
Metabolic/ Fibrosis	LAE111		LILRB1-LILRB2	Cancer						
	LAE112		FGFR2b	Cancer						
	LAE113		TIGIT-PVRIG	Cancer						
	LAE102		ActRIIA	Obesity						
	LAE103		ActRIIB	Sarcopenia						
	LAE123		ActRIIA-IIB	Severe diseases						
	LAE105		aHSC	Liver Fibrosis						
	LAE104		aHSC	Liver Fibrosis						
	LAE106		TGFβ	Fibrosis						

Black: Large Molecular, Blue: Small Molecular

Internally Discovered

Global Rights Exclusively Licensed



# Innovative R&D Exchanges

While actively advancing internal innovative R&D efforts, Laekna also engages in external exchanges. During the reporting year, WANG Gary, Vice President of Clinical Development at Laekna, was appointed as a member of the Diabetes and Metabolic Diseases Clinical Drug Research Specialty Committee of the China Pharmaceutical Innovation and Research Development Association (PhIRDA). CAO Ying, Head of Information Technology, became a member of the Medical Digitalization and Innovative Therapies Specialty Committee. To date, Laekna has a total of 5 members serving across various specialty committees of PhIRDA.

## Laekna Experts in Specialty Committees of China Pharmaceutical Innovation and Research Development Association (PhIRDA)

Dr. Gu Xiang-Ju Justin	Chief Scientific Officer	Member of Drug R&D Specialty Committee
WANG Gary	Vice President of Clinical Development	Member of Drug Clinical Trials Specialty Committee
		Member of Diabetes and Metabolic Diseases Clinical Drug Research Specialty Committee
CAO Nexus	Head of Information Technology	Member of the Medical Digitalization and Innovative Therapies Specialty Committee
CHEN Huimin	Head of Regulatory Affairs	Member of the Medicinal Policy Specialty Committee
CAO Emma	Head of Pharmacovigilance	Member of the Clinical Research on Cardiovascular Drugs Specialty Committee

## Next-Generation MASH (Metabolic Dysfunction-Associated Steatohepatitis) Innovative Drugs Targeting Fibrosis

Case

Dr. GU Xiang-Ju Justin, Chief Scientific Officer of Laekna, and Dr. ZHANG Minhua, Senior Director, attended the "2024 Liver Disease New Drug Alliance Annual Conference & Weight-Loss Drug Forum". Dr. ZHANG Minhua presented Laekna's strategy to accelerate the resolution of advanced fibrosis and cirrhosis in NASH (non-alcoholic steatohepatitis) by integrating lipid-lowering therapies with anti-fibrotic mechanisms. She also highlighted Laekna's proprietary activated hepatic stellate cell (aHSC) depletion platform, which has yielded multiple anti-fibrotic candidates, including LAE105 and LAE106.

Dr. ZHANG Minhua elaborated LAE105 demonstrated potent aHSC-killing activity in in vitro experiments and significant anti-fibrotic efficacy in liver fibrosis models. Toxicology studies in non-human primates revealed a robust safety margin, providing solid foundation for its clinical application.





# Advancing Clinical Trials and Ensuring Drug Safety

## Accelerating Clinical Trials

In 2024, Laekna implemented multiple measures to enhance clinical trial safety and expedite trial progress, achieving significant milestones. During the reporting period, we initiated seven clinical trials for LAE102, LAE002 (afuresertib), LAE001, and LAE005 in different countries.

In terms of clinical design, Laekna developed tailored protocols for each drug candidate. When enrolling subjects, Laekna leveraged genetic testing and other technologies to screen the trial population so that the subjects can receive targeted treatment and achieve better clinical results. During the clinical trial stage, Laekna maintained strong partnerships with Principal Investigators (PIs), Key Opinion Leaders (KOLs), leading clinical service providers (CROs, CDMOs, SMOs), and hospitals in order to share clinical resources and expertise and rapidly advance clinical trials.





Major Clinical Trials:LAE002 (afuresertib) +Fulvestrant in HR+/HER2-breast cancer, Phase III (AFFIRM-205)

Market Demand

According to the latest data from the International Agency for Research on Cancer (IARC), 2.29 million new breast cancer cases were estimated worldwide in 2022, making it the "most prevalent cancer globally" in women, with 666,000 expected deaths. IARC data also show that breast cancer ranks second among female cancers in China, with 357,000<sup>①</sup> new cases in 2022.

Among all breast cancer patients in the United States, approximately 69% are classified as HR+/HER2- (hormone receptor-positive, human epidermal growth factor receptor 2-negative)<sup>②</sup>. In China, this molecular subtype accounts for 62% of cases. Although most patients initially benefit from first-/second-line endocrine therapy plus CDK4/6 inhibitors and/or chemotherapy, the majority eventually develop drug resistance, leading to treatment failure. There is an urgent need for novel therapeutic options to address post-resistance challenges.

Clinical Trial Progress

LAE002 (Afuresertib, an oral AKT inhibitor) is one of the only two AKT inhibitors in or completed the pivotal-stage clinical development for anti-cancer treatment globally. Results from a previous Phase Ib study showed that afuresertib plus fulvestrant substantially increased the median PFS to 7.3 months compared to fulvestrant monotherapy PFS of 3-4 months, demonstrating favorable safety.

Laekna has commenced the Phase III clinical trial AFFIRM-205 in China for LAE002 (afuresertib) plus fulvestrant in patients with PIK3CA/AKT1/PTEN alterations and HR+/HER2- locally advanced or metastatic breast cancer in May 2024, which was ahead of our planned schedule. The Phase III clinical trial AFFIRM-205 is a multi-center, randomized, double-blind, placebo-controlled pivotal study to further assess the anti-tumor efficacy and safety of the combination therapy. Study recruitment is on track. Laekna targets to complete subject enrollment in the fourth quarter of 2025 and to submit a New Drug Application (NDA) to CDE in the first half of 2026.

On June 23, 2024, more than 50 breast cancer experts from 47 oncology research centers across the country reviewed the safety and efficacy data from the study, and had an in-depth discussion about the study protocol and implementation strategy for the Phase III clinical trial.



Academician **XU Binghe**

Lead Investigator of AFFIRM-205; Director of Internal Medicine, Cancer Hospital of the Chinese Academy of Medical Sciences

“ The Phase Ib study preliminarily demonstrated the potential of AKT inhibitors in treating breast cancer, particularly HR+/HER2- locally advanced or metastatic breast cancer with PIK3CA/AKT1/PTEN alterations. In late May 2024, the first patient in the AFFIRM-205 trial was dosed at the Cancer Hospital of the Chinese Academy of Medical Sciences. All participating experts are highly optimistic about the upcoming Phase III clinical study. ”

① Global Cancer. IARC. <http://gco.iaic.fr/>  
② Cancer Stat Facts: Female Breast Cancer Subtypes; SEER 22 2016–2020

Major Clinical Trials:LAE102 in Obesity, Phase I

Market Demand

According to data from the World Obesity Federation, the global population affected by obesity is projected to exceed 1.2 billion<sup>①</sup> by 2030. The causes of obesity are complex and, so often, it puts people on a path to other diseases — not only diabetes, but also heart and liver diseases, cancers and many more. There are growing understandings of the critical need to treat obesity among both the medical community and the public, while an increasing number of people living with such disease are actively seeking support.

Clinical Trial Progress

LAE102 is our internally discovered monoclonal antibody against ActRIIA. By blocking the Activin-ActRII pathway, LAE102 promotes muscle regeneration and fat loss, making it a high-quality weight management candidate. We submitted IND applications to both of CDE and FDA for LAE102 in obesity indication in the first quarter of 2024 and obtained approvals of the same in the second quarter of 2024. We have commenced the Phase I clinical study of LAE102 in June 2024, which was ahead of our planned schedule.

The Phase I clinical study is a randomized, double-blind, placebo-controlled study to evaluate the safety, tolerability, pharmacokinetics and pharmacodynamics of LAE102. It took only 40 days from the approval of the IND in China to the dosing of the first enrolled subject at Zhongshan Hospital of Fudan University in Shanghai. As of the end of December 2024, we have completed the single ascending dose subject (the "SAD Study") of LAE102, with significant target engagement and expected pharmacokinetic biomarker changes observed, as well as encouraging safety profile.



Professor **JI Linong**  
Chair of Laekna's 'Overweight / Obesity Clinical Program' Expert Advisory Committee; Chief Physician of Endocrinology, Peking University People's Hospital

“ Obesity is a complex chronic disease that has become a major public health threat to the physical and mental well-being of Chinese citizens. In recent years, innovative clinical approaches and therapies targeting weight loss emerge rapidly, and novel drugs with improved efficacy and safety are under development.

Both patients and physicians hold high expectations and demands for better quality, safety and sustained efficacy of weight loss, and for additional benefits such as muscle preservation during fat reduction and long-term weight maintenance. We eagerly anticipate that these new therapies will benefit a broader population of individuals with obesity. ”

① World Obesity Federation, 2023b

# Subject Protection

Laekna fully safeguards the rights of subjects enrolled in clinical studies. All clinical trials conducted, evaluated and documented by the Company in accordance with the Good Clinical Practice (GCP) as outlined in Guideline E6 of the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH) and the general ethical principles of the Helsinki Declaration.

The trial protocol will be approved by the Institutional Review Committee or the Independent Ethics Committee and, if required by relevant legislation, by the competent national authorities, prior to the commencement of the study. Only after obtaining medical ethical review and approval will the investigator begin to conduct the clinical trial in accordance with the national and local laws of the relevant regulatory authorities.

Laekna fully protects the three major rights of subjects: the right to privacy, the right to informed consent, and the right to voluntary participation. In addition to the necessary compliance with clinical trial regulations, Laekna also purchases insurance for enrolled subjects, providing compensation or treatment in the event of trial-related injuries.

## Rights and Interests of Trial Subjects

The right to privacy	Laekna ensures that subjects' privacy is not violated and handles subjects' private information in accordance with the <i>General Data Protection Regulation</i> and other local regulations, whichever is more stringent. In medical reports and materials, subjects' identities and personal information are anonymized using assigned codes to ensure confidentiality. Access privileges to non-blinded individuals in blinded studies are granted based on specific circumstances and requirements.
The right to informed consent	Laekna ensures that the nature, scope and possible consequences of the clinical study are explained to the subjects in a manner that they can understand. Only after the subject fully understands the above and agrees in writing to participate in the clinical study will Laekna commence the clinical study.
The right to voluntary participation	Laekna ensures that all subjects' decision to participate in a clinical trial is based solely on their own volition and that the decision must be made on the basis of a full understanding of the trial information. Subjects retain the right to withdraw from the trial at any time.



# Clinical Trial Safety

Laekna's CMC Department leads the manufacturing of drugs used by the subjects. Laekna proposes requirements for Good Manufacturing Practice (GMP), management systems and quality standards of CMOs, and all CMOs are audited by the Company to ensure that they are in full compliance with Laekna's quality needs and standards.

Laekna's Quality Control Department is solely led by the CEO, who independently exercises the responsibility of quality supervision and management. Laekna has established a comprehensive quality management system with reference to the requirements of domestic and international laws and guidelines, adopting the most stringent requirements of countries in which the products will be registered or sold. The system not only ensures that Laekna complies with regulatory requirements, but also balances the R&D speed and R&D cost while guaranteeing product quality.

The system requires Laekna to organize production and inspection according to GMP regulations and to mark and segregate the products to prevent errors and confusion, and to ensure that the production and inspection process of the drugs are traceable, and that drugs with quality risks are handled timely and accurately before the products are used in the trial subjects. If a drug fails to meet quality requirements, Laekna will conduct relevant recall and return activities in accordance with the SOP *Return Management*. Laekna has also established the *IMP Complaint and Recall* for handling complaints about the quality of pharmaceutical products. Upon receipt of a quality complaint, the Company will organize an investigation, analyze the cause of the quality problem, and formulate corrective measures and preventive measures to avoid problems.

During the reporting period, Laekna did not receive any complaints from clinical trial subjects regarding the quality of drugs. In order to better respond to regulatory demands, enhance the efficiency of CMO management, improve product quality, and optimize the operational processes of internal and external audits and official audits, Laekna has introduced a quality management system in compliant with the U.S. CFR21Part11, which has been validated and put into use as the core tool of the Company's quality management work, ensuring efficient and transparent management process for quality management work.

Laekna has established a comprehensive pharmacovigilance system to identify, evaluate, report and address potential safety risks. The system is designed to ensure the safety of subjects, their rights and interests and the reliability of test data. The system consists of a three-tiered structure, including the Pharmacovigilance Physician, the Drug Safety Management Team and the Drug Safety Committee.

Under the guidance of the SOP, Laekna reports safety information to the relevant regulatory authorities and ethics committee in a timely and compliant manner, and leverages a digital system for centralized management and tracking of safety data. With respect to pivotal studies, Laekna has set up an independent data monitoring committee, which regularly evaluates the trial data, identify potential safety signals and propose trial adjustments or termination as necessary to ensure clinical trial safety.

## Pharmacovigilance Management Framework

Pharmacovigilance Physician
Pharmacovigilance physicians, supported by the head of pharmacovigilance, are responsible for the safety monitoring and risk management of assigned products.
Drug Safety Management Team
Based on the pharmacovigilance physicians' assessment of all safety issues, the drug safety management team reviews the product safety profile and reaches conclusions, determining whether escalation to a higher level is necessary for confirming or providing guidance on safety matters.
Drug Safety Committee
The Committee provides company-level advice and further guidance on managing critical safety issues.



## Information Security and Intellectual Property Protection

Laekna emphasizes data security in R&D, clinical development and operational processes. The Information Technology Department is responsible for data security, and through continuous training and publicity, it promotes the implementation of relevant systems to prevent and control the risk of information leakage. Intellectual property stands as a crucial asset for Laekna and a guarantee for Laekna's continuous innovation and R&D. Laekna upholds the IP rights of others while taking measures to protect our own.





# Information Security Protection

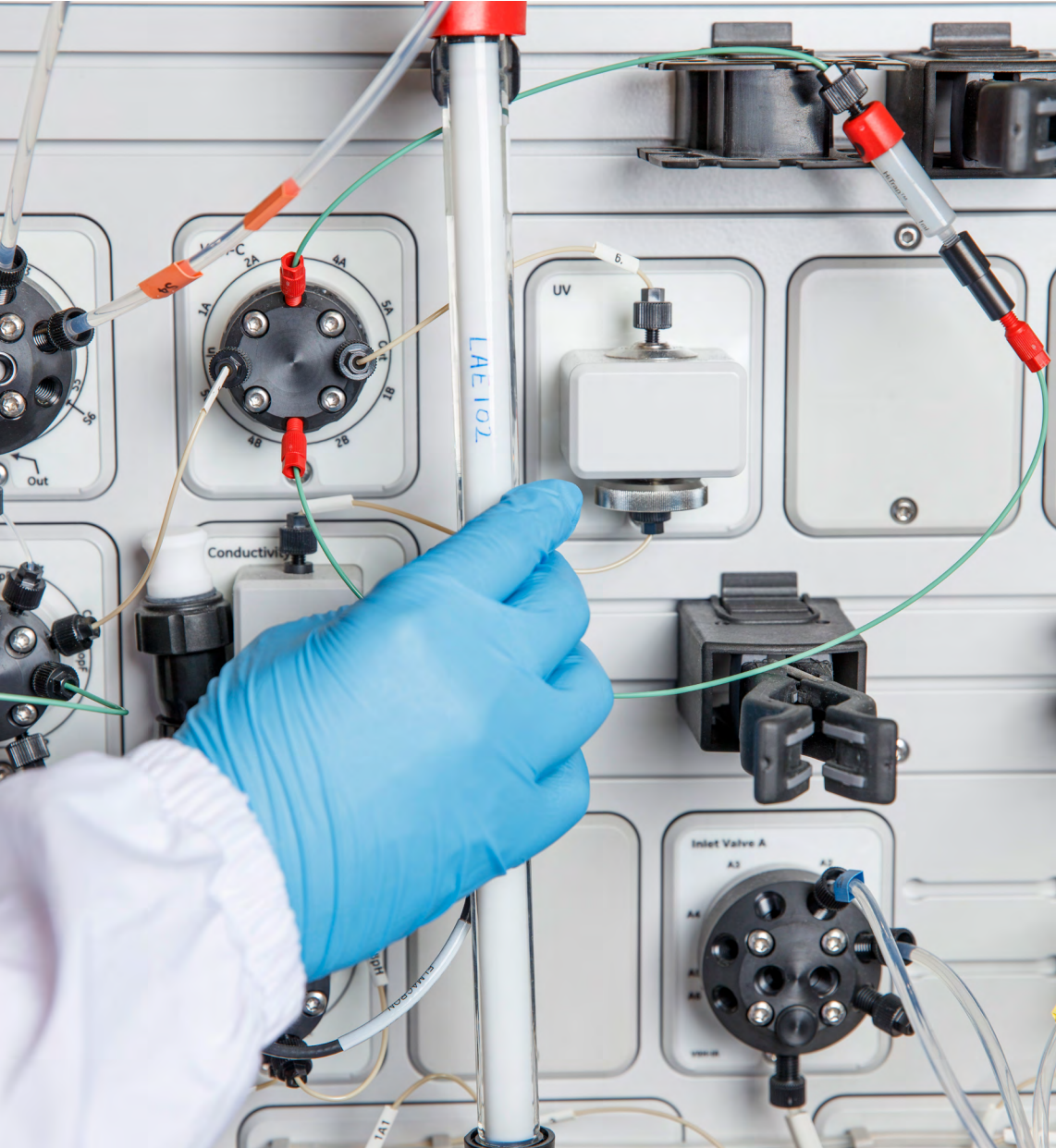
Laekna has formulated the *Employee Information Security Code of Conduct* and *Information Technology Management Policy*. The Company categorizes information, and provides training to all employees on different methods for handling information of different types.

Public Information	Public information may be disseminated, promoted or disclosed externally.
Internal Information	When transmitting information that contains data and information that is classified as "internal" or "sensitive" for work purposes, employees must transmit the information via the Company's network drives and email.
Sensitive Information	
Confidential Information	<ul style="list-style-type: none"><li>Printed, copied and faxed copies of non-electronic documents of the Company's confidential information are equivalent to original documents and should be strictly kept in accordance with the storage method of original documents.</li><li>When printing, copying, photocopying, reproducing and transferring the Company's confidential information, the authorization and consent of the owner of the information or the department head should be obtained. Instant messengers shall not be used to transmit confidential information.</li><li>After data usage, employees shall destroy or remove carriers (including paper documents or electronic media) containing confidential information or place them in confidential handling equipment as required</li><li>When discarding, destroying, tearing up or properly disposing of confidential documents, computer floppy disks, CDs, flash drives and other data media, physical damage should be imposed to ensure that the confidential documents cannot be read.</li></ul>

Laekna also has stringent requirements for the use of **office computers** by its employees. The Information Technology Department encourages employees to use the Company's network drives and instant messaging tools, which are under strict technical protection and can effectively reduce the risk of information leakage.

The Company's *Environmental Management Policy* stipulates that information confidentiality should be observed in **physical spaces**. For example, office areas can only be accessed through fingerprint recognition or access codes. Measures have been implemented to deter unauthorized individuals from entering office zones; and if there are visitors, employees are required to guide them to the reception zone and avoid the main work area. Discussions concerning the important company information and data are strictly forbidden in public spaces to avoid unintentional disclosure.

Laekna also imposes information security requirements on **external parties**, such as drug development suppliers, partners and clinical collaborators. Laekna requires its partners to sign confidentiality agreements, handle personal data in accordance with the requirements of the *PRC Civil Code*, the *PRC Personal Information Protection Law*, the *EU General Data Protection Regulation* (GDPR), the *Privacy Rule of the Health Insurance Portability and Accountability Act* (HIPAA), and the relevant Swiss data protection laws (e.g., the *Federal Data Protection Act DSG*) and to specify confidentiality obligations of both parties in the exchange of information and the principles of data processing in contracts and agreements. If at any time, Laekna determines that a third party is unable to guarantee adequate data security, Laekna will terminate its cooperation with that third party and initiate investigation and reporting processes.



## Intellectual Property Protection

As a science-driven, clinical-stage biotechnology company, Laekna recognizes the significance of intellectual property (IP) protection in incentivizing R&D innovation. We timely keep track of and strictly comply with IP-related legal and regulatory requirements across jurisdictions where we operate. We have established an internal IP management system and standard operating procedures (SOPs), and provided regular training to raise awareness of IP protection in employees. Laekna collaborates with industry-leading IP law firms to leverage their expertise in developing and implementing corporate IP portfolio strategies. This includes tracking emerging technologies, managing patent prosecution processes, and maintenance of granted patents. Through these institutionalized mechanisms, we proactively mitigate IP-related risks and ensure effective development, utilization, and protection of IP assets.

During the reporting period, Laekna has filed over 30 patent applications in China, the United States, Europe, and other jurisdictions, covering drug candidates and platform technologies. Company maintains plans for continuous patent filings in these strategic countries and regions. Securing global IP rights of its drug candidates not only grants Laekna worldwide exclusive right to develop, manufacture, and commercialize innovative therapies, but also strengthens its negotiating position in partnership and licensing discussions.

Laekna actively safeguards its intellectual property while respecting third-party rights. Laekna systematically conducts freedom-to-operate (FTO) analysis for its R&D pipeline to proactively mitigate risks of infringing existing patents or other IP rights. In open innovation collaborations, the Company adopts both license-in and license-out collaboration mode, and performs IP due diligence on collaborative projects to ensure controlled IP risks throughout technology acquisition and commercialization processes.



# 03

## Focusing on Talent

Laekna provides a fair and reasonable employment system with competitive salary benefits. We foster continuous learning and career development opportunities, care for employee health to ensure a safe research environment, and organize diverse cultural activities. Through these initiatives, Laekna empowers employees to create value and achieve personal growth, and builds vibrant teams for collaborative progress, ensuring that the Company's values are recognized, developed, and passed down.

100%

Employees participating in training

567.6 hours

Total hours of training

0 days

Number of lost days due to work injury

62%

Female employees





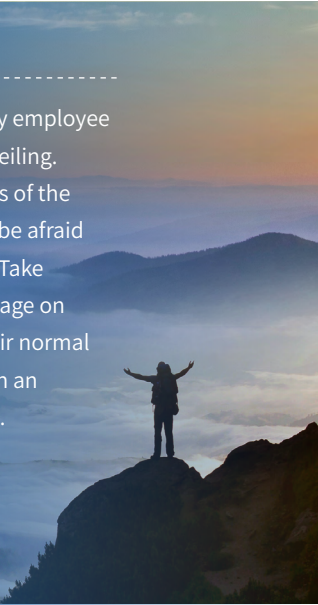
# Laekna Corporate Culture

Corporate cultural values are the shared beliefs and principles that guide the Company's ethos and overall atmosphere. In 2023, Laekna launched the Corporate Culture Co-Creation Project, and invited employees to participate in reshaping the Company's cultural values. Through brainstorming sessions, employee surveys, team co-creation, and internal voting, Laekna extensively gathered employee feedback, ultimately establishing its corporate cultural values.

The Company anchors its cultural values around the six keywords. We believe the corporate culture will inspire long-term growth, unite internal teams, and guide the Company to create a positive social impact.

### Accountability

We encourage every employee to break the glass ceiling. Putting the interests of the group first and not be afraid to make decisions. Take the initiative to engage on work outside of their normal responsibilities with an ownership mindset.



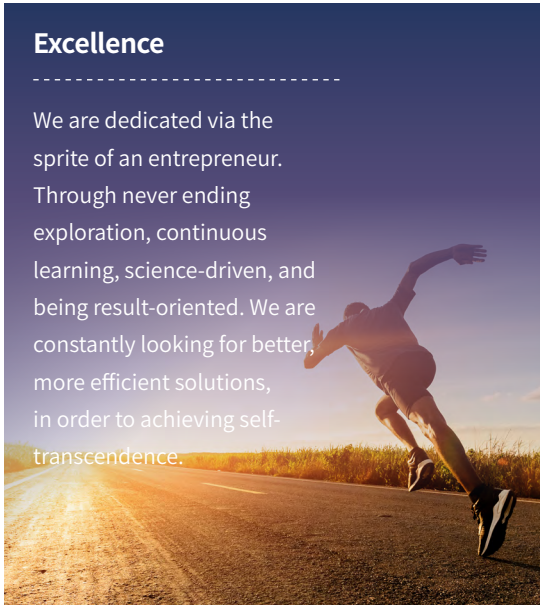
### Collaboration

We work diligently together to achieve the same goals by advocating diversity, equality and inclusion in the team. We encourage mutual respect and trust, by working closely together in a honorable and open environment to help each other in order to succeed as one team.




### Excellence

We are dedicated via the sprite of an entrepreneur. Through never ending exploration, continuous learning, science-driven, and being result-oriented. We are constantly looking for better, more efficient solutions, in order to achieving self-transcendence.



### Integrity

Integrity and compliance are the foundation of what we are building towards. We are committed to putting the interests of our patients first, understanding their needs in depth, positioning quality above, uphold the principle and be responsible for the results.



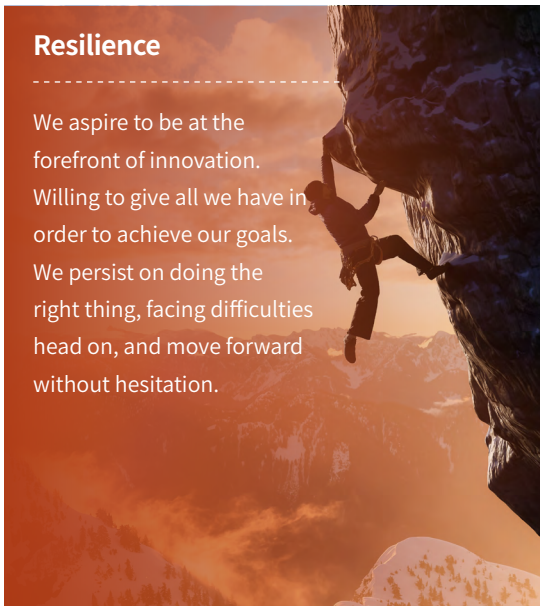
### Open

Innovation and transformation are our source of inspiration. We keep an open-minded perspective towards internal and external communication by listening to different opinions and actively responding to changes.



### Resilience

We aspire to be at the forefront of innovation. Willing to give all we have in order to achieve our goals. We persist on doing the right thing, facing difficulties head on, and move forward without hesitation.



In order to deepen every employee's understanding and recognition of the cultural values, the Company initiated a series of activities in 2024, including a cultural recognition platform (Laekna Land), cultural mascot animated characters and emoticon packs.

Laekna Land - Let Everyone's Contribution To Be Seen

Case

Laekna Land is designed as a values-driven recognition and motivation platform. It ensures that every small contribution in daily work is seen, acknowledged, and documented through appreciation and encouragement in daily work. The platform offers three forms of recognition: peer-to-peer appreciation, departmental commendations, and company awards, covering various workplace scenarios. Since its inception, over 120 employees have received recognition at different levels.



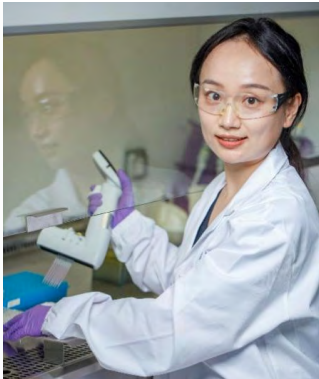
"Accountability Star" Stories from Laekna Land

Laekna's cultural values are defined by six keywords, and every employee has unique interpretation and practice about these values. In order to foster employee collaboration and publicize cultural values, the Company leverages the Laekna Land platform and cases of daily operations to continuously promote the cultural values. During the first thematic campaign focused on "accountability", the Laekna Land collected and showcased "Accountability Star" stories through video interviews.

HU Meijuan (Discovery Research)

Innovatively established stable cell experiment conditions

" Accountability is the courage and capability we demonstrate when facing challenges. We proactively take on tasks within our capacity and support overburdened colleagues. "



ZHANG Xiaoyue (Discovery Research)

Independently developed cost-effective and high-quality proteins for research

" Accountability means stepping up without fear when difficulties arise and transcend personal limits to achieve breakthroughs. "



DING Hua (CMC)

Oversaw the production of Laekna's first GMP macromolecular drug during a month-long on-site factory supervision.

" Accountability is to embrace responsibility, to honor commitments, and to act with courage. "





# Cultural Mascots and WeChat Emoticons

Laekna shares its six cultural values with every employee through cartoon-style WeChat emoticons, encouraging employees to use in daily communication. On one hand, this initiative adds fun to interactions among colleagues. On the other hand, the use of these emoticons subtly reinforces employees' sense of identity with and belonging to the corporate culture.

人设

高高的个头，站得高看得远，团队里的定海神针，大家的主心骨。

金句

高度决定视野，视野决定格局。

标签

打破边界

主人翁态度

将团体的利益放在首位

敢于决策、勇于担当

责任感

Hi!

代言人档案

担当 Accountability

人设

结群生活的高度社会性动物，群内分工明确，各司其职，共同维护一个稳定的大家庭。

金句

团结就是力量，合作创造智慧。

标签

彼此信任

紧密配合、共同分担

分工与互助

高度凝聚力

通过团队合作来应对困难与挑战

Hello!

代言人档案

协作 Collaboration

人设

充满朝气与活力的骏马是速度与力量的象征，龙马精神代表着自信、勇气、奋进和追求卓越的态度。

金句

骏马自知前程远 不待扬鞭自奋蹄

标签

锐意进取

不懈奋斗、努力向前

拥有强大的决心和坚定的信念

精益求精，不断挑战自我，追求快速和高效

Good!

代言人档案

卓越 Excellence

人设

忠诚与正直的化身，言行一致、讲求诚信，有责任心和正义感，尽职尽责、恪守承诺。

金句

诚信与合规是我们做人做事的底线。

标签

以患者利益为先

坚守法律法规

坦诚相待、遵守诺言

秉承质量至上的原则

尊重并公平地对待我们的员工和业务伙伴

Great!

代言人档案

诚信 Integrity



# Employment Management

Laekna provides employees with fair employment mechanisms and reasonable compensation benefits, empowering them to achieve excellence in development. The Company fully recognizes the necessity of compliant employment systems and the risks posed by inadequate talent management system. Under the guidance of the Senior Vice President of Operations, the Human Resources Department oversees tasks such as workforce planning, departmental structuring, employee recruitment, and promotions. With the development of the Company and the adjustment of national regulations, Laekna reasonably updates its human resources policies and promptly notifies all employees of these changes.

## Fair Employment

We consider talent as the most valuable asset for the Company's sustainable development. Laekna strictly abides by the *Labor Law of the PRC*, the *Labor Contract Law of the PRC*, the *Employment Promotion Law of the PRC*, the *Social Insurance Law of the PRC*, the *Law on the Protection of Minors of the PRC*, the *Regulations on Prohibition of Child Labor*, the *Employment Ordinance* of the Hong Kong Special Administrative Region and other relevant laws and regulations applicable overseas. We uphold and safeguard the lawful rights and interests of our employees.

During the hiring process, Laekna rigorously verifies candidates' identities through compliant data collection, identity documentation checks, and qualification validation, aiming to prevent the employment of child labor or unqualified individuals. Meanwhile, the Company strictly prohibits all forms of forced labor, ensuring every employee is respected and works in a free environment. In the event of employment violations, the Company will impose disciplinary actions against involved personnel, and cooperate with judicial authorities to investigate and address such violations if necessary.

In recruitment, appointments, promotions, and other processes, the Company consistently selects the most suitable candidates in accordance with the business development and role-specific requirements, and eliminates discrimination caused by factors such as geography, gender, age and nationality. In terms of promotion, transfer, salary adjustment, training and termination of labor contracts, the Company always insists on treating every employee fairly and equitably. The job description documents used by the Company during the recruitment process contain statements about diversity and equality.





## Compensation and Benefits

Laekna has established a fair, robust, and competitive compensation and performance management system, as well as a welfare program. These are designed to motivate employees to fully engage themselves in their work and unleash their potential. Our employee compensation system comprises basic salary, allowances and annual performance bonuses. Regular evaluations and adjustments to compensation are made based on operational plans, market salary surveys, and individual performance.

Objective and comprehensive assessments of employee performance are conducted annually through goal setting, performance reviews, and evaluations based on the performance appraisal system. Employees communicate with their line managers about their performance through the three stages, goal setting at the beginning of the year, mid-year performance review and year-end performance appraisal. Employees are then awarded performance bonuses by the managers based on the annual assessment results and the overall performance of the Company. Employees who disagree with the results of their performance appraisals may submit their opinions to the Human Resources Department, which will organize an investigation and provide feedback to the employees. In 2024, we integrated the requirements for employees to fulfill the corporate culture into their performance appraisal, further strengthening the synergy between the corporate culture and performance management.

Laekna constantly fulfills the cultural philosophy of "Let Health be Your Choice". We honor the value of each employee and care about their experience. Adhering to national laws and regulations, we provide social insurance, housing funds and other guarantee stipulated by local governments, for our employees, ensuring their entitlement to annual leave and various holidays. Moreover, the Company provides annual health examinations for employees, commercial medical insurance covering for employees and their children, annual leave, fully-paid sick leave, and gifts for specific festivals. In 2024, the Company organized four on-site employee activities, including the production of everlasting flowers on Women's Day, DIY of scented sachets on Dragon Boat Festival, handmade lanterns on Mid-Autumn Festival, and Trash Running, in order to create a harmonious workplace for the employees and to create an atmosphere of concern for the public good.

The Company has implemented an Employee Stock Option Plan and a Share Award Scheme in 2024 to attract and retain talents who have made significant contributions to the Company, and to recognize and encourage their contributions.



Handmade lanterns on Mid-Autumn Festival and DIY of Scented Sachets on Dragon Boat Festival



Dr. LU Chris Xiangyang, Laekna's Chairman and CEO (right) and 5-year Anniversary Employees at the Celebration Party

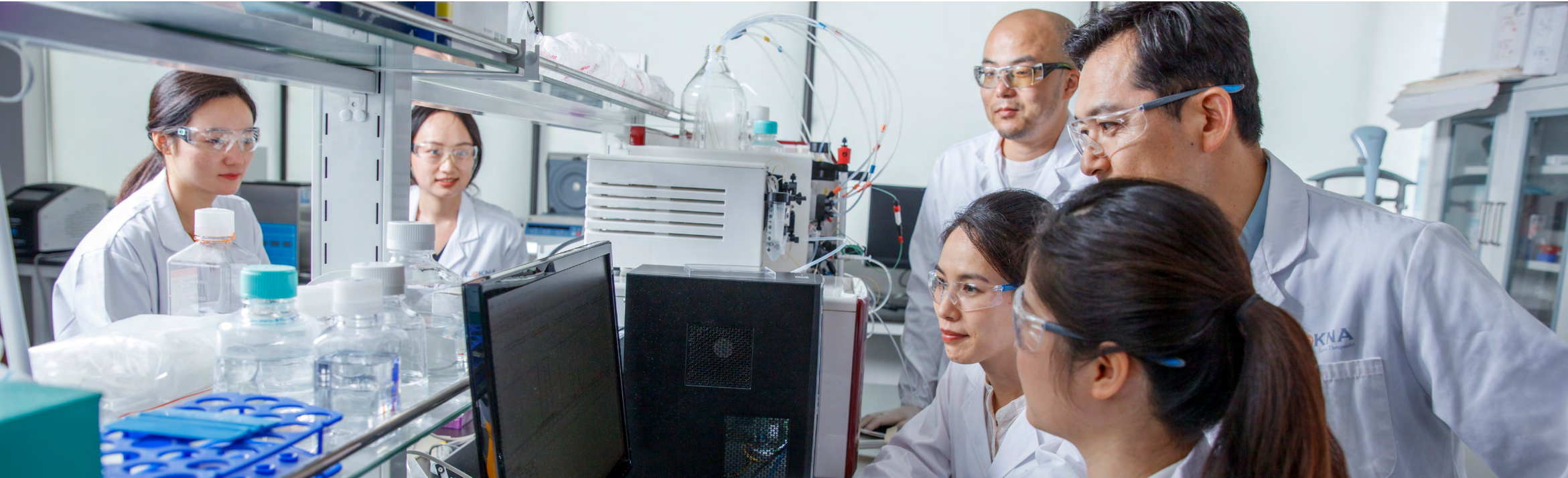
# Employee Training and Development

## Talent Cultivation

Laekna provides employees with rich and diverse training opportunities to enhance their professional competencies and support personal growth. Concurrently, the Company actively supports employee career development by establishing effective promotion and incentive mechanisms to attracts and retain top talent while continuously strengthening its workforce.

As a science-driven enterprise, Laekna provides employees with opportunities to learn multi-positional skills and promotes the cultivation of versatile and multidisciplinary talents. Annually, Laekna designs the overall training plan based on training management policies and business objectives, and maintains records of employee participation. The training programs include new employee training, general competency training, health and safety training, technical expertise training, and management competency training for the management level to ensure that employees with different qualifications and positions are provided with corresponding training opportunities.

Since the launch of online training platform in 2024, Laekna has intensified training on business processes, regulations, and confidentiality to ensure that employees can conduct business in compliance with the law. The online training system allows employees to view the training contents and record the training progress at any time. In 2024, the number of participants in training surged to 3,429, representing a significant increase from 292 in 2023. Additionally, the Company actively encourages employees to attend industry conferences and external training sessions according to the personal requirements.





## Employee Promotion

The Company supports dual-track career development, including vertical departmental promotion and horizontal cross-departmental role transfer. This dual-track career development empowers employees to either deepen in a specific field or explore new career boundaries, expanding their professional possibilities

In terms of vertical promotion, each department of the Company designs career development paths for its employees based on their respective business characteristics and talent composition. The Company regularly nominates, evaluates and approves employee promotions.

In terms of horizontal transfer, Laekna supports employees to explore new boundaries and rotate through different job roles. For example, Laekna encourages employees to apply for positions in the recruitment process through internal transfers, extensive learning and exchanges, and participation in various projects to enhance the collaboration within and across teams.





# Occupational Health and Safety

Laekna places high priority on protecting employees' health and safety. The related work is led by the R&D department and supported by the Human Resources Department. These departments analyze potential risks and develop management plans based on the specific conditions of pharmaceutical experiments. The Company strictly complies with the *Law of the PRC on Prevention and Control of Occupational Diseases*, and has established an internal occupational health and safety system. Through a series of measures such as system construction and daily management, the Company has achieved the principle of "prioritizing preventive measures while combining prevention and intervention". In 2024, Laekna and its employees were awarded the Occupational Health Award by the Health Supervision Office of Pudong New District Health Committee, Shanghai.

### XU Yun, Discovery Research

" The Zhangjiang Town International Safe Community Health Individual Advanced Award is a responsibility for me, encouraging me to spread the concept of occupational safety to a wider range of people. Laekna has always emphasized occupational health and safety management, striving to create a safe and healthy working environment for employees. I feel secure and proud to work in such a company. "



Xu Yun was awarded the "2024 First Zhangjiang Town International Safe Community Occupational Health Individual" Advanced Award.





The Company has formulated a series of measures, including the *Laboratory Biosafety Management System* (LK-RSH-02), the Emergency Response Plan for Sudden Environmental Events (File No. 02-310115 2022-408-L), and the Emergency Response Plan for Safety and Production Accidents, to address potential risks in the occupational environment.

The Company has established occupational health profiles for its employees and implemented the "one file per person" system, which include employees' occupational history, medical history and exposure to occupational hazards, monitoring results of occupational hazards at the corresponding workplaces, results of occupational health examinations and their treatment, and the *Notice of Occupational Disease Hazards*. In 2024, Laekna upgraded the medical insurance for employees, and the new insurance coverage was extended to special medical claims. For example, if an employee seeks treatment in a special (VIP) ward or is hospitalized in a special (VIP) ward, normal claims may be made within the policy scope and proportion after medical insurance settlement, ensuring comprehensive coverage. Before hiring a new employee, the Company will arrange for a pre-employment occupational health examination, and will hire the employee only after he or she passes the physical examination. On their first day of employment, the employee will be informed of the laboratory's occupational hazards and sign the *Notice of Laboratory Hazards*. After joining the Company, the Company offer occupational disease examinations for its employees, which are conducted at different stages, such as before starting a job, during employment, upon leaving a job, after leaving a job, in emergencies. If a confirmed or suspected occupational disease is identified, the employee is immediately transferred from their original position and provided with treatment, with all costs covered by the Company.

In terms of occupational hazard monitoring, Laekna publicly posts laboratory hazards and related emergency plans on the wall. Every three years, the Company entrusts qualified third-party agencies to conduct systematic and in-depth monitoring of laboratory occupational hazards. Results are reported to the Shanghai Occupational Health Management Service Platform and disclosed to employees. The monitored hazards are based on environmental impact assessments; any new hazards introduced during experiments will be incorporated in subsequent monitoring.



Laekna organizes annual training on occupational health and laboratory safety, as well as emergency drills for sudden environmental incidents, to reinforce biosafety management practices and standard operating procedures for occupational health management. In 2024, the Company fully disclosed occupational hazard information to government authorities so as to make the information completely open. Additionally, employees are provided with appropriate protective equipment, such as lab coats, latex gloves, and goggles. The Company prioritizes experiments with minimal or no hazards to avoid or minimize the exposure to hazardous factors.

For employees in special circumstances, such as pregnancy or lactation, the Company adjusts their roles, such as assigning for data analysis tasks, to minimize hazard exposure.

In 2024, the Company provided occupational health training to all employees with potential to contact with laboratory operations, with a total of 16 hours of training in the group of employees vulnerable to occupational injuries. The coverage rate of medical checkups was 100%, the number of occupational diseases was 0, and number of lost days due to work injury was 0. There were no work-related deaths in the past three years.

Laekna Occupational Health and Safety Emergency Drill

Case

On July 30, 2024, Laekna organized an emergency exercise on "Hazardous Chemical Splash in the Eye". The drill simulated a scenario in which the laboratory staff accidentally splashed a hazardous chemical into his eyes during an experimental operation. After the incident, the laboratory scientists activated the emergency procedures in accordance with the relevant regulations of the Company, and completed the emergency procedures such as incident reporting, eye flushing, and medical treatment. The drill enhanced laboratory staff's understanding of safety operations, improved emergency response capabilities, and strengthened teamwork consciousness to ensure the safe and stable operation of the laboratory.





# Diversity, Equity, and Inclusion

Laekna is well aware that a civilized, open and inclusive workplace fosters continuous growth for employees. We have established a comprehensive system to respect the different identities of each employee, protect the interests of each employee, and mitigate the risk of talent loss caused by uncivilized workplace behaviors.

As a Company with a 62% female employee ratio, Laekna supports female employees to give full play to their expertise and influence in their respective fields, and to contribute to the undefined "her power". Female employees play an important role in key business areas such as new drug R&D, clinical trials, finance and investor relations, and operations, contributing to the Company's innovative development and efficient operations. Their contributions have been recognized by the Company, with female employees representing over 60% of all award recipients in annual employee recognition ceremony.



Laekna provides lactation rooms for pregnant and nursing employees, offering safe, hygienic, and private spaces to create a maternity-friendly workplace environment.

The Company has established anti-bullying and anti-harassment policies. The Company will terminate the labor contract with any employee who violates social morals and laws and regulations by engaging in any acts of violence (including threats), brawl, theft, sexual harassment, or any acts harassing, intimidating, or coercing others. When handling such incidents, if employees violate local laws or regulations or incur criminal liabilities, the Company will immediately contact public security and judicial authorities to handle the case promptly. In 2024, no incidents of workplace bullying or harassment were recorded by the Company.

## Her Power

Discovery Research

- The first female director of Discovery Research was appointed in the first year of the Company's founding
- Female scientists contributed to every new molecular entity in clinical trials

Clinical Development

- Female employees account for 64% of the clinical development team, and the team completed LAE102 clinical trial approval and first patient dosing in 40 days

Finance and Investor Relations

- The finance team dominated by female employees provided data insights and holistic financial strategy
- The Investor Relations Function led by female employee executed 200+ global investor communications and roadshows in the reporting year



## Employee Communication

Laekna attaches great importance to maintaining communication with employees and listening to their voices. By establishing multiple communication channels, Laekna has increased the frequency of communication between the Company and its employees, and has reviewed and adjusted its management strategies based on employee feedback and suggestions for effective talent management.

Holding regular employee meetings for management to introduce the Company's business dynamics and listen to employees' opinions and suggestions.

Conducting real-time communication with employees to enhance mutual understanding between employees and the Company.

The Company has set up a dedicated email for information sharing and two-way communication between employees and the Company.

Employees may initiate compliant procedures through any of the above channels if there is a need. The management and relevant departments will conduct investigations of corresponding facts and promptly feedback the investigation conclusions and rectification or disposal programs to the employees.





# 04

## Green Operation and Environmental Protection

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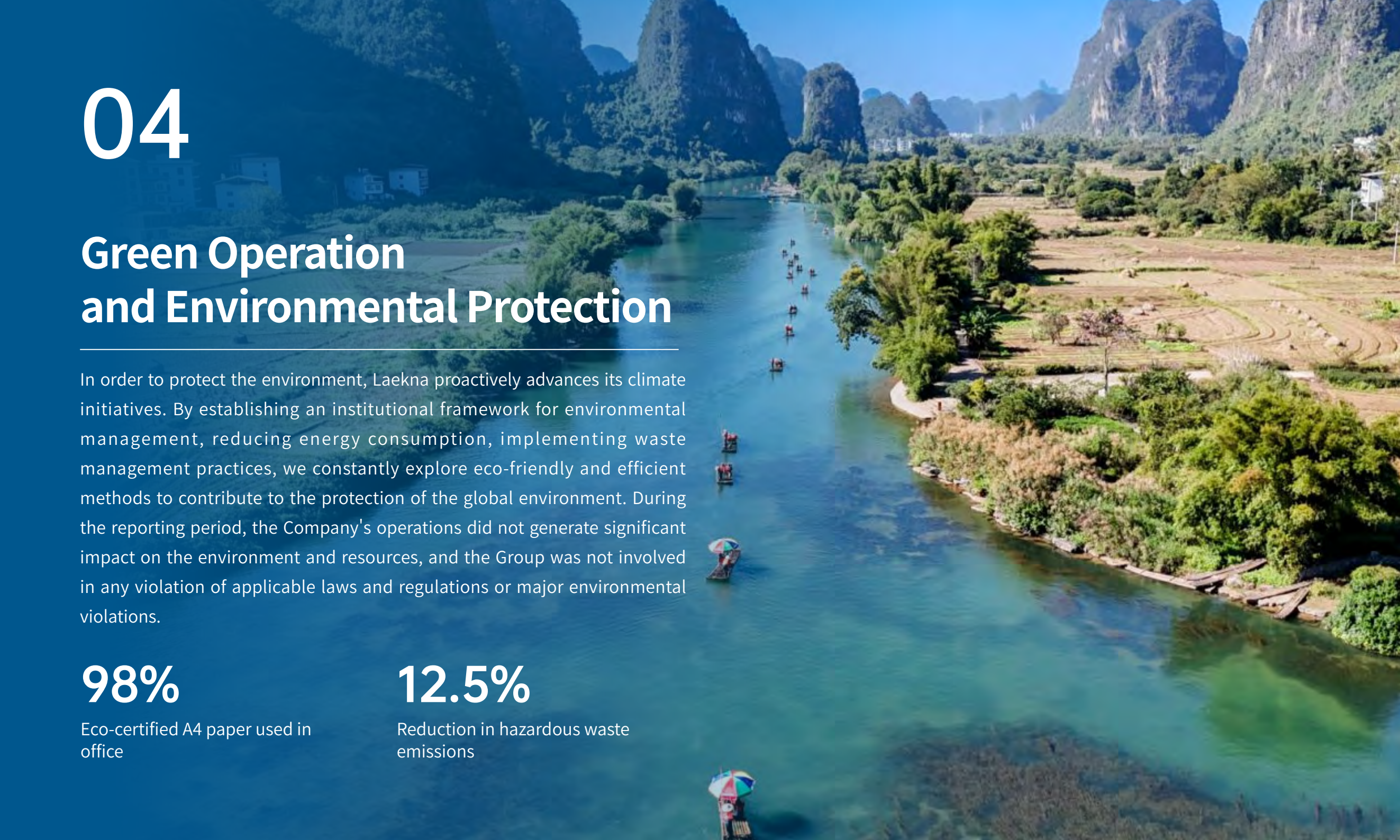
In order to protect the environment, Laekna proactively advances its climate initiatives. By establishing an institutional framework for environmental management, reducing energy consumption, implementing waste management practices, we constantly explore eco-friendly and efficient methods to contribute to the protection of the global environment. During the reporting period, the Company's operations did not generate significant impact on the environment and resources, and the Group was not involved in any violation of applicable laws and regulations or major environmental violations.

**98%**

Eco-certified A4 paper used in office

**12.5%**

Reduction in hazardous waste emissions





# Climate Change and Carbon Emissions

Climate change poses significant risks to human health and closely affects the development of pharmaceutical companies. Laekna's ESG Committee is responsible for responding to climate change, and the Company closely tracks climate change to avoid negative impacts on Laekna, and to minimize the impact of its operations on climate change.



## Responding to Climate Change

Laekna follows the three-tiered framework of ESG governance to promote climate change governance.

The Board of Directors	Responsible for recognizing climate change performance objectives and is informed annually of action plans to achieve climate change objectives and the attainment of these objectives.
ESG Committee	Responsible for improving Laekna's policies on climate change, disclosing information on climate change, and formulating plans and objectives for confirmation by the Board of Directors. After confirmation by the Board of Directors, Laekna's ESG Committee will coordinate with different departments to promote cooperation and closely track the performance of objectives.
ESG Working Group	Supporting the Company's efforts to achieve its climate change objectives and advance energy management efforts.

In order to ensure that the Board of Directors understands the broad impacts of climate change on human health and the pharmaceutical industry, Laekna invites external experts to provide climate change-related knowledge training to the Chairman of the ESG Committee (Laekna's director), committee members, and members of the ESG Working Group. The training cover topics such as climate change and extreme weather, international and domestic climate change policies, climate change and human health, climate change and the pharmaceutical industry, and how to respond to climate change.





# Climate Risk Identification

Climate change identification is the core of climate risk management. With reference to the *Guidelines on Reporting Climate-Related Information* issued by the Hong Kong Stock Exchange, Laekna has sorted out four types of physical climate risks and two types of transition climate risks under the current operational scale and business type, taking into account the Company's current geographical location and industry characteristics (biotechnology), and has generated a preliminary identification of climate risks as shown in the following table.



## Preliminary Identification of Climate Risks for Laekna

### Physical Risks

#### Typhoons

Laekna is located in the eastern coastal area of China, one of the regions with frequent typhoons. According to the data from the China Meteorological Administration and historical records, the location is subject to the impact of typhoons every summer and fall

#### Heavy Rain and Floods

Eastern China is located at the mouth of the Yangtze River, with a relatively low topography and high degree of urbanization, which puts pressure on the drainage system. In recent years, frequent extreme rainfalls may lead to urban waterlogging and flooding.

#### Extreme Heat

Global warming has led to an increase in the number of extreme heat events, with summer temperatures hitting record highs.

#### Sea Level Rise

Eastern China, with its relatively low elevation, is one of the high-risk areas for global sea level rise. The Intergovernmental Panel on Climate Change (IPCC) reported that sea level rise could lead to coastal inundation or salt water intrusion.

### Transition Risks

#### Enhanced Reporting Requirements

China's carbon peaking and carbon neutrality objectives may require enterprises to enhance their climate information disclosure and management capabilities. Meanwhile, the Hong Kong Stock Exchange has also imposed requirements on climate change disclosure.

#### Raw Material Supply Instability

Climate change may cause production and transportation disruptions, thereby affecting the delivery of raw materials and production progress. Moreover, climate change may lead to shortages or price fluctuations of certain natural resources, especially the supply of biological raw materials, such as cell culture media and animal-derived components.

# Climate Risk Analysis and Evaluation

After identifying the six types of climate risks under Laekna's current operational scale and business type, Laekna adopts a quantitative scoring method and ranks climate risks taking into account the likelihood, degree of impact, and adaptability of climate risks under different timeframes and climatic scenarios. The ranking results will assist Laekna and its stakeholders in clearly understanding the priority of climate risks.



## Climate Risk Scoring and Ranking Criteria

Likelihood
Risks with a high likelihood of occurrence are prioritized, taking into account factors such as the frequency of the event and the probability of occurrence.
Degree of Impact
Risks that may have a greater impact on the Company are prioritized, taking into account factors such as increased costs, disruption of operations, injuries to manpower, and loss of property.
Adaptability
Risks requiring a greater investment of time and effort to adapt will be given a higher score.

Based on the internal and external environments, Laekna has set short-, medium- and long-term timeframes, with 2024-2025 as the short term, 2026-2030 as the medium term and 2031-2050 as the long term.

Short-term ----- 2024~2025	It is consistent with the National 14th Five-Year Plan and the 14th Five-Year Comprehensive Work Program on Energy Saving and Emission Reduction, and is a key time node to assess the Company's climate-related risks and the effectiveness of its actions.
Medium-term ----- 2026~2030	It is in line with the PRC's <i>Action Plan for Carbon Dioxide Peaking Before 2030</i> , and is consistent with the United Nations' Sustainable Development Goals (SDGs), the Nationally Determined Contributions (NDCs) under the Paris Agreement, etc.
Long-term ----- 2031~2050	2050 is an important time node for several authoritative standards (e.g., IPCC) to scientifically evaluate the climate impacts in different scenarios of GHG concentrations.



In conducting the climate scenario analysis, Laekna selected the prevailing scenario models as the basis for analysis. The selected climate scenarios are highly comparable and represent different pathways and outcomes, including scenarios with a temperature rise of 1.5 degrees Celsius (in line with the *Paris Agreement* to limit global temperature rise to 1.5 degrees Celsius in this century) and scenarios with a temperature rise of 3 degrees Celsius or more.

The Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) provided the latest and comprehensive assessment of the science of climate change, detailed five shared socio-economic pathways (SSPs) and explored the potential climate impacts of GHG emissions under different global development scenarios. Laekna selected three scenarios, SSP1-2.6 (Low Emission Scenario), SSP2-4.5 (Baseline Emission Scenario) and SSP5-8.5 (High Emission Scenario), to analyze the climate scenarios for each physical risk.

Based on the World Energy Outlook published by the International Energy Agency (IEA), Laekna chose the "Net Zero Emissions Scenario 2050" as the low emission scenario for the transition risk, the "Announced Pledges Scenario" as the baseline emission scenario for the transition risk, and the "Stated Policies Scenario" as the high emission scenario for the transition risk, and an in-depth analysis was conducted for each of the major transition risks at the corresponding timeframe.

Selected Scenarios		SSP1-2.6	SSP2-4.5	SSP5-8.5
Estimated End-of-CenturyTemperature Rise		~2°C	~2.7°C	~4.4°C
Scenario Description		The scenario is a low GHG emission scenario with stringent climate change policy interventions to achieve sustainable development. Net zero emissions are projected to be met by around 2070, followed by negative emissions	This scenario is a medium GHG emissions scenario, with a medium level of climate change policy intervention, and carbon dioxide emissions remain at current levels until the middle of the century	This scenario is a high GHG emissions scenario, with no climate change policy intervention, relying heavily on fossil fuel, and carbon dioxide emissions will triple by 2075.

Selected Scenarios		Net Zero Emissions (NZE) Scenario 2050	Announced Pledges Scenario (APS)	Stated Policies Scenario (STEPS)
Estimated End-of-CenturyTemperature Rise		~1.5°C	~1.8°C	~2.5°C
Scenario Description		It is the most difficult but technically feasible scenario, i.e. net zero emissions by 2050, in line with the goal of limiting global temperature rise to 1.5° C	It considers all climate pledges by governments and assumes that these pledges will be met on time	It is a projection of future energy development based only on existing policies, assuming no new policy announcements
Scenario Impacts		This scenario has higher transition risk and lower physical risk due to accelerated carbon reduction	In this scenario, physical risk and transition risk remain relatively balanced	In this scenario, GHG emissions continue to increase and physical risk becomes more severe over time

Through a comprehensive consideration of different timeframes and climate scenarios, the economic, policy and physical parameters that are publicly available and reasonably presumed were selected based on the three criteria of likelihood, impact and resilience to rank climate risks, and the ranking of climate risks is shown in the table below. A very low risk means that a certain climate risk has no visible impact on the Company and can be ignored for the time being; a low risk means that a certain climate risk has a slight impact on normal operations and requires some attention; a moderate risk means that a certain climate risk has a certain impact on operations and requires the formulation of strategies and plans. A high risk means that the impact on the Company is significant and needs to be prioritized and tracked. An extremely high risk means that a certain risk threatens the Company's normal operation and requires high attention and emergency measures. Under the current operation scale and business mode, the assessment results show that Laekna has not experienced any high or extremely high risk for the time being.

During the initial screening of climate risks, Laekna identified sea level rise as a chronic physical risk. However, the assessment found that Laekna's current primary operating location is relatively far away from the coast, and sea level rise is a very low risk for Laekna. In subsequent analysis, sea level rise will no longer be analyzed as a physical risk with impacts.

● High

● Moderate

● Low

● Very Low

Physical Risks	Short-term: 2024-2025			Medium-term: 2025-2030			Long-term: 2030-2050		
	Low Emission	Baseline Emission	High Emission	Low Emission	Baseline Emission	High Emission	Low Emission	Baseline Emission	High Emission
Typhoons	●	●	●	●	●	●	●	●	●
Heavy Rain and Floods	●	●	●	●	●	●	●	●	●
Extreme Heat	●	●	●	●	●	●	●	●	●
Sea Level Rise	●	●	●	●	●	●	●	●	●

Transition Risks	Short-term: 2024-2025			Medium-term: 2025-2030			Long-term: 2030-2050		
	Low Emission	Baseline Emission	High Emission	Low Emission	Baseline Emission	High Emission	Low Emission	Baseline Emission	High Emission
Enhanced Reporting Requirements	●	●	●	●	●	●	●	●	●
Raw Material Supply Instability	●	●	●	●	●	●	●	●	●



# Business Model and Value Chain

In order to help stakeholders understand how climate risks impact Laekna's current and anticipated business modes, the Company has mapped its value chain, which succinctly illustrates Laekna's core operations and upstream/downstream processes. The value chain is divided into five key stages: internal logistics, drug R&D, drug production, external logistics, and clinical trials.



Laekna's Value Chain					
Definition	Internal Logistics	Early-Stage R&D	Drug Production	External Logistics	Clinical Trials
	Transfer of materials/ products from suppliers to the Company	Drug design, synthesis, screening, and preclinical approval stages	Production, development and clinical trial of drugs under strict standards to ensure quality and safety	Storage and transfer of drugs to clinical trial sites	Validation of drug safety/ efficacy through trials to provide scientific basis for listing
Laekna's Role	Procurement of core raw and auxiliary materials from external suppliers	Development of new drugs with high clinical demand or urgent need, such as innovative drugs for specific diseases (e.g., cancer, obesity).	Overseeing production process to comply with GMP with quality control of each step	Transferring drugs to multi-center clinical trial sites for subsequent clinical trails	Enrolling subjects, conducting trials in domestic/international centers, and regularly documenting clinical data
	01	02	03	04	05

Based on the above analysis of the value chain, Laekna analyzed the impacts of climate risks by assessing affected stakeholders, value chain stages, impact mechanisms, timeframes, and financial impact to accurately identify driving factors and risk trends.

Physical Risks	Affected Value Chain Stages	Impact Mechanism	Timeframe	Financial Impact
Typhoons	<ul style="list-style-type: none"> <li>Internal Logistics</li> <li>Early-stage R&amp;D</li> <li>Drug Production</li> <li>External Logistics</li> <li>Clinical Trials</li> </ul>	Typhoons may damage raw material storage facilities, affecting material quality and supply. Typhoons could disrupt R&D and operational sites, interrupting drug R&D and production processes. They may also impact external logistics processes used for clinical trials, thereby indirectly affecting clinical trials.	Medium to Long Term	<ul style="list-style-type: none"> <li>Increased procurement costs</li> <li>Losses caused by halted R&amp;D/production</li> <li>Additional costs caused by trial delays</li> </ul>
Heavy Rain and Floods	<ul style="list-style-type: none"> <li>Internal Logistics</li> <li>Early-stage R&amp;D</li> <li>Drug Production</li> <li>External Logistics</li> <li>Clinical Trials</li> </ul>	Heavy rain and floods may cause urban waterlogging, submerging raw material transport vehicles and warehouses, leading to material damage and supply chain disruptions. They could also hinder employee commutes, potentially indirectly affecting drug R&D and production. These impacts will concurrently hinder progress in external logistics in the value chain and clinical trials.	Medium to Long Term	<ul style="list-style-type: none"> <li>Increased procurement costs</li> <li>Repair/replacement costs for production equipment and office facilities affected by heavy rain and floods</li> <li>Additional costs caused by trial delays</li> </ul>
Extreme Heat	<ul style="list-style-type: none"> <li>Internal Logistics</li> <li>Early-stage R&amp;D</li> <li>Drug Production</li> <li>External Logistics</li> <li>Clinical Trials</li> </ul>	High temperatures may affect the growth and procurement of raw materials for certain anticancer drugs. Extreme heat could impact employee health, reduce work efficiency and productivity, and indirectly impact drug R&D and production. R&D and office facilities will require increased energy consumption to maintain suitable temperatures. Some drugs, particularly biologics, are highly temperature-sensitive; elevated temperatures may cause drug components to degrade or lose efficacy. Consequently, during external logistics and clinical trials, energy consumption and costs for temperature-controlled storage and transportation systems will rise.	Medium to Long Term	<ul style="list-style-type: none"> <li>Rising procurement/operational costs</li> <li>Rising operational costs due to additional energy consumption</li> <li>Additional refrigeration expenses in transportation and storage stages</li> </ul>



Transitional Risks	Affected Value Chain Stages	Impact Mechanism	Timeframe	Financial Impact
Enhanced Reporting Requirements	<ul style="list-style-type: none"><li>Internal Logistics</li><li>Early-stage R&amp;D</li><li>Drug Production</li><li>External Logistics</li></ul>	With the refinement of climate disclosure frameworks, listed companies are now mandated to disclose emissions data and may face compulsory requirements for third-party verification or audits, thereby tiered carbon reduction targets and decarbonization initiatives are implemented.	Medium to Long Term	<ul style="list-style-type: none"><li>Rising reporting costs</li></ul>
Raw Material Supply Instability	<ul style="list-style-type: none"><li>Internal Logistics</li><li>Early-stage R&amp;D</li><li>Drug Production</li><li>External Logistics</li><li>Clinical Trials</li></ul>	The acute and chronic risks induced by climate changes may disrupt raw material manufacturing regions, thereby impacting the production of raw materials. If suppliers in the supply chain are impacted by these climate risks, the supply of raw materials may be disrupted, thereby impacting all stages of the value chain	Short to Long Term	<ul style="list-style-type: none"><li>Rising raw material procurement costs</li><li>R&amp;D delays and losses due to material shortages</li></ul>





Climate Change Risk Management

Climate Change Indicators and Objectives

Laekna has preliminarily completed the identification, assessment, prioritization, and qualitative financial impact analysis of climate risks. In the next reporting year, we plan to develop mitigation strategies for medium- to long-term medium-high climate risks to ensure that Laekna's exposure to climate risks remains controllable under various climate scenarios and timeframes, and that value chain operations are not significantly disrupted.

Laekna calculates GHG emissions (Scope 1 and Scope 2) in accordance with the *GHG Protocol: Corporate Accounting and Reporting Standard*, and the national grid average emission factor issued by China's Ministry of Ecology and Environment. In 2024, Laekna's total GHG emissions (Scope 1 and Scope 2) amounted to 105.4 tonnes of CO2 equivalent, with an emission intensity at 4.9 kilograms CO2 equivalent per RMB10,000 in R&D expenses.

In addition to GHG emissions (Scope 1 and Scope 2) accounting, Laekna conducted a preliminary review of Scope 3 emissions in 2024. Laekna believes that Scope 3 emissions include purchased goods and services, business travel, employee commuting, waste disposal, and transportation and distribution. In order to ensure the accuracy of GHG data, Laekna currently cannot quantify all these categories mainly due to the lack of reasonable data. Preparations for Scope 3 accounting are underway, including mapping key suppliers and collecting relevant data on business travel and commuting.

Given Laekna's dynamic growth environment, energy consumption and waste generation may evolve with R&D progress and future commercialization. In 2024, we revised the presentation of some environmental objectives. In terms of combating climate change, the revised climate objective is that by 2030, the carbon intensity (Scope 1 and 2) of current operations shows no significant increase compared to 2021 levels (6.43 kilograms CO2 equivalent per RMB10,000 in R&D expenses).





# Energy Management

Efficient energy use is an important part of Laekna's response to climate change and its sustainability philosophy. Under the ESG Committee's oversight, the Administration and Public Affairs departments jointly manage energy consumption and conservation. Laekna's energy consumption stems from electricity use in office and laboratory. The Administration team regularly monitors electricity consumption, identifies risks arising from energy use in the course of business operations, and promptly addresses energy risks to avoid unnecessary energy wastage. Laekna also promotes energy saving and emission reduction among its employees, implements eco-friendly office practices and imposes stricter environmental criteria on suppliers. Specific energy-saving measures can be seen in the table.



Using Energy-Efficient Devices	<ul style="list-style-type: none"><li>• Use energy-efficient LED lighting in office areas</li><li>• Install smart meters to monitor electricity usage in real time</li></ul>
Promoting Eco-friendly Office Practices	<ul style="list-style-type: none"><li>• Encourage employees to switch off lights, equipment, and electronic devices when not in use or when leaving the premises</li><li>• Maintain air conditioning within a comfortable and energy-efficient temperature range, or reduce its usage frequency in laboratories</li><li>• Advocate for reducing the frequency of business air travel, favoring online meetings over face-to-face ones whenever feasible</li></ul>
Promoting Energy Conservation	<ul style="list-style-type: none"><li>• Design energy-saving slogans and post in office areas</li><li>• Encourage staff to commute via public transit, such as the subway</li><li>• Advocate for public transit as the preferred mode of transportation for employees. The Company has not procured official vehicles since its establishment</li></ul>
Advocating Supplier Collaboration	<ul style="list-style-type: none"><li>• Impose stricter environmental criteria on suppliers and prioritize collaboration with suppliers excelling in environmental management</li></ul>

In 2024, Laekna's total energy consumption was 196.4 MWh. The adjusted energy goal is that by 2030, electricity intensity of current operations shows no significant increase compared to 2021 levels (11.54 kWh per RMB10,000 in R&D expenses).

# Waste Management Disposal of Hazardous Waste

Laekna is well aware of the negative impacts of waste on the environment and health. Since 2021, Laekna has been continuously monitoring waste emissions, and conducting rigorous management to reduce the amount of waste generated and diminish our environmental footprint through continuous improvement of the relevant systems, optimization of experimental design and operations, and staff publicity and advocacy campaigns.



Laekna produces hazardous waste in its laboratory R&D. Laekna strictly abides by the *Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste* and the *Regulations of the PRC on the Management of Medical Waste*, the Company has developed a series of rules and guidelines related to waste management, which include the *Hazardous Waste Management Protocol*, the *Hazardous Waste Management Emergency Plan*, the *Medical Waste Management Protocol*, the *Hazardous Waste Warehouse Management Protocol* and the *Preventive Measures for Accidents Involving Hazardous Waste*. In 2024, Laekna updated its management practices for hazardous waste identification markings and labels in real-time, in accordance with the newly issued HJ 1276-2022 Technical Specification for Setting of Identification Signs of Hazardous Waste.

Laekna's Discovery Research Department strictly controls the entire lifecycle management of laboratory waste, including generation, collection, storage, transportation, utilization, and disposal, in compliance with regulatory requirements. We continuously identify, monitor, and minimize risks in waste management to mitigate environmental impact.

Hazardous waste generated in the laboratory includes contaminated solid waste (900-041-49), waste liquids (900-047-49), medical waste (831-001-01). Laekna entrusts licensed third-party processors to handle such hazardous waste. The Company forecasts waste types and quantities in advance, signs transfer contracts, and files records. At the start of each year, Laekna submits an annual hazardous waste management plan and filing registration form through Shanghai Hazardous Waste Management Information System before initiating waste transfers. Each transfer requires an electronic sheet generated via the system to ensure transparency and accountability.

## Hazardous Waste Identification Sign Management Example

危险废物

类别名称: 危险废物

废物代码: 900-214-08

主要成分: 废矿物油

产生收集单位: 研发部

产生日期: 2024-01-01

废物重量: 10kg

危险特性

填写说明

列入《国家危险废物名录》中的危险废物，应参考《国家危险废物名录》中“危险废物”一栏，填写规范化的废物名称或行业内通用的简称。  
《国家危险废物名录》（2021年版）：[www.mee.gov.cn](http://www.mee.gov.cn)  
示例：废矿物油与含矿物油废物  
HW08

废物代码 900-214-08（本稿：船舶及其它机械维修过程中产生的废发动机油、制动油、自动变速箱油、齿轮油等废润滑油）  
废物形态：液体（容器或包装物内盛装废物的物理形态）

主要成分 应填写危险废物主要的化学成分或成分，可使用汉字、化学分子式、元素符号或英文名称等。  
示例1：废矿物油的主要成分可填写“碳氢化合物”。  
有害成分 C15-C16的烷烃、多环芳烃（PAHs）、烯烃、芳香烃、酚类、酯类、（填写废物中对人体健康或环境造成主要危害的成分）

注意事项 应根据危险废物的组成、成分和理化特性，填写收集、贮存、利用、处置时的注意事项，可参照附录B中常见的注意事项填写。如：应妥善保管，远离火源，避免污染环境，避免暴露于阳光直射下。（HJ 1276-2022 危险废物识别标志设置技术规范）附录B

产生收集单位：应填写危险废物产生单位的名称；产生日期：填写开始盛装危险废物时的日期，可按周年月日的格式填写。废物重量：填写完成收集后容器或包装物内危险废物的重量（kg或t）

危险废物贮存分区标志

示例：企业依据实际产废类别进行编辑、修改，制定好后张贴于危废间

N

收集池

HW08废矿物油

HW06废有机溶剂与含有机溶剂废物

HW12染料、涂料废物

应急物资

出入口

贮存分区 ★ 当前所处位置



Apart from experimental waste liquids, other low-hazard wastewater, such as wastewater from ultrapure water systems and post-process cleaning water discharged into the building's sewage pipelines. After regular disinfection of the industrial park's grid chamber, the wastewater is discharged into the municipal sewage network together with domestic sewage. The disinfected wastewater entering the municipal network is ultimately treated properly at Shanghai's wastewater treatment plants. During the reporting year, 100% of Laekna's wastewater was properly treated in accordance with the above procedures.

The laboratory generates waste gas, and Laekna treats waste gas in compliance with the *Laboratory Waste Gas Management Plan*. The gas is collected through ventilation hoods and other collection points, purified via activated carbon adsorption systems, and then released as organized emissions at elevated heights. Laekna replaces the activated carbon in the adsorption systems annually and conducts monthly inspections and documentation of the gas treatment facilities.

Laekna's biological experiments produce bioaerosols, which are filtered through HEPA filters in biological safety cabinets with a retention rate of 99.99%. 70% of the filtered air is recirculated indoors, while 30% is discharged outdoors in an unorganized form. Laekna conducts annual CMA testing on biological safety cabinets to ensure their effectiveness.

The laboratory also generates noise. Laekna mitigates noise through multiple measures such as rational layout , procurement of low-noise equipment.

Laekna entrusts qualified third-party companies annually to monitor the three types of waste, namely waste gas, wastewater, and noise, and generates written reports to confirm compliance with regulatory standards.

## Hazardous Waste Emission Deduction

Laekna's R&D team has explored a series of operational methods in daily workflows to reduce the generation of hazardous solid waste, wastewater, and exhaust gases, thereby minimizing the generation of hazardous waste.

In 2024, Laekna's hazardous waste emissions totaled 2.9 tonnes, with an emission intensity at 0.1 kilograms per RMB10,000 in R&D expenses. This represents a 12.5% reduction compared to the previous reporting year. The Company's revised emission reduction target is to achieve 100% compliance in hazardous waste disposal.

### Optimizing Experimental Design to Control Pollution at the Source

- Regularly monitor and assess the sources of hazardous waste generation, and substitute or optimize processes, projects, materials, and equipment that typically generate unnecessary waste to minimize waste at the source.
- Prioritize harmless, low-hazard, or low-dose reagents for during experiments.
- In 2024, Laekna implemented AI-driven molecular screening models, significantly reducing waste emissions during preliminary experimental phases.

### Improving Experimental Operations to Reduce Consumables

- Minimize the use of single-use consumables and substitute with reusable glass container. Presently, the proportion of reusable equipment has reached 20%
- Strive for maximum reusability of irreplaceable single-use consumables whenever possible

### Enhancing Disposal Capacity to Reduce Waste Toxicity

- Collaborate with professional waste disposal companies to eliminate the toxicity of hazardous waste or minimize its harm

## Disposal of Non-hazardous Waste and Emission Deduction

During the reporting period, Laekna's office operations generated non-hazardous waste. Since Laekna has not initiated independent large-scale production, it does not involve the use of packaging materials. The primary types of non-hazardous waste include paper, metal, plastics, food waste, and office waste. Laekna's administrative department regularly monitors non-hazardous waste generation, while the Public Affairs and Communications Department conducts awareness campaigns to encourage employees to engage in eco-friendly office practices, such as paperless workflows and e-signatures, to reduce consumable usage. Non-hazardous waste is collected by the industrial park's property management team and transferred to third-party agencies for recycling or disposal.

In 2024, Laekna's non-hazardous waste emissions totaled 2.1 tonnes, with an emission intensity at 0.1 kilograms per RMB10,000 in R&D expenditure. The Company's revised emission reduction target is to ensure that plastic waste emissions show no significant increase compared to 2024 levels by 2030.



# Water Resource Management

Effective water resource management is critical for both corporate operations and environmental sustainability. Laekna proactively identifies and mitigates external water-related risks while enforcing internal measures to prevent water waste.

Laekna's primary operations are located in China's eastern coastal region, where municipal water supply is utilized without significant challenges or risks. Nevertheless, Laekna actively addresses potential water scarcity risks. The R&D Department maintains backup bottled water in laboratories to ensure experiments remain unaffected by sudden water shortages.

Since 2021, Laekna's Administrative Department has continuously tracked water consumption. If usage significantly exceeds historical levels within a specific period, potential risks are promptly investigated and resolved. Additionally, Laekna enhances water conservation awareness among employees through targeted campaigns to achieve water efficiency goals.

In 2024, our water consumption was 344.6 tonnes, with an intensity at 16.0 kilograms per RMB 1,000 in R&D expenses. The Company's revised water efficiency goal is no major water loss incidents.





# 05

## Community Engagement

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Laekna has always been committed to fulfilling corporate social responsibilities, accumulating positive energy through concrete actions. This year, we continued to focus on and support public welfare activities in rural education and science popularization, ensuring that previous philanthropic investments generate sustained value.

Laekna employees have voluntarily participated in various volunteer activities, actively engaging in environmental protection, animal rescue, and other fields.

**352** people

Direct beneficiaries of public welfare projects

**319.5** hours

Total employee volunteer hours





Social Contribution and Public Welfare

ESG Quick Fill

Laekna focuses on social contributions and public welfare activities in its ESG initiatives, striving to become a socially responsible enterprise. Internally, the Company organizes employee volunteer activities to enhance team cohesion and foster a sense of pride among staff. Externally, it continuously engages in public welfare initiatives to build a positive public welfare image. During the reporting period, Laekna's Public Affairs and Communications Department organized employee volunteer initiatives for environmental protection and continued to support public welfare activities in health science education.



In order to facilitate and incentivize employees to participate in volunteer activities, the Company provided a public welfare tool on its internal OA system. In 2024, Laekna launched the "ESG Quick Fill" mini-program on OA system.

This convenient tool allows employees to actively engage in public welfare and volunteer activities. After participating in public welfare activities, the employee may record and share their philanthropic actions through the "Record a Deed" function.

Trash Running

On December 23, 2024, Laekna partnered with the non-profit organization Trash Running to co-host a volunteer trash collection activity.

Ten Laekna employees participated in the initiative, picking up trash along the road in the form of jogging and walking. During the 5-kilometer journey, the team collected 0.75 kilograms of recyclable waste and 3.9 kilograms of non-recyclable waste. Laekna also took the opportunity to promote eco-friendly principles to bystanders along the route, aiming to inspire more Shanghai residents to join future initiatives.

ESG随手填

申请信息

公益行为描述

\*

申请人

申请部门

公益行为开始日期

公益行为结束日期

金额

时长 (小时)

其它衡量指标

公益行为说明

?

\*

Picture of "ESG Quick Fill" Mini-Program





# Advancing Science Education Philanthropy

Laekna has implemented a series of public welfare initiatives in the field of science education, providing funding for rural schools in underdeveloped educational resource areas to support rural revitalization. In 2024, Laekna 's donations reached RMB 9,687.2. We conducted 2 events that directly benefited 352 individuals, with employees contributing 319.5 hours for volunteer service. In 2023, after evaluation, Laekna selected Dandangzhe Action, a credible public welfare partner known for its prudent and efficient use of donated funds, to ensure optimal utilization of its donations. That same year, Laekna donated RMB30,000 to establish a "Children's Science Innovation Classroom" at Taiping Town Central Primary School in Jingchuan County, Pingliang City, Gansu Province.



Before and After Renovation of the Children's Science Innovation Classroom

In 2024, we collected a series of intriguing medical science questions from students at Taiping Town Central Primary School. Scientists from Laekna were invited to answer these questions via video, providing explanations for professional topics like "the causes of cancer" and "how new drugs are developed," while also addressing inquiries such as "Why do scientists wear lab coats and goggles?" and "Is it good to take too much new drugs?" Laekna aimed to ignite children's curiosity through this initiative, planting seeds of scientific rigor and relentless exploration in their minds, with the hope of inspiring more students from rural backgrounds to join the fields of scientific research and innovation in the future.

During the reporting year, the continuous investment of donations leads to significant upgrades in campus facilities and learning resources. Since the project was completed in July 2024, the students have gained access to a bright, clean space dedicated to scientific exploration. Leveraging this opportunity, Taiping Town Central Primary School organized Reading Festival and Technology Festival to stimulate children's divergent thinking, transforming knowledge from the Innovation Center into tangible handmade articles. **In November 2024, Laekna donated 100 backpacks to reward students who excelled in the Technology Festival, encouraging them to persist in scientific learning and nurture the spirit of exploration.**



The Dandangzhe organization distributed Laekna backpacks to Taiping Town Central Primary School in Gansu Province on behalf of the Company.



# Employee Public Welfare Initiatives

## The Warmhearted HR Writes Resumes for Stray Dogs

WANG Susan

HR

For over a decade, WANG Susan has provided volunteer services at an animal shelter in the city where she lives (Plano, Texas) every weekend, cleaning cages and letting dogs out to play on the grass. In terms of total service hours, her dedication has made her a leading volunteer in the Company, with 284 hours in 2024.

Susan's other mission is writing "resumes" for the dogs, detailing their age, temperament, and traits. These profiles are posted on the shelter's website for potential adopters to search and filter. As a professional HR, her descriptions stand out: "Piper, 5 years old, loves car rides, playing with balls, and all kinds of toys. She enjoys the pet park, is gentle with children and other dogs, and suits for a family with kids or pets. Piper understands the 'sit' command and is highly obedient."

## Always Prepared to Feed Homeless Animals

YU Hang

IT

YU Hang's compassion for animals, especially stray cats and dogs, began when his own cat went missing. He started feeding stray cats after hearing that "spreading messages through stray cats" might help find his pet. His cat was eventually found, thus he continued caring for stray cats.

Now, YU Hang always stocks cat/dog food and feeding bowls in his car. Whenever he encounters stray animals, he feeds them from a safe distance and cleans up afterward, ensuring safety for both humans and animals while protecting the environment.





## A Passionate Online Public Welfare Activist

JIN Tong

Clinical Development

JIN Tong is passionate about environmental protection and is a renowned online public welfare activist. She frequently donates old clothes through recycling platforms to those in need. She dreams of one day visiting the desert to witness the saplings she planted. Additionally, she has joined a monthly donor program of a well-known charitable foundation, contributing regularly through online donations to support public welfare projects such as earthquake relief and medical services in remote areas.



## Love Makes Stray Kittens Grow Well

LIU Xiaowen

Legal

At a local cat adoption event, Xiaowen played with the kitten with a cat teaser, and the kitten exhibited adorable poses. "Only by 'working hard' can they get better adoption opportunities." Her enthusiastic dedication drew many passersby to stay and learn about the kittens' adoption stories.

Xiaowen's two kittens came from such adoption events. The first one is a black kitten named Luna, symbolizing "the moon". Later, considering that Luna might feel lonely, she adopted a white kitten with heterochromatic eyes named Luca, meaning "light". Under her meticulous care, both kittens boast a stunning beauty that rivals even purebred cats.



Luca, who just ended his life as a stray



Luna and Luca after becoming Xiaowen's kittens

# Performance Table

## Striving for Excellence in Governance

Indicators	2024
Compliance Operations and Regulatory Corporate	
Number of compliance training sessions (unit: times)	5
Total hours of compliance training (unit: hours) <sup>1</sup>	97.6
Number of participants in compliance training (unit: person-times)	225
Percentage of employees participating in compliance training (unit: %)	100
Risk Management and Internal Control	
Number of risk management training sessions (unit: times)	13
Total hours of risk management and internal control training (unit: hours) <sup>1</sup>	128.0
Number of participants in risk management training (unit: person-times)	803
Percentage of employees participating in risk management training (unit: %)	100
Business Ethics and Anti-corruption	
Number of corruption litigation cases (unit: times)	0
Supply Chain Management	
Number of suppliers	627
Number of suppliers - China	564
Number of suppliers - overseas	63

## Innovative R&D

Indicators	2024
Management of R&D and Innovation	
Number of R&D employees	61
Percentage of R&D employees (unit: %)	70.9
Advancing Clinical Trials and Ensuring Drug Safety	
Percentage of sold or used products requiring recall due to safety and health reasons (Unit: %)	0
Number of complaints received regarding products or services (Unit: times)	0
Information Security and Intellectual Property Protection	
Instances of information or data breaches (unit: times)	0

<sup>1</sup> The total number of training hours for trainers is the sum of the training hours of all employees



## Focusing on Talent

Indicators	2024
Employment Management	
Total number of employees	86
Number of employees by gender - female	53
Number of employees by gender - male	33
Number of employees by age: below 30	4
Number of employees by age: 30-50	71
Number of employees by age: over 50	11
Number of employees by region - the U.S.	80
Number of employees by region - China	6
Number of employees by employment type - full-time	86
Number of employees by employment type - part-time	0
Employee turnover rate (unit:%)	17.7
Employee turnover rate by gender-female (unit:%)	19.2
Employee turnover rate by gender-male (unit:%)	15.1
Employee turnover rate by age: below 30 (unit:%)	0
Employee turnover rate by age: 30-50 (unit:%)	19.6
Employee turnover rate by age: over 50 (unit:%)	14.4
Employee turnover rate in China (unit:%)	14.6
Employee turnover rate in the U.S. (unit:%)	48.0

Indicators	2024
Employee Training and Development	
Employees trained (unit: person-times)	3,429
Average training hours per person (unit: hours)	6.6
Average number of training hours per employee by gender - Female (unit: hours)	6.7
Average number of training hours per employee by gender - Male (unit: hours)	6.5
Average number of training hours per employee by employee category - Management (unit: hours)	3.6
Average number of training hours per employee by employee category - Non-management employees (unit: hours)	7.0
Overall percentage of trained employees (unit: %)	100
Percentage of trained employees, by gender - Female (unit: %) <sup>1</sup>	61.6
Percentage of trained employees, by gender - Male (unit: %) <sup>1</sup>	38.4
Percentage of trained employees, by employee category - Management (unit: %) <sup>1</sup>	10.5
Percentage of trained employees, by employee category - Non-management employees (unit: %) <sup>1</sup>	89.5
Occupational Health and Safety	
Number of work-related fatalities (unit: persons)	0
Percentage of work-related fatalities (unit: %)	0
Number of working days lost due to work-related injuries (unit: days)	0
Number of health and safety training sessions (unit: number of times)	1
Coverage rate of physical examinations and health records (unit: %)	100
Number of occurrences of occupational diseases (unit: number of times)	0

<sup>1</sup> The training percentage of employees in each category = the number of trained employees in this category / the total number of trained employees \* 100%

## Green Operation and Environmental Protection

Indicators	2024
Climate Change and Carbon Emissions	
Greenhouse gas emissions in Scope 1 (unit: tonnes of carbon dioxide equivalent)	0
Greenhouse gas emissions in Scope 2 (unit: tonnes of carbon dioxide equivalent)	105.4
Total greenhouse gas emissions (Scope 1 and Scope 2) (unit: tonnes of carbon dioxide equivalent)	105.4
Greenhouse gas emission intensity (Scope 1 and Scope 2) (unit: kilograms of carbon dioxide equivalent per RMB 10,000 of R&D expenses)	4.9
Energy Management	
Electricity consumption (unit: MWh)	196.4
Total energy consumption (unit: MWh)	196.4
Energy consumption intensity (unit: KWh per RMB 10,000 of R&D expenses)	9.1
Waste Management	
Discharge amount of hazardous waste (unit: tonnes)	2.9
Discharge density of hazardous waste (unit: kg per RMB 10,000 of R&D expenses)	0.1
Paper waste (unit: kg)	8.1
Metal waste (unit: kg)	3.9
Plastic waste (unit: kg)	36.2
Food waste (unit: kg)	353.0
Office waste (unit: kg)	1,737.0
Total discharge amount of non-hazardous waste (unit: tonnes)	2.1
Discharge density of non-hazardous waste (unit: kg per RMB 10,000 of R&D expenses)	0.1

Indicators	2024
Water Resource Management	
Total water consumption (unit: tonnes)	344.6
Total water consumption intensity (kg per RMB 10,000 of R&D expenses)	16.0

## Community Engagement

Indicators	2024
Social Contribution and Public Welfare	
Number of public welfare activities held (unit: number of times)	2
Number of direct beneficiaries of public welfare activities (unit: persons)	352
Amount invested in the public welfare field (unit: RMB 1,000)	9.7
Total duration of employees' volunteer activities (unit: hours)	319.5



# Stock Exchange ESG Reporting Guide - Index

Subject Areas, Aspects, General Disclosures and KPIs			Sections in ESG Report
Aspect A1: Emissions	General disclosure relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.		Climate Change and Carbon Emissions Waste Management
	KPI A1.1	The types of emissions and respective emissions data.	Performance table
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance table
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance table
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance table
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Climate Change and Carbon Emissions Waste Management
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management

Subject Areas, Aspects, General Disclosures and KPIs			Sections in ESG Report
Aspect A2: Use of Resources	General Disclosure		Energy Management
	Policies on the efficient use of resources, including energy, water and other raw materials.		Water Resource Management
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Table
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Table
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Management
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Resource Management
			Not Applicable, the Company Has Not Launched Such Products
Aspect A3: The Environment and Natural Resources	General Disclosure		Climate Change and Carbon Emissions
	Policies on minimizing the issuer's significant impact on the environment and natural resources.		Energy Management Waste Management Water Resource Management
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Climate Change and Carbon Emissions Energy Management Waste Management Water Resource Management
Aspect A4: Climate Change	General Disclosure		Climate Change and Carbon Emissions
	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change and Carbon Emissions



Subject Areas, Aspects, General Disclosures and KPIs			Sections in ESG Report
Aspect B1: Employment	General Disclosure relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.		Employee Management Employee Training and Development Diversity, Equity and Inclusion
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Performance Table
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Table
Aspect B2: Health and Safety	General Disclosure relating to providing a safe working environment and protecting employees from occupational hazards. Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.		Occupational Health and Safety
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Table
	KPI B2.2	Lost days due to work injury.	Performance Table
	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Health and Safety
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Employee Training and Development
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Table
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Table
Aspect B4: Labor Standards	General Disclosure relating to preventing child and forced labor. Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.		Employment Management
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employment Management
	KPI B4.2	Description of steps taken to eliminate such violations when discovered.	Employment Management

Subject Areas, Aspects, General Disclosures and KPIs			Sections in ESG Report
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.		Supply Chain Management
	KPI B5.1	Number of suppliers by geographical region.	Performance Table
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility	General Disclosure relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer		Advancing Clinical Trials and Ensuring Drug Safety
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Performance Table
	KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Performance Table
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Information Security and Intellectual Property Protection
	KPI B6.4	Description of quality assurance process and recall procedures.	Advancing Clinical Trials and Ensuring Drug Safety
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Advancing Clinical Trials and Ensuring Drug Safety



Subject Areas, Aspects, General Disclosures and KPIs			Sections in ESG Report
Aspect B7: Anti-corruption	General Disclosure relating to bribery, extortion, fraud and money laundering. Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer		Business Ethics and Anti-corruption
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Performance Table
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics and Anti-corruption
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics and Anti-corruption
Aspect B8: Community Investment	General disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Social Contribution and Public Welfare
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Social Contribution and Public Welfare
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Performance Table



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