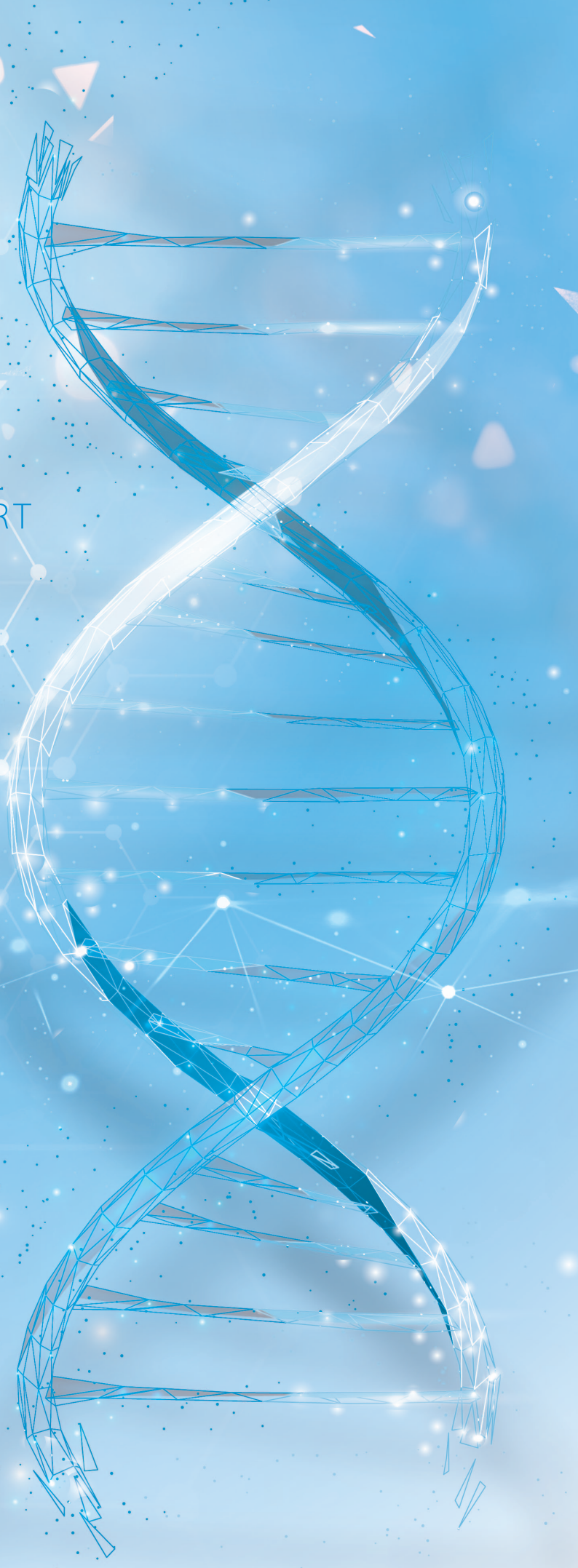
SINOMAB

SinoMab BioScience Limited
中國抗體製藥有限公司
(Incorporated in Hong Kong with limited liability)

Stock Code: 3681

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2024



1 ABOUT THE REPORT

1.1 Scope of Report

SinoMab BioScience Limited ("**SinoMab**" or the "**Company**", together with its subsidiaries, the "**Group**" or "**We**") is the first Hong Kong-based listed biopharmaceutical company dedicated to the research, development, manufacturing and commercialisation of therapeutics, primarily engaged in the research and development ("**R&D**") of pharmaceutical products. This report aims to objectively disclose the Group's environmental, social and governance ("**ESG**") performance for the period from 1 January 2024 to 31 December 2024 (the "**Reporting Period**").

Unless otherwise stated, the scope of this report covers the ESG performance of the Group's main operating regions in Hainan, Suzhou, Shanghai, Shenzhen, Nanjing in the People's Republic of China (the "**PRC**" or "**Mainland China**") and the Hong Kong Special Administrative Region ("**Hong Kong**"). The environmental Key Performance Indicators ("**KPIs**") disclosed in this report focus on Hainan, Suzhou and Hong Kong bases of the Group.

1.2 Framework of Report

This report has been prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (the "**ESG Reporting Guide**") contained in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"). For detailed information on the corporate governance, it is recommended to read this report in conjunction with the section headed "Corporate Governance Report" of the Group's 2024 Annual Report.

This report has been prepared in accordance with the four reporting principles of "materiality", "quantitative", "consistency" and "balance" as set out in the ESG Reporting Guide.

Materiality: This report follows the ESG Reporting Guide to carry out materiality assessment work. Our working procedures include: (i) identifying relevant ESG topics, (ii) assessing the materiality of the topics, and (iii) reviewing and confirming the assessment process and results by the Board of Directors (the "**Board**"). We report ESG matters based on the materiality assessment results. For details on materiality assessment work, please refer to the subsection headed "3.4 Materiality Analysis" below.

Quantitative: This report follows the ESG Reporting Guide and refers to applicable quantitative standards and conventions, and adopts quantitative methods to measure and disclose applicable KPIs. The measurement standards, methodologies, assumptions and/or calculation tools of the KPIs in this report, as well as the sources of the conversion factors used have been explained in the corresponding places (if applicable), and the relevant environmental targets are disclosed in the subsection headed "6. Green Operation".

Consistency: With the exception of changes in the scope of reporting, the preparation method of this report is basically consistent with that of previous years, and for any changes that may affect a meaningful comparison with previous reports, explanations have been provided for the relevant data.

Balance: This report objectively discloses positive and negative information to ensure that the content presents an unbiased view of the Group's ESG performance during the Reporting Period.

1.3 Source of Information and Reliability Guarantee

The source of information and cases in this report are mainly derived from SinoMab's statistical reports, relevant documentation and internal communication documents. SinoMab undertakes that there are no false records or misleading statements in this report, and takes responsibility for the authenticity, accuracy and completeness of the information in this report.

1.4 Access and Respond to the Report

This report is published in both traditional Chinese and English. The electronic version of this report is available on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the official website of SinoMab at www.sinomab.com. If there are any comments or suggestions on the ESG management of the Group, please contact us via email message@sinomab.com. We look forward to your valuable opinions.

2 BOARD STATEMENT

The Board is ultimately responsible for the ESG work of the Group and for setting clear duties and management responsibilities for ESG matters. The Board is responsible for overseeing and managing the implementation of ESG-related matters of the Group and ensuring compliance with ESG-related laws and regulations. All ESG functional departments are responsible for implementing the ESG work and reporting their results, decisions and recommendations to the Board.

The Board shall participate in assessing, prioritising and managing ESG matters including risks and materiality to the Group's business at least once a year. For details on risk management and materiality assessment, please refer to the Corporate Governance Report section of the Group's 2024 Annual Report and the subsection headed "3.4 Materiality Analysis" below. The key ESG risks have been incorporated into the Group's risk management system and measures have been developed in response to the relevant risks. The Board has reviewed these key risks, is aware of the measures taken and has made recommendations.

During the Reporting Period, the Board has established environmental targets related to business operations and has reviewed and discussed the establishment and progress of these targets from time to time. Where appropriate, external consultants will be engaged to provide expertise and professional advice on the ESG management process.

This report discloses the above ESG-related issues in detail, which has been reviewed and approved by the Board on 31 March 2025.

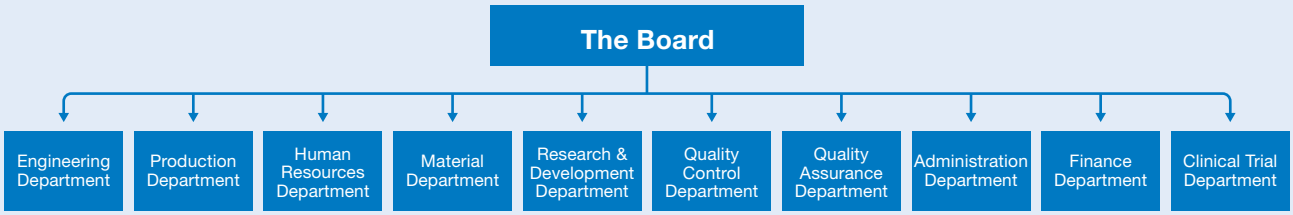
3 ESG MANAGEMENT SYSTEM

3.1 ESG Concept

The vision of SinoMab is to become a global leader in the innovation of therapeutics for immunological and other debilitating diseases. We aim to create genuine therapeutic advance by improving the immunogenic profiles of therapies and reducing the burden of complex manufacturing and long treatment timelines through innovation with new mechanisms of action and new modalities. We strive to become a leading global biopharmaceutical company to develop novel drugs to fulfill unmet medical needs. As an industry pioneer in the Greater China region, we actively practice the concept of ESG. While being dedicated to R&D and quality assurance, we also attach great importance to environmental protection and the protection of employee's legitimate rights and expect to develop together with employees and partners. Looking forward, based on the current portfolio of drugs and R&D capabilities, we will accelerate the R&D and marketing of drugs, enhance globalised cooperation and technological innovation, further integrate the concept of sustainable development into the Group's operations, and continue to improve its ESG management. We are dedicated to evolving into an importance force in the global healthcare industry to pursue patients' well-being while advancing together with scientists, government, regulatory authorities, shareholders, investors and society.

3.2 ESG Governance Structure

Based on our current organisational structure, we have established an ESG governance structure led by the Board and joined by multiple functional departments for better implementation of the Group's development philosophy and ESG work.



The Board: As the highest decision-making body for ESG governance, the Board is responsible for overseeing the Group's overall ESG strategy, annual ESG targets and performance, reviewing and managing ESG risks and the materiality assessment results so as to ensure that the Group has appropriate and effective ESG risk management and internal control systems in place. The Board also reviews, discusses and approves the content and quality of the disclosures in the ESG report to ensure the accuracy of the information disclosed.

ESG functional departments: To assist the Board in supervising ESG-related topics, the primary responsibility is to formulate departmental ESG targets and work plans according to the ESG management policy and strategy, implement key tasks (including data collection and progress tracking of KPIs) based on them, and promptly monitor the achievement of the targets. Functional departments should report at least once a year to the Board on the development of ESG work in their own departments and submit annual ESG information and disclosure materials for the review and discussion of ESG-related topics and to assist the Board in fulfilling their supervisory responsibilities.

3.3 Stakeholder Engagement

The Group attaches great importance to the communication and feedback from stakeholders. During the Reporting Period, we continued to identify and proactively respond to ESG topics of concern to stakeholders, including government and regulatory authorities, shareholders and other investors, employees, customers and patients, partners, suppliers, industry, environmental groups, communities, etc.

Main stakeholders	Main expectations & requirement	Major communication channels	Key ESG concerns
Government and regulatory authorities	• Abide by national policies and laws and regulations • Pay taxes in full and on time • Safe manufacturing	• Information disclosure	• Employment • Health & safety • Labour standards • Product responsibility • Anti-corruption
Shareholders and other investors	• Income returns • Compliant operation • Increase in company value • Information transparency and efficient communication	• Shareholder's meeting • Annual report • Regular announcement • Official website	• Use of resources • Supply chain management • Product responsibility • Anti-corruption
Employees	• Protection of interests • Occupational health • Salary and benefits • Career development	• Communication meeting • Face to face communication • Company newsletter and intranet • Staff mailbox • Training and workshop • Employee activities	• Use of resources • Employment • Health & safety • Development & training • Labour standards • Supply chain management • Product responsibility • Anti-corruption
Customers and patients	• Quality products and services • Health & safety • Integrity in operation • Customer information and privacy protection	• Information disclosure • Customer service centre and hotline • Customer opinion survey • Customer communication meeting	• Product responsibility

Main stakeholders	Main expectations & requirement	Major communication channels	Key ESG concerns
Partners	• Integrity in operation • Fair competition • Fulfil contracts according to law • Mutual benefits	• Business communication • Exchange seminar	• Supply chain management • Product responsibility • Anti-corruption
Suppliers	• Fair competition • Business ethics and reputation	• Supplier evaluation • Phone • Email • Field visit and meeting • Supplier management meeting and event	• Supply chain management • Product responsibility • Anti-corruption
Industry	• Industry standard formulation	• Participate in industry forum	• Product responsibility • Anti-corruption
Environmental groups	• Compliant discharge of pollutant • Energy conservation and emission reduction • Ecology protection	• Communicate with local environmental authorities • Report submission	• Emissions • Use of resources • Environment and natural resources • Climate change
Communities	• Promotion of community development • Participation in public welfare • Transparent information disclosure	• Charity • Social media • Company website • Company announcement • Media interview	• Emissions • Environment and natural resources • Climate change • Health and safety • Anti-corruption • Community investment

3.4 Materiality Analysis

We use the following process to identify ESG topics that are important to the Group's sustainability and stakeholders.

1 Identification of potentially material topics

We identify potentially material topics with reference to the following information:

- ESG Reporting Guide
- Industry ESG key topics

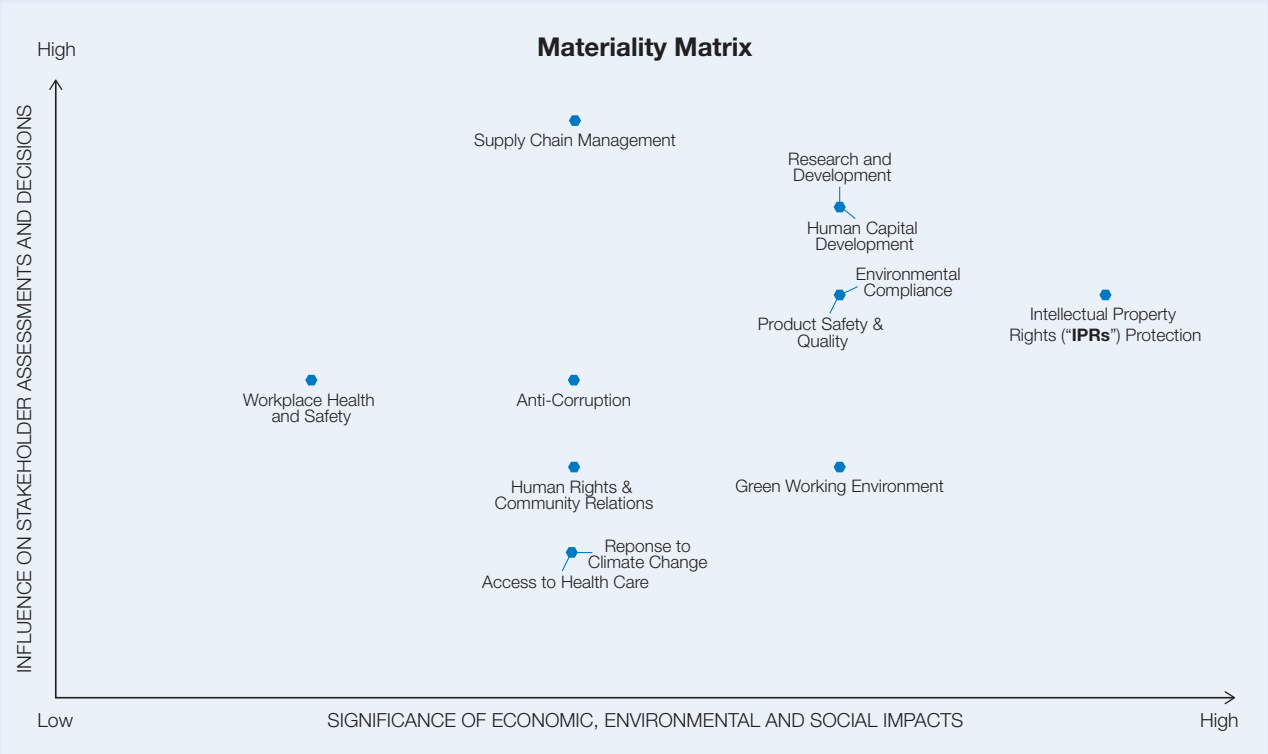
2 Stakeholder communication and analysis of material topics

- Conduct analysis of material topics through the aforementioned communication channels with key stakeholders to understand their views on relevant ESG topics
- Consider the opinion of external consultants

3 Confirmation of material topics

- Based on the results of the stakeholder analysis, identify the Group's material ESG topics and use them to guide the preparation of this report and the direction of the Group's next steps

During the Reporting Period, the result of our analysis of the material topics is as follows:



4 RESPONSIBLE OPERATION

Under the guidance of "integrity, innovation, pragmatism, efficiency, and collaboration", the Group carries out responsible operations by ensuring compliant operation with relevant laws and regulations, assuring product quality, focusing on R&D and innovation, and promoting the joint development of the industry.

4.1 Product Responsibility

In line with our vision to become a global leader in the innovation of therapeutics for immunological and other debilitating diseases, we have been dedicated to R&D since our inception. We have continuously expanded our established candidate pipeline for complementary monoclonal antibody ("**mAb**")-based biologics and new chemical entities ("**NCE**") addressing indications against a plethora of immunological diseases. We have established a full-spectrum platform that consists of target identification, drug candidate development, pre-clinical research, clinical trials, clinical production, quality control, quality assurance, regulatory approval and commercial-scale production. We provide comprehensive and effective assurance for the quality and safety of products through the implementation of a management system throughout the life cycle.

SM03 (Suciraslimab), our flagship product, is a global first-in-class anti-CD22 mAb for the treatment of rheumatoid arthritis ("**RA**") and potentially for the treatment of other immunological diseases. Suciraslimab has been recognised by the Ministry of Science and Technology of the PRC for two consecutive times as one of the significant special projects of Significant New Drugs Development under the Twelfth Five-Year Plan and Thirteenth Five-Year Plan. The Biologics License Application for Suciraslimab has been accepted by the National Medical Products Administration ("**NMPA**") of the PRC in September 2023 and was undergoing the final review stage.

During the Reporting Period, the Group was not aware of any material non-compliance of laws and regulations relating to health and safety, advertising, labelling and privacy matters of products and method of redress, that had a significant impact on the Group, including but not limited to the *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》) and the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》) of the *PRC and the Trade Marks Ordinance* (《商標條例》) and the *Patents Ordinance* (《專利條例》) of Hong Kong.

4.1.1 Product quality assurance

With the quality target of "continuously providing innovative biopharmaceuticals with excellent quality and global trust", the Group is committed to exercising high-standard quality control. We strictly abide by the laws and regulations such as the *Drug Administration Law of the People's Republic of China* (《中華人民共和國藥品管理法》) and the *Good Manufacturing Practice for Pharmaceutical Products* (《藥品生產質量管理規範》, the "**GMP**"). We focus on the trend of changes in relevant international standards and respond timely. We have formulated a series of quality standards, operating procedures and production management procedures with reference to the international standards and carry out drug production and quality management accordingly.

The Group has established and continuously improves its quality management system and conducts and justifies comprehensive risk assessment in accordance with the standards and procedures under the quality management system. We have built a professional quality control team led by the Chief Executive Officer ("**CEO**") of the Group:

- The CEO of the Group is responsible for overall product quality and ensures that the Group achieves the quality targets and produces drugs in compliance with the GMP requirements.

- The designated personnel and the quality management leader are responsible for establishing and operating the quality management system to ensure the safety and effectiveness of our products.

- The Quality Assurance Department ("**QA**") and the Quality Control Department ("**QC**") are headed by the quality management leader. The QA is primarily responsible for establishing and improving the quality assurance system, conducting self-inspection against the GMP to ensure that the quality management is carried out effectively. The QC is primarily responsible for establishing the quality control system, formulating relevant policies and standards on quality management, and conducting quality inspection, verification and analysis of raw materials, auxiliary materials, packaging materials, intermediate products, stock solution, semi-final products and final products. The QA is also responsible for formulating validation strategies, developing main plans for validation, tracking and monitoring implementation to ensure that facilities, equipment, and processes are validated.

Full-cycle quality control

The Group implements full-cycle quality control from product development, material selection, production to clinical trials (as currently the product has not yet been commercialised, the product cycle has yet to cover product listing and delisting):

- **Product quality control in R&D**

  For products in the R&D stage, whether they are self-developed or introduced from third parties, the Group will conduct comprehensive and professional testing on the safety and effectiveness of products and continuously improve the quality of products based on the testing results and related procedures.

- **Quality control in the selection and collection stage**

  Our Purchasing Department, Production Department as well as Quality Management Department jointly conduct supplier development and assessment. We have reorganised the material management hierarchy and further optimised the material management system. At the same time, we updated our supplier management system and improved the review content of our annual material management. We have established the *Quality Agreement Management Regulations* (《質量協議管理規程》) to strictly control the quality of the inspection, production and material supply that we entrusted to our partners. We implement a strict control process for production materials and establish corresponding management and operational procedures for each node in the process. We implement a "three-tier check" on the quality of raw materials, including warehousing check, issue check and workshop handover check, and enforce the Four-Eyes principle in the review of high-risk materials.

- **Quality control for production**

  The Group attaches great importance to quality control in the production process, inviting external experts to guide the optimisation of the Company's quality system, revising and perfecting the quality management system documents relating to manufacturing technique, technical operations and approval records, etc., such as the *Correction and Prevention Management Regulations* (《糾正與預防措施管理規程》), the *Deviation Management Regulations* (《偏差處理管理規程》) and the *Change Control Management Regulations* (《變更控制管理規程》). If deviations from regulations or standards are identified, corrective and preventive measures will be prescribed according to the type and level of deviation identified in the *Deviation Management Regulations*.

  — **Quality review and analysis:** We conduct review and analysis of the previous year's quality operation at the beginning of each year, based on the summary and statistical analysis of the inspection data generated from raw and auxiliary materials, intermediate products, stock solution and finished products in the previous year, and evaluate from the product technology, product quality and other aspects. In the case of out of specification ("**OOS**"), we strictly conduct a comprehensive investigation into the five dimensions of human, machine, material, law and environment, and implement corresponding corrective and preventive actions.

- **Quality control for final products**

  We have formulated quality control procedures for products that will proceed to commercialisation, such as the *Quality Standards for Suciraslimab Drug Substances* (《舒西利單抗原液質量標準》). The final product will be tested by the QC according to the relevant specifications and verification and will be comprehensively reviewed by the QA before being reviewed and released by the designated personnel. We have introduced a fully automated product packaging line to reduce the risk of human error and ensure the quality of finished products.

  The Group identifies, evaluates and disposes of non-conforming products in accordance with *Non-conforming Product Management Regulations* (《不合格品管理規程》). Quality problems will be reported truthfully and handled following the Group's regulations.

- **Drug quality control in clinical trial phase**

  We exercise strict control over the quality and safety of medicines in clinical trial activities. During the Reporting Period, we continued to follow the relevant guidelines such as the *Good Clinical Practice* (《藥物臨床試驗質量管理規範》, the "**GCP**") and the requirements of the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use ("**ICH**") and updated the *Agreement of Quality Assurance for Clinical Trial Drug* (《臨床試驗用藥質量保證協議》) to provide detailed guidelines on the storage and transportation of trial drugs, the use of medicines in clinical trials and the disposal of expired medicines. The main areas include:

  — **Drug storage:** We strictly monitor the storage conditions of trial drugs in the warehouse, set up dedicated drug storage and transfer facilities for clinical trial centres and implement 24-hour electronic temperature monitoring. If the storage environment fails to meet the relevant requirements, we will take proper actions in strict accordance with the corresponding regulations.

- **Drug transportation:** We select a service provider with cold chain transportation of drug qualification and enter into a quality assurance agreement. When receiving the medicine, we confirm that the packaging is complete and undamaged, and check proof materials that demonstrate the storage conditions for the medicine have been met during transportation. If the packaging is damaged or the medicine is over-temperature, we will store the medicine separately and conduct evaluation in a timely manner to see whether the delivered medicine meets the relevant standards.

- **Clinical trials:** The Group selects clinical trial hospitals and researchers with relevant qualifications and a good reputation as partners. We sign the *Agreement of Quality Assurance for Clinical Trial Drug* (《臨床試驗用藥質量保證協議》) with the sponsor of the clinical trial. We review inspection reports for each batch of clinical trial drugs, archive the release reports for inspection, and review the drug management policies of the clinical trial institutions frequently to ensure the quality and safety of the clinical trial drug.

- **Disposal of expired drugs:** The Group has established a complete drug tracking system to strictly review the validity period of drugs. For drugs that are about to expire, relevant test personnel will be promptly notified, and the corresponding batches of drugs will be frozen in our drug distribution system. For expired drugs, we require staff to fill out a recall form and implement recall procedures. We entrust a third party with relevant qualifications to count and destroy expired drugs and acquire related destruction reports after the destruction is completed.

- **Monthly coordination meeting:** Our Clinical Department conducts monthly coordination meetings together with the Production Department, QC and Material Department to coordinate quality control issues encountered during production, supply, storage, and transportation of clinical drugs, and summarise the causes of problems for improvements in a timely manner.

- **Pharmacovigilance system**

During the Reporting Period, the Group continued to implement the pharmacovigilance system. We have set up a pharmacovigilance post in accordance with the GMP requirements and regulations such as the *Code of Practice for the Quality Management of Pharmacovigilance* (《藥物警戒質量管理規範》) and the *Management Measures for the Reporting and Monitoring of Adverse Drug Reactions* (《藥品不良反應報告和監測管理辦法》), with designated personnel responsible for pharmacovigilance and other related work of post-marketing products. In addition, with reference to the requirements of regulations, the Group formulated ten management documents, such as the *Adverse Drug Reaction Reporting and Monitoring Management Regulations* (《藥品不良反應報告和監測管理規程》) and the *Drug Safety Issues Management Regulations* (《藥品安全問題處理管理規程》), as well as eight standard operating procedures, such as the *Standard Operating Regulations for Handling Post-marketing Adverse Drug Reaction Reports* (《上市後個例藥品不良反應報告處理標準操作規程》) and the *Standard Operating Regulations for the Preparation and Submission of Periodic Update Report on Drug Safety* (《藥品定期安全性更新報告撰寫及遞交標準操作規程》), to comprehensively strengthen pharmacovigilance management.

- **Awareness raising**

  The Group is committed to promoting risk awareness and quality awareness among all employees. Under the leadership of the QA, quality-related training has been incorporated into the training matrix, with well-developed quality generalist, quality professional and quality hands-on courses. At the same time, the Group also invites external experts to conduct special training. These training activities enhance employees' understanding of drug-related laws and regulations, quality control standards and pharmacovigilance understandings and help improve their professionalism and analysis capabilities. Meanwhile, we carry out the GMP self-inspection no less than once a year and on-site inspections from time to time to strengthen quality supervision and ensure continuous improvement of quality management.

- **Complaint and recall procedure**

  We have not yet commercialised our products during the Reporting Period. However, we still attach great importance to establishing product complaint and recall systems. We have identified the requirements of the relevant laws and regulations such as the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* (《中華人民共和國消費者權益保護法》) and the *Drug Administration Law of the People's Republic of China* (《中華人民共和國藥品管理法》), and have established the *Drug Safety Issues Management Regulations* (《藥品安全問題處理管理規程》) in accordance with the relevant regulations including the *Measures for the Administration of Drug Recalls* (《藥品召回管理辦法》) and the GMP to regulate the handling of drug safety issues that arise after marketing. We have also developed the *Drug Recalls Management Regulations* (《藥品召回管理規程》) to specify the product complaint response process and recall procedures. The QA is responsible for drug recalls. Once a potential safety hazard is identified through evaluation, we will implement the drug recall process to control and proactively withdraw marketed drugs with quality problems or potential safety risks, and conduct investigations and evaluations on the recalled drugs in order to protect consumer rights. According to the management requirements for user complaints in Section 9 of Chapter 10 of the GMP, we have established a user complaint management system and formed the *User Complaint Management Policy* (《用戶投訴管理制度》), which clearly stipulates the pathway, processing procedures and time limit for product complaints and feedback, forming a complete workflow to ensure compliance with the GMP and to safeguard patients' medication safety and legitimate interests as far as possible.

  During the Reporting Period, we did not receive any customer complaint, and there was no any recall of sold products for safety and health reasons.

4.1.2 Privacy protection

The Group attaches great importance to the protection of the privacy of customers and clinical trial subjects. We strictly abide by the GCP and other regulations, establish and continuously improve the corresponding management system, and have a designated team responsible for managing the protection of the privacy of customers and clinical trial subjects.

We have conducted a series of measures to protect the medical data and other information of clinical trial subjects.

Auditing clinical-related activities

We conduct audits on the following clinical trial-related activities independently or by entrusting a third-party agency:

- Checking the compliance of the signing of the Informed Consent Form;
- Clinical trial document protection related to the privacy of subjects;
- Collection and preservation of biological samples, etc.

Ensuring job approval

We submit applications to the Human Genetic Resources Administration of China of the Ministry of Science and Technology for the following:

- Subject biological sample collection
- Conduct index analysis and trial plan

We conduct relevant research after review and approval.

Collection of non-sensitive data

In order to prevent the leakage of subjects' private information, we only collect and archive necessary data for subject management.

Signing confidentiality agreement

We sign confidentiality agreements with all employees, suppliers and partners, requiring them to perform their confidentiality obligations.

Setting information permissions

We set up an information access authority system to ensure that only qualified employees can obtain core data according to regulations. We also implement the following data leakage prevention measures:

- Prohibiting the use of private mailboxes;
- Setting remote server lock functions;
- Setting non-disclosure period clauses.

Partner control

Our clinical research was reviewed by the Medical Ethics Committee. We require partners to conduct clinical trials in strict accordance with the GCP requirements on the protection of subject privacy, and to closely monitor and manage the clinical trial process.

4.1.3 IPRs protection

The Group attaches great importance to protecting our proprietary technologies and drug candidates from competition, which is critical to our success. Therefore, we are committed to obtaining, maintaining and enforcing IPRs to protect our innovations. We actively develop and protect IPRs to ensure that our technologies and drug research are adequately safeguarded.

We proactively identify the critical risk points for IPRs management and manage IPRs against the identified risks. In our day-to-day operations, we use a combination of patents, trademarks, trade secret protection and employee and third-party confidentiality agreements to protect IPRs. Currently, we have obtained IPRs for our proprietary technologies, both in and outside China and sought additional patent protection where appropriate to safeguard our future innovation efforts. We have also engaged professional third-party organisations to register domestic and international trademarks to reduce the risk of trademark being infringed.

Meanwhile, we respect other parties' IPRs. For example, for employees who used to work for other biotechnology or pharmaceutical companies, we reach into agreements on proprietary rights, non-disclosure and non-competition in connection with their previous employment. Whether it is a self-developed product or an imported project, the Group will conduct a comprehensive background investigation on their patents. If there is a situation that may cause IPRs disputes, we will re-evaluate the product development plan and prospects to ensure that the IPRs of other parties are not infringed.

As of the end of 2024, we had been granted 21 invention patents worldwide and 70 pending patent applications in the United States, the PRC, Europe and elsewhere.

4.1.4 Regulation of advertising and labelling

During the Reporting Period, we had not yet commercialised our products, so we did not advertise our products to the public. However, we have actively identified the regulatory requirements for the Company's advertising and promotional activities as set out in the *Provisions for the Classification Management of Prescription and Non-prescription Drugs (Interim)* (《處方藥與非處方藥分類管理辦法(試行)》) and the *Measures for the Examination of Pharmaceutical Advertisements* (《藥品廣告審查辦法》) in relation to drug advertisements to avoid potential false promotion and misleading advertising or product descriptions, thereby laying a solid foundation for product commercialisation in the future.

4.2 Operational Integrity

The Group strives to create a clean and honest working environment and advocate the corporate culture of integrity. We adhere to a zero-tolerance attitude towards any form of illegal business practices, such as offering or receiving bribes, money laundering and fraud.

We have established policies such as the *Code of Ethics for Directors and Senior Management Staff* (《董事及高級管理人員道德守則》), the *Code of Ethics for Employees* (《員工道德守則》), the *Regulations on Avoiding Conflicts of Interest and Preventing Bribery* (《避免利益衝突和防止受賄管理規定》). We require employees to sign the *Anti-fraud Management Policy* (《反舞弊管理制度》) statement and prohibit employees from engaging in any illegal or unethical business behaviour and seeking benefits from it, as well as requires immediately reporting if any conflict of interest is involved. At the same time, we have also established an anti-fraud management system for suppliers, which provides standardised guidance on anti-fraud management and auditing of the procurement process, effectively controlling backroom deals, corruption and other phenomena during the procurement process to ensure transparency. Please refer to the section headed "4.3 Supply Chain Management" for details.

We have set up an online email reporting channel for employees and stakeholders to report actual or suspected corruption, fraud and other violations of professional ethics. In the event of a violation, the Group will impose disciplinary actions on employees, including but not limited to dismissal or report to the judicial authorities, depending on the impact of the incident. The Group attaches importance to protecting the privacy and safety of whistleblowers in the investigation and will deal seriously with cases of infringement of whistleblower privacy or retaliation against whistleblowers.

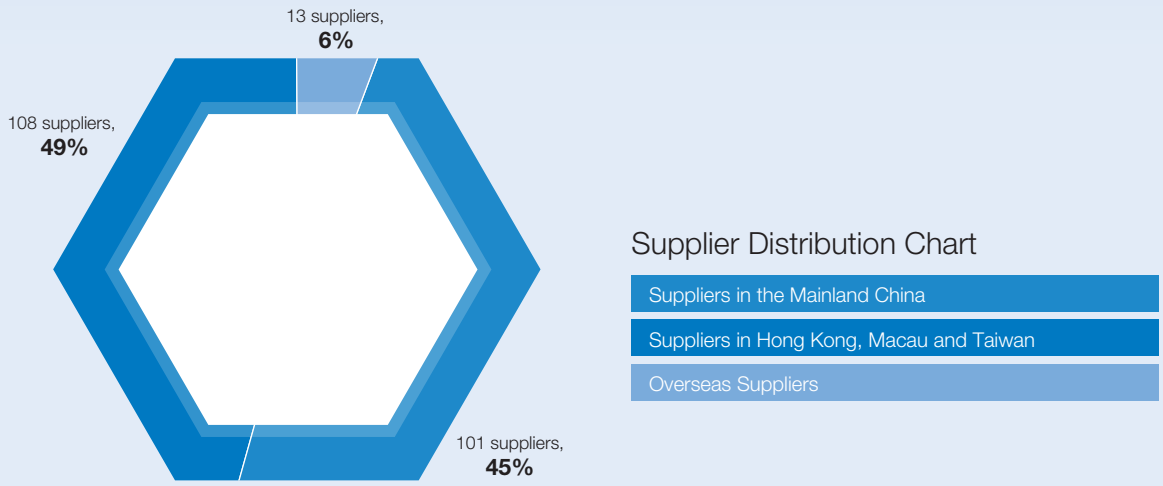
During the Reporting Period, the Group provided 1 hour of anti-corruption training for 10 directors (2023: 10 directors) through online presentation. In addition, it provided 6 new employees (2023: 75 employees) with 1 hour of online induction training on anti-corruption, covering the code of business conduct, bribery, gifts and entertainment, aiming to strengthen integrity awareness within the Group.

During the Reporting Period, the Group was not aware of any material non-compliance of laws and regulations in relation to bribery, extortion, fraud and money laundering that had a significant impact on the Group, including but not limited to the *Prevention of Bribery Ordinance* (《防止賄賂條例》) of Hong Kong and the *Company Law of the People's Republic of China* (《中華人民共和國公司法》) and the *Anti-Money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》) of the PRC. At the same time, the Group was not aware of any concluded legal cases regarding corrupt practices brought against the Group or its employees.

4.3 Supply Chain Management

SinoMab is committed to working closely with suppliers in the field of sustainable development to jointly improve the industry's sustainable development performance. The Group's major suppliers included equipment suppliers, raw material suppliers and service providers. We require suppliers to abide by the laws and regulations of the places where they operate, formulate supplier management systems and management processes, and establish and continuously improve supplier management systems. The Procurement Department works with other departments to manage suppliers following the principle of "Fairness, Justice and Openness". At the same time, we actively focus on suppliers' environmental and social risk management. We gradually deepen ESG risk management of suppliers while establishing long-term and stable cooperative relations with suppliers.

During the Reporting Period, the geographical distribution of the Group's suppliers is as follows:



4.3.1 Supplier entry

The Group has established a unified procurement system. We have formulated the *Procurement/Payment Management Regulations* (《採購／付款管理規定》), the *Equipment Procurement Management and Bidding Process* (《設備採購管理及招標流程》) and other policies to standardise the management of the procurement process. During the Reporting Period, in order to further standardise the management of our procurement, we have therefore formulated and implemented the *Procurement Management System* (《採購管理制度》) to standardise the procurement process. The system basically serves to conduct supplier management following the principle of "Fairness, Justice and Openness" so as to strengthen the Group's internal control and management, reduce procurement costs, improve overall efficiency and control operational risks at a reasonable level.

1 Initial screening

The source of suppliers includes the recommendation of the requesting department, historical cooperative suppliers, and market research introduction, etc. Departments recommending new suppliers to expand the supplier directory shall complete the application form in the system and provide the business licence, bank account information, etc., which will be filed by each procurement department for reference. The Procurement Department is responsible for organising cross-departmental joint access assessment of suppliers to be admitted in accordance with different categories and keeping the records.

2 Unconventional procurement

For procurement activities that do not follow the procurement process, the requesting department is required to complete the *Unconventional Procurement Report* (《非常規採購報告》) and submit the same to the head of the corresponding department as well as the president or the CEO for approval based on the procurement cost and the authority to review.

Green procurement

We are committed to promoting green procurement, including prioritising products and services that have a lower impact on the environment, requiring suppliers to provide environmentally friendly products according to business needs, and purchasing environmentally friendly products such as stationery with refills and environmentally friendly paper. In addition, we give priority to local suppliers when the price is right, so as to reduce the carbon footprint of the transportation process.

4.3.2 Supplier audit

We focus on the ESG risk management of our suppliers. All suppliers that we work with and have contractual relationships should have disclosed conflicts of interest and signed the *Supplier Integrity and Honesty Agreement* (《供應商誠信廉潔協議》). After due diligence, suppliers who can meet the quality and business requirements of the Group are assessed as qualified, while suppliers who can provide quality goods or services at competitive prices are assessed as preferred and recorded in the annual supplier directory. During the Reporting Period, except for certain small purchases and exclusive suppliers in the market, the Group implemented the above engagement practices for the 69 (2023: 189) major suppliers with whom we have newly cooperated.

In addition, the Procurement Department conducts annual cross-departmental rating of the supplier directory by the end of the fourth quarter of each year based on the quality, cost, service and innovation of the suppliers of the year, serving as a basis for evaluating suppliers or eliminating unqualified suppliers. For suppliers with risks in the annual evaluation, we require them to rectify the situation in a timely manner; for suppliers with significant risks or those unable to complete improvement measures, we terminate our cooperation with them.

4.3.3 Management of clinical trial activities

As many of our products are in or about to enter the clinical trial stage, the Group attaches great importance to the supplier management in clinical trial activities. When selecting service providers related to clinical trials and registration filings, we establish an internal management system, form an internal expert panel, conduct one or more rounds of supplier negotiations, carry out panel scoring, and reach a unanimous resolution. We choose third-party contract research organisations ("**CROs**") and clinical trial service providers with relevant qualifications, rich experience and a good reputation in the field of clinical research, as partners. We closely monitor and manage the performance of our partners, including, but not limited to:

- Requiring our partners to strictly abide by the GCP and other related regulations and provide supporting documents for filing with the NMPA before screening
- Requiring our partners to carry out work in strict accordance with the requirements of the *Clinical Trial Programme* (《臨床試驗方案》)
- Conducting necessary audits
- Conducting timely and strict review on the work documents provided by our partners

Suppliers in clinical trial activities must comply with the NMPA guide and policies relating to clinical trials, as well as general industry practices. The Group also sets relevant qualification and capability requirements for clinical trial hospitals, researchers and other clinical trial service providers to standardise their management.

5 GROWING TOGETHER

The Group regards its employees as its most valuable assets. We strive to create a fair, healthy and comfortable workplace, respect and protect the rights and interests of employees, and provide diverse growth opportunities and benefits to support our employees. We hope to grow with our employees together.

5.1 Employment

Human resources are the foundation for supporting the development of the Group, therefore we have adopted a people-oriented management approach to implement the relevant employment policies. We regularly review and update our established *Employee Handbook* (《員工手冊》) to further regulate matters such as employee recruitment, employment, remunerations and benefits, performance, working hours, development and promotion. We adhere to the principle of fair and equitable employment, encourage diversity in the composition of our workforce, and prohibit any differentiation in the treatment of employees on the basis of gender, race, religious belief, sexual orientation or cultural background, etc.

During the Reporting Period, the Group was not aware of any material non-compliance of employment-related laws and regulations that had a significant impact on the Group, including but not limited to the *Labour Law of the People's Republic of China* (《中華人民共和國勞動法》) and the *Labour Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》) of the PRC, as well as the *Employment Ordinance* (《僱傭條例》), Chapter 57 of the Laws of Hong Kong.

As at 31 December 2024, the Group had a total of 95 employees (as at 31 December 2023: 215 employees). The downsizing of the workforce during the Reporting Period was attributed to the Group's streamlining of structure aimed at enhancing efficiency and reducing operational costs. The following tables show the breakdown of the number of employees and turnover rates by category.

KPI B1.1 Total workforce by gender, employment type, age group and geographical region		**Unit**	**2024**	2023
Total workforce		Person	**95**	215
By gender	Male	Person	**52**	107
	Female	Person	**43**	108
By employment type	Full-time employees	Person	**93**	213
	Part-time employees	Person	**2**	2
By age group	Under 30 years old	Person	**15**	64
	Between 30 and 49 years old	Person	**69**	138
	50 years old or above	Person	**11**	13
By geographical region	Mainland China	Person	**61**	178
	Hong Kong	Person	**34**	37

KPI B1.2 Employee turnover rate by gender, age group and geographical region[1]		Unit	2024	2023
Total number of employee turnover		Person	**135**	92
Employee turnover rate		%	**58.70**	29.97
By gender	Male	%	**53.57**	30.07
	Female	%	**63.56**	29.87
By age group	Under 30 years old	%	**73.21**	28.09
	Between 30 and 49 years old	%	**56.33**	31.68
	50 years old or above	%	**31.25**	18.75
By geographical region	Mainland China	%	**67.20**	31.27
	Hong Kong	%	**22.73**	21.28
	Others	%	**–**	100.00

Note:

(1) Employee turnover rate (both overall and by category) is calculated as follows:

$$\frac{\text{Number of employees who left the Group during the Reporting Period}}{\text{Number of employees who left the Group during the Reporting Period} + \text{Number of employees at the end of the Reporting Period}} \times 100\%$$

5.1.1. Employment practices

We have formulated talent recruitment plans based on the Group's strategic planning and regulated the recruitment process by formulating the *Personnel Evaluation and Employment Management Regulations* (《人員考核聘用管理規程》). We recruit talent through diverse methods such as online social recruitment, campus recruitment, job fairs, and internal employee reference. In accordance with the employment conditions and procedures stipulated in the *Employee Handbook* (《員工手冊》), upon confirmation of employment, employees shall submit the required personal information on the day of onboarding in accordance with the notification requirements for strict verification by the Human Resources Department to lower the risk of child labour. During Reporting Period, the Group was not aware of any child labour incident.

For the normal management and operation of the Group, standard working hours and irregular working hours are implemented in the subsidiaries and branches in different locations. The specific attendance regulations under the standard working hours system are set out in the *Employee Handbook* (《員工手冊》). Overtime work due to operational needs will be arranged in accordance with the *Management Measures for Overtime Work* (《加班管理辦法》). Employees must inform and seek approval from the department head or department manager before working overtime, and may apply for compensatory leave afterwards to avoid overwork. The provisions on overtime work and compensatory leave are not applicable to employees who work under the irregular working hours system, and they should make flexible arrangements for work and rest time according to their actual work schedules and needs. In the event of non-compliance or violation of labour laws, we will take immediate corrective action to rectify the violation, including immediate suspension from duty and thorough investigation of the incident. During the Reporting Period, the Group was not aware of any forced labour incidents.

We sign a labour contract with each employee in accordance with applicable laws and regulations. The dismissal or termination of employees is handled according to the type of reason, and obligations such as confidentiality and non-competition after termination of employment are set out in the labour contract and the *Employee Handbook* (《員工手冊》).

5.1.2 Remuneration and benefits

The Group provides employees with competitive remuneration packages and attaches great importance to employee benefits. Our staff remuneration package generally includes remuneration, bonuses and allowances for travelling, meals, communications, etc. Staff remuneration is tied to employees' performance to motivate our employees. We have set up a share incentive plan to provide equity incentives to our core staff to attract and retain talents and to form a corporate community of interests. In addition to the timely payment of the five major social insurance programmes and housing provident fund as well as the Mandatory Provident Fund for employees in accordance with the relevant national and local government regulations, the Group may also purchase accident insurance or other additional insurance for employees in special positions, as appropriate.

We offer multiple benefits, including medical care, housing subsidies, travelling insurance and other additional benefits such as the year-end awards, holiday benefits, free annual medical examinations, free work meals, holiday cash or gifts, etc. Employees can enjoy paid holidays such as annual leave, sick leave, marriage leave, paternity leave and breastfeeding leave.

5.1.3 Evaluation and promotion

The Group provides employees with dual development channels in management and professionalism for promotion. To encourage employees to improve their personal quality and professional abilities, we conduct a fair and comprehensive evaluation every year to provide a comprehensive and integrated assessment of employees' work tasks, performance contribution, work skills and other aspects. The results of the performance management evaluation of all employees are the main bases for performance bonus, employee appointment and removal, position adjustment, salary adjustment and labour contract renewal. The career development channels of the Group are categorised into management and professionalism for promotion. The corporate development requires both excellent management positions and more excellent technical talents of all kinds. Therefore, while expanding the scale and increasing the number of management positions, we will also encourage our employees to continuously improve their professional skills and develop in the professionalism channel.

During the Reporting Period, we continued to implement the *Employee Promotion Management System* (《員工晉升管理制度》) and the *Performance Evaluation Management System* (《績效考核管理制度》) to help employees look back at their performance and understand their strengths and weaknesses. We revised the employee performance evaluation form to save filling time, quickly identify the employee performance and coordinate problems at work. There is also an open performance communication channel for employees to better communicate their performance with department supervisors so that they can understand the problems, find solutions and keep making progress.

5.1.4 Employee activities

The Group attaches great importance to the work-life balance of employees and actively organises diverse employee activities, such as sports competitions, development activities, annual meetings, festive meals, staff trips, etc. We expect to promote employee communication and enhance team cohesion together with increasing the happiness of employees through these activities.

During the Reporting Period, employees of the Hong Kong headquarters participated in an activity of food assistance programme, which not only enhanced teamwork and a sense of belonging among employees, but also contributed to the protection of the environment and service for minority groups. For details, please refer to the section headed "5.4 Contributing to Society".

5.1.5 Employee communications

The Group pays attention to employees' feelings at the workplace. We establish an open and transparent communication mechanism and design various internal communication channels such as the social platform, mailboxes and communication meetings. We listen to our employees' opinions and advice carefully, encourage the rational expression of demands, and provide timely feedback on their opinions, suggestions, or demands.

5.2 Health & Safety

Human resources are valuable assets of the Group. We are committed to meeting the medical needs of society while protecting the health and safety of our employees, and therefore adhere to our policy of production safety. We keep following internal health and safety management policies and procedures such as the *Production Safety Management Protocol* (《生產安全管理規程》), the *Safety Incident Management Protocol* (《安全事故管理規程》) and the *Hazardous Waste Management Protocol* (《危險廢物管理規程》), etc.

There were no work-related fatalities occurred in the Group in the past three reporting periods (including the Reporting Period). During the Reporting Period, no employee lost working days (2023: 22 working days) due to work injury. During the Reporting Period, the Group was not aware of any material non-compliance of laws and regulations relating to health and safety at work that had a significant impact on the Group, including but not limited to the *Production Safety Law of the People's Republic of China* (《中華人民共和國安全生產法》), the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》) and the *Regulations on Work-related Injury Insurance* (《工傷保險條例》) of the PRC.

We have established and improved the internal Environment, Health and Safety ("**EHS**") management system, comprehensively identified and evaluated potential risk areas, risk factors and key risk positions, and adopted a variety of measures to reduce health and safety risks faced by employees:

- We arrange EHS specialists to be responsible for the identification of health- and safety-related policies and regulations. Our EHS specialists conduct standardised management of hazardous operations and special equipment, perform regular safety inspections, and also assist the person in charge in implementing the organisation, formulation, rehearsal and improvement of emergency response programme;

- We have established a safety training management system. New employees would receive the "three levels" of safety education. We would also conduct training sessions for related parties before entering the factories;

- In terms of laboratory safety, operations involving biohazards and chemical toxicity have to be processed in biosafety cabinets or chemical hoods following the relevant instructions in our internal safety regulations;

- Special hazardous chemical substances will be transferred to qualified parties for processing;

- We encourage all employees to report the hidden safety hazards they have identified. Relevant departments will be appointed to carry out safety rectification measures in a timely manner to ensure the health and safety of employees.

In order to improve employees' safety awareness and emergency response capabilities, we formulate plans for emergency drills and regularly organise relevant training courses. The training content during the Reporting Period included fire-fighting, safety knowledge about microorganisms and biological products, principles of civil engineering, storage and use of dangerous goods, etc., aiming to ensure employees' safety at different work positions.

In order to reduce employees' risk of epidemic infection, we remain highly vigilant. We insist on daily disinfection and cleaning of the offices. Gathering activities, on-site meetings and business trips are reduced. Meanwhile, we evaluate the operation situation every day and examine if our employees wear masks or adopt other protective measures. We are committed to ensuring our employees' health and safety while providing strong support for the Group's stable production and operation.

5.3 Training and Development

As a company of innovative drugs, SinoMab expects every employee to have the spirit of scientific exploration, the ability to learn and the motivation to keep moving forward. We adhere to the "Selection, Employment, Training, Promotion and Retention" strategy and have established a three-level training system to provide comprehensive training sessions for employees. Based on job functions and responsibilities, we draw up corresponding annual training plans.

The training of the Group is categorised into five main types, including: new employee training, technical professional training, management training, certification and qualification training, and general training. Training methods are mainly divided into face-to-face teaching, practical operation and self-study, and are assessed by written tests or in operation forms. We actively enrich the internal and external training lecturer resources and promote the building of our technical talent team. We have developed the *External Training Management System* (《外部培訓管理制度》) to standardise the management of external training, meet the needs of employee development, improve knowledge and skills, thereby improving the planning, pertinence and effectiveness of external training.

During the Reporting Period, we further strengthened the training in professional areas. In addition to the amendments of internal standard operating procedures, contents of training provided to employees included GMP-related knowledge, biopharmaceutical trends, laboratory safety and financial knowledge. The Group is paying particular attention to the skill training of middle management and endeavours to create a unique management mode to improve corporate governance while expanding our business.

Employee training performance table

KPI B3.1 Percentage of employees trained by gender and employee category[2]		**Unit**	**2024**	2023
Percentage of employees trained by gender	Male	%	**69.23**	80.37
	Female	%	**51.16**	78.70
Percentage of employees trained by employee category	Management	%	**76.19**	88.00
	Other	%	**56.76**	78.42

KPI B3.2 Average training hours per employee by gender and employee category[3]		**Unit**	**2024**	2023
Average training hours per employee by gender	Male	Hour	**19.73**	25.81
	Female	Hour	**18.14**	33.30
Average training hours per employee by employee category	Management	Hour	**32.71**	22.96
	Other	Hour	**15.12**	30.44

Notes:

(2) Percentage of employees trained by category:

$$\frac{\text{Number of employees trained of the respective category during the Reporting Period}}{\text{Number of employees of the respective category at the end of the Reporting Period}} \times 100\%$$

(3) Employee training hours by category:

$$\frac{\text{Training hours by employees of the respective category during the Reporting Period}}{\text{Number of employees of the respective category at the end of the Reporting Period}}$$

5.4 Contributing to Society

Being a responsible corporate citizen, while making good products and solving life and health problems for patients, we pay close attention to the needs of the community and actively contribute to society. As the Group continues to grow and develop, we are increasingly determined to take responsibility for social welfare. We have established a communication mechanism with the communities where we operate. We have built long-term ties with them to better understand their needs and provide the timely and necessary support to contribute to harmonious community development.

To extend our loving care to vulnerable groups in Hong Kong, we donated cash to sponsor two of our staff members to join a team of dedicated volunteers in support of Food Angel, a meaningful food assistance programme with the mission of "Waste Not, Hunger Not, With Love". The volunteers generously devoted three hours to prepare vegetables to be included in meal boxes that would later be distributed to people who are in need of food assistance.

Through their collective efforts, the volunteers contributed significantly to reducing food waste, alleviating hunger and supporting the well-being of vulnerable members of our community. The commitment to making a difference in the lives of others exemplifies the values of community engagement, social responsibility, and sustainability that are at the core of our ESG initiatives.

6 GREEN OPERATION

The Group adheres to an environmentally responsible attitude, implements green development mechanism, commits to reducing its environmental impact, and actively responds to the global challenge of climate change. We strive to improve our EHS management system, ensure compliance of emissions, and adopt a number of energy-saving and emission-reduction measures. We hire professionally qualified institutions for designing environmental protection plans for proposed projects, carrying out environmental impact assessment work according to law, analysing possible environmental impacts of projects and planning corresponding counter measures.

During the Reporting Period, the Group was not aware of any incidents of non-compliance with related laws and regulations, including but not limited to the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), the *Energy Conservation Law of the People's Republic of China* (《中華人民共和國節約能源法》), the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* (《中華人民共和國固體廢物污染環境防治法》) of the PRC and *Chapter 354 — Waste Disposal Ordinance of the Hong Kong Legislation* (《香港法例》第354章《廢物處置條例》) of Hong Kong.

The Group's main resource consumption and emissions come from the production process, and the Group's production activities are currently concentrated in Haikou base in Hainan. We are also constructing our second production base in Suzhou, Jiangsu Province.

To further strengthen the environmental management within the Group, we have set targets in 2023 to conduct or participate in annual activities in relation to greenhouse gas ("**GHG**") emissions, waste production, energy consumption and water consumption from 2024 onwards in order to raise awareness within the corporation. The followings are the progress during the Reporting Period:

	Progress/detail in 2024
GHG emissions	Although no specific activities were participated in, GHG emissions were effectively reduced through daily operational measures and enhanced overall awareness among employees
Waste production	Participated in the food recycling and assistance programme of Food Angel for reducing food waste
Energy consumption	Joined Earth Hour 2024 and switched off lights for one hour in the evening of 23 March 2024
Water consumption	Although no specific activities were participated in, water consumption was effectively reduced through relevant operating procedures in production operations

For the impact of the Group's business activities on the environment and natural resources, please refer to the sections headed "Resource Conservation" and "Compliant Emissions" in this report.

6.1 Resource Conservation

Our main operating model concerns daily office work, laboratory operations, and small-scale production of drugs under development (used for pre-clinical research and clinical trials). The consumed resource consists mainly of electricity, steam, gasoline, tap water and paper. We have established the *Daily Management System for Energy Conservation and Emission Reduction* (《節能減排日常管理制度》), which provides a basis for systematic resource management in all operating processes. The Administration Department is responsible for promoting the effective implementation of management policies. During the Reporting Period, we continued to implement a series of measures to minimise energy consumption and GHG emission by improving the efficiency of resource consumption.

In terms of electricity consumption, we use energy-saving or high-energy-efficiency lamps in all office areas, set up independent lighting switches, make use of daylight as much as possible and regularly remind employees to turn off the lights in a timely fashion. Unused electrical appliances and production equipment are shut down timely to reduce unnecessary energy loss. We regularly analyse suitable temperatures in different locations, and implement relevant energy conservation measures. In the offices, we set the temperature of the air conditioners to suitable level, regularly clean the filter, put anti-ultraviolet heat insulation film on windows to reduce heat absorption, and encourage the use of the ventilation system for cooling to save electricity while ensuring a comfortable working environment. In the production workshop, we have strengthened the indoor heat insulation effect and reduced the usage of air conditioners by installing colour steel tile with the aim to reduce electricity consumption. During the Reporting Period, through the implementation of the above measures and due to the reduction in the number of employees, the electricity consumption was effectively reduced by approximately 39%.

The water resources used by the Group are sourced from municipal water supply, thus there was no issue in sourcing water that was fit for purpose. In order to improve the efficiency of water usage, we took measures such as installing sensor switches and implementing recycled water irrigation for green areas. Additionally, we regularly check water meter readings for any potential water leakage and immediately repair dripping faucets to reduce water wastage. Our operating manual for production activities also stipulated relevant requirements for water conservation. During the Reporting Period, due to the reduction in both production volume and employee number, water consumption decreased by approximately 24% correspondingly compared to last year.

In terms of the steam usage, we have formulated a steam use approval system, which is handled by the Engineering Department. Prior to continuous production, an activation request is submitted to the Engineering Department. Once the production is complete, a deactivation request is promptly submitted to the Engineering Department in order to reduce energy wastage. During the Reporting Period, due to the lack of production in the second half of the year, and the newly established laboratory was yet to be put into use, the annual steam consumption has been significantly reduced by approximately 70% compared to last year.

The Group's gasoline consumption mainly comes from the use of company vehicles. We strengthen the management of company vehicles, conduct regular maintenance on the company vehicles to maintain high efficiency, implement the concept of green travel, and encourage employees to use public transportation as much as possible. At the same time, employees are encouraged to use teleconferences and the internet for cross-regional communication, which reduces energy consumption due to unnecessary traveling. During the Reporting Period, although the fuel consumption of company vehicles increased due to necessary commuting, air travel was significantly reduced, thereby reducing emissions in the value chain.

The diesel consumption of the Group is primarily used for backup power generation and generator maintenance, and its share of total energy consumption is not significant. During the reporting period, due to the reduction in production, the demand for diesel fell significantly, equivalent to only about 2% of last year. Looking ahead, we will still adhere to the principle of resource conservation.

We actively promote green offices by encouraging paperless documentation. When printing is needed, we prioritise the use of environmentally friendly paper and set double-sided printing as the default setting to reduce paper wastage. During the reporting period, through the implementation of the above measures, the consumption of paper decreased by approximately 23% compared to last year.

6.2 Compliant Emissions

Due to our business nature, our emissions are mainly GHG, exhaust gas, wastewater, non-hazardous waste and hazardous waste. We place paramount importance to ensure compliance of emissions and have formulated relevant policies in accordance with relevant regulations and standards, including the *Laboratory Waste Management Protocol* (《實驗室廢棄物管理規程》), the *Hazardous Waste Management Protocol* (《危險廢物管理規程》), the *Three Waste Management Protocol* (《三廢管理規程》), the *Inactivation of Production Appliances and Wastes Operation Protocol* (《生產器具及廢料滅活操作規程》) and other policies to provide standardised guidance and requirements for emission management by specialists.

We have established emission management measures for GHG, exhaust gas, wastewater, non-hazardous waste and hazardous waste:

- **GHG Emissions:** GHG is mainly generated from the energy consumption, such as electricity, steam, gasoline and diesel during the operating process, and also includes other indirect GHG emissions in the value chain. We continuously adopt a variety of energy-saving measures to effectively reduce GHG emissions.

- **Exhaust Gas Emissions:** The exhaust gas mainly comes from laboratory and production processes for clinical samples, and we process it through medium- and high-efficiency filter equipment to ensure compliant emissions. Only small amounts of uncaptured emissions are discharged to a sanitary containment area around the plant.

- **Wastewater Treatment:** The wastewater mainly comprises production and laboratory wastewater and domestic sewage. We use strong oxidants or inactivation tanks at high temperatures to deactivate solutions such as biologically active cell suspensions and cell culture media contained in production and laboratory wastewater. To ensure compliance with discharge standards, all wastewater from washing laboratory bottles is neutralised to the required pH level before being discharged. Subsequently, we combine these solutions with other production and laboratory wastewater as well as domestic sewage, and direct them to the sewage treatment ponds for centralised pre-treatment. Once they meet the discharge standards, they are released into the municipal network for final disposal.

- **Non-hazardous Waste:** The non-hazardous wastes are mainly daily office wastes. We classify them based on their recyclability. Non-hazardous wastes with recyclable value are handed over to waste recyclers to promote waste recycling. Other non-hazardous wastes are transferred to designated garbage stations for disposal.

- **Hazardous Waste:** The hazardous wastes generated from the Group's operation mainly include waste chemical reagents, empty glass reagent bottles and waste drugs left-over from production and laboratory processes. They also include hazardous wastes generated in the daily office operations such as empty toner cartridges and disused fluorescent tubes. For liquid and solid wastes generated from research and development, we have formulated the R&D Waste Management Procedures (《研發廢棄物管理規程》) to regulate the proper handling by staff. All hazardous wastes are transferred to the warehouse for temporary storage and collected by qualified third-party agencies or suppliers for proper disposal, thus being able to achieve 100% compliant disposal.

We process all microbial waste after inactivation. The inactivation facilities are regularly inspected and calibrated, and the treatment is carried out in accordance with operating procedures in facilities that meet the corresponding safety level. At the same time, we have achieved good results of zero microbial contamination in production batches for seven consecutive years.

6.3 Response to Climate Change

The global impact of climate change is increasingly apparent. SinoMab continues to pay attention to the impact of climate change on the Group's operations. To effectively deal with climate change, we are working towards the following two directions:

Identify risks and opportunities and respond proactively

Reduce GHG Emissions
(Please refer to the "Compliant Emissions" section of this report)

Risk category	Areas affected	Potential risks	Adaptation measures
Physical risk	Acute risk: more severe extreme weather events (such as typhoon, heavy rain, etc.)	• Damage to office buildings, production workshops, laboratories, etc. may lead to increase in operating costs such as maintenance and repair budgets, and cause property losses; • Interrupt production and affect production efficiency and stable operation.	• Formulate emergency response plans for environmental emergencies; • Install drain valves, sandbags, and strengthen the waterproof function of coloured concrete tiles to prevent rainwater from infiltrating into the workshop in extreme weathers such as typhoons and heavy rains; • Install anti-typhoon windows and regularly check the security of facilities and equipment; • Increase investments, to provide comprehensive insurance coverage for property and other assets that are vulnerable to damage from extreme weather damage or other physical impacts caused by climate change; • Allow employees to suspend work and stay in a safe place; • Conduct emergency drills on a regular basis.

Risk category	Areas affected	Potential risks	Adaptation measures
	Chronic risks: rising sea levels, continuous high temperatures, etc.	• Purchase more refrigeration facilities due to rising temperatures, and increase operating costs.	• Increase the use of high-efficiency refrigeration equipment; • Continue to implement, review and improve the Group's climate change and energy policies.
Transition risk	Policy and legal risks	• Compliance requirements and cost increases related to national low-carbon related laws, policies, etc.	• Closely monitor changes in environmental laws, regulations and policies and respond in a timely manner.
	Market risk	• Inability to effectively respond to changes in the Group's pharmaceutical market demand caused by climate change.	• Continue to track changes in pharmaceutical market demand and improve R&D and production capabilities, and respond promptly to climate risks.

	Opportunity	Adaptation measures
Resource Efficiency	• Use circular technology; • Reduce water and electricity usage.	• Actively explore new energy-saving technologies and recycling technologies to improve resource utilisation;
Product and Market	• Market opportunity expands as climate change triggers new diseases or increases incidence of existing diseases.	• Improve R&D and production capacity, and actively explore the market.

6.4 Environmental KPIs

The environmental KPIs for SinoMab during the Reporting Period covers the Group's operation locations in Hainan, Suzhou and Hong Kong.

1. Energy and Resource Consumption KPIs[4]

Indicators	Unit	2024	2023
Energy consumption[5]			
Direct energy consumption, including:	MWh	**14.48**	12.44
Gasoline	MWh	**14.43**	9.66
Diesel	MWh	**0.05**	2.78
Indirect energy consumption, including:	MWh	**2,598.42**	4,806.75
Electricity	MWh	**2,534.23**	4,161.54
Steam[6]	MWh	**64.19**	645.21
Total energy consumption	MWh	**2,612.90**	4,819.19
Energy consumption intensity[7]	MWh/m^2	**0.23**	0.42
Water consumption			
Total water consumption	tonne	**18,347**	24,011
Water consumption intensity	tonne/m^2	**1.58**	2.07

Notes:

(4) During the Reporting Period, we have not yet commercialised the product, and did not involve the use of product packaging and data disclosure.

(5) The unit conversion method of energy consumption data is formulated based on the "Energy Statistics Manual" issued by the International Energy Agency.

(6) Steam consumption is calculated according to the "Greenhouse Gas Emission Accounting Method and Reporting Guidelines (Trial)" provided by the National Development and Reform Commission ("**NDRC**").

(7) As at 31 December 2024, the Group's total unit floor area of the bases in Hainan, Suzhou and Hong Kong amounted to approximately 11,604 m^2 (as at 31 December 2023: approximately 11,604 m^2). This figure is also used to calculate other intensity data.

2. *Emissions KPIs*

Indicators	Unit	2024	2023
GHG emissions[8]			
Direct GHG emissions			
(Scope 1)[9], including:	tCO_2e	**219.19**	31.96
Gasoline	tCO_2e	**3.97**	2.66
Diesel	tCO_2e	**0.01**	0.68
Refrigerants	tCO_2e	**215.21**	28.62
Energy indirect GHG emissions			
(Scope 2)[10], including:	tCO_2e	**1,070.81**	2,615.44
Electricity	tCO_2e	**1,045.39**	2,359.94
Steam	tCO_2e	**25.42**	255.50
Other indirect GHG emissions			
(Scope 3)[11], including:	tCO_2e	**57.51**	75.82
Employee business travel	tCO_2e	**41.58**	54.86
Water treatment	tCO_2e	**11.87**	15.71
Waste paper disposal	tCO_2e	**4.06**	5.25
Total GHG emissions	tCO_2e	**1,347.51**	2,723.22
GHG emissions intensity	tCO_2e/m^2	**0.12**	0.23
Exhaust gas emissions[12]			
Nitrogen Oxides ("**NO_x**")	kg	**2.25**	1.63
Sulphur Oxides ("**SO_x**")	kg	**0.02**	0.02
Particulate matter ("**PM**")	kg	**0.17**	0.13
Waste produced			
Hazardous Waste	tonne	**1.73**	2.80
Non-hazardous waste[13]	tonne	**3.67**	10.42
Hazardous waste production intensity	kg/m^2	**0.15**	0.24
Non-hazardous waste production intensity	kg/m^2	**0.32**	0.90

Notes:

(8) The Group's GHG accounting is presented in carbon dioxide equivalent. GHG include carbon dioxide, methane and nitrous oxide, which are derived from purchased electricity, diesel, gasoline, refrigerants and steam. Scope 1 GHG: covers GHG emissions directly from the Group's operations, including fuel burning in stationary equipment, fuel burning in vehicles, and refrigerants in refrigeration and air-conditioning equipment; Scope 2 GHG: covers energy indirect GHG emissions associated with the Group's internal consumption (purchased or obtained) of electricity and steam; Scope 3 GHG: covers other indirect GHG emissions of the Group, including employee business travel, water treatment and waste paper disposal.

(9) Carbon emissions from gasoline and diesel are based on "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Hong Kong Stock Exchange, the Sixth Assessment Report (AR6) published by the Intergovernmental Panel on Climate Change ("**IPCC**") and the "Greenhouse Gas Emission Accounting Method and Reporting Guidelines (Trial)" provided by the NDRC; the carbon emissions of refrigerants are calculated according to the IPCC Sixth Assessment Report (AR6). The fluctuation during the Reporting Period was mainly due to the refrigerants used for storage in freezer, which was caused by the increase in the amount of production and storage of experimental finished products.

(10) Carbon emissions from electricity are calculated based on electricity carbon dioxide emission factors in different regions. GHG emissions from operating sites in mainland China are based on the "Notice on Releasing the Carbon Dioxide Emission Factor of Electricity in 2022" issued by the Ministry of Ecology and Environment of the PRC. The operating site in Hong Kong is calculated according to the relevant emission factor coefficient provided in the 2023 Sustainability Report issued by CLP Holdings Limited. Carbon emissions from steam are calculated based on the "Greenhouse Gas Emission Accounting Method and Reporting Guidelines (Trial)".

(11) Carbon emissions from employee business travel are calculated using the ICAO carbon calculator. Carbon emissions from water treatment are based on the emission factor coefficient provided in the "Annual Report 2022/23" published by Water Supplies Department and "Sustainability Report 2022-23" published by Drainage Services Department of Hong Kong. Carbon emissions from waste paper disposal are calculated in accordance with "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" published by the Hong Kong Stock Exchange.

(12) Exhaust gas emissions are calculated based on "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange and "Calculation Manual of Pollutant Production and Emissions Coefficients for Boiler" issued by the Ministry of Ecology and Environment of the PRC.

(13) The non-hazardous waste mainly comes from office waste and kitchen waste, and is handled uniformly by Administration Departments.

APPENDIX: "ESG REPORTING GUIDE" INDEX

Topic description	Corresponding section
Mandatory disclosure	
Governance Structure A statement issued by the Board of Directors, which contained the following: (1) Disclosure of board oversight of ESG matters; (2) Environmental, Social and Governance Management Approach and Strategy of the Board, including processes for assessing, prioritising and managing material ESG-related issues, including risks to the issuer's business; and (3) How the Board reviews progress against ESG-related objectives and explains how they relate to the issuer's business.	2. Board Statement 3. ESG Management System
Reporting Principles Describe or explain how the following reporting principles are applied in preparing the ESG report: **Materiality:** Environmental, social and governance reports should disclose: (i) The process for identifying material ESG factors and the criteria for selecting them; (ii) If the issuer has engaged in stakeholder engagement, a description of the key stakeholders identified and the process and results of the issuer's stakeholder engagement. **Quantitative:** Information on the standards, methodologies, assumptions and/or calculation tools used to report emissions/energy consumption (if applicable), and the source of the conversion factors used should be disclosed. **Consistency:** Issuers should disclose changes in statistical methodologies or key performance indicators (if any) or any other relevant factors that affect meaningful comparisons in ESG reporting. **Balance:** Issuers should disclose positive and negative information to ensure that the content presents the ESG performance of the Group during reporting period in an unbiased manner.	1. About the Report
Scope of Report Explain the reporting scope of the ESG report and describe the process for selecting which entities or businesses to include in the ESG report. If there is a change in the reporting scope, the issuer should explain the difference and the reason for the change.	1. About the Report

Topic	Topic description	Corresponding section
Comply or explain		
A Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6. Green Operation
KPI A1.1	The types of emissions and respective emissions data.	6.2 Compliant Emissions 6.4 Environmental KPIs
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).	6.4 Environmental KPIs
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.4 Environmental KPIs
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.4 Environmental KPIs
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	6. Green Operations 6.2 Compliant Emissions
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.	6. Green Operations 6.2 Compliant Emissions

Topic	Topic description	Corresponding section
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6. Green Operations
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).	6.4 Environmental KPIs
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	6.4 Environmental KPIs
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	6. Green Operations 6.1 Resource Conservation
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.	6. Green Operations 6.1 Resource Conservation
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable, explained
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	6. Green Operations
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6. Green Operations
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	6.3 Response to Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	6.3 Response to Climate Change

Topic	Topic description	Corresponding section
B Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5.1 Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	5.1 Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	5.1 Employment
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	5.2 Health & Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	5.2 Health & Safety
KPI B2.2	Lost days due to work injury.	5.2 Health & Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	5.2 Health & Safety

Topic	Topic description	Corresponding section
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.3 Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	5.3 Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	5.3 Training and Development
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.1 Employment
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1.1 Employment Practices
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.1.1 Employment Practices
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.3 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	4.3 Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	4.3.1 Supplier Entry 4.3.2 Supplier Audit
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.3.2 Supplier Audit 4.3.3 Management of Clinical Trial Activities
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.3.1 Supplier Entry

Topic	Topic description	Corresponding section
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	4.1 Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	4.1.1 Product Quality Assurance
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	4.1.1 Product Quality Assurance
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	4.1.3 IPRs Protection
KPI B6.4	Description of quality assurance process and recall procedures.	4.1.1 Product Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	4.1.2 Privacy Protection

Topic	Topic description	Corresponding section
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	4.2 Operational Integrity
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	4.2 Operational Integrity
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	4.2 Operational Integrity
KPI B7.3	Description of anti-corruption training provided to directors and staff.	4.2 Operational Integrity
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	5.4 Contributing to Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	5.4 Contributing to Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	5.4 Contributing to Society