



EVEREST MEDICINES

云顶新耀

Everest Medicines Limited

雲頂新耀有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1952



Better Medicines
Better Life

2023

Environmental, Social
and Governance Report

2023 Environmental, Social and Governance Report

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SCOPE AND REPORTING PERIOD

This is the Environmental, Social, and Governance (“ESG”) report prepared by Everest Medicines Limited (the “Group”), highlighting its ESG performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix C2 to the Listing Rules and Guidance set out by The Stock Exchange of Hong Kong Limited.

This ESG report covers the Group’s overall performance in two subject areas, namely, Environmental and Social of the following business operations from 1 January 2023 to 31 December 2023 (the “Reporting Period”), unless otherwise stated:

- (i) The Zhangjiang Laboratory in Shanghai;
- (ii) the office in Shanghai;
- (iii) the office in Beijing;
- (iv) the Product Manufacturing Plant in Jiashan, Zhejiang;
- (v) 3 Regional Sales Offices in China, including Guangzhou, Hangzhou and Chengdu.

The principal activities of the above-mentioned operations are developing and commercializing transformative pharmaceutical products. The Zhangjiang Laboratory was set up and started its operation in February 2022, and the new Product Manufacturing Plant in Jiashan, Zhejiang was set up in September 2022 and started its production of medicine during the Reporting Period. In response to the corresponding commercial activities initiated by the Group, some Regional Offices were set up throughout different regions in China. The Group has increased the number of staff on the commercial team during the Reporting Period in order to start the commercialization process of Xerava and Nefecon, the medicines which were approved in the second half of 2023. Since these operations have significant impacts on the environment and/or significantly contribute to the Group’s revenue, these new operations were included in the reporting scope starting from the Reporting Period. The subsidiaries in Singapore and the US are excluded in this Reporting Period since these operations contribute to a lower proportion of the Group’s revenue and have no significant impacts on the environment. For the businesses in the US, the relevant data on electricity, water and energy consumption is not controlled by the Group, but it is controlled by the shared offices, so no such data is available. Due to the above reasons, the operations in the US are excluded from the reporting scope.

Reporting Principles

The preparation of the ESG Report has applied the following principles:

Materiality — materiality assessments have been carried out to identify material environmental and social issues that have major impacts on investors and other stakeholders, the significant stakeholders, procedures, and results of the engagement of which are presented in the section “Stakeholder Engagement and Materiality” in the Report.

Quantitative — key performance indicators (“KPIs”) have been established, and are measurable and applicable to make valid comparisons under appropriate conditions; information on the standards, methodologies, assumptions, and/or calculation tools used, and sources of conversion factors used, have been disclosed when applicable.

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Balance — performance of the Group was presented impartially, avoiding choices, omissions or presentation formats that may unduly influence readers' decisions or judgements.

Consistency — consistent statistical methodologies and presentation of KPIs have been used to allow meaningful comparisons of related data over time.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

The Group communicates with key internal and external stakeholders through daily interaction to understand their concerns and expectations on ESG issues. The Group engages stakeholders via various communication channels such as regular meetings and conferences, annual financial and ESG reports, surveys, grievance mechanisms and site visits. Through regular engagement sessions, the Group obtains valuable feedback and reviews areas of attention which will help the business to meet its potential growth and be prepared for future ESG challenges. The detailed stakeholder engagement methods include but are not exhaustive to those shown in the following table.

Stakeholders	Methods of Engagement
Investors	<ul style="list-style-type: none">• Issue timely announcements and circulars• Hold regular meetings and frequently attend conferences• Publish financial and ESG reports• The Group's website
Employees	<ul style="list-style-type: none">• Training and employees-caring activities• Grievance mechanism• Paid Leave• Share-based compensation to align with the Group's interests
Customers	<ul style="list-style-type: none">• Surveys• Regular meetings and conferences• The Group's website
Suppliers and contractors	<ul style="list-style-type: none">• Hold regular meetings and conferences• Tendering process• Supplier rating system• Site visits
Government and regulatory authorities	<ul style="list-style-type: none">• Regular meetings and conferences
Community	<ul style="list-style-type: none">• Volunteering and charitable activities

To determine the Group's material sustainability issues, the Group has hired a professional consultant to perform a stakeholder engagement exercise. The Group revised its list of major issues through this effort, revisited them in light of its current business operations and the expectations of various stakeholders.

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Materiality Assessment

To identify material ESG issues, the Group has specifically engaged a wide range of stakeholders, including the board of directors (the “Board”), shareholders, senior management, frontline workers, partners, clients and suppliers, to gain insights into ESG material topics. In the materiality assessment, a list of 19 ESG topics will be considered in terms of their relevance and importance to the Group’s business continual and sustainability performance, as well as to the wider community. Besides, the Group also determines the material topics by identifying the actual and potential impacts of the Group’s business context, prioritising the most significant impacts of the Group’s business, referencing from the materiality analysis of Sustainability Accounting Standards Board (“SASB”) Standards.

Results of the materiality assessment and the consolidated list of material aspects with respective management are presented in below. Management of the material aspects are discussed in relevant sections of this report.

Table 1 Environmental and Social Issues for Materiality Assessment

ENVIRONMENTAL		SOCIAL		OTHERS	
1	Energy	8	Employment	19	Safety of Clinical Trials
2	Water	9	Occupational Health and Safety		
3	Air Emission	10	Development and Training		
4	Waste and Effluent	11	Labour Standards		
5	Other Raw Materials Consumption	12	Supply Chain Management		
6	Environmental Protection Policies	13	Intellectual Property Rights		
7	Climate Change	14	Data Protection		
		15	Customer Service		
		16	Product/Service Quality		
		17	Anti-corruption		
		18	Community Investment		

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Through ongoing dialogue and materiality assessment during the Reporting Period, the Group has identified 5 material issues that were deemed as the most important by the stakeholders:

- Employment
- Supply Chain Management
- Product Quality and Safety
- Anti-corruption
- Community Investment

According to the analysis of SASB standards and the stakeholders' opinions in the Group, some of the social topics were regarded as the material topics of the Group during the Reporting Period. The Group actively maintains communications with different stakeholders through the communication procedure on different ESG issues. The Group will continue to manage these critical issues by establishing more policies and guidelines to further enhance the Group's ESG performance.

STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on its ESG approach and performance. Any suggestions or views can be sent by post: 16/F., CITIC Pacific Plaza, 1168 West Nanjing Road, Jing'an District, Shanghai 200041, China or website: www.everestmedicines.com.

THE BOARD STATEMENT

The Board is honoured to present the Group's 2023 ESG report, which covers the Group's ESG initiatives and the performance of this Reporting Period.

Aligned with the mission of "Better Medicines, Better Life", the Group's goal is to be a top integrated biopharma in Asia Pacific by 2030. The Board believes that the Group's highest standards of clinical trial excellence can be attained through its ESG efforts. The Board integrates ESG management into its strategic plans and goals, and has taken measures to promote ESG efforts across its business. Under a robust corporate governance framework, the Board and the Senior Management ("the Management") are committed to enhancing the Group' value to stakeholders. The Group's sustainability direction, strategy, goals, performance, and reporting are ultimately within the Board's responsibility.

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An ESG Working Group (“the Working Group”) has been established to encourage the efficient execution of the Group’s sustainability agenda which is responsible for reviewing and evaluating the Group’s operations and identifying areas for further improvement for the benefits of its employees and businesses. The Working Group collaborates closely with the Management from Finance, Legal, and Quality Management Departments as well as the Board to oversee and manage ESG issues of the Group. The ESG Working Group is looking to establish an Environmental Management System for upcoming business operations and development. The ESG Working Group maintains close contact with external consultants to advance capacity-building for sustainable development and to gain a deeper grasp of emerging market trends, legal requirements, and capital market expectations. The Group will continue to respond to the latest ESG-related laws and regulations timely, improve and optimize the environmental management system.

The Board makes an effort to maintain good communication with all stakeholders to deliver more sustainable outcomes and services that align with their expectations. The Board encourages internal communications with employees and takes care of their needs and expectations. To ensure high quality in clinical trials, product development, goods and services provided by third-party suppliers, the Board strives to take active steps to strengthen the internal systems and procedures.

The Board takes climate-related risks and opportunities into account when formulating the Group’s overall strategy, and significant ESG impacts are accumulated in its daily business operations. The Board is responsible for ensuring the effectiveness in the control of its risks and internal control mechanisms, and the compliance with all relevant environmental and social laws and regulations. For detailed information on climate-related risks and opportunities identified by the Board, please refer to the “A4. Climate Change” section.

AWARDS AND RECOGNITION

During the Reporting Period, the Group has obtained the following recognition:

- 2023 China Public Welfare Enterprise
- 2023 Innovation and Entrepreneurship Award of Pudong New Area
- “Top 100 Growth Listed Companies in 2023” awarded by Snowball Annual Gold List
- The Most Valuable Pharmaceutical and Medical Company- the 8th Zhitong Financial Listed Company Selection
- “Keeping Integrity and Innovation” Top Ten Enterprises with Outstanding Contributions
- Asia Pacific Vaccine Excellence Award in 2023
- Judongmi’s 2023 Best Investor Relations Award (Pharmaceutical and Healthcare Industry)

A. ENVIRONMENTAL

The Group is highly conscious of balancing development and environmental protection to maintain sustainability of society. The Group is committed to continuously improving its environmental sustainability and ensuring environmental consideration remains one of the top priorities through its business operation.

The Group stringently complies with national and local laws and regulations concerning environmental protection and pollution control, including but not limited to:

- Energy Conservation Law of the People's Republic of China ("PRC");
- Environmental Protection Law of the PRC;
- Law of the PRC on the Prevention and Control of Water Pollution;
- Law of the PRC on Prevention and Control of Air Pollution; and
- Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste.

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, and generation of hazardous and non-hazardous waste was identified during the Reporting Period.

A1. Emissions

A1.1 Air Emissions

The Group was not involved in the consumption of fuel that contributes to significant emissions of non-GHG air emissions.

A1.2 Greenhouse Gas (GHG) Emissions

During the Reporting Period, the Group's business activities contributed to a GHG emission of 6,112.32 tonnes of carbon dioxide equivalent (tCO₂e.), the overall intensity of the GHG emissions for the Group was 14.15 tCO₂e./employee.

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The GHG emissions reported include the following activities and scopes:

- Direct (scope 1) GHG emissions from the consumption of stationary and mobile sources;
- Indirect energy (scope 2) GHG emissions from purchased electricity; and
- Other indirect (scope 3) GHG emissions from municipal freshwater and sewage processing and business air travel by employees.

Table 2 GHG Emissions by Scope

Scope of GHG emissions	Emission sources		GHG Emission (in tCO ₂ e.)	Sub-total (in tCO ₂ e.)	Total GHG emission (in percentage)
Scope 1					
Direct emissions	Combustion of fuels in stationary sources	Diesel	0.42	0.42	<1%
Scope 2					
Energy indirect emissions	Purchased electricity		5,611.9	5,618.19	92%
	Purchased steam		6.29		
Scope 3					
Other indirect emissions	Electricity used for freshwater processing		74.74	493.71	8%
	Electricity used for sewage processing		28.86		
	Business air travel by employees		390.11		
Group total				6,112.32	100%

Note 1: Emission factors were made reference to Appendix C2 to the Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise.

Note 2: The emission factor of 0.5703 kg CO₂e/kWh was used for purchased electricity in the PRC, which was made reference to The Ministry of Ecology and Environment of the People's Republic of China 2022.

Note 3: Scope 3 GHG emissions were calculated based on available emission factors referred by the Appendix C2 to the Listing Rules and their referred documentation.

Note 4: The Group's reporting scope will be expanded starting from this Reporting Period, and the environmental intensities will be calculated per employee to more accurately reflect the Group's performance in environmental indicators. Due to business expansion, the Group's overall GHG emissions, energy and resource use will increase accordingly. The Group is committed to continuously monitoring environmental protection policies and maintaining good performance in environmental indicators.

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A1.3 Hazardous Waste

All hazardous waste in the Group is managed in accordance with the applicable national regulations and international standards, including the Prevention and Control of Environmental Pollution by Solid Waste of the PRC. The Group is committed to minimizing hazardous waste which poses risks to our health and the environment. All the hazardous waste is handled by the third-party waste handling companies.

The Group generated a total of 6,867 kg of hazardous waste, mainly medical waste, consumable wastes for experiments, waste packaging materials, waste activated carbons and chemical wastes during this Reporting Period. The overall intensity was 15.90 kg/employee.

Table 3 Hazardous Waste Generated

Type of hazardous waste	Unit	2023	2022
Medical waste	kg	N/A	498
Consumable wastes for experiments	kg	5,274	438
Waste packaging materials (contaminated by chemical raw materials and reagents)	kg	111	28
Waste activated carbon	kg	1,481	632
Chemical waste	kg	1	622
Total amount of hazardous waste	kg	6,867	2,218

A1.4 Non-hazardous Waste

All non-hazardous wastes are collected by the third-party waste handling companies for centralised disposal. Besides, the waste handling facility, such as solid waste storage warehouse is constructed in accordance with the relevant laws, regulations and emission control requirements.

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Table 4 Non-Hazardous Waste Generated

	Non-hazardous waste amount (tonnes)	
	2023	2022
Shanghai	11.2	12
Beijing	5.5	7.6
The Zhangjiang Laboratory	5	5.7
Other regions	US offices are no longer included in the reporting scope.	11.2
The manufacturing plant in Jiashan	18.2	Jiashan factory was not included in the last year's reporting scope.
3 regional offices	14.8	The 3 regional offices were not included in the last year's reporting scope.
Total non-hazardous waste produced	54.7	36.5
Overall non-hazardous waste intensity (kg/employee)	126.53	111.28

Note: Apart from the non-hazardous waste generated from the Jiashan Manufacturing Plant, the amount of non-hazardous waste of the Group is estimated by the calculation method of assuming 0.1 tonnes of non-hazardous waste generated by one employee per year.

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A1.5 Measures to Mitigate Emissions and Emission Reduction Targets

The GHG emissions, generated from the Group's daily electricity consumption, are the main source of the Group's carbon footprint. The Group will continue to monitor and disclose the Group's carbon footprint to control the impact of its business operations on the environment. The Group actively adopts the following measures to mitigate GHG emissions:

- Eco-friendly and energy-saving office equipment is preferable in the procurement process;
- Use LED lighting in offices if possible;
- Turn off lights and unnecessary energy devices to reduce energy consumption and avoid unnecessary energy waste;
- Turn off unused equipment such as computer equipment when leaving the office; and
- Review the GHG emissions of the Group and improve emission reduction plan continuously.

In the Jiashan factory, the following measures to mitigate GHG emissions has been implemented:

- Install exhaust gas collection and treatment utilities at manufacturing and experiment workshop to reduce the emissions of exhaust gases such as VOCs and NMHC;
- Initiate a photovoltaic green energy project at the Jiashan factory to reduce GHG emissions, which is expected to start operating in October 2024;
- Apply local industrial park integrated steam system instead of combustion of fossil fuels.

The Group aims to obtain the recognition of a Green Plant at both city and province levels by 2026. Besides, the Group aims to achieve zero critical finding during inspection regarding air emissions and GHG emissions in the coming 3 years.

A1.6 Wastes Reduction Initiatives and Targets

The Group strictly observes national laws and complies with the requirements of the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste and National Catalogue of Hazardous Wastes in handling both hazardous and non-hazardous waste. Internally, the Group has established various waste management and reduction measures:

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- Reuse non-hazardous waste such as container, packaging materials and wood pallet as much as possible to minimize the amount of solid waste generated from its business operations;
- Carry out Clean Your Plate Campaign to reduce food waste and water wastage;
- Reduce the consumption of non-reusable materials.

For details about the handling measures of hazardous waste and non-hazardous waste, please refer to “A1.3 Hazardous Waste” and “A1.4 Non-hazardous Waste” sections.

Since the Jiashan factory has not yet fully launched large-scale production and operation activities, so no quantitative waste reduction target is set during the Reporting Period. However, the Jiashan factory has taken some plans and measures to reduce waste emissions and resource consumption. However, the Group strives to review and improve waste reduction measures continuously.

A2. Use of Resources

A2.1 Energy Consumption

The total energy consumption of the Group was 9,848,149.16 Kilowatt-hour (“kWh”), with an overall energy intensity of 22,796.64 kWh/employee during the Reporting Period. Most of the total energy consumption of the Group was derived from electricity consumption. Due to the expansion of the operations in Zhangjiang Laboratory and Jiashan factory, the total energy consumption increased significantly during the Reporting Period.

Table 5 Energy Consumption and Intensity

Direct/indirect energy sources	2023 (MWh)	2022 (MWh)
Diesel	1.6	N/A
Purchased steam	6.29	N/A
Electricity	9,840.26	1,019.52
Total energy consumption	9,848.15	1,019.52
Energy intensity (kWh/employee)	22,796.64	138.62

Note 1: Conversion factors were made reference to IEA Energy Statistics Manual and 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

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A2.2 Water Consumption

The total water consumption for the Group was 171,816 m³, with a water intensity of 397.72 m³/employee during the Reporting Period. No issues on sourcing water that is fit for purpose were reported during the Reporting Period.

A2.3 Energy Use Efficiency Initiatives and Targets

To consume energy more efficiently, the Group continues to promote energy-saving behaviour among employees in the offices. The following energy conservation measures has been implemented:

- Employees are encouraged to turn off their computers after working hours;
- Printers are switched into energy-saving mode automatically when not in use;
- New energy electric vehicle charging stations has been newly set up;
- Review the energy consumption of the Group and improve energy-saving plan continuously; and
- The energy-saving measures stated in “A1.5 Measures to Mitigate Emissions” section.

For the energy saving measures in the Jiashan factory, the Group evaluates the energy consumption status regularly, and implements more effective energy saving measures according to the findings of the evaluations. During the Reporting Period, the Energy Conservation and Emission Reduction Committee has been set up to manage the environmental and energy management system and performance in the Jiashan factory. The committee plans to participate in the Green Factory scheme and apply for the certification in the coming year, and strives to improve the existing energy-saving performance in its business operations.

Since the Jiashan plant has not yet fully launched large-scale production and operation activities, no quantitative energy reduction target is set during the Reporting Period. Relevant energy efficiency utilization monitoring system will be carried out when the production operation is stable.

A2.4 Water Use Efficiency Initiatives and Targets

The Group strives to increase its water use efficiency and ensures its operations comply to the relevant laws and regulations of effective use of water. The following water use efficiency measures are implemented:

- Improve the recycling system of air-conditioner condensation to reduce chemical consumption and water treatment loads;

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- Review the water consumption of the Group and improve water-saving plan continuously;
- Improve the sewage treatment facilities to maintain its ability of handling sewage; and
- Perform condensate system renovation in early 2023 in Jiashan factory to reduce water consumption and wastewater discharge.

For the wastewater treatment in Jiashan factory, wastewater has been classified into domestic water, cooling water and process cleaning wastewater, and the disposal of the wastewater complies with the standards of environmental impact assessment and regulatory authorities. Domestic wastewater which comes from daily office drainage is treated in oil separators and septic tanks before being discharged into municipal wastewater pipelines. The cleaning wastewater from production workshops and laboratories, as well as process wastewater is discharged to the factory sewage treatment station for further handling. After going through the standardized physical and microbiological treatment, the treated wastewater will be discharged into municipal pipelines.

The Group aims to reduce 5% of water consumption intensity in Jiashan factory in coming 2 years, with 2023 as the base year. The Group strives to review and improve water consumption reduction measures continuously.

A2.5 Packaging Material

The packaging materials are mostly generated from the Group's supply chains. The types of packaging materials include glass, rubber, metal, paper and plastic materials. In order to reduce the amount of packaging materials produced through the Group's supply chains, the Group reuses recyclable woven bags for hazardous waste packaging and reuses wooden pallets for waste transportation. The total amount of packaging materials generated is 7,305 kg, with the intensity of 16.91 kg/employee during the Reporting Period. The breakdown of different types of packaging materials generated is shown in the following table.

Type of packaging material	The amount generated (kg)
Glass materials	2,500
Rubber materials	600
Metal materials	500
Paper materials	3,700
Plastic materials	5
The total amount of packaging materials generated (kg):	7,305

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A3. The Environment and Natural Resources

A3.1 Significant Impacts of Activities on the Environment

The majority of the Group's operations are carried out in offices with minimal impact on the environment. However, the Group is developing drug research and drug production businesses. It is foreseeable that the demand for energy and water will increase in the future, and it is inevitable to increase the amount of waste production and GHG emissions to meet the needs of drug research and production.

The Group realises the responsibility of minimising the adverse impacts on the environment and natural resources through its business operations and strives to improve and review the environmental measures continuously in order to achieve its best performance of GHG and waste reduction in the long term.

A4. Climate Change

Governance of Climate-related Risks Management

The Board focuses on managing the risks brought by climate change, integrating ESG, including climate-related issues into the corporate governance process, improving board-level supervision, and leading the management to cope with the climate risk in the existing business processes and the impact on the Group's overall strategy. The climate-related risks management has been integrated into the Group's risk management system. The Board has the responsibility to monitor the effectiveness of its climate-related risks management, discuss, report and formulate related measures within the risk management process, such as the Board meetings, and formulate emergency plans according to the risks identified in order to strengthen its ability to cope with the negative impacts brought from extreme weather emergency conditions. The Group strives to ensure normal production and operations, and maintain the safety of public security and employees' life and property. For detailed information about the ESG governance of the Group, please refer to "The Board Statement" section.

Climate-related Risks Management

An ESG risk assessment was conducted based on assessing the possibility and impact of each identified risk into three levels: high, medium and low. Risks are then classified into three overall risk levels, high, medium and low based on the possibility and impact ratings.

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Risk levels	Definition of the overall risk levels
High	Risks at this level may have serious consequences. There will highly likely be some impacts on the Group and hindrances for the Group to achieve strategic goals.
Medium	Risks at this level may have serious consequences, but they are less likely to occur. Conversely, the consequences could be minor in nature, but the probability of occurrence is higher.
Low	Risks at this level have limited harm and consequences for the Group to achieve its strategic goals, and the probability of occurrence is low.

The Group's Climate-related Risks identification

A warming planet creates a wide range of risks for businesses, from disrupted supply chains to rising insurance costs to labour challenges. With the increasing threat of climate change and the associated physical damage, change in market perception and shift in preference of the public towards more environmentally friendly products and services, the financial, reputational and strategic risk implications are becoming increasingly prominent. Climate change will undoubtedly be of increasing concern to the Group and industry as a whole for the foreseeable future. The Group has identified the climate-related risks and opportunities by using the following matrix.

Table 6 Physical and Transition Risks

Climate-related Risk	Time Horizon	Potential financial impacts	Risk level	Trend
Physical Risks				
Extreme weather	Short term	<ul style="list-style-type: none"> Extreme weather events, such as typhoons, storm surges and rainstorms, may cause physical damage to infrastructure, and failure of technology and equipment incur costs on recovery and repair. Recovery and repair can take months or even years. 	Low	Increase
	Long term	<ul style="list-style-type: none"> The increasing temperature may increase the costs of cold-storage and cold-logistics of medicines and chemicals. 		

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Climate-related Risk	Time Horizon	Potential financial impacts	Risk level	Trend
Transition Risks				
Tightening of climate-related policies	Long term	Tightened environmental policies increase the cost of fulfilling such requirements. It might also raise the operating costs, insurance costs and penalties for noncompliance, such as the change of policies may increase the costs of handling hazardous wastes and the costs of purchasing raw materials.	Medium	Increase
Cost to transition to lower emissions technology	Medium term	Substitution of existing technology and equipment with lower emissions or resource-saving options to comply with the new energy and sustainability standards incur investment and maintenance costs.	Low	Increase
Changing customer behaviour	Medium term	A change in customer or user behaviour and preferences leads to a loss in customer and income if there is a failure to meet stakeholders' expectations on climate risk management and goals.	Low	Increase
Reputation Risk	Medium term	The change in customer or user preferences may increase the chance of receiving negative stakeholder feedback about the existing logistic services. It may affect the reputation of the Group.	Low	Increase

Measures to cope with the climate-related physical and transition risks

1. During extreme weather events, employees are advised to remain in a safe place until it is safe to resume normal activities. The Group continues to enhance internal awareness and training for the Group's professionals regarding climate risk so that the ability of the Group to cope with the negative impacts of extreme weather can be strengthened.
2. The Group adopts industry best practices according to the potential climate-related risks identified, which aims to improve energy efficiency throughout the Group's operation. All internal professionals and frontline staff are encouraged to focus on the daily procedure to achieve the objective of climate change mitigation.
3. Before the implementation of the new product manufacturing project, overall environmental impact assessments and analysis were conducted on each production and operation procedure, and air emission plans and treatment measures were formulated to ensure that the Group has caught up with all relevant environmental laws and regulations timely.

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4. The Group has conducted an overall energy evaluation on the existing product manufacturing projects in order to provide guidance for overall energy and equipment planning and selection, ensuring that the use of equipment and energy complies with all the latest national and local environmental policies. The Group has given priority to the use of environmentally friendly and energy-saving equipment when purchasing public systems and equipment in order to reduce energy consumption and GHG emissions.
5. The Group regularly researches stakeholders' preferences on climate-related performance and disclosure and ensures transparent communication with stakeholders.

Opportunity

While there are climate-related risks that the business of the Group is vulnerable to in general, the Group continuously explores opportunities brought about by climate change. With the increasing market preference for environmentally friendly products and services, the Group has an opportunity to develop energy-efficient technologies to maximise the efficiency of its business with low carbon footprints.

Metrics and Targets

To measure the level and impact of the Group's climate-related risks, the Group monitors metrics and indicators to ensure an effective and quantitative assessment. The Group monitors and reviews its Scope 1, Scope 2, and Scope 3 GHG emissions (in tCO₂eq.), total GHG emissions (in tCO₂eq.) and the GHG emission intensity (in tCO₂eq./employee) regularly. The GHG emission data and information about target setting are shown in the section "A1. Emissions" of this report.

B. SOCIAL

1. Employment and labour practices

The Group strictly complies with national and local laws and regulations concerning employment and Labour practices, including but not limited to:

- Labour Law of the PRC;
- Labour Contract Law of the PRC;
- Law on the Protection of Minors; and
- Law on the Protection of Disabled Persons.

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No non-compliance with relevant laws and regulations that had a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare had been identified during the Reporting Period.

B1. Employment

The Employee Handbook of the Group clearly outlines details of recruitment, promotion, discipline, working hours, vacations and other benefits, and the Group has laid down compliance procedures and a series of work safety rules. The Group is responsible for the confirmation that the staff has a full understanding of the content of the Employee Handbook before they commence employment with the Group.

Employee Profile and Turnover

As of 31 December 2023, the Group had a total number of 432 employees. All the employees of the Group are full-time workers. The breakdown of employees according to employment type, employee category, age group, gender and region is as follows.

Table 7 Employment Data by Employment Type, Category, Age Group, Gender and Region

	Number of Employees	Percentage %
Total number of employees	432	
<i>Employment type</i>		
Full-time	432	100%
Part-time	0	0%
<i>Employee category</i>		
Senior management	4	1%
Middle management	15	3%
Frontline and other staff	413	96%
<i>Age group</i>		
18–25	8	2%
26–35	205	47%
36–45	172	40%
46–55	43	10%
56 or above	4	1%

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	Number of Employees	Percentage %
Gender		
Male	187	43%
Female	245	57%
Region		
Mainland China	409	95%
Hong Kong	2	<1%
Taiwan	3	<1%
US	11	3%
Indonesia	1	<1%
Singapore	3	<1%
South Korea	3	<1%

During this Reporting Period, a total of 186 employees left the Group, with an annual staff turnover rate of 43%. The increment of turnover rate is mainly due to the divestment of Trodelvy.

Table 8 Total Turnover Rate by Employment Category, Age Group, Gender and Region

Turnover rate by employee category	
Senior management	150%
Middle management	140%
Frontline and other staff	38%
Turnover rate by employment type	
Full-time	43%
Part-time	0%
Turnover rate by age group	
18–25	38%
26–35	30%
36–45	52%
46–55	49%
56 or above	275%

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Turnover rate by gender

Male	45%
Female	42%

Turnover rate by region

Mainland China	42%
Hong Kong	50%
Singapore	33%
United States	82%
Germany	100%
Canada	100%

Note: The turnover rate was calculated by (no. of employees leaving the company during the reporting period/no. of employees as of 31 December 2023)*100%.

Inclusive Workplace

In order to help the employees perform to the best of their abilities, the Group is committed to establishing a culture of inclusivity and open communication at work. The Group adheres to the principle of equal opportunity and makes sure that all decisions pertaining to employment, such as recruitment, compensation, promotion, and performance evaluation are made entirely on the basis of their qualifications and merits. The Employee Handbook provides guidelines to all employees regarding their workplace conduct and it is reviewed and revised if necessary.

The Group has zero tolerance for any form of harassment, intimidation, bias and discrimination on the grounds of age, gender, disability, religion, family status and obligations, race and colour. Any reported concerns or complaints regarding any kinds of harassment, discrimination, or retaliation based on a protected category are handled in accordance with the specific procedure outlined in the Policy Against Harassment, Discrimination, and Retaliation.

Employees Communication

By implementing Open Door Policy, employees are encouraged to take part in the discussion of the policies which may affect their daily professional responsibilities. Employees can raise job-related concerns and complaints to their line manager or any other management representative.

To strengthen employees' sense of belonging to the Group, the Group arranges celebrations in celebratory events and birthdays regularly. Besides, the Group holds "Evertalk" and issue internal newsletter regularly in order to maintain a better communication among all employees, and knowledge of the industry can be shared effectively in the activities and the newsletter. The Group also held several Group-wide all staff townhalls to align its goals with employee interest, and recognised contributions from employees.

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Labour Contract Management

The Labour contracts of the Group comply with the Labour Law of the PRC and the Labour Contract Law of the PRC. The Labour contract management of the Group included signing and termination of Labour contracts, and regulated positions, working hours, remuneration and benefits of the employees clearly in the purpose of ensuring the Labour standards. Any overtime arrangement must be made under the principle of negotiation between the company and the employees and the employees' voluntary principle. The relevant remuneration must be paid in accordance with the applicable laws and regulations. During the Reporting Period, the Group complied with employment-related laws and regulations.

Employee Compensation and Benefits

The Group is committed to providing fair and competitive remuneration and benefits to its employees, including but not limited to paid leave, family leave, disability leave, basic medical insurance, employment injury insurance, unemployment insurance, maternity insurance and annual body check-up.

The Group offers vacation benefits for eligible employees to take paid time off for leisure. The Group believes that these benefits will increase employees' productivity and make their work experience more satisfying.

In alignment with the Group's commitment to fostering a supportive and thriving workplace, the Group also provide Employee Assistance Program (EAP) to our employees. This initiative epitomizes its dedication to the holistic well-being of its esteemed employees, aiming to catalyze their professional growth and drive its enterprise towards unparalleled success and shareholder value.

Additionally, the Group offers Employee Share Option Plan ("ESOP") to encourage the selected participants, including its employees, to support the expansion and development of the Group. The ESOP helps the Group to reward and motivate the employees to work towards enhancing the value of the Group as a whole.

The hiring team has established a Referral Bonus Scheme and welcomes all employees to take part in it to support recruitment efforts. A referral bonus is awarded for current employees who refer new talent to the Group, and on a condition that the new talent is successfully placed and successfully completes his or her probationary period.

B2. Employee Health and Safety

The Group cares about the health, safety and security of all the staff, and strives to protect the physical and mental health, safety and security of employees. The Group strictly complies with the relevant laws and regulations including but not limited to:

- Labour Law of the PRC;

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- Law of the PRC on the Prevention and Treatment of Occupational Diseases;
- Fire Protection Law of the PRC; and
- Occupational Safety and Health Ordinance (Cap. 509) in Hong Kong.

The Employee Handbook of the Group clearly outlines the details of occupational and safety rules which provides guidance to complying with the relevant laws and regulations. The Group did not note any cases of material non-compliance with occupational health and safety laws and regulations in the Reporting Period.

The Group has adopted the following occupational health and safety measures in daily business operation routines:

- Monitor air quality of the offices;
- Provide ergonomic office furniture to ensure comfort in daily operations;
- Provide safety training for operational staff to promote safety awareness and minimize the risk of potential work hazards, such as hazardous chemicals, wastewater treatment and fire protection; and
- Conduct fire drills regularly.

The Group conducted regular reviews of the internal occupational health and safety management, taking employee feedback into account to promote ongoing improvements in employee health and safety. In Jiashan factory, occupational health and safety related targets have been set. The targets will be reviewed regularly in order to ensure the safety and health of employees and the compliance of all relevant laws and regulations. The Jiashan factory has improved its emergency plans for safety working environment, occupational health of employees, biosafety, hazardous chemicals and equipment operation in order to strengthen the Group's ability to cope with emergency cases and work-related accidents.

Table 9 Number of Work-Related Fatality and fatality rate, Injury Cases, Lost Days

	2023	2022	2021
Number of work-related fatalities	0	0	0
Work-related fatality rate	0%	0%	0%
Work-related injury cases	1	1	0
Lost days due to work-related injury	168	41	0

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There were no work-related fatality cases in the past 3 years, including the Reporting Period. However, the Group reported 1 work-related injury case and 168 lost days due to work-related injury. An employee accidentally fell down and hurt his leg in the workplace. The incident has been investigated and appropriate actions have been taken immediately. For instance, providing assistance to the injured employee and promoting safety knowledge to employees to enhance their work safety awareness. Besides, the injured employee has been protected by the Group's insurance. In order to ensure a safe working condition for all staff and avoid the similar work-related injury happening in the future, the Group will evaluate the current work safety management regularly to ensure employees work in safe condition.

B3. Development and Training

The Group is concerned about common growth and development opportunities of employees, so corresponding skills improvement and development training are provided for different types of work and job positions. The Group offers on-the-job training and self-learning programs to widen the knowledge bases of employees. During the Reporting Period, the Group has encouraged employees to participate in various training. For instance, Autoimmune Encephalitis ("AE") Awareness Training Product Complaint Training, training on leadership and communication and information technology. To enhance the efficiency of training management, the Group has created user accounts for all employees in the eQMS (Veeva Vault) System to allocate different types of training to different employees.

In the healthcare business sector, which is evolving quickly and becoming more competitive, the Group has established a performance assessment mechanism to maintain the talents that support its business, and reward high-performing employees for their accomplishments. To monitor and assess employees' performance, the Group conducts semi-annual performance reviews and offers relevant training to support employee development. Individual Development Plans are established for employees to track their self-improvement and identify areas for further development. With the support of their managers and supervisors, the review process provides all employees with the chance to assess their objectives and realise the full potential of their careers.

As of 31 December 2023, the Group provided over 1,576 training hours to a total of 197 employees (inclusive of employees who have left the Group during the Reporting Period). The average training hours per employee were 3.65 hours. The number of Employees who received training and average training hours completed are as follows.

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Table 10 Number of Employees who Received Training and Average Training Hours Completed

Total number of trained employees	197
Total training hours for all employees	1,576
Average training hours per employee employed	3.65
By Employee Category	
Number of trained Senior Management	0
Average training hours per senior management employee employed	0
Number of trained Middle Management	5
Average training hours per middle management employee employed	2.67
Number of trained Frontline and other Staff	192
Average training hours per frontline and other employee employed	3.72
By Gender	
Number of trained Male employees	73
Average training hours per male employee employed	3.12
Number of trained Female employees	124
Average training hours per female employee employed	4.05

Note: The average training hours per employee was calculated by (Total no. of training hours during the Reporting Period/no. of employees as of 31 December 2023)*100%.

Table 11 Percentage of Employee Who Received Training

	Percentage %
Total percentage of trained employees	46%
By Employee Category	
Senior management	0%
Middle management	33%
Frontline and other Staff	46%
By Gender	
Male	39%
Female	51%

Note: The percentage of employees who received training was calculated by (Total no. of trained employee during the Reporting Period/no. of employees as of 31 December 2023)*100%.

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B4. Labour Standards

Child and forced Labour is strictly prohibited within the Group. The Group strictly observes applicable laws and regulations regarding employment and Labour standards, such as the Labour Law of the PRC, the Provisions on Prohibiting the Use of Child Labour, the Labour Contract Law of the PRC and the Law on the Protection of Minors.

The Group only recruits employees who are over the legal working age, and new employees are required to provide true and accurate personal data. Furthermore, background checks will be conducted during the recruitment process in order to ensure the identity of the employees before they are employed. If the violation is found, disciplinary actions will be taken when necessary.

No non-compliance with relevant laws and regulations relating to preventing child and forced Labour was identified during the Reporting Period. There were no major risks associated with incidents of child and forced Labour within the Group's operation sites. No child and forced Labour was hired in the Group.

2. Operating Practices

B5. Supply Chain Management

Table 12 shows the number of suppliers of the Group in this Reporting Period.

Table 12 Number of suppliers by geographical region

Geographical region of suppliers	Number of suppliers	Type of suppliers
Mainland China	147	CRO
	135	Office G&A suppliers
	109	Sales and marketing suppliers
	109	IT & digital suppliers
	79	Professional services
	25	Hotel
	37	Equipment and materials
	23	Consultant service
	11	CDMO
	10	Data resource
	10	Expressage and Logistic supplier

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Geographical region of suppliers	Number of suppliers	Type of suppliers
	6	Insurance
	4	Drug supply
	37	Manufacturing construction related suppliers
	33	Production equipment related suppliers
	11	Production Consumables — BOM
	5	Disinfectant
	5	Lab instrument
	5	Raw Materials
	4	Excipients
	4	Secondary Packaging
	3	Lab Reagents
	6	Inspection
	2	PPE
	4	Primary Packaging Materials
	1	Authentication service
	7	Calibration Service
	3	Consultant Service — GMP
	3	Creative vendor
	1	Industrial Gas
	1	Other equipment
	1	Pest Control
	2	Printings — non Production
	2	Production Consumables — non-BOM
	1	Waste — Hazards
	1	Waste — non hazards
	1	Maintenance and Repairing
	1	Utility
	1	Physical Check
Total number of suppliers:	850	

Supply chain management

The Group manages its supply chain in accordance with the Standard Operating Procedures (“SOP”). The SOP outlines the responsibilities and procedures for procuring products and services, including the verification of suppliers and contracted service providers.

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Specific standards for managing the health and safety of the products are used in the selection process for suppliers, and their credentials are verified in the initial due diligence process. If a supplier fails to comply with the standards, they will be required to take remedial action or they will be terminated if they fail to meet the standards. Environmental, Health and Safety (“EHS”) clauses will be included in supplier contracts as required by our business, and the procurement team will evaluate the performance of major vendors.

The Group supports its clinical investigations in China by selecting some of the renowned Contract Research Organisations (“CROs”). Academic credentials, industrial reputation, adherence to pertinent regulations, and cost competitiveness are taken into consideration in the selection process of CROs. The Group conducts an audit of the CROs every three years. Reference from identified risks and the inspection conducted by the Centre for Food and Drug Inspection, ad hoc audits or quality visits are carried out. The routine oversight includes quality issue escalated corrective and preventive action (CAPA) follow-up, quality risk assessment remediation action, key quality indicators (“KQI”) and Quality Control (“QC”) team’s oversight activities, such as trial master file (“TMF”) QC review and Co-Monitoring.

Based on a supply continuity risk assessment, the Group has developed alternative sourcing plans for these suppliers where necessary. In addition, prior to engagement, third-party suppliers are subjected to a preliminary risk assessment. Compliance due diligence is carried out on the identified high-risk suppliers. These high-risk suppliers include those who frequently interact with governmental organizations or representatives on behalf of the Group, and who offer sensitive services including patient recruitment or external meeting organization suppliers.

The Group also formulates the chemical management procedures, waste management procedures and biosafety management procedures to monitor environmental protection performance along supply chain, and due diligence check is also conducted by the Legal Team. Furthermore, quality audits are conducted for the suppliers who are required to comply with the Laboratory Testing Regulations, such as Good Clinical Practice (“GCP”) and Good Manufacturing Practice (“GMP”).

The Group has given priority to environmentally friendly raw materials and products in the procurement process. High energy-efficient equipment is chosen, and the energy efficiency requirements of the purchased equipment are followed in accordance with the Minimum Allowable Values of Energy Efficiency and Values of Efficiency Grades for Motors (GB18613-2020). The Group also considers energy efficiency and environment-related requirements when selecting heating, ventilation and air conditioning systems (“HVAC”) and furniture.

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B6. Product Responsibility

In order to ensure the safety and quality of services, the protection of intellectual property right and data protection, the Group complies with the following laws and regulations, including but not limited to:

- Trademark Law of the PRC;
- General Principles of the Civil Law of the PRC.

There was no non-compliance of laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress in this Reporting Period.

Quality Assurance

The Group realises that producing high-quality goods and services is an important element to maintaining the competitiveness of its business. The Quality Management Department is responsible for monitoring quality performance and implementing quality governance mechanisms. Independent Quality Management system (“QMS”) has implemented in order to monitor the quality of the clinical development, manufacturing and testing of the drug candidates.

The main responsibilities of the Quality Management Department are as follows:

- Establishing a strong quality management system for the Group’s line functions to ensure that all of its operations comply with national and international regulatory standards;
- Adopting audit plans for investigator site audits, process audits, system audits, Contract Manufacturing Organization (“CMO”) site audits, and GxP vendor audits to ensure the Group complies with relevant regulatory standards;
- Managing the Group’s quality control policy and standard operating procedures, as well as organizing and carrying out risk assessments for its business and specific projects to ensure high quality metrics and prompt reporting to our senior management team.

Additionally, the phase I of the electronic Quality Management System (“eQMS”) has been developed and put into operation. This phase includes the management modules for eSOPs and e-Training. To ensure that the relevant management operations comply with ICH standards and the related laws, regulations, and regulatory guidelines, the Group has been updating the unified quality management system covering GCP, GMP, and GSP.

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There were no product recalls or service complaints due to health and safety reasons received during the Reporting Period.

Intellectual Property Rights

The Group recognises its responsibility to protect its intellectual property (“IP”) rights, including patents, copyrights, trademarks, service marks, research and development achievements, trade secrets, technical data and other related rights. The Intellectual Property Policy provides an overview of the various categories of intellectual property as well as the duties and responsibilities of employees to protect this information. The Policy outlines important procedures for maintaining confidentiality, protecting copyright, trademarks and trade secrets.

Data Protection

The Group strictly implements the policy of protecting personal information, as maintaining confidentiality is vital for building trust between the Group and other stakeholders. The Group has established a Personal Data Protection Policy which outlines the fundamental guidelines of processing personal data, whether it is in written, electronic or verbal form. It also involves topics including data protection in business activities, response to personal data breach incidents, roles and responsibilities etc. The Group is responsible for taking effective mitigation measures where there may be a risk to the rights and freedoms of Data Subjects in line with all relevant laws and regulations.

Additionally, the employee handbook outlines the specific requirements of handling confidential data, along with specific security measures to protect sensitive data.

Safety of Clinical Trials

In order to manage and execute clinical trials for the development of pharmaceuticals, the Group adheres to a rigorous and structured process to conduct research. To evaluate and manage the quality risks associated with clinical trials, Clinical Quality Assurance (“CQA”), a part of the Group’s Quality Management System is overseen by the Quality Management Department.

The informed consent of all clinical trial participants and the reporting of adverse events (“AE”) and serious adverse events (“SAE”) are the two important elements to ensure the safety of clinical trials. The preparation, review, and distribution of the informed consent forms (“ICF”) for clinical research and safety data management are regulated by the SOP. ICFs must adhere to stringent review and approval procedures as part of the drafting process, and they must contain all elements of informed consent as specified by regulations. This enables the patient to participate in the clinical trial voluntarily with a well-informed decision. The Group adheres to GCP in all aspects of clinical trials management.

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B7. Anti-corruption

The Group regards honesty, integrity, and fairness as its core values, so the related national laws and regulations are strictly complied with, including but not limited to:

- Criminal Law of the PRC;
- Anti-Money Laundering Law of the PRC; and
- Law Against Unfair Competition of the PRC.

The Group had no non-compliance with relevant laws and regulations of bribery, extortion, fraud and money laundering in this Reporting Period.

The Group has formulated the Code of Conduct and Business Ethics, which forms the basis of ethics governance and provides guidance to interact with stakeholders so as to ensure proper conduct in all aspects of the Group's operations. The Code of Conduct and Business Ethics outlines all the policies, practices, and rules pertaining to the prevention of bribery and fraud, conflicts of interest, the acceptance of gifts and entertainment from third parties. The Legal and Compliance Department is responsible for training new hires regularly to ensure their understanding of the Code of Conduct and Business Ethics. The anti-corruption measures are carried out in accordance with all relevant laws and regulations.

Whistle-blowing Policy

The Group is committed to the highest possible standards of openness and accountability, as well as preventing, detecting and reporting any fraud. A whistle-blowing policy has been established for employees and stakeholders to voice their concerns about suspected fraud.

Whistle-blowers can provide details of concerns about the suspected cases by writing in the standard whistle-blowing report form, and sending the report form to the Compliance Officer by email. Any received report will be acknowledged receipt by the Compliance Officer within three working days. The Compliance Officer is responsible for managing and evaluating the report and undergoing investigation of the suspected case. The result of the investigation is reported to the management and a formal report of the case is prepared for the Audit Committee to implement corrective actions for resolving substantiated frauds.

All the detailed information of the reported case will be handled confidentially. The Group recognises that protecting whistleblowers is important in reporting and investigation procedure of corruption. The Group prohibits any unlawful discrimination or retaliation, or hostile measures against investigators and whistle-blowers.

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Anti-corruption training

In order to strengthen the awareness of anti-corruption in the workplace, the Group carries out effective communication and training within the company to ensure that employees understand the concepts involved in the code of conduct, and help employees identify legal and illegal concepts, ethical and dishonest behaviour.

B8. Community Investment

The Group contributes to the community by reaching out to the community actively in the Reporting Period. Participating in these activities can develop positive value in helping people and our society. The Group participated in ESG sharing conferences actively to share the knowledge and experiences of facilitating ESG practices in pharmaceutical industry. Besides, the innovation of new drugs can facilitate effective target treatment of some diseases in our society. The details of community investment made by the Group during the Reporting Period are shown in the following table.

Table 13 The breakdown of the community investment details by focus area, activities and resources contribution

Focus area	Activities	Resources contributed
Environmental Protection	Two representatives participated in the 2023 Sustainable Water Management Conference, gave a topic speech in “Water & Carbon Management Practice in Pharmaceutical Industry” session in the conference and participated in the discussion session “How ESG goals drive innovation in water management in the industry sector”.	2 staff
New Drug Innovation	<p>Launched an early-access program (EAP) for Nefecon, the first-in-disease treatment for primary immunoglobulin A nephropathy (IgAN), which is approved by the Hainan Medical Products Administration for clinical use in Shanghai Ruijin Hospital’s Hainan subsidiary.</p> <p>Launched a patient assistance program for Nefecon at Kiang Wu Hospital in Macau, where the new drug application is approved, to provide financial assistance to mainland Chinese citizens who prescribe Nefecon in Macau.</p>	New treatment for IgA nephropathy

APPENDIX I – HKEX ESG REPORTING GUIDE INDEX

General Disclosures and KPIs	Description	Section(s)
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.	• A. Environment
KPI A1.1	The types of emissions and respective emissions data.	• A1. Emission
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity.	• A1.2 Greenhouse Gas Emissions
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	• A1.3 Hazardous Waste
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	• A1.4 Non-hazardous Waste
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	• A1.5. Measures to Mitigate Emission and Targets
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	• A1.6. Waste Reduction Initiatives and Targets
Aspect A2: Use of Resources		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	• A2. Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	• A2.1. Energy Consumption
KPI A2.2	Water consumption in total and intensity.	• A2.2. Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	• A2.3. Energy Use Efficiency Initiatives and Targets
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	• A2.4. Water Use Efficiency Initiatives and Targets
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	• A2.5. Packaging Materials
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	• A3. The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	• A3.1. Significant Impacts of Activities on the Environment

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General Disclosures and KPIs	Description	Section(s)
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.	• A4. 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.	• A4. Climate Change
Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	• B. Social • 1. Employment and Labour Practices • B1. Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	• B1. Employment- Employee Profile and Turnover
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	• B1. Employment- Employee Profile and Turnover
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.	• B2. 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.	• B2. Employee Health and Safety
KPI B2.2	Lost days due to work injury.	• B2. Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	• B2. Employee Health and Safety

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General Disclosures and KPIs	Description	Section(s)
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	• B3. Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category.	• B3. Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	• B3. Development and Training
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 or forced labour.	• B4. Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	• B4. Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	• B4. Labour Standards
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	• B5. Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	• B5. Supply Chain Management
KPI B5.2	Description of practices relating to engaging supplies, number of supplies where the practices are being implemented, how they are implemented and monitored.	• B5. 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.	• B5. 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.	• B5. Supply Chain Management

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General Disclosures and KPIs	Description	Section(s)
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.	• B6. Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	• B6. Product Responsibility • Quality Assurance
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	• B6. Product Responsibility • Quality Assurance
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	• B6. Product Responsibility • Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	• B6. Product Responsibility • Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	• B6. Product Responsibility • Data Protection
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.	• B7. 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.	• B7. Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	• B7. Anti-corruption • Whistle-blowing Policy
KPI B7.3	Description of anti-corruption training provided to directors and staff.	• B7. Anti-corruption • Anti-corruption Training
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.	• B8. Community Investment
KPI B8.1	Focus areas of contribution.	• B8. Community Investment
KPI B8.2	Resources contributed to the focus area.	• B8. Community Investment



EVEREST MEDICINES

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