康泰生物
BIOKANGTAI

Stock Code: 300601

# 2023 ANNUAL SOCIAL RESPONSIBILITY REPORT

## AND ENVIROMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

PRODUCE THE BEST VACCINES
TO BENEFIT MANKIND


Shenzhen Kangtai Biological Products Co., Ltd.

Contact Address: No.18, Shutianpu Road, Matian Street, Guangming District, Shenzhen

Postcode: 518106 Tel: 0755-26988558

# About this Report

## Basis of the Report

The report has been compiled in accordance with the Guidelines on the Content and Format of Information Disclosure by Companies Publicly Issuing Securities No. 2 - Content and Format of Annual Reports by the China Securities Regulatory Commission (CSRC), and the Guidelines on Self-regulation of Listed Companies on Shenzhen Stock Exchange No.2 - Standardized Operation of Listed Companies on the ChiNext Market, the Guidelines on Self-regulation of Listed Companies on Shenzhen Stock Exchange No.1 - Business Processing by the Shenzhen Stock Exchange (SZSE) and other relevant regulations.

## Scope of the Report

| Organizational scope

The report covers Shenzhen Kangtai Biological Products Co., Ltd. (BioKangtai, or the Company) and its subsidiary, which is in line with the scope of the Company's annual report and consolidated financial statements.

| Full Name | Abbreviations |
|---|---|
| Shenzhen Kangtai Biological Products Co., Ltd. | BioKangtai, the Company |
| Beijing Minhai Biotechnology Co., Ltd. | BioMinhai |

| Time scope

From January 1, 2023, to December 31, 2023, with some representations and information being traced back to previous years as appropriate.

## Data Description

If not otherwise stated, the financial data disclosed in the report are derived from the audited financial report of the Company and other data are obtained from the Company's internal statistics and relevant documents. The currency type in the report is Chinese Yuan (CNY), and amounts covered in the report are in Chinese yuan.

## Reporting Principles

It follows the reporting principles, including:

**Principle of Materiality**
This report identifies and responds to material issues that are concerned by stakeholders and have a significant impact on the Company, and focuses on such issues.

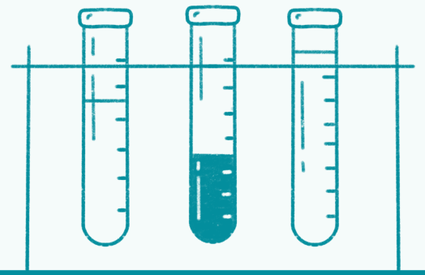
**Principle of Balance**
This report discloses the Company's active fulfillment of its social responsibility, possible problems and plans for improvement in detail based on the industry's characteristics for avoiding selective disclosure.

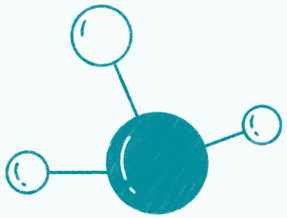
**Principle of Quantification**
This report gives the statistics of quantitative ESG performance and discloses three-year historical data.

**Comparability**
This report provides a detailed explanation of the meaning of the disclosed key quantitative performance indicators, together with the basis for their calculation and assumptions. To the extent possible, the indicators used are consistent during different reporting periods to reflect the trends of performance.

## Report Language

The report is written in two languages, Chinese and English. If there is any discrepancy between the two versions, the Chinese version shall prevail.





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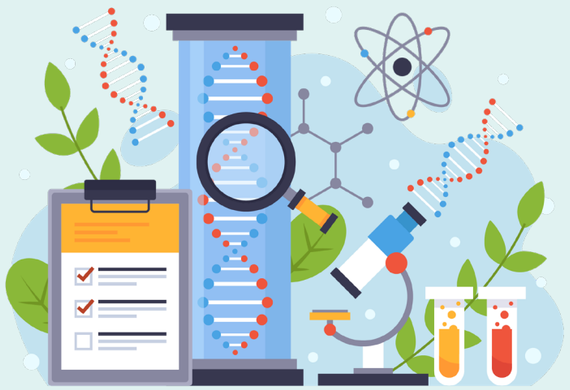


# About BioKangtai

## Company Overview

Since its inception in 1992, Shenzhen Kangtai Biological Products Co., Ltd. has been specialized in R&D, production and sales of vaccines for human use. The Company is listed on the ChiNext market of the Shenzhen Stock Exchange in February 2017 (stock code: 300601). Headquartered in Shenzhen, the Company has five R&D centers and industrial bases in Shenzhen and Beijing. It is one of the major vaccine manufacturers in China. At present, the Company has 11 listed and approved products for emergency use, among which, "60μg Recombinant Hepatitis B Vaccine (Saccharomyces cerevisiae)" and "Dual-Carrier 13-Valent Pneumococcal Polysaccharide Conjugate Vaccine" independently researched and developed by itself are the world's first of their kind and used for the special group of people who do not have any response to Hepatitis B Vaccine; the self-developed DTaP-Hib Combined Vaccine (quadruple vaccine) is the domestic vaccine with the largest number of combined vaccines; and the Rabies vaccine (human diploid cell) for human use, Freeze-dried is the first "Four doses" of rabies vaccine (human diploid cell) approved in China. The Company's product portfolio covers both vaccines for the national immunization program vaccines and non-immunization program vaccines, with products reaching 31 provinces, municipalities and autonomous regions.

The Company is an industry leader in R&D innovation and has been engaged in the vaccine industry for over 30 years, which has made it an innovative biopharmaceutical company with strong R&D strength, rich product offerings and leading industrial scale. As one of the companies with the most comprehensive vaccine R&D platforms in China, the Company has established the R&D and production capacity of virus vaccines, bacterial vaccines, genetically engineered vaccines, conjugate vaccines, combination vaccines and other products, and also the development ability of platform technologies such as viral vectors, novel adjuvants, and nucleic acid vaccines (mRNA, DNA). Meanwhile, keeping abreast of international cutting-edge technology, the Company has been exploring the research on application of new vaccine technologies and the establishment of new technology platforms, and effectively applied the technology platforms through multi-product development, so as to continuously enhance the Company's innovative R&D strength.

The Company has more than 80 patents and nearly 30 vaccine varieties under development, basically covering the key vaccine varieties in the world. Some vaccines out of them have entered registration process, including the Inactivated Poliomyelitis Vaccine, Sabin Strains (Vero Cell), the Influenza Vaccine (Split Virion), Quadrivalent, the Diphtheria, Tetanus and Acellular Pertussis Combined Vaccine (Component), Adsorbed, the Diphtheria, Tetanus, Pertussis (Acellular, Component), Poliomyelitis (Inactivated) Vaccine and Haemophilus Influenzae Type b Conjugate Vaccine, Adsorbed, the Diphtheria, Tetanus, Acellular Pertussis (Acellular, Component) and Poliomyelitis (Inactivated) Combined Vaccine, Adsorbed, the Reassortant Rotavirus Vaccine, Live, Oral, Pentavalent (Vero Cell), the MMR Combined Attenuated Live Vaccine, the Adsorbed Tetanus Vaccine and the 20-Valent Pneumococcal Polysaccharide Conjugate Vaccine. The Company also made arrangements in the development of products such as the Inactivated Tetravalent Enterovirus Vaccine (Vero Cell), the Zoster Vaccine and the Respiratory Syncytial Virus Vaccine (RSV). At present, the Company has formed a diversified and innovative product pipeline layout with industry competitiveness. With the upcoming release of the products under development, the Company's sustainable development will be greatly guaranteed and its competitiveness will be further enhanced.

While the deep cultivation of the domestic market and continuous optimization of the sales network layout, the Company has continued to increase the international business development efforts to promote its products to the international market. Since 2022, the Company has successively signed cooperation agreements with more than 10 countries, including Indonesia, Pakistan, Saudi Arabia, Bangladesh, Egypt, Bahrain, etc., and has continued to expand the overseas layout of 13-Valent Pneumococcal Polysaccharide Conjugate Vaccine, 23-Valent Pneumococcal Polysaccharide Vaccine, Inactivated Poliomyelitis Vaccine and Acellular Pertussis and Haemophilus Infl uenzae Type b Combined Vaccine, etc., for steadily promoting the internationalization strategy. In October 2023, the Company's 13-Valent Pneumococcal Polysaccharide Conjugate Vaccine was granted marketing license in Indonesia, marking that the vaccine has the basic conditions to be sold in Indonesian market. At present, the Company has already signed a sales contract for 13-Valent Pneumococcal Polysaccharide Conjugate Vaccine with the partner from Indonesia. In the future, the Company will continue to increase its efforts in international market expansion, actively explore international market cooperation, strengthen the overseas registration of its products, develop diversified sales channels for its products, striving to become a globally renowned biological vaccine supplier.

# 2023 ESG Performance

## Business Operation

| Operating revenue | Total assets | Total tax payment |
|---|---|---|
| 3,477.44million yuan | 15,085.36million yuan | 276.65million yuan |

| Net profit | Owner's equity |
|---|---|
| 861.30million yuan | 9,541.69million yuan |

## Products and Service

| R&D investment | Products marketed (including those approved for emergency use) | R&D projects nearly |
|---|---|---|
| 542.19million yuan | 11+ | 30 |

| Complaint handling rate | Product recall events |
|---|---|
| 100% | No |

## Safety and Environmental Protection

| Total environmental Investment | Three wastes emission compliance | Production safety accidents of average or above | accidents relating to occupational disease hazards |
|---|---|---|---|
| 4.09million yuan | 100% | 0times | No |

## Social Performance

| Community investment | Total workforce | Percentage of female employees | Labor contract signing rate |
|---|---|---|---|
| 9.30 million yuan | 1,902persons | 39% | 100% |



# Values and Philosophy

The Company has always adhered to the corporate purpose of "produce the best vaccines to benefit mankind" and the core value of "dedication to people's health". With a focus on long-term exploration in the biopharmaceutical sector, the Company aims to become a leading and world-renowned multinational company to contribute to the development of public health sciences. We take a market-oriented approach to enhance our R&D performance and product innovation, continuously optimize our product mix, and to pursue high product quality, marginal efficiency, technological innovation, resource conservation and harmonious development.

# Company Milestones

## 1992
The Company was established.

## 1994
The Company completed pilot production of 5μg Hepatitis B Vaccine, which was later approved by the Ministry of Health.

## 1995
The Company's 5μg Hepatitis B Vaccine (0.5ml per dose) met the quality standards of Merck & Co., INC, and the vaccine acquired approval number for pilot production from the Ministry of Health.

## 1998
The vaccine acquired formal approval number from the China Food and Drug Administration.

## 2000
BioKangtai acquired its first GMP certificate for its Hepatitis B Vaccine.

## 2002
The Company introduced its 10μg Hepatitis B Vaccine (1.0 ml per dose) for adults.

## 2004
The Company introduced Hepatitis B Vaccine with three years' effectiveness, which is the first of its kind in China.

## 2005
- The Company replaced its 10μg Hepatitis B Vaccine (1.0ml per dose) with 10μg Hepatitis B Vaccine (0.5ml per dose) for adults;
- and acquired its second GMP certificate for Hepatitis B vaccine.

## 2008
After a strategic reorganization, BioKangtai acquired BioMinhai as its wholly-owned subsidiary.

## 2010
- The Company successfully developed the first 60μg Hepatitis B Vaccine (1.0ml per dose) for adults hepatitis B vaccine non-responders in China;
- The Company acquired the third GMP certificate for its Hepatitis B Vaccine.

## 2011
- The Company introduced its 20μg Hepatitis B Vaccine (1.0ml per dose) for grown-ups;
- The Company introduced its 10μg Hepatitis B Vaccine (0.5ml per dose) for children.

## 2012
- The Company acquired a GMP certificate for its Hib Conjugate Vaccine;
- The Company acquired a GMP certificate for its DTaP-Hib Combined Vaccine.

## 2013
- The Company acquired GMP certificate for its Measles and Rubella Combined Vaccine, Live;
- BioMinhai established a postdoctoral R&D center in Beijing.

## 2014
- The Company acquired a GMP certificate (2010 version) for its Hepatitis B Vaccine;
- The Company acquired a GMP certificate for its Hib Conjugate Vaccine (prefilled);
- The Company collaborated with INTRAVACC (Netherlands) and WHO to import Inactivated Poliomyelitis Vaccine;
- BioMinhai established the Beijing Novel Combination Vaccine R&D Center, the Beijing Academician Workstation, and the Beijing International Sci-Tech Cooperation Base for Novel Vaccines.

## 2015
BioMinhai established the National-Local Joint Engineering Laboratory for Novel Vaccine Technologies.

## 2017
The Company was listed on the ChiNext Market of Shenzhen Stock Exchange.

## 2018
BioKangtai's Guangming Base in Shenzhen was officially put into use.

## 2019
The Company's 23-Valent Pneumococcal Polysaccharide Vaccine received a GMP certificate and was launched.

## 2021
- The Company's SARS-CoV-2 Vaccine, Inactivated was approved for emergency use in China;
- The Company's Recombinant COVID-19 Vaccine (Y25 Adenovirus Vector) was authorized for emergency use by the National Agency of Drug and Food Control of Republic of Indonesia;
- The Company's 13-Valent Pneumococcal Conjugate Vaccine was Launched.

## 2022
- The Company's production site for Recombinant COVID-19 Vaccine (Y25 Adenovirus Vector) received a Declaration of Conformity issued by the EU's qualified person;
- The Company's vaccine production site in Guangming District, Shenzhen, received a GMP Declaration of Conformity issued by the Food and Drug Administration, Philippines.

## 2023
The Rabies Vaccine (human diploid cell) for Human Use, Freeze-dried has been issued for drug registration certificate.

# Honors and Recognition

## BioKangtai

| Honors | Awarded by |
|---|---|
| First Prize of Shenzhen Science and Technology Awards | Shenzhen Municipal People's Government Science and Technology Awards Committee |
| Leading Enterprise of Guangdong Pilot 100 Program | Guangdong Provincial Economic and Information Commission/ Guangdong Provincial Science and Technology Department, etc. |
| High-tech Enterprise Certificate | Science, Technology and Innovation Commission of Shenzhen Municipality/Shenzhen Municipal Finance Committee/Shenzhen Tax Service, State Taxation Administration/Shenzhen Local Taxation Bureau |
| Academician (expert) workstation | Shenzhen Association for Science and Technology |
| Guangdong "Excellent Group Member" for Qualified Person in the Pharmaceutical Industry | Qualified Person Committee of Guangdong Pharmaceutical Association |
| Pioneer of the Year in COVID-19 Relief | 2021 Shenzhen Corporate Social Responsibility Conference |
| Shenzhen Advanced Grassroots Party Organization | CPC Shenzhen Municipal Committee |
| "Global Top 100 Pharmaceutical Enterprises" in COVID-19 Relief | Torreya, a global investment bank |
| Model Collective in Love Donation for COVID-19 Pandemic Prevention and Control in 2020 | Red Cross Society of China Jiangxi Branch, Jiangxi Red Cross Foundation |
| Honorary Certificate of Recognition for the Fight Against the COVID-19 Pandemic in Shenzhen | CPC Shenzhen Municipal Committee, Shenzhen Municipal Government |
| Top of the 2021 Brand Communication Power list of Listed Companies in the Pharmaceutica and Medical Industry in the Greater Bay Area | Shenxin Communication ThinkJiangxi Red Cross FoundationTank of Shen Zhen PressGroup, Qingbo IntelligentTechnology Co., Ltd. |
| "Top Ten Caring Enterprises" of the 19th Shenzhen Care Action | Shenzhen Spiritual Civilization Construction Committee |
| AA Rating of "2022 Wind ESG Rating", ranked in the top 10 in the healthcare sector | Wind |
| 2022 Enterprise ESG Outstanding Social Responsibility Practice Case | Xinhuanet, China Enterprise Reform and Development Society |
| China's Top 500 New Economy Enterprises | China Enterprise Evaluation Association |
| National Enterprise Technology Center | National Development and Reform Commission |
| 2023 Guangdong Top 500 Enterprises | Guangdong Provincial Association of Entrepreneurs |

## BioMinhai

| Honors | Awarded by |
|---|---|
| High-tech Enterprise Certificate | Beijing Municipal Science and Technology Commission, Beijing Municipal Finance Bureau, Beijing Municipal Tax Service of State Taxation Administration |
| Beijing Science and Technology Awards | Beijing Municipal People's Government |
| Beijing Key Laboratory for Novel Conjugate Vaccine Technology | Beijing Municipal Science and Technology Commission |
| Beijing Novel Vaccine Engineering Laboratory | Beijing Municipal Development and Reform Commission |
| Postdoctoral R&D Center | Ministry of Human Resources and Social Security, China Postdoctoral Management Committee |
| Beijing International Sci-Tech Cooperation Base for Novel Vaccines | Beijing Municipal Science and Technology Commission |
| Beijing Novel Combination Vaccine R&D Center | Beijing Municipal Science and Technology Commission |
| National-Local Joint Engineering Laboratory for Novel Vaccine Technologies. | National Development and Reform Commission of China |
| Beijing Enterprise Technology Center | Beijing Municipal Bureau of Economy and Information Technology |
| Science and Technology Award of the Chinese Pharmaceutical Association | Chinese Pharmaceutical Association |
| Academician (Expert) Workstation Certification | China Association for Science and Technology |
| Worker Pioneer Award | All-China Federation of Trade Unions |
| Beijing Intellectual Property Demonstration Organization | Beijing Municipal Intellectual Property Office |
| IPMS Certificate | Zhongzhi (Beijing) Certification Co., Ltd. |
| Top 100 Beijing Private Enterprises in CSR | Beijing Municipal Federation of Industry and Commerce |
| Top 100 Beijing Private Enterprises in Science and Technology Innovation | Beijing Municipal Federation of Industry and Commerce |
| Zhongguancun High-tech Enterprise Certificate | Zhongguancun Science Park Management Committee |
| Beijing Model Worker's Home | Beijing Municipal Human Resources and Social Security Bureau |
| Demonstration Enterprise in Harmonious Labor Relations in China | Ministry of Human Resources and Social Security of the People's Republic of China, All-China Federation of Trade Unions, China Enterprise Confederation/China Enterprise Directors Association, All-China Federation of Industry and Commerce |
| Practice Site of Examiner Practice (Beijing Zhongguancun) Base of China National Intellectual Property Administration | Zhongguancun Intellectual Property Promotion Center, under the supervision of Beijing Municipal Intellectual Property Office as authorized by China National Intellectual Property Administration |
| Daxing District Green Credit Five Star Enterprise | Joint Conference Office of Beijing Daxing District Green Credit System |
| National Intellectual Property Demonstration Enterprise | China National Intellectual Property Administration |
| Beijing Advanced Enterprises in Building Harmonious Labor Relations | Beijing Municipal Bureau of Human Resources and Social Security, Beijing Municipal Federation of Trade Unions, Beijing Enterprise Confederation/Beijing Enterprise Directors Association, Beijing Federation of Industry and Commerce |
| Research and Development of New Vaccine - Liu Jiankai Innovation Studio | Beijing Municipal Federation of Trade Unions, Beijing Municipal Commission of Science and Technology |
| Leader of Beijing Association for Science and Technology Next Generation Vaccine Development Enterprise Innovation Consortium | Beijing Association for Science and Technology |
| 2023 Beijing Top 100 Manufacturing Enterprises<br>2023 Beijing Top 100 High Precision Enterprises | Beijing Enterprise Confederation, Beijing Enterprise Directors Association |
| Grand Prize of Science and Technology Award of Guangdong Preventive Medical Association-Guangdong Major Diseases Vaccine Innovation and Industrialization | Guangdong Preventive Medicine Association |

# ESG Management

## ESG Approach

BioKangtai, as a high-tech enterprise with comprehensive R&D competence, diversified product range and remarkable technological advantages, has introduced a five-dimensional ESG management philosophy based on the corporate purpose of "produce the best vaccines to benefit mankind" , core value of "dedication to people's health" , as well as the operation principles of "people orientation, excellence, honesty, efficiency, innovation and cohesion" . The ESG philosophy focuses on the protection of the rights and interests of stakeholders such as shareholders, employees, customers and suppliers, and places emphasis on normative and honest operation with a view to promoting the sustainable and balanced development between the Company, the society and the environment.






# Stakeholder Communication and Material Issue Identification

## Stakeholder Communication

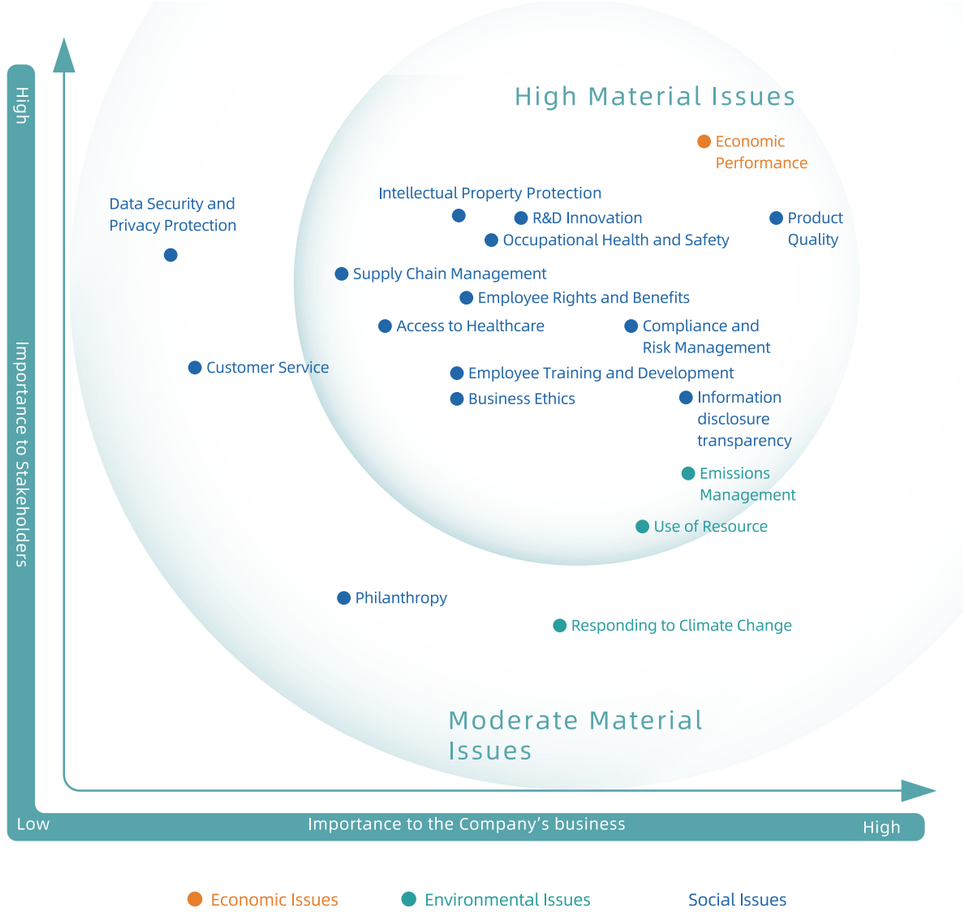
Stakeholder communication and participation is crucial for the Company to promote ESG management and achieve sustainable development. The Company attaches great importance to the demands of stakeholders and maintains two-way communication through various channels with stakeholders such as shareholders, investors, governments and regulators, customers, suppliers, employees, industry associations, communities and the public. We listen and respond actively to the suggestions and feedback from our stakeholders, and incorporate their concerns into our operations and decision-making, thereby satisfying their demands while improving our business management and achieving sustainable development.

| Key Stakeholders | Issues of Interest | Communication Channels |
|---|---|---|
| Shareholders and Investors | • General Meeting of Shareholders<br>• Information Disclosure<br>• SZSE's Easy IR Platform<br>• Investor Communication, Roadshows, Conference<br>• Investor Hotline/Email | • Disclosure and Transparency<br>• Compliance and Risk Management<br>• Economic Performance |
| Government and Regulatory Agencies (e.g., National Medical Products Administration) | • Comply with appropriate laws and regulations<br>• Daily Policy Implementation<br>• Regular Work Summary and Official Correspondence<br>• Law Enforcement Supervision and Inspection | • Compliance and Risk Management<br>• Business Ethics<br>• Occupational Health and Safety<br>• Emissions Management<br>• Responding to Climate Change<br>• Use of Resources<br>• Environmental Protection |
| Customers | • Customer Satisfaction Survey<br>• Customer Visits<br>• Professional Communication<br>• Customer Services and Customer Complaints | • Product Quality<br>• R&D Innovation<br>• Customer Service<br>• Data Security and Privacy Protection |
| Suppliers | • Supplier Assessment and Audit<br>• Supplier Training | • Business Ethics<br>• Supply Chain Management |
| Employees | • Regular Meetings<br>• Employee Activities<br>• Labor Union and Staff Council<br>• Complaints and Feedback | • Employee Rights and Benefits<br>• Employee Training and Development<br>• Occupational Health and Safety |
| Industry Associations | • Industry Associations and Organizations<br>• Professional Communication<br>• Project Cooperation | • R&D Innovation<br>• Intellectual Property Rights<br>• Industry Development |
| Community and Public | • Community Activities and Services<br>• Regular Communications<br>• Media Communication<br>• Popularization of Vaccine Knowledge | • Social Welfare<br>• Access to Healthcare |

# Material Issue Identification

Referring to the latest policies of CSRC and SZSE and excellent practices of peers at home and abroad, the Company undertook the identification of material issues based on its own business and characteristics as well as expert opinions, with full consideration of stakeholders' demands and priorities of concern. After identification, ranking and verification, the Company identified 18 material issues as the focus of disclosure in the report, as shown in the chart below.

## ◎ BioKangtai's material issues matrix






# 01

# Law-based Governing Enterprise in Good Faith

## Escorting Steady Development

# Agglomerate Mental Efforts and Party Building Leading

2023 is the opening year for the full implementation of the spirit of the 20th CPC National Congress, and the Party Committee of the Company solidly carries out thematic education on learning and implementing of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, deepens the study and understanding of the spirit of the 20th CPC National Congress, strengthens the ideological armament, carries out in-depth grass-roots Party building, gives full play to the political leadership of Party grass-roots organizations and the pioneering role of Party members, promotes the deep integration of Party building and corporate governance, production and operation, corporate culture and social responsibility, and leads the high-quality development of our Company with high-quality Party building. In 2023, on the occasion of the 10th anniversary of "The Belt and Road" initiative, BioKangtai was recognized as an excellent case of active international cooperation on vaccines and participation in the construction of "The Belt and Road" by the national economic portal hosted by the Economic Daily, and the Party Committee of BioKangtai was awarded the honorary title of "Advanced Grass-roots Party Organization" by the Non-Public Party Committee of Nanshan District.

## Strengthening the Construction of Organization

The Party Committee of the Company strengthens organizational leadership to perform job responsibility, and always puts efforts on strengthening and leading the team, among which, firstly, it deeply and practically promotes theoretical learning and enhance the cohesion, combat effectiveness and creativity of grass-roots party organizations by relying on the system of "three meetings and one lecture" and theme party day activities, etc.; secondly, by adhering to democratic centralism principle, it convenes the organization life meeting on schedule, makes democratic evaluation of party members, and actively carries out the theme educational activities, while through the study of "Selected Works of Xi Jinping" and “Questions and Answers on Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era” , it encourages party members to study hard and think well for effectively transforming the theme education into an effective way to promote the development of the enterprise.





## Exerting Party Building Leading

Based on the actual situation, the Party Committee of the Company guides all party members to apply the worldview, methodology and position and viewpoint methods of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as the "master key" to investigate and solve problems. On one hand, the party members make dedication based on their positions, and the Party Committee of BioKangtai coordinates and pushes forward the in-depth integration of party building and business for constantly forming the positive interaction between party building and business; on the other hand, the party members take the lead in overcoming difficulties, and the Party Committee of BioKangtai constantly gathers the centripetal force of the party members and encourages the party members to solve the key points, difficulties and pain points of the Company based on their positions, as well as constantly improve the working ability and level.

## Carrying out Party Building Activities

The Party Committee of the Company enhances the vitality of the party organization through a series of party building activities, such as setting up the internal magazine "Guardian" to build a communication platform for the party group building and corporate culture; organization of "love the country, the post and the family" handwriting activities to express the feelings of the family and the country; carrying out a knowledge contest about "study, practice and understand, uphold original aspiration" to promote learning and performance; organization of collective viewing of patriotic films and party members to visit "Xiongan International Innovation and Development Expo", carrying out study and practical education activities under the theme of "Continuing the Red Spirit, Joyful to See the Development of Shaanxi"; providing assistance for employees in difficulties through "Kangxin Fund". Furthermore, it has launched a number of "heart-warming" initiatives, such as organizing collective birthday parties every month, sending gifts to the parents of employees on Chung Yeung Festival and Spring Festival, and visiting and consoling party members and employees who have difficulties in their lives, and so on.

# Normative Governance and Steady and Sustainable Growth

## Governance Structure

The Company strictly complies with the relevant provisions of the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Code of Corporate Governance for Listed Companies in China, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, the Guidelines on Self-regulation of Listed Companies on Shenzhen Stock Exchange No. 2 - Standardized Operation of Listed Companies on the ChiNext Market and other relevant laws and regulations. It has established a governance structure consisting of the general meeting, the Board of Directors, the board of supervisors and the management, and has formulated rules such as Rules of Procedure of the General Meeting of Shareholders, Rules of Procedure of the Board of Directors, Rules of Procedure of the Supervisory Board and Responsibilities of the President, clarifying the responsibilities and authority, rules of procedure and working procedures of the General Meeting of Shareholders, the Board of Directors and the management, forming a scientific and effective division of responsibilities and checks and balances mechanism, and standardizing operations. The structure of "three meetings and one management" strictly follows the provisions of the Company Law, the Articles of Association and the Rules of Procedures, performs its own responsibilities with mutual constraints, and safeguards the legitimate rights and interests of all shareholders and creditors, especially small and medium shareholders.

### The General Meeting of Shareholders

is the highest authority of the Company

### The Board of Directors

is the business decision-making body of the Company, being responsible to the General Meeting of Shareholders


### The Supervisory Board of the Company

is the supervisory body of the Company, being responsible for the supervision and inspection of the Company's business operation and financial status, as well as the supervision of the directors and senior management of the Company in performing their duties in accordance with the law, and being responsible to the General Meeting of Shareholders

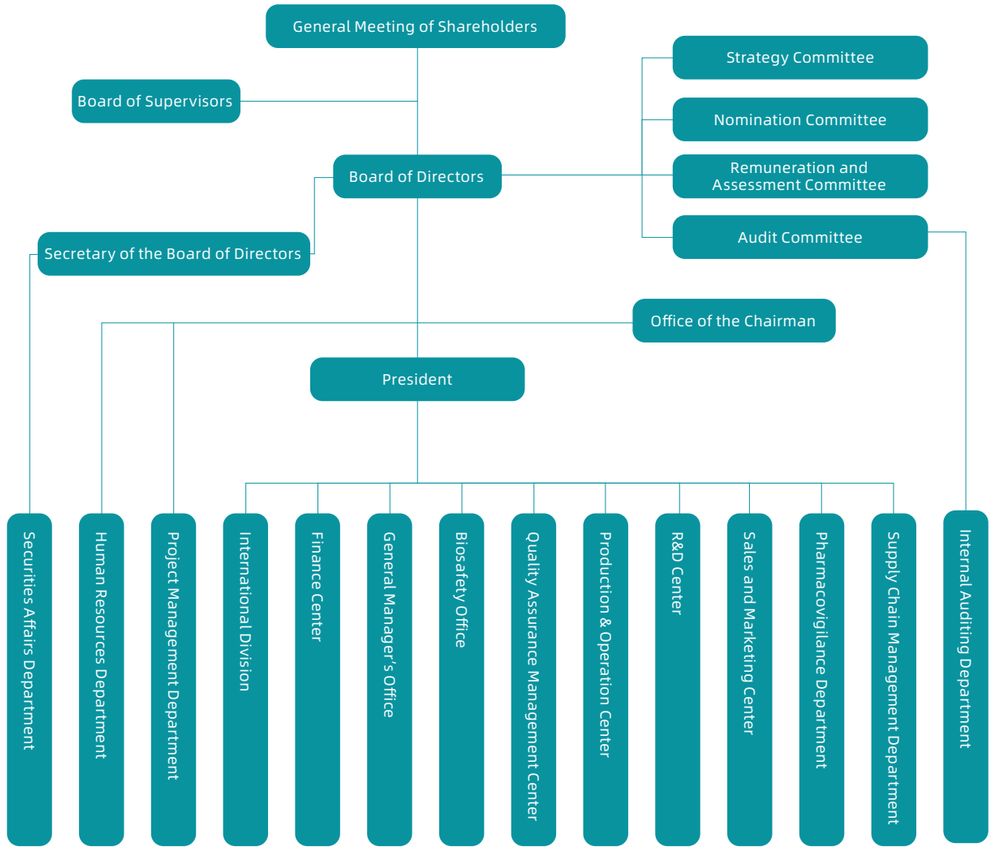
### The President

presides over the daily production and operation management of the Company within the authorization of the Board of Directors

The Company's governance status was in compliance with the requirements issued by the CSRC and the SZSE in relation to the governance of listed companies. The Company has been improving its corporate and standardized corporate governance structure, optimizing its internal control management system, improving its risk prevention capability, promoting its standardized operation, continuously improve its corporate governance, and ensuring its compliance and sound development.



### ◎ BioKangtai's governance structure




## About shareholders and Shareholders' Meeting

The Company strictly follows the relevant regulations and requirements of the Company Law, the Rules for General Meeting of Shareholders of Listed Companies and the ChiNext Stock Market of SZSE as well as the relevant provisions of the Articles of Association and the Rules of Procedure for General Meeting of Shareholders to regulate the convening, holding and voting procedures of shareholders' meetings and treat all shareholders equally. The Company holds shareholders' meetings through a combination of on-site and online voting to ensure that shareholders can fully exercise their rights.

During the reporting period, the Company held one annual general meeting and two extraordinary general meetings, at which eighteen motions were considered. The meetings were convened by the Board of Directors, and lawyers were invited to witness the meetings and issue legal opinions on the convening and voting procedures of the shareholders' meetings. The convening and holding procedures of the shareholders' meetings and the motions considered were in compliance with the provisions of relevant laws and regulations and the Articles of Association.

## About the Company and the controlling shareholder

The Company has independent and complete business and independent operation capability, and is independent of the controlling shareholders in terms of personnel, assets, finance, institutions and business, with separate accounting an independent responsibility and risk. During the reporting period, the major decisions of the Company were made by the General Meeting of Shareholders and the Board of Directors in accordance with the law. The controlling shareholders exercise their rights through the General Meeting of Shareholders without interfering directly or indirectly in decision-making and operating activities of the Company beyond the General Meeting of Shareholders. There are no circumstances such as appropriating the Company's funds or requesting guarantees for them or guaranteeing others.

## About directors and Board of Directors

The Board of Directors of the Company consists of seven directors, including three independent directors, and the umber and composition of the Board of Directors are in compliance with the laws, regulations and the Articles of Association f the Company. The directors of the Company attend the Board of Directors' meetings and shareholder' meetings actively and dutifully promote the effective operation of the Board of Directors and scientific decision-making. There are four specialized committees under the Board, namely, the Strategy Committee, the Audit Committee, the Nomination Committee and the Remuneration and Assessment Committee. Each committee carries out its functions in strict accordance with its own working rules to promote scientific decision-making of the Board, improve the efficiency of the Board's operation and lay an important role in the governance of the Company.

During the reporting period, the Company held 9 meetings of the Board of Directors with 47 motions considered. The meetings were all convened and chaired by the Chairman, and the convening, holding and voting procedures of the meetings were in compliance with the relevant provisions of laws and regulations and the Articles of Association and the Rules of Procedure of the Board of Directors.

## About supervisors and the Board of Supervisors

The Board of Supervisors of the Company is composed of three supervisors, including two employee representatives, and the number and composition of the Supervisory Board are in compliance with the laws, regulations and the Articles of Association of the Company. The supervisors of the Company strictly abide by the requirements of the Company Law, Guidelines on Self-regulation of Listed Companies on Shenzhen Stock Exchange No. 2- Standardized Operation of Listed Companies on the ChiNext Market, Articles of Association and Rules of Procedure of the Board of Supervisors, and conscientiously perform their duties by attending the meetings of the Board of Supervisors, the meetings of the Board of Directors and the meetings of the General Meeting of Shareholders, and supervising the development strategy, financial activities, risk management, internal control and the performance of duties of the Board of Directors and senior management of the Company in accordance with the law for the benefit of the shareholders and the overall interests of the Company.

During the reporting period, the Company held 8 meetings of the Board of Supervisors with 26 motions considered, all of which were convened and chaired by the chairman of the Board of Supervisors, and the convening, holding and voting procedures of the meetings were in compliance with the relevant provisions of the laws and regulations and the Articles of Association and the Rules of Procedure of the Board of Supervisors.

## Rewarding Our Shareholders

While promoting the steady development of its own business, the Company has formulated a stable profit distribution policy and actively distributes cash dividends to share the returns of corporate development with investors. The Company has formulated a sustainable profit distribution policy to continuously reward its shareholders. Since its listing, the Company has implemented its profit distribution plan in strict accordance with the relevant profit distribution policy and deliberation procedures of the Articles of Association, with clear and explicit criteria for dividend distribution and complete decision-making procedures and mechanisms, to effectively protect the legitimate rights and interests of shareholders, especially the small and medium shareholders.

In September 2023, based on the total share capital as at the date of share registration as determined in the announcement about 2023 Semi-annual Equity Distribution, the Company implemented the 2023 Semi-annual Equity Distribution Plan to distribute 1.80 yuan (tax-inclusive) cash dividends for every 10 shares to all shareholders from undistributed profits, without bonus shares and capitalization of capital reserves. Since its listing in February 2017, the Company has paid cash dividends of more than 1,500 million yuan in total, with total cash dividends as a percentage of total net profit attributable to shareholders of the listed company of 43.00%.

At the same time, the Company enhanced returns to investors by share repurchases. 3,581,600 shares of the Company were repurchased by the Company with a dedicated securities account for share to repurchase shares by way of centralized bidding during the period from September 2022 to March 2023, with a total amount of funds paid 120,967,842.86 yuan (excluding transaction fees). All the shares repurchased by the Company were used to cancel and reduce the registered capital, and such cancellation was completed on March 22, 2023. Such amount was regarded as the amount of cash dividends.

## Strengthening of Investor Relations Management

The Company strictly complies with the Guidelines on Self-regulation of Listed Companies on Shenzhen Stock Exchange No. 2-Standardized Operation of Listed Companies on the ChiNext Market, Guidelines for Investor Relations Management of Listed Companies, and Rules on Investor Relations Management. It has clearly defined the investor relations management mechanism, with the Secretary of the Board of Directors as the person in charge of investor relations management and the Securities Affairs Department as the functional department of investor relations management, led by the Secretary of the Board of Directors, and dedicated personnel in charge of investor reception. Through diversified methods such as shareholders' meetings, online performance briefings, road shows, analyst meetings, visiting receptions, SZSE's Easy IR Platform, investor hotline, investor relations mailbox, etc., the Company strengthens communication with investors and potential investors, sincerely listens to investors' opinions and suggestions, in order to convey new developments of the Company, enhance investors' understanding and recognition of the Company, and safeguard a smooth positive interaction between investors and channels of information exchange of the Company.

## Enhancing Information Disclosure

With great emphasis on information disclosure, the Company has strengthened its management of information disclosure affairs in accordance with the provisions and requirements of the Company Law, the Measures for the Administration of Information Disclosure of Listed Companies, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange and the Guidelines on Self-regulation of Listed Companies on Shenzhen Stock Exchange No. 2 - Standardized Operation of Listed Companies on the ChiNext Market. We have formulated the Regulations on the Management of Information Disclosure Matters to clarify the workflow and responsibilities on information disclosure.

The Board of Directors is responsible for the information disclosure activities of the Company, and the Securities Affairs Department is the functional department managing the information disclosure. In 2023, the Company disclosed a total of 171 periodic reports and temporary announcements, which provided true, accurate, complete and timely disclosure of the Company's business activities and material matters, ensuring that all investors had fair access to our information and effectively protecting their legitimate rights and interests.

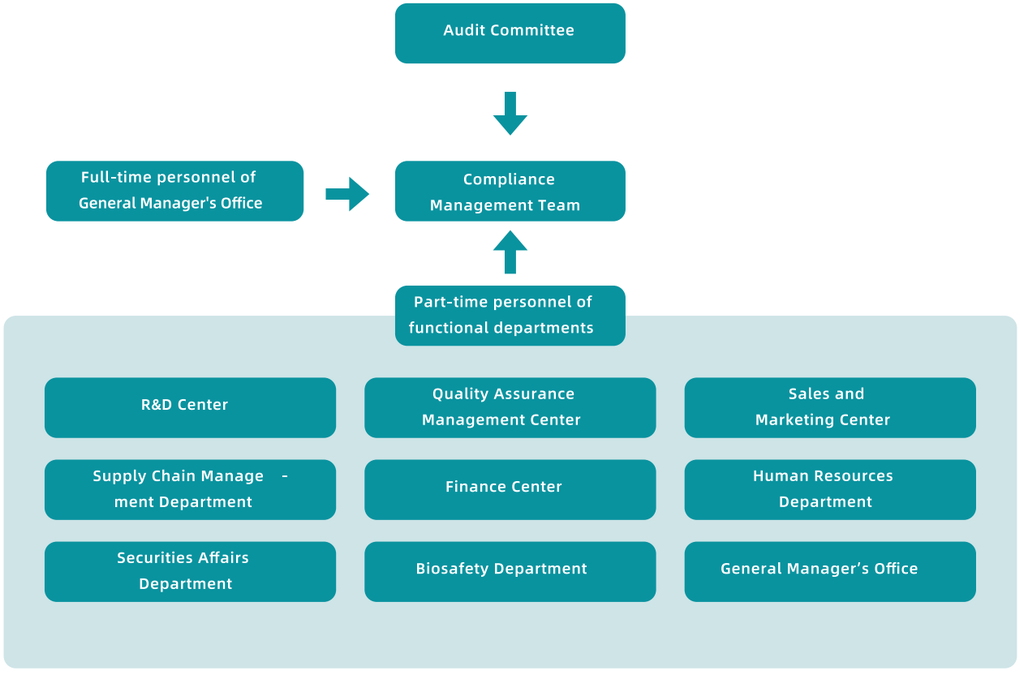
# Compliance Operations and Risk Prevention

## Improvement of internal control system

The Company attaches great importance to the construction of standardized governance and internal control system, and in accordance with the provisions of the Basic Standards for Enterprise Internal Control and its supporting guidelines, and on the basis of standardized corporate governance framework, it has continuously optimized the compliance management system by improving the compliance organization structure, establishing a sound compliance system and enhancing compliance awareness, and has established clear internal controls and necessary internal supervision mechanisms from the corporate management level to the level of each business process to guarantee operation in accordance with the law and standardized operation.

### ◎ The organizational structure of compliance management

A compliance management team has been established by the Company. The compliance management team consists of full-time and part-time members, where full-time compliance members are from the internal audit and legal departments and part-time compliance members are senior staff from each functional department, who collaborates with the full-time team members to carry out compliance reviews in their respective sectors.




### ◎ Perfecting compliance system and enhancing compliance awareness

In terms of compliance management regulations, the Company has formulated the Regulations on Compliance Management, which is applicable to the compliance management for all departments, subsidiary and employees of the Company, covering business areas such as transactions, safety and environmental protection, product quality, labor employment, finance, taxation, business partners, business innovation, asset management and intellectual property rights. Meanwhile, the Company starts from the guidance of the concept, improves the compliance awareness of all employees through compliance promotion, strengthens compliance supervision, promotes the effective implementation of compliance management, and continuously strengthens internal control and compliance management to escort the Company's stable operation.

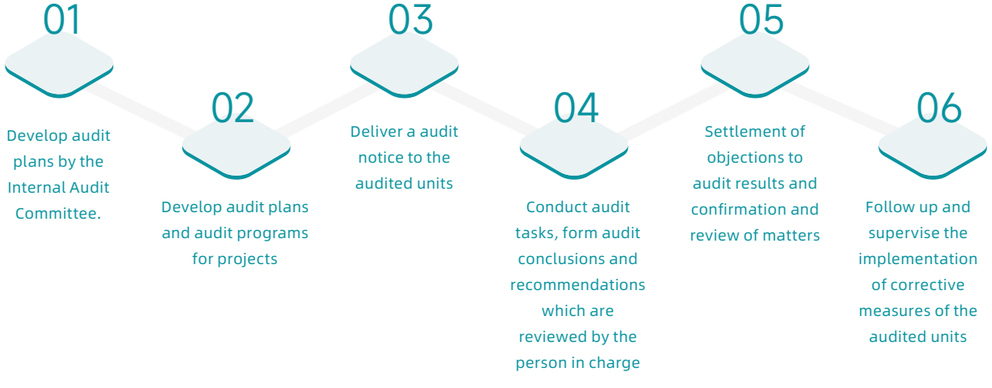
## Risk Identification and Management

The Company identifies and systematically analyzes potential internal and external risks in its business activities in a timely manner, and constantly improves its risk management and internal control systems. In terms of risk identification, each department carries out risk identification in its daily work according to the regulations, establishes risk database and Risk Identification List, and regularly conducts self-inspection on risk management efforts to identify deficiencies and make improvements in a timely manner.

The Company applies an internal audit system to strengthen its internal risk management. In accordance with the Audit Law of the People's Republic of China, Guidelines on Self-regulation of Listed Companies on Shenzhen Stock Exchange No. 2 - Standardized Operation of Listed Companies on the ChiNext Market and the Company's Internal Audit Regulations and Management Measures of Internal Audit Practice, the Internal Audit Department audits, supervises and inspects the production and operation activities, economic efficiency, asset security, business ethics and anti-corruption, and the establishment and implementation of the internal control system of the Company and its subsidiary, and makes suggestions and comments on the existing problems. The Internal Audit Department is independent and reports directly to the Audit Committee of the Board of Directors.

In 2023, the Internal Audit Department conducted audits and inspections of important matters of the Company as planned, without finding any violations of law or irregularities in the operations. Besides, the Company offers relevant information on risk control related laws and regulations and policy interpretation to employees through internal communication network from time to time to enhance their awareness of risk control.

### ◎ Internal auditing procedure



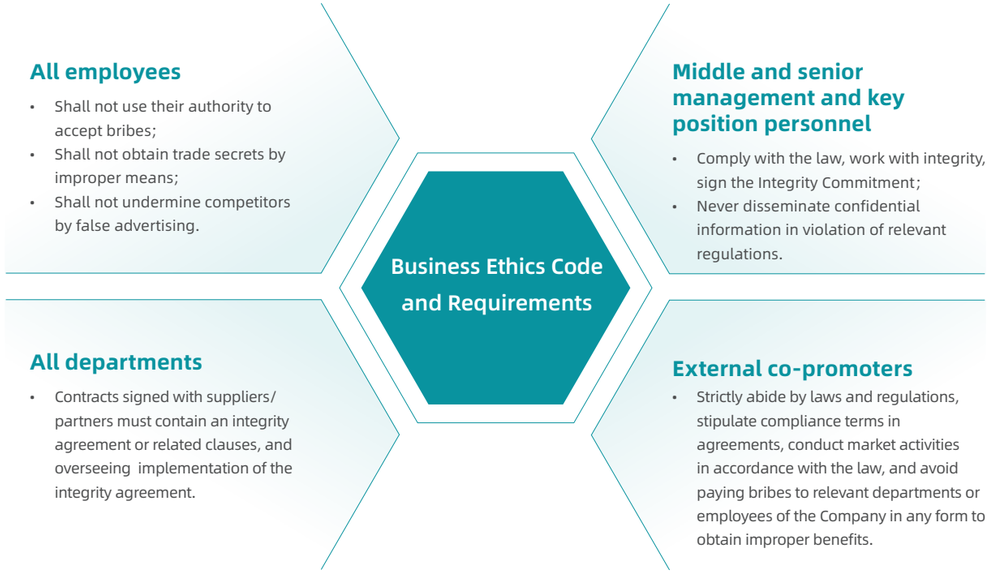
# Business Ethics and Anti-corruption

Aiming to create a working atmosphere of compliance, integrity and honesty, the Company adheres to the bottom line of compliance, takes business ethics and anti-corruption as the focus of internal risk control, makes standardized requirements for all employees and partners in terms of integrity, as well as adopts a zero-tolerance policy for unethical business practices,

In terms of its own integrity norms, the Company strictly abides by the relevant laws and regulations such as the Law of the People's Republic of China on Anti-Unfair Competition, the Law of the People's Republic of China on Anti-Money Laundering, the Law of the People's Republic of China on Protection of Consumer Rights and Interests and relevant standards such as ISO37001 Requirements and Implementation Guide for Anti-Bribery Management System, while regulating mechanisms for the integrity operation of its business activities by formulating the Employee Handbook, Code of Professional Ethics, Rules for Integrity in Workplace, and Whistleblowing Management Regulations, implements control measures to requires employees to strictly comply with the relevant regulations on integrity office and anti-bribery, strengthens targeted management of key links, creates a culture of integrity, and builds a monitoring and reporting mechanism to encourage the employees of the Company to supervise the implementation of integrity governance, as well as to report suspected violations. Meanwhile, the Company requires employees in key positions to sign the Integrity Commitment. In 2023, all employees in key positions of the Company signed the Integrity Commitment.

In terms of integrity cooperation with suppliers, the Company attaches importance to the prevention of business ethics risks in the procurement process. In addition to establishing an integrity standardization mechanism with suppliers, the Company's internal audit department conducts annual audits on business ethics in the supply chain and organizes training on business ethics for supply chain employees.

In other external cooperation, clear requirements on business ethical practices are also put forward, and the behavior of all parties involved in the cooperation is regulated by signing Integrity Agreements or agreeing on anti-bribery clauses in the cooperation agreements.

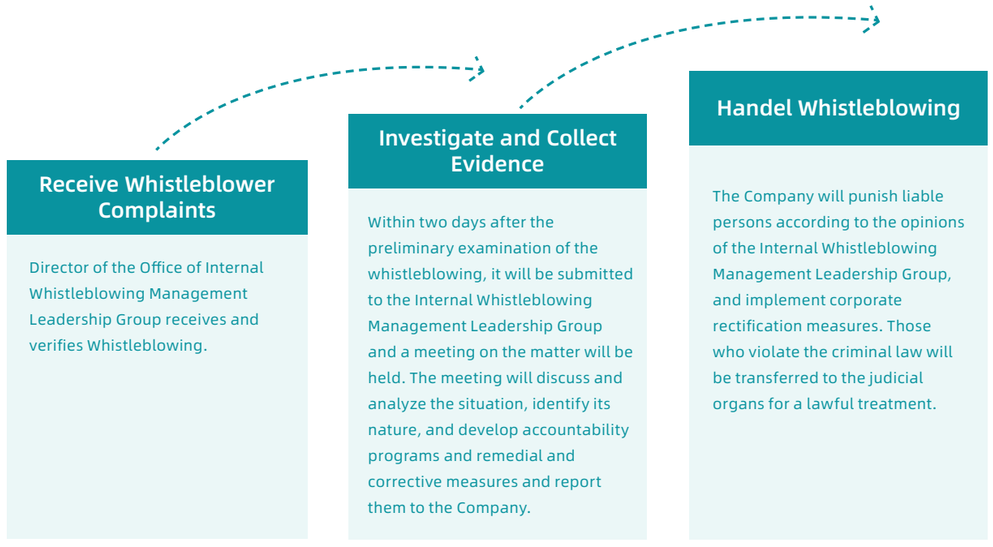



## ◎ Compliance reporting and whistleblower protection

The Company has formulated the Whistleblower Management System, which specifies the reporting mechanism, management organization, reporting channels and acceptance procedures, and handling measures, etc. The Company has also established an internal whistleblower management leading group, headed by the Chairman. The Company encourages employees and partners to report suspected violations and crimes, which can be reported anonymously or in real names, and rewards for truthful reporting.

The Company keeps the personal information of the whistleblowers and the reporting information provided strictly confidential through the confidentiality management measures such as dedicated management of the reporting information and minimizing the number of informants to prevent the whistleblowers from being treated unfairly and to protect the legitimate rights and interests of the whistleblowers. For personnel who violate the confidentiality provisions and retaliate against whistleblowers, the Company takes a zero-tolerance attitude; the violators will be dismissed, terminated from the labor contract, or transferred to judicial organs if suspected of breaking the law according to the severity of the circumstances.

## ◎ Procedures for handling whistleblowing




## ◎ BioKangtai's Whistleblowing Channels

**Whistleblower Complaint Receiver**

Director of the Office of Internal Whistleblowing Management Leadership Group

**Hotline**

0755-26988630

**Email**

shenjibu@biokangtai.com

**Channels**

Letters, phone calls, emails, WeChat and visits, etc. Anonymous report is supported

# 02

# Strict Quality Control

## for Creating Better Vaccines

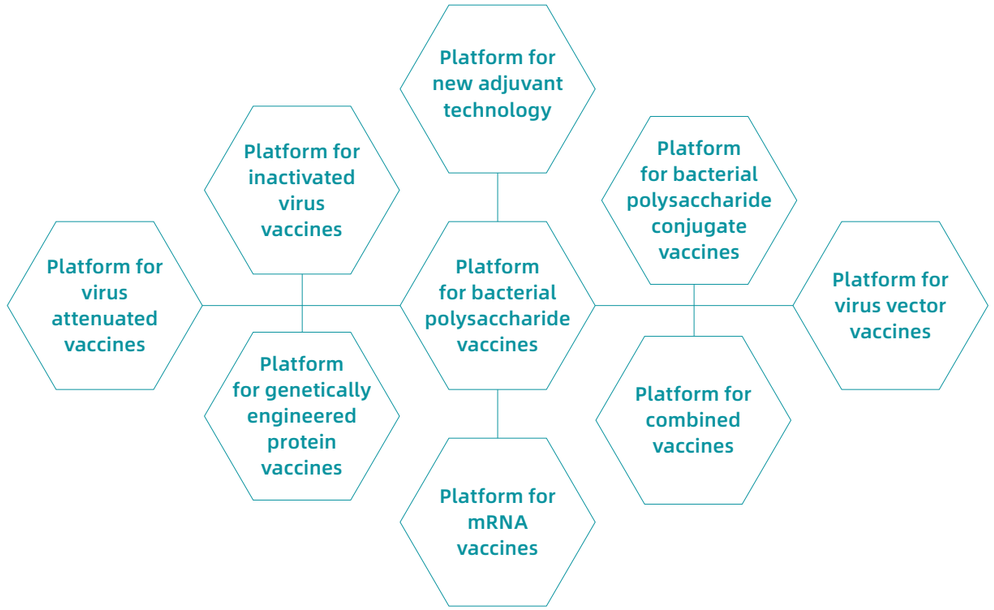




# R&D and Innovation to Enrich the Category of Products

The Company has been deeply engaged in the field of human vaccines for over 30 years, and always insisted on the R&D mode which is mainly of independent R&D, supplemented by cooperative R&D and secondary innovation of imported technologies. While strengthening the independent R&D and innovation ability, the Company pays attention to the cooperative relations with well-known enterprises and institutions in domestic and overseas, introduces advanced technology for absorption and use, enabling the Company to continuously improve its R&D ability. After years of R&D investment, the Company has established diversified R&D platforms such as live attenuated virus vaccines, inactivated virus vaccines, genetically engineered protein vaccines, bacterial polysaccharide vaccines, bacterial polysaccharide conjugate vaccines, combined vaccines, viral vector vaccines, mRNA vaccines, new adjuvant technology, etc., which complement each other and form a strong synergy effect, enabling the development of vaccine products and the construction of vaccine product portfolio in a more economical and efficient way, so as to ensure the continuous upgrading of vaccines and the successful development of novel vaccines. The Company has mastered a number of core technologies such as engineered strain construction, cell culture, virus culture, exotoxin detoxification, polysaccharide purification, protein purification and polysaccharide-protein conjugation, and also has R&D and production capability for viral vaccines, bacterial vaccines, genetically engineered protein vaccines, conjugate vaccines and combination vaccines. In particular, we are at the leading edge of the development of combination vaccines. At the same time, the Company has been keeping up with the international cutting-edge technology, continuously exploring the research and application of novel vaccine technologies and the establishment of new technology platforms, and has the ability of development viral vectors, novel adjuvants, nucleic acid vaccines (mRNA, DNA) and other product technology platforms.

### ◎ R&D Platforms Layout



## ◎ Well-developed R&D Bases

- Shenzhen Novel Vaccine Engineering Laboratory
- Guangdong Therapeutic Hepatitis B Vaccine Laboratory
- Beijing Key Laboratory for Novel Conjugate Vaccine Technology
- Beijing Novel Vaccine Engineering Laboratory
- Postdoctoral R&D Center
- Beijing International Sci-Tech Cooperation Base for Novel Vaccines
- Beijing Novel Combination Vaccine R&D Center
- Academician Workstation
- National Intellectual Property Demonstration Enterprise
- State-Local Joint Engineering Laboratory for Novel Vaccine Development

## ◎ Implementation of "Bring in" Strategy

The Company places emphasis on the introduction of international advanced technology to enrich its technology strategies and reserves, and improves its independent innovation capability through introduction and absorption so as to promote the achievement transformation of independent innovation technology. Since the 1980s, the Company has imported full R&D and production technologies of Recombinant Hepatitis B Vaccine (Saccharomyces cerevisiae), Rabies Vaccine (human diploid cell) for Human Use, Freeze-dried, Inactivated Poliomyelitis Vaccine, Sabin Strains, and Recombinant COVID-19 Vaccine (Y25 Adenovirus Vector) from Merck (USA), Sanofi Pasteur (France), Intravacc (Netherlands),and AstraZeneca (UK), respectively, while has devoted to develop itself from a one-way technology bringer to an overseas exporter of independent technology, so as to explore a way to transfer the independent innovation technology to overseas, and strive to improve the accessibility and affordability of vaccines worldwide.

## ◎ Implementation of "Go abroad" Strategy

While the deep cultivation of the domestic market and continuous optimization of the sales network layout, the Company has continued to increase the international business development efforts to promote its products to the international market. Since 2022, the Company has successively signed cooperation agreements with more than 10 countries, including Indonesia, Pakistan, Saudi Arabia, Bangladesh, Egypt, Bahrain, etc., and has continued to expand the overseas layout of 13-Valent Pneumococcal Polysaccharide Conjugate Vaccine, 23-Valent Pneumococcal Polysaccharide Vaccine, Inactivated Poliomyelitis Vaccine and Acellular Pertussis and H aemophilus Influenzae Type b Combined Vaccine, etc., for steadily promoting the internationalization strategy. In October 2023, the Company's 13-Valent Pneumococcal Polysaccharide Conjugate Vaccine was granted marketing license in Indonesia, marking that the vaccine has the basic conditions to be sold in Indonesian market. At present, the Company has already signed a sales contract for 13-Valent Pneumococcal Polysaccharide Conjugate Vaccine with the partner from Indonesia. In the future, the Company will continue to increase its efforts in international market expansion, actively explore international market cooperation, strengthen the overseas registration of its products, develop diversified sales channels for its products, striving to become a globally renowned biological vaccine supplier.



# R&D Achievements

Relying on its R&D platforms and core technologies, the Company has overcome the barriers to the development of several heavyweight vaccines, and completed the development of several world-leading vaccines with independent intellectual property rights, to contribute for immunization health of the people.

## ◎ Some important R&D achievements

- 60μg Recombinant Hepatitis B Vaccine (Saccharomyces cerevisiae): The world's first vaccine of its kind.
- DTaP-Hib Combined Vaccine: The first domestically developed vaccine with the largest number of combined vaccines, and a major achievement of the National Hi-tech R&D Program (or 863 Program).
- 13-Valent Pneumococcal Polysaccharide Conjugate Vaccine: The world's first dual-vector 13-valent pneumococcal polysaccharide conjugate vaccine; it is also a global best-selling heavyweight vaccine.
- Rabies Vaccine (human diploid cell) for Human Use, Freeze-dried: The first "Four doses" of rabies vaccine (human diploid cell) approved in China.
- Diphtheria, Tetanus, Pertussis (Acellular, Component), Poliomyelitis (Inactivated) Vaccine and Haemophilus Influenzae Type b Conjugate Vaccine, Adsorbed: The first domestic quintuple vaccine that has entered phase I clinical trial in China.

## ◎ Extensive projects under research

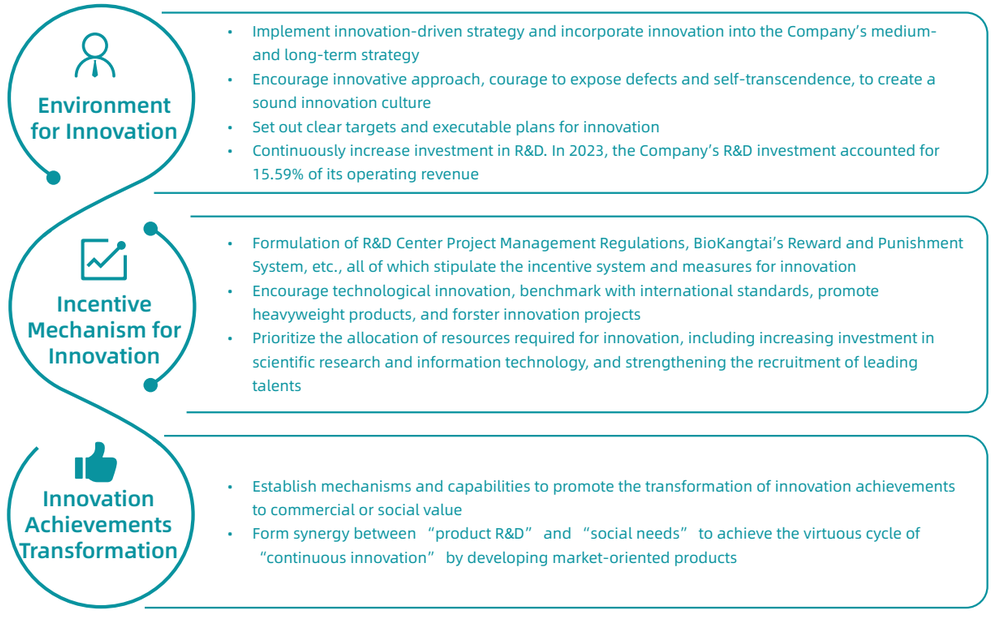
At present, the Company has more than 30 projects under development, basically covering the key varieties of vaccines in the world. The main projects entering the registration process are shown as below:

| Serial No. | Vaccine Name | Registration Stage | Current Process |
|---|---|---|---|
| 1 | Inactivated Poliomyelitis Vaccine, Sabin Strains (Vero cell) | NDA registration approval | Application for producing registration accepted |
| 2 | Group ACYW135 Meningococcal Polysaccharide Vaccine | In the summary stage of clinical phase | Completed the on-site job of Phase III clinical research |
| 3 | Inactivated Hepatitis A Vaccine | In the summary stage of clinical phase | Completed the on-site job of Phase III clinical research |
| 4 | SARS-CoV-2 Vaccine (Vero Cell), Inactivated | Approved for emergency use in China | Obtained Phase III clinical trial critical data |
| 5 | Influenza Vaccine (Split Virion), Quadrivalent | IND obtained, clinical phase in progress | Phase Ⅰ and III clinical trials in progress |
| 6 | Adsorbed Tetanus Vaccine | IND obtained, clinical phase in progress | Phase Ⅰ and III clinical trials in progress |
| 7 | Diphtheria, Tetanus and Acellular Pertussis Combined Vaccine (component), Adsorbed | IND obtained, clinical phase in progress | Completed Phase I clinical trial , Phase III clinical trial preparation in progress |
| 8 | Recombinant Enterovirus A71 Vaccine (Hansenula) | IND obtained, clinical phase in progress | Completed Phase I and II clinical trials |
| 9 | Recombinant Hepatitis B Vaccine (Hansenula) | IND obtained, clinical phase in progress | Completed Phase I clinical trial |
| 10 | Reassortant Rotavirus Vaccine, Live, Oral, Pentavalent (Vero Cell) | IND obtained, clinical phase in progress | Phase I and II clinical trials in progress |
| 11 | Diphtheria, Tetanus, Pertussis (Acellular, Component), Poliomyelitis (Inactivated) Vaccine and Haemophilus Influenzae Type b Conjugate Vaccine, Adsorbed | IND obtained, clinical phase in progress | Phase I clinical trial in progress |
| 12 | Diphtheria, Tetanus, Acellular Pertussis (Acellular, Component) and Poliomyelitis (Inactivated) Combined Vaccine, Adsorbed | IND obtained, clinical phase in progress | Phase I clinical trial in progress |
| 13 | MMR Combined Attenuated Live Vaccine | IND obtained | Obtained notification of clinical trial approval |
| 14 | 20-Valent Pneumococcal Polysaccharide Conjugate Vaccine | Obtained notification of acceptance of clinical trial application | Obtained notification of acceptance of clinical trial application |
| 15 | 60μg Recombinant Hepatitis B Vaccine (Saccharomyces Cerevisiae) (Immunomodulator) | Has withdrawn the application for vaccine registration approval, currently in the clinical data self-examination phase | Clinical data self-examination in progress |



## Improvement of R&D and Innovation System

The Company attaches importance to the improvement of R&D and innovation system, and integrates research and innovation into its development strategy. In accordance with the Drug Administration Law of the People's Republic of China, Vaccine Administration Law of the People's Republic of China, Measures for the Administration of Drug Registration and other laws and regulations, the Company has established and improved R&D and innovation system, and provided continuous impetus for technology development and product innovation through various effects, including creating an innovative environment, perfecting the incentive mechanism for innovation and promoting the transformation of R&D results, so as to create its core competitiveness with innovation.




## Stable R&D Team

Adhering to the belief of "talent is the primary resource for corporate innovation" , the Company has accumulated a large number of core technologies for vaccine R&D and production through nearly 30 years of R&D innovation and technology import and absorption, and has built up a crew with international vision, rich experience in vaccine development and management, as well as practical experience in industrialization. Among them, the key technicians have more than 10 years of experience in vaccine R&D and have undertaken more than 70 national, provincial and municipal projects; several project leaders have been awarded honorary titles such as "Leading Talents of Innovation Projects" . In addition, the Company has hired industry experts as its consultants to ensure the correct development direction, technical standards, R&D progress and quality of vaccines.

The Company has established comprehensive R&D talent incentive measures to promote product innovation and continuously recruit high-end R&D talents with both scientific and technical expertise.

### R&D Talent Incentive Measures

① Establish a long-term mechanism to motivate core R&D/key personnel. During the reporting period, the total number of incentive recipients for the first grant under the 2023 share option and restricted share incentive plan is 462 after the implementation of such incentive plan by the Company.
② Provide incentives for R&D and registration, and awards for government projects
③ Set up an award to reward people who recommend/recruit important talents
④ Provide housing subsidies for talents in Nanshan District, Shenzhen, and solve their problems in children's enrollment, application of Shenzhen household registration and dwellings.
⑤ Apply for Beijing household registration for qualified talents: including non-Beijing-born talents, proven talents and talents who have studied abroad
⑥ Leading talents in Daxing District: enjoy a reward of 500,000 yuan with other subsidies and benefits
⑦ Outstanding young talents in Daxing District: enjoy benefits such as funding for R&D projects
⑧ Returned overseas talents in Daxing District: enjoy an allowance for living expenses and public rental housing, etc.

## R&D Ethics

The Company strictly follows R&D ethics in research and innovation, and implements the ethical principles of regulatory compliance, human and animal subject protection, integrity, data reliability, intellectual property protection, and openness in its R&D practices.

### ◎ Ethical principles for scientific research

| | |
|---|---|
| Regulatory Compliance | • The whole process of R&D should refer to and follow the relevant laws and regulations. |
| Human and Animal Subjects Protection | • Clinical trials of drugs follow the principles of the Declaration of Helsinki of the World Medical Association and related ethical requirements, and the rights and safety of subjects are the primary consideration<br>• Follow the 3R principles (reduce, replace and refine) in the use of laboratory animals and research, concern for the welfare of laboratory animals, and treat them well. |
| Integrity in Scientific Research | • Follow the scientific standards and the principle of honesty and trustworthiness. |
| Reliable Data | • The whole process of R&D should be recorded, and the records must be timely, true, standardized and complete. |
| Intellectual Property Protection | • Respect for patents, copyrights and other forms of intellectual property rights. |
| Openness and sharing | • Share research results and scientific resources openly within the permitted range. |





## Intellectual Property Protection

We attach great importance to the protection of intellectual property rights, strictly complied with the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China and other relevant laws and regulations, and secure our legal and effective intellectual property rights through patent application and trademark registration to maintain our reputation and core competitiveness. BioMinhai, has established an enterprise intellectual property management system in accordance with the national standard named Enterprise Intellectual Property Management Standards (GB/T29490-2013) and successfully obtained the certification of intellectual property management system. In November 2023, BioMinhai was awarded the National Intellectual Property Demonstration Enterprise.

When engaging in external cooperation, the Company strictly abides by the legal procedures for technology importation and patent licensing, and signs technology licensing and R&D cooperation agreements with its partners, which clearly stipulate the rights and obligations of both parties and the ownership of R&D intellectual property rights. The Company promotes cooperation matters according to the agreements to avoid relevant disputes in respect of intellectual property rights. During the reporting period, the Company did not have any incident related to the infringement of others' intellectual property rights, and there was no litigation case related to intellectual property rights.

# Improvement of Quality Control to Strengthen Product Quality

## Quality Control System

The Company has always regarded product quality as the line of life since its establishment, and always given top priority to product quality. In accordance with the Drug Administration Law of the People's Republic of China, the Vaccine Administration Law of the People's Republic of China, the Good Manufacture Practice of Medical Products and related laws and regulations, and standards for medical product registration, the Company has established a comprehensive quality management system covering the whole life cycle of products, which sets strict quality control standards for each key part of R&D, production, storage and distribution of products, and formulated targeted quality management procedures to ensure that all requirements for safety, efficacy and quality control in medical product regulations and registration standards are systematically implemented in the process of vaccine R&D, production, quality control, product release, storage and transportation, and ensure that all procedures in raw material inspection, product R&D, production and distribution are in compliance with the intended use and registration standards, so as to strictly ensure product quality in line with standards.

At the same time, the Company actively absorbs the cutting-edge technology and advanced quality management concepts from international organizations and well-known enterprises such as WHO, Sanofi-Pasteur and Merck, as well as continuously improves and perfects the quality control system by benchmarking international advanced standards to constantly enhance its quality control ability for ever-growing upgrade of product quality. The Company has obtained declaration of compliance issued by the EU quality authority for Recombinant COVID-19 Vaccine (Y25 Adenovirus Vector) manufacturing base; the vaccine manufacturing base in Guangming District, Shenzhen of the Company has been granted declaration of compliance on GMP issued by the Philippine Food and Drug Administration; 13-Valent Pneumococcal Polysaccharide Conjugate Vaccine (Tetanus Toxoid/Diphtheria Toxoid) of BioMinhai, a wholly-owned subsidiary of the Company, has passed the GMP Inspection by the Food and Drug Administration of Indonesia, indicating that the Company's quality management system is in line with international standards.

### ◎ Quality management policy

To strictly enforce our regulations, ensure the authenticity of original data, deal with every problem in time, ensure strict monitoring of defective products, and never slacken GMP management.

### ◎ Quality Management Committee

The Company has set up a Quality Management Committee, with members of which are core management personnel and special experts and scholars, to coordinate, communicate, consult and comment on quality management, for further strengthening the quality management related to production and operation, and promoting the improvement and enhancement of quality management.

### ◎ Product lifecycle quality management system

**Source Management**

- Material Management Regulations, Material Supplier Management Regulations and Material Release Management Regulations have been formulated for standardized management;
- Acceptance of materials according to the bill of materials and the requirements of quality standards. The process includes procurement, acceptance, inspection, storage, release and use management.

**Production Monitoring**

- Develop the regulations for production and operation and Production Quality Control Management Regulations and implement production monitoring based on it;
- In accordance with the regulations, process parameters and quality attributes during the process are evaluated and continuously tracked to identify abnormal trends and achieve all-round data monitoring, ensuring a continuous and stable production of products that meet the standard requirements.

**Quality Inspection**

- Develop inspection procedure, Sample Receipt, Inspection and Reporting Procedures and Quality Control Department Standards Management Regulations and strictly follow them;
- In accordance with the regulations, manage the laboratory's testing process, standards, reagents, samples and other aspects, and perform quality control by conducting quality inspections.

**Release and Product Transportation**

- Develop Assured Management Regulations, Sales Management Regulations, and Cold Chain Transporter Management Regulations and strictly enforce these regulations;
- Products are made, inspected and approved by the Quality Authorized Person before leaving the factory. The products are transported according to the cold chain transportation requirements, ensuring that they are delivered as required and well tracked in the market.

**Pharmaceutical Labeling Management**

- Develop Printing and Packaging Materials Management Regulations and strictly enforce the regulations;
- The design samples of product labels need to be approved by the person in charge of production management and quality management, the person in charge of quality management and the person authorized for quality. After the product labels are purchased and printed according to the regulations, they need to be examined by the quality department before putting them into use.

## ◎ Digital construction of quality management

The Company has established an electronic system for vaccine traceability, which is connected with the national vaccine e-traceability platform to achieve full traceability and verifiability throughout the process of vaccine production, quality control and product release, storage and transportation. The Company's production and manufacturing execution system, laboratory information management system, group version of enterprise resource management system, etc., have been launched in succession and are stable in operation, whereby achieving a digital entire production inspection process, real-time and traceable quality management of the whole link with accurate, reliable and traceable data.

### Laboratory Information Management System (LIMS)

The Company's LIMS covers batch management, stability management, instrument management, standards management, reagent management, and laboratory survey management. The system enables efficient management of laboratory resources and more reliable laboratory data management.

### Manufacturing Execution System (MES)

The Company's MES covers production order management, electronic batch records, batch analysis, recipe management, material management, and equipment management. The system enables the generation of electronic batch records and realization of automatic collection of production data to ensure good traceability in all aspects of production. In conjunction with other information systems of the Company, it builds up the information management of the "whole lifecycle" of vaccine production, constructs a more perfect quality management system of vaccine production, and provides high-quality vaccines, while paperless production is realized, greatly reducing the use of paper records.

## ◎ Quality audit, supervision and inspection management

The Company attaches great importance to internal quality supervision and inspection, and carries out comprehensive self-inspection every year. Through self-rectification and self-inspection of the whole process of quality management, the Company timely discovers the deviation and risk of quality management, and improves the quality management system in time to enhance the quality management level. Meanwhile, the Company accepts the audit of regulatory authorities at national, provincial, municipal and district levels every year, and the audit results for 2023 are all satisfactory.

### Quality audits by government departments

- At present, regulatory authorities supervise and monitor the quality of our vaccines by means of supervision and inspection, which are conducted by national, provincial and municipal medical product administrations. The Company actively rectifies the problems raised by regulatory authorities in the process of supervision and inspection and improves the quality system continuously.
- In 2023, BioKangtai received vaccine inspections and GMP follow-up inspections from the National Medical Product Administration and Guangdong Provincial Medical Product Administration for five times, all of which were passed.
- In 2023, BioMinhai received vaccine inspection, GMP compliance inspection, on-site verification of vaccine registration and pharmacovigilance test from the National Medical Product Administration and the Beijing Municipal Medical Product Administration for nine times, all of which were passed.

### Regular internal supervision and inspection

- The Quality Assurance Department conducts quality supervision and inspections according to the prescribed frequency, and checks the key control points of production batches. Meanwhile, annual self-inspection is carried out to cover the whole process of production and quality control (material management, production, quality control, continuous improvement, circulation, etc).
- The Quality Assurance Department carried out supervision and inspection to the production workshops or departments at least once a week, and every batch of products was supervised and inspected in production. The Company completed the annual quality self-inspection audit as required, and the identified problems were rectified and improved in a timely manner.

## ◎ Corrective and preventive management

The Company has formulated regulatory documents such as Deviation Management Regulations, Regulations on Change Control, Regulations on Corrective and Preventive Measures and Regulations on Customer Complaint Handling in accordance with the GMP management requirements to implement deviation and change management and risk control in production to ensure that the products meet the intended use and vaccine registration requirements. Meanwhile, the Company have established a GMP self-inspection team to conduct comprehensive self-inspection at least once a year, with comprehensive reports generated, corrective and preventive measures for defects formulated and implemented, and the effectiveness of the measures continuously tracked. By means of GMP self-inspection, the Company has made continuous improvement and refinement in quality control and management, keeping the product quality stable.

### Deviation Handling Process

**Deviation reporting**

Deviations are reported to the quality assurance department in a timely manner, and necessary emergency measures are taken.

**Deviation investigation**

Set up a deviation investigation team, conduct a deviation cause investigation, evaluate the impact caused by deviation, and formulate corrective and preventive measures.

**Deviation closure**

Complete corrective action, start CAPA, evaluate effectiveness, and close the deviation.

## ◎ Quality training for staff

The Company has established a quality training system, covering new employee training, basic quality training, thematic training, external thematic training, and legal and regulatory training, to enhance the quality management awareness of staff in each position. In 2023, the Company conducted more than 4,100 training sessions for employees on product quality and safety, covering laws and regulations, personnel control, equipment management, material control, pollution control and aseptic assurance, quality assurance, data reliability, pharmacovigilance, and job-specific skills, with a 100% pass rate for those who participated in the training for examination.

Case

**Typical Training Case for the year of 2023**

### Thematic Training on Regulations

In 2023, BioMinhai organized a series of thematic trainings on regulations, including continuous training on regulatory knowledge and regulatory developments for personnel in key positions, training and sharing of the new version of GMP guidelines, halal thematic training, and supervisory and management provisions on the implementation of the subject matter responsibility for the quality and safety of medicines by the drug marketing licensee, etc., so as to ensure that the personnel keep abreast of the requirements of the regulations and learn the advanced guideline concepts, and the vaccine production activities are organized in accordance with the laws and regulations.

### Training on Contamination Control Strategy

In 2023, BioKangtai organized four thematic trainings in conjunction with annual work priorities and industry hotspots, including the use of filters, MES system application, pollution control system personnel awareness, and equipment repair and maintenance emergency response and recovery. Through a series of targeted thematic trainings, the staff can further consolidate their mastery of the requirements of the positions they already hold, expand their business-related knowledge, and enhance their compliance and quality awareness.

### One-to-one Training on Microbiology

In July 2023, BioMinhai invited experts to conduct training on microbiological knowledge, key factors in environmental microbial monitoring and simulated filling for relevant departments. Through targeted training and integrating regulatory requirements with practical work, the understanding of microbial knowledge and relevant regulatory requirements were deepened.

### Training on Simulation of Cleaning Validation and Aseptic Process

In November 2023, BioMinhai organized the training on simulation of cleaning validation and aseptic process to provide on-site guidance and Q&A and standardize the aseptic production operation in clean area, in order to effectively reduce the risk of microbial contamination, and promote the effective implementation and continuous improvement of quality management work.





# Pharmacovigilance Management

Drug safety is a major livelihood and public safety issue, related to people's health and social harmony and stability. The Company attaches great importance to the product lifecycle pharmacovigilance management, and continuously improved the pharmacovigilance system, and monitors, identifies, evaluates and controls suspected adverse events following immunization (AEFI) through its effective operation and maintenance in accordance with the provisions of the Drug Administration Law of the People's Republic of China, the Vaccine Administration Law of the People's Republic of China, the Measures for the Administration of Adverse Drug Reaction Reporting and Monitoring, and the Guidelines for Good Pharmacovigilance Practices.

## ◎ Establishment of special pharmacovigilance administration departments

The Company has set up pharmacovigilance administration departments, and established a Committee on Safety of Medicines (CSM) in 2020 which is responsible for dealing with major matters in pharmacovigilance. As being established in 2021, the Pharmacovigilance Department is responsible for the Company's pharmacovigilance activities, which has clear job responsibilities with the full-time pharmacovigilance staff and pharmacovigilance system (PVMS) to form a whole-process and three-dimensional drug safety risk monitoring mode, which helps ensure the smooth development of pharmacovigilance activities, timely deal with and solve the problems with potential risks of products, and guarantee the safe use of drugs for consumers.

In 2023, the Company accepted one pharmacovigilance special inspection and one pharmacovigilance inspection of Shenzhen Institute of Pharmacovigilance and Risk Management and Market Supervision Administration of Shenzhen Municipality Guangming District Bureau during the GMP inspection, respectively, all of which were passed.

### Department Committee on Safety of Medicines (CSM)

The Committee on Safety of Medicines (CSM), as the decision-making body for pharmacovigilance activities, is responsible for major risk identification, disposal of major or emergency adverse events, risk control decisions, and other major matters related to pharmacovigilance.

### Pharmacovigilance Department

The Pharmacovigilance Department, as an independent functional department, has the following main responsibilities:

- Daily operation and management of the pharmacovigilance system, including the establishment and maintenance of the system;
- Monitoring, reporting and organizing investigations of adverse events following immunization (AEFI);
- Management of vaccine safety signals;
- Development and evaluation of risk minimization measures;
- Development and implementation of pharmacovigilance plans;
- Preparation and submission of periodic safety updates for vaccines and annual reports for marketing licensees, etc;
- Communication of drug safety information;
- Pharmacovigilance management and coordination with internal audits;
- Organize pharmacovigilance-related education and training, etc.

## ◎ Improvement of the phamacovigilance system construction

In terms of system construction, according to the new regulations issued by the national regulatory authorities, the Company has actively improved the construction of the pharmacovigilance related document system. At present, the Company has developed 39 procedures related to pharmacovigilance and 56 record files related to pharmacovigilance that can meet the full lifecycle management requirements for all pharmacovigilance management during the clinical trial and after marketing. In 2023, the Pharmacovigilance Department comprehensively sorted out and revised the Company's protocols and records in accordance with the newly issued relevant regulations by the national regulatory authorities, revising the protocol documents for a total of 25 times and the record documents for a total of 17 times, so as to make the Company's work system documents and procedure contents related to pharmacovigilance more in line with the requirements of the regulations and the Company's actual work needs.

## ◎ Key links of pharmacoviligance

| Key Links | Quality Procedures | Measures and Actions |
|---|---|---|
| **Clinical Research Pharmacovigilance** | Strictly comply with the Guidelines for Good Clinical Practices and related regulations to fully protect the rights and interests of subjects. | • The Company's Pharmacovigilance Department has conducted pharmacovigilance management for the phase I clinical studies of Reassortant Rotavirus Vaccine, Live, Oral, Pentavalent (Vero Cell) and phase I and III clinical studies of Influenza Vaccine (Split Virion), Quadrivalent by establishing management protocols for clinical pharmacovigilance in accordance with the requirements of relevant rules to ensure the smooth conduct of clinical studies. |
| **AEFI Monitoring and Reporting** | Documents such as Monitoring and Handling Procedures for Suspected Post-marketing AEFI and Procedures for Handling Pharmacovigilance Data are formulated for the monitoring and handling of AEFI and data management. | • The Company proactively, comprehensively and effectively collects AEFI information during the use of the Company's manufactured vaccines through a variety of means, including proactive visits to vaccinating doctors by sales staff, making 400 phone calls, literature searches, and feedback from regulatory agencies, and monitors and processes it according to regulations.<br>• The Company has launched and completed validation of a pharmacovigilance data management system for managing safety-related data, which is a web-based application for collecting AEFI reports during the clinical trial phase and post-marketing AEFI reports. |
| **Risk Identification, Assessment and Control after Marketing** | Formulate the Standard Operational Procedures for the Management of Vaccine Safety Signals, the Operational Procedures for Vaccine Risk Assessment and Control and Operational Procedures for Vaccine Risk Communication for vaccine risk assessment and control. | • The Company regularly conducts signaling tests for AEFI collected by various means every year; develops a Pharmacovigilance Plan and conducts routine pharmacovigilance activities; monitors the occurrence of AEFI in real time; and identifies new drug safety risks in a timely manner.<br>• The Company assesses the safety risks of novel vaccines, analyzes the influencing factors, describes the risk characteristics, determines the type of risks, and appraises whether risk control measures are needed. |

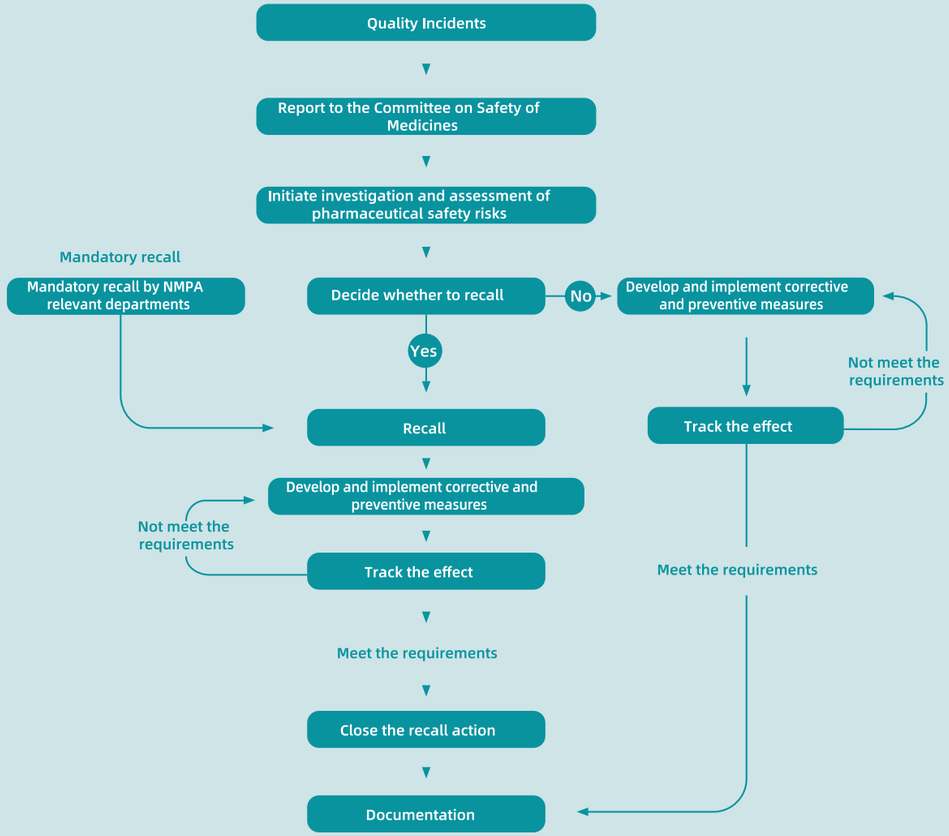
## ◎ Focusing on pharmacovigilance training

Pharmacovigilance training is necessary to realize the quality management objectives of pharmacovigilance. The Pharmacovigilance Department, based on regulatory requirements, comprehensively analyzes the needs of each position in the Company and the ability of personnel, develops a scientific annual plan for pharmacovigilance training, and carries out training according to the plan.

In order to regulate the quality management of pharmacovigilance and enhance the awareness of all staff, the Company formulated the Training Procedures for Pharmacovigilance Management, and included the training into the Annual Training Plan of the Company, focusing on the special training of staff, including the pharmacovigilance training for specialized pharmacovigilance personnel, the pharmacovigilance training of new staff and the annual pharmacovigilance training of all staff. For the staff of our marketing center, the Company will conduct AEFI information collection and processing training at least once a year. In 2023, the Company organized more than 33 internal and external trainings on pharmacovigilance.

## ◎ Product Recall Management

The Company has formulated the Product Recall Management Regulations, detailing the recall procedure flow and the requirements of each link. Since its establishment, the Company has not experienced any recall ordered by the medical product administrations or active recalls. The Company conducts a mock recall at least once every two years to evaluate and ensure the effectiveness of the product recall system.




## ◎ Supply Chain Management

Supply chain quality management is an important part of product quality management. The Company continues to carry out regular quality management on suppliers to ensure the quality of products and solutions from the source. The Company has formulated the Supplier Management Regulations and the Material Management Regulations, which clearly stipulate the requirements and standards for supplier audit, new admission, changes, auditing, quality assessment and file management and ensure the selection of qualified suppliers to satisfy its quality requirements. In daily management, the Company conducts regular quality audit of suppliers, dynamically tracks their quality situation, assists suppliers to find problems and urges them to continuously improve their quality management system and promote their efforts for the improvement of quality management so as to ensure product quality. For key raw and auxiliary material suppliers, the Company reserves 2 or 3 backup suppliers to ensure proper market supply under unexpected circumstances.

Based on the materials to be used for production provided by suppliers, the Company classifies materials into six grades of quality risk control: A1, A2, B1, B2, C1 and C2, and implements different quality control strategies accordingly.

### Supplier Management

- Strict management of suppliers, set general qualification requirements and qualification requirements for certain materials, strictly audit the business qualification of suppliers and quality of materials to ensure compliance with the quality and technical standards of production;
- The Supplier Management Regulations specifies procedures including initial supplier selection and data review, sample evaluation, process verification, product stability research, data compilation and audit, and supplier approval;
- The Company formulates an audit program every year to carry out audits and evaluations according to the classification of suppliers;
- there are regular on-site audits, written audits and remote video audits; the frequency is once a year or once every two years according to the importance of the suppliers; the suppliers of the auxiliary materials and internal packaging materials in A1 complete at least one audit per year; audit coverage: supplier qualifications, quality management systems and regulatory measures; supervise the improvement of deficiencies, and discontinue or revoke the qualification of suppliers who do not meet the requirements;
- The Company signs Quality Assurance Agreement with suppliers of A1, A2 and B1 grades to ensure that the products provided by them meet the Company's quality standards and requirements.

# Customer Orientation to Enhance Service Efficiency

## Customer Services

The Company has built perfect customer communication channels and complaint management procedures, and collects customer feedback through 400 customer service hotline and other ways, thus providing timely and effective communication access and solutions for customers. The Company has formulated the Customer Feedback and Complaint Management Procedures to standardize the workflow of solving customer feedback. After receiving customer feedback, the Company first carries out internal communication and investigation for the issues, and organizes relevant departments to formulate corrective measures and preventive measures to ensure timely and proper resolution of the issues raised by customers.

Customer satisfaction is one of the indicators to measure the performance of product and service quality. The Company continuously conducts annual customer satisfaction surveys and obtains feedback from customers on its products and services through the Customer Feedback Collection Form, so as to fully understand customer opinions and suggestions and constantly improve the quality of service. In 2023, the Company conducted satisfaction surveys with disease control and prevention organizations as customers with generally high satisfaction scores.

◎ Customer feedback management procedure

**Sales and Marketing Center**

Collect customer feedback and receive complaints

**Related Departments**

Quality Management Center organizes relevant departments to carry out investigation and develop corrective and preventive measures

**Sales and Marketing Center**

Assist in the investigation, reply to customers and close complaint

## Information Security and Customer Privacy Protection

The Company strictly abides by the Personal Information Protection Law of the People's Republic of China, the Data Security Law of the People's Republic of China and other relevant laws and regulations, and has formulated the IT-01-001-Information Management Regulations and the C-00-I-0-009 Personal Information Security Regulations, which provide strict data security management and personal information security. In 2023, the Company carried out an assessment on information security multi-level protection in accordance with the Information Security Multi-Level Protection Management Rules, which provides support for information security.

In terms of customer privacy protection, the Company implements a strict confidentiality agreement system and sets exclusive permissions for customer information. The information department of the Company will regularly check the permissions, and make timely corrections to any discovered problems. We attach great importance to cybersecurity and privacy protection, and has added security measures for the server to enhance privacy protection. In 2023, the Company did not have any incidents of customer information or privacy leakage.

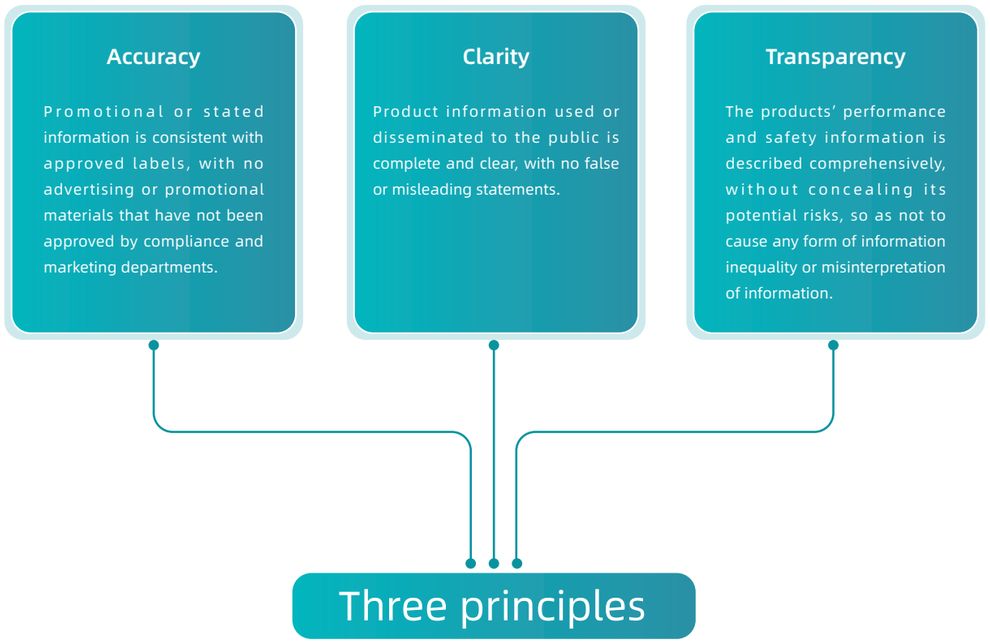
The Company invites external experts to conduct relevant training to improve employees' awareness and recognition of information protection. The Company actively carried out cybersecurity online and offline simultaneous publicity during the "2023 National Cybersecurity Awareness Week" which was from September 11, 2023 to September 17, 2023, mainly including knowledge on network security prevention, ransomware prevention, personal information protection, and anti-telecommunications fraud, to improve employees' awareness of cybersecurity and personal information protection.

# Responsible Sales and Professional Marketing

As for the marketing, the Company strictly abides by the Advertising Law of the People's Republic of China, the Trademark Law of the People's Republic of China and other relevant laws and regulations, and industry norms. With strictly adhering to the principles of accuracy, clarity and transparency of marketing, the Company actively carries out diversified academic exchanges and promotion activities about the research results in the field of vaccines, product knowledge, disease prevention, vaccine immunization schedule through various means, such as academic conferences, expert lectures, online and offline knowledge promotion, and always insists on ethical, scientific and objective promotion to enable the public to better obtain information about vaccine products and better understand the knowledge of vaccine-related diseases.

In addition, the information published on professional pharmaceutical magazines by the Company is in compliance with the requirements of the Pharmaceutical Advertising Laws of Guangdong Provincial Food and Drug Supervision Administration, and has obtained relevant advertising approvals.

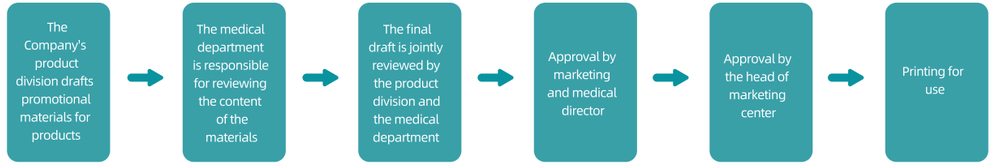
## ◎ Three principles of responsible marketing






## Strict Review of Promotion Materials

In order to standardize the compliance review of promotional materials, the Company has formulated the Regulations on the Production, Collection and Management of Promotional Materials and Items, which specifies the production process and approval procedures for promotional materials. The promotional materials for products were prepared by product division, and reviewed by medical department, then jointly re-checked by marketing and medical director. It can be only put into use after the approval by the head of marketing center. Review and check at stages are placed for ensuring the accuracy, clarity and transparency of promotional materials or declarative information.




## ◎ Trainings on Responsible Marketing

In order to strengthen the standardized management of the responsible marketing, through online and offline approaches, the Company organizes trainings on responsible marketing and related compliance matters for employees in the sales positions in accordance with the requirements of the Sales Management Regulations, to improve employees' compliance awareness and business skills, in respect with related laws and regulations, internal regulatory, compliance and integrity, product related knowledge, etc. With regard to product information, the sales staff shall not disseminate functions and information beyond the product description, and should never exaggerate the functions of products and technologies or conceal their potential risks.

## ◎ Establish Vaccine Science Popularization Base

In December 2019, the first vaccine science popularization base of Chinese Preventive Medicine Association was officially inaugurated in BioKangtai, which was jointly built by BioKangtai and Chinese Preventive Medicine Association as a leading, authoritative and professional vaccine science popularization base in domestic to integrate vaccine science resources, give full play to professional advantages, carry out academic exchanges, and popularize vaccine technology and knowledge scientifically, deepen the public's scientific understanding of vaccines, as well as protect the healthy development of China's vaccination.

# 03

# Protecting Environment
## for Sustainable Development

Adhering to the concept of resource conservation and economic and environmental sustainable development, BioKangtai has developed a number of management systems and procedures in accordance with the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People's Republic of China on the Prevention and Control of Water Pollution and local laws and regulations, to continue to build and improve the environmental management system, strengthen the policy guarantee of environmental management, give priority to the comprehensive utilization of resources, energy conservation and emission reduction, and strictly implement environmental protection requirements such as emission permits and pollutant discharge standards. With the aim to save resources, reduce energy consumption, pollution and carbon, improves quality and efficiency, BioKangtai actively fulfills the social responsibility of environmental protection and adheres to green development through upgrading equipment and facilities, energy conservation and consumption reduction, rational use of resources and effective waste management measures. In 2023, BioMinhai was underwent a comprehensive green credit evaluation by Ecological Environment Bureau of Beijing Daxing District on the environmental compliance, pollution control and emission reduction, low-carbon cycle, scientific management and social contribution, and was honored as the "Five-star Green Enterprise in Daxing District".



# Improving Environmental Management and Fulfilling Environmental Responsibilities

## Environmental Management Organization

The Company takes "strict pollution control, scientific management, energy conservation and emission reduction, and continuous improvement of energy efficiency" as its management principles and has established an environmental management structure with well-defined responsibilities. The Environmental Health & Safety (EHS) committee is the Company's environmental management body, and the Office of Safety, Health and Environmental Management is responsible for the regular environmental management. We require all employees to sign a letter of responsibility for EHS targets, and associate environmental management performance with the quarterly performance appraisal of middle and senior management.

| Person in Charge | Main Responsibilities |
|---|---|
| Director of EHS Committee | • Responsible for the approval of the Company's annual environmental targets and related policies |
| Deputy Director of EHS Committee | • Responsible for the approval of environmental protection issues within the scope of responsibility<br>• Responsible for the approval of environmental protection evaluation results |
| Heads of Departments | • Responsible for organizing and supervising the implementation of environmental protection efforts in all teams and departments of the Company<br>• Responsible for the evaluation of the environmental protection efforts by teams and departments |
| Office of Safety, Health and Environmental Management | • Responsible for the implementation of the departmental environmental protection efforts, and break down the department's annual environmental protection goals to each team<br>• Responsible for supervising the implementation of environmental management in the department, and organizing self-assessment |
| Heads of Teams | • Responsible for the implementation of the annual environmental protection efforts of the team<br>• Responsible for the self-assessment of the completion of the team's annual environmental protection goals |

## Environmental Management Procedures

The Company strictly abides by relevant laws and regulations on environmental protection, and has formulated a series of environmental management systems and procedures, such as Environmental Protection Management Regulations, Solid Waste Management Regulations, Operating Procedures for Wastewater Treatment System, and Management Procedures for Water Quality Monitoring in Wastewater Treatment Stations, to standardize environmental monitoring, pollution prevention and control, comprehensive utilization of Three Wastes (industrial wastewater, waste gases and residues), "Three Simultaneities" for construction projects, and management and maintenance of environmental protection facilities, so as to ensure the effective operation of environmental management.

## Environmental Impact Analysis

The main business of BioKangtai is the R&D, production and sales of vaccines for human use. Through the use of biological and chemical raw materials, vaccine production is conducted with processes of cell fermentation, harvesting, crushing, purification, inactivation and adsorption, consuming energy such as electricity, natural gas and steam, and generating waste water, waste gas, harmless waste and hazardous waste. The Company complies with the provisions of the Pollutant Discharge Permit, monitors and records pollutants by manual and automatic methods, and properly disposes of all types of solid waste to strictly control the impact of production discharges on the environment.

Pursuant to the Implementation Measures of Shenzhen Compulsory Liability Insurance for Environmental Pollution, BioKangtai has proactively responded to the compulsory liability insurance system for environmental pollution management, accepted a third-party assessment and purchased compulsory liability insurance for environmental pollution to avoid environmental incidents by means of third-party risk management and environmental management.





# Screening Environmental Impact and Tackling Climate Change

## Emission Source Identification and Carbon Accounting

The main types of energy consumed by the Company in production are electricity, steam, natural gas and minor amounts of gasoline, diesel and liquefied petroleum gas (LPG). Electricity for production is provided by the city's public power grid, mainly used for production equipment; steam is used mainly for utilities and equipment supporting production; natural gas is used mainly for boilers; gasoline and diesel are used for vehicles of the Company, and diesel is also used for emergency power generation and regular maintenance of generators; LPG is used for the Company canteens. We identified the carbon emissions for Scope I and Scope II as follows:

| Scope of GHG Emissions | Source | Process |
|---|---|---|
| Scope I | Natural gas | Boilers and canteens |
| | Diesel | The Company's transportation vehicles and generators |
| | Gasoline | The Company's passenger vehicles |
| | LPG | The Company's canteens |
| Scope II | Purchased electricity | Production department,auxiliary production department and other departments |
| | Steam | Public works and equipment |

In 2023, BioKangtai verified its carbon emission to produce a greenhouse gas quantitative report and quantitative inventory, and carried out carbon trading on Shenzhen Emission Rights Exchange Co., Ltd., actively realizing the green and low-carbon development of the enterprise.

In 2023, to further understand the main sources of carbon emissions and emission data, BioKangtai commissioned Shenzhen Carbonet Technology Development Co., Ltd. and BioMinhai commissioned China Quality Certification Centre to conduct a carbon accounting, which determined their organizational boundaries and carbon emissions.

In 2023, BioMinhai purchased 4,150 MWh of green power through market-based trading of electricity, reducing carbon emissions by approximately 2,500 tons.

# Energy Management

The Company attaches importance to energy management. Through the establishment and improvement of energy management team, energy management system, energy measurement system and energy-saving performance assessment and training, we constantly improve our energy management capability and the employees' awareness of energy saving and emission reduction.

In 2023, based on the energy planning report of 2022, BioKangtai continued to strengthen energy management, improved the rate of equipping of the Company's metering instruments, and carried out the Lean Production Competition, energy waste site inspection and assessment and other activities, so as to improve the efficiency of the Company's use of energy resources.

In 2023, BioMinhai commissioned Guorun Venture Capital (Beijing) Technology Co., Ltd. for green diagnostic service, formulating an energy diagnostic report. Through the energy diagnostic, it helps enterprises to explore their potential, improve the efficiency of energy resource use and management, and reduce pollutant emissions, thus laying the foundation for applying for green factories.

## ◎ Energy Management System

### Energy Management Team

The Company has an energy management team, headed by the production manager, with members from different departments. There is an energy consumption statistician in the team responsible for the Company's energy consumption statistics, which are archived in the energy utilization and management platform. Meanwhile, the Company has carried out energy audit and clean production to continuously improve its energy management level.

### Establishing Energy Supervision System

The Company strengthens energy control based on its energy management system and conducts regular supervision, inspection and assessment.

### Energy Statistics

Energy statistics is an important aspect of the Company's energy management. To this end, we have set up statistical units at three levels: company, area and workshop. Energy statisticians have been set up at each level for energy statistics and reporting to the energy management team. By establishing a statistical account of energy consumption, we have realized IT-based management of energy consumption at all levels, which is conducive to statistical analysis of energy consumption.

### Energy-saving Performance Assessment

The Company has established an accountability system for energy-saving targets and an energy saving evaluation system, taking the annual energy-saving target and the monthly energy consumption data as the energy consumption pointer. Meanwhile, the Company has collected the energy-saving management measures of each workshop, set up projects, make modifications and evaluate their effectiveness; each energy-using department is assessed, and the assessment results are directly related to the monthly performance and annual assessment performance of the responsible person.

### Energy Saving Training

The Company actively carries out publicity and training on energy saving, analyzes the status of energy use every month, discusses and confirms abnormal consumption, formulating a report. The Company also holds quarterly energy consumption analysis meetings to discuss problems in the Company's energy consumption and management, as well as the orientation for energy saving and clean production.



# Improve Energy Efficiency, Reduce Cost and Increase Efficiency

The Company has established a multi-dimensional system of energy saving and emission reduction measures, involving the purchase of energy-saving equipment, renovation of equipment for energy saving and equipment operation with intelligent frequency to meet energy saving and sustainable development of production. In addition, the Company carries out leakage inspection in daily equipment management and regularly maintains the equipment and facilities to ensure their integrity and avoid energy waste.

## ◎ Measures for energy efficiency improvement

| | |
|---|---|
| Purchase of Energy-saving Equipment | • The Company considers the brand, efficiency and capacity of the equipment in its procurement. Equipment with energy-saving inverter and intelligent centralized control system, such as air conditioners, pumps and refrigeration equipment, are selected for higher energy efficiency. |
| Equipment Renovation for Energy-saving | The Company carries out renovation of some equipment and facilities for energy-saving operation and maintenance control:<br>• Replace the round cooling water tower with energy-saving square water tower<br>• Replace all lights to LED lights, renovate smart sensor lights and increase solar lights on the roof<br>• Design RO and steam cabinet sterilization and vacuum vump domestic drinking water system for wastewater recycling for cooling towers<br>• Replace the cooling towers, chillers and humidifiers<br>• Renovate the power station for heat recycling<br>• Replace insulation material for 2A water injection station pipeline<br>• Replace low temperature coolers for 2B power station<br>• Install intelligent centralized control energy saving system for the chilled-water system<br>• Reuse of cold air from roof exhaust system<br>• Lower the steam heating temperature of the water-for-injection distribution system<br>• Replace the insulation materials and steam traps that have been used for many years in some facilities and equipment.<br>• Switch the facility equipment on and off on demand<br>• Renovate 2B water system to replace the purified water machine and distilled water machine with higher energy efficiency<br>• Add a power monitoring system for 5# power distribution room and direct the main distribution room |
| Equipment Running with Intelligent Frequency | • For integrated energy management, the Company adjusts the operation of some public engineering equipment to intelligent frequency, reasonably distributes the load, and reduces energy waste on the premise of meeting the needs for production, R&D, storage and inspection. |

# Emphasizing Waste Prevention & Control and Reducing the Environmental Impact

The Company strictly complies with the relevant laws and regulations, such as the Measures on the Administration of Pollutant Discharge Permits, and applies for Pollutant Discharge Permit. We conduct regular pollution discharge inspection and fill in quarterly and annual implementation reports on the National Management Platform for Pollutant Discharge Permits in accordance with relevant regulations. In 2023, the Company did not receive any relevant administrative penalties for excessive pollutant discharge.

## ◎ Wastewater Management

As a vaccine manufacturer, wastewater treatment and discharge in compliance is the focus of our environmental protection efforts. The main pollution indicators for wastewater produced by the Company include pH, chemical oxygen demand (COD), suspended solids, ammonia nitrogen (NH3-N), total nitrogen, volatile phenols, and total phosphorus.

The Company strictly complies with the provisions of relevant laws, regulations and normative documents, such as Law of the People's Republic of China on Prevention and Control of Pollution from Water Pollution, Discharge Standards for Bioengineering Pharmaceutical Wastewater and Integrated Wastewater Discharge Standard, and has formulated management documents such as Operating Procedures for Wastewater Treatment System, Management Procedures for Water Quality Monitoring in Wastewater Treatment Stations and Operating Procedures for Wastewater Discharge, which provide guidance on the Company's wastewater treatment, monitoring and operation.

The Company has wastewater treatment stations, which are operated in strict accordance with the requirements of relevant environmental protection regulations of the country. Industrial wastewater is discharged into the public sewerage network after treatment at the wastewater treatment stations. We have established an online monitoring system to monitor COD, ammonia nitrogen, pH, total phosphorus and other pollution indicators in wastewater on a daily basis, and commissioned a third party to conduct regular sampling and testing of wastewater to ensure compliance with wastewater discharge standards. In 2023, BioMinhai completed the process control optimization of wastewater treatment stations for remote monitoring. During the reporting period, the Company did not have any incidents of excessive or illegal discharge of wastewater.

## ◎ Air Emission Management

The main pollutants in the air emission produced by the Company are volatile organic compounds. We strictly abide by the provisions of relevant laws, regulations and normative documents such as Law of the People's Republic of China on Prevention and Control of Air Pollution, Discharge Standards for Odorous Pollutants, Discharge Standards for Air Pollutants for the Pharmaceutical Industry, and Emission Control Standard for Industrial Enterprises Volatile Organic Compounds, and have formulated the Environmental Protection Management Regulations to clarify the management requirements for air emission.

All our air emission vents are designed and installed in accordance with national standards; production waste gas and odorous air from animal rooms are treated by high-efficiency filters and activated carbon adsorption before discharge; fumes from canteens are treated by fume purifiers before discharge. Meanwhile, we have commissioned a third party to conduct regular air emission testing to ensure that the emission concentrations of pollutants in waste gas comply with national standards. During the reporting period, the Company did not have any incidents of excessive or illegal emission of waste gas.



## ◎ Waste Management

The waste produced by the Company includes general waste and hazardous waste. We strictly abide by the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, Management Measures for Hazardous Waste Transfer and other relevant laws and regulations. We manage and store hazardous waste, such as medical waste, waste organic solvents, waste alcohol, waste hazardous chemicals and waste reagents, in accordance with the regulations, and hand them over to qualified organizations for disposal through the Company's EHS department. For domestic waste, general industrial solid waste and other non-hazardous waste, we hand over them to the sanitation department for disposal by complying with the Measures of Shenzhen Municipality on the Classification and Reduction of Domestic Garbage and the Beijing Municipal Regulations on Management of Domestic Waste and other relevant regulations. During the reporting period, the Company did not commit violations of laws and regulations related to waste disposal.

## ◎ Use of Water Resources

The Company consumes water from the municipal water supply, which is not a major resource in production, leading to a low risk of water shortage. We have developed a water conservation management system and have taken active action to drive the achievement of related targets. By improving the utilization of circulating and recycling water from boiler steam condensate process and cooling tower, the Company achieved water conservation effectively.

# 04

# People-oriented
## for Building Harmonious Relationship with Employees

The Company always adheres to the core values of "dedication to people's health", has developed a series of human resource management systems such as employee employment, training, promotion, welfare, rights and interests protection, and is committed to creating a safe, warm and harmonious office environment, building harmonious and stable labor relations, effectively safeguarding the legitimate rights and interests of employees, and realizing the common growth of employees and the enterprise.

### Our Talent Philosophy

- Talent is the core force of company development and the cornerstone for sustainable development. We believe that we should let capable staff take up important positions, mediocre employees be laid off and those with average ability engage in general work.
- The employees with good moral character, healthy body and mind, excellent performance and innovative spirit are the most valuable assets of the Company.



# Fair Employment and Protecting Employee Rights and Interests

The Company adheres to the principle of equal employment and provides equal opportunities for employees. By strictly complying with the requirements of the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other laws and regulations, the Company has standardized the labor and employment system to ensure that employees are treated equally without discrimination based on their age, gender, race, place of origin, religious beliefs and other factors, and that child labor or forced labor is strictly prohibited. Meanwhile, the Company has formulated the Labor Contract Management Measures, Compensation and Welfare Management Rules, Attendance and Leave Management Measures, Performance Management Rules, Work-related Injury Management Rules, and other regulations to protect the legitimate rights and benefits of employees.

## Overview of BioKangtai's employee recruitment and basic rights policies

| | |
|---|---|
| **Recruitment Management** | • Recruitment: We insist on fair employment and prohibit the employment of child labor or forced labor.<br>• Dismissal: We terminate labor contracts of different types in accordance with our Labor Contract Management Measures to protect the legitimate rights and interests of employees. |
| **Compensation Management** | • Compensation: We provide competitive compensation and benefits based on the principle of equity. Our compensation system is based on the value of positions, and we reward employees fairly based on their performance, after taking into account the continuous and indirect contributions of each position. We adhere to the performance-oriented principle and encourage value creation.<br>• Commercial insurance: We provide supplementary medical insurance services for employees, and our retired employees and interns are covered by accident insurance policies. |
| **Working Hours and Leave** | • Overtime: Overtime pay is paid according to the Labor Law of People's Republic of China.<br>• Leave: Legal holidays and paid leave such as wedding leave, maternity leave, sick leave, and paternity leave are implemented according to national laws and regulations; employees are entitled to annual leave as stipulated by the Company. |
| **Treatment of Work-related Injuries** | Employees are entitled to leave for work-related injuries. The Company has formulated the Management Measures for Work-Related Injuries in accordance with the Regulations on Work-Related Injury Insurance of Guangdong, which stipulates details of work-related injury identification, declaration, and treatment, as well as matters such as labor relations and dispute handling. |

## Employee Welfare System

The Company has established a perfect welfare management system and providing diversified benefits for different kinds of employees. As for strengthening the standardized management of employee benefits, we have formulated Welfare Measures for Workers and Implementation Measures for Special Funds for Trade Union Employees to ensure the transparency and effective implementation of our welfare policies.

### ◎ Employee welfare


## Creating a good working atmosphere

The Company adheres to a people-oriented approach and has established a labor union. As a platform for communication with employees, the labor union takes the initiative to listen to employees' voices and respond to their demands;

in addition, employees can feedback problems or give suggestions to the department head or other responsible persons through face to face or communication.

Meanwhile, the Company carries out various activities as humanistic care to create conditions for employees to maintain a work-life balance and a friendly and energetic working atmosphere, enhancing the sense of belonging and cohesion of employees in the Company.





# Caring for Employees and Helping Them Develop

In order to continuously improve the know-how knowledge, professional level and comprehensive quality of employees and cultivate an excellent staff team, the Company has formulated the Training and Management System and Employee Induction Management Procedures, establishing a sound staff training system. Through post knowledge and skills training, GMP related knowledge training and core staff career improvement training, the comprehensive quality and professional ability of employees are continuously improved, and employees' recognition of corporate culture is strengthened, so as to realize the common growth and mutual achievement of employees and the Company.

## Employee Training

### Training for New Employee

After new employees join the company, they must receive induction training; they can start working only after they are qualified.

### Professional and Technical Training

For the staff responsible for production and quality systems, we provide systematic training on relevant laws and regulations, professional knowledge and the ability to solve regular problems.

### Management Training

Develop Eagle Training Camps, advanced workshop training programs and management program to nurture the Company's management staff and support them to realize their potential at all levels. For the management personnel, we provide targeted rolling lectures and management practical exercises to enhance the internal cycle of the Company's talent, motivate talent, reduce the loss of talent, ensuring the sustainable development of the Company.

### External and Outsourced Training

Participate in external training, academic exchanges and visits, or outsource senior experts and professional trainers to the Company to provide professional training to employees.

### ◎ School-enterprise collaboration

The Company attaches great importance to school-enterprise collaboration, and sets up management training classes, professional training classes, vaccine-featured classes, etc. through collaboration with well-known universities, to provide educational opportunities for outstanding management and technical talents and encourage employees to improve themselves. We fully encourage and support front-line employees to acquire academic certificates and professional and technical qualifications by taking examinations and further education, so as to connect employee learning and talent development closely to enable them grow.

To improve the professional and management abilities of employees in a targeted manner, as of July 2023, the Company sent 13 Key employees to pursue and finished part-time master's degrees in colleges and universities, such as programs in MBA and Biochemistry and Molecular Biology Technology at Jinan University, which provide opportunities for further education for staff with bachelor's degree. The Company provides programs for different staffing levels via an online learning platform to empower management and promotion personnel at all levels. The Company jointly plans and organizes check and training planning projects with external consulting agencies, and carries out more than 40 mentoring training and discussion activities to provide solutions for training and cultivation of key talents. At the same time, some key technicians were invited by relevant colleges and universities to teach students majoring in biotechnology and participate in the cultivation of future talents in the industry.

## Grant multiple awards

In order to improve employees' enthusiasm, promote the advanced culture and set up exemplary models, the Company annually awards and honors individuals and teams who have made outstanding contributions to its business development, efficiency improvement and compliance operation efficiency, to encourage employees to keep forging ahead.

### Awards

- Outstanding Employees, Excellent Manager
- Excellent Department, Excellent Team, Excellent Group
- Excellent Activists, Excellent Party Members
- Annual Special Contribution, Special Diligence
- Advanced Collective

### Presentation of Awards

- Winners will be honored at the Company's annual meeting and receive bonuses

## Performance and Promotion

In order to stimulate the work enthusiasm of employees and meet its strategic development needs for talent security and employees' own career development needs, the Company has formulated the Promotion Management Rules, Performance Management Measures, Monthly Employee Bonus Plan and Annual Performance Evaluation & Merit Pay System to standardize the career development of employees and ensure the rationality, objectivity and justice of employee promotion.

In terms of standardizing promotion management, the Company has gradually established a sound promotion system and career development channel for employees, carried out promotion evaluation in the form of professional knowledge written test, 360-degree talent evaluation, promotion defense and continued to carry out professional technical review and management personnel evaluation system, so that the multi-channel development mode is further closely related to employee development. Competition for the job, trial, evaluation and recruitment is operated at levels; leveraging established BioKangtai 678 leadership model, clear standards are put forward for different managements. According to business and personnel characteristics of each technical department, promotion standard is established at technical sequence. At the same time, we will constantly standardize the promotion process, and carry out tracking and support for promotion.

In terms of performance management, we can provide basis for human resource decisions such as salary adjustment or grading, job change, talent cultivation and employee motivation through scientific and reasonable evaluation of employees' performance; the Company regularly conducts performance evaluations for middle and senior staff as well as junior staff, where the performance evaluation for junior staff is carried out monthly with a performance-based bonus system. In addition, the Company has set up awards and rewards system to recognize advanced employees and motivate all employees to strive for excellence.





# Safe Production and Safeguarding Employees

By strictly abiding by "Law of the People's Republic of China on Work Safety", "Fire Prevention Law of the People's Republic of China" and other relevant laws and regulations, the Company establishes a perfect work safety management system to carry out the policy of "safety first, prevention first, comprehensive treatment" for building a healthy and safe working environment.

## Biosafety Management

As a manufacturer specializing in the research, development, production and sales of human vaccines, the Company deeply understands the importance of biosafety management under the new situation from the overall national security strategy. Based on the Biosecurity Law of the People's Republic of China, Biosafety Standards for Vaccine Production Workshop and other biosafety laws and regulations, the Company continues to strengthen the bottom line thinking and risk awareness, and actively fulfills the main responsibility of biosafety in the post epidemic era. In 2023, the Company destroyed the new coronavirus strains and infectious samples and sent for storage in the light of the relevant requirements of National Health Commission. At the same time, the Company promotes the implementation of national key research and development program topics, actively promotes the communication of construction of biosafety laboratories industry, and improves the biosafety management system covering the whole company based on systematic analysis and assessment of biosafety risks. Through effective operation and maintenance of the system, daily biosafety inspections and regular emergency drills, the Company effectively applies the biosafety standards into the whole chain of vaccine production, so as to safeguard the safety of vaccines for the public.

At the Guangming base and Xili base, the Company has constructed BSL-2 laboratories and completed the filing process accordingly in 2023 for better facilitating the R&D and experimental activities for vaccine production.

### ◎ Biosafety management system

| | |
|---|---|
| **Key Area Risk Management** | • Laboratory facility safety: Ensure that the buildings and facilities meet national standards.<br>• Management system (covering all steps for production operations and control of articles): Strict control of core personnel in biosafety risk workshops and laboratories access; standardization of operations at each workstation; strict control of article sterilization; waste disposal and regular monitoring of the environment; update management requirements according to the policy dynamics. |
| **Daily Monitoring and Management** | • Implement the monitoring and supervision by full-time and part-time biosafety staff; conduct self-inspection of biosafety risk workshops and laboratories from time to time; face on-site inspections by competent authorities at all levels; conduct annual reviews. |
| **Enhancement of Safety Awareness** | • Graded training: Training is divided into company-level, department-level and job-level, and the training content of each job is clearly defined according to the job training matrix.<br>• Training assessment: Regularly complete biosafety job qualifications to ensure personnel have biosafety skills.<br>• Emergency drills: The Company regularly conducts biosafety emergency drills, with scenarios including: infectious material spill, broken isolator gloves, experimentalists' hands stabbed by sharp objects, anti-terrorism drills, information security, fire extinguishing and escape. All employees in the biosafety laboratory participated in the drills. |

### ◎ Biosafety Training

In 2023, the Company conducted biosafety training on multiple topics, focusing on the learning of biosafety-related laws and regulations and risk assessment, for managing risk in biosafety risk workshops and laboratories to continuously improve the safety awareness and performance of employees. The Company actively participates in and organizes various biosafety forums in respect of the latest trends in the industry, actively promotes industry exchanges on biosafety laboratory construction, and shares the management experience on high-biosafety risk workshop to makes progress together, broaden the vision and keep improving with good social benefits.

## Production Safety and Management

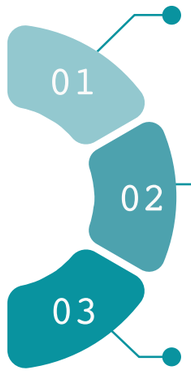
Adhering to the policy of "safety first, prevention first and comprehensive treatment", the Company attaches great importance to employees' occupational health and safety production, and strictly abides by relevant laws and regulations such as the Law of the People's Republic of China on Safety Production, the Law of the People's Republic of China on Fire Fighting, the Law of the People's Republic of China on Safety of Special Equipment, and the Regulations on Safety Management of Dangerous Chemicals. The Company has established a series of production safety rules and regulations, fully implemented an accountability system, and also increased the investment in production safety, materials, technology and personnel to ensure safety and actively improve production conditions.

The Company ensures safe production by improving safety production standards, creating a culture of safe production, developing an accident emergency response system, strictly controlling hazardous chemicals, and strengthening management of firefighting and other special equipment. The Company had no production safety accidents of average or above in the past three years. In 2023, BioMinhai was honored as the winner of Ankang Cup in Daxing District, Beijing.

**BioKangtai's safety philosophy**

I'm responsible for the safety of myself, others, and the Company; all those responsible for safety problems must be held accountable.

### ◎ Compliance management on safe production




**Safety management in production**

- Improve the EHS management system and revise various management systems, such as Labor Protection Supplies Management System, Competence Awareness Management System, and Emergency Preparedness and Response Control Procedures;
- Identify all kinds of workplace hazards by regularly carrying out safety inspections, and strengthen the hidden danger indentification to promote timely rectification.

**Emergency drill**

- In 2023, the Company organized 11 emergency drills for accidents among 1,200 employees, covering fire evacuation, elevator entrapment, hazardous chemical leakage, etc., which comprehensively enhanced the Company's employees' ability to deal with accidents and safety awareness;
- In 2023, the Company organized fire escape emergency drills, emergency drills for hazardous chemical leakage, practical drills in limited space, and emergency drills for elevator entrapment.

**Safety production training**

- Revise the Manual for Three-level Safety Training for New Employees to optimize the process of three-level safety training for new employees, and clarify the responsibilities of each department;
- Organize a total of 12 safety trainings in 2023, covering a number of contents such as emergency rescue, traffic safety, risk source control and training of entire staff;
- Organize visits to emergency science education bases by all departments of the Company, carry out movie watching activities about production safety, and actively promote production safety laws and regulations.



### ◎ Key elements in production safety management

| | |
|---|---|
| **Hazardous Chemicals Management** | • Strict implementation of the System of Dangerous Chemicals Safety Management to control the purchasing, transportation, storage, use and disposal of hazardous chemicals;<br>•Timely update hazardous chemicals storage ledgers, strictly control personnel access management, actively cooperate with government regulatory departments for special inspections, and strengthen safety management and control measures for hazardous chemical warehouses.<br>• Regular training of the safe management on hazardous chemicals is carried out to improve the safe operation and emergency response capability of the employees.<br>• In 2023, the Company implemented the requirements of the Beijing Laboratory Special Rectification Program and passed the acceptance of the Beijing Laboratory Special Rectification organized by the Emergency Response Bureau. |
| **Fire Management** | • Update the Company's firefighting formation personnel and fire accident escape emergency drill program, regularly organize all employees to participate in fire evacuation and escape drills, and carry out training on practical firefighting skills.<br>• Regularly maintain fire protection facilities, and replace parts and components in a timely manner to ensure smooth operation of the fire protection system and timely and effective warning information.<br>• Organize employees to participate in intermediate firefighting operator skills training, strengthen employees' practical firefighting facility ability, improve the mechanism of communicating early warning information, and ensure the check of monitoring area in a timely manner.<br>• In 2023, the Company completed the construction of "Four Fast" fire control room in Beijing. |
| **Special Equipment Fire Management** | • Revise the Special Equipment Safety Manual to amend the annual inspection report template for special equipment based on the views of the regulatory authorities and the use of the Company's departments.<br>• According to the requirements of the Market Supervision Administration, conduct the "daily control, weekly inspection, monthly scheduling" and daily safety inspections of special equipment, hold regular safety meetings to eliminate risks and hidden dangers of equipment operation in a timely manner.<br>• Organize the workshop staff to participate in the special equipment safety operation procedures training to enhance the staff's safety operation and emergency disposal capacity. |

### ◎ Occupational Health and Safety Management

The Company attaches importance to the occupational health of employees and strictly abides by the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases , the Regulations on the Management of Occupational Health in the Workplace and other laws and standards, and has formulated the Occupational Health Management Regulations and the Labor Protection Equipment Management Regulations, to prevent, control and eliminate occupational hazards and protect the employees.

The occupational disease hazards involved in the Company's production include high temperature, noise, ultraviolet radiation, sodium hydroxide, formaldehyde, phenol, and nitrogen dioxide. We protect our employees' occupational health through compliance with occupational health procedures, good occupational health supervision and protection, enhancement of on-site occupational health management, and regular occupational health-related training. As of the end of the reporting period, the Company had no accidents related to occupational disease hazards.

In 2023, BioMinhai was awarded the title of "Beijing Healthy Enterprise" because of perfecting the health management system, improving the healthy environment, creating a healthy culture and comprehensively improving the health level according to the Technical Guidelines for the Evaluation of the Construction of Healthy Enterprises in Beijing.

## ◎ Occupational health management

### Occupational Health Regulations

- Revise the Occupational Health Management System, and prepare the occupational health operating procedures for key posts;
- Strictly abide by the “Three Simultaneities” procedures: occupational disease prevention facilities are designed, constructed and put into production and use with the main project simultaneously;
- Develop the emergency rescue plan against occupational disease hazards and conduct emergency drill for occupational hazards.

### Occupational Health Supervision

- Complete occupational health files and workers’ health monitoring files;
- Organize regular physical examinations for employees and equip them with protective equipment against occupational diseases;
- In 2023, the Labor Protection Supplies Management System was revised to comprehensively regulate the management of procurement, transportation, storage and issuance of labor protection supplies, strictly implement the wearing of labor protection supplies in workplaces, and grasp all occupational disease prevention and control measures.

### On-site Management of Occupational Health

- Set up safety marks or warning marks in conspicuous places where operational risks arise or exist, workplaces where occupational disease hazards occur, jobs, equipment, materials (products) packaging and storage places;
- Supervise the wearing of protective equipment in workplace and proper use of occupational hazard protection facilities;
- Regular maintenance and checks on occupational hazard protection facilities.

### Occupational Health Education and Training

- Provide regular occupational health training for employees before and during their employment;
- Carry out the training and assessment mode, and employees who have passed the assessment may be engaged in the corresponding operations.

### Detection and Reporting of Occupational Hazards

- Engage qualified organizations to carry out workplace occupational hazards inspection with all inspection results meeting standards;
- Implement the reporting of occupational hazards, and obtain the Receipt of Occupational Hazards Reporting.



# 05

# Giving Back to the Society
## and Staying True to the Original Mission

With the aim of “produce the best vaccines for mankind”, the Company is dedicated to R&D and manufacture of high-quality vaccines, and committed to human immunization health. While promoting the steady development of its main business, the Company actively fulfills its social responsibility to create shared values for the industry and society. In 2023, the Company invested a total of **9.2966** million yuan in social welfare.

# Improving Products Accessibility

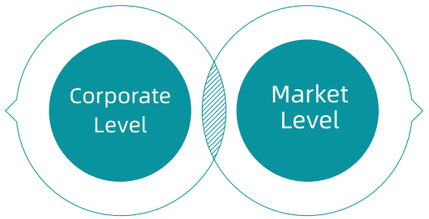
## Active efforts for R&D and industrialization of products

Vaccination is the most economical and effective measure for us to control and prevent infectious diseases. With the aim of "produce the best vaccines for mankind" , the Company actively promotes the R&D and industrialization of products in the prevention of hepatitis B, pneumonia, tDAP, novel coronavirus infection and other diseases. At present, the Company has 11 listed and approved products for emergency use, of which, hepatitis B vaccines has been produced and sold more than 1 billion doses in total, helping more than 400 million people protect themselves from hepatitis B virus. At the same time, the Company expands R&D and innovation on the basis of existing products, and actively layouts the R&D of novel vaccines and multi-conjugate multi-valent vaccines with market demand-oriented to provide more quality vaccine products for the society.

## Pricing policy

By strictly abides by the requirements of the Vaccine Administration Law of the People's Republic of China, the Company sets reasonable vaccine prices with reference to the production costs and market research results, and is committed to providing the community with safe, effective and high-quality products at affordable prices.

Based on raw and auxiliary materials, labor, logistics, R&D, medical, overhead, insurance and other related costs, we set reasonable prices after scientific calculations.




Based on the research results of the current market situation (annual batch volume of similar products, end-market batch volume, market strategies, etc.) and the prices of other vaccines in the market, reasonable prices are set based on the principles of increasing market share and brand acceptance, product competitiveness, etc.

In terms of domestic vaccine pricing, the procurement prices of vaccines for the National Expanded Program on Immunization (EPI) are determined through centralized bidding or negotiation organized by the competent health authorities and the Ministry of Finance of the State Council; other EPI vaccines and non-EPI vaccines are procured through provincial public resource trading platforms under the guidance of provincial and municipal governments and autonomous regions directly under the Central Government.





# Devotion to Public Welfare

The Company has been devoted to engaging in public welfare, and has totally donated more than 100 million yuan to the society, including poverty-stricken areas, Red Cross societies at all levels and scientific research institutions, making contributions to building public immunity barriers, supporting medical development and helping rural revitalization.

## Vaccine and Materials Donations

In 2023, the Company's major vaccine and materials donations are as follows:

**2023**

Donated Hepatitis B Vaccine (Saccharomyces Cerevisiae) to Guizhou, Guangdong, Shanghai and other provinces for hepatitis b vaccination of relevant people.

**2023**

Donated 13-Valent Pneumococcal Polysaccharide Conjugate Vaccine to Hunan, Guizhou, Jiangxi, Guangdong, Shandong, Yunnan and other provinces, which were used to vaccinate relevant persons.

**August 2023**

Donated 1 million yuan to Tsinghua University Education Foundation to support the construction and development of Tsinghua University.

## Support the Development of Healthcare

While pursuing corporate growth, BioKangtai gives full support to medical research and the cultivation of talents in public health, and works together with foundations, universities and research institutes to create a win-win situation and shared value for the industry and society.

### Support Medical Research

**In December 2021**

we donated 20 million yuan to China Foundation for Hepatitis Prevention and Control (in four years) for related academic activities, hepatitis B research projects, and hepatitis B prevention and control.

**In January 2024**

we donated 10.3660 million yuan to China Foundation for Hepatitis Prevention and Control (in three years) for the protection program for family members of people infected with the hepatitis B virus initiated by China Foundation for Hepatitis Prevention and Control, and supporting hepatitis B prevention and control.

### Industry-Academia-Research Institute Collaboration

**In July 2021**

for deepening the cooperation between industry, academia and research institutes, the Company donated 30 million yuan (in three years) to the Education Development Foundation of Jinan University in Guangdong for the establishment of JNUBioKangtai Biomedical Development Fund to promote the high-quality development of the disciplines of public health and the cultivation of public health talents;

**In September 2021**

in order to support the development of education and scientific research of College of Pharmacy in Shenzhen Technology University, the Company donated 1 million yuan (in five years) for the establishment of "BioKangtai" Outstanding Freshman Scholarship.

**In November 2021**

the Company donated 500,000 yuan (in five years) to Huizhou University for the establishment of BioKangtai scholarship and fellowship.

## Support Rural Revitalization

BioKangtai not only supports the development of medical care by leveraging its own advantages, but also responds to the national call for rural revitalization by supporting poverty alleviation and rural revitalization efforts through charitable donations and other means.

The Company has been supporting the public welfare of Xingan County, Jiangxi Province for a long time and caring about local disadvantaged groups. Since 2018, a total of 15 million yuan has been donated to the Civil Affairs Bureau of the county to help the elderly living in retirement homes (including the disabled), orphans and de facto unsupported.

In 2023, the Company actively supported "630" Campaign for Rural Revitalization of 2023 initiated by Shenzhen Nanshan District Urban Renewal and Land Development Bureau through making donation to Shenzhen Nanshan District Charity Association.

# Future Outlook

Looking forward to the future, with the aim of "produce the best vaccines to benefit mankind", the Company will continuously focus on the main business, orient to R&D and innovation, adhere to the "lifeline" of quality, gradually enrich and improve the product structure, strengthen the construction of marketing system, steadily advance the internationalization strategy, promote the Company's vaccine products to go abroad and to the world, and take measures to improve the comprehensive competitiveness of the enterprise to strengthen the foundation of the high-quality development of the enterprise, so as to provide power to ensure that the Company will become a first-class domestic and internationally famous large-scale biopharmaceutical multinational company, making greater contributions to the construction of China's health industry.

While continuously standardizing corporate governance, the Company will establish a sense of return to shareholders, and create long-term value for shareholders; actively assume social responsibility, practice the theory of ESG sustainable development, and promote green and low-carbon development; pay attention to the needs of various stakeholders, gather consensus, and strive to improve operational efficiency and development quality, so as to pursue win-win cooperation for creating social value, and work together for a sustainable future.

# ESG Key Performance

## 8.1 Economic Performance

| Indicators | Unit | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Operating revenue | RMB'0,000 | 347,744 | 315,740 | 365,209 |
| Total assets | RMB'0,000 | 1,508,536 | 1,378,635 | 1,414,898 |
| Owners' interests | RMB'0,000 | 954,169 | 898,534 | 916,674 |
| Total tax | RMB'0,000 | 27,665 | 51,763 | 90,602 |
| Total number of shares issued by the Company | Shares | 1,116,916,552 | 1,120,493,735 | 687,093,526 |
| Net assets per share | RMB | 8.54 | 8.02 | 13.34 |

## 8.2 Environmental Performance[1]

| Indicators | Unit | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Energy Use | | | | |
| Total electricity consumption[2] | MWh | 63,421.52 | 74,092 | 78,114 |
| Total natural gas consumption | $m^3$ | 7,080,082 | 2,747,788 | 3,573,871 |
| Total heat consumption | GJ | 208,916.86 | 230,389 | 181,352 |
| Diesel consumption | Tons | 10,058.52 | 131 | 125 |
| Gasoline consumption | Tons | 45 | 40 | 49 |
| LPG consumption | Tons | 83 | 19 | 16 |
| GHG Emissions | | | | |
| Total GHG Emissions | $tCO_2e$ | 105,118 | 91,015 | 73,659 |
| Total GHG emissions in Scope I[3] | $tCO_2e$ | 15,952 | 6,766 | 8,326 |
| Total GHG emissions in Scope II | $tCO_2e$ | 89,165 | 84,249 | 65,333 |
| GHG emissions per unit of revenue | $tCO_2e$/RMB10,000 | 0.30 | 0.29 | 0.2 |
| Water Use | | | | |
| Total water | $m^3$ | 1,290,714.33 | 1,000,216 | 1,024,860 |
| By source: Water consumption from public water supply | $m^3$ | 1,207,202 | 908,194 | 952,447 |
| By source: Water from barrels and steam conversions | $m^3$ | 83,512.33 | 122,471 | 72,413 |
| Discharge Management | | | | |
| Total air emissions | $m^3$ | 324,426,363 | 266,618,494 | 253,578,606 |
| Total VOCs | Tons | 0.254 | 0.1939 | 0.43 |
| Exhaust emissions per unit of revenue | $m^3$/RMB10,000 | 933 | 844 | 694 |
| Total industrial wastewater discharge | $m^3$ | 653,872 | 553,540 | 564,561 |
| Ammonia nitrogen discharge | Tons | 1.6616 | 3.4 | 2.96 |
| COD | Tons | 32.3196 | 41.85 | 33.13 |
| Total nitrogen | Tons | 0.544 | 0.31 | 0.77 |

| Indicators | Unit | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Total phosphorus | Tons | 0.0297 | 0.02 | 0.07 |
| Industrial wastewater discharge per unit of revenue | $m^3$/RMB10,000 | 1.88 | 1.75 | 1.55 |
| Total hazardous waste | Tons | 304.24 | 348 | 246 |
| Hazardous waste generated per unit of revenue | kg/RMB10,000 | 0.87 | 1.1 | 0.67 |
| Total general non-hazardous waste | Tons | 380.79 | 204 | 196 |
| General waste generated per unit of revenue | kg/RMB10,000 | 1.09 | 0.65 | 0.54 |
| Use of Resources for Production | | | | |
| Annual environmental expenditure | RMB10,000 | 409 | 425 | 1,700 |
| Number of environmental awareness training sessions | Times | 20 | 21 | 15 |
| Number of Incidents punished for environmental law violations | Cases | 0 | 0 | 0 |

Notes:

① The statistical caliber of environmental performance covers Shenzhen Kangtai Biological Products Co., Ltd. and its wholly-owned subsidiary, which is consistent with the scope of the annual report and consolidated financial statements. The increase of air emissions, hazardous and non-hazardous waste discharge comes from the expansion of the Company's production scale.

② The Company's total electricity consumption comes from purchased electricity.

③ The sources of Scope I GHG emissions include natural gas, gasoline, diesel and LPG. The calculation method of carbon emissions from natural gas, gasoline, diesel and LPG refers to the Guideline for Accounting and Reporting of Greenhouse Gas Emissions from Enterprises: Power Generation Facilities (revised edition of 2022) by Ministry of Ecology and Environment of the People's Republic of China).

④ The sources of Scope II GHG emissions include purchased electricity and heat. The calculation method of carbon emissions from electricity and heat refers to the Guideline for Accounting and Reporting of Greenhouse Gas Emissions from Enterprises Power Generation Facilities (revised version of 2022) by the Ministry of Ecology and Environment of the People's Republic of China and the Guideline for Accounting and Reporting of Greenhouse Gas Emissions from Enterprises in Other Industries (for Trial Implementation) by the National Development and Reform Commission of the People's Republic of China. 。





## 8.3Social Performance

### ◎ Liabilities to employees

| Indicators | | Unit | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Total number of employees | | People | 1,902 | 2,018 | 2,445 |
| By gender | Male | People | 1,168 | 1,230 | 1,505 |
| | Female | People | 734 | 788 | 940 |
| By employment type | Full-time contract workers | People | 1,883 | 1,994 | 2,413 |
| | Full-time dispatched workers | People | 0 | 0 | 0 |
| | Part-time | People | 18 | 23 | 31 |
| | Other types | People | 1 | 1 | 1 |
| By age group[2] | > 50 years old | People | 65 | 64 | 66 |
| | 30 to 50 years old | People | 1,108 | 1,154 | 1,288 |
| | < 30 years old | People | 729 | 800 | 1,091 |
| By region[3] | Mainland employees | People | 1,901 | 2,018 | 2,445 |
| | Employees from Hong Kong Macao, Taiwan and overseas | People | 1 | 0 | 0 |
| By rank[4] | Junior employees | People | 1,781 | 1903 | 2,332 |
| | Middle managers | People | 111 | 94 | 97 |
| | Senior managers | People | 10 | 21 | 16 |

| Indicators | | Unit | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| By education[5] | Employees with Doctoral Degree | People | 15 | 15 | 17 |
| | Employees with Master's Degree | People | 201 | 194 | 210 |
| | Employees with Bachelor's Degree | People | 1,029 | 1036 | 1,200 |
| | Employees with Junior College Degree and below | People | 657 | 773 | 1,018 |
| Employment and Employee Rights | | | | | |
| Labor contract signing rate | | % | 100 | 100 | 100 |
| Social insurance coverage rate | | % | 100 | 100 | 100 |
| Coverage rate of employee medical checkups | | % | 100 | 100 | 100 |
| Number of employees covered by collective bargaining agreements (end of period) | | People | 1,902 | 1,323 | 1,491 |
| Occupational Health and Safety | | | | | |
| Number of employees in positions at risk of occupational diseases | | People | 367 | 166 | 168 |
| Number of employees with occupational disease | | People | 0 | 0 | 0 |
| Number of employees who died due to work-related injuries | | People | 0 | 0 | 0 |
| Number of workdays lost due to work-related injuries | | Days | 153 | 131 | 365 |

Notes:
① The statistical caliber of employees covers Shenzhen Kangtai Biological Products Co., Ltd. and its wholly-owned subsidiary, which is consistent with the scope of annual report and consolidated financial statements.
② The number of employees by age group only includes contracted workers.
③ The number of employees by region only includes contracted workers.
④ The number of employees by rank only includes contracted workers.
⑤ The number of employees by education only includes contracted workers.



## ◎ Product liability

| Indicators | Unit | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Complaint handling rate[1] | % | 100 | 100 | 100 |
| Percentage of sold products that had to be taken back due to safety and health issues | % | 0 | 0 | 0 |
| Number of incidents involving violations of laws and regulations on products and services | Cases | 0 | 0 | 0 |
| R&D Investment | RMB10,000 | 54,219 | 99,356 | 73,847 |
| Ratio of R&D investment to operating revenue | % | 15.59 | 31.47 | 20.22 |
| Number of R&D personnel | People | 360 | 465 | 460 |
| Percentage of R&D personnel | % | 18.93 | 23.04 | 18.81 |
| Number of patents granted in the reporting period | Pcs | 11 | 21 | 8 |
| Number of patent applications in the reporting period | Pcs | 11 | 9 | 10 |

Note:
① The complaint handling rate in this report is calculated according to this formula:
complaint handling rate = number of complaints handled/total number of complaints received × 100%.

## ◎ Community investment

| Indicators | Unit | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Amount of community investment | RMB'0,000 | 929.66 | 1,464.64 | 1,891.30 |
| Of which: Investment in education | RMB'0,000 | 21.65 | 31.80 | 1,011.80 |
| Investment in the medical and health care | RMB'0,000 | 48.89 | 579.47 | 648.38 |
| Amount of charitable donations | RMB'0,000 | 859.12 | 853.37 | 231.12 |

## 8.4 Compliance Operations

During the reporting period, the Company did not violate any laws and regulations related to product quality, customer service, intellectual property protection, environmental protection and employment. The main domains and laws and regulations that the Company is involved in are listed in the table below.

| Domains | Laws and Regulations | Compliance or Non-compliance |
|---|---|---|
| Non-compliance | Drug Administration Law of the People's Republic of China,<br>Vaccine Administration Law of the People's Republic of China,<br>Measures for the Administration of Drug Registration,<br>Good Manufacturing Practice of Medical Products,<br>Guidelines for Good Clinical Practices,<br>Measures for the Supervision and Administration of Drug Production, etc. | Compliance |
| Product Research and Development | Drug Administration Law of the People's Republic of China,<br>Vaccine Administration Law of the People's Republic of China,<br>Measures for the Administration of Drug Registration,<br>Guidelines for Good Clinical Practices,<br>Good Manufacturing Practice of Medical Products,<br>Measures for the Supervision and Administration of Drug Production, etc. | Compliance |
| Intellectual Property Protection | Patent Law of the People's Republic of China,<br>Copyright Law of the People's Republic of China,<br>Trademark Law of the People's Republic of China,<br>Regulations on the Protection of Intellectual Property Rights in Shenzhen Special Economic Zone, etc. | Compliance |
| Customer Service | Law of the People's Republic of China on Consumer Rights and Interests, etc. | Compliance |
| Information security | Law of the People's Republic of China on the Protection of Personal Information | Compliance |
| Environmental Protection | Law of the People's Republic of China on Environmental Protection,<br>Law of the People's Republic of China on Prevention and Control of Air Pollution,<br>Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste,<br>Law of the People's Republic of China on Prevention and Control of Pollution from Wastewater,<br>Law of the People's Republic of China on Promotion of Cleaner Production,<br>Law of the People's Republic of China on Energy Conservation,<br>Guangdong Environmental Protection Regulations, etc. | Compliance |
| Employment and Labor | Labor Law of the People's Republic of China,<br>Labor Contract Law of the People's Republic of China,<br>Social Insurance Law of the People's Republic of China,<br>Law of the People's Republic of China on Mediation and Arbitration of Labor Disputes,<br>Law of the People's Republic of China on Trade Unions,<br>Law of the People's Republic of China on the Protection of Women's Rights and Interests, etc. | Compliance |
| Biosafety | Biosafety Law of the People's Republic of China, etc. | Compliance |
| Occupational Health and Safety | Law of the People's Republic of China on Prevention and Control of Occupational<br>Diseases, etc. | Compliance |
| Business Ethics | Criminal Law of the People's Republic of China,<br>Law of the People's Republic of China Against Unfair Competition,<br>Interim Provisions on the Prohibition of Commercial Bribery,<br>China Internal Auditing Standards,<br>Basic Standards for Enterprise Internal Control,<br>Anti-Money Laundering Law of the People's Republic of China, etc. | Compliance |

# ESG Reporting Guide Index

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| 9.8: (5) | Pollution prevention and control facilities | 5.3 Emphasizing Waste Prevention & Control and Reducing the Environmental Impact |
| 9.8: (6) | Payment of environmental protection-related taxes and fees | Irrelevant |
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