



基石药业

CSTONE  
PHARMACEUTICALS

CStone Pharmaceuticals

基石藥業

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 2616



2020

Environmental,  
Social and  
Governance Report

環境、社會及管治報告

# Table of Contents

1.	About this Report	2	7.	High Quality Professional Team	14
2.	Chairman’s Message	3	7.1	Employees’ Rights and Benefits	15
3.	About CStone	4	7.2	Professional Talent Development	17
4.	Environmental, Social and Governance Management	5	7.3	Employees’ Health and Safety	19
4.1	Stakeholder Engagement	5	8.	Co-build A Green Environment	21
4.2	Material Issues	6	8.1	Carbon Emissions Management	21
5.	Compliant Business Environment	7	8.2	Green Office	22
5.1	Consolidation of Integrity and Compliance	7	9.	Fulfil Social Responsibility	24
5.2	Protection of Intellectual Property Rights	7	Appendix 1:	Sustainability Data Statements	25
5.3	Supply Chain Management	10	9	Appendix 2: Content Index of ESG Reporting Guide to the Listing Rules	28
6.	Product Liability	12			
6.1	Strict Quality Control	12			
6.2	Responsible Marketing	12			
6.3	Communicate with Clinical Trial Participants	13			
6.4	Safeguard the Privacy of Clients	13			



# 1. About this Report

CStone Pharmaceuticals (the “Company”) and its subsidiaries (“CStone”, the “Group” or “We”) are pleased to present our third Environmental, Social and Governance (“ESG”) Report (the “ESG Report” or “this Report”), with an aim of disclosing the environmental, social and governance performance in relation to corporate social responsibilities and sustainable development.

## **BASIS FOR PREPARATION**

The ESG Report has been prepared in accordance with the ESG Reporting Guide (the “Guide”) as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the covered scope and content of which are in compliance with the “Comply or Explain” disclosure obligations and the reporting principles of materiality, quantitative, balance and consistency of the Guide. This report was reviewed and approved by the board (the “Board”) of directors (the “Directors”) of the Company. Readers can review the final chapter of the ESG Report – Appendix 2: Content Index of ESG Reporting Guide to the Listing Rules for quick referencing.

## **REPORTING PERIOD AND REPORTING BOUNDARY**

The scope of the ESG Report covers the business performance of the Group in environmental and social aspects from January 1, 2020 to December 31, 2020 (the “Reporting Period” or “Year”). The scope of environmental key performance indicators (“KPIs”) includes CStone Pharmaceuticals (Suzhou) Co., Ltd. (“Suzhou Office”, including Translational Medicine Research Center (“TMRC”)), Tuo Shi Pharmaceutical (Shanghai) Co., Ltd. (“Shanghai Office”) and Chuang Shi (Beijing) Medical Technology Co., Ltd. (“Beijing Office”). The scope of social KPIs covers the entire Group.

## **LANGUAGE OF THIS REPORT**

The ESG Report is available in two languages, being the Traditional Chinese and English versions. Should there be any inconsistency between them, the Chinese version shall prevail.

## **CONTACT INFORMATION**

For more details of the Group’s corporate governance, please refer to the section of “Corporate Governance Report” set out in the annual report for the Year and the official website of the Group. Your opinions on the ESG Report are treasured by us. For any enquiries or recommendations, please feel free to contact us via e-mail at [ir@cstonepharma.com](mailto:ir@cstonepharma.com).

## 2. Chairman's Message

On behalf of our Board, I am pleased to present the third ESG Report of the Group for the year ended December 31, 2020.

Despite facing the challenges from COVID-19 pandemic, 2020 was a momentous year for CStone. Although the epidemic has brought a severe business environment to the world, all of our businesses have maintained full operation and we have achieved the ambitious goals set at the beginning of the year in accordance with the time sequence. We continue to promote the commercialization and sustainable development of enterprises.

In terms of business ethics, we have abided by national laws and regulations and respected market rules. We reviewed internal policy documents regularly to meet the latest regional compliance requirements. We have established an environment, health and safety system to create a safe research and development and production environment for employees.

In fulfilling our social responsibilities, we donated RMB1 million to Suzhou Charity Federation to help control the pandemic and prevent infection in all regions of the country.

For environmental protection, we fully support the national efforts to achieve the goal of carbon neutrality by 2060 and promise to strengthen the disclosure of risks and opportunities that climate change brings to the Group in the future. We continue to take effective measures to improve energy efficiency, save resources, etc., and fulfil our commitment to environmental protection.

In the future, as a company in the commercial stage, we must continue to fulfil the concept of sustainable development at different stages of operation. In addition, we aim to create long-term positive values for the environment and society through continuous communication with various stakeholders.

**Dr. Frank Ningjun Jiang**

*Chairman and Chief Executive Officer*  
Suzhou, PRC, July 23, 2021

### 3. About CStone

Established in late 2015, CStone is a biopharmaceutical company focusing on developing and commercializing innovative immuno-oncology and precision medicines to address the urgent medical needs of cancer patients in China and worldwide. Our vision is to become a world-renowned biopharmaceutical company by bringing innovative tumor therapies to cancer patients around the world. The strategic focus is on immuno-oncology combination therapy and precision medicines.

We have 15 drug candidates that focus on oncology. As of the date of this Report, GAVRETO® (pralsetinib) has received the new drug application (“NDA”) approval from National Medical Products Administration of China (“NMPA”), AYVAKIT® (avapritinib) has received the NDA approvals from NMPA and Taiwan Food and Drug Administration. The following table shows our balanced oncology product portfolio focusing on immuno-oncology and precision medicines:

	Drug Candidate	Lead Indication(s) and Line(s) of Therapies	Rights	Pre-clinical	Dose Escalation	POC	Pivotal	NDA	Partner
Commercial stage	Pralsetinib (RET)	1L / 2L NSCLC, MTC / TC, Basket trial	China	Mainland China NDA approved					blueprint
	Avapritinib (KIT / PDGFRA)	PDGFRA exon 18 GIST, AdvSM, ISM	China, Taiwan	Mainland China and Taiwan NDA approved, Hong Kong NDA accepted					blueprint
Late-stage	Sugemalimab (CS1001, PD-L1)	NSCLC, GC, ESCC R/R NKTL	Out-licensed	Mainland China NDA accepted					Pfizer, EQB, Mainland China, Ex-Greater China
	Ivosidenib (IDH1)	R/R AML, 1L AML, Cholangiocarcinoma	China, Korea	Expecting Mainland China NDA acceptance soon					SERVIER
	CS1003 (PD-1)	HCC	China						EQB, Ex-Greater China
	Lorlatinib (ROS1)	NSCLC	China						Pfizer, Co-development in Greater China
	Fisogatinib (FGFR4)	HCC	China						blueprint
Clinical/IND	CS1002 (CTLA-4)	Solid tumors	Global						
	CS2006 (PD-L1/4-1BB/HSA)	Solid tumors	China, Korea, Singapore						NUMA
	CS3002 (CDK4/6)	Solid tumors	Global						
	CS3005 (A2aR)	Solid tumors	Global						
Pre-clinical	CS5001 (ROR1)	Solid tumors, hematologic cancers	Global*						LCB
	CS2007 (Multi-Specific)	Undisclosed	Global						
	CS2008 (Multi-Specific)	Undisclosed	Global						
	CS5002 (ADC)	Undisclosed	Global						

Source: Company

Note: Assets status denote progress in the region noted in the column titled “Rights”.

\* CStone obtains the exclusive global right to lead development and commercialization of CS5001 outside the Republic of Korea

POC = Proof of Concept, NSCLC = Non-small Cell Lung Cancer, MTC = Medullary Thyroid Cancer, TC = Thyroid Cancer, GIST = Gastrointestinal Stromal Tumor, AdvSM = Advanced Systemic Mastocytosis, ISM = Indolent Systemic Mastocytosis, GC = Gastric Cancer, ESCC = Esophageal Squamous Cell Carcinoma, R/R = Relapsed or Refractory, NKTL = Natural Killer/T Cell Lymphoma, AML = Acute Myeloid Leukemia, HCC = Hepatocellular Carcinoma



## 4. Environmental, Social and Governance Management

CStone believes that creating long-term value depends on the sustainable development of the Group's business. We value ESG management and integrate ESG management work into our strategic development goals actively. We take responsible compliance operations, maintaining high-quality product, safeguarding employee rights, building a green environment, and caring and contributing to the society as the sustainable development directions. Through regular review and improvement of the daily management, the Board, senior management and employees can participate in it together to create sustainable development value for stakeholders.

### 4.1 STAKEHOLDER ENGAGEMENT

During the Year, CStone identified external and internal stakeholders who can obtain relevant information about sustainable development of the Group through online and offline channels. We understand the needs and focuses of stakeholders through different communication channels to incorporate their opinions into the consideration of the sustainable development direction of the Group and optimize the Group's ESG management and decision-making. In the meantime, this Report responds to the concerns of stakeholders.

<b>Stakeholders</b>	<b>Communication Channels</b>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"><li>• General meeting</li><li>• Interim and annual reports</li><li>• Corporate communications such as letters/circulars to shareholders and notices of meetings</li><li>• Results announcement</li><li>• Shareholders' visits</li><li>• Investors' meetings</li></ul>
<b>Employees</b>	<ul style="list-style-type: none"><li>• Employee opinion survey</li><li>• Channels for employees to express opinions, such as opinions box</li><li>• Employee communication conferences</li><li>• Meetings and interviews</li><li>• Performance appraisal and interviews</li><li>• Business introduction of the Group</li><li>• Seminars/workshops/talks</li><li>• Publications, such as employee communication</li><li>• Employee intranet</li><li>• WeChat groups</li></ul>
<b>Suppliers and business partners</b>	<ul style="list-style-type: none"><li>• Supplier management procedures</li><li>• Suppliers/contractors evaluation system</li><li>• Meetings</li><li>• Visits</li><li>• Site visits</li></ul>
<b>Regulatory authorities</b>	<ul style="list-style-type: none"><li>• Meetings</li><li>• Compliance report</li><li>• Written responses to public consultation</li></ul>

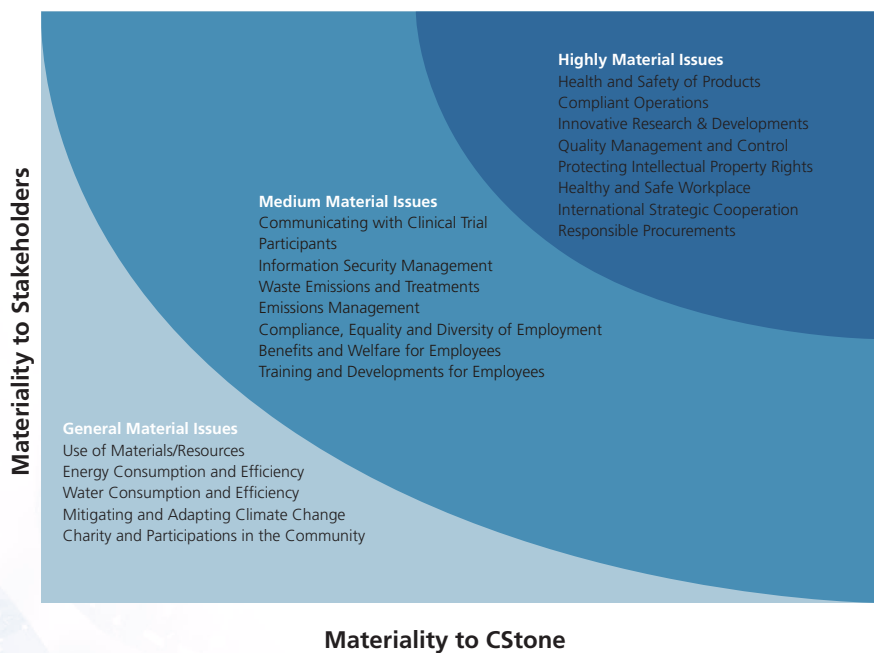
## 4. Environmental, Social and Governance Management

Stakeholders	Communication Channels
<b>Government</b>	<ul style="list-style-type: none"> <li>• Forums and communication activities</li> <li>• Consultation on policy for promoting the development of pharmaceutical industry</li> <li>• Communication with medical teams</li> <li>• Site visits</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>• Press releases</li> <li>• Interviews with senior management</li> <li>• Results announcement</li> </ul>
<b>Pharmaceuticals peers</b>	<ul style="list-style-type: none"> <li>• Strategic cooperation project</li> <li>• Industry forums and communication activities</li> </ul>

### 4.2 MATERIAL ISSUES

CStone has invited internal and external stakeholders to conduct materiality assessment through online questionnaires last year. Considering that there was no major change in the business and operating environment and the materiality sequence during the Year, the senior management confirmed that the results of the materiality assessment in 2019 are still applicable to this Year. If needed, readers can refer to the 2019 ESG Report for the methodology and process of materiality assessment.

**CStone's Materiality Matrix**



## 5. Compliant Business Environment

### 5.1 CONSOLIDATION OF INTEGRITY AND COMPLIANCE

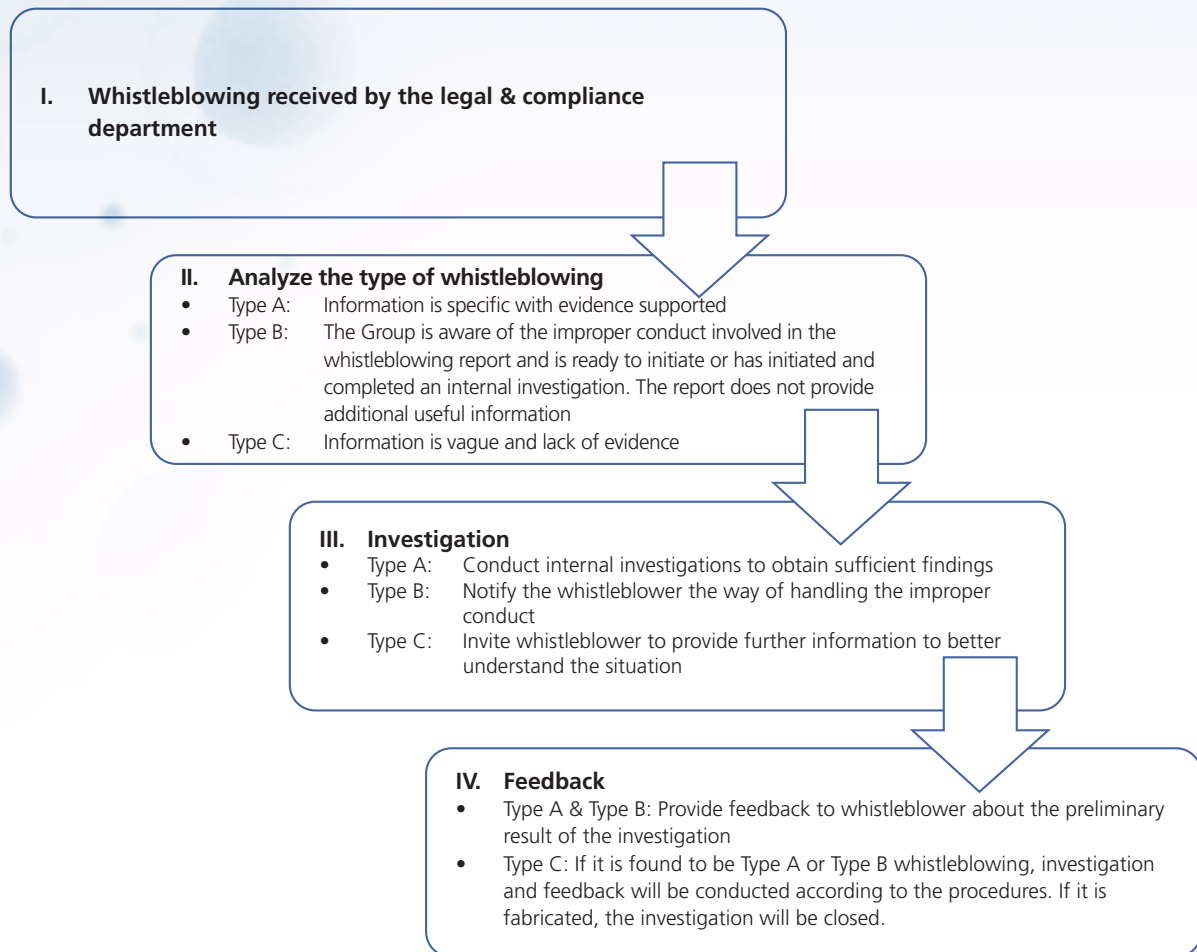
CStone strictly abides by rules and regulations such as Anti-Unfair Competition Law of the People's Republic of China (the "PRC") 《中華人民共和國反不當競爭法》 and Interim Provisions on Banning Commercial Bribery 《關於禁止商業賄賂行為的暫行規定》. We have established the Compliance Management System 《合規管理制度》 in accordance with industry-recognized and obeyed professional ethics and codes of conduct. The Directors are responsible for approving and supervising the implementation of compliance policies. Our legal & compliance department communicates and cooperates with various departments, and provides compliance review, evaluation, inspection and training for business development, product innovation and regulatory management. The Group has established an effective internal assessment system to regularly assess and evaluate the capabilities and achievements of each department in managing compliance risks. Our compliance appraisal is coordinated with the unified performance appraisal principle, which embodies the principle of prudent operation that encourages compliance and restricts violations. It incorporates the results of compliance operations into the performance evaluation system, and correctly handles the relationship between business development and compliance operations.

The Code of Conduct for Employees 《員工行為準則》 of the Group specifies anti-corruption behaviour. Employees are not permitted to use their work to solicit, request, accept and obtain improper benefits or accept the promise of improper benefits. Our legal & compliance department organizes training regularly, including but not limited to anti-corruption training. We respect and abide by the laws and regulations related to anti-monopoly. We have developed the Code of Conduct for Business Partners 《商業夥伴行為準則》 for suppliers, medical and health professionals and other partners, and provided them with targeted compliance training.

In order to further eliminate unethical business practices such as corruption and encourage employees and all parties in society that have business relationships with the Group to report fraudulent behaviours, during the Reporting Period, we established the Standard Operating Procedures ("SOP") for Whistleblowing and Internal Investigations 《舉報和內部調查的標準操作程序》. All reasonably suspected reports can be submitted to the legal & compliance department, department heads, or via e-mail in real-name or anonymous manner. The legal & compliance department will implement corresponding processing procedures according to the type of whistleblowing. The report and identity information of the whistleblower will be kept strictly confidential and protected to avoid the fear of retaliation.



## 5. Compliant Business Environment



During the Year, we did not commit corruption, bribery, extortion, fraud, or money laundering, nor did we have any litigation caused by the above-mentioned matters.

## 5. Compliant Business Environment

### 5.2 PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

The Group regards intellectual property rights, including copyrights, patented technologies, trademarks, domain names, URLs and trade secrets as important assets. We strictly abide by laws and regulations including Patent Law of the PRC 《中華人民共和國專利法》, Copyright Law of the PRC 《中華人民共和國著作權法》, Trademark Law of the PRC 《中華人民共和國商標法》 and Anti-Unfair Competition Law of the PRC 《中華人民共和國反不正當競爭法》. We are committed to protecting our research and development technology from infringement by the application, acquirement and maintenance of intellectual property rights. For patents that have been applied for, the Group entrusts external law firms to maintain them, and we will regularly track the status of patent applications. For authorized patents, our external legal counsels will monitor them and pay annual fees.

The business partners and employees of the Group are responsible for maintaining the CStone's trade secrets and confidentiality of proprietary information and strictly abide by the terms and conditions in the Code of Conduct for Business Partners 《商業夥伴行為準則》 and the Employee Confidential Information and Invention Transfer Agreement 《僱員保密信息和發明轉讓協議》 or similar agreements signed with the Group. Business partners and employees are not allowed to use CStone's patented technology or copy or disseminate relevant confidential information without authorization.

While protecting our own intellectual property rights, we also respect the research and development results of others. The Group conducts a comprehensive search and analysis before launching the drugs developed by the Group and before introducing the drugs from outside to identify possible intellectual property rights infringement risks and formulate countermeasures in advance. At the same time, we will fully consider the risk of intellectual property rights when establishing the project and during other key stages and assess the impacts of potential infringement risks on the project.

During the Reporting Period, the Group had 19 international patents and 5 newly granted patents.

## 5. Compliant Business Environment

### 5.3 SUPPLY CHAIN MANAGEMENT

The Group upholds the scientific, efficient and fair management philosophy and continues to establish a sound supplier management system. We have formulated and implemented the SOP for Procurement (《採購標準操作流程》), which standardizes the non-clinical department's payment process from the procurement application to delivery of goods or services, and clarifies the principles of evaluating and selecting suppliers and supplier management. In addition, we have established the SOP for Supplier Engagement (《供應商參與標準操作流程》) to standardize the selection, contracting, oversight and management the process of vendors in clinical development. Supplier's information, such as qualification status, regular performance metrics, capabilities and education information, etc. is recorded in the central repository and managed in accordance with the SOP for Supplier Engagement. In the clinical development, the Group will refer to but not limited to the following factors to select suppliers, 1) geographical location and corporate potential evaluation, 2) basic structure of supplier's SOP and relevant required service scope, 3) capability and professionalism, 4) operational compliance, 5) qualification and certification, 6) training records and 7) business strategy development. Our procurement department monitors and manages the performance of suppliers, and regularly updates the qualification status of suppliers based on their performance evaluation. During the Year, we established a new SOP for Suppliers of Materials (《物料供應商標準管理規程》) to be fully prepared for production of commercialized products and raw material procurement.

#### SOP for Suppliers of Materials (《物料供應商標準管理規程》)

Search and identify target suppliers

Use questionnaires to examine supplier qualifications, and conduct on-site reviews if necessary

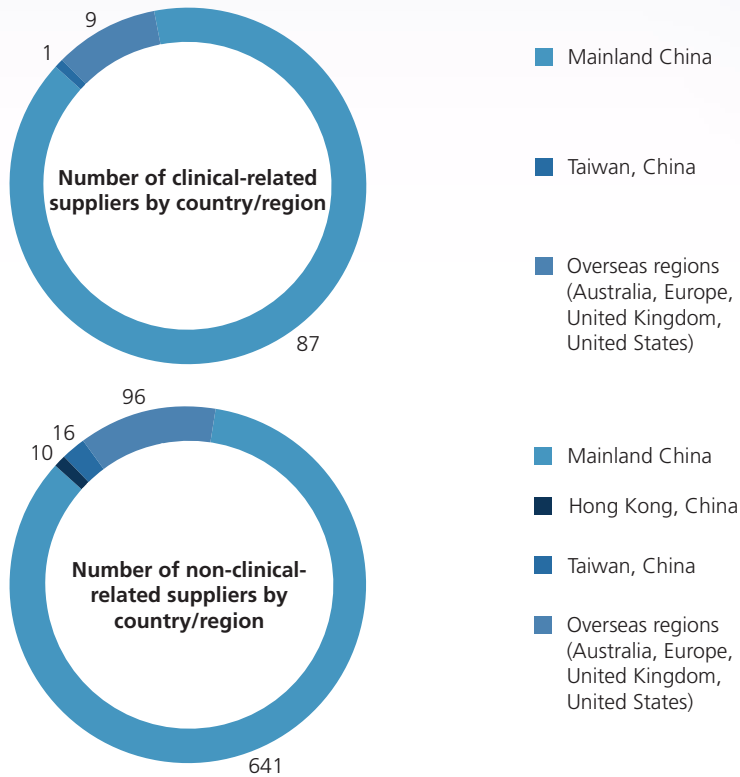
Supplier sample inspection and testing

Conduct supplier audits in accordance with the Quality Audit Standard Management Regulations (《質量審計標準管理規程》)

Conduct trial production, verification and stability investigation

## 5. Compliant Business Environment

During the Reporting Period, all suppliers of the Group followed our relevant procurement SOP. The number and distribution of clinical-related and non-clinical-related suppliers of the Group by country or region are as follows:



### Responsible Supply Chain

The Group expects that the suppliers we cooperate with can be consistent with our ESG values, and adopt similar principles as the Group in terms of being responsible for its stakeholders and the environment, abiding by all applicable laws, prohibition of corruption, respecting the basic human rights of employees, being responsible for the health and safety of employees, and complying with statutory and international standards related to environmental protection. When we choose to develop or continue business cooperation with suppliers, we must comply with the Code of Conduct for Employees (《員工行為準則》) and the subdivided rules. We strengthen the risk management along the supply chain to improve the ability of our suppliers to identify, manage and mitigate social and environmental risks. In view of this, we conduct appropriate due diligence and provide training pinpointing on compliance for suppliers so as to convey ethical, social and environmental business practices regularly.

## 6. Product Liability

An important aspect of our transition to a commercial stage biopharmaceutical company is establishing inhouse manufacturing capabilities. We are on track with the construction of a state-of-the-art facility in Suzhou, and anticipate launching pilot operations in 2021. As the Group did not launch any products in the market, we had no recalls due to safety and health issues this Year. We have established relevant internal policies to provide high-quality and safe products and ensure the health and safety of the public.

### 6.1 STRICT QUALITY CONTROL

Although the Group has not yet commenced commercial manufacturing and sales during the Reporting Period, we have been committed to ensuring the safety and compliance of product development and services. We strictly abide by the Drug Administration Law of the PRC 《中華人民共和國藥品管理法》, Regulations for the Implementation of the Drug Administration Law of the PRC 《中華人民共和國藥品管理法實施條例》, Administrative Measures for Drug Registration 《藥品註冊管理辦法》 and other relevant laws and regulations. Our research on experimental new drugs is conducted in accordance with the Good Clinical Practices for Pharmaceutical Products (“GCP”) 《藥物臨床試驗質量管理規範》 and the Good Laboratory Practices for Pharmaceutical Products (“GLP”) 《藥物非臨床研究質量管理規範》.

We have formulated Good Manufacturing Practices for Pharmaceutical Products (“GMP”) Service Provider Standard Management Procedure 《GMP服務商標準管理規程》 to ensure that our GMP service providers provide good quality and comply with regulatory requirements in all aspects, such as raw materials, personnel, facilities and equipment, production processes, packaging and transportation, and quality control. All employees need to complete the supplier evaluation application through the GMP Service Provider Evaluation Application and Approval Form 《GMP服務商評估申請和批准表》. We classify GMP service providers into Type I, Type II, Type III and other categories according to the service given and different stages of the product life cycle to determine the requirements for quality questionnaires, on-site audits, signing of quality agreements, and audit frequency. We will conduct regular assessments for GMP service providers and carry out inspections for reasons when necessary. We have a GMP service provider training program. The service department of the Group supervises the operation of service providers in the GMP area to comply with GMP regulations and our requirements.

We are building the most advanced manufacturing facility in Suzhou as planned which is expected to launch trial operations in 2021. The manufacturing facility will meet the requirements of NMPA, US Food and Drug Administration (“FDA”), and European Medicines Agency (“EMA”), which may lay a solid foundation for subsequent commercial production.

### 6.2 RESPONSIBLE MARKETING

The Group ensures that all marketing activities comply with the SOP for Promotional Materials Management 《推廣材料管理標準操作流程》. The content of all promotional materials must be comprehensive, accurate, and solidly supported by product information or scientific literature. Also, a zero-tolerance attitude will be adopted to the use of false and misleading descriptions which leads to the serious consequences towards the public. When launching drugs in the future, the Group will strictly comply with Advertising Law of the PRC 《中華人民共和國廣告法》, Provisions for Drug Insert Sheets and Labels 《藥品說明書和標籤管理規定》 and Administration of Pharmaceutical Packaging 《藥品包裝管理辦法》 etc., regarding the advertising laws and regulations of the instructions, labels, packages and advertisements of drugs.

## 6. Product Liability

### 6.3 COMMUNICATE WITH CLINICAL TRIAL PARTICIPANTS

Before the phase of screening of clinical trials and conducting the treatment, our researchers explain the nature, importance, impacts and risks of the trial to the participants in detail. Before the participants join the trial, the researchers or their authorized representatives must obtain the subject's signed and dated Informed Consent (《知情同意書》), which the background, purpose and process of the clinical research project (such as the screening, treatment and follow-up period) are clearly stated in a detailed way, to make sure the participants know the test drug dosage, drug cycle and possible side effects.

We sign the Clinical Trial Agreement (《臨床試驗協議》) with our clinical trial partners to protect the safety, health and well-being of participants and to ensure the safety of the data obtained in the trial. We insured the drug clinical trial liability insurance in accordance with relevant laws and regulations to protect participants who may participate in the trial for possible personal injury.

During the Year, we were not involved in any disputes related to clinical trials.

### 6.4 SAFEGUARD THE PRIVACY OF CLIENTS

The Group may involve personal information in new therapies, research and development ("R&D"), the marketing of innovative products, and cooperation with medical staff, researchers and colleagues. We respect the privacy of everyone by collecting and processing personal information in accordance with the requirements of local laws and regulations. We formulate the Personal Private Information Protection (《個人隱私信息保護》) to protect the privacy of data. For the creation, management, retention and disposal of company records and information, we comply with the Company Records and Information Management Requirements (《公司記錄和信息管理要求》). The company records are generally divided into three risk levels of "high, medium, and low" to determine the retention period of the data. The high-risk and medium-risk records will be kept permanently and stored indefinitely as electronic research data. Only the authorized personnel can access this category of records and information. The low-risk records will be retained for at least ten years. All the research records are kept within the time that specified in the contract. Anyone who violates this policy may be subject to disciplinary action, including termination of employment.

Employees of the Group must be familiar with our privacy-related policies, comply with applicable laws and protect data security in accordance with our Code of Conduct. The operation department provides employees with relevant training and education on a regular basis and manages the company's records and information management practices. The information management department maintains the infrastructure and processes to protect the confidentiality, integrity and availability of the electronic records.

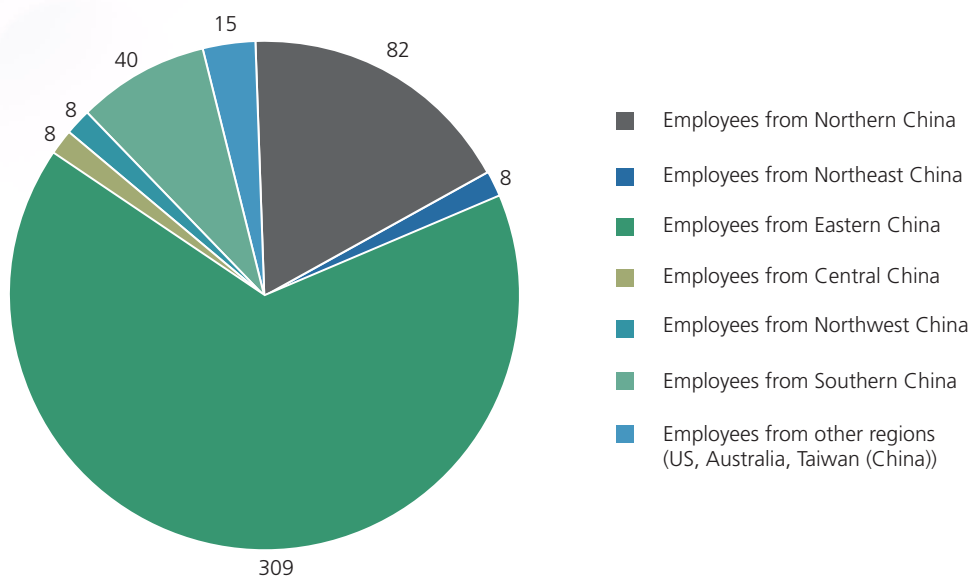
## 7. High Quality Professional Team

CStone strictly complied with the relevant employment laws and regulations, such as Labor Law of the PRC (《中華人民共和國勞動法》), Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) and Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》). We never employ child labor and forced labor, and adhere to the principle of equal employment. We do not discriminate against anyone because of race, culture, religion, age, disability, worldview, and gender. We do not tolerate any harassment or violations.

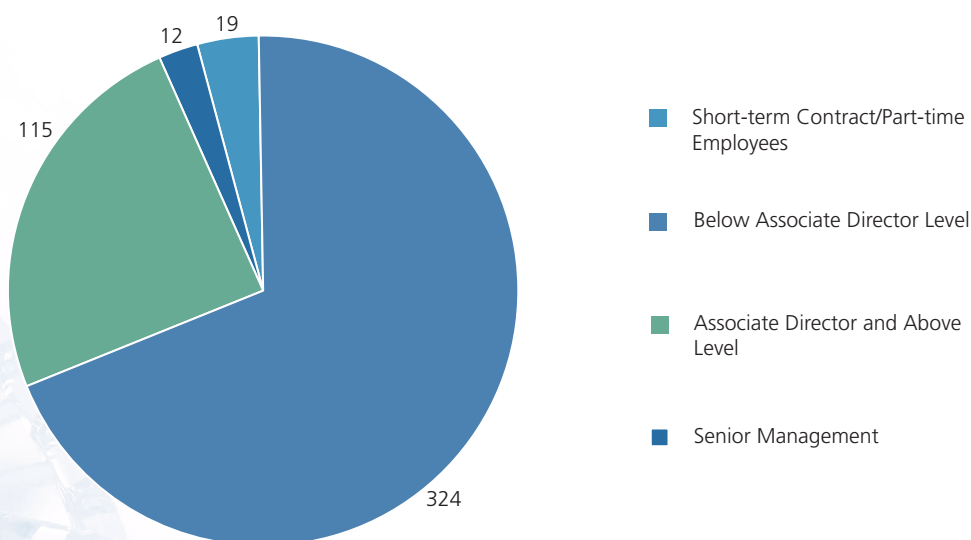
### The Overview of Employment

We actively recruited an experienced leadership team in the industry to build strong business capabilities this Year. The commercial team, including sales staff, has a total team size of approximately 200, and it is planned to reach 300 by the end of 2021. As of December 31, 2020, CStone had a total of 470 employees.

**Number of Employees by Geographical Region**



**Number of Employees by Employee Category**



## 7. High Quality Professional Team

### 7.1 EMPLOYEES' RIGHTS AND BENEFITS

#### Recruitment and Benefits

The Group prepares annual human resource plans to cope with business development. We have formulated the Recruitment Management System 《招聘管理制度》 to recruit excellent talents through internal publishing platforms, online advertisements, campus recruitment, headhunting recommendations, etc. We assess candidates based on functional standards and select those who meet the standards. We strictly implement the national laws and regulations prohibiting the employment of child labor and forced labor.

When recruiting new employees, we first eliminate applicants who do not meet the legal working age and conduct identity checks during the hiring process. Employed candidates need to pass a physical examination and a background check before they can go through the formal entry procedures. The new employees need to sign the labor contracts and confidentiality agreements with the Group to protect the interests of both parties. The human resources department also explains the Employee Handbook 《員工手冊》 and other company-related information to new employees. During the Year, the Group did not employ or use child labor, nor did it violate laws and regulations related to employment, child labor and forced labor.

In accordance with Social Insurance Law of the PRC 《中華人民共和國社會保險法》, Interim Regulations on the Collection and Payment of Social Insurance Premiums 《社會保險費徵收和繳納暫行條例》 and Regulation on the Administration of Housing Accumulation Funds 《住房公積金管理條例》, the Group formulated the Welfare Management System 《福利管理制度》 to provide employees with timely payment of social basic insurance funds, including endowment insurance, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance, and pay housing provident fund according to relevant regulations. The payment standards are implemented in accordance with local government regulations and the Group's welfare policies. In addition, we also provide employees with additional benefits, such as supplementary provident fund, annual health check, birthday and holiday gifts, wedding and new-born gifts, to motivate and strengthen the employees' sense of belonging to CStone.

#### Working Hours and Holidays

The Group adopts two working hour systems. Employees at manager level and above and technical employees adopt irregular working hours, while other employees adopt standard working hours which is 5 days a week and 8 hours per day. The Group has formulated the Working Hours and Overtime Management Policy 《工作時間和加班管理政策》 to ensure reasonable workload and high production efficiency of employees and carry out necessary control and management of employees' overtime. Employees must submit the Overtime Work Application Form 《加班申請表》 in advance according to the policy and also obtain written confirmation and approval from the line manager before they work overtime. The person in charge of the department will manage, control and review the overtime status of his department.

In addition to the 11 statutory holidays stipulated by the state each year, employees of the Group also have annual leave, paid sick leave and other different kinds of holidays to maintain their work-life balance. For the main festivals such as Mid-Autumn Festival and the eve of National Day, etc., employees will be scheduled to leave work in advance. Female employees and the employees who are aged 28 years or below are entitled to have a half-day holidays on International Women's Day and Youth Day respectively. We consider the needs of working mothers and stipulate that pregnant employees can enjoy paid paternity leave in addition to special work arrangements for pregnancy check-ups, maternity leave and breastfeeding leave. The married male employees can also have paid paternity leave. We encourage employees who are breastfeeding and pregnant for over one month not to work overtime.

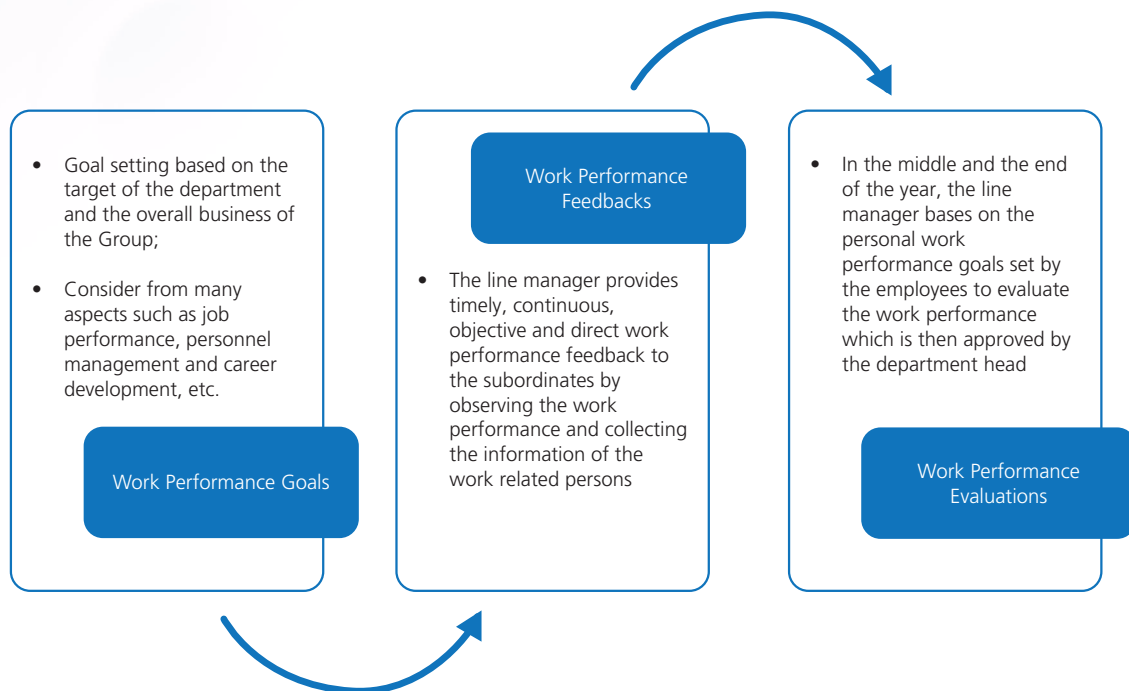


## 7. High Quality Professional Team

### Salary and Promotion

The remuneration and welfare system of the Group's employees is consistent with the Group's long-term business objectives which have market competitiveness. It is performance-oriented and fair and just to attract, retain and motivate outstanding employees effectively. The salary of each employee is determined by the basic salary and annual performance bonus. We review the remuneration of employees every year based on operating conditions, market salary payment levels, and the performance of employees.

We have established a complete performance management system through goals setting, feedback and evaluation of the work performance to improve the effectiveness of talent management. It attracts, develops and retains outstanding employees as well as stimulates their work commitment to exploit their potential that helps the business development of the Group's success.



### Resignation and Appeal

For the purpose of optimizing our human resources management, we issue the Employee Resignation Procedures 《員工離職手續表》 to resigned employees or arrange interviews to better understand the reasons for the resignation of employees.

We encourage employees and management to conduct two-way communication or submit a written complaint to the line manager through a confidential complaint procedure. Employees who disagree with the complaint handling of line manager can appeal to the second-level manager and notify the human resources department. After discussion, investigation and verification, the manager can choose to reply verbally or in writing within 15 working days.

## 7. High Quality Professional Team

### 7.2 PROFESSIONAL TALENT DEVELOPMENT

The Group believes that employees are important and valuable assets. We provide training to employees to enhance their understanding of corporate values and culture and thus implement them. We conduct regular new induction training to guide new employees and help them adapt to the new working environment. The Group formulates an annual training plan to equip core talents with skills such as strategy, leadership, technology and value enhancement. At the same time, the Group encourages employees to continue learning by providing subsidies to approved development courses. We also encourage employees to participate in external seminars and lectures to enrich their technical knowledge. During the Year, we have prepared different types of online and offline training resources and courses for employees and the management.

Type of Training	Content of Training	Target
Leadership	Online leadership courses provided by CEIBS Mobile Business School	Management team, key talents
	Leadership-related courses suitable for managers at different levels, such as collective leadership, situational leadership and new leaders	Administrative/senior/intermediate/junior manager
Project management	Project management-related theories, tools, self-management, personnel management, business management, etc.	Senior/intermediate/junior project managers, leaders of project teams
General management	Problem communication and resolution, non-authority influence/cross-functional communication, structured thinking	Depends on personal development plan
New induction training	Corporate culture and development, organizational structure, core management team, operating system, policy specifications, performance honors, etc.	All new employees
Compliance training	Policies and regulations on anti-corruption, anti-bribery, safety and environmental protection, product quality, labor and employment, intellectual property rights, business partners, etc.	All employees

## 7. High Quality Professional Team

### Case: The Second Phase of New Employee Training in 2020

On June 12, 2020, the Group's operation management department organized the second phase of induction training for new employees at the headquarters in Suzhou. The new employees first visited Suzhou TMRC, which covers the most comprehensive enterprise information. Under the leadership and explanation of the staff representatives of TMRC, new employees were shown the clean and hygienic experimental environment, high-quality equipment, and the professionally qualified researchers to understand the daily operations in Suzhou TMRC.

Dr. Archie Tse, Chief Scientific Officer of the Group, was invited to be the leader for this training. Dr. Tse introduced the Group's strategic overview, pipeline development plans to new employees. The heads or employee representatives from multiple departments were invited to attend the training to introduce the operation of each department, which provided an excellent opportunity for them to understand the Group's organizational structure, division of functions, operating system, and policies and regulations comprehensively.



Dr. Archie Tse and new employees who participated in the induction training

## 7. High Quality Professional Team

### 7.3 EMPLOYEES' HEALTH AND SAFETY

The Group strictly complied with applicable laws related to occupational health and safety, such as Production Safety Law of the PRC 《中華人民共和國安全生產法》, Law of the PRC on the Prevention and Control of Occupational Disease 《中華人民共和國職業病防治法》 and Fire Protection Law of the PRC 《中華人民共和國消防法》 etc. During the Year, there was no case of injuries or deaths to employees of the Group due to work relations.

The Group attaches particular importance to the occupational safety and health of its employees. In addition to formulating relevant SOPs and emergency rescue plans, we arrange annual physical examinations for employees to early detect occupational diseases and protect the occupational health of the employees.

#### **Case: Resumption of work arrangements in response to the epidemic of COVID-19**

As a biopharmaceutical company, it is our mission and responsibility to protect life and health. In response to the raging novel coronavirus disease at the beginning of the Year, the Group established an inter-departmental emergency response team immediately to collect statistics on the health status of employees in various regions. We understood the needs of employees in the epidemic area, responded to national and local government requirements, and published information on the adjustments of the Group's operations actively. On the first day of the Group's formal resumption of work, we invited respiratory medicine experts to deliver the knowledge, preventive measures and Q&A of COVID-19 to all employees through online meeting.

In order to safeguard the health and safety of employees, the Group provides work arrangements for home office and flexible work measures to avoid or reduce crowd gathering. We disinfect the public office areas of the offices in Shanghai, Suzhou and Beijing and the facilities that employees may access, at two-hour intervals thoroughly. At the same time, we measure body temperature and distribute masks for employees working in the office every day. We set up an area of "disposal of discarded mask" in each office.

We formulated the TMRC Safety Hazard Investigation and Management SOP 《TMRC安全隱患排查與治理SOP》 which stipulated the procedures, content, forms and requirements of TMRC safety inspection. The environment, health and safety ("EHS") personnel are responsible for arranging safety inspections which are divided into comprehensive inspections, holiday inspections, special inspections and seasonal inspections. EHS personnel carry out safety hazards management to eliminate hidden accidents and unsafe factors in the laboratory. If any hidden dangers and unsafe factors are found during the inspection, the EHS personnel will record this in the inspection list and adopt the three-fixed approach (personnel, time, and measures) ("三定方法") to solve and deal with them in time to prevent accidents. We review the actual situation indicated on the inspection list, the number of hidden accidents detected, the rectification situation and other information for the annual summary regularly.

## 7. High Quality Professional Team

In addition, we have formulated the Enterprise Safety Production Accident Emergency Rescue Plan 《企業安全生產事故應急救援預案》 which covers special plans for fire accidents, on-site treatment plans for electric shock accidents and object strike accidents. The emergency rescue plan aims to improve early prevention, timely detection, rapid response and effective handling of emergencies. To deal with emergency works, we adhere to the principle of "Safety first, precaution crucial; people-oriented, unified command, coordination and cooperation, self-rescue; quick response, combination of enterprise self-rescue and professional rescue, etc.". We regularly review emergency rescue plan and update relevant procedures and standards when necessary to achieve sustainable improvement. We train employees on safety production and fire protection knowledge and skills regularly to improve their emergency response capabilities. We rehearse the emergency plan no less than twice a year and modify and improve various accident site treatment plans through the rehearsal.

The Group is concerned about the environmental safety of the laboratory. In addition to arranging employees to participate in safety training while employing, we post the evacuation plan in a conspicuous position on the laboratory floor, providing employees with detailed evacuation routes and the locations of fire hydrants and fire extinguishers. Besides, we provide adequate and compliant protective and emergency equipment in the laboratory, such as showers and eye washing equipment, and also set up a hypoxic alarm device in case of instant needs.



Vertical eye washing equipment



Hypoxic alarm device

## 8. Co-build a Green Environment

The Group complies with Environmental Protection Law of the PRC 《中華人民共和國環境保護法》, Energy Conservation Law of the PRC 《中華人民共和國節約能源法》, Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes 《中華人民共和國固體廢物污染環境防治法》 and other laws and regulations. We actively integrate environmental protection concepts into daily operations and management to encourage the employees to save resources and reduce carbon emissions. During the Reporting Period, the Group did not violate any environmental protection laws and regulations or any major accidents affecting the environment and natural resources.

### 8.1 CARBON EMISSIONS MANAGEMENT

All parties are paying more attention to the issues such as climate change and resource shortages, and the Chinese government has also pledged to strive to achieve carbon neutrality by 2060 or before. In order to cooperate with the country's strategy to deal with climate change, the Group referred to the recommendations of the Task Force on Climate-related Financial Disclosure ("TCFD") to disclose and compare greenhouse gas emissions and energy consumption in the report. The Group strives to reduce the carbon footprint generated during operations and plays an active role in fulfilling this commitment.

According to the Greenhouse Gas Protocol 《溫室氣體盤查議定書》 developed by the World Resources Institute and the World Business Council for Sustainable Development and the ISO14064-1 established by the International Organization for Standardization, the summary of greenhouse gas ("GHG") emission of the offices in Suzhou, Shanghai and Beijing in this Year is as follows:

GHG Emissions Performance	Unit	2019	2020
<b>GHG Emissions</b>			
Direct GHG emissions (Scope 1) <sup>1</sup>	tonnes of carbon dioxide equivalent (CO <sub>2</sub> e)	0	0
Indirect GHG emissions (Scope 2) <sup>2</sup>	tonnes of CO <sub>2</sub> e	591.59	447.82 <sup>3</sup>
Total GHG emissions (Scope 1 & 2)	tonnes of CO <sub>2</sub> e	591.59	447.82
<b>GHG Emissions Intensity</b>			
Per square meter of floor area (Scope 1 & 2)	tonnes of CO <sub>2</sub> e/m <sup>2</sup>	0.10	0.06
Per employee (Scope 1 & 2)	tonnes of CO <sub>2</sub> e/employee	2.14	1.27

Note:

1. Scope 1 includes the direct GHG emissions generated from sources owned and controlled by the Group.
2. Scope 2 includes the GHG emissions indirectly generated by electricity generation, heating and cooling or steam purchased by the Group.
3. The indirect GHG emission data has been updated to be calculated based on the relevant electricity emission factors provided by the National Development and Reform Commission this Year.

During the Year, the total amount of GHG emissions was 447.82 tonnes of CO<sub>2</sub>e and the total emissions reduced by about 24.30% compared to last year. Since the Group did not possess any fuel-consuming fixed equipment and own vehicles under the Group's name, the total GHG emissions only involved electricity consumption during daily operations at office and TMRC (Scope 2). In the future, we will continue to adopt more measures of saving energy and reducing emissions to lower GHG emissions.

## 8. Co-build a Green Environment

### 8.2 GREEN OFFICE

As the Group has not yet started manufacturing operation, our environmental impacts are mainly due to water consumption, electricity consumption and waste discharge in daily office operations and TMRC.

#### Pollutant Discharge Management

The Group has no fuel-consuming fixed equipment and vehicles under the Group's name. Therefore, direct air emissions are not involved.

#### Waste Management

The Group's solid wastes are divided into hazardous waste and non-hazardous waste, namely general household waste. Hazardous wastes mainly come from culture medium waste, waste packaging containers, pipette tips, centrifuge tubes, activated carbon filter cotton, etc. which are produced during the R&D process of Suzhou TMRC. We actively respond to the reduction of hazardous waste and strictly follow national laws and regulations for centralized management of hazardous waste. We ensure in advance that hazardous wastes with incompatible chemical properties or different categories are packaged separately. All waste packaging containers are emptied and then sorted and packaged to ensure their safety, completeness and non-leakage. We entrust a qualified third party to deal with the waste. The hazardous waste disposal company is responsible for the collection, transportation and disposal of all hazardous waste. During the Year, due to our active promotion of pharmaceutical R&D and business operations, the Suzhou laboratory generated a total of 580 kg of medical hazardous waste which was an increase of approximately 26% over the previous year. In our office operations, we generated 46 pieces of waste batteries and 124 pieces of waste toner cartridges as hazardous waste.

For the handling of non-hazardous waste, the office has waste separation bins or other suitable facility to recycle waste paper, metals and plastics. We evaluate the usage of materials before purchasing materials to avoid overstocking. We encourage employees to reuse envelopes, binders, file cards and other stationery. During the Year, due to our active promotion of pharmaceutical R&D and business operations, the Group generated 2,836 kg non-hazardous waste, with an intensity of 8.03 kg per employee, which was an increase of approximately 3.67% over last year. We will continue to work hard to reduce waste in order to cherish natural resources.

Indicator	Unit	2019	2020
Medical hazardous waste	kg	460.10	580.00
Non-hazardous waste	kg <sup>1</sup>	2,138.00	2,836.00
Non-hazardous waste intensity	kg/employee	7.75	8.03

Note 1: The unit of the total amount of non-hazardous waste has been changed from the previous year's "tonnes" to "kilogram" this Year.

## 8. Co-build a Green Environment

### **Saving Paper**

During the Year, the Group consumed 6,826.25 kg of paper with its intensity of 19.34 kg per employee which was a decrease of approximately 8.72% compared to last year. The Group uses an electronic office system to replace the office administration system based on paper records and implements online approval functions in terms of contract application, approval procedures and system construction, which has been effectively reducing paper waste. We use electronic communication technology to transmit information and reduce the usage of paper, default computers and printers to double-sided printing and ink saving mode, and reuse paper or use double-sided paper as much as possible.

### **Saving Energy**

During the Year, we consumed 734,000 kWh of electricity which was an increase of approximately 0.38% compared to last year. As electricity consumption accounts for the largest proportion of CStone's daily operations, the Group actively adopts various energy-saving measures to promote employees' awareness of energy conservation. We use daylight lighting to the greatest extent while working and turn off the air-conditioning system and lighting equipment during non-working periods to reduce unnecessary energy consumption. The office has been divided into multiple lighting areas which have independent control. We also have regular maintenance of the lighting system and air-conditioning system, such as cleaning the lighting equipment, air-conditioning filters and fan coils to improve the energy efficiency. The offices adopt building management system (BMS) which enhances our control over building energy consumption and improves energy efficiency.

### **Saving Water**

During the Year, the total water consumption of our offices was 1,925 tonnes with its intensity of 5.45 tonnes per employee. The water consumption intensity was about 26.26% lower than last year. In addition, we have no problems in obtaining suitable water sources. We strengthen our employees' water conservation education by posting water saving reminders in the restrooms. We regularly check the faucet equipment and arrange qualified personnel for repairs if there is any leakage.



## 9. Fulfil Social Responsibility

During the Year, CStone made a breakthrough in corporate social responsibility. The Group started and rooted in Suzhou. We are duty-bound to prevent and control the epidemic. After the Suzhou Charity Federation opened the donation channel, we responded and donated RMB1 million for the prevention and control of COVID-19 immediately.

On the other hand, the Group was honoured to receive the “2020 Pharmaceutical Corporate Social Responsibility Award” (“2020醫藥企業社會責任獎”), which is under the guidance of the National Medical Products Administration, at the 2020 Smart Regulatory Innovation Conference (“二零二零年智慧監管創新大會”) hosted by China Health Media Group (“中國健康傳媒集團”). Moreover, the Group was recognized and praised by the industry and was successively selected as the world’s top 10 most concerned Chinese biotech companies by a world-renowned biotech information organization, FiercePharma. We were also awarded the “2020 China Top 50 Most Innovative Biomedical Companies” (“2020中國生物醫藥企業最具創新力企業50強”) and ranked in the first level of “China’s Top 100 Pharmaceutical Innovative Enterprises” (“中國醫藥創新企業100強”). The “Top 100 Innovation” (“創新100強”) represents the future of China’s pharmaceutical innovation, which is a new force for China’s pharmaceutical industry to participate in international competition. It is also an important force in the transformation and upgrading of China’s pharmaceutical industry to consolidate the competitiveness of the industry and represent the best team in the pharmaceutical industry in China. In the future, we will continue to serve patients with innovation to meet the ardent medical needs of cancer patients in China and around the world.



CStone obtained 2020 Pharmaceutical Corporate Social Responsibility Award

# Appendix 1: Sustainability Data Statements

Indicator	Unit	2020
<b>Environmental Subject Area<sup>1</sup></b>		
<b>GHG Emissions</b>		
Direct GHG emissions (Scope 1)	tonnes CO <sub>2</sub> e	0.00
Indirect GHG emissions (Scope 2)	tonnes CO <sub>2</sub> e	447.82
Total GHG emissions (Scope 1&2)	tonnes CO <sub>2</sub> e	447.82
<b>GHG Emissions Intensity</b>		
Per square meter of floor area (Scope 1&2)	tonnes CO <sub>2</sub> e/m <sup>2</sup>	0.06
Per employee (Scope 1&2)	tonnes CO <sub>2</sub> e/ employee	1.27
<b>Energy Consumption</b>		
Total electricity consumption	kWh	734,000.00
Total electricity consumption intensity (per square meter)	kWh/m <sup>2</sup>	99.65
<b>Water Consumption</b>		
Total water consumption	tonnes	1,925.00
Total water consumption intensity (per square meter)	tonnes/m <sup>2</sup>	0.26
<b>Hazardous Waste</b>		
Medical hazardous waste	kg	580.00
Waste battery	pieces	46.00
Waste toner cartridge	pieces	124.00
<b>Non-hazardous Waste</b>		
Total production of non-hazardous waste	kg	2,836.00
Non-hazardous waste intensity	kg/employee	8.03
<b>Paper Consumption</b>		
Paper consumption	kg	6,826.25
Paper consumption intensity	kg/employee	19.34
<b>Social Subject Area</b>		
Total number of employees	no. of people	470
<b>Total Workforce by Gender</b>		
Female	no. of people	292
Male	no. of people	178
<b>Total Workforce by Employee Category</b>		
Short-term contract/part-time employee	no. of people	19
Below associate director level	no. of people	324
Associate director and above level	no. of people	115
Senior management	no. of people	12

<sup>1</sup> The scope of data collection for environmental KPIs includes offices in Suzhou, Beijing and Shanghai

## Appendix 1: Sustainability Data Statements

Indicator	Unit	2020
<b>Total Workforce by Age Group</b>		
Below 30	no. of people	75
30-50	no. of people	377
Above 50	no. of people	18
<b>Total Workforce by Geographical Region</b>		
Employees from Eastern China	no. of people	309
Employees from Northern China	no. of people	82
Employees from Central China	no. of people	8
Employees from Northeast China	no. of people	8
Employees from Northwest China	no. of people	8
Employees from Southern China	no. of people	40
Employees from other regions (US, Australia, Taiwan (China))	no. of people	15
<b>Employee Turnover Rate by Gender</b>		
Female	percentage	11%
Male	percentage	6%
<b>Employee Turnover Rate by Age Group</b>		
Below 30	percentage	4%
30-50	percentage	12%
Above 50	percentage	1%
<b>Employee Turnover Rate by Geographical Region</b>		
Employees from Eastern China	percentage	12%
Employees from Northern China	percentage	4%
Employees from Central China	percentage	0
Employees from Northeast China	percentage	0
Employees from Northwest China	percentage	0
Employees from Southern China	percentage	0
Employees from other regions (US, Australia, Taiwan (China))	percentage	1%
<b>Health and Safety</b>		
<b>Injuries and Deaths Due To Work</b>		
Lost days due to work injury	days	0
Number of work-related fatalities	no. of people	0

## Appendix 1: Sustainability Data Statements

Indicator	Unit	2020
<b>Development and Training</b>		
<b>Percentage of Employees Trained by Gender</b>		
Female	percentage	95.55%
Male	percentage	96.63%
<b>Percentage of Employees Trained by Employee Category</b>		
Short-term contract/part-time employee	percentage	0
Below associate director level	percentage	100%
Associate director and above level	percentage	100%
Senior management	percentage	100%
<b>Average Training Hours Completed per Employee by Gender</b>		
Female	Hours	8
Male	Hours	8
<b>Average Training Hours Completed per Employee by Employee Category</b>		
Short-term contract/part-time employee	Hours	0
Below associate director level	Hours	7
Associate director and above level	Hours	10
Senior management	Hours	15

# Appendix 2: Content Index of ESG Reporting Guide to the Listing Rules

Indicator		Related Chapter
<b>A. Environmental</b>		
<b>A1 : Emissions</b>	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.
	A1.1	The types of emissions and respective emissions data.
	A1.2	GHG emissions in total (in tonnes) and, where appropriate, intensity.
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.
	A1.5	Description of measures to mitigate emissions and results achieved.
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.
		8. Co-build a Green Environment
		8.2 Green Office
		8.1 Carbon Emissions Management
		8.2 Green Office
		8.2 Green Office
		8.2 Green Office
		8.2 Green Office

## Appendix 2: Content Index of ESG Reporting Guide to the Listing Rules

Indicator		Related Chapter	
<b>A2 : Use of Resources</b>	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	8.2 Green Office
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	Appendix 1: Sustainability Data Statements
	A2.2	Water consumption in total and intensity.	Appendix 1: Sustainability Data Statements
	A2.3	Description of energy use efficiency initiatives and results achieved.	8.2 Green Office
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	8.2 Green Office
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable, since the Group has not yet launched any products on the market.
<b>A3 : The Environment and Natural Resources</b>	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	8.2 Green Office
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	8.2 Green Office

## Appendix 2: Content Index of ESG Reporting Guide to the Listing Rules

Indicator		Related Chapter	
<b>B. Social</b>			
<b>B1 : Employment</b>	General Disclosure	Information on (a) the policies and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	7.1 Employee Rights and Benefits
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix 1: Sustainability Data Statements
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix 1: Sustainability Data Statements
<b>B2 : Health and Safety</b>	General Disclosure	Information on (a) the policies and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	7.3 Employee Health and Safety
	B2.1	Number and rate of work-related fatalities.	7.3 Employee Health and Safety
	B2.2	Lost days due to work injury.	7.3 Employee Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	7.3 Employee Health and Safety

## Appendix 2: Content Index of ESG Reporting Guide to the Listing Rules

Indicator		Related Chapter	
<b>B3 : Development and Training</b>	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	7.2 Professional Talent Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix 1: Sustainability Data Statements
	B3.2	The average training hours completed per employee by gender and employee category.	Appendix 1: Sustainability Data Statements
<b>B4 : Labor Standards</b>	General Disclosure	Information on (a) the policies and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	7.1 Employee Rights and Benefits
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	7.1 Employee Rights and Benefits
	B4.2	Description of steps taken to eliminate such practices when discovered.	7.1 Employee Rights and Benefits
<b>B5 : Supply Chain Management</b>	General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.3 Supply Chain Management
	B5.1	Number of suppliers by geographical region.	5.3 Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	5.3 Supply Chain Management



## Appendix 2: Content Index of ESG Reporting Guide to the Listing Rules

Indicator		Related Chapter	
<b>B6 : Product Responsibility</b>	General Disclosure	Information on (a) the policies and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	6. Product Liability
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable, since the Group has not launched any product to the market.
	B6.2	Number of products and service related complaints received and how they are dealt with.	6.3 Communicate with Clinical Trial Participants
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.2 Protection of Intellectual Property Rights
	B6.4	Description of quality assurance process and recall procedures.	Not applicable, since the Group has not launched any product to the market
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	6.4 Safeguard the Privacy of Clients
<b>B7 : Anticorruption</b>	General Disclosure	Information on (a) the policies and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	5.1 Consolidation of Integrity and Compliance
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	5.1 Consolidation of Integrity and Compliance
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	5.1 Consolidation of Integrity and Compliance

## Appendix 2: Content Index of ESG Reporting Guide to the Listing Rules

Indicator			Related Chapter
<b>B8 : Community Investment</b>	General Disclosure	Policies on community engagement to understand the needs of communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	9.Fulfil Social Responsibility
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	9.Fulfil Social Responsibility
	B8.2	Resources contributed to the focus area.	9.Fulfil Social Responsibility

