ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

CONTENTS

ABOUT THE REPORT

1. Report description

This is the fifth Environmental, Social and Governance (ESG) report issued by TOT BIOPHARM (hereinafter referred to as the "Report"). The Report is ESG annual report, mainly presenting the performance of TOT BIOPHARM in responsible governance, product quality, innovative Research & Development (R&D), talent development, production safety, occupational health, environmental protection, supply chain management and giving back to society.

2. Basis of compilation

This Report is prepared in accordance with the requirements of the *Environmental, Social and Governance Reporting Guide* ("ESG Reporting Guide") as set out in Appendix C2 to the Rules Governing the Listing of Securities (hereinafter referred to as "Listing Rules") on The Stock Exchange of Hong Kong Limited (hereinafter referred to as "HKEX") and with reference to the Global Sustainable Development Standards Committee (GSSB) issued "*GRI Standards*" (2021 edition). The Report strictly follows the comply-or-explain principle required by the Environmental, Social and Governance Reporting Guide. The part on climate change was compiled in accordance with the recommendations of the Climate Information Disclosure on The Stock Exchange of Hong Kong Limited and the recommendations of the Task Force on Climate – related Financial Disclosures (TCFD).

3. Scope and boundary of the Report

Unless otherwise specified, the information contained herein covers the period from January 1, 2023 to December 31, 2023 (hereinafter referred to as "this year", or the "reporting period"), together with certain contents which contain information relating to prior years. The scope of the Report includes TOT BIOPHARM International Company Limited and its subsidiaries (hereinafter referred to as "the Group", "TOT BIOPHARM", "the Company" or "we").

4. Assurance on data sources and reliability

Data in the Report comes from the Group's internal materials, survey and interview records, and relevant documents. The monetary amounts involved in this Report are measured in RMB, unless otherwise specified. The board of directors (hereinafter referred to as the "Board", with its members known as the "directors") of the Group undertakes that the Report does not contain any false or misleading information and accepts liability for the truth, accuracy and completeness of the contents of this Report.

5. Confirmation and approval

The Report was approved by the Board on March 15, 2024 upon the confirmation by the Management.

6. Availability of and response to the Report

The Report is available in both Traditional Chinese and English. The electronic version of the Report is available on the Group's website, www.totbiopharm.cn or on the HKEX's website, www.hkexnews.hk. If there are any discrepancies between the two versions, the Chinese version shall prevail.

ENTERING TOT BIOPHARM

TOT BIOPHARM is dedicated to becoming the best, industry-leading and trusted biopharmaceutical partner for global clients. With extensive practical experience, mature technical platforms and a robust quality system, TOT BIOPHARM has developed diversified strategic partnerships with domestic and international pharmaceutical companies to provide one-stop CDMO solutions for drug development and manufacturing, which help customers to accelerate the development and manufacturing of biologics, especially antibody-drug conjugates (ADCs), empowering the achievement of high-quality development in the industry.

TOT BIOPHARM has established large-scale biopharmaceutical production bases in line with GMP specifications which are equipped with several complete upstream and downstream production lines, with a total manufacturing capacity exceeding 20,000L. The Company has established an integrated platform for antibody-drug conjugates (ADCs) with core R&D technological advantages, which can complete key production processes such as ADC antibodies/antibodies intermediates, substance and drug products to be completed in one place, reducing transfer costs and regulatory risks. Currently, TOT BIOPHARM has established a quality management system in line with commercial manufacturing, which has successfully supported the commercial production of several marketed products. TOT BIOPHARM has a mature, stable core team and good reputation for providing customers with excellent professional services.

1. Corporate culture

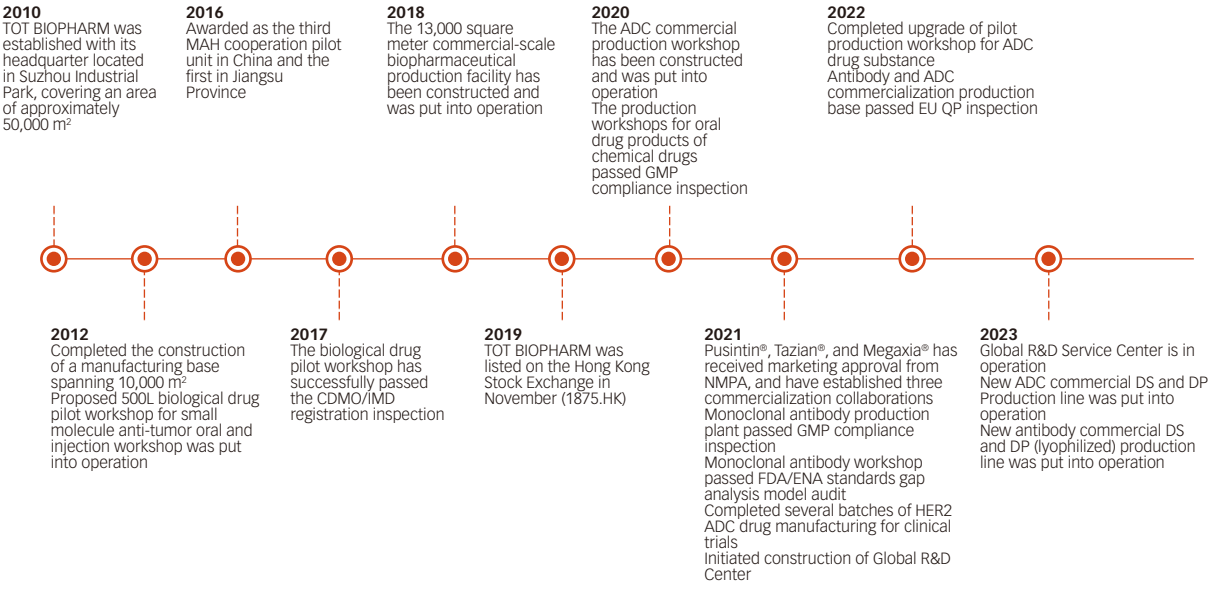
Vision: Empowering pharmaceutical innovation to improve the quality of life and safeguard human health

Mission: To be the best, industry-leading and customer-trusted partner in biopharmaceuticals

Core value: People-oriented, Innovative and Passionate, Professional and Efficient, Quality-oriented, Cooperation for Mutual Success

Slogan: Strive for Better Life

2. Milestones



3. Highlights in 2023

Highlights of TOT BIOPHARM 2023 Performance	
Improve Governance	• **0** case of corruption and embezzlement • **70** investor roadshows were conducted
Quality Operation	• **0** product recall • Obtained Information Security Management System Certification **(ISO 27001:2013)** • Obtained Intellectual Property Management System Certification **(GB/T29490-2013)** • Total number of patents/trademarks: **9**
Green development	• Greenhouse gas emission intensity decreased by **90%** compared to the base year • **100%** of wastewater and exhaust gas emission standards are met • Obtained energy management system certification **(ISO50001:2018)**
Absorb Talent	• Female employees accounted for **50.18%** of the total • The total number of hours of employee training is **11,003.06** hours
Make Progress Together	• Donated RMB**90,000** to Soochow University Education Development Foundation

4. Corporate honors

Award	Awarding unit
2023 Green Sustainability Contribution Award	Digital Central Network, Digital Central Public Welfare
High and New Technology Enterprise	Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province, Jiangsu Provincial Tax Service of State Taxation Administration
Jiangsu Province "Specialized and New" Small and Medium-sized Enterprises	Industry and Information Technology Department of Jiangsu
Jiangsu Province Quality Credit A Grade Enterprise	Jiangsu Market Supervision and Administration Bureau, Jiangsu Development & Reform commission
Top 10 CDMO Enterprises with Best Growth Potential	Healife Group Co., Ltd.
2023 China Pharmaceutical Listed Company ESG Competitiveness TOP20	E-pharm Manager
2022 "Outstanding Social Responsibility Unit" of Suzhou Industrial Park High Trade Zone	Communist Party of China Suzhou Industrial Park High-end Manufacturing and International Trade Zone Working Committee, Suzhou Industrial Park High-end Manufacturing and International Trade Zone Management Committee
2023 Transformation Pioneer Enterprise	Guru Club
The Second Batch of Growing Enterprises of Suzhou Intellectual Property Strong Enterprise Cultivation Project	Suzhou Market Supervision and Administration Bureau

I IMPROVE GOVERNANCE AND PURSUE LONG-TERM DEVELOPMENT FOR TOT BIOPHARM

A sound corporate governance system is the foundation for the efficient and good operation of an enterprise. TOT BIOPHARM strictly complies with the applicable laws and regulations of the countries and regions in which it operates and the regulatory requirements of the HKEX, and has established a sound corporate governance system to standardize business ethics, implement compliance management and reduce operational risks. We will continue to improve our governance capabilities to safeguard and protect the interests of our stakeholders.

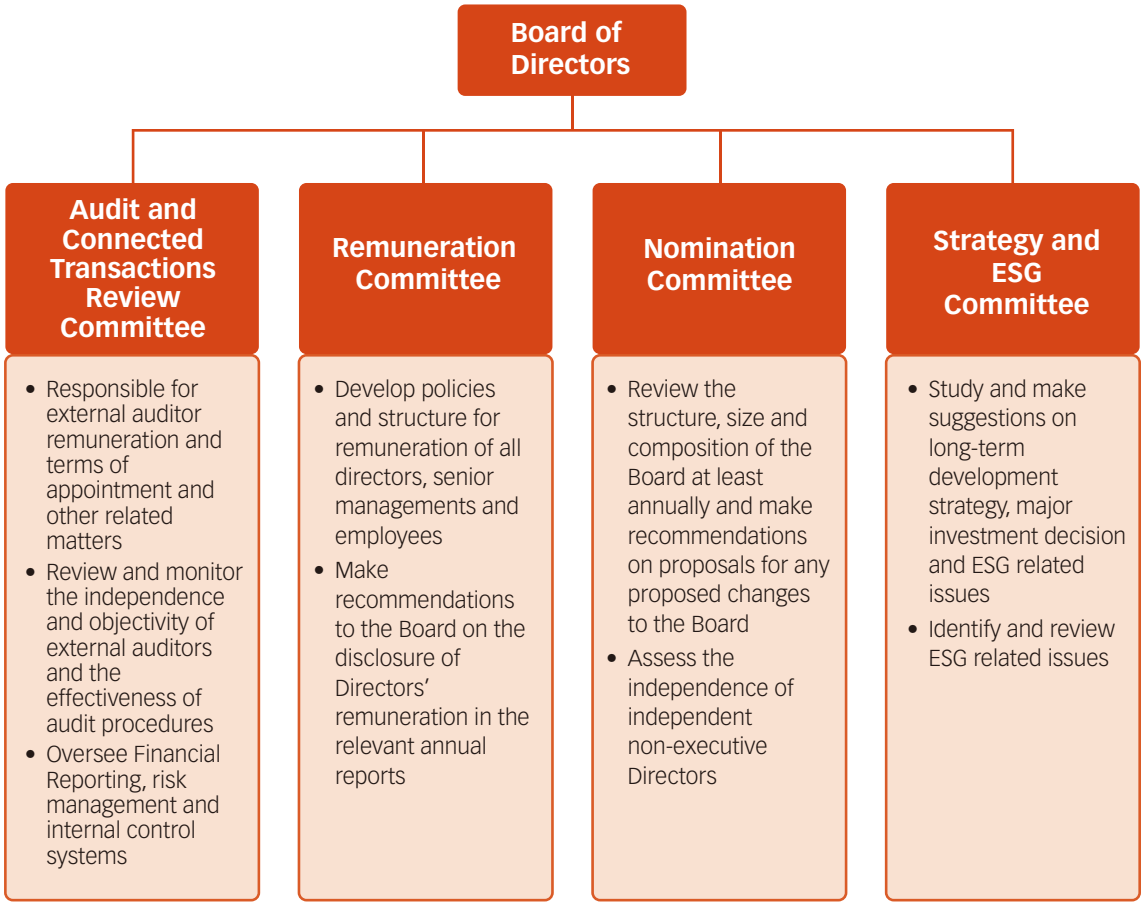
1. Corporate governance

a) Corporate governance structure

TOT BIOPHARM strictly complies with the laws and regulations such as *the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)* and regulatory requirements (the *Listing Rules of the HKEX* and the *Corporate Governance Code*), established a corporate governance structure consisting of the general meeting of shareholders, the Board and committees. The general meeting of shareholders is the highest decision-making body and the Board is responsible for decision-making and supervision of the daily business. Under the Board, there are four committees, the Audit and Connected Transactions Review Committee, the Remuneration Committee, the Nomination Committee, and the Strategy and ESG Committee, responsible for the management of specific aspects of the Company.

TOT BIOPHARM has formulated the *Corporate Governance Policy* to strictly implement the principle of diversity of board members. In the process of appointment, we fully consider the different strengths of the Directors in terms of skills, regional and industry experience, background, ethnicity, gender and other qualities, so as to balance the talents and experience of each Director and to enhance the effectiveness of the Board. As at the end of the reporting period, the Board of the Group consisted of one executive Director, three non-executive Directors and three independent non-executive Directors, totaling seven Directors, of which two are female board members, accounting for 28.6%. The Directors of the Group are highly educated talents from different majors such as bio-analytical chemistry, pharmacy, organic chemistry and business administration, etc. The professional knowledge and experience and skills of each Director complement each other to ensure scientific decision-making of the Board.

The specific responsibilities of the Board committees of TOT BIOPHARM are as follows:



b) Business ethics

(1) Standardize the system management

As a responsible pharmaceutical company, TOT BIOPHARM understands the importance of business ethics to the long-term development of the Company. We are committed to maintaining openness, transparency, honesty and integrity in our operations by building a rigorous business ethics system. We strictly abide by the relevant laws and regulations of the nation and the places where we operate, including but not be limited to the *Criminal Law of the People's Republic of China,* the *Anti-Monopoly Law of the People's Republic of China,* the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China* and the *Interim Provisions on the Prohibition of Commercial Bribery* and we are committed to eliminating all improper behaviors that violate business ethics.

By refining the *Code of Business Conduct*, TOT BIOPHARM has established the concept of fair and honest treatment of business partners and third parties. In addition, we have updated the 2023 version of the *TOT BIOPHARM Employee Handbook* to regulate the behavior of our employees in business dealings and to strengthen the capacity building of our employees in business ethics. Meanwhile, this year, we carried out a full training on *Trade Secret Protection and Information Security* to improve the awareness of our employees in the fight against unfair competition. We formulated and released the *Compliance Operation Manual*, which stipulates the operation code related to the healthcare professionals, healthcare institutions, and business partners, operation rules related to public officials, and management measures for the prevention of commercial bribery, etc. We strengthen integrity policies and establish good relationships with government officials, healthcare professionals, medical institutions, and upstream and downstream business partners. Externally, we actively urge our suppliers to sign the *Integrity Commitment* as a way to raise their awareness of business ethics. During the reporting period, TOT BIOPHARM did not have any record of litigation or concluded events involving corruption or job misappropriation cases.

TOT BIOPHARM has always maintained a good credit status and there has not been any major breach of trust. At the same time, TOT BIOPHARM has not received any form of criticism, warning or punishment. The good business ethics and reputation help the Company win trust and provide a guarantee for promoting the development of the enterprise.

(2) Management of whistleblowing

TOT BIOPHARM has established a sound whistleblowing management mechanism and formulated the *Whistle-blowing Policy*, which specifies the protection policy for whistle-blowers. We encourage employees, customers and suppliers and other stakeholders to report any misconduct, malpractice and irregularities within the Company by their real names. All reports will be carefully verified and corrective measures will be taken according to the situation.

Accusation channels:

- Report to direct supervisor, either orally or in writing
- Call the Audit and Connected Transactions Review Committee
- E-mail

Safeguards and support for whistle-blowers:

- All whistle-blowers who report truthfully and properly are not subject to unfair dismissal, persecution, or improper disciplinary action
- Our Group reserves the right to take appropriate action against any person who takes or threatens retaliation against a whistle-blower

c) Risk and compliance

(1) Risk management

TOT BIOPHARM attaches great importance to the risk management of the Company and has formulated the *Risk Management Policy* and the *Corporate Governance Policy*. Our *Risk Management Policy* specifies the risk governance structure, risk management procedures, and review frequency to identify, assess, handle, monitor and communicate key risks such as strategic risks, financial risks, operational risks, compliance risks, etc. The *Corporate Governance Policy* sets out the responsibilities of the Company's Board for the risk management system. The Board and the Audit and Connected Transactions Review Committee of the Company play a key role in the risk management system. They are responsible for formulating the overall objectives of the Company's comprehensive risk management, evaluating the nature and impact of significant risks, approving the corresponding risk response programs and supervising and evaluating the implementation of the Company's risk management. The Board conducts a comprehensive review of the Group's risk management and internal control systems at least once a year to ensure that they are aligned with the Company's strategic and risk management objectives.

In the risk management process, management is responsible for implementing risk management policies and procedures, identifying and assessing risks in a multi-dimensional manner, and taking effective measures to reduce operational risks. The internal audit department is responsible for assessing the effectiveness of enterprise risk management in an objective manner and making recommendations for improvement.

(2) Compliance management

TOT BIOPHARM fully recognizes the important role of compliance management in the sound operation of the Company. We formulated the *Compliance Operation Manual* and conducted compliance management and systematic assessment work in strict accordance with the *Compliance Operation Manual*. We have effectively controlled the anti-commercial bribery and anti-fraud areas in the pharmaceutical industry which are prone to frequent and high-risk violations.

In accordance with Part B7 of the *ESG Reporting Guide* of the HKEX, TOT BIOPHARM has implemented comprehensive compliance training with the aim of enhancing the awareness of all employees on legal and compliant operations and cultivating a deep compliance culture within the Company. Compliance training including anti-corruption was provided to our Directors on a regular basis, and training including but not limited to anti-corruption was provided to our employees through various channels to minimize corporate compliance risks. During the reporting period, we completed product-related compliance training in cooperation with a pharmaceutical promotion service provider and engaged a third-party consulting organization to conduct training on *Compliance System Construction under the Pharmaceutical Anti-Corruption Storm* for all employees and the Board, which further strengthened the Company's professional competence and systematization in compliance management.

In addition, we are actively pursuing compliance audits. In 2023, we completed audits of our pharmaceutical promotion service providers as well as a compliance audit of our contract sales organizations (CSO).

Case: Compliance System Construction under the Pharmaceutical Anti-Corruption Storm

In December 2023, the Group engaged a third-party consulting organization to conduct compliance training related to pharmaceutical anti-corruption for all employees and Directors in a combination of offline and online. The training covered the analysis of anti-corruption trends in the pharmaceutical industry, the analysis of actions and response observations of all relevant parties (including TOT BIOPHARM), the framework and elements of the compliance system construction of pharmaceutical companies, the prevention of compliance risks in key areas of pharmaceutical companies and the discussion of compliance risk management under the trend of digital transformation. The training enhanced the anti-corruption awareness of the Company's personnel and strengthened the internal compliance culture of the Company.

2. ESG management

a) Statement of the Board

(1) Management policy and strategy

The Board of TOT BIOPHARM insists on the implementation of the ESG development concept and continuously improves the management policy and strategy based on the actual situation of the Company's development, in order to further enhance the Company's ESG management level. The Board pays close attention to the development trend of ESG at home and abroad, actively refers to the ESG reporting standards of the same industry and at home and abroad in its daily ESG management work, comprehensively identifies and evaluates ESG materiality issues, and carries out active and effective communication with various stakeholders to respond to the needs of various stakeholders in a timely manner.

In 2023, we reviewed our ESG management efforts, further focusing on key topics such as product quality and safety, energy management, data privacy and information security, climate change response, customer service, and employee care. We carried out in-depth management in various aspects of quality management, information security management system and energy management system construction, strengthened and improved the related system construction.

(2) Target review

Focusing on the concept of sustainable development and the Company's strategic direction, TOT BIOPHARM has set performance targets in various aspects such as emissions, energy and resource use and greenhouse gas emissions with reference to the *ESG Reporting Guide* of the HKEX. The Strategy and ESG Committee is responsible for reviewing the progress of achieving the Company's environmental, social and governance objectives on a regular basis.

During the reporting period, in order to further review the results of ESG management enhancement and publicize the Company's ESG culture, the Board selected and awarded the environmental, social and governance highlight cases collected at the end of 2022. Meanwhile, we reviewed the achievement of our environmental key performance objectives for 2023, and the Group's environmental key performance objectives for 2023 were well achieved. We set environmental KPIs for 2024 based on our business operations. The progress of achieving the environmental key performance targets for 2023 and the specific details of the environmental key performance targets for 2024 can be found in the section "*Environmental management system*" of this Report.

b) ESG management framework

A sound ESG governance system is the foundation for a company to fulfill its environmental and social responsibilities externally and to achieve sustainable operations internally. TOT BIOPHARM integrates the concept of sustainable development into its corporate strategy and management, creating long-term value for the society and promoting the synergy and sustainable development of the industrial value chain.

In order to ensure the realization of ESG objectives, TOT BIOPHARM has established a comprehensive ESG governance structure. The Board takes the lead in the ESG work of the Group and is responsible for determining the strategic direction of ESG, supervising the ESG work and assessing ESG-related risks on a regular basis. The Strategy and ESG Committee under the Board is responsible for the study of the Company's long-term development strategy and ESG-related issues, reviewing ESG matters on a regular basis and reporting to the Board on the performance of related work.

Under the guidance of the Strategy and ESG Committee, the ESG working team has been set up, which is responsible for the overall promotion and implementation of ESG related work. The management of this working team consists of the CEO, executive Directors and other executives. The CEO and executive Director of the Company acts as the head of the ESG working team and designates the company secretary to promote and supervise the relevant work. The company secretary is responsible for liaising with the Strategy and ESG Committee on a day-to-day basis and organizing meetings, as well as assisting the chairman of the Strategy and ESG Committee in supervising the implementation of ESG-related strategies. Other members of the working team include professionals from the operations, finance, legal, human resources and research and development departments to fully implement ESG-related work.

ESG governance structure of TOT BIOPHARM

c) Stakeholder communication

Based on its business characteristics, TOT BIOPHARM identified the Company's stakeholder groups, including shareholders and investors, government and regulatory agencies, employees, community and non-governmental organizations, media and the public, suppliers, partners, and customers.

TOT BIOPHARM attaches great importance to maintaining continuous and effective communication with internal and external stakeholders. We communicate with our stakeholders in a timely manner through the establishment of regular and effective communication channels, actively respond to the needs of our stakeholders and maintain a close relationship. Meanwhile, in order to ensure that all stakeholders have fair and timely access to the latest information of the Company, we regularly publish and update corporate announcements, financial reports and other materials on our official website and other platforms.

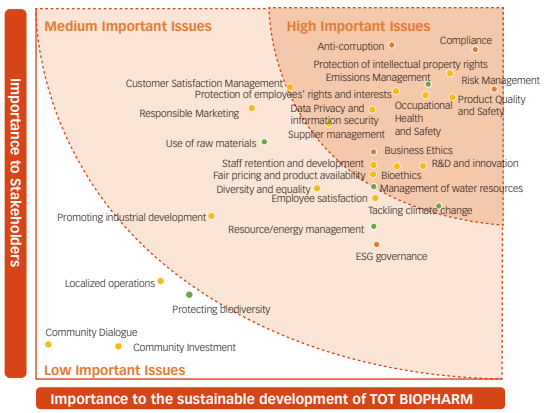
The issues of concern to our stakeholders and the channels of communication are set out below:

Stakeholders	Concerns	Communication Channels
Shareholders and investors	• Board involvement in ESG management • Abide by business ethics • Operational risk management • Industry trends • Technology and innovation	• Shareholders' meeting • Shareholders' visits • Performance briefing • Roadshows • Investor research activities • Investor hotline • Company announcement • WeChat official account
Government and regulators	• Abide by business ethics • Operational risk management • Energy and greenhouse gas management • Waste management • Management of the use of water resources	• Press Releases/information announcements • Regular communication • On-site visits
Employees	• Diversity and integration of staff • Employee health and safety • Employee training and development • Employment policy • Employee compensation and benefits	• Suggestion box and trade union channels • Team building activities • Employee satisfaction surveys
Community/non-governmental organization	• Charitable and community contributions • Emissions management • Energy and greenhouse gas management	• Carrying out public welfare activities • Regular visits • Undertake activities to reduce emissions
Media and public	• Timely release and transparency of information • Product quality • News coverage	• Timely release of information through the Group's official website and its WeChat official account • Pay attention to the needs of doctors and patients
Suppliers	• Abide by business ethics • ESG management of suppliers • Fair and transparent procurement	• On-site assessment • Supplier evaluation • Supplier audits • Improving the management of bidding and procurement
Partners	• Product quality control • Protection of intellectual property rights • Innovative research and development	• Technical meetings • Online communication • Industry communication conferences
Customers	• Product quality control • Protection of customer privacy • Marketing and branding	• Customer satisfaction investigation • Handling of customer complaints • Brand promotion • Label management

TOT BIOPHARM relies on the well-established information disclosure mechanism and communication channels to convey information to shareholders and investors in a timely and comprehensive manner. During the reporting period, the Company actively organized a number of activities, including roadshows and investor open days, in order to strengthen the communication with the capital market and investors, and convey the latest business progress and strategic development direction of the Company. During the year, we conducted a total of 70 investor roadshows with approximately 500 participants.

d) Analysis of material issues

Based on the actual situation of TOT BIOPHARM's operation, TOT BIOPHARM has identified 29 key issues in accordance with the *ESG Reporting Guide* of the HKEX, and with reference to the international sustainable development standards and ESG issues in the industry. The Company has adopted the matrix analysis method to evaluate these issues in depth based on the two dimensions of "Importance to Stakeholders" and "Importance to the Sustainable Development of TOT BIOPHARM", in order to clarify their priority and importance. This approach ensures that the Company meets the expectations of its stakeholders while effectively advancing its own sustainability goals.



- **High Important Issues:**

Compliance
Risk Management
Emissions management
Protection of employees' rights and interests
Data Privacy and information security
Business Ethics
Bioethics
Management of water resources
Anti-corruption
Protection of intellectual property rights
Product Quality and Safety
Occupational Health and Safety
Customer Satisfaction Management
Supplier management
Staff retention and development
R&D and innovation
Fair pricing and product availability
Tackling climate change

- **Medium Important Issues:**

Responsible Marketing
Diversity and equality
Resource/energy management
Promoting industrial development
Use of raw materials
Employee satisfaction
ESG governance

- **Low Important Issues:**

Localized Operations
Community Dialogue
Protecting biodiversity
Community Investment

Note: The issues marked in green, yellow and orange represent the identified issues of environmental, social and corporate governance importance, respectively.

II ACHIEVE QUALITY OPERATION AND EXCELLENCE FOR TOT BIOPHARM

Along with its own development and changes in the environment, TOT BIOPHARM continues to pursue excellence in quality, optimize and earnestly practice the core values. We continue to improve and enhance the quality management system, cultivate the quality culture atmosphere, strictly control product quality and safety, improve customer service, strengthen scientific and technological innovation, and endeavor to provide more patients and customers with better, more convenient and safer products and services.

1. Product liability

TOT BIOPHARM strictly abides by the *Drug Administration Law of the People's Republic of China,* the *Good Manufacture Practice of Medical Products*, the *Measures for the Administration of Drug Registration*, the *Good Pharmacovigilance Practice* and other relevant laws and regulations, adheres to the core values of "professionalism and efficiency, quality first", continuously strengthens the quality management, strictly controls the product quality, deepens the construction of the internal quality culture, comprehensively ensures the product quality, and protects patients' safety.

a) Improve quality management

(1) Quality management system

TOT BIOPHARM attaches importance to quality management, and constantly standardizes the construction and improvement of quality management system to ensure compliance and product production quality and improve the safety of patients' medication. The Group has established a quality management system that has been audited and approved by the drug regulatory authorities in accordance with the requirements of NMPA, FDA and EMA regulations and guidelines, as well as the ICH Q8-Q10 drug quality system life cycle management.

In 2023, we further strengthened the system construction and revised the *Standard Operating Procedures for Classification and Numbering Management of Quality Management System Documents* to unify the classification and numbering rules of the entire quality management system documents, and to strengthen the unity, uniqueness, stability and traceability of the internal documents related to quality management system. At the same time, we revised 570 QMS-related documents and newly built 230 QMS-related documents according to CDMO's business needs and clients' audit requirements, involving a number of documents such as *Quality Risk Management*, *Standard Operating Procedures for Classification and Numbering of Quality Management System Documents*, *Standard Operating Procedures for Personnel Training Management*, *Standard Operating Procedures for Records Management*, and so on.

(2) Quality risk management

TOT BIOPHARM has developed a management system of *Quality Risk Management* and established a sound quality risk management program to identify and evaluate the risks in the production and quality management process within the scope of the Company. We manage and control the degree of impact on product quality and GMP compliance based on risk management methodology, and minimize the adverse consequences that may result from the risks to an acceptable level.

We implement quality risk management throughout the entire life cycle from product development to commercialization, such as applying it to the processes of drug development, production, inspection, and sales, and throughout the management activities of auxiliary materials, raw materials, reagents, packaging, and labeling related to drug substance and finished drug products.

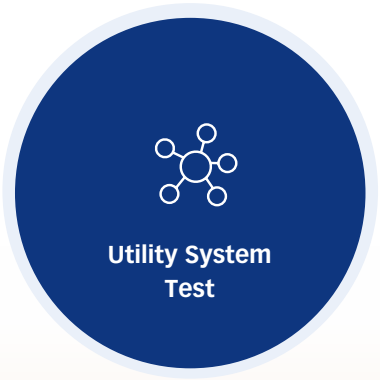
In the quality risk management process, we use a prospective or retrospective approach to identify, assess, control, communicate and review product quality risks. Quality risk management usually consists of three phases: risk assessment, risk control, and risk review, with risk communication at the appropriate stage and decision making based on the output of the risk assessment.

(3) *Quality guarantee*

In order to ensure product quality, TOT BIOPHARM optimizes the construction of internal management system, establishes Quality Assurance Department (QA), including QA Compliance Department, QA Field Department, QA Verification Department and Quality Control Department (QC), and formulates relevant documents such as *Standard Operating Procedures for Process Control Management in QA Field, Standard Operating Procedures for Release of Products*, *Standard Operating Procedures for Release of Materials* and so on. In the process of product quality related data management, we carry out electronic systematic management and regular backup to ensure the integrity, authenticity and traceability of the data. During the implementation of quality assurance work, we strictly implement quality control procedures and carry out full life cycle management of product quality.

Adhering to the concept that the quality of drugs is manufactured, TOT BIOPHARM emphasizes that the production staff is the first person responsible for the production process of drugs, and that the quality of drugs is well controlled in every step of the production process. At the same time, before and after the production of the product, the quality department to do a comprehensive quality control, the implementation of pre-production quality control, quality control of the production process and product quality control. The specific implementation principles are as follows:

- ✓ **Pre-production Quality Control:** QC system supports GMP pre-production quality control, to ensure that the raw materials and excipients, analytical methods, production environment, water and process gas used throughout the production meet the requirements.
- ✓ **Production Process Quality Control:** QC system supports GMP production monitoring, continuously monitoring the production environment, water system, process gases, and monitoring the progress of intermediate process, to ensure product quality.
- ✓ **Product Quality Control:** The QC team supports production product release testing and sample stability studies to ensure that product quality meets the specification. It also continuously monitors product stability.



Continuous monitoring of utility systems, such as the environment, is carried out throughout the production process.

Supports the control of intermediates during the production process, including intermediate compounds and intermediate solutions.

In addition, TOT BIOPHARM covers the entire product life cycle with quality management system, which is carried out in the stages of drug development, technology transfer, commercial production and product iteration. We have introduced a high level of pharmaceutical quality management system for our customers from the clinical stage, and strictly carry out quality management in the whole life cycle of product design, process development, technology transfer, validation, production and inspection to reduce the risk of product quality. We have gone through many on-site inspections and GMP compliance checks by the drug regulatory authorities, as well as reviews by our clients and third-party consulting organizations. In 2023, we carried out quality assurance work in conjunction with the CDMO business, successfully conducted 18 external audits, and passed the QP inspection of the European Union.

Quality monitoring inspections that we received and passed in 2023:

In January 2023, we accepted the daily supervision and inspection by Suzhou Inspection Branch of Jiangsu Province Drug Administration and passed the inspection successfully.

In September 2023, we received a GMP certification inspection from the Egyptian Ministry of Health and passed the inspection successfully.

In November 2023, we accepted the unannounced inspection by Suzhou Inspection Branch of Jiangsu Province Drug Administration and passed the inspection successfully.

b) Cultivate great quality culture

TOT BIOPHARM insists on the implementation of quality policy, and continuously strengthens the construction of quality culture to improve the quality management ability and quality risk awareness of the staff. Through staff motivation and quality culture propagation, we enhance the quality culture identity of each employee and spread the quality professional knowledge, which provides an important guarantee for the quality of medicines.

Quality guidelines:

Quality First, Continuous Improvement, Providing Customers with High Quality Products and Services.

In 2023, we implemented our internal quality award system and established the "Implementation Rules of TOT BIOPHARM Quality Award", which stipulates that we organize and carry out the selection in the fourth quarter of each year to select the quality award cases from each department of the Company. In addition, we organized and carried out training activities as required, including but not limited to training activities on GMP related knowledge and external audit inspection, to ensure that the employees on duty are familiar with the GMP related knowledge and the standard operation common in the internal quality management system.

c) Product safety management

(1) Drug registration management

TOT BIOPHARM has established a robust drug registration management system and set up a registration department, which is responsible for drug declaration and registration related work. Currently, our monoclonal antibody drug production workshop and chemical oral preparation production workshop have passed the national drug registration and production site verification and GMP compliance inspection, and we have completed a number of domestic and foreign registration and declaration projects, including China-US Investigational New Drug declaration, ANDA/NDA declaration, etc., and we have a wealth of practical experience in the registration and declaration of products on the market. We can provide customers with a full range of regulatory support services during the entire life cycle of product development, marketing and post-marketing management, including regulatory strategy consulting, registration strategy/reporting program development, project reporting risk assessment, pharmacy-related reporting data and non-clinical data writing services.

TOT BIOPHARM strictly abides by the *Drug Administration Law of the People's Republic of China* and *Measures for the Administration of Drug Registration* and other management systems, and constantly strengthens the standardization of internal management. In 2023, we have added 2 new standard management procedures and 3 new standard operation procedures, which are related to the *Standard Management Procedures for Annual Report of Drugs*, the *Standard Management Procedures for Product Specification and Labeling*, the *Standard Operation Procedures for Drug Registration and Inspection*, the *Standard Operation Procedures for Importation of Drugs Produced Abroad*, the *Standard Operating Procedures for Chemical Generic Reference Preparation Selection Application*.

We focus on the improvement of our own drug registration and data review ability, pay close attention to the domestic and international regulations and registration and declaration policy changes, actively participate in and purposefully organize our team members to participate in industry conferences and trainings. In 2023, we participated in 24 offline industry conferences and trainings, such as "Management Technical Guidance Training for Change in Biological Products", "Drug Standard Management Approach Publicizing Training", "ADC Product Registration Review and Production Management Policy Seminar", "China-US Dual Reporting and International Multi-Center Clinical Training" and other activities. We participated in about 22 online trainings organized by the Drug Administration, including "FDA IND application strategy & implementation", "Drug registration acceptance, basic requirements and common problems", "ADC drug IND declaration process and case study", "Drug Registration Verification and Inspection" and so on. Our Company has organized more than 10 times of domestic and foreign policy interpretation, standard operation process explanation and system publicity activities related to drug registration, through the study, the relevant staff master the drug registration declaration process, drug registration and inspection standard operation process, drug standard management and other important knowledge in time.

In 2023, TOT BIOPHARM declared projects mainly involving TAB008, TAB014, TOZ309, TOM218 and other products. Among them, TAB008 overseas registration project has been successfully submitted to and was accepted by 13 countries for registration/GMP application, with 9 new countries added in the current year. The TAB014 domestic project has signed an agreement with Zhaoke Ophthalmology Limited, and is in the phase III clinical development. The TAB014 international project IND maintenance is in the progress for submission of the related DSUR (Development Safety Update Report) etc. The TAB008, TOZ309 and TOM218 have been marketed and sold in China, and supplemental applications, filings and annual reports are submitted as usual.

(2) Pharmacovigilance

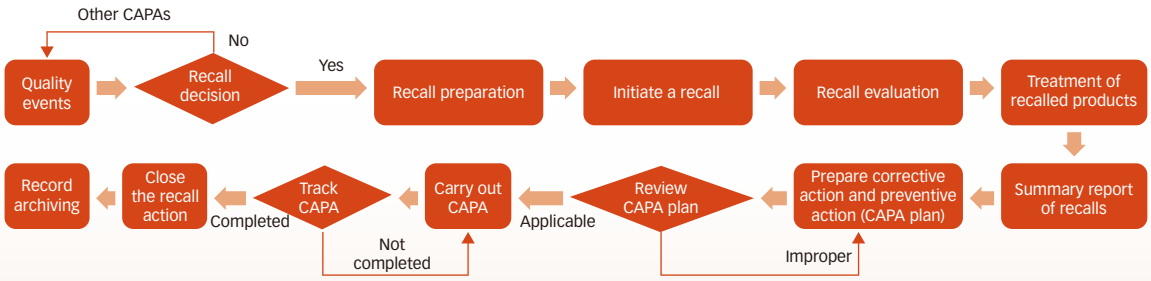
TOT BIOPHARM attaches importance to the safety of patients' medication and has set up a dedicated pharmacovigilance department to take charge of the pharmacovigilance activities of the medicines held by the Company, including but not limited to the collection, processing and analysis of drug safety events, signal detection of medicines, risk management and other tasks, to safeguard the safety of patients in the whole life cycle of medicines. By setting up and constructing a comprehensive pharmacovigilance system, the Group continuously monitors and manages the risks of the medicines in its possession to further safeguard patient safety.

TOT BIOPHARM takes multiple measures to minimize the potential safety risks of our products. We have established multiple channels to actively track and collect safety information of medicines, including but not limited to our official website, WeChat platform, hotlines and emails, academic literature, marketing programs and other channels, and to pay attention to, analyze and dig out the possible risks of medicines from the safety events that occur after patients' use of medicines. The Group uses internationally recognized drug safety databases to record product safety information and conducts continuous risk monitoring. When there are new risks or changes in existing risks, the Group will take risk control measures in a timely manner, including but not limited to revising drug specifications, carrying out communication and education of medical staff and patients, suspending drug production and sales, and conducting recalls. In addition, TOT BIOPHARM has set up a drug safety committee to be responsible for the research and decision-making of major drug risks, to ensure that when a major drug risk occurs, we can quickly and effectively take appropriate risk control measures to minimize the harm caused by the drug.

Product safety risk control initiatives:
Establishing multiple channels to collect drug safety information;
Use of internationally recognized drug safety databases to document product safety information;
Continuous monitoring of drug product risks;
Establishment of drug safety committees.

(3) Drug recalling

In order to strengthen the supervision of the quality of medicines, we have revised the *Standard Operating Procedures for Drug Recall* and improved the product recall process, so that problematic medicines can be recalled in a timely manner when there is a safety concern about the medicines to ensure the safety of medicines used by the public. The Group conducts product recall simulations every year. In 2023, there were no product recall incidents of the Group's marketed products.



SOP for drugs recalling

2. Customer service

a) "One-stop, one-base" ADC CDMO service

Based on the rare and proven R&D and industrialization platform integrating antibody and antibody-drug conjugate (ADC), TOT BIOPHARM with the advantages of advanced coupling core technology and ADC analysis technology, as well as high-standard quality management system and commercialization ability to meet the GMP standard, provides partners with one-stop CDMO solutions and single-site preparation of drug substances/drug products from R&D, process development, clinical trial and registration filing to commercial production, and becomes the best strategic partner in the field of ADC drug discovery and development.

We always bear in mind our mission of becoming the industry-leading and customer-trusted best partner in biopharmaceuticals, and adhere to the core values of "people-oriented, innovative & passionate, professional & efficient, and quality-oriented, and cooperation for mutual success". We are committed to providing reliable CDMO solutions with excellent quality and professional services, and realizing the vision of "empowering pharmaceutical innovation to improve the quality of life and safeguard human health".

In order to meet customer demand, the Company has built ADC original liquid production line and ADC aseptic preparation production line. In 2023, TOT BIOPHARM continued to expand the Company's production capacity. The ADC original liquid annual production capacity of 600 kg provided sufficient production security to customers.

Case: TOT BIOPHARM Continues to Expand Company's Production Capacity

On August 4, 2023, the second high-specification ADC formulation plant of TOT BIOPHARM has completed the initial 3 batches of 10,000 vials level culture medium simulation filling and all of them were qualified, which shows the formulation line has the production capacity of finished products. The filling linkage line is equipped with SYNTEGON brand equipment, which is specially used for ADC production and can support light-proof filling, with the fastest running speed up to 200 bottles/minute, and the largest batch up to 50,000 bottles/batch, equipped with OEB-5 level isolator to guarantee the aseptic production and personnel safety, and equipped with two 20 m^2 Republican brand lyophilizers. The filling linkage line can fully satisfy the demand of lyophilized preparations production. Subsequently, the ADC formulation production line was used in the technology transfer batch production task, and the filling and freeze-drying production of the first project was completed efficiently and with high quality. It has now been delivered on time.

In addition, two new ADC drug substance workshops (toxicity coupling workshop/non-toxicity coupling workshop) with a maximum coupling size of 500L, which meet the requirements of Chinese, American and European regulations, have also been completed and put into production. At the same time, in order to meet the demand of antibody production, TOT BIOPHARM has also completed the introduction of an Italian Steriline isolator filling linkage line dedicated to antibody liquid/lyophilized production to continually expand the Company's production capacity.

At present, TOT BIOPHARM's biopharmaceutical CDMO transformation and growth has gained more social recognition, and the performance shows accelerated growth. Our Group's operating revenue has increased from over RMB22 million in 2020 to RMB780 million in 2023. The operating revenue in 2023 is 35 times that of 2020. And the operating revenue in 2023 has increased by 77% year-on-year compared to 2022. The Company's cash flow generation ability continues to increase, and net cash flow from operating activities continues to be positive.

Case: TOT BIOPHARM Won the "Transformation Pioneer Enterprise of The Year" and Strives to Be China's TOP CDMO Enterprise

Facing the pressure and challenges of the structural adjustment of the pharmaceutical industry and the economic situation, TOT BIOPHARM announced the full transformation of biopharmaceutical CDMO as early as 2020. With more than ten years of new drug R&D and the first-mover advantage of the antibody-drug conjugate (ADC) track, it has leaped to become one of the most influential biopharmaceutical CDMO enterprises in China in just three years, especially in the field of ADC, which has become a leading company in China.

At present, TOT BIOPHARM ushered in a period of accelerated performance fulfillment, and successfully achieved performance growth against the trend. On December 21, "the eighth 'Golden Grid Award' annual excellent company" award ceremony sponsored by the Guru Club was held. TOT BIOPHARM won the "Transformation Pioneer Enterprise of the Year" award by virtue of its successful strategic transformation and accelerated realization of excellent performance. TOT BIOPHARM was widely recognized and trusted by all parties in the market.

Case: TOT BIOPHARM was Honored as one of the "Top 10 CDMO Enterprises with Best Growth Potential" in China BIO-PHARM Partnering Forum

In 2023, the 9th China BIO-PHARM Partnering Forum (BIO-PHARM2023) & 2023 China BIO-PHARM Partnering Forum were successfully held in Suzhou. In continuation of the 2022 China Biomedical Industry Value List released last year, this conference was organized by Healife Group Co., Ltd. in collaboration with HaYi Research to select and excavate innovative companies in the biomedical field that truly have industry influence and growth potential. In "2023 China Biomedical Industry Value List – Top 10 CDMO Companies with Best Growth Potential", TOT BIOPHARM was honored to be on the list.

Relying on the advantages of R&D and production, and adhering to the service concept of "quality, innovation and growth", TOT BIOPHARM has carried out diversified strategic cooperation with domestic and foreign pharmaceutical companies to accelerate the development and production of chemical and biological drugs, especially ADC drugs, and to empower its partners for the benefit of the majority of patients.

Case: TOT BIOPHARM and BioRay Reached All-Round CDMO Strategic Cooperation

On May 19, 2023, TOT BIOPHARM entered into a strategic cooperation with BioRay Pharmaceutical Co., Ltd. (hereinafter referred to as BioRay). TOT BIOPHARM will serve as a CDMO partner to provide one-stop CDMO services for multiple ADC research and development projects for BioRay, covering ADC drug development, process development, analytical method development, conjugated drug formulation development, as well as clinical and commercial production.

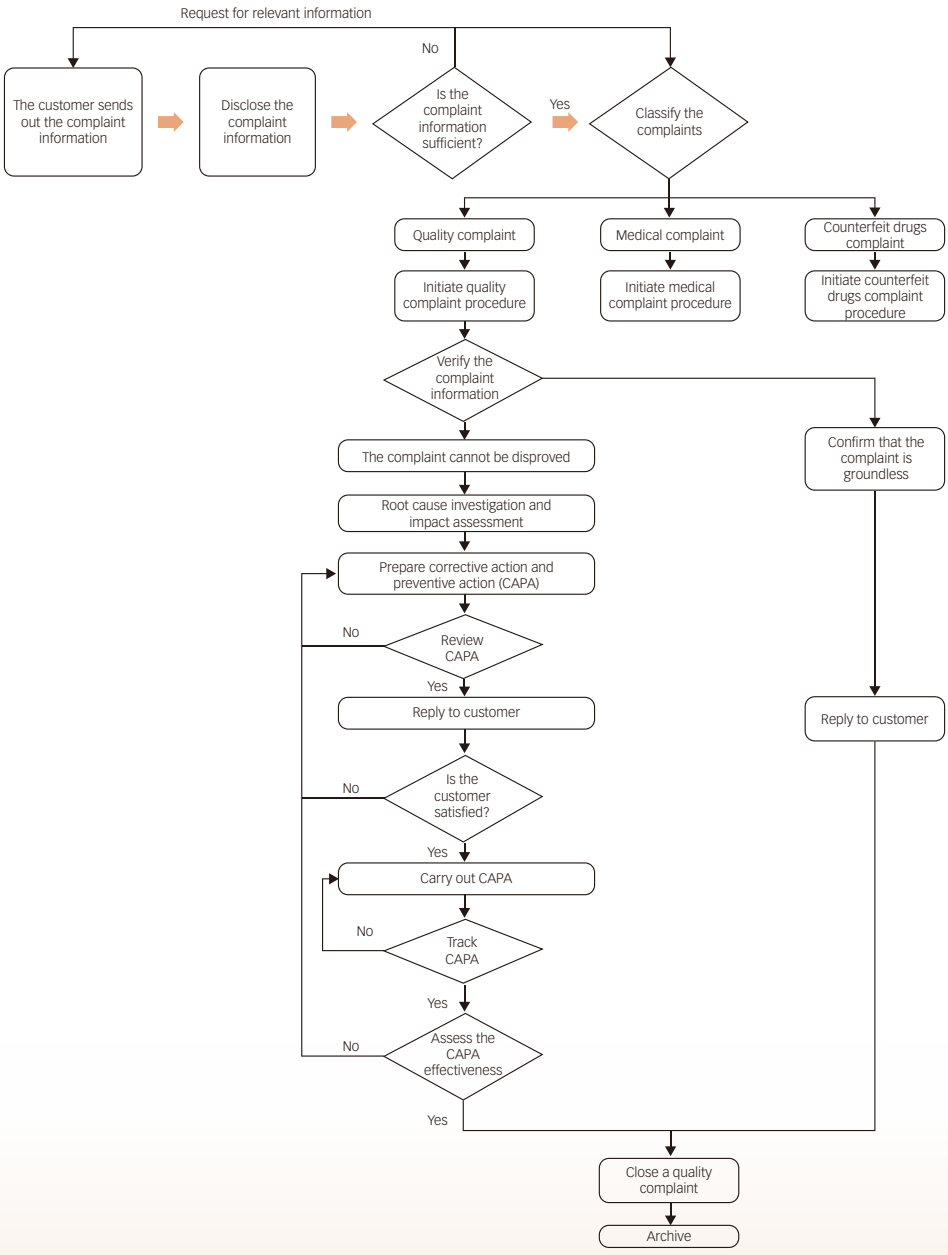
Case: TOT BIOPHARM and Escugen Biotechnology Entered into a Long-Term Strategic Collaboration to Strongly Promote the Development and Commercialization of ADC Drugs

On April 25, 2023, TOT BIOPHARM and Shanghai Escugen Biotechnology Co., Ltd. (Escugen Biotechnology) entered into an in-depth strategic cooperation on the research and development and production of antibody-drug conjugate (ADC) from the late clinical stage to the commercialization stage. Both parties have entered into a long-term strategic cooperation, and will make full use of their respective advantages and resources to realize win-win cooperation in the field of ADC.

TOT BIOPHARM will fully assist Escugen Biotechnology in Chinese/US/European key clinical approvals, process characterization and process validation (PC/PV), marketing filing, and commercial production supply of ADC program.

b) Dealing with complaints

TOT BIOPHARM continuously improves the customer complaint handling system and makes every effort to protect the rights and interests of our customers. In 2023, we revised our *Standard Operating Procedures for Drug Complaint Handling* to stipulate and improve the procedures for registration, evaluation, investigation and handling of complaints, as well as the measures to be taken in the event of a complaint due to possible product defects. In addition, we categorize complaint incidents into medical complaints, quality complaints and complaints about suspected counterfeit medicines according to the nature of the complained incident to ensure that all complaints relating to product quality have been investigated and handled in a timely and proper manner. During the reporting period, we did not receive any significant customer complaints.



Customer complaint handling process

c) *Product traceability*

TOT BIOPHARM strictly abides by the *Drug Administration Law of the People's Republic of China*, the *Provisions for Drug Insert Sheets and Labels* and other laws and regulations, and has formulated the *Standard Operating Procedures for the Management of Drug Traceability Platform*, the *Standard Operating Procedures for the Client Side of the Code*, the *Standard Operating Procedures for the Production Side of the Assignment System*, the *Standard Operating Procedures for the Management of Finished Products* and other systematic documents, so that we can do a good job in the work of product traceability. The Group has established a traceability management system for the entire chain of our listed pharmaceutical products from production to dispatch with the direction of "one code for one product and one code for one traceability". We have set up an electronic traceability code system for pharmaceuticals, which is used for the electronic traceability of the commercialized products of the enterprise, and involves not only the management of the production process of the enterprise, but also the logistics management of the enterprise, so as to ensure that the information of the whole process is true, accurate, complete and traceable.

3. Data security and privacy protection

TOT BIOPHARM focuses on data security and privacy protection, strictly observes the *Personal Information Protection Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China* and other laws and regulations. The Company continuously improves the level of information security management, strengthens the construction of the information security management system, raises the staff's awareness and consciousness of information security, protects the privacy of customers in an all rounded manner with multiple initiatives, and actively implements the responsibility of guaranteeing the information security. During the reporting period, we did not have any incident of customer privacy leakage.

For a long time, we have established a comprehensive information security management system by continuously strengthening the protection of our internal data, improving our information security policies and operating procedures, and enhancing the information security awareness of our employees. In 2023, we passed the certification of our information security management system (ISO 27001:2013), which further demonstrated our important commitment to properly and effectively protecting sensitive information and data of customers and partners.

During the reporting period, we completed the first phase of the data leakage prevention project, the first phase of the virtual cloud desktop construction, the network of the Company's premises, the security infrastructure construction, and the construction of the R&D building's weak current, which realized the reduction of data leakage and the enhancement of data security by means of data classification, data encryption and authority management. In addition, we hold the annual information security awareness week to raise employees' knowledge and awareness of information security.

Information security protection measures	
First phase of the data leakage prevention project	Protect data from unauthorized access or risk of disclosure by implementing measures such as data classification, encryption, and access control.
First phase of the virtual cloud desktop construction	Data and applications are centrally stored in the data center and accessed only through virtual connections, which reduces the storage and transmission of data on terminal devices and lowers the risk of data leakage; it also realizes remote management of terminal devices and unified application of security policies to improve security.
Network of the Company's premises and security infrastructure construction	Strengthen the protection of network systems and data, improve defense capabilities, and reduce the risk of hacking or data leakage.
Construction of the R&D building's weak current	Provide strong network and security measures to safeguard the secure transmission and storage of sensitive information and reduce the risk of data leakage and hacker attacks.

Case: The Organization of Information Security Awareness Week

In 2023, we successfully organized the Information Security Awareness Week 2023 with full participation of all staff, aiming to help employees enhance their awareness of information security and strengthen their ability to recognize information security incidents. During the week-long event, by holding a series of exciting lectures, including basic knowledge of information security and personal and corporate data protection strategies, as well as conducting comprehensive information security knowledge tests and practical exercises on phishing emails, we have effectively enhanced the information security literacy of all employees.

To respond to data and privacy leakage incidents, we have established a comprehensive emergency management mechanism. At the level of team building, we chose to form a cross-departmental team involving information security experts, legal experts, information technology support and other relevant personnel. At the level of system building, we formulated an emergency response plan to clarify the response process, including initial assessment, investigation, repair, notification to all parties, and reviewing and taking preventive measures, etc., and we update the emergency response plan on a regular basis in order to maintain its effectiveness.

Data leakage response process

During the reporting period, we complied with relevant laws and regulations and took various measures at the institutional, technical and management levels to safeguard customer privacy.

Institutional measures:

- Create and publish a privacy policy that clarifies the way the Company collects, uses, stores and shares customer data.
- Regularly review and ensure that the Company's operations comply with data protection legislation.
- Ensure data protection agreements are in place before sharing data with third parties in order to protect data security and compliance.
- Obtain customers' explicit consent to the processing of their personal information and provide a clear opt-out option.
- Clearly explain to customers how their data will be collected and used and inform them of their rights.

Technical measures:

- Use strong encryption standards to secure data during storage and transmission.
- Implement a role-based permission system to ensure that only authorized personnel can access sensitive data.
- Install firewalls, intrusion detection systems, and anti-virus software to protect network security.
- Remove or anonymize personally identifiable information when processing or analyzing data to reduce the risk of compromise.
- Implement a data backup and disaster recovery plan to ensure data integrity and availability.

Management measures:

- Regularly train and raise awareness of employees on data protection and privacy and security.
- Implement regular privacy and security audits to identify and correct improper data processing activities in a timely manner.
- Develop and rehearse response plans for data breaches and other security incidents to minimize the impact of incidents on customer privacy.

4. Technology management and innovation

a) Technical innovation

TOT BIOPHARM upholds the vision of "empowering pharmaceutical innovation to improve the quality of life and safeguard human health", practices the core values of "innovation and passion", constructs a sound R&D system, builds a high-level R&D innovation platform, continuously enhances technological innovation capabilities, and safeguards the CDMO business.

Case: Global Research and Development Service Center Completed

On October 19, 2023, the completion ceremony of TOT BIOPHARM's Global Research and Development Service Center came to a successful conclusion. The Global Research and Development Service Center has integrated the Company's scientific research resources and gathered outstanding talents in the industry, which will be used to further strengthen the Company's CDMO business capabilities in technology research, process development, quality research, etc., consolidate the comprehensive drug development and production layout, and provide a more solid guarantee for the expansion of CDMO business.

Case: Technology Innovation in Progress – TAC020 (Innovation Targets)

TAC020 is a fully human monoclonal antibody that specifically binds to human LILRB1/LILRB2 and efficiently blocks the interaction between LILRB1/LILRB2 and multiple ligand molecules. By blocking LILRB1/LILRB2-mediated inhibitory signaling, TAC020 reprograms the immune suppressive myeloid cells to pro-inflammatory, leading to activation of the T cells. Studies have shown that TAC020 displays great potential in lifting immunosuppressive tumor microenvironment and promoting anti-tumor immunity.

As at the end of the reporting period, we have identified TAC020 candidate molecules, completed the efficacy and preliminary safety evaluation of the TAC020 program as well as the pre-IND process development. Next, we are about to initiate the GLP toxicology study.

Case: TOT BIOPHARM and GlycanLink Reached a Strategic Cooperation Based on Glycosite-specific ADC Technology

In July 2023, TOT BIOPHARM and GlycanLink announced an in-depth strategic cooperation on GlycanLink's proprietary intellectual property DisacLink™ technology. Based on the cooperation, the two parties will carry out joint technical research, co-develop and continuously promote the optimization and iteration, process exploration and commercialization of the ADC technology. The two parties will also launch a wide range of commercialization cooperation on the external promotion of the technology. GlycanLink authorizes TOT BIOPHARM to utilize the DisacLink™ platform technology to carry out CDMO services, which will provide solid industrial support for the future application of this technology in the field of biopharmaceutical innovation.

b) Technical ethics

(1) Clinical trials

TOT BIOPHARM is highly concerned about the rights and safety of subjects in clinical trials, and strictly abides by the *Declaration of Helsinki*, the *Code of Quality Management of Drug Clinical Trials*, the *Guidelines for Ethics Review of Drug Clinical Trials*, the *Key Points and Judgment Principles of Verification of Drug Registration* and other law and regulations related to drug clinical trials to protect the legitimate rights and interests of the subjects.

We protect the rights and interests of every subject through measures such as audits and ensuring informed consent from the subjects has been obtained. In the course of commissioned clinical trials, we conduct irregular audits of our commissioned service providers to ensure that they comply with the relevant regulations and safeguard the compliance of clinical trials. We respect every subject, emphasize the subject's right to know, and ensure that every subject fully understands the characteristics of the test drug and the process of the trial. We ensure that every subject signs a standardized informed consent form before entering the clinical study, fully protecting the subject's rights and interests with free and informed consent.

(2) Animal welfare

We strictly abide by the *Regulations on the Management of Experimental Animals*, the *Ethics Code of Experimental Animal Welfare* and other laws and regulations on experimental animals, and fully consider the physiological, environmental, hygienic, behavioral, and psychological needs of animals in animal experiments, and respect and treat animals well. We have strengthened our management work, formulated the management system of *R&D (Research and Development) Project Management Regulations*, optimized and standardized the operation of animal experiments, realized the management of the whole process from the opening of the project to the completion of the R&D report, and improved the quality of the experimental animals in terms of the environment, hygiene, etc. We always insist on incorporating the 3R principles of animal experimentation (Reduction, Replacement, Refinement) into the management system of animal experimentation to minimize the pain and death of animals. When selecting a CRO, we require the CRO to have AAALAC accreditation, animal experiment use license and GLP certificate to fully protect animal welfare.

c) Intellectual property protection

TOT BIOPHARM respects knowledge and takes intellectual property protection as an important work. We strictly abide by the *Trademark Law of the People's Republic of China*, *Copyright Law of the People's Republic of China*, *Patent Law of the People's Republic of China* and other relevant national laws and regulations, establish and improve the intellectual property management system, monitor intellectual property risks in a timely manner, and continually improve the capacity and level of intellectual property protection. In 2023, we passed the intellectual property management system certification (GB/T29490-2013).

In order to improve the quality and writing ability of patents, during the reporting period, we organized and participated in multiple communication and training activities. At the same time, to enhance employees' awareness of intellectual property protection, we have updated the "onboarding intellectual property training" course and continue to make it a mandatory course for new employees.

- Participated in the "Patent Quality Improvement Program" organized by Suzhou Industrial Park.
- Regularly participate in technical exchanges, closely follow the progress of R&D projects, patent mining, patent layout, risk screening, etc.
- Face-to-face technical exchanges for many times to explore project patents, improve patent data and enhance patent quality.
- Participated in IPR training organized by external platforms, such as *IPR Protection of Chinese Innovative Drugs from the Perspective of Multinational Pharmaceutical Enterprises*, *Activities on IPR Protection and Compliance Building for Science and Innovation Enterprises in the Park*, and *International Seminar on "Discussing the Differences in Patent Protection between China and Europe and Assisting Local Innovative Pharmaceutical Enterprises to Go Overseas"*.

During the reporting period, we revised the *Patent Award Management Regulations* and increased the patent rewards to further mobilize the enthusiasm and creativity of our staff, promote the output of patent achievements and enhance the core competitiveness of our intellectual property rights. As at the end of the reporting period, our patent statistics are summarized in the table below:

Type	Total number of patent/ trademark applications (2023)	Total number of patents/ trademarks granted (2023)	Total number of patents/ trademarks in force of the Company (As of 2023)
Invention Patents	9	5	31
Utility model patents	4	4	10
Appearance Patents	0	0	0
Trademarks	0	0	297

In 2023, our intellectual property protection efforts were recognized by the government. The Group was appraised as "The Second Batch of Growing Enterprises of Suzhou Intellectual Property Strong Enterprise Cultivation Project", and has received a subsidy of RMB46,838.41 from the Suzhou Industrial Park high-value patent cultivation database.

III PROMOTE THE GREEN DEVELOPMENT FOR TOT BIOPHARM'S SUSTAINABILITY

TOT BIOPHARM adheres to the concept of sustainable development and emphasizes the harmonious development of economy and environment. We strictly abide by relevant laws and regulations, improve the environmental management system, continuously enhance the environmental protection awareness of all staff, reduce the emissions of "three waste", implement environmental protection, conserve natural resources, and actively respond to climate change. During the reporting period, our environmental targets for 2023 were achieved well, and we have set key environmental performance goals for 2024, continuously contributing to the protection of the ecological environment.

1. Addressing climate change

Climate change is a major challenge facing the world today. Addressing it has become a common cause for humanity. TOT BIOPHARM regards addressing climate change as the important responsibility and actively responds to climate change. TOT BIOPHARM disclosed the Group's climate change-related matters with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

a) Governance

The Board is responsible for overseeing the business, strategic policies, and performance of the Group. The Strategy and ESG Committee under the Board is responsible for supervising, monitoring, and managing climate change related matters, including the annual review of ESG reports containing "Addressing climate change", the review of the domestic and international ESG situation including climate change issues, and the effective identification and assessment of climate change-related opportunities and risks.

Our Group established an ESG working team responsible for implementing climate change related matters, including implementing key performance indicators such as greenhouse gas emissions, and taking measures to mitigate or adapt to climate change. In addition, we promote ESG related matters, including reducing greenhouse gas emissions and reducing environmental impacts, through a multi departmental collaborative ESG work mechanism.

b) Strategy

TOT BIOPHARM identified physical risks and transformation risks in different time dimensions, and analyzed the impact of related risks on the Company's operations and business, in order to take appropriate measures to adapt to or mitigate climate change risks.

Risk Type	Factors	Risk Classification	Risk Examples	Time Dimension	Business Involved	Impact Intensity
Physical Risk	Heat Wave	Acute Operational Risk	During heat waves, employees may be unable to work due to heat exhaustion, heat stroke or other illnesses caused by the extreme heat, resulting in higher operating costs. Production machinery may face overheating problems, resulting in a shortened service life. Both scenarios have the potential to result in lost revenue.	Long-term	Whole Group	High
	Earthquake	Acute Operational Risk	As the Group's manufacturing plants are located in Suzhou Industrial Park and its geographical location is not in an area with high seismic risk, it is exposed to low seismic risk.	Long-term	Whole Group	Low
	Typhoon	Acute Operational Risk	As the Group's manufacturing plants are located in Suzhou Industrial Park and its geographical location does not have high typhoon areas, it is exposed to low risk of typhoons.	Long-term	Whole Group	Low
	Mosquito Breeding	Chronic Operational Risk	Temperature rising and precipitation increase leads to mosquito breeding, thus increasing the risk of mosquito-borne disease transmission.	Long-term	Whole Group	Low
	Sea Level Rise	Chronic Operational Risk	Due to the low topography of Suzhou Industrial Park, the infill method is used in the development process of the industrial park, and the ground elevation is 3.5~5.0 meters. To a certain extent, the risk of flooding caused by sea level rise is mitigated.	Long-term	Whole Group	Low

Risk Type	Factors	Risk Classification	Risk Examples	Time Dimension	Business Involved	Impact Intensity
Transformation Risk	Energy Pressure	Acute Operational Risk	The local government's power restriction policy may lead to a direct shutdown or reduction in production, and the power restriction may also affect the upstream supply chain, thus increasing production costs.	Short-term	Whole Group	High
	Water Pressure	Chronic Operational Risk	As the Group's production plants are located in Suzhou, a non-high water stress area, the risk of water shortage faced by the Group is low.	Short-term	Production Department	Low
	New Policies for Low Carbon Economy Transition	Market and Technology Risk	With China's commitment to a 3060 dual carbon target and new government policies to support a low carbon transition, high emission economic activity will come under pressure, increasing the cost of research and development for green production.	Long-term	Whole Group	High
	Energy Transition Policy	Market and Technology Risk	As a result of more stringent government policies to reduce emissions, the Group needs lower-emission green energy to replace existing higher-emission energy sources, increasing the cost of transitioning to lower-emission technologies.	Medium and long term	Production department	Medium
	Carbon Market Price Volatility	Market and Reputation Risk	The Group's cash flow may be affected by fluctuations in carbon market prices due to the introduction of more stringent government policies on carbon emissions.	Medium and long term	Whole Group	High

Risk Type	Factors	Risk Classification	Risk Examples	Time Dimension	Business Involved	Impact Intensity
	Mandatory Disclosure	Operation and Reputation Risk	Regulators require mandatory disclosure of climate-related financial information. Lack of historical data and accurate accounting methods affects the quality of disclosure.	Short-term	Whole Group	Low
	Environmental Standards Increase	Market and Technology Risk	As a result of the government's more stringent environmental protection policy, the Group needs to improve its production energy standard and invest in energy saving and environmental protection improvement.	Long-term	Whole Group	High
	The Response Effort Failed to Meet Investors' Expectations	Reputation risk	Investors pay close attention to sustainable development and climate change, and inadequate corporate information disclosure will damage corporate reputation.	Short-term	Whole Group	High

Note: Short term (1~2 years), medium and long term (6~9 years) and longer term (10 years and above).

c) Risk management

Based on the climate change risks identified by the Group, we have formulated the *Management Regulations for Climate Change* to improve the management structure, implement the concept of energy saving and low carbon, and reduce greenhouse gas emissions. The Group's management is responsible for making commitments and actions to address climate change to various stakeholders. And we set up an environmental management team to organize various departments to implement environmental management plans. The EHS Department is responsible for promoting environmental protection and promoting the implementation of environmental management plans.

Our commitments:

We are committed to reducing carbon emissions. In terms of reducing carbon emissions from factories, we are committed to considering environmental protection and energy-saving measures in the design of new projects, choosing environmentally friendly materials in construction, and giving priority to energy-saving equipment in equipment purchase.

Based on the actual situation of the Company, TOT BIOPHARM comprehensively identifies climate change-related risks by conducting industry-level risk reviews and actively communicating effectively with internal and external stakeholders. We use a qualitative analysis method to evaluate and rank the impact intensity ("low", "medium" or "high") of identified climate change related risks based on the likelihood, impact, adaptability, and resilience of events. We have incorporated climate change related risks into the overall risk management system and formulated adaptation and mitigation measures for climate related risks.

Mitigation measures:

- Change the energy structure, control the use of fossil fuels, increase the proportion of renewable energy;
- Upgrade production equipment, phasing out old equipment with low efficiency, and improving energy efficiency;
- Choose environmentally friendly refrigerants;
- Apply resource and energy saving building structures in the design process of new projects, and build green and low-carbon buildings;
- Advocate green office;
- Implement local procurement, and under appropriate conditions, choose who are at a shorter applicable distance to reduce carbon emissions during transport;
- Increase greenhouse gas absorption and reserve appropriate green areas during plant design.

Adaptation measures:

Institutional measures and technical measures:

- Dynamically identify domestic and foreign climate-related policies and regulations, incorporate them into the Company's laws and regulations monitoring list, and ensure the Company's operation is legal and compliant;
- Establish internal climate risk identification, evaluation and control procedures, dynamically monitor the Company's climate risks and take timely measures;
- Formulate the *Extreme Weather Emergency Plan*, form a monitoring and early warning mechanism for extreme weather and climate events, and regularly conduct emergency drills and training for natural disaster.

Engineering measures:

- Build infrastructure to cope with climate change, such as emergency pools for accidents; improve the climate resilience of new buildings, such as seismic design, wind protection design, lightning protection design, flood protection design, fire protection design, etc.

Economic measures:

- Purchase extreme weather insurance to prevent losses caused by extreme weather.

Our Risk Management Process:

d) Metrics & targets

We insist on using greenhouse gas emission intensity (i.e. the ratio of the total amount of greenhouse gas emissions to the annual revenue of the Group of RMB10,000) as a measure of the Group's greenhouse gas emission reduction indicators to ensure the comparability and effectiveness of the data. During the reporting period, we accounted for Scope I and Scope II greenhouse gas emissions. The intensity of greenhouse gas emissions was 0.20 tonnes of carbon dioxide equivalent (tCO_2e) per RMB10,000 of revenue. The greenhouse gas emission intensity decreased by 90% compared to the base year 2021, which achieving the Group's target of 70%-86% reduction in greenhouse gas emission intensity in 2023 with 2021 as the base year. We set the greenhouse gas emission intensity (per RMB10,000 of revenue) target for 2024 to reduce by 84%–89%, based on 2021 as the baseline year. To achieve this target, we will continue to implement climate change mitigation and adaptation measures, optimize energy use structure, choose environmentally friendly materials, promote energy conservation and emission reduction awareness, and encourage green office and travel to further achieve energy conservation and emission reduction effects.

Category	**Unit**	2023	2022	2021
Scope I GHG emissions	tCO_2e	**4,957**	4,516	4,722
Scope II GHG emissions	tCO_2e	**10,855**	6,915	10,291
Total GHG emissions (Scope I + Scope II)	tCO_2e	**15,812**	11,431	15,014
Intensity of GHG emission	tCO_2e/RMB10,000	**0.20**	0.26	1.97

2. Environmental management

a) Environmental management system

TOT BIOPHARM strictly abides by 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 *Water Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution by Solid Waste*, the *Emission standard of air pollutants for pharmaceutical industry*, the *Emission limits of water and air pollutants for bio-pharmaceutical Industry* and other environmental related laws and regulations, fulfills its main responsibility of protecting the environment, establishes a sound environmental management system, and reduces the adverse impact of its own operations on the environment. The top management of the Group's environmental management organization is the Chief Executive Officer (CEO). We stipulate that each functional department is responsible for formulating and implementing environmental management plans, while the EHS department is responsible for supervising the implementation of environmental protection plans by each functional department and formulating environmental policy guidelines. During the reporting period, we passed the 2023 Environmental Management System (ISO14001) supervision audit and revised relevant management systems such as the *Wastewater Treatment Standard Regulations* and *TOT-EHS-03-036 Emergency Rescue Management System*.

In 2023, we strictly implemented emergency drills to effectively respond to environmental risks. According to the evaluation of environmental and safety emergency plans, we have developed and implemented an annual emergency drill plan, including chemical spills, plant wide evacuation drills, wastewater and exhaust gas treatment facility failure drills, and daily exercises for micro fire stations.

In addition, we actively implement measures for energy conservation, consumption reduction, pollution reduction, and carbon reduction. The achievement of environmental key performance targets in 2023 is good. With the exception of the non-hazardous intensity goal, all other environmental key performance goals were achieved with high quality. Based on 2021, we have set environmental key performance goals for 2024.

Qualitative environmental key performance objectives:

Energy saving and consumption reduction

- Energy saving: Continuously improve energy efficiency and reduce energy consumption per unit of output value by technical transformation, equipment upgrade and management energy saving.
- Water conservation: Continuously optimize the use of water resources and reduce water consumption per unit of output value, by expanding the scale of water recycling and upgrading traditional water-using equipment to water-saving equipment.
- Material saving: Continuously improve the utilization rate of raw materials, reduce paper consumption and the amount of waste generated per unit of output value, by optimization of R&D and production processes, and digitalization.

Reducing pollution and Greenhouse Gas (GHG) emissions

- Reduce GHG emissions: Continuously reduce GHG emissions per unit of output value by installing distributed photovoltaic systems, purchasing renewable energy electricity, electrification, optimizing energy use in new buildings, and using green refrigerants.
- Exhaust gas treatment: Continuously promote electrification, reduce emissions due to fossil fuel combustion, 100% collection and treatment of exhaust gas, and 100% compliance with emission standards.
- Wastewater treatment: 100% of wastewater is collected and treated, and 100% meets the emission standards.
- Waste disposal: Waste will be collected separately and 100% handed over to qualified third parties for disposal as required by relevant regulations.

Quantitative environmental key performance objectives:

Index	Unit	2021 (baseline year)	Decline targets of 2023:	Achievement of the 2023 decline targets	Decline targets of 2024: (based on 2021)
Energy consumption intensity	tce (tonnes of standard coal)/ RMB10,000	0.47	68%~85%	85%	82%-88%
Greenhouse gas emission intensity	tCO_2e/RMB10,000	1.97	71%~86%	90%	84%-89%
Water consumption intensity	tonnes/RMB10,000	32.16	71%~86%	86%	84%-89%
Wastewater discharge intensity	tonnes/RMB10,000	6.43	74%~88%	96%	88%-92%
Hazardous waste discharge intensity	kilogram/RMB10,000	2.52	66%~84%	77%	82%-88%
Non-hazardous waste discharge intensity	kilogram/RMB10,000	16.82	81%~91%	–35%	91%-94%

b) "Three waste" management

TOT BIOPHARM strictly abides by relevant laws and regulations such as 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 Environment Pollution by Solid Waste*, the *Emission standard of air pollutants for pharmaceutical industry* and other environmental related laws and regulations. We treat the waste, wastewater and exhaust gas generated during the operation in compliance with the law, and takes measures to reduce the discharge of pollutants. During the reporting period, we reviewed the current emission management goals for 2023 and proposed emission management goals and implementation paths for 2024.

(1) *Waste management*

TOT BIOPHARM strictly abides the relevant laws and regulations and has formulated the *Waste Management Process*. During the reporting period, the emission intensity of hazardous waste of TOT BIOPHARM was 0.57 kg per RMB10,000 of revenue, 77% lower than that of 2021, and the emission reduction target of hazardous waste in 2023 was completed. In 2023, the emission intensity of non-hazardous waste was 22.72 kg per RMB10,000 of revenue, an increase of 35% compared with 2021. This is due to the fact that in 2023, we recycled a number of equipment eliminated from the renovation project, making the total amount of non-hazardous solid waste in 2023 a relatively large increase compared with 2021.

According to the specific situation of TOT BIOPHARM, we have set the emission reduction target of reducing the emission intensity of hazardous waste (per RMB10,000 of revenue) by 82%~88% and the emission intensity of non-hazardous waste (per RMB10,000 of revenue) by 91%~94% by 2024, taking 2021 as the base year. For domestic waste, we implement garbage classification and recycling management while reducing the amount of domestic waste produced per capita. We significantly reduce the number of paper documents by adopting the DMS paperless office system. Through the management of hazardous waste products packaging materials and other methods, we reduce the use of cartons and further achieve waste management goals.

Category	**Unit**	2023	2022	2021
Hazardous waste generated	tonnes	**44.127**	34.000	19.241
Intensity of hazardous waste	tonnes/ RMB10,000	**0.57×10^{-3}**	0.77×10^{-3}	2.52×10^{-3}
Non-hazardous waste generated	tonnes	**1,773.919**	96.123	128.416
Intensity of non-hazardous waste	tonnes/ RMB10,000	**2.272×10^{-2}**	2.170×10^{-3}	1.682×10^{-2}
Total amount of non-hazardous solid waste recovered	tonnes	**1,676.161**	32.235	21.141

(2) Wastewater management

The wastewater of our Group includes production wastewater and domestic wastewater. For production wastewater, we conduct pre-treatment before discharging it into the municipal sewage pipeline network, and prevent excessive discharge. For domestic sewage, we reduce the production of domestic sewage from the source by advocating employees to save water and stipulating the cleaning of cars and office supplies.

During the reporting period, our wastewater discharge intensity was 0.25 tonnes per RMB10,000 of revenue, a decrease of 96% from 2021, achieving the wastewater reduction target for 2023. We have set a reduction target of 88% to 92% in wastewater discharge intensity (per RMB10,000 of revenue) by 2024, based on 2021 as the baseline year.

TOT BIOPHARM strictly controls the compliance of wastewater discharge, continuously improves wastewater treatment equipment, enhances its own wastewater treatment capacity, collects and treats wastewater 100%, and discharges it 100% up to standard. In 2023, we started the expansion project of the wastewater station. After the completion of the project, the water treatment capacity of the wastewater station will reach 35 tonnes/day, which can meet the existing production of sewage treatment. At the same time, we reuse the tailwater of the wastewater station to the cooling tower, and then reuse the strong drainage of the cooling tower to the wastewater station to achieve the goal of zero discharge of nitrogen and phosphorus wastewater.

Category	**Unit**	2023	2022	2021
Wastewater emissions	Tonnes	**19,610**	52,585	49,091.4
Intensity of wastewater	Tonnes/ RMB10,000	**0.25**	1.19	6.43
COD in wastewater	Tonnes	**1.52**	0.88	2.90
Ammonia nitrogen in wastewater	Tonnes	**0.24**	0.12	0.42

(3) Exhaust gas management

The exhaust gas emission of TOT BIOPHARM is mainly produced in construction projects, boiler combustion and laboratory operation. During the reporting period, we carried out the annual monitoring plan on schedule, regularly maintained boilers and exhaust gas treatment facilities, and achieved the goal of 100% compliance with exhaust gas emissions standards. In 2023, our exhaust emission intensity has decreased compared to 2022, reaching 418.23 m^3/RMB10,000.

We mainly control exhaust emissions through the following management methods:

- Take air pollution prevention measures of construction projects;
- Manage the centralized exhaust gas discharge outlet;
- Manage the operation of exhaust gas generation points;
- Handle abnormal situations in the process of exhaust gas discharge.

Category	Unit	2023	2022	2021
Exhaust emission	m^3	**32,648,000**	39,310,200	16,888,925
Intensity of exhaust emission	m^3/RMB10,000	**418.23**	889.01	2,212.76
NO_x	Tonnes	**0.659**	0.76	0.57
SO_x	Tonnes	**0.085**	0	0
PM	Tonnes	**0.030**	0.032	0.037
Volatile organic compound (VOC)	Tonnes	**0.036**	0.016	0.008

c) Environmental protection

(1) Environmental protection education and training

TOT BIOPHARM focuses on the cultivation and improvement of employees' environmental awareness. We actively carry out environmental publicity and rewards, use WeChat, announcements and other media to promote the Company's environmental management policy, and regularly carry out annual environmental protection management system training. In addition, we through promoting the ESG concept, set up ESG promotional wall stickers and promotional videos in the Company to enhance everyone's awareness of environmental factor identification, environmental goal achievement, and environmental protection in daily work. In 2023, the total number of training hours on EHS organized was 4,182 hours, with an average of 8.64 hours per person receiving EHS training. The total number of employees receiving EHS training reached 4,462 person-times.

Environmental Advocacy and Rewards:

- The EHS department leads energy-saving and emission reduction promotion activities every year, and promotes environmental protection concepts to new employees to integrate environmental awareness into their daily work and activities;
- Implement emergency plans for extreme weather events and conduct emergency drills for potential extreme environmental events in the future;
- Lead environmental improvement activities to achieve carbon emission reduction in environmental goals;
- Establish a reward system to select and reward personnel who propose energy-saving and environmental protection measures and implement them.

Case: ESG Concept Promotion

In August 2023, the Company adopted a combination of online and offline methods to promote and disseminate ESG concepts to all employees at all levels. The content involves ESG concepts and significance, ESG disclosure standards, and ESG internal management. This activity aims to enhance the ESG concept of all employees and promote the sustainable development of the Company.

ESG promotional wall stickers

(2) *Green office*

TOT BIOPHARM is promoting the construction and application of electronic office systems, advocating for employees to save water and electricity, reduce office paper consumption, and strive to create a sustainable and green office environment for employees. To enhance employees' awareness of water conservation, we post signs in public restrooms to remind employees to cherish every drop of water. We actively implement energy-saving measures, stipulating that all departments should shut down all electrical equipment within their jurisdiction after work, and prohibit idle standby when an equipment is not in production. The Company prioritizes the use of energy-saving and high-efficiency light sources for lighting fixtures, and uses equipment with energy consumption of level 2 or higher when selecting equipment. During the production gap, air conditioning shutdown should be coordinated, and the temperature control value of the clean air conditioning unit should be adjusted according to the winter and summer climate conditions. During the reporting period, we continued to optimize the use of the OA office system, promote the application of the DMS system, build an archive management system, reduce offline approval and archive information management, in order to significantly reduce paper consumption.

3. Resource management

a) Energy consumption and management

TOT BIOPHARM continues to promote the construction of energy management system, improve the system and strengthen energy consumption management. In 2023, we passed the energy management system certification (ISO50001:2018). We have also formulated a number of internal management documents such as *Energy management manual*, *Energy management risk and opportunity identification evaluation control procedures*, *Energy management target indicators and management program control procedures and Energy training management control procedures*.

The energy consumption of our Group is mainly electricity, natural gas, and steam. In 2023, we introduced first level energy efficiency equipment, promoted green office, and standardized natural gas usage management to reduce energy consumption in new factory areas. In 2023, the actual energy consumption per unit production of products was 9.79 tonnes of standard coal equivalent/10,000 bottles (hard capsule) and 34.32 tonnes of standard coal equivalent/10,000 bottles (biological products), achieving the 2023 energy efficiency goals set in 2022 (67.69 tonnes of standard coal equivalent/10,000 bottles (hard capsule) and 40.89 tonnes of standard coal equivalent/10,000 bottles (biological products)).

During the reporting period, the energy intensity of TOT BIOPHARM was 0.07 Tce/RMB10,000 of revenue, down 85% from 2021, achieving the energy intensity reduction target of 2023. With 2021 as the baseline year, we have set an energy target of 82%-88% reduction in energy intensity (per RMB10,000 of revenue) by 2024. We will continue to strengthen the management of energy consumption and strictly implement the energy management system to further achieve the energy consumption target.

Natural gas management measures:

Daily specifications: gas meter readings are recorded every day, and energy consumption statistics are carried out every month;

Equipment maintenance: regular inspection and maintenance of boiler status, reasonable setting of boiler working parameters;

Emergency treatment: follow the *Natural Gas Leak Emergency Treatment Regulations* (TOT-EHS-03-013) for safe treatment.

Category	Unit	2023	2022	2021
Consumption of purchased electricity	KWh	**18,317,530**	12,125,104	12,992,420
Natural Gas	m^3	**2,267,673**	1,833,506	1,608,469
Diesel fuel	Liters	**0**	200	200
Steam	Kilograms	**1,314,100**	–	–
Direct energy consumption	Tce	**2,755**	2,439	1,953
Indirect energy consumption	Tce	**2,378**	1,490	1,597
Total energy consumption	Tce	**5,133**	3,929	3,550
Intensity of energy consumption	Tce/RMB10,000 revenue	**0.07**	0.09	0.47

b) Water resources management

TOT BIOPHARM strictly adheres to the *Water Law of the People's Republic of China* to conserve water resources. We take measures such as daily monitoring of water resource consumption, timely reporting of maintenance and handling of water leakage, application of reclaimed water systems, and reduction of cleaning and process water waste to reduce water resource consumption. In 2023, we saved 42,560 tonnes of tap water through the reclaimed water reuse system. During the reporting period, the water consumption intensity of TOT BIOPHARM was 4.43 tonnes per RMB10,000 of revenue, a decrease of 86% from 2021, achieving the water consumption intensity target for 2023. Based on 2021, we have set a target of reducing water consumption intensity (per RMB10,000 of revenue) by 84%–89% in 2024. To achieve the above goal, we plan to conduct water balance testing in 2024 and further strengthen water management.

Category	Unit	2023	2022	2021
Production and office water consumption	Tonnes	**346,079**	270,002	245,457
Reused water consumption	Tonnes	**42,560**	42,560	42,560
Intensity of production and office water	Tonnes/ RMB10,000	**4.43**	6.11	32.16

c) Material management

The main material consumption of TOT BIOPHARM comes from packaging. We have formulated the *Environmental Protection Packaging Management Regulations*, established a sound management structure, fully implemented the packaging management regulations, and saved the use of packaging materials. At the same time, we integrate the concept of environmental protection into packaging design, packaging procurement and communication, and packaging management to minimize the negative impact on the environment.

Environmental protection packaging design:	Environmental protection packaging procurement and communication:	Packaging management:
• The packaging designers should consider the principles of environmentally friendly packaging, such as reducing or eliminating the packaging materials used for unit products, and using recyclable and easily recyclable materials for product packaging. • The packaging designers should carefully choose packaging materials, avoid using toxic and harmful materials, and comply with current applicable laws and regulations. • The production department employees should classify and process various types of packaging, and try to recycle and reuse the packaging as much as possible.	• When purchasing items or materials, consideration should be given to their packaging, and large packaging items should be selected in a timely manner. The environmentally friendly packaging materials should be used to reduce plastic products. • The major environmental packaging achievements should be communicated to external customers. • The environmental protection requirements for product packaging should be promoted through product labels, advertisements, websites, etc.	Recycling all recyclable packaging materials to reduce environmental pollution and waste.

We have calculated the consumption of vial in 2023. Due to the expansion of business volume in 2023, the consumption of vial has increased more than that in 2022.

Category	Unit	2023	2022	2021
Vial	tonnes	**13.900**	3.648	4.328
Intensity of vial consumption	tonnes/ RMB10,000	**0.18×10^{-3}**	0.8×10^{-4}	0.57×10^{-3}
Paper	tonnes	**147.490**	10.166	–
Intensity of paper consumption	tonnes/ RMB10,000	**1.89×10^{-3}**	0.23×10^{-3}	–
Plastic	tonnes	**–**	1.743	–
Intensity of plastic consumption	tonnes/ RMB10,000	**–**	0.4×10^{-4}	–

IV ABSORB TALENT AND CO-CREATION FOR TOT BIOPHARM

TOT BIOPHARM strictly adheres to the relevant laws and regulations of the nation and the regions where it operates to protect the legal rights and interests of every employee. The Company upholds the core value of "people-oriented", dedicated to respecting and caring for each employee. We strive to create a harmonious and friendly working environment for all staff, providing an equal and inclusive career development platform, and continuously focusing on the health and safety of employees.

1. Employee employment

a) Compliant employment

TOT BIOPHARM strictly follows the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China* and other relevant laws and regulations, establishing legal and compliant labor relations with employees. In 2023, we continuously strengthened the construction of the employment system, optimized internal management systems such as the *TOT BIOPHARM Employee Manual*, ensuring standardized employment management, fully protecting the legal rights and interests of employees, and committed to building a more stable corporate labor relationship.

Case: 2023 Jiangsu Extraordinary Employer of the Year

In 2023, TOT BIOPHARM with the core value of "people-oriented" and a well-developed talent cultivation system, stood out among many employers and was honored with the Liepin – 2023 Jiangsu "Extraordinary Employer of the Year" award.

The Group fully respects and protects human rights, strictly prohibits the employment of child labor and forced labor and opposes any form of labor disputes. The Company adheres to the principle of fair treatment and equality for all in employment, insists on an equal employment policy, ensuring that all employees, regardless of their race, ethnicity, nationality, gender, religion, age, or any other background, are treated equally, eliminating any form of employment discrimination.

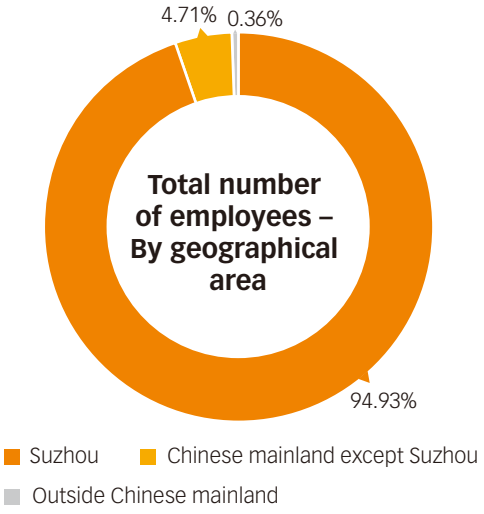
In 2023, to further improve the fairness and transparency of recruitment, we optimized the intelligent recruitment management system during the year, advanced the construction of the Company's digital HR platform, ensuring that the recruitment process is open, transparent, compliant and traceable. At the same time, we have established a dedicated complaint email to protect the rights of job seekers.

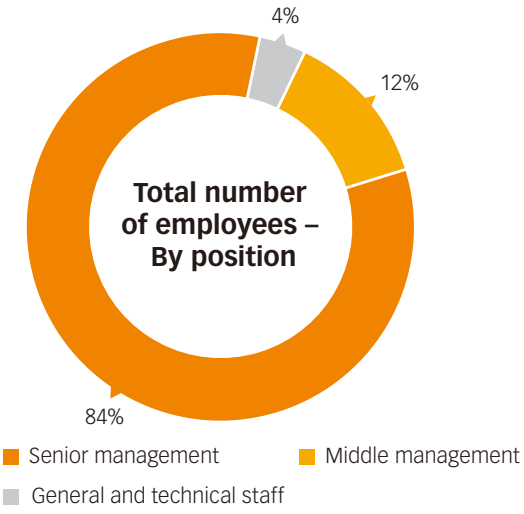
During the reporting period, TOT BIOPHARM did not experience any major labor disputes and there was no occurrence of child labor, forced labor, harassment, or discrimination, and no complaints regarding labor issues were received.

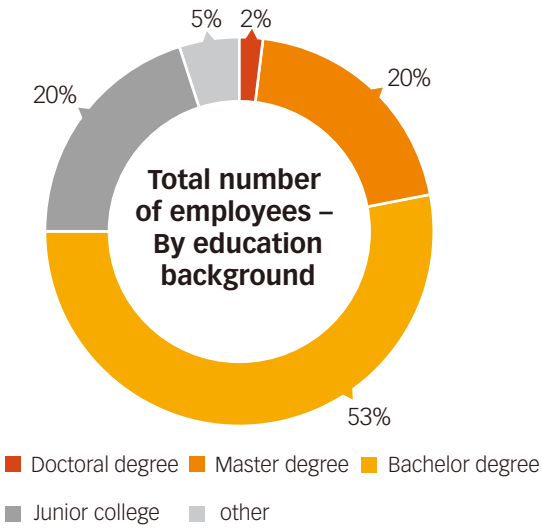
b) Employee diversification

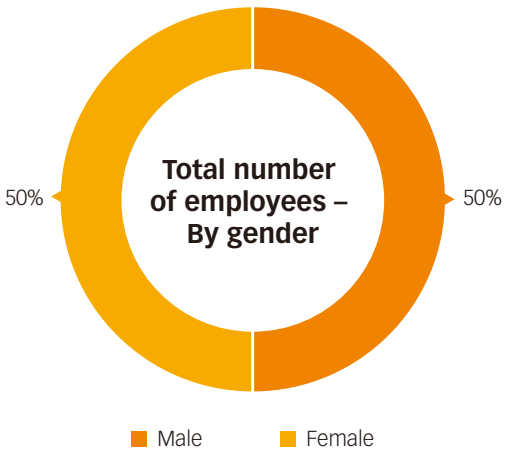
TOT BIOPHARM places great emphasis on employee diversity, adheres to implementing a diverse employment strategy, and has opened up various recruitment channels. Our employee team covers different age groups, educational levels, and geographical backgrounds. During the reporting period, to enrich the talent pool, we actively explored recruitment channels. In addition to traditional recruitment methods such as campus recruitment, job fairs, social recruiting, and internal employee referrals, we tried innovative recruitment methods like live-stream job presentations to attract talents. To expand the coverage of recruitment information, we established an independent recruitment information platform "TOT BIOPHARM Recruitment", allowing more talents to discover and understand TOT BIOPHARM, and become a part of the Company.

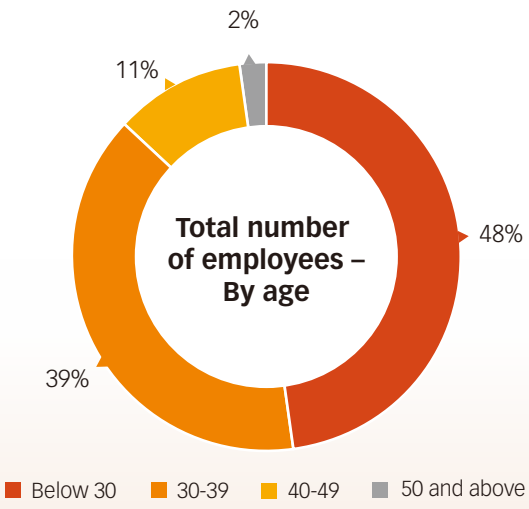
As at the end of the reporting period, the total number of employees at TOT BIOPHARM reached 552. We conducted detailed classification statistics of the total number of employees based on geographical area, class of position, education background, gender and age factors to better understand and optimize our employment structure.


Total number of employees – By geographical area
4.71%
0.36%
94.93%
Suzhou
Chinese mainland except Suzhou
Outside Chinese mainland


Total number of employees – By position
4%
12%
84%
Senior management
Middle management
General and technical staff


Total number of employees – By education background
5%
2%
20%
20%
53%
Doctoral degree
Master degree
Bachelor degree
Junior college
other


Total number of employees – By gender
50%
50%
Male
Female


Total number of employees – By age
2%
11%
48%
39%
Below 30
30-39
40-49
50 and above

c) Employee retention

Talent is the primary driving force for corporate development. TOT BIOPHARM focuses on talent reserve, attracting and retaining talents through employee motivation, communication and coaching and enhancing team cohesion.

Employee motivation:

- Introduced non-compete clauses in labor contracts and signed mid-to-long term bonus incentives and equity incentive mechanisms with key core employees;
- Established a special project bonus system, optimized overtime and on-duty benefit policies to encourage and reward employees who make outstanding contributions to performance indicators.

Employee communication and tutoring:

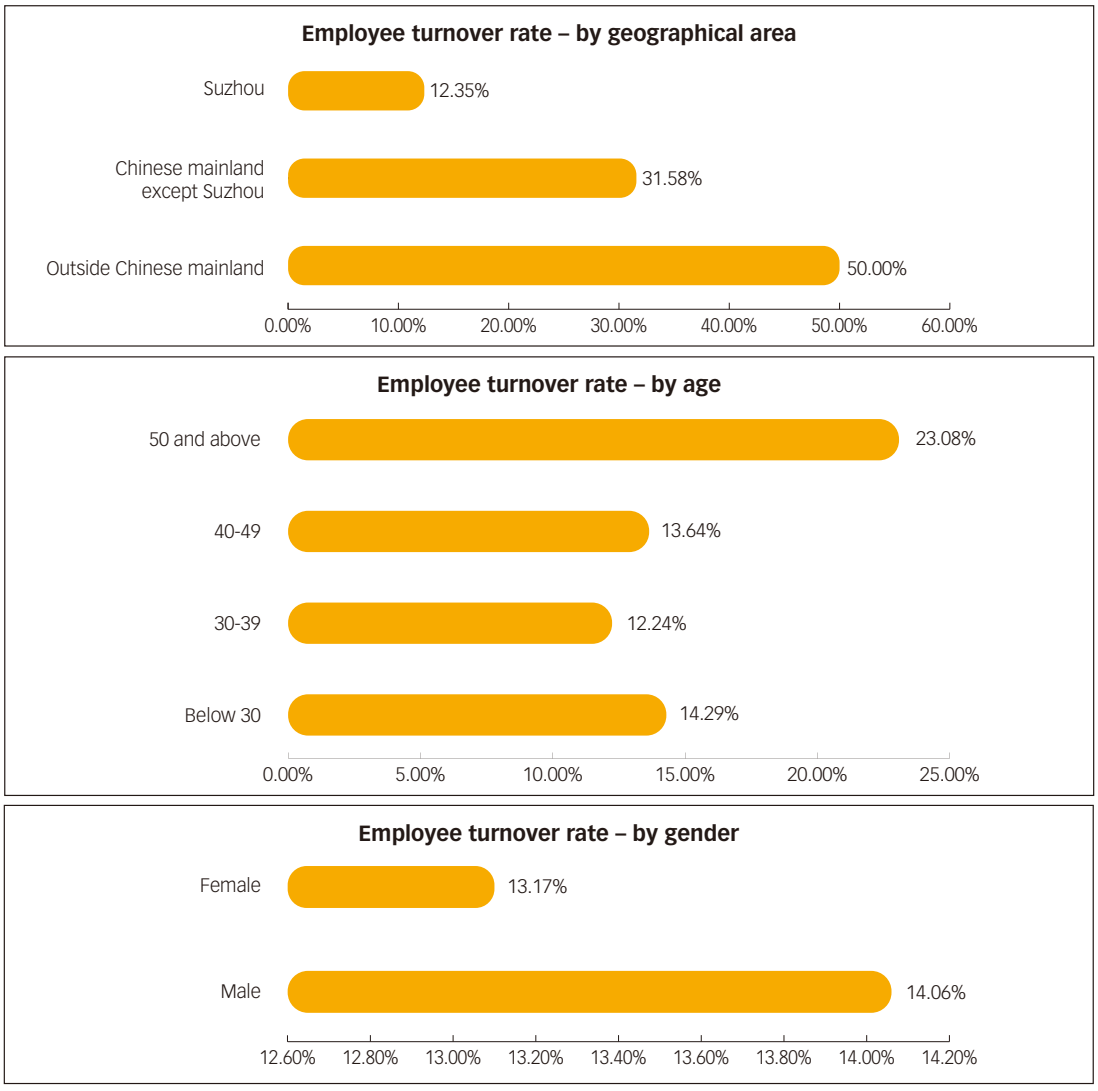
- Regularly organized round-table talks and departmental communication meetings to understand employees' demands, ideas, and suggestions, and to propose and implement or improve targeted solutions;
- Established Human Resources Business Partner positions to deal with employees' needs and issues through regular communication and tutoring;
- Developed *Management Measures for Transfer and Resignation*, setting HR representatives to participate in regular meetings of various business departments aimed at improving internal communication efficiency, and leading exit interviews to explore and solve fundamental problems.

Enhancing team cohesion:

- Encouraged employees to participate in internal company projects to enhance their sense of self-worth and provide opportunities for growth and learning within the Company;
- Conducted team-building activities.

Image: Departmental communication meeting conducted by HR with department teams

During the reporting period, the voluntary turnover rate of employees was 13.62%. The data of employee departures divided by geographical area, age, and gender are shown in the following chart:



2. Employee development

a) Employee training

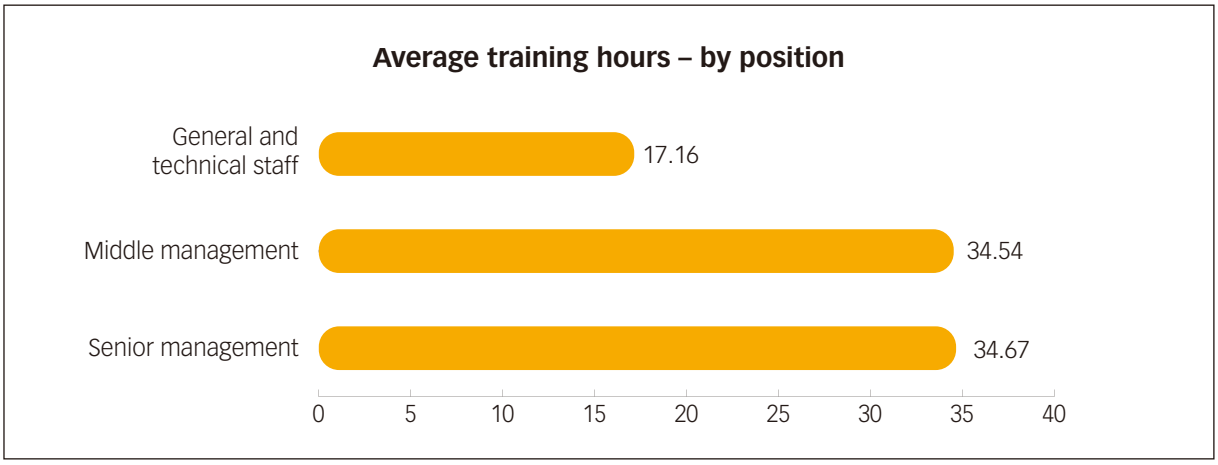
TOT BIOPHARM implements the core value of "people-oriented", focusing on each employee's career development. The Company relies on the Talent Development Program (TDP) as the foundational infrastructure to promote the improvement of employees' professional skills and career competitiveness, offering broader development opportunities for their careers. To support employee growth and progress, TOT BIOPHARM has established a comprehensive training system covering various stages from onboarding to promotion, offering relevant training programs for employees at different levels. At the same time, the Company regularly assesses the career development needs of employees, providing necessary training and development opportunities to support their continuous growth.

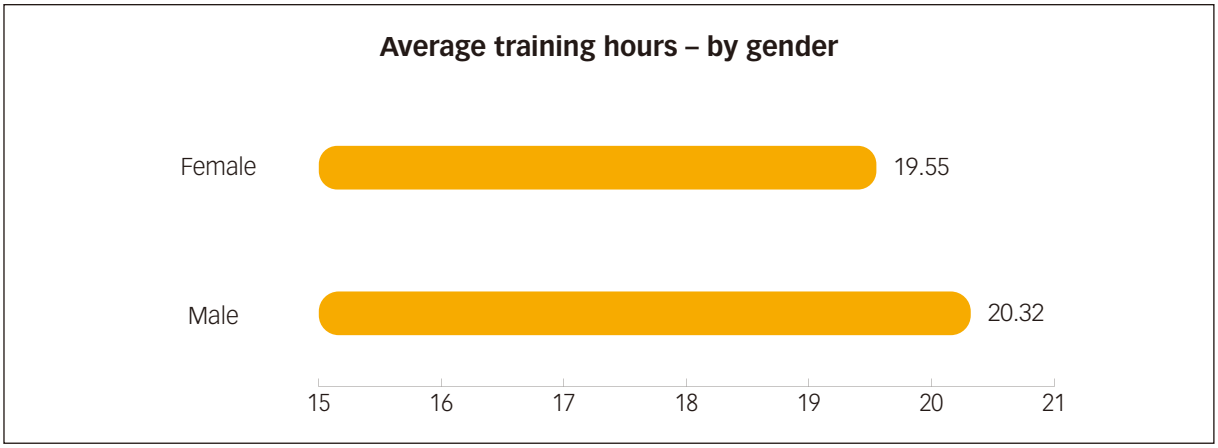
During the reporting period, in line with the needs of CDMO business transformation, the Group adopted innovative learning methods, designing and implementing a series of training projects. For newly joined graduates, we have completed the upgrade of the new employee training system and developed new technical courses to enhance the technical skills training for new employees. For the management level, the Company implemented the *New Manager Growth Camp* and *Performance Management and Improvement Training* to continuously enhance the management abilities of managers at different levels. Moreover, the Company has conducted extensive GMP capability training and external audit preparation skills training for all employees, aimed at improving everyone's basic GMP knowledge and inspection readiness skills. We have also introduced several professional external training courses to further enhance employees' expertise in the pharmaceutical field. We have organized various general skills enhancement activities to boost the overall quality of all employees.

- **New Employee Development Plan:**
  - Completed the upgrade of the new employees' first-day training and the Company-level new employee training upgrade.
  - Developed 6 new courses on top of the existing new employee technical training courses, further enriching the resources for new employee technical training.
- **Management Capability Enhancement Training:**
  - Continued to strengthen the management capabilities of junior managers: Conducted the *New Manager Growth Camp*, using an action learning model. Participants set *Key Competency Development Goals and Action Plans*, combining practical management to experience and reflect, sharing and discussing real management issues, writing management cases at the end of the term and conducting post-training evaluations, inviting participants to summarize *Key Competency Development Performance and Personal Growth*, and helping participants to review and reflect on the entire learning process in light of their practical experiences. A total of 30 mid and junior-level supervisors participated in this 6-month learning program, including 11 female managers.
  - Continuously enhanced the management capabilities of middle and high-level managers: Conducted two sessions of *Performance Management and Improvement Training*, with a total of 70 managers participating, including 36 female managers.

- **GMP Capability Enhancement Training:**
  - Conducted *Annual GMP Basic Knowledge Training, Change/Deviation/CAPA Annual Training*, and PPT course learning. Shared change and deviation SME case studies to solidify all employees' basic GMP knowledge.
  - Conducted *External Audit Preparation Skills Training* and English Mini PPT training for overseas registration audits, enhancing the SME inspection readiness capabilities of departments.
  - Organized key department personnel to participate in various specialized training sessions a total of 9 times, including 4 external on-site trainings and 5 online trainings.
  - Organized all company employees to participate in the newly released second edition of the GMP Guide (2023 version) training a total of 6 times, and uploaded the courses to the Zhi-Niao learning platform, allowing all company employees to continue GMP training, expanding the breadth and depth of GMP knowledge.
- **Pharmaceutical Professional Capability Enhancement Training:**
  - Introduced several professional external training courses to enhance the professional capabilities of various departments, including *2023 International Pharmaceutical Engineering Management (IPEM) Course, Customized Process Solution Training*, *Statistical Practice in Process Characterization Training, Customized Ultrafiltration Training*, *Intellectual Property Training*, *Pharmaceutical Regulations Training*, *Pharmacovigilance Training*, and more.
- **General Skills Enhancement Training:**
  - Organized 2 *Time Management* training sessions to improve work efficiency;
  - Held Information Security Week activities and related training to enhance the information security awareness of all employees;
  - Conducted *Compliance System Construction Training under the Anti-Corruption Storm in the Pharmaceutical Industry* and *Business Secrets Protection and Information Security Training* to raise awareness of compliance;
  - Offered business English and project management online courses to enrich learning resources.

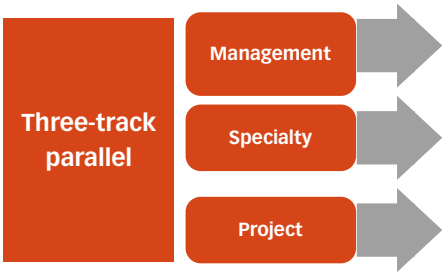
Compared to previous years, we have increased the number of mandatory online training for all employees. During the reporting period, TOT BIOPHARM employees completed a total of 11,003.06 hours of training, with an average of 19.93 hours per employee. Our training covered all employees, with the average training hours divided by gender and class of position illustrated in the following chart:





b) Employee promotion

TOT BIOPHARM has established a clear career promotion system to stimulate employee enthusiasm. The Group continuously implements a "three-track" promotion mechanism for management, professional, and project directions, providing fair promotion channels.



Employee promotion mechanism

In 2023, we revised the *Employee Handbook*, detailing the promotion mechanism to ensure fairness and justice in the promotion process. Promotion nominations are to be submitted by department heads to the HR and take effect after the CEO's review. Promotions are based on changes in job scope, professional depth assessment, work performance, and demonstration of capability. To ensure fairness, transparency, and consistency in performance management and promotion nominations, we have employed various methods for comprehensive employee performance assessment, including Key Performance Indicator (KPI) evaluations, self-assessments, superior assessments, and 360-degree feedback.

3. Employee communication

TOT BIOPHARM highly values employee communication and participation, actively listens to employee opinions, and uses various channels for effective communication with employees to promptly resolve their concerns, thus strengthening corporate construction and enhancing employee welfare.

The Group has established an employee communication mailbox, encouraging employees to offer suggestions. Human resources and relevant departments review and evaluate these suggestions to ensure every employee's voice is seriously considered. The regular employee meetings are held for employees to understand the Company's operational status and major decisions, where they can raise questions and suggestions. The trade union committee closely adheres to the Company's core values, seriously studies and implements the *Trade Union Law* and the spirit of trade union meetings, plays a crucial role as a bridge and bond between employees and the Company, and wholeheartedly completes various tasks.

Important measures of the Trade Union Committee:

(1) Enhance trade union publicity and expand the construction of the trade union team

The union actively promotes the union concept, provides various channels for joining, and offers on-site consultation. For employees from other areas, the union enhances online promotion and convenient joining methods, improving team cohesion. The union also conducts one-on-one guidance for employees who have not joined, while strengthening promotion for new employees to ensure continuous team development and rapid adaptation of new employees.

(2) Maintain employee legal rights and interests, actively participate in the Company's democratic supervision and management

We strengthen democratic management, clarify the rights and obligations of both the Company and employees, protect mutual legal rights, build harmonious labor relations, and seek development together. We also encourage employee participation in management to play a communicative and guiding role, promoting the Company's long-term development.

(3) Strengthen corporate culture construction and enrich employees' cultural life

With the Company's support, the union actively organized various activities during the Mid-Autumn Festival, Dragon Boat Festival, and Labor Day, enriching employees' cultural life and showing the union's care.

During the reporting period, we actively conducted an annual employee satisfaction survey and timely summarized the results. The 2023 employee satisfaction survey scored an average of 9.62 out of 10.

4. Employee care and health

a) Employee care

TOT BIOPHARM is committed to creating a comfortable and harmonious work environment for employees. We provide excellent salary and benefits through humane work mechanisms and management methods to improve employee satisfaction. We enrich employees' leisure life by providing care services and organizing various cultural and sports activities, continuously enhancing their sense of happiness.

(1) Employee salary and benefits

TOT BIOPHARM strictly follows the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China*, and local regulations, establishing system files such as *Performance, Reward and Punishment Management Measures* and *Administrative Measures for Remuneration and Benefits*. We advocate a salary management philosophy centered on valuing talent, performance culture, and cost efficiency, committed to providing a comprehensive and competitive total compensation and benefits system for employees, including fixed and variable pay, as well as a variety of employee security and care benefits.

To ensure fairness and transparency in performance management, we provided a comprehensive performance appeal mechanism. When employees have objections to their performance evaluation results, they have the right to appeal and submit their reasons in writing. During this process, the managers of the Company at all levels should provide the necessary support and ensure unimpeded appeal channels to protect employee rights and ensure effective corporate management.

Adhering to the "people-oriented" value, we have established a diverse and experience-prioritized welfare system, offering care and help to employees from various aspects such as welfare projects and care projects, continuously improving TOT BIOPHARM employees' happiness level at work. On the basis of statutory benefits, the Company provides each formal employee with the following rich employee welfare care programs:

- Vacation arrangements superior to legal requirements
- Supplementary commercial insurance and children's medical insurance
- Annual health check-ups
- Holiday and birthday cash gifts
- Marriage and bereavement allowances
- Home and hospital visitation condolences money
- Flexible work arrangements during sick leave
- Convenient shuttle bus service
- Free work meals
- Overtime ride-hailing service
- Mother and baby rooms for pregnant and nursing female employees
- Free dormitories for new graduates and employees from other areas with accommodation needs
- "Energy stations" to ensure employees maintain efficiency and vitality at work

(2) Enriching employee life

TOT BIOPHARM cares about every employee's on-the-job experience and provides strong support to enrich their lives. Through forming various interest clubs and organizing a variety of holiday and team-building activities, we enrich employee life, enhance emotional exchange among employees, and help employees achieve a balance between life and work.

During the reporting period, we held special events for female employees on Women's Day, distributing silk scarves and flowers as gifts, and organized a half-day visit to the Taihu Mulberry Silkworm Garden. We regularly organized various group activities and actively participated in sports meets organized by foreign enterprises. We have conducted several "POINTS OF YOU" psychological salons such as *Opening the Four Windows of Gratitude* and *Storing Energy in Winter to Illuminate Life*, and provided psychological courses on the learning platform.

b) Employee health and safety

In the operations, TOT BIOPHARM strictly adheres to relevant laws and regulations on occupational health and safety, commits to safe production, and always prioritizes employee health. We continuously improve the internal management system, enhance employees' safety awareness, effectively prevent safety risks, and ensure the health and safety of every employee.

(1) Safe production

During operations, TOT BIOPHARM strictly follows the *Production Safety Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Special Equipment Law of the People's Republic of China* and other laws and regulations, perfecting the internal safety management system to ensure all safety production activities comply with national standards. In 2023, the Company updated the organizational structure of the Safety Production Committee and Emergency Response Team, and revised internal systems files such as the *Chemical Storage and Use Management Procedures*, the *Labor Protection Supplies Management Procedures*, the *Emergency Rescue Management System*, and the *Safe Production Objective Management System*.

During the reporting period, in the process of operating the safety production standardization system, the Company conducted active hidden danger investigation and self-examination, improving safety protection measures such as the freeze-drying machine operation platform. Additionally, to improve the efficiency of hidden danger investigation tracking, we have launched an online process for hidden danger investigation, allowing departments to more intuitively understand their department's risks, hidden dangers and rectification status. During the reporting period, the Company did not experience any major casualty accidents or fires accidents, with a general hidden danger rectification rate reaching 100%, and there were no major hidden dangers.

Case: Passing the On-Site Audit of the Second-Level Safety Production Standardization System

In 2023, the Company based on the 13-element management standards of the second-level safety production standardization system established a safety management system foundation through a year of system construction and operation, passed the on-site audit of the second-level safety production standardization system, and exhibited a high level of performance during the 5-day provincial emergency management expert audit process.

In terms of emergency management, the Group developed and executed a comprehensive annual emergency drill and training plan for potential emergencies in the daily production process. During the reporting period, the Company conducted emergency training on chemical leak response, factory evacuation drills, and the use of micro fire stations, effectively enhancing employees' emergency response capabilities to safety risks.

Image: Daily practice of chemical leak response and the use of micro fire stations

Case: Ergonomics and Labor Protection Training

In March 2023, the Company's EHS department and production operations jointly organized an all-staff offline training event on ergonomics and labor protection, achieving a 100% participation rate. The training combined with the Company's high-risk points and near-miss incidents over the past two years and issues of particular concern to employees, strengthened employees' personal protection awareness and capabilities through face-to-face explanations and on-site interactive participation.

We value the promotion of safety culture, and through publishing safety-related theme newsletters and conducting "Safety Week" activities strengthened employees' safety awareness and sense of responsibility and guided departments to establish a comprehensive safety training mechanism. In 2023, we maintained full coverage of employee safety production training, achieving a 100% training rate, providing a solid foundation for ensuring employee safety and maintaining stable company operations.

Case: Safety Week Activities

In September 2023, TOT BIOPHARM successfully held the sixth Safety Week activity lasting five days. The activity involved the release of the TOT Emergency Handbook, raising awareness of safety responsibilities among department managers, award-winning safety knowledge quizzes, "Pass the Parcel for Violation Catching", "Chemical Awareness Card Fault-Finding King", etc., with more than 400 participants in total. During the activity, the Company also established a reward mechanism for safety improvement suggestions, significantly strengthening the Company's internal safety culture.

(2) Occupational health

TOT BIOPHARM strictly adheres to the *Occupational Disease Prevention and Control Law of the People's Republic of China* and the *Regulations on Work Injury Insurance*, continuously strengthening occupational health and safety management. To comprehensively protect employee occupational health, the Company has taken various measures, including providing occupational health examinations, supplying personal protective equipment, and conducting occupational health training.

The Company promises to provide medical services for employees every year, including occupational health examinations and annual examinations, and to purchase social insurance for all employees as well as provide additional supplementary medical insurance. During the reporting period, TOT BIOPHARM strictly implemented pre-employment, in-service, transfer and departure health examinations for employees, achieving a 100% implementation rate. Additionally, the Company equipped employees with necessary personal protective equipment, promoted the wearing of goggles in all laboratories and production areas, especially for employees involved in operations with chemicals. In 2023, the Company did not experience any occupational disease incidents, fully reflecting the Company's efforts and effectiveness in ensuring employee occupational health.

Case: The Red Cross First Aid Training

In March 2023, the Group invited the Red Cross to conduct first aid training for TOT BIOPHARM employees. In conjunction with the safety week activities, we once again encouraged everyone to conduct practical first aid drills to further improve their first aid abilities.

V TOT BIOPHARM ASSUMES SOCIAL RESPONSIBILITY AND MAKES PROGRESS TOGETHER

TOT BIOPHARM is committed to continuously updating and improving its own supplier management system, strictly managing aspects such as supplier admission, audits, and communication. We also continuously pay attention to the performance of suppliers in environmental and social aspects to establish a sustainable and responsible supply chain system. At the same time, as a pharmaceutical company, we actively fulfill our social responsibilities, promote industry development, participate in various forms of community investment, and are dedicated to seeking common development for society.

1. Partner collaboration

a) Procurement management

TOT BIOPHARM is committed to establishing stable and mutually beneficial partnerships with suppliers in cooperation, and jointly creating a sustainable business ecosystem. To standardize procurement management work, we have formulated the *Tendering and Bidding Procurement Management System* and the *Procurement Management System* to establish a comprehensive procurement management system.

In the procurement process, the Company focuses on the sustainability of material supply. We reduce the supply risk of key materials by flexibly adjusting the safety stock and stocking strategy of key materials, developing secondary suppliers, and establishing emergency plans, ensuring timely replenishment in case of raw material shortages and ensuring the normal supply of drugs. To prevent corrupt practices, the Company has formulated and optimized the *Sunshine Procurement Integrity Co-construction Advocacy*, enhancing compliance, transparency, and the principle of openness in business cooperation. Additionally, we internally require employees to sign the *Procurement Department Employee Confidentiality and Integrity Commitment*, and externally require suppliers to sign the *Integrity Commitment*.

The Group actively promotes sustainable procurement and has established an electronic signature platform to improve business efficiency with suppliers while reducing paper usage. We also encourage suppliers other than cold chain transportation to use new energy vehicles for cargo transportation to reduce greenhouse gas emissions.

As at the end of the reporting period, TOT BIOPHARM had a total of 599 qualified suppliers, including 281 suppliers from Jiangsu Province and 318 suppliers from other provinces, with in-province suppliers accounting for 46.91% and out-of-province suppliers accounting for 53.09%.

b) Supplier admission

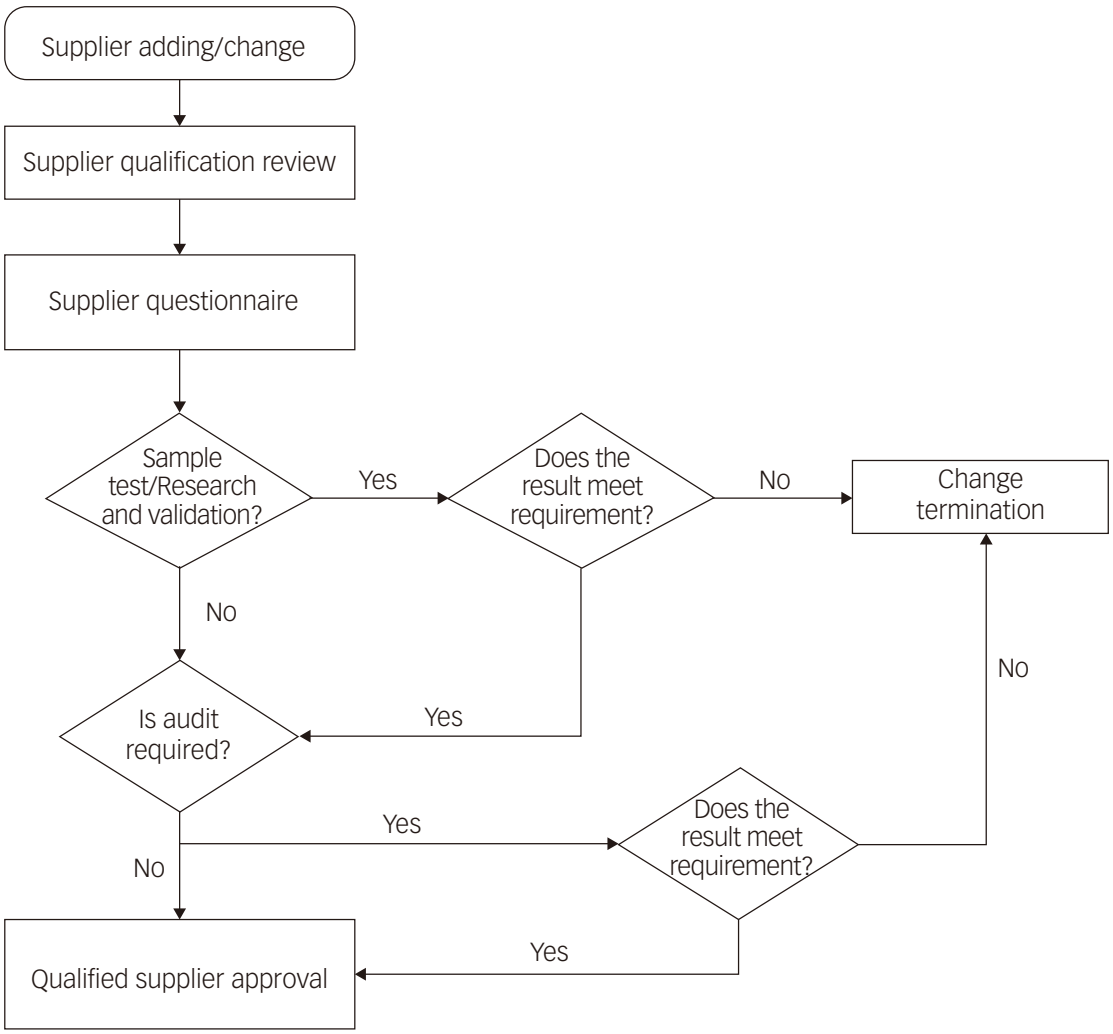
TOT BIOPHARM continuously optimizes related management systems, strictly implements supplier admission management standards, selecting suppliers based on product quality, qualifications, EHS, and other aspects to ensure the quality and stability of the entire supply chain.

For production material suppliers, we have established a quality system work instruction *Supplier Management Standard Management Procedures*, which specifies that supplier management for materials, equipment, third-party services, etc. complies with GMP regulations. We have also established *Materials Supplier Management Standard Operating Procedures*, setting strict admission standards for production material suppliers.

According to the *Materials Supplier Management Standard Operating Procedures*, we clarify the supplier admission process based on the classification of materials and the requirements for different stages of product use. The procurement department is responsible for conducting strict qualification reviews of each potential supplier, and the Quality Assurance department is responsible for reviewing the supplier survey questionnaire filled out by the reviewed potential suppliers. Additionally, we require sample testing and/or research verification for some materials and conduct strict audits of non-critical material suppliers. Through comprehensive evaluation, we filter suppliers that meet the standards and list them as qualified suppliers. When a potential supplier is approved as qualified, for the material types specifically listed in the *Materials Supplier Management Standard Operating Procedures*, we require them to sign a material supplier quality agreement with the Company.

Production material supplier qualification requirements:

- Possess quality, safety, environmental protection reviews, and other production, supply business permits or qualifications required by national regulations, relevant departments, corresponding industries, or operation centers.
- Have a good business reputation in the industry, with no illegal records and significant legal disputes in the past three years.
- Have a complete quality assurance system, with no non-compliance in national, industry, operation center, and local government quality supervision inspections in the past three years.
- Have the ability to fulfill contracts, good financial condition, good business performance, and after-sales service capability.
- Principally choose manufacturers; if it's not possible to choose manufacturers due to conditions, distributors can be selected on a strictly reviewed basis.
- Other conditions required by laws and regulations.



Production materials supplier admission process

For non-production material suppliers, we have established the *Supplier Management System* to strengthen the admission management of non-production material suppliers, reduce procurement risks, and ensure the quality and reliability of suppliers. The selection of non-production material suppliers is led by the procurement department, with the specific use department and EHS department participating in the supplier's assessment and evaluation. Finally, based on the *Supplier Qualification Review Form* and the inspection report, qualified suppliers are included in the *Qualified Supplier List*.

c) Supplier audits

After suppliers are selected and start providing raw materials and other goods to the Group, the Company implements strict regular audit procedures to ensure the quality of suppliers always meets the Company's set standards.

For production material suppliers, we strictly follow the *Supplier Audit Standard Operating Process*. The supplier audit is led by the Quality Management Center, with the final use department, technical department, EHS department, and procurement department participating. The audit team determines the supplier's audit method and the frequency of regular audits based on the material risk level. During the audit process, we comprehensively evaluate the supplier's performance in supply quality, service quality, technical level, delivery capability, response speed, environmental material use and social responsibility. Especially for key material suppliers, the Quality Assurance department organizes annual quality review work. For suppliers that fail the audit, the Group uses an elimination mechanism to filter, ensuring efficiency and high quality in all links of the supply chain. Additionally, we periodically perform performance evaluations and scoring of major suppliers to maintain the stability and reliability of the supply chain, ensuring the continuous improvement and optimization of suppliers. For non-production material suppliers, the procurement department shall organize performance assessment and evaluation of suppliers from time to time, and implement performance assessment reward and punishment mechanism for suppliers according to the assessment results.

During the reporting period, we conducted 32 on-site audits of suppliers.

Supplier risk level classification	
High risk	Production material suppliers, high purchase unit price, large quantity, product with safety risks
Moderate risk	Low purchase unit price, large quantity, and high frequency
Low risk	Low purchase unit price, low frequency, one-time procurement suppliers

TOT BIOPHARM encourages suppliers to establish comprehensive environmental and quality management systems and obtain third-party management system certifications. During the reporting period, 54 suppliers have passed the ISO 14001 certification, 119 suppliers have passed the ISO 9001 certification, and 44 suppliers have passed the OHSAS 18001 certification.

d) Supplier communication

In establishing a sustainable and responsible supply chain system, TOT BIOPHARM takes an active and proactive attitude, strengthening communication with suppliers to ensure the stability and efficient operation of the supply chain. During the reporting period, we conducted irregular communication and exchanges with suppliers on key business developments or anticipated business needs and organized supplier EHS training.

The Group has developed the *Contractor Environmental Health Safety Management Procedure*. Before contractors enter the factory for work, we conduct environmental health safety training for all personnel and conduct exams. The training content covers security requirements, personal protective equipment wearing requirements, safety notifications in the pharmaceutical industry, equipment and tool use, accident reporting, first aid, and emergency response. In 2023, we conducted contractor training 56 times, with more than 170 participants. Additionally, we hold weekly online and on-site meetings on current business needs communication, future business cooperation establishment, and other contents.

2. Promoting industry development

TOT BIOPHARM fully utilizes the professional strengths and resource advantages in the pharmaceutical health field, actively participating in peer cooperation. Through this approach, we continuously seek to transform development and innovation results into public welfare, giving back to society.

Case: TOT BIOPHARM and SmartNuclide Reached Strategic Cooperation

On April 22, 2023, the inauguration ceremony of the Suzhou SmartNuclide Class B Radioactive Isotope Laboratory was grandly held at the LianDong U Valley Innovation Center in Suzhou Industrial Park. TOT BIOPHARM signed a strategic cooperation agreement with SmartNuclide. In the future, both parties will further consolidate and deepen cooperation, accelerating the development and progress of SmartNuclide and other radioactive drug companies in the field of radionuclide drugs, benefiting patients around the world as soon as possible.

Case: TOT BIOPHARM and Chemexpress Reached Strategic Cooperation

On September 19, 2023, TOT BIOPHARM and Shanghai Haoyuan Chemexpress reached a strategic cooperation. Combining their strengths, both parties will closely cooperate and deepen the construction of a one-stop CDMO high-quality service platform that covers the entire process from ADC drug research and development to industrialization, empowering clients to accelerate the research and development process of more innovative drugs, benefiting patients around the world.

Case: One of TOT BIOPHARM's Main Shareholders, Vivo Capital's Ten Billion Fund Lands, Signing Several Investment Projects in the Park

On December 20, 2023, the Vivo Health Industry Fund which amounted to nearly RMB ten billion was raised and landed in Suzhou Industrial Park. The fund entered into a series of investment projects, further promoting the development of the park's biopharmaceutical industry and ecological construction. At the event, TOT BIOPHARM signed a contract manufacturing cooperation project for two pipeline products with Lepu Biopharma.

TOT BIOPHARM has set up an anti-tumor drug research and development and production base in the park. After Vivo Capital's strategic investment, it actively helped the Company to transform into a large molecule contract research and manufacturing CDMO business, and invested in establishing a global research and development service center in 2021, gradually introducing 300 research personnel, strengthening technological innovation and process development capabilities. Currently, the total investment in the project is nearly RMB2 billion, with leading integrated development and commercial production capabilities for integrated antibody-drug conjugate, monoclonal antibody and bispecific antibody drugs, continuously empowering high-quality industrial development.

At the same time, the conference organized two roundtable meetings, with over 100 delegates gathering to discuss the entrepreneurial and investment experiences in the biopharmaceutical industry, as well as future development trends, challenges, and opportunities.

3. Community investment

TOT BIOPHARM clearly understands its own social responsibility, strictly adheres to relevant laws and regulations, implements the *External Donation Management Measures* internally, practices inclusive health, promotes the accessibility of medical services, and actively participates in community investment in various forms to realize its own social value.

a) Inclusive health

TOT BIOPHARM has carried out support for some patients in provinces such as Shanxi, Hebei and Hunan to reduce patient expenses, alleviate the burden on patients' families, and make medicine accessible to more patients. In 2023, TOT BIOPHARM provided Bevacizumab injection worth millions to the Shanxi Province Kangjian Major Disease Assistance Center and Changsha City Xiangyi Public Welfare Charity Service Center, committed to helping more patients.

b) Social donation

TOT BIOPHARM pays attention to the development of education and actively contributes to the development of educational undertakings. Since 2020, TOT BIOPHARM and Soochow University Education Development Foundation have jointly committed to promoting educational innovation and development in the School of Pharmacy at Soochow University. In 2023, to support the educational undertakings of Soochow University, we donated RMB90,000 to the Soochow University Education Development Foundation.

APPENDIX
List of laws and regulations

This section sorts and lists out the major laws and regulations that are applicable to the Group in the order of the ESG index in accordance with the requirements as stipulated in "the relevant laws and regulations that have a significant impact on the issuer" within "General Disclosure" of the HKEX guidelines.

ESG Category	List of major laws and regulations
A1: Emissions	*Environmental Protection Law of the People's Republic of China* *Environmental Protection Tax Law of the People's Republic of China* *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* *Integrated Emission Standard of Air Pollutants* *Integrated Wastewater Discharge Standard* *Water Law of the People's Republic of China* *Water Pollution Prevention and Control Law of the People's Republic of China* *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* *Emission Standard of Air Pollutants for Pharmaceutical Industry* *Law of the People's Republic of China on Appraising of Environment Impacts* *Circular Economy Promotion Law of the People's Republic of China*
B1: Employment	*Labor Law of the People's Republic of China* *Labor Contract Law of the People's Republic of China* *Social Insurance Law of the People's Republic of China* *Law of the People's Republic of China on the Protection of Women's Rights and Interests* *Trade Union Law of the People's Republic of China* *Provision on the Prohibition of Using Child Labor*

ESG Category	List of major laws and regulations
B2: Health and Safety	*Production Safety Law of the People's Republic of China* *Special Equipment Safety Law of the People's Republic of China* *Labor Contract Law of the People's Republic of China* *Occupational Disease Prevention and Control Law of the People's Republic of China* *Regulation on Emergency Responses to Work Safety Accidents* *Regulation on Work Injury Insurance*
B6: Product Responsibility	*Drug Administration Law of the People's Republic of China* *Regulations for the Implementation of the Drug Administration Law of the People's Republic of China* *Standard Management Regulations for Handling Drug Complaints* *Good Manufacture Practice of Medical Products* *Measures for the Administration of Drug Registration* *Measures for the Administration of Drug Recall* *Good Pharmacovigilance Practice* *Provisions for Drug Insert Sheets and Labels* *Good Clinical Practice of Pharmaceutical Products* *Key Points and Judgment Principles of Verification of Drug Registration* *Trademark Law of the People's Republic of China* *Copyright Law of the People's Republic of China* *Patent Law of the People's Republic of China* *Personal Information Protection Law of the People's Republic of China* *Measures for the Supervision over and Administration of Pharmaceutical Production*
B7: Anti-corruption	*Criminal Law of the People's Republic of China* *Anti-Monopoly Law of the People's Republic of China* *Anti-Unfair Competition Law of the People's Republic of China* *Anti-Money Laundering Law of the People's Republic of China* *Interim Provisions on Banning Commercial Bribery* *Company Law of the People's Republic of China* *Basic Norms for Enterprise Internal Controls*

Glossary

Some of the subject names and policy names used are abbreviated in this Report, as follows:

ADC	Antibody-drug Conjugate
ANDA	Abbreviated New Drug Application
CAPA	Corrective Action and Preventive Action
CDMO	Contract Development and Manufacturing Organization
CEO	Chief Executive Officer
CSO	Contract Sales Organization
SME	Subject Matter Expert
DMS	Document Management System
EHS	Environment Health Safety
GMP	Good Manufacturing Practice
ICH	International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use
ICH-Q8	Drug Development
ICH-Q9	Quality Risk Management
ICH-Q10	Drug Quality System
IPEM	International Pharmaceutical Engineering Management
IND	Investigational New Drug
NDA	New Drug Application
NMPA	National Medical Products Administration
DSUR	Development Safety Update Report

ESG key performance

Category	Unit or Category	2023	2022	2021
Environmental				
Energy Consumption				
Consumption of purchased electricity	KWh	**18,317,530**	12,125,104	12,992,420
Natural gas	m^3	**2,267,673**	1,833,506	1,608,469
Diesel fuel	Liters	**0**	200	200
Steam[1]	Kilograms	**1,314,100**	–	–
Direct energy consumption	Tce	**2,755**	2,439	1,953
Indirect energy consumption	Tce	**2,378**	1,490	1,597
Total energy consumption	Tce	**5,133**	3,929	3,550
Energy consumption intensity	Tce/RMB10,000	**0.07**	0.09	0.47
Waste				
Hazardous waste generated	tonnes[2]	**44.127**	34.000	19.241
Intensity of hazardous waste	tonnes/RMB10,000	**0.57×10^{-3}**	0.77×10^{-3}	2.52×10^{-3}
Non-hazardous solid waste generated[3]	tonnes	**1,773.919**	96.123	128.416
Intensity of non-hazardous waste[4]	tonnes/RMB10,000	**2.272×10^{-2}**	2.170×10^{-3}	1.682×10^{-2}
Total amount of non-hazardous solid waste recovered	tonnes	**1,676.161**	32.235	21.141

1 In 2023, we increased the use of industrial steam.

2 In 2023, we revised the units of some quantitative data in the ESG key performance table in accordance with the HKSE ESG Reporting Guide. Where the units of data in this performance table are inconsistent with previous years, please refer to the units in this performance table.

3 The 2021 and 2022 non-hazardous solid waste metrics did not include recyclable domestic waste, and in 2023 we updated and restated the non-hazardous solid waste metrics for 2021 and 2022 (i.e., added recyclable domestic waste for the respective year to the non-hazardous solid waste data disclosed in previous years).

4 In conjunction with the updated restatement of the 2021 and 2022 non-hazardous solid waste targets, we recalculated the non-hazardous waste intensity for 2021 and 2022 and recalculated the 2022 non-hazardous waste intensity reduction target (i.e., a 55% to 88% decrease in the non-hazardous waste intensity (per RMB10,000 of revenues) by 2022, using 2021 as the base year). After the recalculation, the non-hazardous waste intensity in 2022 decreased by 87%, and the non-hazardous waste intensity reduction target for 2022 was realized. The increase in the intensity of non-hazardous waste in 2023 is due to the recovery of a batch of equipment that was phased out in renovation projects in 2023, resulting in a relatively large increase in the total amount of non-hazardous solid waste in 2023 compared to 2021. At the same time, this increase is greater than the increase in operating revenue in 2023 and 2021.

Category	Unit or Category	2023	2022	2021
Wastewater[5]				
Wastewater emissions	Tonnes	**19,610**	52,585	49,091.4
Intensity of wastewater	Tonnes/RMB10,000	**0.25**	1.19	6.43
COD in wastewater	Tonnes	**1.52**	0.88	2.90
Ammonia nitrogen in wastewater	Tonnes	**0.24**	0.12	0.42
Water consumption				
Production and office water consumption	Tonnes	**346,079**	270,002	245,457
Reused water consumption	Tonnes	**42,560**	42,560	42,560
Intensity of production and office water	Tonnes/RMB10,000	**4.43**	6.11	32.16
Packaging material				
Vial consumption	tonnes	**13.900**	3.648	4.328
Intensity of vial consumption	tonnes/RMB10,000	**0.18×10^{-3}**	0.8×10^{-4}	0.57×10^{-3}
Paper	tonnes	**147.490**	10.166	–
Intensity of paper consumption	tonnes/RMB10,000	**1.89×10^{-3}**	0.23×10^{-3}	–
Plastic	tonnes	**–**	1.743	–
Intensity of plastic consumption	tonnes/RMB10,000	**–**	0.4×10^{-4}	–

5 Compared with 2022 and 2021, the wastewater discharge in 2023 was significantly reduced, which is due to the addition of cooling towers in 2023, and the evaporation capacity has increased to a certain extent. At the same time, we have improved some of the workshop drainage points, and some of the municipal drainage of the original workshop is now discharged to the wastewater station, further reducing the municipal discharge water.

Category	Unit or Category	2023	2022	2021
Greenhouse gas[6]				
Scope 1 GHG emissions	tCO_2e	**4,957**	4,516	4,722
Scope 2 GHG emissions	tCO_2e	**10,855**	6,915	10,291
Total GHG emissions (Scope I + Scope II)	tCO_2e	**15,812**	11,431	15,014
GHG intensity	tCO_2e/RMB10,000	**0.20**	0.26	1.97
Exhaust				
Exhaust emission	m^3	**32,648,000**	39,310,200	16,888,925
Intensity of exhaust emission	m^3/RMB10,000	**418.23**	889.01	2,212.76
NO_x	Tonnes	**0.659**	0.76	0.57
SO_x	Tonnes	**0.085**	0	0
PM	Tonnes	**0.030**	0.032	0.037
Volatile organic compound (VOC)	Tonnes	**0.036**	0.016	0.008

[6] In 2023, we conducted an inventory of greenhouse gas emissions in accordance with ISO 14064-1. The emission factors for natural gas in Scope 1 of 2023 are sourced from the *2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Revision)* issued by the Intergovernmental Panel on Climate Change (IPCC). The electricity emission factor in Scope 2 is selected from the *2022 National Grid Average Emission Factors* published by the *Ministry of Ecology and Environment, PRC*, and the emission factor for purchased steam is selected from the *Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Enterprises in Other Industrial Industries*. In this Report, data for 2022 and 2021 are restated.

Category	Unit or Category	2023	2022	2021
Social				
Employment and diversity				
Number of employees	Total number	**552**	431	337
Employee by gender	Female	**277**	229	182
	Male	**275**	202	155
Employee by age	Under 30 years old	**264**	196	140
	30-39 years old	**217**	171	146
	40-49 years old	**61**	54	40
	Over 50 years old	**10**	10	11
Employee by education background	Doctor's degree	**11**	12	10
	Master's degree	**112**	94	80
	Bachelor's degree	**293**	230	177
	College	**111**	77	58
	Under college	**25**	18	12
Employee by category	Full-time	**552**	431	337
	Part-time	**0**	0	0
Employee by class of position	Executive management	**22**	17	16
	Middle management	**66**	58	52
	General and technical employee	**464**	356	269
Employee by geographical region	From Suzhou	**524**	397	302
	Chinese mainland except Suzhou	**26**	32	32
	Outside Chinese mainland (including Hong Kong, Macao and Taiwan)	**2**	2	3
Employee responsible for the society	Disability	**0**	0	0
	Veteran	**2**	3	0

Category	Unit or Category	2023	2022	2021
Employee turnover rate[7]				
Employee turnover number	Total number	**87**	108	143
Employee turnover rate	Ratio	**13.62%**	20.07%	27.24%
Employee turnover rate by gender	Female	**13.17%**	20.83%	25.27%
	Male	**14.06%**	19.20%	29.51%
Employee turnover rate by age	Under 30 years old	**14.29%**	18.42%	22.22%
	30-39 years old	**12.24%**	20.10%	29.83%
	40-49 years old	**13.64%**	26.32%	39.53%
	Over 50 years old	**23.08%**	27.27%	25.00%
Employee turnover rate by geographical region	From Suzhou	**12.35%**	19.68%	25.77%
	Chinese mainland except Suzhou	**31.58%**	21.43%	33.00%
	Outside Chinese mainland (including Hong Kong, Macao and Taiwan)	**50.00%**	66.67%	25.00%
Occupational Health and Safety				
Total working hours	Hours	**997,768**	695,685	536,069
Number of work-related injuries[8]	Number of people	**0**	0	0
Number of fatalities due to work-related reasons	People	**0**	0	0
Number of lost days due to work-related injuries	Number of days	**0**	0	0
Number of occupational diseases	Number of people	**0**	0	0
Occupational disease rate	%	**0**	0	0
Total hours of EHS training	Hours	**4,182**	2,110	930
Average hours of EHS training	Hours	**8.64**	6	3
Total number of employees trained by EHS	Number of people	**4,462**	1,214	1,260

[7] The staff turnover rate calculation formula used is as follow: number of turnover (people) of a specific group in the reporting year/(total number of employees (people) of the Group at the beginning of the reporting period + number of new recruits (people) of the Group throughout the year)*100%.

[8] The number of work-related injuries refers to the number of people without any major injury or death.

Category	Unit or Category	2023	2022	2021
Training and development				
Total input of training	RMB	**720,427**	643,819	650,542
Total training hours	Hours	**11,003.06**	18,002.55	9,789.63
Percentage of trained employees	Total	**100%**	100%	100%
	Female	**100%**	100%	100%
	Male	**100%**	100%	100%
	Executive management	**100%**	100%	100%
	Middle management	**100%**	100%	100%
	General and technical employee	**100%**	100%	100%
Average training hours per capita	Total	**19.93**	41.77	29.05
	Female	**19.55**	44.63	25.93
	Male	**20.32**	38.53	32.71
	Executive management	**34.67**	47.46	18.50
	Middle management	**34.54**	49.68	36.26
	General and technical employee	**17.16**	40.21	28.28
Supplier management				
Total number of suppliers	Numbers	**599**	1,233	1,096
Suppliers by geographical region	Jiangsu Province	**281**	618	536
	Except Jiangsu Province	**318**	615	560
Percentage of suppliers signing the *Integrity Commitment*	Ratio	**96%**	100%	100%
Suppliers certified by ISO 14001	Numbers	**54**	10	10
Suppliers certified by ISO 9001	Numbers	**119**	19	19

Category	Unit or Category	2023	2022	2021
Product Responsibility				
Number of complaints about products and services[9]	Numbers	**0**	0	0
Safety and health related recall	Numbers	**0**	0	0
Anti-corruption				
Number of cases involved corruption	Numbers	**0**	0	0
Intellectual property rights				
The total number of valid patents/trademarks obtained by the Company	Invention patents	**31**	26	14
	Utility model patents	**10**	7	4
	Design patents	**0**	0	0
	Trademarks	**297**	297	278

[9] The product and service complaints refer to complaints arising from "material defects in products".

Index of *Environmental, Social and Governance Reporting Guide* indicators

HKEX ESG Guidelines		Report sections
Mandatory disclosure requirements		
Governance Structure		Corporate governance structure, ESG management
Reporting principle		Analysis of important issues
Reporting Boundary		About the Report
A. Environmental		
Aspect A1: Emissions	General Disclosure	Environmental management system, "Three waste" management
	KPI A1.1	"Three waste" management
	KPI A1.2	Metrics & targets, "Three waste" management
	KPI A1.3	"Three waste" management
	KPI A1.4	"Three waste" management
	KPI A1.5	Environmental management
	KPI A1.6	"Three waste" management
Aspect A2: Use of Resources	General Disclosure	Environmental management system, Resources management
	KPI A2.1	Environmental management system, Energy consumption and management
	KPI A2.2	Water resources management
	KPI A2.3	Environmental management system, Energy consumption and management
	KPI A2.4	Environmental management system, Water resources management
	KPI A2.5	Material management
Aspect A3: The Environment and Natural Resources	General Disclosure	Environmental management system
	KPI A3.1	Environmental management system
Aspect A4: Climate Change	General Disclosure	Addressing climate change
	KPI A4.1	Addressing climate change

HKEX ESG Guidelines		Report sections
B: Social		
Aspect B1: Employment	General Disclosure	Employee employment
	KPI B1.1	Employee diversification
	KPI B1.2	Employee retention
Aspect B2: Health and Safety	General Disclosure	Employee health and safety
	KPI B2.1	Employee health and safety
	KPI B2.2	Employee health and safety
	KPI B2.3	Employee health and safety
Aspect B3: Development and Training	General Disclosure	Employee training, Employee promotion
	KPI B3.1	Employee training
	KPI B3.2	Employee training
Aspect B4: Labour Standards	General Disclosure	Compliant employment
	KPI B4.1	Compliant employment
	KPI B4.2	Compliant employment
Aspect B5: Supply Chain Management	General Disclosure	Partner collaboration
	KPI B5.1	Procurement management
	KPI B5.2	Supplier admission
	KPI B5.3	Supplier admission, Supplier audits, Supplier communication
	KPI B5.4	Supplier audits, Supplier communication

HKEX ESG Guidelines		Report sections
Aspect B6: Product Responsibility	General Disclosure	Improve quality management, Product safety management, Customer service, Technology management and innovation, Data security and privacy protection
	KPI B6.1	Product safety management
	KPI B6.2	"One-stop, one-base" ADC CDMO service, Dealing with complaint
	KPI B6.3	Intellectual property protection
	KPI B6.4	Product safety management
	KPI B6.5	Data security and privacy protection
Aspect B7: Anticorruption	General Disclosure	Business ethics
	KPI B7.1	Business ethics
	KPI B7.2	Business ethics
	KPI B7.3	Risk and compliance
Aspect B8: Community Investment	General Disclosure	Community investment
	KPI B8.1	Promoting industry development, Community investment
	KPI B8.2	Community investment

GRI standard (2021) index of indicators

Index Position		GRI Standard
About the Report		2-2, 2-3, 2-4
Entering TOT BIOPHARM		2-1
Corporate governance	Corporate governance structure	2-9, 2-12, 2-17
	Business ethics	205-3, 205-3
	Risk and compliance	2-27, 207-2
ESG management	Statement of the Board	2-14, 2-16, 2-17
	ESG management framework	2-14
	Stakeholder communication	2-29, 3-1, 3-2, 3-3
	Analysis of important issues	
Product liability	Improve quality management	416-1, 416-2
	Cultivate great quality culture	404-2
	Product safety management	416-1, 416-2
Customer service	"One-stop, one-base" ADC CDMO service	
	Dealing with complaint	418-1
	Product traceability	417-1, 417-2
Data security and privacy protection		418-1
Technology management and innovation	Technical innovation	
	Technical ethics	
	Intellectual property protection	2-27
Addressing climate change	Governance	
	Strategy	201-2
	Risk management	
	Metrics & targets	305-1, 305-2, 305-4, 305-5
Environmental management	Environmental management system	303-4, 306-1, 306-2
	"Three waste" management	303-4, 306-2, 306-3, 306-4
	Environmental protection	

Index Position		GRI Standard
Resources management	Energy consumption and management	302-1, 302-3, 302-4
	Water resources management	303-1, 303-2, 303-5
	Material management	301-1, 301-2, 301-3
Employee employment	Compliant employment	406-1, 408-1, 409-1
	Employee diversification	405-1
	Employee retention	401-1
Employee development	Employee training	404-1
	Employee promotion	404-2
Employee communication		407-1
Employee care and health	Employee care	401-2, 401-3
	Employee health and safety	403-1, 403-2, 403-3, 403-5, 403-6, 403-7, 403-9, 403-10
Partner collaboration	Procurement management	204-1
	Supplier admission	308-1, 414-1
	Supplier audits	308-2, 414-1
	Supplier communication	
Promoting industry development		
Community investment	Inclusive health	413-1
	Social donation	

Reader's feedback

We anticipate your opinions and suggestions to continuously improve our ESG efforts, as well as our competence in ESG management.

We hope you could complete the questions in the feedback form below and sent it back to us via the following contacts.

Address: 120 Changyang Street, Suzhou Industrial Park, Suzhou, Jiangsu, China
Tel: +86 (0) 512-6296-5186
Fax: +86 (0) 512-6296-5286
Postcode: 215024

Your Information	
Name	
Company name	
Tel	
Email	
Opinions & Suggestions	

1. What do you think of our ESG report?
   O Excellent O Good O Average

2. Do you think this Report has presented the significant impact of our ESG issues?
   O Yes O More or less O Don't know

3. How do you rate the clarity, accuracy and completeness of the information, data and indicators disclosed in this Report?
   O Very high O High O Average O Low O Very low

4. Which aspect of this Report are you most satisfied with?

   _____

5. What kind of information do you want to learn more about?

   _____

6. Do you have any suggestions for the ESG reports to be released in the future?

   _____