



SINO BIOPHARMACEUTICAL LIMITED

中國生物製藥有限公司

(Incorporated in the Cayman Islands with Limited Liability)

(Stock Code: 1177)



 2022

Environmental, Social and
Governance Report

ABOUT THIS REPORT

This is the environmental, social and governance (“ESG”) report publicly disclosed by Sino Biopharmaceutical Limited. It aims to fully and truly present the management practice and performance of Sino Biopharmaceutical in the ESG aspects in 2022 to its major stakeholders including the shareholders, employees, regulatory bodies, customers, partners and the public.

Basis of preparation

This report has been prepared based on the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) in Appendix 27 to the Main Board Listing Rules of the Hong Kong Stock Exchange, with extensive reference to the core option of the Global Reporting Initiative Standards (GRI Standards) of the Global Sustainability Standards Board (GSSB), the 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs) of the United Nations.

Reporting scope

Unless otherwise specified, the scope of disclosure in this report is consistent with the 2022 Annual Report of Sino Biopharmaceutical Limited.

Source of information

The key financial data in this report are extracted from the 2022 Annual Report of Sino Biopharmaceutical Limited which is disclosed by Sino Biopharmaceutical on the websites of the Hong Kong Stock Exchange and the Company, and other information and data are sourced from the internal management documents and relevant records of the Group. Unless otherwise specified, the currency for denomination in this report is Renminbi (“RMB”).

After comprehensive consideration of factors such as the proportion of operating income contributed by and the Group’s shareholdings in the member companies, we selected 7 major member companies, such as CT Tianqing, as the presentation subjects of the relevant policies, working mechanism and specific cases relating to various ESG issues.

Reporting period

From 1 January 2022 to 31 December 2022. Some content can be traced back to historical information.

Abbreviations

For the convenience of presentation and reading, Sino Biopharmaceutical Limited and companies within its scope of consolidation are referred to as the “Group”, “Sino Biopharmaceutical”, “we” or “us” in this report.

In this report, the subsidiaries of Sino Biopharmaceutical are referred to as “member companies”, which mainly include Chia Tai Tianqing Pharmaceutical Group Co. Ltd. (“CT Tianqing”), Beijing Tide Pharmaceutical Co., Ltd. (“Beijing Tide”), Nanjing Chia Tai Tianqing Pharmaceutical Co., Ltd. (“NJCTT”), CP Pharmaceutical Qingdao Co., Ltd. (“CP Pharmaceutical (Qingdao)”), Jiangsu Chia Tai Fenghai Pharmaceutical Co., Ltd. (“CT Fenghai”), Jiangsu Chia Tai Qingjiang Pharmaceutical Co., Ltd. (“CT Qingjiang”) and Shanghai Chia Tai Tongyong Pharmaceutical Co., Ltd. (“CT Tongyong”).

Availability of the report






You may visit the websites of the Sino Biopharmaceutical or the Hong Kong Stock Exchange to browse or download the Chinese and English versions of this report. If there is any discrepancy in the interpretations of the versions, the Chinese version shall prevail.

2022

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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CHAIRWOMAN'S STATEMENT



Science for a healthier world

Ms. Tse, Theresa Y Y
Chairwoman

The year 2022 was an extraordinary year. We were in the midst of a complex situation of 100 years of international changes and the pandemic of the century, and we experienced many obstacles and impacts that were beyond our expectations. In the face of current industry fluctuations and temporary difficulties in the economic cycle, the contribution of quality development of pharmaceutical companies to people's welfare and economic growth is all the more valuable. In the critical period of finding the next growth point of the cycle, cultivating and releasing new technological benefits, Sino Biopharmaceutical has been working together in adversity, undertaking the corporate mission of "Science for a healthier world" and being dedicated to contributing to the health and well-being of more patients worldwide.

As a leading, innovative and research and development ("R&D") driven pharmaceutical conglomerate in China, Sino Biopharmaceutical has a vision of "to be a leading global pharmaceutical company through delivering innovative therapies for patients". We promoted a "comprehensive innovation" strategy with technology innovation as the core, and continued to increase our R&D efforts on new original drugs in the four core therapeutic areas, namely oncology, liver diseases, surgery/neurology and respiratory system. In 2022, the Group's R&D investment reached RMB4.45 billion, an increase of over RMB600 million from the previous year, and the proportion to the total revenue increased to 15.5%, demonstrating the Group's determination to transform. At the same time, the international strategic layout of Sino Biopharmaceutical has become another core driving force for the development of the Group. This year, the Group continues to adhere to the two major paths of "bringing in" and "going out", and has made milestone breakthroughs in the integration of international strategic cooperation resources, the introduction of international high-end talents, the expansion of international leading technology and product line. In addition, we are actively engaged in digital transformation, promoting the construction of

intelligent factories, building a complete, safe and efficient digital collaborative business platform, applying artificial intelligence technology to accelerate the R&D progress, gradually realizing business datalization, data assetization and business intelligentization, and promoting innovation and breakthroughs in business models and operation modes.

We understand that a high level of ESG governance is the foundation for sustainable development of a corporation. In 2022, the Group officially released an ESG strategy with "CARE" as the core, clearly defining "Cure, Accessible, Environmental and Relationship" as the four key ESG areas of concern, comprehensively deepened the organic integration of ESG with the Group's development strategy, promoted dedicated governance of material ESG issues, and worked together with industry chain partners to achieve a number of breakthroughs in key ESG areas:

In the area of environmental protection, we promoted the integration of low-carbon transformation and corporate development strategies and launched the "Carbon Neutral Planning Project of Sino Biopharmaceutical", with a view to providing substantial support for the comprehensive achievement of China's dual carbon objective and the active response to climate change risks.

In the area of talent development, we continued to build a diversified and inclusive workplace culture and formally launched the "Talent Development Plan of Sino Biopharmaceutical" to continuously create an excellent employment experience and continuously empower the development of employees from four aspects: talent attraction and retention, organization construction and development, talent training and development, and human resources operation and support, so as to help the Company and its employees grow together.

In the area of business ethics, we promised to abide by the highest level of business ethics, took quality and safety as our lifeline, adhered to the lifeline of quality and safety with the "Full Life-cycle Quality Management System", promoted responsible marketing and quality culture construction covering all employees, achieved the annual management goal of "zero

quality and safety incidents and product recalls", and are determined to ensure the safety of drug use of patients.

In the area of accessibility, we continued to consolidate our core and advantageous areas with the core objective of "providing more patients with more extensive, more effective and more affordable treatment options", and as of the end of the reporting period, the key products of the Group had treated more than 150 million patients. At the same time, we actively promoted the R&D of drugs for rare diseases and supported the improvement of medical standards in developing countries, in the hope of bringing equal health benefits to more patients.

In the area of community investment, we have continued to work in five major areas, namely fighting the pandemic, disaster relief, rural revitalization, donations for education and charity, in combination of our own industrial strengths, with an annual community investment amount more than RMB66 million and more than 38,000 hours of social welfare participation, contributing to the construction of harmonious social relationships.

We believe that health technologies can bring warmth to more lives. In the future, Sino Biopharmaceutical will stick to its original aspirations and act for good, actively fulfill its corporate citizenship responsibilities, seek well-being for more patients, join hands with employees and partners for mutual development, and pursue the harmonious development of the Group, employees, environment and society with good ESG governance as the cornerstone.



ABOUT SINO BIOPHARMACEUTICAL

COMPANY PROFILE

Sino Biopharmaceutical Limited and its subsidiaries (“Sino Biopharmaceutical” or the “Group”) is a leading, innovative and R&D driven pharmaceutical conglomerate in China. Our business encompasses a fully integrated chain in pharmaceutical products which covers an array of R&D platforms, a line-up of intelligent production and a strong sales system. The Group’s products have gained a competitive foothold in various therapeutic categories with promising potentials, comprising a variety of biopharmaceutical and chemical medicines for oncology, liver diseases, respiratory system diseases and surgery/neurology.

Since 2022, the Group has established four core strategies of “comprehensive innovation, internationalization, organizational integration and digitalization”. The Group has further increased its investment in the R&D efforts of new innovative drugs, focused on its superior resources, improved the efficiency of R&D and innovation, and accelerated the launch of innovative drugs. On

this basis, the group takes international layout as the core drive, aims at new targets, new directions and new technologies with an equal and open attitude, explores international cooperation, looks at global innovation, accelerates global layout, and promotes high-quality corporate development.

At the same time, we continued to expand the application scenarios of the power of digital transformation, and focused on promoting the digital construction of smart factories and intelligent workshops, expecting to gradually realize business datalization, data assetization and business intelligentization through the organic integration of digital technologies and production operations, transitioning from cost reduction, efficiency increase and innovation growth to the development-leading stage, and creating new growth points and development momentum by business model promotion, operation model innovation and technological breakthroughs.

Corporate culture

With the mission of “Science for a healthier world”, Sino Biopharmaceutical is committed to providing patients with diversified, and affordable treatment solutions of better quality, enhancing the quality of life of patients and maintaining their dignity of life through practical actions.

We believe that our commitment to serving patients, focusing on innovation and R&D, carrying out our mission, and adhering to the principle of “For the Country, for the People, for the Company” will ultimately lead us to our vision of becoming a leading global pharmaceutical company.

Principal member companies of the Group

Our Vision

“To be a leading global pharmaceutical company through delivering innovative therapies for patients.”

Our Values

Integrity, Foresight, Innovation, Commitment, Efficiency, Collaboration

Science for a healthier world



2022 ESG KEY PERFORMANCE

Economical



Operating sales **287.80**
RMB100 million

YoY increase of operating sales **7.1%**

Tax amount **39.49**
RMB100 million

ESG governance



S&P CSA-ESG global pharmaceutical industry ranking **Top 9%**

MSCI ESG Ranking **BBB**

Innovation, R&D and Medical accessibility



R&D investment **44.54**
RMB100 million

YoY increase of R&D investment **16.60%**

Total number of patents granted during the year (number of invention patents granted and number of PCT patents granted) **263** Patent

Products approved for marketing or new indications during the year **11** Products

Approved new clinical indications **23** (involving **17** innovative drugs)

Innovative drugs in the clinical and marketing application stage **More than 50** Products

Innovative drugs expected to be marketed **More than 10** Products

Employees



Total number of employees **26,272** Person

Proportion of male employees **53.34%**

Proportion of female employees **46.66%**

Average length of training per person **45.83** Hours

Charity



Total amount contributed for public welfare **6,664.80**
RMB10,000

Total effort contributed for public welfare **38,195.50** Hours

Environment



Investment in environmental protection **10,897.58**
RMB10,000

Greenhouse gas emission intensity (RMB1 million of revenue) **9.73** tCO₂e/RMB 1 million

YoY decrease in greenhouse gas emission intensity **15.54%**

Total consumption of renewable energy **4,248,253.6** kWh

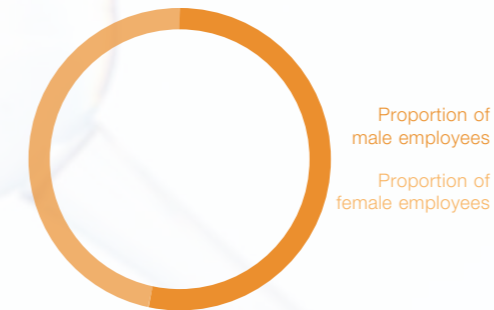
Percentage increase in consumption of renewable energy **46.15%**

Water resource consumption intensity (RMB1 million of revenue) **106.95** tons/RMB 1 million

YoY decrease in water resource consumption intensity **8.28%**

Hazardous waste emission intensity (RMB1 million of revenue) **0.26** tons/RMB 1 million

YoY decrease in hazardous waste emission intensity **3.43%**



MAJOR AWARDS HONOURS OF 2022 (PARTIAL)

ESG category

Top 20 ESG Competitiveness of China's Listed Pharmaceutical Enterprises in 2022



Awarding body: E Medicine Manager (E 藥經理人)
Awardee: Sino Biopharmaceutical



2022 China Best ESG Employers Award



Awarding body: Aon Group
Awardee: Sino Biopharmaceutical

2022 HRA China Best Employer Award



Awarding body: Human Resource Association for Foreign and Chinese Enterprises, Beijing
Awardee: Sino Biopharmaceutical



2022 ESG Golden Awards – Outstanding Enterprise in Social Responsibility



Awarding body: Sina Finance
Awardee: Sino Biopharmaceutical

2022 ESG Golden Bull Award – Philanthropy Pioneer Award



Awarding body: China Social Responsibility 100 Forum
Awardee: Sino Biopharmaceutical



Top 100 of ESG and Low Carbon Rating of China's 100 Overseas Listed Companies



Awarding body: ESGThe ESG Future Foundation
Awardee: Sino Biopharmaceutical

Market value category

Major honour	Awarding body	Awardee
Top 50 Global Pharmaceutical Enterprises in 2022	Medaverse	Sino Biopharmaceutical
Top 50 Global Pharmaceutical Enterprises in 2022	Pharm Exec	Sino Biopharmaceutical
2022 Fortune China 500 list	Fortune	Sino Biopharmaceutical
Top 20 Competitiveness of China's Listed Pharmaceutical Enterprises in 2022	Chinese Pharmaceutical Enterprises Association, China Medicinal Biotech Association	Sino Biopharmaceutical
Top 100 China's Innovative Pharmaceutical Enterprise in 2022	E Medicine Manager (E 藥經理人)	Sino Biopharmaceutical
Included in "Top 100 Comprehensive Strength" and ranked 7th in among "Most Valuable Investment Award" of the 10th "Top 100 Hong Kong Listed Companies"	Top 100 Hong Kong Listed Companies Research Centre	Sino Biopharmaceutical
"Most Valuable Pharmaceutical and Medical Company" in the Selection of the "7th Zhitongcaijing Listed Company Awards"	Zhitongcaijing.com, China Galaxy Securities, RoyalFlush Finance	Sino Biopharmaceutical
"Most Valuable Listed Company" of the 12th China Securities Golden Bauhinia Awards	Hong Kong Ta Kung Wen Wei Media Group, The Listed Companies Association of Beijing, Chinese Financial Association of Hong Kong, Hong Kong Securities Professionals Association	Sino Biopharmaceutical
Top 20 Competitiveness of Chinese Chemical Medicine Companies in 2022	Datagoo under Time Media Group	Sino Biopharmaceutical

Innovation category

Major honour	Awarding body	Awardee
Top 10 R&D in 2022	2022 China Health Ecology Organization	Sino Biopharmaceutical
2022 Top 20 Biomedical Innovation Potential List	Datagoo under Time Media Group	Sino Biopharmaceutical
Patent of Anlotinib compound receiving the 23rd China Patent Gold Award	China National Intellectual Property Administration	CT Tianqing
2022 Best Industrial Enterprise for Pharmaceutical R&D Product Line in China	China National Pharmaceutical Industry Information Center	CT Tianqing
2022 ranked 2nd in Top 100 Enterprises in China – Comprehensive Strength in Medicine R&D	www.Yaozh.com, Organizing Committee of the Summit for China Pharmaceutical R&D Innovation, China Pharmaceutical	CT Tianqing
2022 Chinese Pharmaceutical Enterprise with the Best Drug Pipeline	China National Pharmaceutical Industry Information Center	CT Tianqing Beijing Tide
"Chinese Workers Pioneer"	All-China Federation of Trade Unions	NJCTT

* Note: The above covers only part of the awards received by Sino Biopharmaceutical Limited and its subsidiaries in 2022.

01

EXCELLENT GOVERNANCE LEADING THE WAY TO STEADY PROGRESS

Contribute to the following SDGs



We believe that excellent corporate governance is a key factor in leading the Group to carry out its corporate mission. It is crucial for the Group to cope with volatile risks, seize the opportunities of the era and create long-term value.

CORPORATE GOVERNANCE

Sino Biopharmaceutical is committed to building a high level of corporate governance. During 2022, the Group continued to enhance the professionalism, independence and diversity of the board (the “Board”) of directors (the “Directors”). The decision-making ability of the governance level was further refined, and the implementation of the Group’s strategy was effectively supported. Under the leadership of the Board, Sino Biopharmaceutical has exerted new vitality and vigor amidst the gloom of the pandemic.

Corporate Governance Structure and Responsibilities

In strict compliance with the relevant provisions of the Company Law and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, Sino Biopharmaceutical continued to optimize its corporate governance structure, improve internal controls, guarantee efficient and compliant corporate governance, and ensure consistency of the Group’s culture, objectives, values, development strategies and practical actions.

We have established a standardized and orderly governance structure consisting of the Board and its special committees and the management, forming a governance mechanism with clear separation of powers and responsibilities, mutual coordination and checks and balances to fully protect the interests of our shareholders and the Group.



The Board of Sino Biopharmaceutical Group has established the Executive Board Committee, the Remuneration Committee, the Audit Committee, the Nomination Committee and the Environmental, Social and Governance (ESG) Committee.



Executive Board Committee

The Executive Board Committee meets as and when required to oversee the day-to-day management of the Group.

Remuneration Committee

The main duties of the Remuneration Committee are to make recommendations to the Board on matters relating to the remuneration policy and structure and remuneration packages of the Directors and the senior management, and to review the remuneration and compensation for loss or termination of employment or appointment of the Directors and the senior management.

Audit Committee

The main duties of the Audit Committee include considering and recommending the appointment and removal of external auditors, monitoring and reviewing the financial statements and periodic reports of the Group, reviewing financial controls, internal controls and risk management systems, considering the effectiveness of internal controls and ensuring the management review of the accounting and financial reporting functions.

Nomination Committee

The main duties of the Nomination Committee include establishing the nomination policy and procedures, reviewing the composition of the Board, reviewing the effectiveness of the diversity policy of the Board, formulating appointment and succession plans for the Directors and the senior management, advising the Board on the appointment and nomination of the Directors, assessing the independence of the independent Directors and making recommendations to the Board on matters relating to conflicts of interest of the Directors.

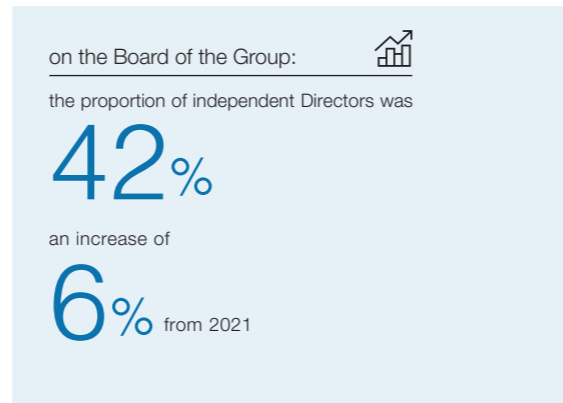
ESG Committee

The main duties of the ESG Committee include making recommendations to the Board on ESG objectives, strategies, initiatives and indicators, reviewing the alignment of the Company’s operations and practices with ESG objectives and strategies, reviewing ESG risks and opportunities, monitoring, assessing and reviewing emerging ESG-related issues and trends that may affect the Company’s business operations and performance, reviewing ESG reports and providing comments to the Board.

During the reporting period, the Group held 1 general meeting, 5 meetings of the Board, 2 meetings of the Audit Committee, 1 meeting of the Remuneration and Evaluation Committee, 2 official meetings of the ESG Committee and 1 ESG reporting and communication meeting. The holding of all meetings and voting procedures were in compliance with the relevant requirements of the laws and regulations, the Company’s Articles of Association and rules of procedure. All voting results were legal and valid, providing a solid foundation for the standardized operation of the Company.

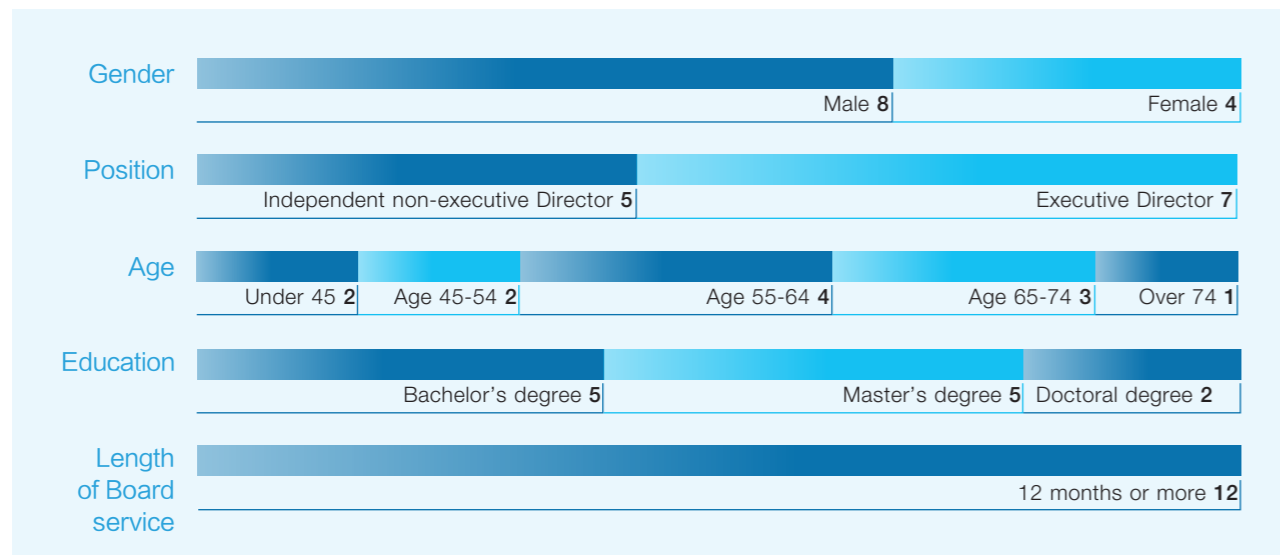
Independence of the Board

We believe that continuously enhancing the level of independence of the Board is a key element to ensure that the Board can obtain independent views and effectively avoid risks to the development of the Group due to mistakes in individual decisions. As of the end of the reporting period, the proportion of independent Directors on the Board of the Group was 42%, an increase of 6% from 2021. Meanwhile, the Audit Committee and the Remuneration Committee are composed of independent Directors while the Nomination Committee was composed of 67% independent Directors. During the year, the Board added additional provisions regarding independent non-executive Directors who have been in office for more than nine years (re-elected as independent Directors for years) and established a mechanism to ensure that the Board can obtain an independent viewpoint, and the level of independence of the Board was further enhanced.



Diversity of the Board

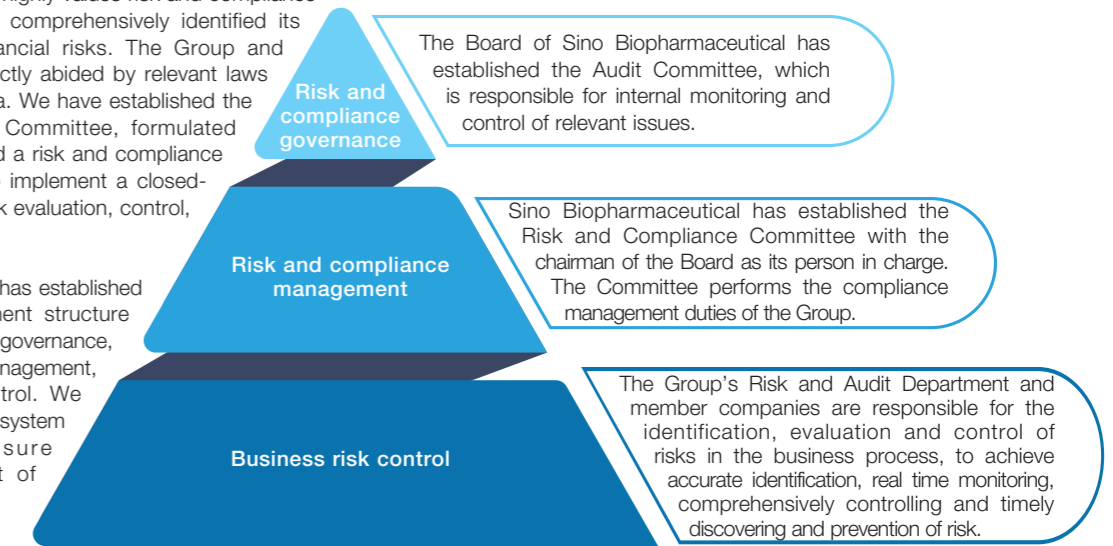
We believe that a diverse Board is critical to being a world-class company. In an era of economic uncertainty and corporate sustainability challenges, a diverse composition is an important guarantee of the right voice for directors, and a key factor in the success and survival of enterprises. We have established the “Board Diversity Policy” and made amendments in line with the development requirements of the Group to ensure that the Board has the right balance of skills, experience and diversity of views to meet the strategic objectives and sustainable development of the Group. As of the end of the reporting period, there were 12 members on the Board of Sino Biopharmaceutical Group, of whom 4 were female Directors, accounting for 33.3%. The current composition of the Board features a balanced ratio of gender, age and professional experience. All members of the Board have extensive industry experience and possess professional abilities and backgrounds in multiple fields such as finance, risk, medicine, pharmacy, law, economics and business administration.



Comprehensive risk control

Sino Biopharmaceutical highly values risk and compliance management, and has comprehensively identified its financial and non-financial risks. The Group and member companies strictly abided by relevant laws and regulations of China. We have established the Risk and Compliance Committee, formulated and strictly implemented a risk and compliance management system to implement a closed-loop management of risk evaluation, control, audit and rectification.

Sino Biopharmaceutical has established a three-level management structure of risk and compliance governance, risk and compliance management, and business risk control. We constantly improve the system construction to ensure effective management of risk and compliance.



Sino Biopharmaceutical strictly complied with the Company Law of the People's Republic of China, the Basic Standards for Internal Control of Enterprises, the Compliance Management Standards for the Pharmaceutical Industry and other relevant laws and regulations and guiding documents, and has established internal systems such as the Compliance Management System of Sino Biopharmaceutical Limited (Trial) and the Regulations of the Risk and Compliance Committee of Sino Biopharmaceutical Limited. The Group and member companies strictly complied with relevant laws and regulations and internal systems to implement risk compliance management, effective control of potential risks and respond to crisis in a timely manner.

In 2022, Sino Biopharmaceutical fully integrated ESG risks into the overall risk assessment and management framework of the Group, and conducted comprehensive assessments of traditional industry-specific risks such as business ethics, product quality and safety, adverse drug reactions and environmental protection, while further emphasizing the consideration of emerging ESG risks such as climate change and industry chain social responsibility. In conjunction with the comprehensive risk assessment, we improved our risk compliance management strategy and specific work plans in a timely manner. In response to major compliance risk matters, the Group and its member companies have formulated emergency response plans and conducted regular drills.

During the reporting period, the Risk and Compliance Committee carried out 2 audits and risk compliance trainings on the risk

compliance management of the Group and member companies, and timely rectifications were made according to the audit results. The Committee also made strict appraisal on the performance of compliance management to continuously strengthen potential risk control and enhance overall risk management standard.

Public opinion risk management

The Group formulated the Management System for Monitoring and Handling Public Opinion of the Group and its Member Companies (Trial) and the Group Media Crisis Public Relations Management Manual to refine the risk level of the crisis and clarify the corresponding handling process and methods. For major crises, no matter they are discovered through public opinion monitoring or triggered by media enquiry, relevant departments or member companies of the Group will report them promptly, and the Group's public opinion working group is responsible for the establishment, activation and implementation of the emergency plan to minimize the possible negative impact.

ESG GOVERNANCE

BOARD'S STATEMENT

The Board of Sino Biopharmaceutical Limited has reviewed and confirmed that this report does not contain any false information, misleading information or material omission. The Board issued the following statement based on the supervisory and management responsibilities of the Board on ESG-related matters during the reporting period:

The Board of the Company, as the highest responsible, decision-making and supervisory body for ESG, has authorized the ESG Committee of the Board to perform supervision and management duties on ESG-related matters on behalf of the Board. Meanwhile, the management of the Group has established the ESG Work Management Committee and the ESG Department. The ESG Work Management Committee is composed of senior management, persons in charge of the Group's ESG-related functions and persons in charge of certain principal member companies, while the ESG Department also serves as the Office for the ESG Work Management Committee and collaborates with the ESG working committees of member companies to ensure the practical management of ESG-related issues.

During the reporting period, the material ESG risks of the Group were incorporated into the overall risk assessment and management framework of the Group. The senior management, persons in charge of key businesses and key internal and external stakeholders of the Group have thoroughly considered the likelihood, impact level and risk trends of material ESG risks and formulated response plans. The Board has reviewed and provided guidance on the results of the ESG risk assessment and response plans.

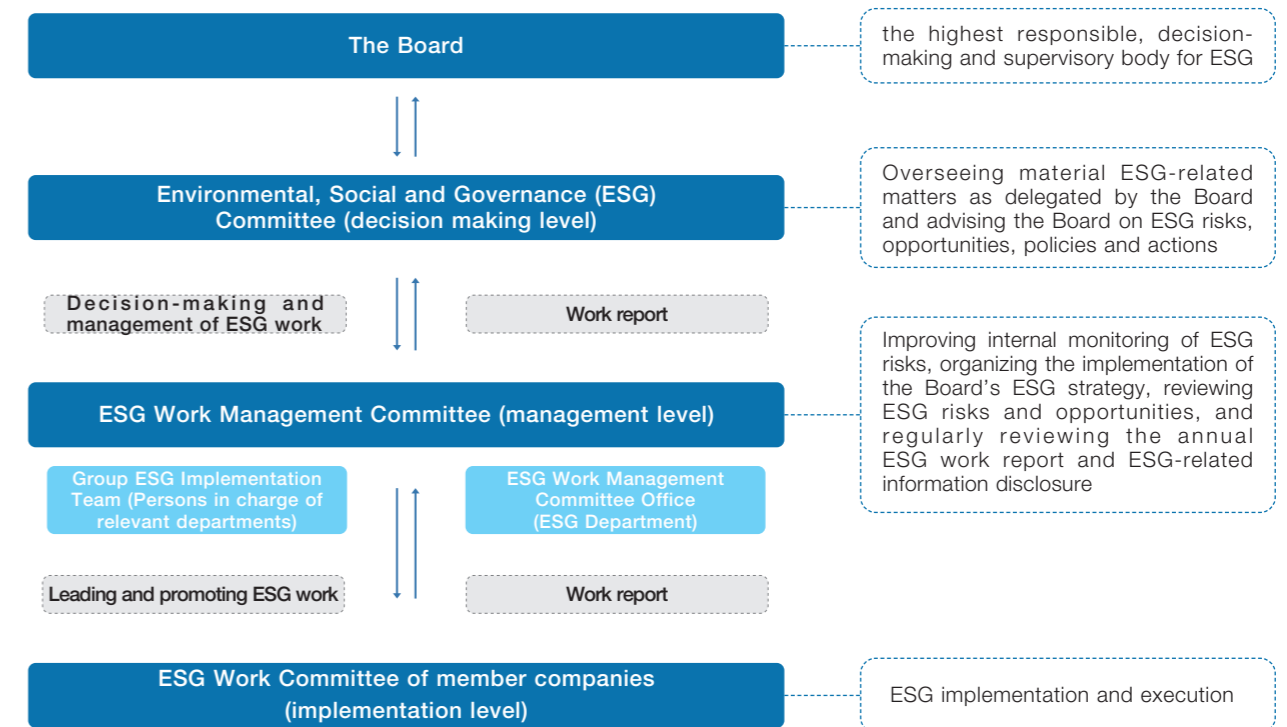
In 2022, under the guidance of the Board, the Group has proposed an ESG governance strategy with "CARE" as the core, leading the Group to continuously make breakthroughs in the four key ESG areas of Cure, Accessible, Relationship and Environmental, including but not limited to the formulation of environmental milestones as well as the launch and advancement of carbon neutrality planning, hazardous waste reduction planning, talent development planning, responsible supply chain construction and other ESG-specific work.

In 2022, the Group convened 2 meetings of the ESG Committee of the Board to review the ESG annual targets and plan and review their progress of achievement. As of the end of the reporting period, the Group's ESG work plan has been effectively implemented, and all ESG annual targets have been achieved.

This report discloses in detail the progress and achievements of Sino Biopharmaceutical's ESG work in 2022, and was reviewed and approved by the Board on 27th April 2023.



ESG Governance Structure



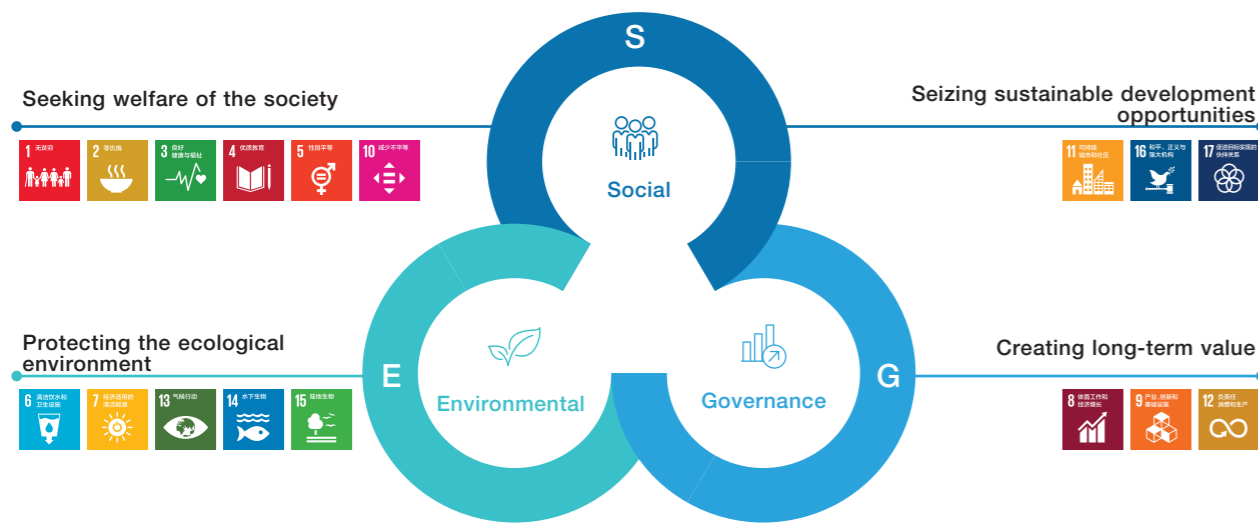
At the decision making level, with the Board as the responsible, decision-making and supervisory body for ESG, Sino Biopharmaceutical has established the Environmental, Social and Governance (ESG) Committee under the Board with Ms. Cheng Cheung Ling, vice chairwoman of the Board, acting as the chairman of the ESG Committee, and Ms. Li Mingqin, executive Director and senior vice president of the Group, and Dr. Li Kwok Tung Donald, independent non-executive Director as its members, to oversee major ESG-related issues of the Group and to advise the Board on ESG risks, opportunities, policies and actions.

At the management level, the Group has established an ESG Work Management Committee which follows the Regulations of Sino Biopharmaceutical ESG Management Committee and the relevant operating mechanism of the Committee, with Mr. Jin Song (靳松先生), vice president of the Group and the person in charge of ESG, assuming the organizational responsibility and the Group's senior management acting as the standing committee members, and the persons in charge of the Group's ESG-related functions and certain major member companies as the committee members. They are responsible for continuously improving the internal supervision of ESG risks, organizing the implementation of the Board's ESG strategies and requirements, reviewing ESG risks and opportunities in a timely manner based on factors such as the macro environment and business changes, and regularly reviewing the annual ESG work report and ESG-related information disclosure. In order to facilitate the implementation of ESG management work, the Group has also established the Office for ESG Department and ESG Work Management Committee, a dedicated ESG management department responsible for the overall planning, coordinating, organizing and promoting the execution of ESG tasks.

At the implementation level, under the leadership and supervision of the Group, each member company has set up an ESG work executive committee, with the senior management of the member companies and the persons in charge of their respective ESG Department as members, to undertake the requirements of the Board and the Group's ESG work, to formulate and implement specific ESG work plans taking into account the actual situation and development requirements of the member companies, to report to the ESG Management Committee of the Group in a timely manner on the progress of the ESG work plans and to improve the quality of work according to the guidance of the Group.

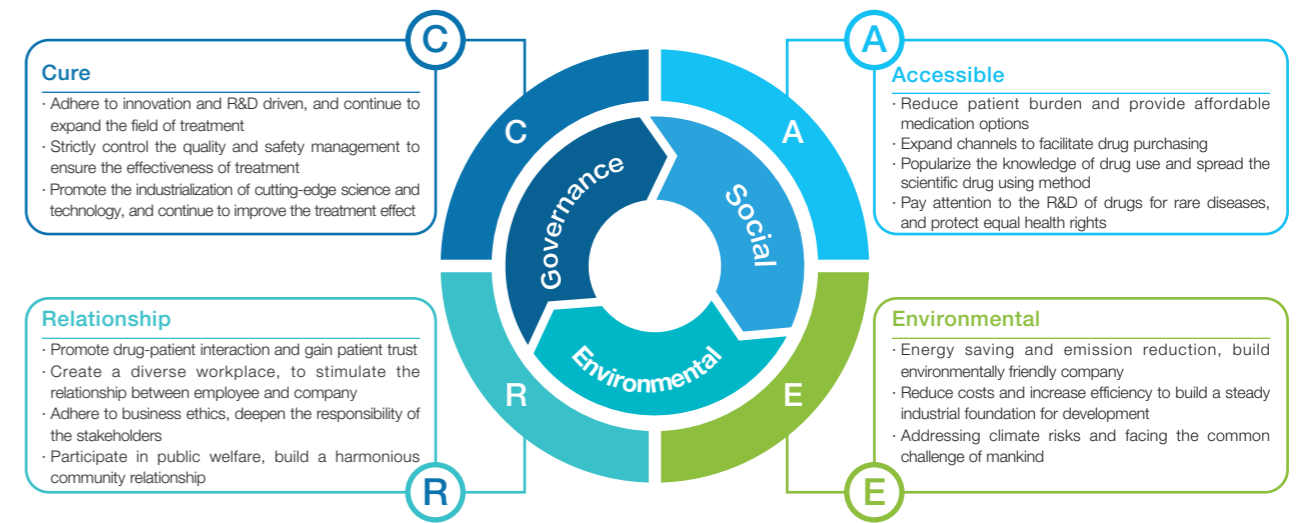
ESG Vision

The ESG vision of Sino Biopharmaceutical, is to practice high-quality ESG management, support the Healthy China initiative, seek health and well-being for more patients, and make more diseases to be treated. Meanwhile, we control risks, seize opportunities, promote the harmonious development of company, employee, society and environment, provide strong support for the sustainable development of the company, and create long-term value for ourselves and our partners.



ESG Strategy

To ensure the realization of the Sino Biopharmaceutical ESG Strategy, the Group has formulated the ESG governance strategy based on "CARE", with "Cure, Accessible, Relationship, Environmental" as the four-core direction, promote the organic integration of ESG Strategy and development strategy of the Group, promote high quality and sustainable development of the Group's business.



Progress of key ESG work in 2022

Based on the ESG strategy and the current ESG management requirements, the Group comprehensively carried out a number of key ESG tasks in 2022 to further strengthen the management foundation, continue to leverage the corporate strengths, and achieve significant results in the in-depth improvement of the ESG management system and areas of key ESG issues:

ESG policy improvement and management deepening:

In 2022, the Group officially released the “ESG Work Management Measures of Sino Biopharmaceutical” as a programmatic document for ESG management of the Group and its member companies. Under such guidance, the Group and its member companies orderly promoted a number of ESG thematic improvement projects. At the same time, the Group and its member companies have been comparing with industry best practices, comprehensively sorting out and improving ESG-specific management systems, and formally publishing the ESG Code of Conduct of Sino Biopharmaceutical, Supplier ESG Code of Conduct of Sino Biopharmaceutical, Business Ethics Policy Series of Sino Biopharmaceutical, Employee Rights and Benefits Policy Series of Sino Biopharmaceutical, Quality and Safety Management Policy Series of Sino Biopharmaceutical, Talent Attraction and Development Policy Series of Sino Biopharmaceutical, Medical Accessibility Expansion Management Policy Series of Sino Biopharmaceutical, etc.*, which further regulate the management of ESG issues of the Group;



Full completion of the first phase of the responsible supply chain construction project:

In order to drive the joint improvement of the ESG management level of the industrial chain, the Group actively brought into play the core corporate values of the industrial chain and launched the responsible supply chain construction project of Sino Biopharmaceutical, aiming to continuously improve the ESG management mechanism and capability of suppliers internally and comprehensively promote the implementation of ESG code of conduct externally. During the reporting period, the Group has completed the key tasks of the first phase of the project, i.e. formulating and publishing the Supplier ESG Code of Conduct of Sino Biopharmaceutical and other systems and requirements, completing the ESG risk classification of suppliers, and conducting ESG concept and requirements dissemination among all Tier 1 suppliers and key Tier 2 suppliers. In the future, the Group plans to work together with its partners to explore innovative ESG cooperation projects and build a responsible industrial chain.



Official launch of the ESG Carbon Neutrality Planning Project:

Under the forward-looking leadership of the Board, Sino Biopharmaceutical took the lead in the industry to launch the carbon neutrality planning project in 2022, which is based on a comprehensive scientific carbon inventory and combined the first construction of carbon neutral pilot plants with full-scale implementation of successful experience, striving to make a substantial contribution to the comprehensive achievement of China's dual carbon objective and active response to climate change risks. For details of the plan, please refer to the Carbon Neutral Pathway Planning and Action Plan of Sino Biopharmaceutical, which is expected to be released in mid-2023;



Full implementation of the ESG digital platform:

In order to promote the improvement of the accuracy of ESG information management and provide support in ESG information visualization, management performance quantification and management results application, the Group launched the ESG digital construction project in 2022. During the reporting period, the Group has fully completed the construction of the ESG digital platform, which covers all key member companies involved in substantive production and operation, and can now comprehensively manage more than 600 ESG key performance indicators, combining with the functions of real-time indicator tracking and data analysis and comparison to provide scientific support for the refined ESG management of the Group.



Systematic implementation of the talent development plan:

In line with the Group's development objective of making a revenue of RMB100 billion by 2030, the Group has launched a talent development planning project since 2021 to continuously create an excellent employment experience and continuously empower the development of employees from four aspects: talent attraction and retention, organization construction and development, talent training and development, and human resources operation and support, so as to help the Group and its employees grow together. As of the end of the reporting period, the talent development planning of the Group has been systematically implemented and is planned to be further improved in line with leading international practices.



* Note: the ESG-specific management systems please refer to our official website: <https://www.sinobiopharm.com/en/social-responsibility/concepts/#submenu>



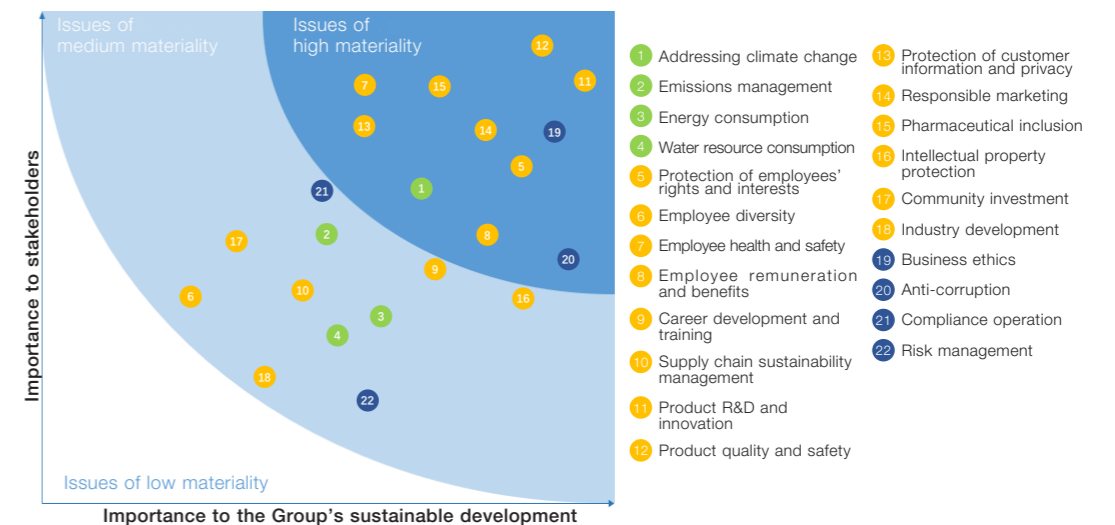
Analysis of ESG materiality issues

The Group regularly communicates with stakeholders through various channels to understand their expectations and opinions on the ESG performance of the Group. Our stakeholders include, but are not limited to, government and industry regulators, investors, customers, suppliers, employees, communities, industry peers, media and general public. During the reporting period, the Group fully considered the views of stakeholders in its daily operational decisions and took actions to address their demands in a timely manner.

Stakeholders	Channels of Communication
Government and industry regulators	Government visits, work reports, policy consultation, participation in policy development, industry collaboration
Investors	The Board, general meetings, investor exchange meetings, disclosure of information by listed companies, ordinary visits, telephone and mail enquiry
Customers	Academic seminars, new product launch conferences, regular visits, seminars, telephone and mail enquiry, official complaint channels, satisfaction surveys
Suppliers	Supplier exchanges and visits, training, supplier assessment, procurement and tendering process
Employees	Trade union, employee congress, employee activities, satisfaction surveys, complaints and feedback
Community	Community activities, cooperation of charitable organizations, volunteer work
Industry peers	Exchanges activities, forums and conferences
Media and general public	Information disclosure, public opinion monitoring, official websites, social media platforms, telephone and mail enquiry

Materiality analysis process of ESG issues:

- 1 Identification of the list of ESG issues: We identify issues of concern of internal and external stakeholders and refer to issues of concern under reporting frameworks such as the ESG Guidelines of Hong Kong Stock Exchange, the Task Force on Climate-Related Financial Disclosures (TCFD), the standards of the Global Reporting Initiative (GRI) and the standards of the Sustainability Accounting Standards Board (SASB).
- 2 Stakeholder communication: Communicate with various stakeholder groups to understand key stakeholder concerns.
- 3 Materiality assessment: Combining the results of the stakeholder communication, we conduct materiality assessment and prioritization, identify materiality issues and form an ESG materiality issues matrix.

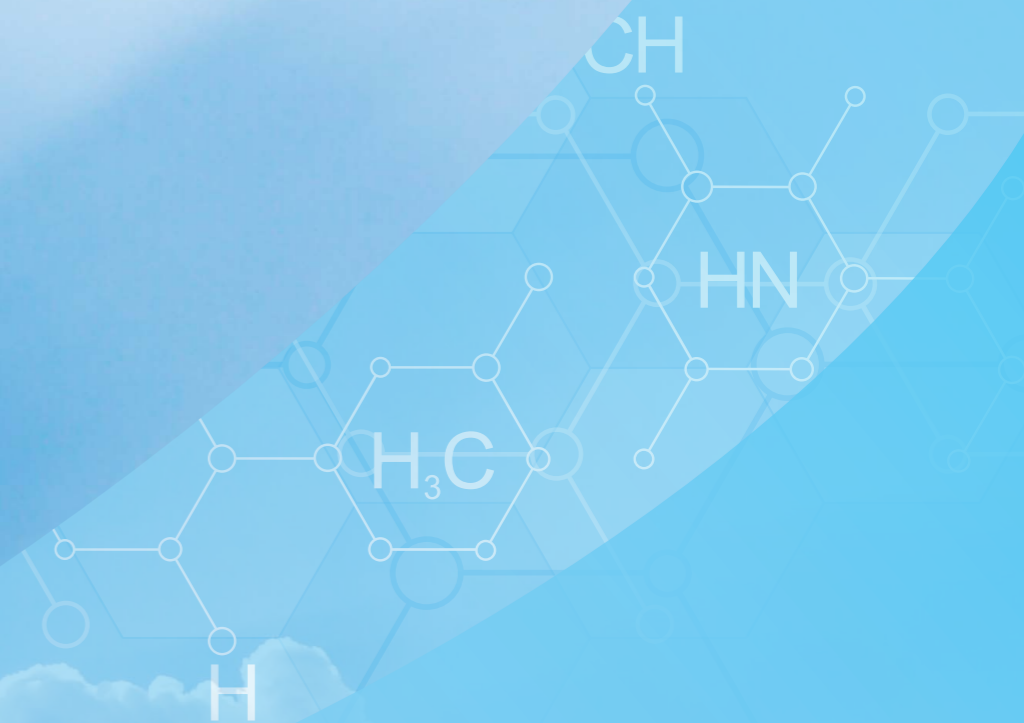


In 2022, Sino Biopharmaceutical identified 11 high materiality issues, including product R&D and innovation, product quality and safety, pharmaceutical inclusion, responsible marketing, business ethics, employee health and safety, protection of customer information and privacy, protection of employees' rights and interests, addressing climate change, employee remuneration and benefits, and anti-corruption.

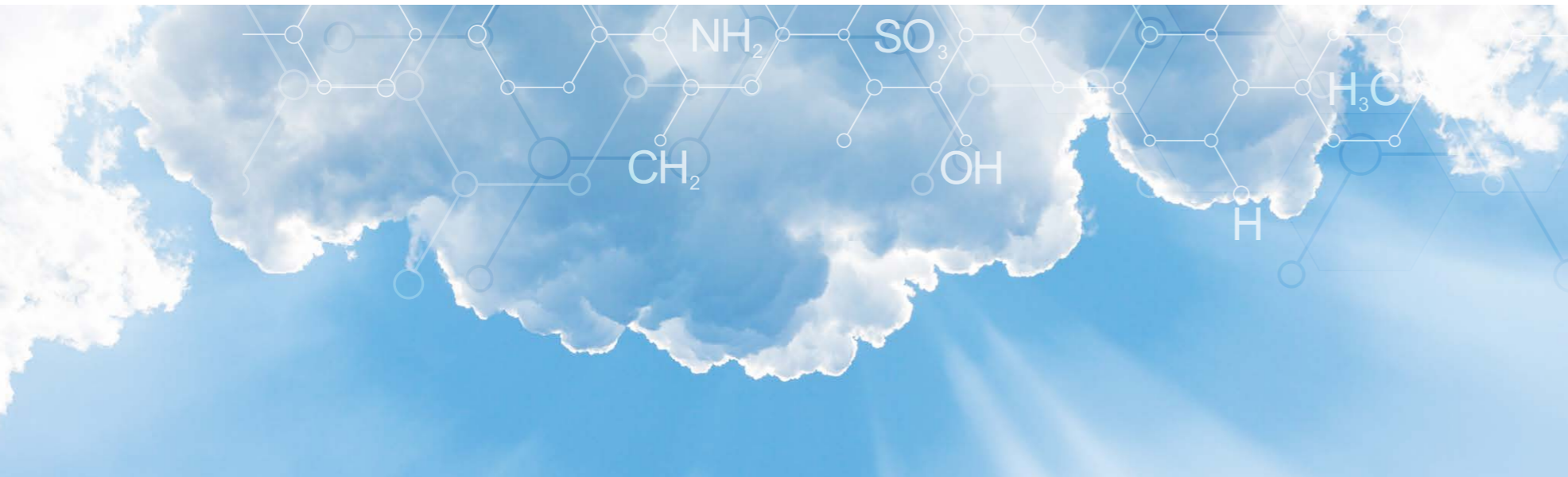
02

ADHERING TO ETHNICS AND CREATING A CLEAN ECOLOGY

Contribute to the following SDGs

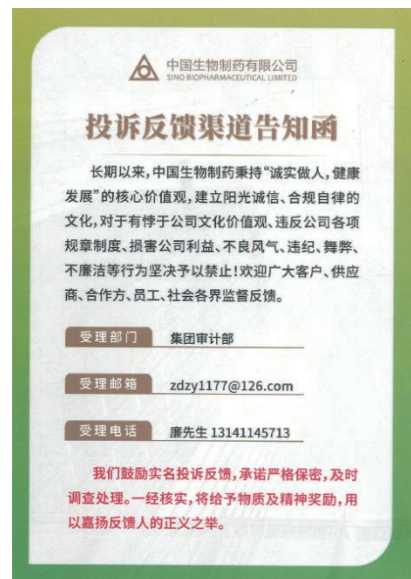


In today's competitive and ever-changing global business environment, Sino Biopharmaceutical understands that adhering to business ethics is a fundamental element for sustainable development. Being committed to conducting business activities in accordance with the highest ethical standards, we are working with partners to create a clean, honest and ethical business ecology.



ANTI-FRAUD

Anti-fraud philosophy



Sino Biopharmaceutical takes “integrity” as the primary principle of corporate values and holds a zero-tolerance attitude toward corruption and fraud, which is deemed to be the bottom line that cannot be crossed under any circumstances. Deeply understanding the importance and long-term nature of anti-fraud work, we have implemented the core working principles of “early prevention, timely detection, continuous monitoring, effective prevention and serious treatment”, and made efforts to build an honest and clean corporate culture.

Sino Biopharmaceutical insists on the working principle of “100% analysis of complaints and reported clues, and 100% investigation and verification of the substantive evidence clues provided in real names”. We encourage all employees and partners to report the irregularities which they discover, and have set up various forms of reporting channels to ensure the reporting channels are smooth and effective.

Anti-fraud management system


As the decision-making body of the highest responsibility of the Group, the Board is responsible for reviewing and supervising the promotion of the related work of the Group’s anti-fraud and integrity building, including but not limited to the compliance with laws and regulations, the operation of the management system, the improvement of policies and systems, the thematic audits and follow-ups, etc. The Group has established the Risk Audit Department as the internal audit organization responsible for anti-fraud management of the Group, which reports directly to the Chairwoman of the Board to ensure the independence and authenticity of anti-fraud management of the Group’s member companies. Each member company has established the Audit Department as the internal audit organization responsible for anti-fraud management within the scope of the company, which reports directly to the person in charge of the member company to ensure the independence and authenticity of anti-fraud management within the member company.

Anti-fraud policy

Sino Biopharmaceutical strictly abided by relevant laws and regulations such as the Criminal Law of the People’s Republic of China, the Anti- Unfair Competition Law of the People’s Republic of China and the Interim Provisions on Prohibition of Commercial Bribery. In 2022, we took the Furnace Rules of Sino Biopharmaceutical as the basis document for integrity building, revised and issued a number of anti-corruption and fraud management systems such as the Compliance Management System (Trial) of Sino Biopharmaceutical and the Anti-Commercial Bribery Regulations of Sino Biopharmaceutical, which clearly prohibit illegal, irregular and unethical behaviors including bribery, corruption, fraud and unfair competition, and clearly regulate the behavior of employees through the Employee Handbook of Sino Biopharmaceutical.

Anti-fraud initiative

In 2022, Sino Biopharmaceutical discovered and investigated more than 40 cases of breach of the Furnace Rules. After the occurrence of the cases, the Group issued timely warnings for each case, actively cooperated with the national authorities in investigation, and conducted strict investigation and serious rectification of the problems exposed by the relevant cases.

During the reporting period 

the number of concluded legal cases of the Group regarding corrupt practices was

0

Whistleblower protection system

The protection of whistleblowers is the Group’s obligatory duty. We are committed to taking all reasonable measures to protect the identity information of whistleblowers and to closely protect their information from any form of retaliation in accordance with the Whistleblower Protection System of Sino Biopharmaceutical. When disclosure of whistleblower information is required for investigative purposes or by local law, the Company is committed to obtaining prior consent from the whistleblower and strictly limiting the scope of disclosure.

Case 

The Board is responsible for guiding and supervising various businesses of the Group, and it is even more important to ensure the integrity and compliance of its own conduct. In order to enhance the professional ability of Board members in supervising and guiding the Risk Compliance Committee, the Group takes the opportunity of Board meetings and consideration of special topics on risk compliance to provide anti-corruption training to Board members, which covers the legal supervision system of anti-corruption, supervision of commercial bribery and responsibilities of directors of listed companies.

Case 

Sino Biopharmaceutical establishing anti-corruption account

By increasing anti-corruption efforts on all fronts, Sino Biopharmaceutical has developed a corporate culture of “being honest and healthy development” and achieved considerable results in anti-corruption and anti-fraud. In order to properly deal with the employees’ initiative to hand in and confiscate the illegal funds, the Group began to set up an “anti-corruption account” in 2021, crediting a total of more than RMB4 million, including RMB1.785 million in 2022. In respect of funds in the account, 30% is used for whistleblower rewards and 70% is used for serious illness assistance for employees and their families.

Integrity culture building

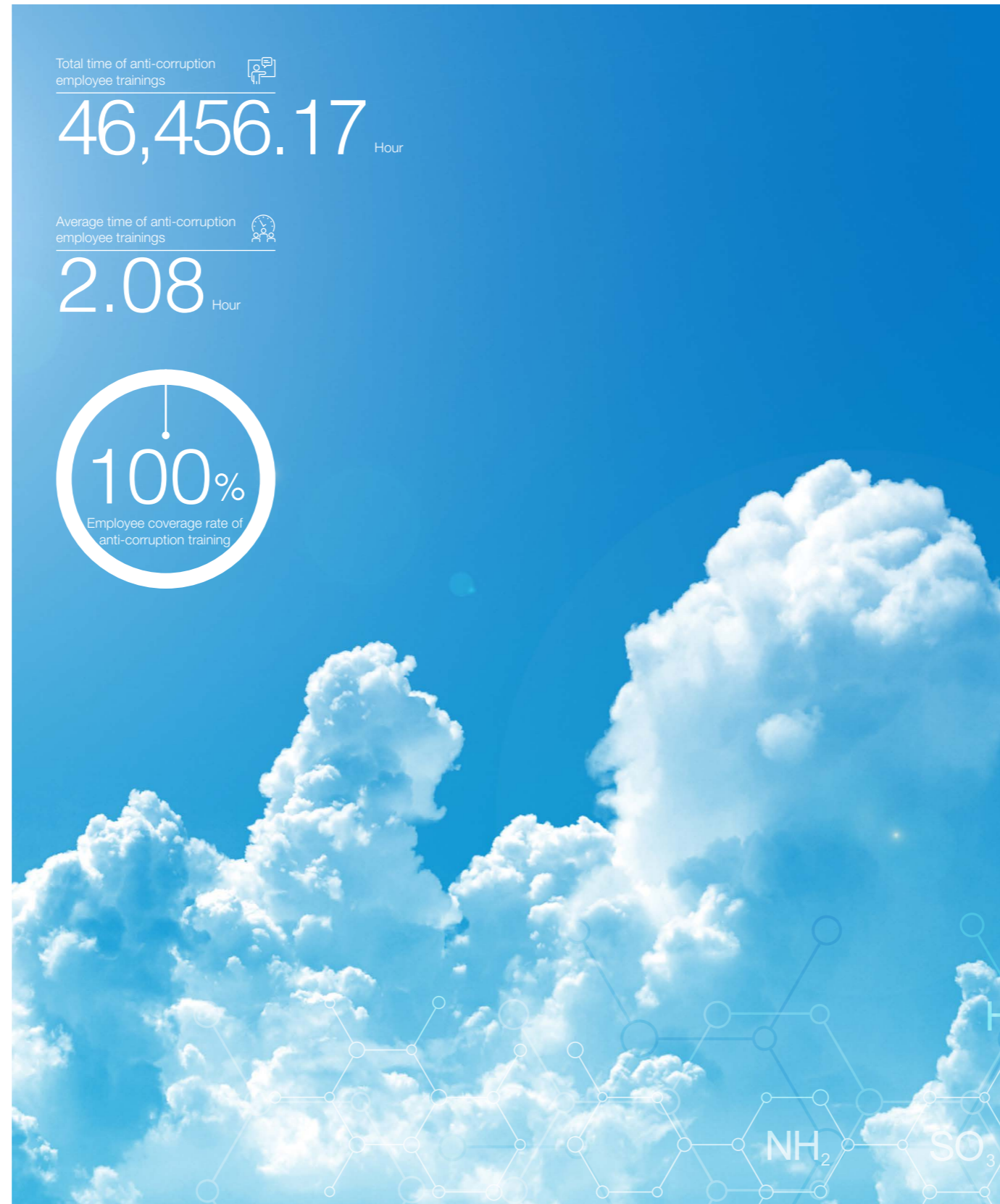
We deeply understand that “people” are the core of integrity culture construction, and attach great importance to the cultivation of integrity awareness among all employees, helping them to transform the passive awareness of “not daring to corrupt” into the active will of “not intending to corrupt”, and building the culture of integrity from the mindset of the employees.

By setting up an official WeChat account, producing promotional videos and carrying out online and offline thematic training, the Group promoted and provided training on integrity culture covering all the employees. Among them, the video course on the Furnace Rules of Sino Biopharmaceutical was released through the online learning system, and all employees were required to study and pass the examination. For the medical center, marketing, sales, procurement and other key and “sensitive” business lines, the business scenarios and training content are deeply integrated to enhance the relevance and effectiveness of training.

Case

Sino Biopharmaceutical launching the WeChat official account of “Tianqing of Integrity” to promote on the integrity system

In March 2022, the WeChat official account of “Tianqing of Integrity” was officially launched, and the integrity culture is promoted through the official account every month by interpreting integrity-related systems, laws and regulations as well as cases. In January of 2022 the Company produced an animation of integrity propaganda, namely “Choice”, which was also promoted to all employees on the official account.



ANTI-MONEY LAUNDERING

Sino Biopharmaceutical strictly complies with the requirements of the Anti-money Laundering Law of the People’s Republic of China, the Anti-money Laundering Law of the People’s Republic of China (Draft Revision for Public Comment) and other relevant regulations, and prohibits any money laundering behavior by any employee. We have formulated and strictly implemented the “Anti-money Laundering Compliance Management Regulations of Sino Biopharmaceutical” applicable to all employees and business partners, which clearly stipulate and regulate from the aspects of incoming and outgoing fund, business bills, etc., to prevent the risk of illegal and non-compliant money laundering in all aspects.

ANTI-MONOPOLY

The pharmaceutical industry is related to the livelihood and personal interests of people over the world. Some products have special market results and high monopoly risks, which has long been a key area for anti-monopoly enforcement. Sino Biopharmaceutical strictly abides by the Anti-monopoly Law of the People’s Republic of China, the Anti-monopoly Guidelines on the Field of APIs and other anti-monopoly laws and regulations, formulates and strictly implements the Anti-monopoly Regulations of Sino Biopharmaceutical (Trial), raising awareness of anti-monopoly breaches and comprehensively prevents anti-monopoly compliance risks.

Case

Sino Biopharmaceutical conducting anti-monopoly seminars

On 16 August 2022, the Risk and Compliance Committee and the Legal Department of the Group jointly invited a third-party experienced lawyer to host an anti-monopoly training for all employees.



RESPONSIBLE SUPPLY CHAIN DEVELOPMENT

Sino Biopharmaceutical insists clean cooperation with suppliers to achieve mutual benefits and win-win situation. We are committed to building a sustainable upstream and downstream supply chain by fully utilizing our corporate advantages, and advocating and promoting sustainable development of the whole chain of the industry.

Supplier management system

Sino Biopharmaceutical strictly complies with the laws and regulations such as the Government Procurement Law of the People's Republic of China, the Law of the People's Republic of China on Bid Invitation and Bidding, the Good Manufacturing Practice (GMP) in Pharmaceuticals, and other relevant laws and regulations that are newly implemented or amended, and has established a sound procurement and supplier management mechanism. The Group continued to improve its process and system construction and has formulated regulations and systems such as the Supplier Management Regulations, the Procurement Management System and the Supplier Development Management Procedures to regulate the work procedures and requirements for supplier classification, supplier access, supplier maintenance and evaluation, etc. to continuously optimize supplier risk management and ensure the stability of the Group's supply chain.

Supplier development

We select suppliers according to quality, cost, delivery and service, and conduct pre-audit of supplier qualifications and supplier due diligence on shortlisted suppliers before tendering.

Daily management of suppliers

We have established a supplier database with unified management and continuous optimization, formulated complaint handling procedures, and conducted regular updates of supplier qualifications.

Supplier performance management

The procurement department and the departments utilizing suppliers should evaluate supplier services and develop a graded incentive program based on the results of supplier performance evaluation.

Sustainable supply chain management

Sino Biopharmaceutical is committed to promoting sustainable development in the upstream and downstream supply chains, and promoting the establishment of a healthy supply chain ecology. During 2022, the Group published the Supplier Code of Conduct of Sino Biopharmaceutical (the "Code of Conduct"), which sets forth regulations and requirements in terms of business ethics, animal welfare, data privacy, human rights and labor, health and safety, environment and management system, and requires its suppliers to comply with the Code of Conduct in cooperation with the Group and its member companies. The member companies of the Group have improved their internal supply chain ESG management systems, clarified their supply chain ESG management structures and formulated supplier ESG codes of conduct and management systems in accordance with the Code of Conduct. The Group continued to communicate the Code of Conduct to and sign the Supplier ESG Compliance Undertaking with key suppliers, with a 100% communication rate of the Code of Conduct to key suppliers by 2022.

Each member company of the Group conducts training involving all suppliers at least once a year, covering topics such as quality management, environmental management and safety management, and formulates a plan to visit key suppliers every year to identify and mitigate ESG risks of suppliers through on-site visits.

Indicator	Unit	2022
Total number of suppliers	Supplier	3,465
Number of mainland Chinese suppliers	Supplier	3,407
Number of Hong Kong, Macao or Taiwanese suppliers	Supplier	6
Number of overseas suppliers	Supplier	52



Supplier compliance management

We require our suppliers to conduct ethical business and act with integrity to avoid any form of bribery, kickbacks, illegal payments and other corruption incidents. The Group has formulated an anti-corruption policy for suppliers and signed a Supplier Integrity Agreement with suppliers, which sets out clear requirements for the integrity and compliance responsibilities of both parties and specifies that suppliers who breach the agreement will be subject to various measures, such as internal announcement, blacklisting, industry-wide and community-wide announcement, depending on the severity of the breach.

The Group continued to provide training and education to suppliers on integrity and compliance, to promote the Company's code of business conduct and anti-corruption policies, to strengthen suppliers' awareness of compliance and to enhance the level of anti-corruption and compliance. In 2022, the Group and its member companies conducted a total of 454 training sessions for suppliers on anti-corruption.


Green supply chain construction

We continued to guide our suppliers to improve their EHS management capabilities and standards to minimize the adverse impact of their operations on the environment and to provide a safe and healthy working environment for their employees. The Group signed the Environmental Health and Safety (EHS) Agreement for Suppliers with key suppliers, specifying the requirements for environmental protection and health and safety management in the production and operation of suppliers. The Group encourages and promotes the acquisition of environmental management system certification (ISO14001) and health and safety management system certification (ISO45001) by suppliers, and makes the acquisition of such certification one of the priority criteria in the supplier selection process.

Indicator	Unit	2022
Number of raw material suppliers with environmental management system certification	Supplier	109
Proportion of raw material suppliers with environmental management system certification	%	33
Number of suppliers of auxiliary materials with environmental management system certification	Supplier	128
Proportion of suppliers of auxiliary materials with environmental management system certification	%	31
Number of raw material suppliers with health and safety management system certification	Supplier	100
Proportion of raw material suppliers with health and safety management certification	%	30
Number of suppliers of auxiliary materials with health and safety management system certification	Supplier	126
Proportion of suppliers of auxiliary materials with health and safety management system certification	%	30

Audit of suppliers

We have established regulations and systems such as the Supplier Audit Management Regulations and the Supplier On-site Audit Management Procedures to clarify the audit requirements and work procedures for suppliers, and require the annual formulation of anti-corruption audit plans of suppliers and environmental compliance audit plans of suppliers, and conduct audits of suppliers in accordance with these plans. By 2022, 100% of the anti-corruption audit plans and 100% of the environmental compliance audit plans of the Group's suppliers were completed.

Training sessions for suppliers on anti-corruption: 

The number of training sessions for suppliers on anti-corruption conducted by the Group and its member companies in 2022

454

The anti-corruption audit plans of the Group's suppliers



The environmental compliance audit plans of the Group's suppliers



03

HEALTH TECHNOLOGIES BRING WARMTH TO MORE LIVES

Contribute to the following SDGs



Sino Pharmaceutical is committed to driving the development of accessibility through innovative R&D, with a core focus on expanding therapeutic areas, reducing patient burden, expanding channel coverage and developing drugs for rare diseases, in pursuit of achieving joint enhancement of commercial value and patient well-being.

INNOVATION AND R&D

INNOVATION CONCEPT

With the vision of “to be a leading global pharmaceutical company through delivering innovative therapies for patients”, Sino Biopharmaceutical, aims at the four core therapeutic areas with urgent clinical demand, namely oncology, liver diseases, surgery/neurology and respiratory system. While striving to strengthen independent R&D, we actively introduce outstanding overseas innovations to continue to promote the development of more new high-quality drugs and varieties approved for marketing, contributing to the enhancement of the health and well-being of patients at home and abroad.

INNOVATION SYSTEM

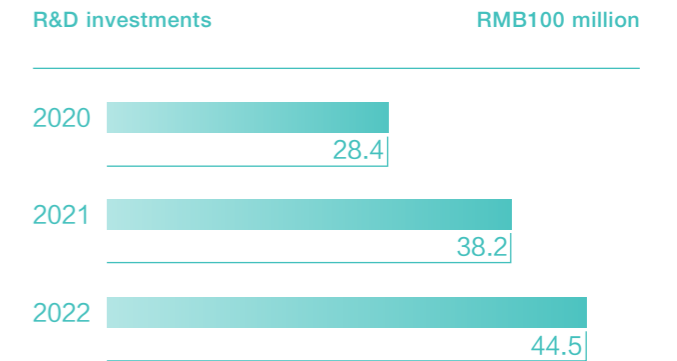
Since 2021, Sino Biopharmaceutical has been creating an innovative management system with the science committee as the core and setting up a dedicated innovation and R&D department – the Group Innovation Center and invoX platform, which promotes domestic and overseas innovation projects, forming an international layout with “going out” and “bringing in” as two major paths.

In 2022, the innovation system of the Group maintained effective operation, led all member companies to focus on core therapeutic areas, coordinated and optimized R&D directions, achieved reasonable deployment of domestic and overseas resources across the Group, and formed an innovation development pattern of organization and coordination, distinctive features, resource sharing and complementary advantages.

RESEARCH AND DEVELOPMENT INVESTMENT

We believe that only by unswervingly promoting independent innovation and comprehensive innovation can we continuously widen the moat of R&D innovation and build the core competitiveness of the Group.

During 2022, Sino Biopharmaceutical continuously increased the investments in innovation and R&D, and the annual R&D expenditure amounted to RMB4.454 billion, and accounted for 15.48% of total revenue, representing an increase of 16.60% over last year. From 2020 to 2022, the compound growth rate of R&D expenditure is 25.2%. In the next three years, in addition to its own R&D and innovation, the Group plans to invest more than US\$1 billion to find forward-looking therapeutic solutions around the world, the Group has more than 50 innovative drugs in the clinical and marketing application stage, and will gradually welcome the harvesting period in the coming three years, with more than 10 innovative drugs expected to be marketed.



INNOVATION LAYOUT

While leveraging its own strengths and focusing on independent innovation and R&D, Sino Biopharmaceutical targeted high quality innovation resources and varieties at home and abroad, and actively carried out innovation layout both domestically and overseas through cooperation, investment and M&A.

In early 2022, the Group entered into a strategic partnership with a drug R&D company driven by intelligence and automated technologies. The two parties will jointly develop new small molecule drugs against difficult targets for the treatment of malignant tumors, leverage the intelligent drug discovery platform and combine with the leading technical capabilities and project experience of Sino Biopharmaceutical to jointly develop anti-tumor drugs with higher clinical value.

We regard internationalization as an important engine to drive our corporate growth. Through INVOX, a wholly-owned subsidiary established in Europe, we introduced innovative products from the international pharmaceutical market and localized the development, production and sales to provide more treatment options of better quality for Chinese patients. In 2022, the Group has achieved milestone breakthroughs in the integration of international strategic cooperation resources, the introduction of international high-end talents, the expansion of international leading technologies and product lines.

Case

Sino Pharmaceutical launching a bispecific antibody platform for cancer patients

Through its overseas subsidiary invoX Pharma Limited, Sino Biopharmaceutical successfully acquired F-star Therapeutics, Inc. which is based in the UK. Through this partnership, Sino Biopharmaceutical will be able to develop next-generation immunotherapies through a leading and differentiated bispecific antibody platform. At the same time, the Group's own R&D capability will be further enhanced by leveraging F-star's expertise in antibody engineering, drug discovery, translational science and biomarker discovery.



Case

Sino Biopharmaceutical introducing overseas variety for the treatment of non-alcoholic steatohepatitis

On September 22, 2022, Sino Biopharmaceutical announced that CT Tianqing, a member company of the Group, signed a formal license agreement with Inventiva S. A. (Inventiva) to develop, manufacture and commercialize lanifibranor in Chinese mainland, the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and Taiwan Region. This product aims to treat non-alcoholic steatohepatitis (NASH) and other underlying metabolic diseases. It is expected to be the world's first oral drug approved for the treatment of NASH, with potentially best-in-class efficacy, and it may fill the gap in the market for the treatment of NASH in China.



Sino Biopharmaceutical introducing overseas LAG-3 antibody drug to benefit domestic patients

In May 2022, Sino Biopharmaceutical signed an agreement with Symphogen, a wholly owned subsidiary of Servier, to acquire the global interest in Sym022, a LAG-3 monoclonal antibody. The product is a fully human recombinant monoclonal anti-LAG-3 antibody and has completed Phase 1 clinical trials. Up to now, there is no anti-LAG-3 antibody drug available in mainland China and the Group is expected to fill this gap.

R&D ACHIEVEMENTS AND PROGRESS

Through continuous accumulation, Sino Biopharmaceutical has formed a "geese formation" innovation development pattern of reserving a number of innovative varieties and promoting a number of key varieties. During 2022, 11 products were approved for marketing or new indications, and a total of 17 innovative drugs with 23 indications have been approved for clinical use.

In 2022, the Group's first biosimilar drug – Adalimumab injection was approved for marketing, which is also the 5th biosimilar drug of Adalimumab approved in China. Meanwhile, the Group continued to expand its leading position in the field of chemical drugs with the approval of a new indication for the key antitumor product Anlotinib hydrochloride capsules (new Category I drug), which was approved for the treatment of patients with progressive, locally advanced or metastatic radioiodine-refractory differentiated thyroid cancer (RAIR-DTC). This is the 5th approved indication for Anlotinib hydrochloride capsules after non-small cell lung cancer, soft tissue sarcoma, small cell lung cancer and medullary thyroid cancer, demonstrating the "hardcore strength" of Anlotinib hydrochloride capsules and bringing a new option for RAIR-DTC patients in China. In addition, Methacholine Chloride Powder for Solution for Inhalation, for the diagnosis of bronchial airway hyperresponsiveness in adults and children aged 5 years and above without clinically significant asthma was approved for the first time in China, as its original product

has not yet been marketed in China, filling the gap in this field in China.

In the pre-marketing stage, Sino Biopharmaceutical also has a number of new Category I varieties expected to be submitted for marketing or enter the Phase III clinical trial. In the field of biological products, TQB2450, a new Biologicals Category I drug, in combination with Anlotinib hydrochloride capsules for the treatment of small cell lung cancer has been submitted for marketing. Meanwhile, the product combined with Anlotinib hydrochloride capsules for the treatment of 4 indications (including first-line PD-L1-positive non-small cell lung cancer and first-line kidney cancer) is under Phase III clinical trials. In addition, recombinant human coagulation factor VIIa for injection, a biological product, and Insulin Degludec and Pertuzumab, both being biosimilar drugs, are also in Phase III Clinical Stage, and marketing applications of the above products are expected to be submitted. In the field of chemical drugs, TQ-B3525, a new Chemical Category I drug, is a breakthrough therapy for relapsed/refractory follicular lymphoma that has failed at least second-line treatment, and is expected to obtain conditional marketing approval in a Phase II single arm clinical trial. New Chemical Category I drugs including TQB3616, FHND9041 and the key variety Anlotinib hydrochloride capsules have entered Phase III clinical stage for a number of new indications and are expected to apply for marketing. TQ05105, a Chemical Category I drug, is conducting Phase II clinical trials and is expected to enter Phase III clinical stage.

At an earlier stage, Category I innovative drug TDI01 was approved to conduct clinical trials for pneumoconiosis and COVID-19 in March and September 2022, respectively. TDI01 is an oral small molecule drug with a new target and a new mechanism, which is a highly selective Rho/Rho-associated coiled-coil forming protein kinase 2 (ROCK2) inhibitor. It has been listed as one of the major new drug creations in the 13th Five-Year Plan of China and is currently under clinical trial for the indications of pulmonary fibrosis and non-alcoholic steatohepatitis, which is the first-in-class product of its kind in this indication. Sino Biopharmaceutical is the first company in China to focus on the ROCK2 target.

R&D category

Major honour	Awarding body	Awardee
Top 50 Global Pharmaceutical Enterprises in 2022	Medaverse	Sino Biopharmaceutical
Top 50 Global Pharmaceutical Enterprises in 2022	Pharm Exec	Sino Biopharmaceutical
Ranked 2nd in Top 100 China's Pharmaceutical Enterprises in 2021	MENET	Sino Biopharmaceutical
Top 20 Competitiveness of Chinese Chemical Medicine Companies in 2022	Datagoo under Time Media Group	Sino Biopharmaceutical
Patent of Anlotinib compound receiving the 23rd China Patent Gold Award	China National Intellectual Property Administration	CT Tianqing
Top 10 Corporate Innovation of China's BigPharma in 2021	MENET	CT Tianqing
First Prize of the 17th Science and Technology Awards of the Chinese Pharmaceutical Association	Chinese Pharmaceutical Association	CT Tianqing
2022 Chinese Pharmaceutical Enterprise with the Best Drug Pipeline	China National Pharmaceutical Industry Information Center	CT Tianqing
The first Science and Technology Innovation Development Award of Jiangsu Province	People's Government of Jiangsu Province	CT Tianqing
The Second Prize of 2020 Science and Technology Awards of Jiangsu Province	People's Government of Jiangsu Province	CT Tianqing
2022 Top 10 Enterprises in China – Biopharmaceutical R&D Strength	www.Yaozh.com, Organizing Committee of the Summit for China Pharmaceutical R&D Innovation, China Pharmaceutical	CT Tianqing
2022 Top 3 Enterprises in China – Comprehensive Strength in Medicine R&D	www.Yaozh.com, Organizing Committee of the Summit for China Pharmaceutical R&D Innovation, China Pharmaceutical	CT Tianqing
2022 Top 3 Enterprises in China – Chemical Medicine R&D Strength	www.Yaozh.com Organizing Committee of the Summit for China Pharmaceutical R&D Innovation China Pharmaceutical	CT Tianqing
Rated "Excellent" in the evaluation by a national enterprise technology center	National Development and Reform Commission	CT Tianqing
Patent Award of Yancheng Municipal People's Government in 2021	Yancheng Municipal People's Government	CT Fenghai
Excellence Award of the 23rd China Patent Award	China National Intellectual Property Administration	NJCTT
Excellent Patent Award in Nanjing in 2022	Nanjing Intellectual Property Office	NJCTT
Top 50 Enterprises of Huai'an City in 2021	Huai'an Municipal People's Government	CT Qingjiang
Technology Innovation Demonstration Enterprise in Qingdao in 2022	Qingdao Municipal Bureau of Industry and Information Technology	CP Pharmaceutical (Qingdao)

Case

Anlotinib winning the First Prize of the 17th Science and Technology Awards of the Chinese Pharmaceutical Association

On 28 November 2022, the Chinese Pharmaceutical Association announced the awarded projects of the 17th Science and Technology Awards. Sino Biopharmaceutical's project "R&D Technology Innovation and Clinical Breakthrough Application of National Category I New Drug Anlotinib" based on Anlotinib hydrochloride capsules, the new small molecule targeted anti-cancer drug with independent intellectual property rights, won the first prize.

The Science and Technology Awards of the Chinese Pharmaceutical Association is the science and technology award of the most distinguished honour in the field of pharmacy in China, aiming to reward pharmacists who have made outstanding contributions to the development of pharmacy and outstanding pharmaceutical and technological achievements.



Case

The R&D Department of Sino Biopharmaceutical's member company awarded "Chinese Workers Pioneer" by the All-China Federation of Trade Unions

In April 2022, NJCTT R&D Institute, a member company of Sino Biopharmaceutical, was awarded the title of "Chinese Workers Pioneer" by the All-China Federation of Trade Unions. The "Chinese Workers Pioneer" is the highest standard and the most valuable honour awarded by the All-China Federation of Trade Unions to grassroots organizations.



NJCTT R&D Institute is a young team with high speed growth, efficient execution and innovative exploration, which has won awards including the First Prize of Science and Technology in Jiangsu Province and the National Excellent Patent Award. It has ranked the first nationwide in the field of new product approval and consistency evaluation for two consecutive years, and won the honorary title of "domestic first-class enterprise and R&D organization".

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

Intellectual property is a key strategic resource for the Group's innovation and development and the core embodiment of the Group's competitiveness.

Sino Biopharmaceutical always strictly abides by the Patent Law of the People's Republic of China, the Patent Cooperation Treaty and the Paris Convention for the Protection of Industrial Property, and strictly follows the provisions of the Intellectual Property Management Workbook of Sino Biopharmaceutical to encourage invention and innovation by employees and protect their legitimate rights and interests as inventors. At the same time, we fully respect the intellectual property rights of others and carry out intellectual property rights search and investigation before development of projects, during execution of projects and upon completion of projects respectively in order to avoid the risk of infringement.

During 2022



Sino Biopharmaceutical continued to make efforts in intellectual property layout, submitting

767 patent applications

obtaining

263 patent authorizations

Case

Sino Biopharmaceutical passing the review of national IPR demonstration enterprises and advantage enterprises

During 2022, the China National Intellectual Property Administration announced the new and reviewed list of national IPR demonstration enterprises and superior enterprises in 2022, among which the member companies CT Tianqing and CT Qingjiang passed the review of national IPR demonstration enterprises while member enterprises Beijing Tide, NJCTT and CT Fenghai passed the review of national IPR advantage enterprises.



Fair pricing in overseas markets

For products entering overseas emerging markets and developing countries, Sino Biopharmaceutical fully considers the level of local economic development and patients' ability to pay, and prices for the local general public with reference to similar products in the market. Some products exported to Africa and Southeast Asia are priced according to the principle of covering costs and low gross profit.

Case

Product pricing strategy for Sino Biopharmaceutical's exports to Ethiopia and Myanmar

In order to meet the demand of patients in some emerging markets and countries, Sino Biopharmaceutical has been exporting commonly used drugs to Ethiopia and Myanmar since 2001. In 2022, the Group exported more than 1.28 million units of seven commonly used drugs for the treatment of skin and eye diseases, including compound miconazole nitrate cream and tetracycline eye ointment, to the two countries. Among them, about 850,000 units and about 430,000 units were exported to Ethiopia and Myanmar, respectively.

In terms of pricing strategy, we fully consider the local patients' ability to pay and price according to the principle of covering cost and low gross profit. Among them, the price of products exported to Myanmar is 60% lower than the Chinese market price.

Export pharmacovigilance

For overseas marketed products, the Group strictly follows the regulatory requirements of the markets for pharmacovigilance management. We maintain communication with overseas distributors, overseas pharmacovigilance suppliers and other partners, exchange domestic and overseas safety data in a timely manner according to regulatory and protocol requirements, update product lists, review safety data exchange agreements (SDEA), overseas periodic analysis reports (PADER), signal monitoring information, etc., and complete annual updates of the pharmacovigilance system master file (PSMF).

Local health worker training

Liver disease is an advantageous therapeutic area of Sino Biopharmaceutical. Relying on the advantages of talents and technologies in treatment of this disease, the Group has been organizing and coordinating experts from several hospitals in China well-known for treatment of liver disease to provide academic exchange platforms and training opportunities for scholars and doctors from medical schools and medical institutions in Uzbekistan since 2018. A series of technologies and experiences in clinical liver disease diagnosis and treatment, such as the diagnosis and treatment progress of chronic hepatitis B, diagnosis and treatment of non-viral liver disease and drug induced liver disease as well as difficult cases in clinical process in China, were introduced and shared via offline seminars and online training. The relevant medical schools and medical institutions in Uzbekistan expressed high recognition and appreciation for the support of the Group's work to improve the level of liver disease treatment.

R&D of rare disease drugs

Sino Biopharmaceutical has always paid attention to the clinical needs of patients with rare diseases and has made the enhancement of the accessibility of rare disease drugs one of the key considerations in drug development. As of the end of this reporting period, Sino Biopharmaceutical had marketed 3 rare disease drugs and had 5 rare disease drug projects under review and development.

Drug	Indication	Present stage
Yibitan® (Edaravone and sodium chloride injection)	Amyotrophic lateral sclerosis ("ALS")	Launch
Fenghaiyi® (Edaravone injection)	Amyotrophic lateral sclerosis ("ALS")	Launch
Taishule® (Ambrisentan tablets)	Pulmonary arterial hypertension patients with WHO class II or III symptoms (WHO group 1)	Launch
Recombinant human coagulation factor VIII for injection	Hemophilia A	Under examination
Recombinant human coagulation factor VIIa for injection	Hemorrhagic diseases	Under research
Nintedanib esilate soft capsules	Idiopathic pulmonary fibrosis	Under research
TDI01	Graft-versus-host disease	Under research
Tafamidis meglumine soft capsules	Rare genetic and fatal neurodegenerative disease (ATTR-PN)	Under research

R&D on antibiotic resistance

Sino Biopharmaceutical believes that antibiotic resistance has become one of the most pressing public health issues in the world. Highly concerned about this issue, we are committed to ongoing action to address it. We are responding to initiatives to conduct fundamental research and drug development for drug-resistant bacteria, increasing our investment in new drugs and new diagnostic technologies, continuing to monitor antibiotic resistance, and combining our industrial strengths to widely disseminate scientific concepts of drug use.

Case

Sino Biopharmaceutical developing Colistimethate Sodium drugs to bring benefits to patients with drug-resistant gram-negative bacterial infections

The global problem of drug-resistant bacteria is increasing, and the development of new antibiotics is becoming increasingly difficult. Among them, enterobacteriaceae is a newly reported pandrug-resistant bacteria, and the infections caused by them are very difficult to treat.

In response to the severe situation of the lack of drugs for the treatment of clinical multidrug-resistant gram-negative bacillus infection in China, Sino Biopharmaceutical has launched the development of Colistimethate Sodium, a polypeptide antibiotic, and is the first to market Tianyun® (Colistimethate Sodium for injection) as a generic drug in China, providing patients with a more affordable and efficient drug choice, while reducing the economic burden of medication and improving quality of life.

04

RESPONSIBLE OPERATION, GUARDING HEALTH RIGHTS AND INTERESTS

Contribute to the following SDGs



Adhering to its mission of “Science for a healthier world”, Sino Biopharmaceutical always maintains a responsible operation model, continuously enhances product quality management, insists on responsible marketing, optimizes customer service, protects information security, actively undertakes social responsibility of a pharmaceutical enterprise, and promotes high-quality development of the pharmaceutical industry.



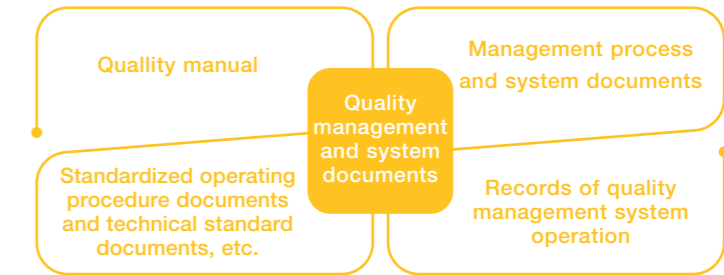
QUALITY AND SAFETY MANAGEMENT

As a leading, innovative and R&D driven pharmaceutical conglomerate in China, Sino Biopharmaceutical regards quality as our lifeline and strictly complies with the Drug Administration Law of the People’s Republic of China, the Regulations for the Implementation of the Drug Administration Law of the People’s Republic of China, the Product Quality Law of the People’s Republic of China and relevant laws, regulations and regulatory requirements of its operating locations as well as relevant laws and regulations that are newly implemented or amended to firmly protect product quality and safety. During the reporting period, the Group and its member companies have not experienced any material quality violations.

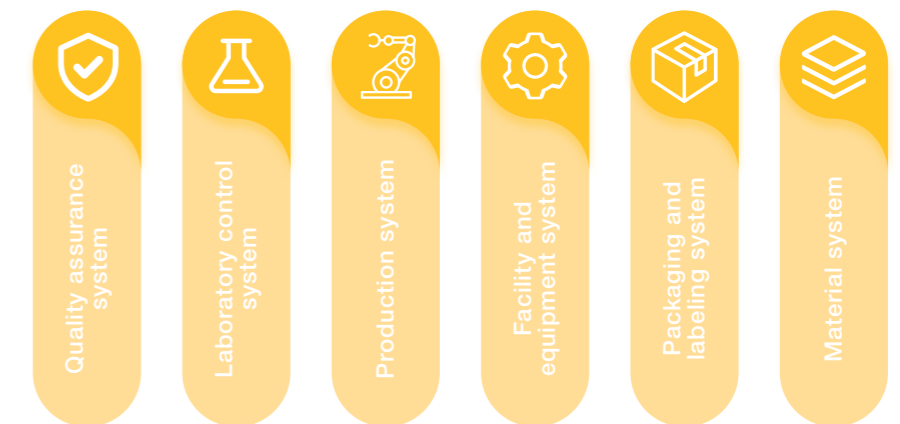
2022 Annual Production Quality Related Awards	Awardees
Excellent Enterprise of Quality Management (QC) Team Activity in Pharmaceutical Industry of Jiangsu Province	CT Tianqing
First Prize of National Quality Management (QC) Team	CT Tianqing, NJCTT, CT Fenghai
“Quality Benchmark” of Jiangsu Province in 2022	NJCTT
Quality assurance process team winning the national “Quality Trustworthy Team”	NJCTT
Compound hydrobromide dextromethorphan oral solution and Caili combination awarded quality brand in Shandong Province	CP Pharmaceutical (Qingdao)
Innovation of quality standard and industrialization of mannose ester tablets winning the excellent achievement of quality improvement in Shandong Province	CP Pharmaceutical (Qingdao)

Quality management system

Sino Biopharmaceutical has established a quality management policy and system covering the entire life cycle of pharmaceuticals by complying with the relevant regulatory requirements of each operation location and market and combining with international standards related to quality management of pharmaceutical production.



Guided by the quality management policy of “knowledge management and continuous improvement”, Sino Biopharmaceutical has formed a life-cycle quality management system covering six systems: quality assurance system, laboratory control system, production system, facility and equipment system, packaging and labeling system, and material system, with reference to the international advanced quality management concepts and in strict compliance with the GMP standards.



In order to strictly control quality standards and ensure product quality, all units of the Group involved in production and R&D have product quality testing laboratories in place to conduct comprehensive preventive testing on drug quality issues to ensure product quality and safety. The Group continued to increase investment to set up the industry-leading quality testing hardware level, and the laboratories of member enterprises’ research institutes have been accredited by the China National Accreditation Service for Conformity Assessment (CNAS) as laboratories conforming to the CNAS national accreditation standard of ISO/IEC 17025:2017 “General requirements for the competence of testing and calibration laboratories”.

Sino Biopharmaceutical actively promoted quality system certification. In 2022, the member companies of the Group had 82 APIs and 89 product lines which were GMP compliant, and the passing rate of GMP compliance inspections by domestic pharmaceutical regulatory agencies reached 100%. All key member companies obtained ISO9001 quality management system certification. At the same time, the Group actively expanded its international business, and actively promoted its member companies to obtain quality management system certifications from the FDA of the United States, EU and places where its overseas sales and operation are located, obtaining a total of 6 FDA certifications and 9 CE certifications.

Quality and safety audit

In order to strictly control quality standards and ensure the safety and effectiveness of drugs, Sino Biopharmaceutical has established and continuously improved the quality audit mechanism which combine both internal and external audits. In terms of internal audits, the member companies of the Group have formed internal quality audit teams. They conduct GMP self-inspections covering the entire scope of operations at least once a year, carry out special quality audits on different topics for each production site every quarter and form rectification reports for the problems identified in the audits. The relevant quality management departments would supervise the completion of rectification. In terms of external audits, in addition to the quality audits conducted by the government regulatory authorities in their places of operation, the member companies accept quality audits conducted by third-party quality audit teams according to the client's commission requirements.

Case

Quality audits of member members

In 2022, CT Tianqing, a member company of Sino Biopharmaceutical, successfully passed a total of 7 customer audits in overseas markets, involving 4 preparation products and 2 API products, which align with the international advanced quality management level. It organized a total of 20 internal audits of the Group and self-inspections of each production base, with the scope of audits/self-inspections covering the Company's quality system, laboratory system, production system, material system, facility and equipment system and packaging and labeling system, comprehensively identifying production quality risk points and further improving the Company's quality management system.

In 2022, CP Pharmaceutical (Qingdao), a member company of Sino Biopharmaceutical, carried out a GMP audit, which covered the marketing department, tablet workshop, API workshop, combination and oral solution workshop, granule medicine workshop, soft capsule workshop, extract workshop, quality control department and other departments as well as related public engineering systems such as air conditioning and purification, process water, compressed air system and various functional departments. According to the audit results, the Company has developed a complete GMP management system, equipped with corresponding technical management personnel and a sound production and quality management system in line with the requirements of the GMP for pharmaceuticals (revised in 2010), and has formulated rectification measures for the relevant defects identified in the audit, and all rectification has been completed.

Quality culture building

Sino Biopharmaceutical continued to build a "quality first" philosophy and culture, and carried out quality training and various quality culture activities involving all employees.

For production, technology, warehousing and other business departments directly related to product quality, the Group has established a three-level training system comprising the production system level, the department level and the workshop level, formulated annual training schemes, and conducted training around policies and regulations, management documents, special topics on quality, etc. to ensure comprehensive and effective coverage of the training scope and content. For all employees of the Group, we carry out quality culture building activities at least once a year through holding Quality Month activities, carrying out quality micro forum activities, quality-related knowledge training, etc., to enhance the quality awareness and management ability of all employees of the Group.

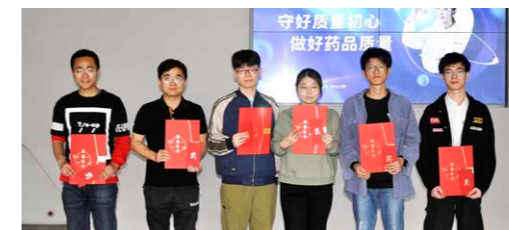
In 2022, 92% of employees received product quality training, with a total of 207,191.7 hours of quality training and 9.30 hours of quality training per employee.



Case

"Quality Month" activity of Sino Biopharmaceutical

On 31 August 2022, Sino Biopharmaceutical held the 2022 "Quality Month" activity with the theme of "No limit to quality, no border to quality". This year's "Quality Month" emphasized the aim of "comprehensive improvement, full participation and brand-new development". Diversified and characteristic sessions such as a QC team seminar, "Who is undercover", "More or less the same? Maybe much worse in fact" and a knowledge contest were held to promote quality culture construction in a solid, orderly and effective way.



Case

Inspection skill competition

In May 2022, Sino Biopharmaceutical held an inspection skill competition called "Zero Defect Quality and Best Skills" to strengthen inspection skills and gatekeep quality by means of competition instead of practice.

The competition is divided into written and practical parts. The written part involved a closed-book examination covering the 2020 version of the Chinese Pharmacopoeia and the related operating procedures. The practical part is an on-site inspection and operation competition, which provided a platform for all employees to fully demonstrate their professional skills and further established the quality culture of the Group to strictly control quality and make drugs of conscience and safety.



Pharmacovigilance management

Sino Biopharmaceutical continued to enhance its emergency response capability for drug safety emergencies, prevented drug safety risks and strictly complied with laws and regulations such as the Pharmacovigilance Quality Management Practice, the Measures for the Administration on Adverse Drug Reaction Reporting and Monitoring and other relevant laws and regulations that are newly implemented or amended to carry out pharmacovigilance management. During the reporting period, the Group did not receive any feedback on group adverse drug reaction events.

The Group has established a pharmacovigilance management organization system, set up a pharmacovigilance management committee, which is responsible for the pharmacovigilance system and major drug safety events, and set up a pharmacovigilance department, which is responsible for the operation and continuous improvement of the pharmacovigilance system and the monitoring and reporting of adverse drug reactions.

The Group continued to improve the pharmacovigilance system document system, and prepared the Adverse Drug Reaction Monitoring and Reporting Management, Pharmacovigilance Management and other pharmacovigilance-related management systems and operating procedures. The document about the management systems specifies the responsibilities of the pharmacovigilance department and other related departments while the document about operating procedures covers the disposal of suspected adverse drug reaction information, risk identification, assessment and control, the writing and submission of important pharmacovigilance documents, system management, etc., and describes the specific requirements of each pharmacovigilance activity to ensure the smooth implementation of pharmacovigilance activities. The Group organizes annual reviews of the current management systems and operating procedures to ensure that the current pharmacovigilance systems continue to be appropriate and effective.

The Group has established a pharmacovigilance work mechanism of "daily communication and discussion, regular summary and review, and ongoing follow-up and improvement" to ensure that all pharmacovigilance activities are carried out in an orderly manner. In 2022, the Group continued to improve the pharmacovigilance system, further improved the document system according to the newly released guidelines, organized relevant exchanges and training, and started the deployment and construction of a pharmacovigilance information system to further improve the level and efficiency of pharmacovigilance management through information and digital management.



Product recall management

Sino Biopharmaceutical strictly followed the newly revised “Drug Recall Management Measures” in October 2022 to improve the product recall management process and ensure that the Group’s existing regulations and processes relating to drug recalls are in line with the relevant national regulations and practical operational requirements. No product recall occurred to the Group in 2022.

The Group has graded the recall work according to the degree of drug quality hazards, with a time limit of 24 hours for Class I recall, 48 hours for Class II recall and 72 hours for Class III recall. If the adverse reaction monitoring process reveals that there are safety hazards in the drugs, the Group will carry out drug recalls, investigate the causes, take corrective and preventive measures, and conduct return visits to verify the recall effect. The recall and the handling of recalled drugs needs to be reported to the drug supervision and management department for approval in a timely manner, and a recall summary report needs to be submitted to the drug supervision and management department.

Based on the actual situation, each production base of the Group exercises mock recalls to verify the timeliness and effectiveness of the existing management procedures before actual recalls occur, so as to minimize the potential adverse effects that the drugs may cause to patients and to ensure the safety of patients’ drug use.

Supplier quality management

In order to strengthen the quality management of suppliers, Sino Biopharmaceutical has formulated the Supplier Quality Management Process to regulate the work procedures of supplier quality management and supplier quality audit.

Product recall in 2022



0 product recall occurred to the Group in 2022

The Group classifies suppliers into four categories according to the degree of influence of the materials provided on the quality of products. On-site audits are conducted once every three years for Category I suppliers (except suppliers for packaging materials), once every five years for Category I suppliers for packaging materials in China and abroad, and once every five years for Categories II, III and IV suppliers for letter audits. When suppliers have major quality problems or changes, fail 2 consecutive incoming inspections or are found to have potential quality problems, additional audits are conducted to ensure that the quality of materials meets the product requirements of the Group. Based on the results of the supplier quality audit, the Group prepares an audit letter and requests the supplier to reply with the rectification plan within the time limit. The Group will continuously follow up on the supplier’s rectification status, and suppliers who refuse to rectify will be disqualified.

The Company encourages suppliers to obtain quality management system certification. For the major secondary suppliers of the Group, supplier certification shall be carried out by the Procurement Department or entrusted to a third party. In 2022, 341 suppliers of the Group have obtained the quality management system certification.

Indicators related to supplier quality management	Unit	2022
Number of raw material suppliers with quality management system certification	Supplier	164
Proportion of raw material suppliers with quality management system certification	%	50
Number of auxiliary material suppliers with quality management system certification	Supplier	177
Proportion of auxiliary material suppliers with quality management system certification	%	43

Obtain quality management system certification



In 2022,

341

suppliers of the Group have obtained the quality management system certification

CUSTOMER SERVICE

Sino Biopharmaceutical attaches great importance to customer complaints and feedback, and has established a customer-oriented customer service protection system. We have hotline numbers starting with 400 and 800, online customer service and Alibaba Cloud intelligent customer service to provide customers with complaint and rights protection services in multiple channels and around the clock, and continuously update and enrich the knowledge base of intelligent customer service by combining customer feedback and demand, so as to lay a solid foundation for better customer service.



Case

Product recall drills

The production sites of the Group exercised mock recalls in November 2022 in response to the requirements of the newly revised “Drug Recall Management Measures” to evaluate the effectiveness of the recall system, which was used to verify the appropriateness of the recall procedures and ensured that the product recall management continued to meet the relevant regulatory requirements.

The mock recall work focused on recall batches, recall quantities and recall time limits, and modified the original drug recall process by adding recall information release to the public and reporting to the drug regulatory authorities to meet the regulatory requirements.

The scope of the evaluation of the effectiveness of this mock recall included the competency of the personnel involved in the mock recall, the applicability and usability of the drug recall process and other aspects. This mock recall was evaluated to be successful and the recall process met the management requirements.

Compliance audits covered



In 2022, responsible marketing compliance audits covered 100% member companies of the Group.



RESPONSIBLE MARKETING

Sino Biopharmaceutical adheres to the marketing principle of “truth and compliance” and conducts product promotion and marketing in a responsible manner. We are committed to creating a business environment of transparency and integrity and providing customers with assured products and services.

The Group strictly complies with laws and regulations such as the Advertising law of the People’s Republic of China, the Interim Measures for the Administration of the Examination and Administration of Drugs, Medical Devices, Health Foods, and Formula Foods for Special Medical Purposes, and the Code of Practice on the Promotion of Pharmaceutical Products of the R&D-Based Pharmaceutical Association Committee as well as relevant laws and regulations that are newly implemented or amended to ensure that its marketing activities are standardized and compliant. The Group has formulated the Responsible Marketing Policy as its guiding policy for responsible marketing, and has also formulated systems related to responsible marketing and business ethics such as the Anti-Commercial Bribery Management Regulations, the Business Compliance Guidelines and the Compliance Management System for Communication and Interaction with Healthcare Professionals to regulate marketing behavior and provide guidance on compliance.

The Group conducts regular marketing and sales business audits and conducts at least one group-wide responsible marketing audit each year to ensure the accuracy and compliance of advertising and marketing activities as well as legal compliance of sales and marketing practices.

We have developed a comprehensive responsible marketing training system to provide employees at different levels and in different business areas with training on responsible marketing laws, regulations and policies as well as the promotion of compliance marketing concepts in order to completely raise employees’ awareness of responsible marketing.

For all employees of the Group, we regularly hold a compliance ambassador program, inviting the general level staff of the marketing center’s business unit as honorary compliance ambassadors to do promotions on the compliance system and sharing on compliance cases. For senior management, marketing and sales business managers, we hold a series of 100-elite lectures, inviting outstanding marketing talents to share their experiences and regularly hold online training courses on marketing and compliance-related policies. For all employees in each marketing region, we hold monthly “study days” and conduct examinations for training on laws, regulations and special systems related to compliant marketing, so as to enhance the business capability and compliance awareness of grassroots employees.

Indicators related to responsible marketing	Unit	2022
Proportion of employees who received responsible marketing training	%	66
Total time of responsible marketing training for employee	Hour	40,968.5
Average time of responsible marketing training for employee	Hour	1.84



INFORMATION SECURITY

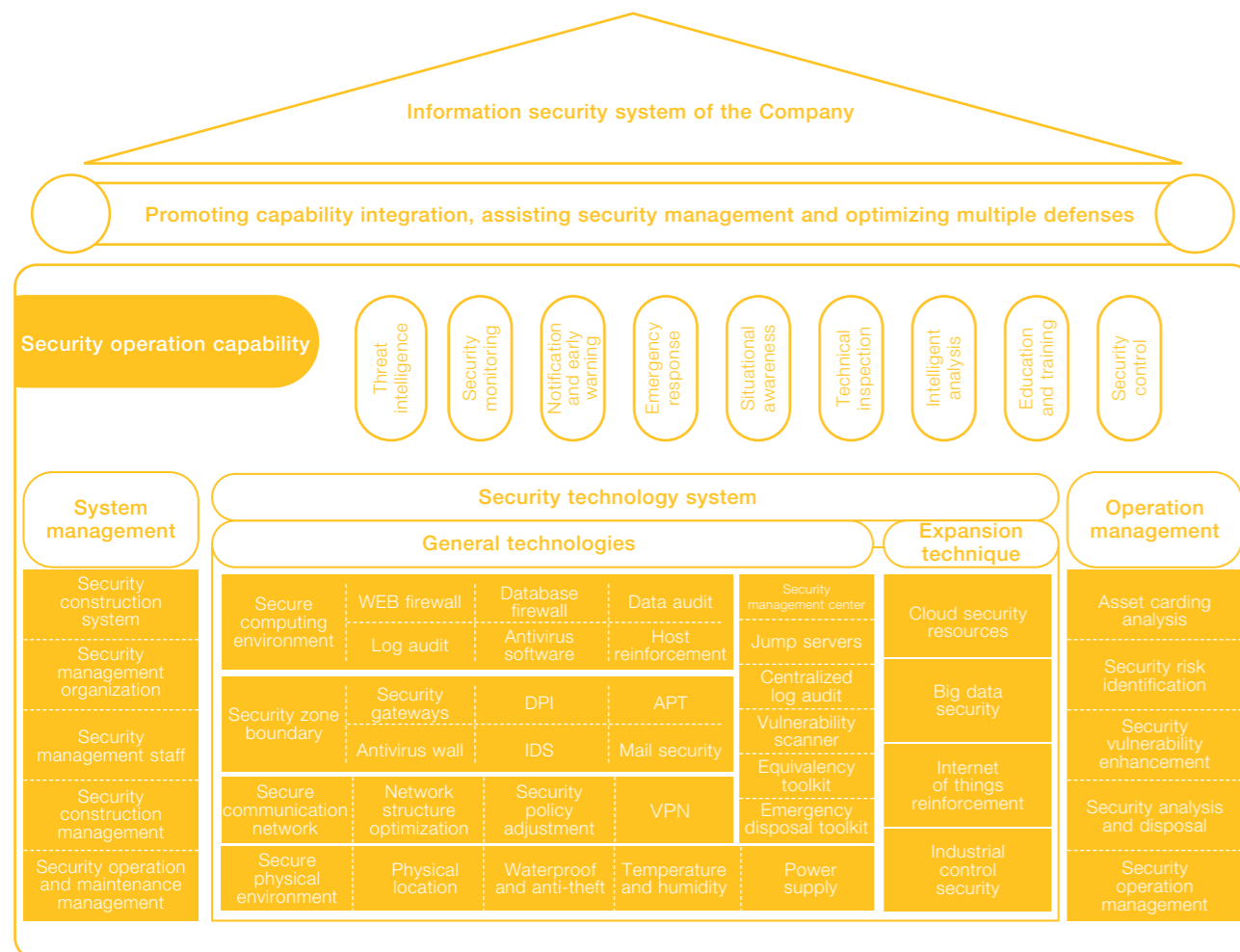
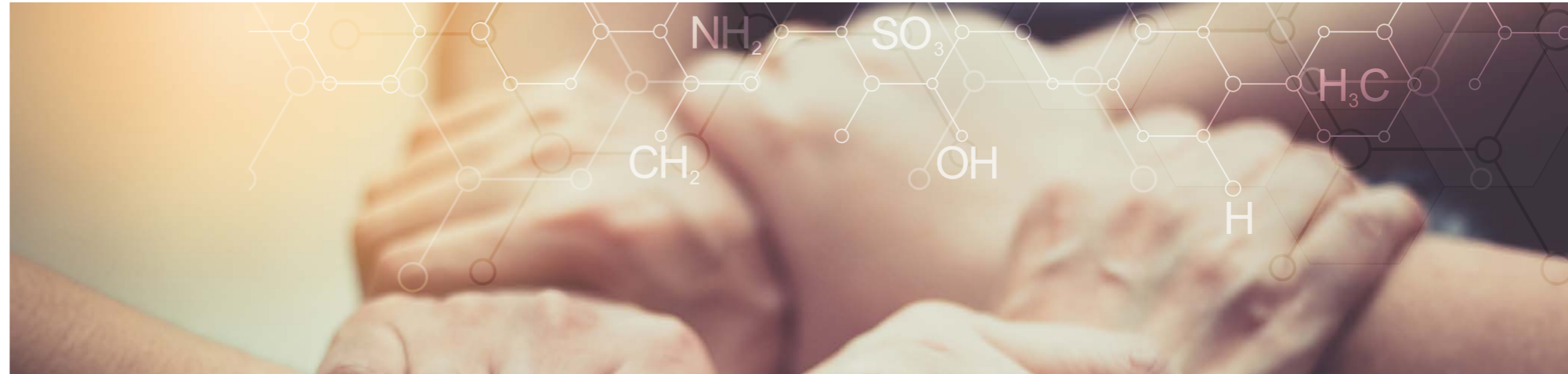
Sino Biopharmaceutical attaches great importance to the information security of its customers and partners and strictly complies with the Personal Information Protection Law of the People’s Republic of China, the Data Security Law of the People’s Republic of China, the Cybersecurity Law of the People’s Republic of China and other laws and regulations relating to information security as well as relevant laws and regulations that are newly implemented or amended, to improve the information security system. In 2022, the Group did not have any information security or data leakage incidents.

The Group has formulated the Information Security Management Measures of Sino Biopharmaceutical, which regulates and restrains from various aspects such as information security management strategy, information asset security, physical and environmental security, communication and operation security, access control, information system construction security and business continuity management.

Combining its own industry and business characteristics to build an information security framework, the Group has established a security technology system and a security management system, and constructed a comprehensive defense system for network security. In terms of equipment and facilities, the Group has established its own server room to monitor irregularities at any time and deployed comprehensive network security software and hardware equipment. In terms of data security, the Group has adopted a hybrid system of private cloud and public cloud, adopted a data backup mode combining manual and automatic backup and deployed anti-virus systems on servers and the client side and encryption systems in key departments to fully ensure prevention of network attacks, data loss and information leakage.

PROTECTION OF CLINICAL TRIAL SUBJECTS

Sino Biopharmaceutical strictly complies with laws and regulation and relevant code of ethics, such as the Civil Code of the People's Republic of China, the Regulations on the Management of Human Genetic Resources of the People's Republic of China, the Good Clinical Practice of Pharmaceutical Products, the Measures for the Administration on Adverse Drug Reaction Reporting and Monitoring and the World Medical Association Declaration of Helsinki as well as relevant laws and regulations that are newly implemented or amended to protect the privacy and medication safety of subjects in clinical trials.



Protecting the privacy of clinical trial subjects

The Group adheres to the principle of “no access without compliance and no access without necessity”, and implements and completes clinical trials legally and in compliance with the premise of protecting the privacy of clinical trial subjects and relevant information. At the same time, for clinical trials carried out by third parties commissioned by us, we will assign a project specialist to effectively oversee the validity and safety of the clinical trial process and ensure that the researchers, third-party testing organizations, pharmaceutical R&D contract outsourcing service providers, and other handlers of the clinical trial do not have access to the personal data of the clinical trial subjects. In 2022, the Group had no privacy breaches.

Safety of clinical trial subjects' medication

Sino Biopharmaceutical strictly complies with laws and regulations and relevant code of ethics, such as the Civil Code of the People's Republic of China, the Regulations on the Management of Human Genetic Resources of the People's Republic of China, the Measures for the Ethical Review of Biomedical Research Involving Humans, the World Medical Association Declaration of Helsinki, and the Good Clinical Practice of Pharmaceutical Products. We have developed a clinical operation quality system management process document based on the organization system, quality system, conflict of interest prevention mechanism and protection mechanism for the rights and interests of research subjects in clinical research, and carry out safety evaluation of clinical drug trials based on the effective management of all operational aspects of clinical trials to firmly protect the safety of drug use by clinical trial subjects.

BIOETHICS

Sino Biopharmaceutical attaches importance to the ethics of laboratory animal welfare. We have formulated the Bioethics Principles to regulate the management of animal experiments and ensure that laboratory animals enjoy basic rights and welfare.

The Laboratory Animal Center of the Group has established a Laboratory Animal Ethics Committee for supervision, inspection and guidance of the ethical work of laboratory animals to ensure that the use of laboratory animals meets ethical requirements. All animal experiments are subject to ethical review, and declared projects can only be carried out after review and approval by the Experimental Animal Ethics Committee.

We have developed a series of animal experimentation management systems and operational guidelines, such as the Monitoring of Laboratory Animal Environment and Facilities, the Animal Feed Management and the Laboratory Animal Care and Behavior Program, and carried out supervision, inspection and technical guidance to promote standardization and formalization of animal experimentation.

We regularly organize training on ethical knowledge of experimental animal welfare and promote the principles of reduction, replacement, and refinement of animal use to strengthen the concept of animal welfare and bioethics.

05

DEVELOPMENT OF STAFF AND ENTERPRISE TOGETHER, BUILDING OUR BETTER FUTURE

Contribute to the following SDGs



In terms of innovation and development, talent always come first. Since its inception, Sino Biopharmaceutical has always regarded its employees as its most valuable asset and strategic resource. Upholding the concept of “creating excellent employee experience and empowering employees to grow”, we are committed to continuously building a diversified, equal and inclusive workplace culture, which is the core element for attracting talents and continuously pursuing the common growth of the enterprise and employees.

Indicator*	Unit	Number			
		2022	2021		
Employee composition	Number of employees by gender	Male	Persons	11,889	11,970
		Female	Persons	10,399	10,210
	Percentage of employees by gender	Male	%	53.34	53.97
		Female	%	46.66	46.03
	Number of employees by age	Under 30	Persons	10,946	10,153
		30 (inclusive) – 40 (exclusive)	Persons	8,475	8,778
		40 (inclusive) – 50 (exclusive)	Persons	2,156	2,401
		50 and above	Persons	711	848
		Percentage of employees by age	Under 30	%	49.1
	Percentage of employees by age	30 (inclusive) – 40 (exclusive)	%	38.0	39.58
		40 (inclusive) – 50 (exclusive)	%	9.7	10.82
		50 and above	%	3.2	3.82
		Number of employees by geographical region	Mainland China regions	Persons	22,212
	Number of employees by geographical region	Hong Kong, Macao and Taiwan, and overseas regions	Persons	76	82
		Number of employees by type of position	Management	Persons	2,386
	Number of employees by type of position	R&D	Persons	4,367	3,952
		Production	Persons	14,104	13,941
		Sales	Persons	5,415	5,238
		Employee turnover rate	By gender	Male	%
	Employee turnover rate	Female	%	15.98	17.17
		By age	Under 30	%	19.94
	Employee turnover rate	30 (inclusive) – 40 (exclusive)	%	14.51	16.31
		40 (inclusive) – 50 (exclusive)	%	10.80	8.36
		50 and above	%	13.29	7.52
		By geographical region	Mainland China	%	16.94
	Employee turnover rate	Hong Kong, Macao and Taiwan, and overseas	%	6.17	2.38
		By rank	Junior staff	%	18.20
	Employee turnover rate	Management	%	3.49	-

* Note: In this report, the employee composition and turnover rate by gender, age, region and rank covered all employees under labour contracts of all consolidated entities of the Group, and the employee composition by job category covered by all employees of the Group.

TALENT STRATEGY

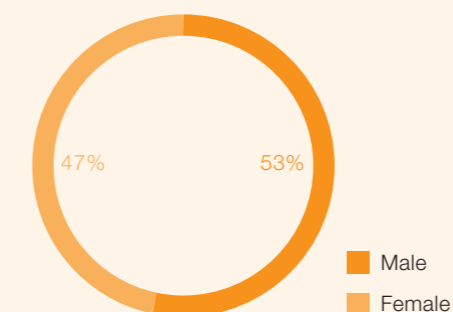
In line with the Group's development strategy of "comprehensive innovation, internationalization, organizational integration and digitization", we have formulated a talent strategy that focuses on "talent attraction and retention, organization building and development, talent cultivation and development, and manpower operation and support", with the expectation to become a leading global pharmaceutical company by continuously creating excellent employee experience and empowering employees to grow.

Comprehensive Human Resource Strategy of Sino Biopharmaceutical



Employee structure

Percentage of employees by sex



As at the end of the reporting period:

Sino Biopharmaceutical had a total of
26,272 employees,
of which **22,288**
were under labour contracts.

Talent pipeline construction

The Group attaches great importance to the continuous construction of the talent pipeline and is committed to building a stable, sustainable and dynamic talent structure with key businesses as the cornerstone and supporting the rapid development of young talents.

Younger talent pipeline: We attach importance to the cultivation of young talents and encourage and support more young people to take up core positions, so as to bring in a continuous flow of fresh blood for the long-term development of the Group. In 2022, nearly 70% of the Group's middle management staff were under the age of 40.

Highly educated talent pipeline: As at the end of the report period, the number of doctoral degree holders and master's degree holders reached 145 and 2,427, respectively, and the proportion of employees with bachelor's degree or above reached 57.80%, providing strong support for the comprehensive innovation and internationalization strategy development of the Group.

EMPLOYEE RIGHTS PROTECTION

Sino Biopharmaceutical regards employees as the cornerstone of the Company's development, respects and firmly protects the legitimate rights and interests of each employee, and resolutely opposes discrimination or differential treatment of employees based on nationality, ethnicity, origin, gender, age, physical characteristics, hobbies and religious beliefs.


Sino Biopharmaceutical strictly complies with the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, and the laws and regulations on the protection of labour rights and interests of various domestic and overseas operating locations. We are concerned about and respond to the international human rights conventions and labour standards such as the United Nations Guiding Principles on Businesses and Human Rights and Convention Concerning Forced or Compulsory Labour. We have formulated and strictly enforced internal systems and regulations such as the Employee Handbook of Sino Biopharmaceutical and the Recruitment Management System of Sino Biopharmaceutical, and conducted regular labour compliance audits to protect the legitimate rights and interests of our employees.

In 2022, the labour contract signing rate of the Group and its member companies was 100%. During the reporting period, there were no incidents of child labour and any form of forced labour, discrimination or harassment.

With the consent of the candidates, we conduct strict audits of candidate information by means of third-party background checks and other forms to avoid potential risks of children recruitment in advance. For the possibility of mistakenly recruiting children, we have developed a sound emergency response mechanism, including but not limited to contacting their families and regulatory agencies in their domiciles as soon as practicable to assist in proper placement and other measures.

Based on the actual needs of positions, we actively create jobs for people with disabilities and strive to provide equal employment opportunities for more people with disabilities. In 2022, the Group and its member companies employed 42 people with disabilities.



Highly educated talent pipeline: 

the number of doctoral degree holders reached

145

master's degree holders reached

2427

the proportion of employees with bachelor's degree or above reached

57.8%

TALENT EMPOWERMENT AND DEVELOPMENT

Sino Biopharmaceutical believes that employees are the cornerstone of the Company's development, and that talent is its most valuable asset. In accordance with the strategic development goals of the Group, we continued to improve and optimize our policies, systems and mechanisms, and practiced talent development that served the Group's development strategy and facilitate the growth and development of employees throughout the entire process of talent recruitment and introduction, talent cultivation and talent promotion.

Case 

Sino Biopharmaceutical awarded "Best ESG Employer"

In December 2022, Aon Group, a leading global professional services firm, announced its inaugural list of Best ESG Employers in China, and Sino Biopharmaceutical was named "2022 China Best ESG Employer" for its outstanding human resources management performance under ESG.

The "China Best ESG Employers Award" of Aon Group is open to companies from all industries in China, and recognizes employers with outstanding performance, innovative results and positive impact in the areas of environmental, social and governance (ESG) through rigorous, objective and industry-specific evaluation dimensions and indicators.



Case 

Sino Pharmaceutical awarded "2022 HRA China Best Employer"

At the end of 2022, Sino Biopharmaceutical received the "2022 HRA China Best Employer" for its innovative and meaningful practices in the field of human resources, which have empowered the transformation and business development of the Group.

The award is based on the platform of Human Resource Association for Foreign and Chinese Enterprises, Beijing (HRA), which collects the wisdom and experience of top representatives from various industries, and selects and evaluates corporate management cases with outstanding practice to find excellent practitioners and set a model for the industry.



Talent introduction

Sino Biopharmaceutical has formulated a long-term talent pipeline construction plan in correspondence to the Group's development strategy and supported the effective implementation of the talent pipeline construction plan through diversified talent introduction strategies. In 2022, Sino Biopharmaceutical added 4,439 employees at the fundamental level and 522 employees at the management level, the completion rate of annual recruitment plan is 90%, covering talents with all levels of training from doctoral students to general specialists, provided sufficient guarantee for the stable operation and sustainable development of the Group's business.

In 2022:

Sino Biopharmaceutical added

4,439 employees at the fundamental level and
522 employees at the management level

Case

Sino Biopharmaceutical's support of Career Coaching Program of Tsinghua University (COACH Program)

The Career Coaching Program of Tsinghua University (hereinafter referred to as the "COACH Program") is a career guidance model for university students pioneered by the Career Development Center of Tsinghua University in 2006, aiming to extensively absorb social resources, promote the transformation of the advantages of various entities and the convergence of supply and demand, and build a brand new ecological system for the career development education of university students. Over the past 16 years, the COACH Program has put up a bridge for communication between schools and employers, professional and cutting-edge industries as well as students and workers, enabling students to deeply experience the industry frontiers, scientifically plan their career development and significantly enhance their workplace competency.

In May 2022, Sino Biopharmaceutical was invited to participate in the year's program, with Mr. Lou Wei, a vice president of the Human Resources Department of the Group, serving as the chief coach of the pharmaceutical category. Through course sharing, company visits, internships and one-on-one exchanges, the students got familiar with the operation characteristics of pharmaceutical companies in advance so that they can plan their career development ahead.



In terms of campus recruitment:

We have maintained long-term and in-depth cooperation with domestic universities and colleges, and continued to expand our talent recruitment pipeline and enhance the effectiveness of talent selection and cultivation through the joint establishment of practical training bases and post-doctoral workstations as well as the development of various joint school-enterprise cultivation programs.

In terms of top talent recruitment:

We have established a talent pool of high-end positions and paid continuous attention to top talents in the industry. Meanwhile, we have maintained long-term cooperation with professional human resources organizations to ensure timely grasp of opportunities for the introduction of top talents.

Case

Sino Biopharmaceutical and tertiary institutions exploring new model of industry-education integration and collaborative education

Sino Biopharmaceutical cooperated with China Pharmaceutical University to conduct the "core competency training camps for university students". The 150 participants of the camps were selected from students with financial difficulties, ethnic minorities and employment difficulties, and the instructors were members of the career planning expert pool of the institutions and senior recruiters from the Company's Human Resources Center. The modules of the camps cover self-management, job search, productivity tools, communication, career exploration and innovation, etc. The offline training covers industry dynamics, workplace communication, CV preparation, workplace etiquette, workplace adaptation, etc. Alumni sharing, company visits and attribute development sessions are also arranged, which are extensive and diversified, close to the needs of the workplace and provide a boost to the employment of university students in the post-pandemic era.

We cooperate with Peking University School of Pharmaceutical Sciences, China Pharmaceutical University, Hebei Medical University, Shenyang Pharmaceutical University and other tertiary institutions to provide joint cultivation programs for master students. In the course of implementation, we built the structure of knowledge, ability and attribute for graduate students according to the law of growth of top talents and the needs of the society, and cultivated the academic and comprehensive practical ability of students. The students achieved simultaneous improvement of scientific research and practical ability by training in two different systems of school and enterprise.



Sino Biopharmaceutical building a model internship base for university students

Sino Biopharmaceutical has been cooperating with key universities and colleges in China on industry-academia-research for many years, signing agreements on professional master cultivation and co-establishment of internship base for students of medical undergraduate programs and tertiary institutions, providing internship placements, providing customized internship platforms for students before graduation, and creating model internship bases for university students.

Beijing Tide, a key member company of the Group, has signed internship agreements with four institutions including Beijing Health Vocational College, Tianshi College, Henan Technician College of Medicine and Health and Hebei Chemical & Pharmaceutical College, and has launched internship programs. Since the launch of the program, a total of 36 interns have been enrolled. The Company offered jobs to the excellent interns upon completion of the internship. In 2022, 13 interns from the above colleges were hired, with a retention rate of 76%, and a number of students have become the key personnel of their respective departments. In order to improve the retention rate, Beijing Tide provided interns with good remuneration and benefits, meal allowance, accommodation, etc., and invested a total of more than RMB1.2 million throughout the year.

Talent empowerment

We design and implement targeted talent cultivation programs based on talent development, organizational development and actual business needs. In combination of sufficient talent growth resources, we empower organizations and talent, continuously building efficient organizations and individuals. During 2022, the employee training coverage of Sino Biopharmaceutical is 100%.

Indicator	Unit	Number	
		2022	2021
Total number of training hours	10,000 hours	102.15	94.36
Average number of training hours	Hours	45.83	42.54
Average number of training hours by gender	Male	Hours	44.63
	Female	Hours	48.37

In 2022:

Average number of training hours

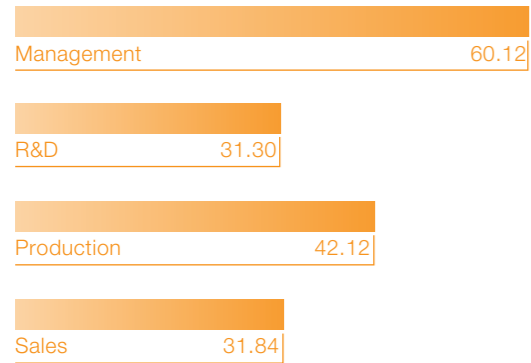
45.83 hours

Employee empowerment training

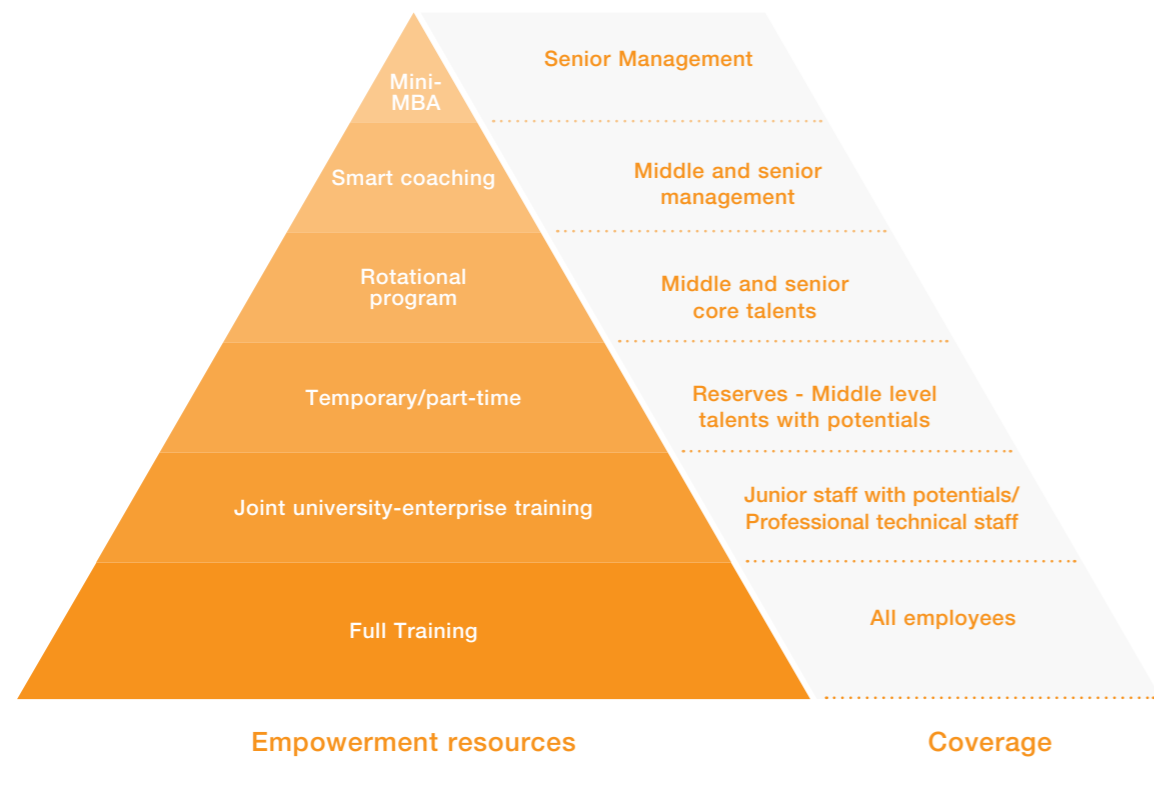
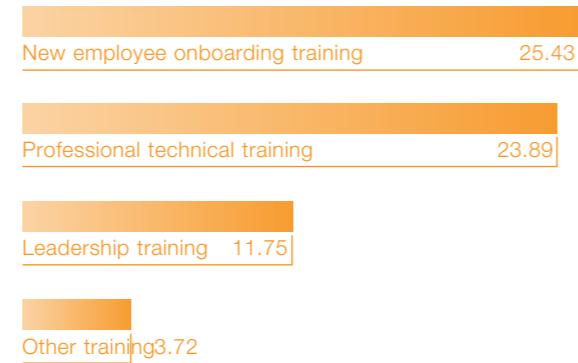
The talent cultivation system of the Group consists of three parts: internal training, external studies and internal talent cultivation in joint programs with universities. We have formulated and published the Talent Cultivation System of Sino Biopharmaceutical, with the core objective of exploring and cultivating interdisciplinary and professional talents, and guiding each member company to carry out diversified talent empowerment work.



Average number of training hours by type of employment hour



Average number of training hours by type of training hour



The Group gives full play to the resource advantages of its member companies and promotes the quality training resources by the lecturers and courses from the University of CT Tianqing and the training department of Beijing Tide throughout the Group. On the basis of the training for all employees provided by each member company combining its own practical development to meet different business needs, the Group promotes the formation of a mechanism of staff training and talent cultivation featuring leadership by advantageous enterprises, sharing of quality resources and improvement of all employees.

Case

The University of CT Tianqing under Sino Biopharmaceutical

The University of CT Tianqing under Sino Biopharmaceutical has five major positions: a military school for managers, a performance promoter, a wisdom inheritor, a culture spreader and a change promoter. Internally, it takes on three roles of promoting organizational change, marketing the corporate brand, and building partnerships, thereby empowering people, promoting innovation and making people willing to follow. In the work of cultural empowerment, we proceeded the systematic construction of the Six-act culture, conduct research on the culture of all employees, produced refined interpretations and behavioral standards through workshops and other means, and spread the culture in various businesses and organizations. In terms of brand building, we adhere to the principle of four brands of "Group, product, public welfare, academia" in one, and designed and carried out various branding activities to project and enhance the brand image.

In 2022, the University of CT Tianqing conducted a total of 822 systematic training sessions, covering 23,943 employees, and designed and implemented more than 30 projects covering 48,800 employees in the areas of talent, performance, culture and branding to better support the strategic and business development and continuously improve organizational capabilities of the Group.



Continuing education of employees

Sino Biopharmaceutical encourages and supports employees to pursue continuing education, and provides resources to support further studies programs including academic education, certification, qualification recognition, skills training, forums and conferences. For all employees, we have formulated and implemented support policies and measures such as reimbursement of tuition fees and special leave for examinations or lectures to encourage employees to participate in further studies externally.

Case

Sino Biopharmaceutical supporting employees to take external qualification examinations

CT Tianqing, a member company of the Group, supports employees to participate in external training and studies. During 2022, a total 322 persons were reimbursed for external training, with a total reimbursement of more than RMB870,000. The reimbursement mainly involves two types: 1. acquisition of qualification certificates, such as good clinical practice (GCP) training examinations and special operation qualification examinations; 2. professional skills enhancement, such as application of statistical analysis of the pharmaceutical industry in the field of pharmacy, lean total production management (TPM) and spot check skills enhancement under smart manufacturing.

NJCTT, a member company of the Group, supported a total of 39 persons of outbound training in 2022. The training covered metrological verification, quality control improvement, hazardous chemicals handling, pharmaceutical engineering conference, etc. The reimbursement cost per person is RMB1,964.

Case

Sino Biopharmaceutical supports employees to pursue further studies

The Group and its member companies encourage and support all employees to pursue further studies. During the reporting period, a total of 6 employees of member companies attended part-time master's and doctoral degree programs at Fudan University, China Medical University, Nanjing University and Zhejiang University. Among them, 5 employees were enrolled in 2022.

Joint cultivation by institutions

In order to broaden the channels for employees to pursue academic education, Sino Biopharmaceutical has been cooperating with Nanjing University of Technology, China Pharmaceutical University and other institutions in the form of targeted cultivation starting from 2021, and organized employees to apply for the target institutions and professions, with which the Company has established cooperation, in the form of commissioned training, so as to create a good platform for continuous development of our employees in the professional field.

Case

Sino Biopharmaceutical sending 34 employees with college education level to take degree courses

In 2022, a total of 34 employees with college education level of Sino Biopharmaceutical were selected to take degree courses of Nanjing Tech University, China Pharmaceutical University and Nanjing University of Information Science & Technology, with which the Company has established cooperation. The employees who participated in the study served as positions in management, R&D, production, etc., and their majors were concentrated in pharmaceutical engineering, pharmacology, mechanical engineering, etc., which were closely related to their positions.

*The entity of this case is NJCTT, a member company of Sino Biopharmaceutical.

Case

Sino Biopharmaceutical and Nanjing Technician College cooperate to cultivate professional technical talents

In 2022, our member companies cooperated with Nanjing Technician College to arrange 33 key production employees to participate in occupational skills training and certification in the categories of electricians and bench workers. The companies and the college jointly formulated training programs, developed training courses, determined training hours, training instructors and determined course results assessment methods. There were a total of 400 hours of occupational skills training, of which 60% is undertaken by the companies and 40% by Nanjing Technician College.

After a year of training, all 33 employees who participated in the training obtained the title of intermediate technician.

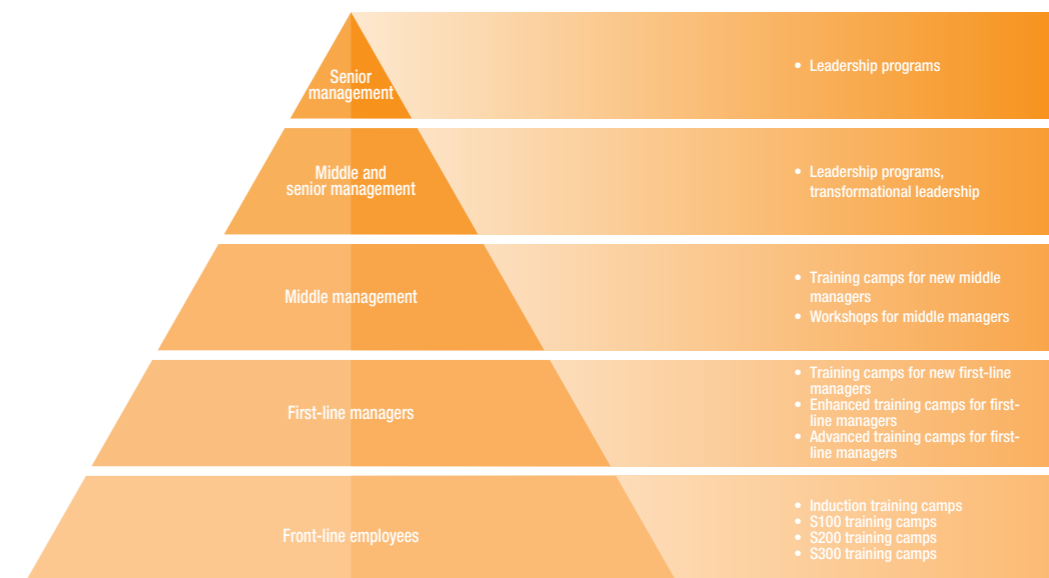
Case

Job rotation mechanism of Sino Biopharmaceutical

Sino Biopharmaceutical has an open job rotation mechanism covering the Group headquarters and all domestic and overseas operating entities in place. Nominated employees can choose to rotate between short-term (6 months) or long-term (more than 1 year) positions according to their personal preference and business needs. Through the job rotation mechanism, the Group provides more cross-regional, cross-entity and cross-departmental learning opportunities for potential employees, helping them to grow continuously while reserving interdisciplinary talents for the long-term development of the Group.

Talent promotion

Under the principle of internal cultivation and external selection, Sino Biopharmaceutical helps each employee to clarify his or her career development path, and has formulated the Employee Promotion and Advancement Management System of Sino Pharmaceutical, which stipulates the ranking of all employees in R&D, production, sales and other positions, the qualification requirements for promotion and advancement, and the corresponding reporting process. By improving the promotion and advancement system, we can guarantee the fairness and justice of internal career development in the Company, and at the same time encourage the outstanding employees to develop rapidly, so as to build the talent ladder of the Company in a scientific and reasonable way.



Case

Sino Biopharmaceutical optimizing the work mechanism of talent selection and appointment

Under the overall system framework of the Group, its member companies formulated the Management Measures for Promotion and Advancement of Non-Sales Employees and the Management Measures for Promotion and Advancement of Employees in the Sales System, taking into account the actual situation of their own business.

Based on the review and conclusion of the previous talent selection work, we optimized the Management Measures for Selection and Appointment of Leaders, standardized the process of leader selection and appointment, and optimized the specific aspects, including new job clarification (job demand/talent profiling), extensive selection methods (with role play session added), standardization of the weighting of the evaluation committee structure, deepening the candidate feedback (with the feedback report of candidate development added), and post-appointment tracking (with post-appointment review meeting added). Through the above initiatives, we can reduce subjective judgment of employees, improve the accuracy of selection, and track and help new leaders in integration.



EMPLOYEE GROWTH AND MOTIVATION

Employee motivation mechanism

We deeply understand that a positive and effective motivation mechanism is an important driving force for the sustainable development of our employees. The Group has been conducting industry remuneration research for a long time, keeping a close eye on global remuneration dynamics, cross-regional market compensation levels and local economic conditions, and is committed to providing employees with remuneration and benefits that are consistently competitive in the industry and in the region. On this basis, we continued to develop a long-term incentive mechanism based on the employee stock ownership plan (ESOP) to ensure continuous attraction to the key business personnel. At the same time, for employees working overseas, the Group provides them with additional labour rights protection in the form of corporate annuity.

Case 

Incentive remuneration allocation system of Sino Biopharmaceutical

Based on the current development status of the Company and the strategy framework of human resources management, Sino Biopharmaceutical continued to standardize and optimize the remuneration management of the Company in accordance with the principle of "adapting to the market environment, realizing the value of talents and giving play to the role of motivation". With the core of the incentive remuneration allocation system, we have established a remuneration system that takes into account both internal fairness and market competitiveness, striving to achieve the goal of "consistency between responsibility and benefit, ability and value, and performance and income" in remuneration allocation for employees, effectively combining personal income and corporate efficiency, and giving full play to the healthcare and incentive effects of remuneration, in order to promote the sustainable, stable and healthy development of the Company.

Case 

Employee stock ownership plan (ESOP)

During 2022, Sino Biopharmaceutical launched an employee stock ownership plan internally in the Group to incentivize and motivate outstanding management teams, key personnel and talented employees at all levels. We expect to continuously enhance the employees' sense of belonging and identification with the Company by sharing the fruits of achievements with them. Up to now, the ESOP of the Group has been gradually improved.

Performance management and feedback

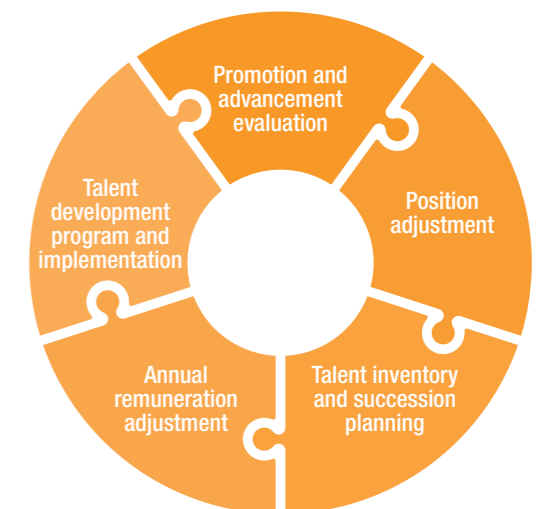
Sino Biopharmaceutical regards employee performance management as an important way to align the personal growth of employees with the development of the Group. We have developed and implemented the Performance Management System of Sino Biopharmaceutical applicable to the Group and its member companies, and introduced performance management tools with the objective of "enhancing organizational vitality and empowering employee development", to help employees find the optimal solution, improve work efficiency and activate team creativity.

Our performance management adheres to the principles of goal-oriented, all-employee participation, objectivity and fairness and adequate communication, including performance target setting, performance interview, performance appraisal, and performance results and application. Among them, performance interviews are conducted throughout the year, and through sufficient interviews and feedback between direct supervisors and employees, the incentive mechanism of the Group is reasonably used to explore the development needs of the employees themselves and to formulate a talent development plan that fully stimulates their potential, so as to achieve mutual development of the Group and its employees. The performance management mechanism clearly takes data and facts as the basis for appraisal, and conducts fair, just and open employee performance appraisal, forming an overall performance appraisal system with a virtuous cycle of development.

Performance Process



Performance Results Application



Case

Performance appraisal work system of the large production system of Sino Biopharmaceutical

In 2022, the subordinate production enterprises of Sino Biopharmaceutical's member companies started their production operations one after another, and the formation of a unified performance management system for the large production system is urgently required to implement various operation and management objectives and promote the achievement of OKR. After many rounds of discussions, the HR team and all the leaders of the production system finally unified the performance appraisal content, methods and processes of the large production system, and formulated the 2022 Management Appraisal Rules of the Large Production System, which has been implemented. The appraisal rules have solved the obstacle points and prominent problems in the previous performance appraisal, the details of which are as follows:

1. Comprehensively covering key areas in the operation and management of the production system.
2. Through evaluation and appraisal of associated departments from multiple perspectives, the single way of appraisal from the top to the bottom was changed and the appraisal of key performance areas of each unit became more open, fair and equitable.
3. During daily appraisal, the constraints of the previous system were eliminated and department/workshop/division managers were given greater management authority with management responsibilities also strengthened.

We always adhere to the principle of adequate communication and advocate that performance management is a process of mutual communication between top and bottom levels rather than a single direction. We stipulate in the Performance Management System of Sino Biopharmaceutical that employees who have opinions or objections to performance results can resolve by communication with their direct supervisors. If they still have objections, they can submit written representations to the human resources department within five working days after learning the appraisal results.



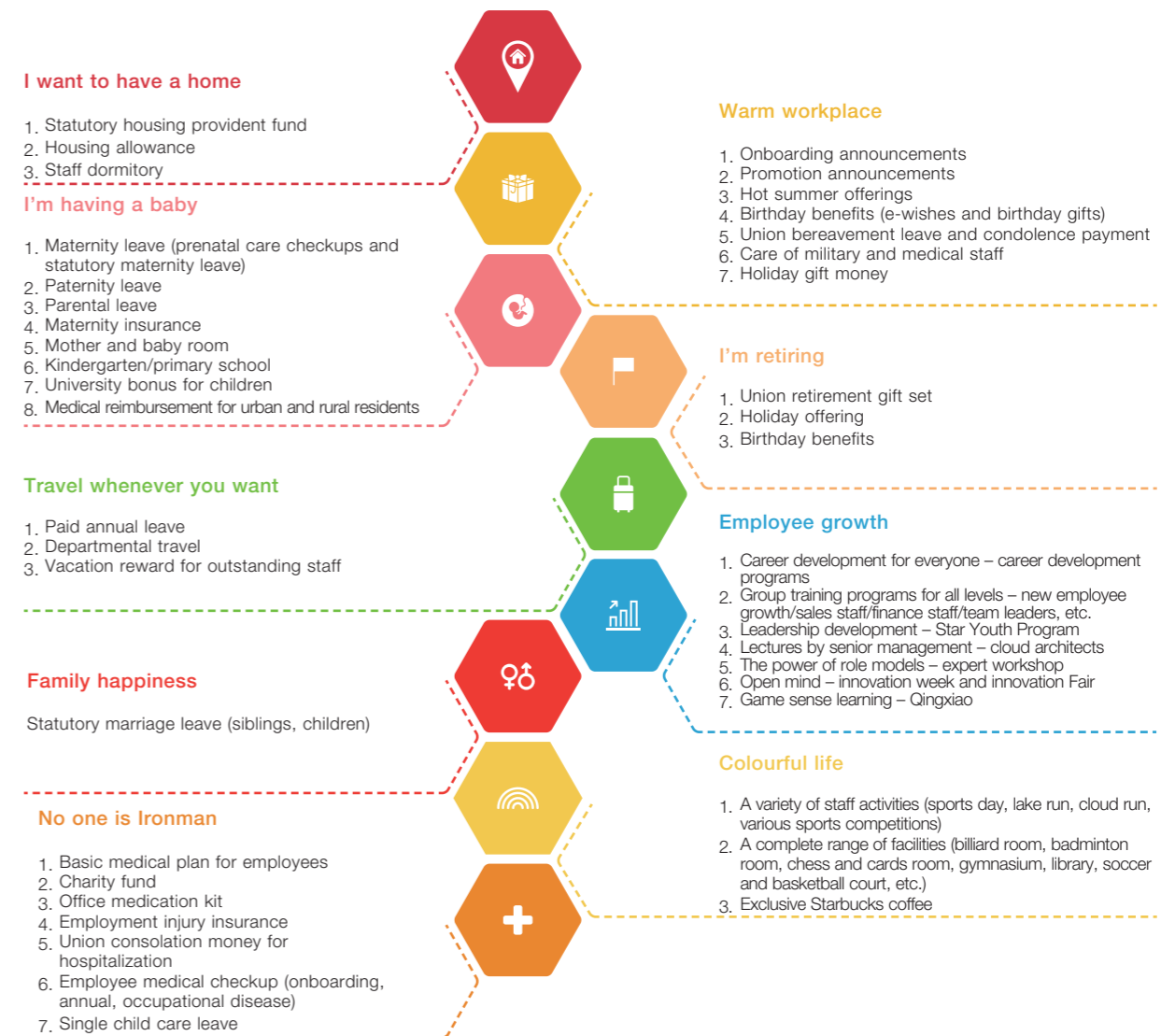
Employee care and benefits

We always attach importance to the opinions and demands of our employees, and provide diversified employee care and benefits to continuously improve the employees' satisfaction and sense of belonging.

Non-remuneration benefits

Sino Biopharmaceutical has formulated and implemented a non-remuneration benefit policy covering all employees to enhance employee happiness and encourage and help employees to form work-life balance and harmony by providing them with good non-remuneration benefits.

We have developed a benefits matrix exclusive for our employees to provide care and support for employees and their children in a comprehensive, multi-dimensional and continuous manner.



Case 

Sino Biopharmaceutical formulating and implementing the Regulations on Management of Employee Consolation Money for Maternity, Injuries and Illnesses

On the basis of the daily employee consolation, the member companies of Sino Biopharmaceutical have institutionalized and normalized the work and formulated the Regulations on Management of Employee Consolation Money for Maternity, Injuries and Illnesses. The system specifies that the unions will offer consolations to employees in case of childbirth, death of immediate family members and hospitalization. In the whole year, a total of 106 consolations were made for childbirth and death of relatives, including two workers who were hospitalized with serious injuries in sudden traffic accidents and sudden illnesses during pandemic control.

Case 

Sino Biopharmaceutical cares for the health and well-being of our employees during the outbreak of the pandemic

In 2022, the COVID-19 pandemic was highly prevalent in many locations nationwide, we did our utmost to prevent and control the pandemic and protect the health of our employees. In consideration of the inconvenience caused by the pandemic, we provided care and consolation to our employees and their families in various ways.

During the pandemic, we paid RMB1,000 to each employees who were stationed in Xinjiang and provided daily condolence money of RMB100 for each employee who was on duty.

Around the Dragon Boat Festival, we offered consolations to the families of employees who were unable to reunite with their families in Beijing and Shanghai due to the impact of the pandemic by purchasing holiday gifts.

Employee satisfaction increasing

Sino Biopharmaceutical attaches great importance to the demands of our employees, and is committed to providing a satisfactory work environment for them and actively helping them solve problems and difficulties in their work and life. The Group conducts a satisfaction survey with all employees every year to understand and respond to their opinions and demands in a timely manner, to continuously enhance their value recognition and sense of belonging and to continuously improve employee satisfaction.

In 2022, the Group launched the employee satisfaction and engagement survey, which aim to understand the employees' objective evaluation of the Company, comprehensively assess the employment situation and the impact of various measures on the employees, and adopt corresponding targeted improvement measures. During 2022, 90.3% employees of the Group expressed satisfaction according to the results of the survey.

During 2022:



90.3%

employees of the Group expressed satisfaction according to the results of the survey

Case 

Organizational health survey of Sino Biopharmaceutical

In 2022, the member companies of Sino Biopharmaceutical launched an organizational health survey. The survey covered both managerial and non-managerial employees in five dimensions (i.e. objective health, authority and responsibility health, mechanism health, culture health, and talent health) and 16 sub-dimensions (including objective alignment, strategic clarity and objective orientation).

A total of 4,738 questionnaires were collected in the survey. According to the results, the objective health, authority and responsibility health, mechanism health, culture health, and talent health of the Company were 9.2, 8.85, 8.95, 9.2 and 8.85 (out of 10), respectively. Based on the survey results and interview diagnosis, the Company will strengthen the establishment of cross-system and cross-departmental collaboration platform and mechanism in 2023; optimize the incentive mechanism and pay attention to the incentivized retention of the key personnel; attach importance to staff development and enrich the training and learning resources for staff at different levels.

Employee communication and feedback

Sino Biopharmaceutical fully respects and values the opinion expression of the employees, and conducts two-way communication with employees through multiple channels. We have expanded the channels of communication with employees to staff representative meetings, call services, "Tianzhidao" (天知道) Q&A and the Chairman's mailbox, and formed a work mechanism by formulating and implementing the Employee Feedback and Complaint Management System of Sino Biopharmaceutical to provide a platform for employees to express their opinions, offer channels for employees to file complaints and provide protection for the employees who make reports.

We respect the freedom and rights of association of the employees, and in accordance with the Trade Union Law of the People's Republic of China, the Constitution of the All-China Federation of Trade Unions and other laws and regulations, as well as relevant laws and regulations that are newly implemented or amended, the Group and its member companies have established corporate trade unions in accordance with the law, and all employees have the right to participate in trade unions as they wish. Every year, the trade unions organize and convene staff representative meetings covering different ranks, positions and groups for the deliberation of the key issues related to the interests of the employees, such as labor protection, working conditions, appraisal, rewards and punishments, etc., and form opinions and suggestions for communication and interaction with the companies.

In order to solve human resources-related problems encountered by employees in their daily work, in addition to the traditional channels and methods such as hotlines, mails and face-to-face meetings, we have set up "Xiaotian" (小天) and "Xiaoqing" (小晴) call services in the corporate office system and an anonymous Q&A function called "Tianzhidao" to answer the questions of employees on a real-time basis and understand their demands.

We have formulated and implemented the Employee Feedback and Complaint Management System of Sino Biopharmaceutical to welcome employees to actively make suggestions for the development of the Company and to clarify the work mechanism for employee complaints and feedback. We have formulated and implemented the Whistleblower Protection System of Sino Biopharmaceutical and follow the principles of 100% analysis of the clues provided in complaint reports and 100% investigation and verification of clues provided in real names to ensure that the clues reported by the employees are taken seriously and responded to. For reports made in real names, we firmly implement the principle of confidentiality and will not disclose the reported information to anyone, nor will we disclose the information of the whistleblower. If there is any retaliation against the whistleblower, we will demote, remove or directly terminate the labour relationship in accordance with the system.



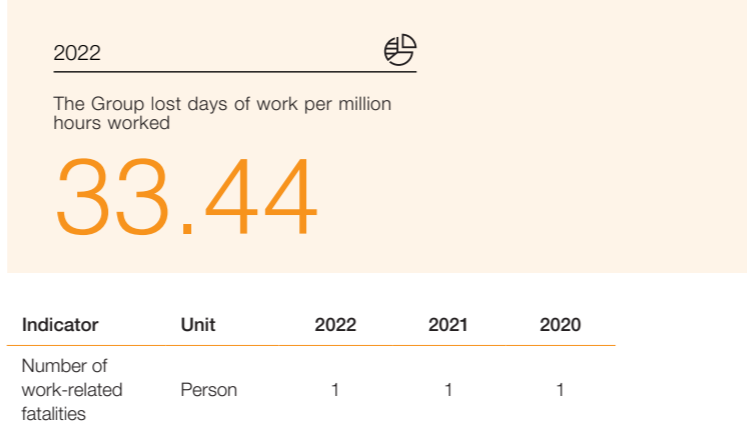
OCCUPATIONAL HEALTH AND SAFETY

Attaching great importance to the health and safety of its employees, Sino Biopharmaceutical is committed to providing practical protection for their occupational health and safety. We uphold the production safety policy of “prioritizing safety, focusing on prevention and comprehensive management”, firmly implementing entity accountability system for production safety, continuously improving the health and safety management system, regularly conducting health and safety inspections, comprehensively enhancing the health and safety awareness of our employees, and always providing a healthy, safe and comfortable working environment for our employees. In 2022, Sino Biopharmaceutical did not have any major production safety liability incidents.

Sino Biopharmaceutical has set the management objective of safe production for all employees. All employees from the persons in charge to the fundamental level have signed a letter of responsibility and undertaking for safe production, committing to fulfill their safety responsibilities and pursue zero accidents in safe production. Employees at all levels perform their safe production duties and are motivated to carry out safe production behaviors. They are commended and rewarded for active elimination of hidden hazards and participation in safe production activities. At the same time, we formulated the Supplier Safety Management System of Sino Biopharmaceutical to achieve comprehensive coverage and extension of safe production management to various suppliers at all levels. In 2022, the Group lost zero hours due to work-related injuries.

Health and safety management system

Sino Biopharmaceutical strictly complies with the Law of the People’s Republic of China on Safety Production, the Law of the People’s Republic of China on Prevention and Control of Occupational Diseases and other related laws and regulations. We have formulated more than 60 special safe production management systems including safe production liability system, safety training, safe production objective assessment, safety inspection and hidden hazard governance, fire safety, fire management, hazardous chemical management, safety facility management, special equipment safety management, etc. in strict accordance with ISO45001 “Occupational health and safety management systems – Requirements with guidance for use”, forming a comprehensive EHS management system.



Standardized safe production certification of Sino Biopharmaceutical



Internal and external inspection of safe production

We formulated the Management Regulations on Safety Inspection and Hidden Hazard Governance of Sino Biopharmaceutical to conduct comprehensive and rolling inspections of safe production management measures and status quo to ensure the effectiveness of management measures and to eliminate risks and hidden hazards to the maximum extent. During the reporting period, Sino Biopharmaceutical conducted more than 344 internal and external safety inspections through the regulators, internal functional departments and professional third parties in the operating regions of its member companies, and the rectification rate of various safety hazards reached 100%, effectively reducing the probability of safe production liability incidents.

Case

Sino Biopharmaceutical introducing external third parties to conduct safety inspections

In June 2022, the member companies of Sino Biopharmaceutical signed agreements with a third party service organization to arrange two experts to conduct safety inspections on site every month and submit a list of problems and opinions on how to address them. In the specific implementation process, the external experts combined on-site inspections with hands-on training to help employees of the member companies understand the areas in which they had insufficient knowledge and need to improve, thereby achieving good results.

Culture construction of safe production

Sino Biopharmaceutical has launched activities covering all employees in various forms with various themes of safe production through safe production emergency drills, knowledge training and quiz competitions at certain important points of time such as the “Safe Production Month” and the “Fire Prevention Month” in order to strengthen employees’ awareness of safe production responsibilities and emergency response capabilities to build a culture of safe production management in Sino Biopharmaceutical. In 2022, the Group conducted an average of 6.30 hours of training per person and 162 emergency drills for safe production.

Indicators related to occupational health training	Unit	2022
Percentage of employees who received occupational health training	%	100
Total time of occupational health trainings for employee	Hour	140,434
Average time of occupational health training for employee	Hour	6.30

Sino Biopharmaceutical conducting a comprehensive emergency evacuation and fire-fighting emergency drill

In December 2022, Sino Biopharmaceutical organized the 2022 comprehensive emergency evacuation and fire-fighting emergency drill within the whole group.



06

GREEN AND LOW-CARBON TRANSFORMATION, PROTECTING THE ECOLOGY

Contribute to the following SDGs




Sino Biopharmaceutical is determined to implement the philosophy of green development and is committed to continuously building an environmentally friendly enterprise. In 2022, the Group insisted on green and low-carbon transformation, continued to deepen our green operation mode, further strengthened our response to climate change risks and opportunities and made positive contributions to the smooth achievement of China's dual-carbon objective while providing protection for stable operations.



ENVIRONMENT MANAGEMENT

Sino Biopharmaceutical strictly complies with the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Law on Air Pollution Prevention and Control of the People's Republic of China, the Law on the Prevention and Control of Environmental Pollution by Solid Waste of the People's Republic of China and relevant environment laws and regulations of its operating locations as well as relevant requirements that are newly implemented or amended. In 2022, the Group and its member companies did not have any major environmental violations.

In 2022 

本集團及成員企業發生重大環保違規事件

0起

Environmental management system

With the ESG Committee of the Board as the highest decision-making body, the Group continued to promote the construction and improvement of the environmental management system. Each member company strictly followed the ISO14001 standard to ensure the effective operation of its internal environmental management system. At the same time, the Group encourages the acquisition of ISO14001 certification by each member company. During 2022, a total of four key member companies of the Group obtained ISO14001 environmental management system certification.

During the reporting period, the Group strengthened the linkage between environmental performance and management performance and included environmental performance in the scope of assessment of the performance of senior management of the Group and its member companies as an important indicator in the performance assessment of the senior management.

Case

Environment management system certification of Sino Pharmaceutical

Sino Biopharmaceutical has been continuing to obtain ISO14001 environmental management system certification since 2019. Take CT Tianqing, one of the key member companies, as an example. In 2022, CT Tianqing passed the audit of China Quality Certification Centre for the fourth consecutive year and obtained the environmental management system certification.



Environmental compliance audit

The Group has established an environmental compliance audit mechanism. Its Audit Department organizes internal environmental experts to set up an audit team to conduct special environmental compliance audits at least once a year for all member companies involved in production. In response to the issues identified during the audit, our member companies formulate annual rectification plans under the guidance of the audit team to ensure closed-loop management of the identified issues.

Environmental protection investment

The Group continued to increase its investment in environmental protection to control the emission of various pollutants generated in the course of its operations and to continuously reduce the impact of its operations on the surrounding environment. In 2022, the Group invested RMB108,975,800 in environmental protection governance, of which RMB54,475,800 was spent on investment and operation of environmental protection facilities and RMB54,500,000 was spent on special environmental protection and daily operation and management.

The Group actively responded to the Industrial Green Development Plan of China, and is committed to building a green manufacturing system and a green industrial chain. Since CT Tianqing, one of the Group's key member companies, was honoured with the title of "Green Factory" at the national level in 2020, the Group has been promoting its excellent management experience among its member companies and continuously promoting the construction and certification of green factories. During the reporting period, Jiangsu CT Qingjiang, another key member of the Group, was awarded the honorary title of "Green Factory of Jiangsu Province in 2022".

江苏省工业和信息化厅文件

苏工信节能〔2023〕22号

关于公布江苏省绿色工厂名单（第三批）的通知

各设区市工信局：

为引导企业绿色转型，加快推进工业绿色发展，根据《关于印发江苏省绿色制造体系建设实施方案的通知》（苏经信节能〔2016〕725号）和《关于开展第三批省级绿色工厂推荐工作的通知》（苏工信节能〔2022〕398号），各地积极推荐绿色工厂培育建设，在企业自评、地方初审推荐基础上，经组织专家评审、专家会审和公示等程序，确定第四批省级绿色工厂，现将名单予以公布，并印发有关事项通知如下：

一、高度重视绿色制造体系建设工作，工业绿色发展全面推进高质量发展，实现碳达峰碳中和目标的必然途径，加强绿色制造体系建设是实现工业绿色发展的具体举措。各地工业和信息化

序号	企业名称	编号
225	江苏山得木医药有限公司	JS2022225
226	淮安联兴食品集团有限公司	JS2022226
227	江苏正大康江制药有限公司	JS2022227
228	江苏爱康光电科技股份有限公司	JS2022228
229	江苏艾姆特科技股份有限公司	JS2022229
230	西康集团有限公司	JS2022230
231	江苏明道康德材料股份有限公司	JS2022231
232	威震科技江苏有限公司	JS2022232
233	江苏惠尔康医药科技股份有限公司	JS2022233
234	江苏精工冶金有限公司	JS2022234
235	江苏康达特种材料科技有限公司	JS2022235
236	泰州明特阳光电力科技有限公司	JS2022236
237	衡水中源水务有限公司	JS2022237
238	苏北光电有限公司	JS2022238
239	盐城江泰能源科技有限公司	JS2022239
240	盐城金海能源科技有限公司	JS2022240
241	江苏中天锂电设备有限公司	JS2022241
242	江苏龙净科技环保科技有限公司	JS2022242
243	江苏悦达起亚汽车有限公司	JS2022243

Jiangsu CT Qingjiang honored as a green benchmark enterprise at the municipal level

As one of the key member companies of the Group, CT Qingjiang continued to promote green transformation and has built a scientific, environmentally-friendly, energy-saving, clean and civilized enterprise in recent years by continuously optimizing its industrial structure in accordance with the national industrial policy. In October 2022, Jiangsu CT Qingjiang was awarded as the one of the first batch of green benchmark enterprises in Huai'an City and "the most beautiful factory" in Qingjiangpu District of Huai'an City.



Case



Environmental culture building

The protection of the environment cannot be achieved without the efforts of every employee. Through environmental protection training and environmental protection culture promotion activities, the Group continued to cultivate the environmental protection awareness of our employees, enhance the environmental management ability of all staff and create an environmental protection and low-carbon concept and culture.

Training on environmental protection topics:

Each member company of the Group regularly conducts special training on environmental protection for all employees, invites external experts to conduct training on environmental protection system certification and hazardous waste management for management and environmental protection-related staff, and participates in environmental protection training held by local governments to improve the overall environmental management ability and level of the employees.

Environmental protection culture promotion:

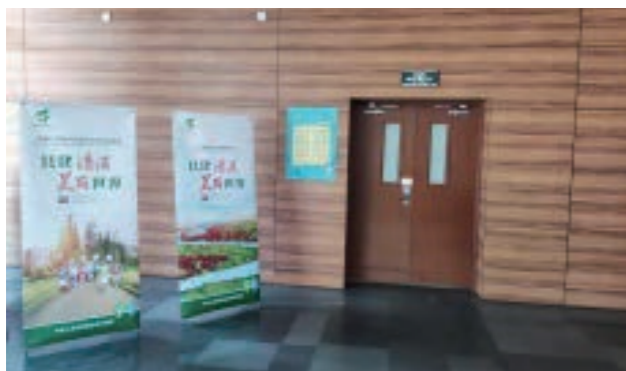
In conjunction with the "World Water Day", "China Water Week", "World Environment Day", "Energy Saving Week", we promoted the concept of environmental protection through the Company's publications, publicity signs and slogans, and held various activities such as environmental protection essays and knowledge contests to improve the spontaneity and enthusiasm of all employees in learning environmental protection knowledge.

Indicators related to environmental protection training	Unit	2022
Percentage of employees who received environmental protection training	%	13
Total time of environmental protection trainings for employee	Hour	9,200
Average time of environmental protection training for employee	Hour	0.41

CLIMATE CHANGE RESPONSE

In recent years, climate change has caused an unprecedented impact on a global scale, and the world has been in a critical period to address the risk of climate change. With both risks and opportunities, Sino Biopharmaceutical regards addressing climate change and reducing GHG emissions as one of the Group's key missions, and seeks to seize opportunities amidst the risks to find new growth areas besides the principal businesses of the Group.

During 2022, with reference to the guidelines of the Task Force on Climate Related Financial Disclosures (TCFD) and the Guidelines on Climate Disclosures of the Hong Kong Stock Exchange, we combined our business and operational characteristics, systematically established the climate change governance system, comprehensively identified climate change risks of the Group, formulated the climate change risk management system and risk response measures, and coordinated a low-carbon development path in an integrated manner.



Risk management of climate change

In order to enhance the Group's ability to adapt to climate change, effectively respond to the impact of climate change on the business operations of the Group, and seize the industry development opportunities brought by climate change, Sino Biopharmaceutical has formulated the Climate Risk Management Policy, clarified the climate risk governance structure of the Group, formulated the climate risk identification and management procedures of the Group, established climate targets and corresponding action plans, and established a climate risk management review mechanism.

The climate risk governance structure of Sino Biopharmaceutical is based on the ESG work organization structure of the Group and a comprehensive governance system from the Board to the member companies is in place to promote the implementation and execution of the climate strategy and climate risk management-related matters of the Group.

The Board: Bearing the highest responsibility for the Company's matters related to climate change response, and approval of the Company's climate change strategy and targets.

Case

In 2022, the Group formally launched the "Carbon Neutral Target and Planning Project of Sino Biopharmaceutical", which plans to take key member companies as the pilot and set scientific carbon peaking and carbon neutrality targets and implementable pathway plans based on a comprehensive and in-depth carbon inventory. We plan to officially release the Carbon Neutral Pathway Plan of Sino Pharmaceutical in mid-2023, and will release the Carbon Neutral White Paper of Sino Pharmaceutical in due course to provide scientific guidance for the Group to reach the carbon neutral target and share practical experience for the low-carbon transformation of the pharmaceutical industry.



ESG Work Management Committee: Providing overall leadership and management of climate risk management within the Company and its member companies, regularly discussing climate change related issues and monitoring climate risks, monitoring and reviewing the Company’s climate change response efforts and achievement of climate targets, and regularly reporting to the Board and making recommendations to support the Board’s monitoring and decision making on issues related to climate change.

Member companies: Coordinating the day-to-day climate risk management and implementation of the Company.

In order to accurately identify the impact of climate change on the Group and to develop the comprehensive risk response and business opportunity strategy, Sino Biopharmaceutical analyzes the climate change related risks and opportunities of the Group with reference to TCFD’s disclosure methodology and recommendations.

Types	Climate-related risks/opportunities	Potential impact
Transition risks	Policy and legal	– More stringent GHG emission management policy, increases in the Group’s compliance risk and increases in the costs of energy adjustment and carbon emission
	Technological	– Increase in investment cost for the low-carbon transformation of production process and the introduction of energy saving and consumption reduction facilities
	Market	– Increase in production costs due to changes in raw material prices and emission requirements for pharmaceuticals caused by climate change – Changes in demand for pharmaceuticals due to the emergence of new diseases caused by climate change
Physical risks	Reputation	– Damage of reputation due to the environmental protection and carbon emission reduction efforts of the Group not satisfying stakeholders expectation, and inadequate disclosure of climate change response information, which affects product demand, employee management and attractiveness to the capital market
	Acute	– Extreme weather, such as typhoons and extreme precipitation, may lead to production suspension and supply chain disruptions affect capacity, which may trigger property losses, such as damage of production equipment and storage facilities, and disruption of transportation, and threaten the health and safety of the employees
Opportunities	Chronic	– Rising mean temperatures may lead to increase in energy consumption required for temperature control in production and storage facilities and thus increase in operating costs – Long-term climate risks, such as rising sea levels and precipitation changes may have impact on the Group’s business layout and operation strategy, such as affecting production capacity and labor force at production bases in coastal areas
	Resource efficiency	– Decrease in energy and water consumption, decrease in production and operating costs, increase in production capacity and revenue by improving resource efficiency
	Energy sources	– Decrease in operating costs, decrease in carbon emission risk and raise in the Group’s reputation by adopting low emission energy sources and participating in carbon trading markets
	Resilience	– Participating in renewable energy projects and adopting energy efficiency measures to improve supply chain reliability and ability to operate under different climate conditions

Based on the results of climate change risk and opportunity identification, Sino Biopharmaceutical has formulated a climate change risk response strategy and continued to promote related work to reduce the impact of climate change on the Group and actively grasp the potential opportunities brought by climate change.

Response Strategy	
Strategic ad-justment	The Group has clearly identified “environmental friendliness” as a core element of its ESG strategy to strategically guide the climate change response work including low-carbon transition. In the future, the Group will formulate and implement energy-saving and carbon-reduction targets and strategies in accordance with national emission reduction policies and current operational status, regularly track and review the achievement of the targets and adjust and optimize them in a timely manner; and pay attention to the demands and pinions of stakeholders on climate change issues.
Accommoda-tion	An emergency work team has been formed by the Group to coordinate relevant affairs in the event of extreme climate events; We have developed an emergency plan for extreme weather such as typhoon and lightning; We closely monitor news released by weather department and watch out for weather warning information;
	We increased extreme weather protection and reinforcement equipment and facilities to strengthen the daily operation of equipment inspection; We maintain communication with energy regulators to understand in advance regional power restriction plans and adjust production arrangements in a timely manner to ensure production stability.
Mitigation	We carried out carbon inventory, explored the Group’s carbon emission reduction potential, and formulated GHG reduction targets and work plans to carry out GHG reduction work in an orderly and efficient manner; We optimized the energy structure, increased the use of renewable energy by means of launching photovoltaic power generation projects, and reduced carbon emissions of the Group;
	We promoted the R&D and innovation of energy-saving technologies, paid attention to the latest development and application of energy-saving technologies in the industry, carried out feasibility analysis of technology replacement, and introduced advanced energy-saving equipment.



GHG emission management

Sino Biopharmaceutical actively took the corporate responsibility to address climate change, responded to the climate target of limiting global warming to 1.5°C as proposed in the Paris Agreement and the national emission reduction strategy of “carbon peaking and carbon neutrality”, gradually promoted the integration of low-carbon transformation with corporate development strategy, setting quantitative targets for GHG reduction and carried out GHG reduction work in all aspects.

GHG reduction target of Sino Biopharmaceutical:

To reduce **20%** GHG emissions per RMB1 million of revenue by 2025 with 2021 as the year of benchmark

Sino Biopharmaceutical strongly advocates the adoption of renewable energy to replace traditional energy and reduce GHG and other pollutant emissions, and all member companies of the Group are gradually promoting the construction of renewable energy projects such as photovoltaic power generation.



Case

Photovoltaic power generation project of Sino Biopharmaceutical

Sino Biopharmaceutical actively promotes the application of renewable energy, vigorously expands the use of photovoltaic power generation to replace traditional energy and reduces GHG emissions. Among them, the photovoltaic power generation project of the production plant of CT Tianqing in Haizhou completed the construction of Phases I and II of photovoltaic construction and started grid-connected power generation in 2021, with a total installed capacity of 2.1MW and a power generation capacity of 2.965 million KWh in 2022; the photovoltaic power generation project of the production plant of CT Tianqing in Shunxin officially started operation in October 2022, with a total installed capacity of 0.8MW; the production plant of CT Tianqing Runzhong in Lingang used its 7,500-square meter carpark to build its photovoltaic carport, which was completed at the end of 2022 and can realize an annual power generation capacity of about 1.5 million KWh.



* The entity of this case is CT Tianqing, a member company of Sino Biopharmaceutical.

Indicators related to GHG emissions	Unit	2022	2021
GHG emissions (Scope 1)	tCO ₂ e	16,093.26	21711.73
GHG emissions (Scope 2)	tCO ₂ e	263,917.64	287,842.90
Total GHG emissions	tCO ₂ e	280,010.90	309,554.63
GHG emission intensity (RMB1 million of revenue)	tCO ₂ e /RMB1 million	9.73	11.52
Total renewable energy consumption	KWh	4,248,253.60	2,906,700.00
Percentage of renewable energy consumption	%	7.81	5.26

RESOURCE MANAGEMENT

Sino Biopharmaceutical strictly complies with the Law of the People's Republic of China on Energy Conservation, the Renewable Energy Law of the People's Republic of China, the Water Law of the People's Republic of China and other laws and regulations related to the use of resources as well as relevant laws and regulations that are newly implemented or amended, establishes a sound resource management system, carries out energy conservation, water conservation and other resource reduction measures, and reduces resource consumption in the course of business operations.

Energy management

Sino Biopharmaceutical has established a sound energy management system in accordance with ISO50001. The Group has formulated and implemented the Energy Management Regulations and other related systems and operating procedures to clarify the management mechanism and working procedures for energy consumption. Energy management teams have been established at the level of member companies, and dedicated energy management personnel have been arranged in production, R&D and other related departments, responsible for energy consumption statistics and analysis, target setting, energy saving planning and other energy management work.

The Group encourages its member companies to obtain ISO50001 energy management system certification. During 2022, a total of two key member companies of the Group obtained ISO50001 certification.

Each member company of the Group actively promotes energy saving and consumption reduction and sets its annual energy saving cost target. Each production plant sets the energy consumption target on product basis every month based on the actual situation to achieve refined energy management and ensure the effective achievement of the annual energy saving target.

In 2022, each member company of the Group carried out a number of energy saving and consumption reduction efforts, and all energy saving projects carried out during the year could achieve energy saving of 4,864,087.21 KWh/year in total.

Digital energy management

Building a smart energy management system to realize real-time monitoring and data visualization of major energy consumption processes

Energy-saving technology transformation

- Energy-intensive equipment assessment and renovation to reduce electricity consumption;
- Energy-saving renovation of refrigeration systems to reduce the demand of cooling equipment during system operation and improve overall cooling efficiency;
- Steam piping renovation to reduce steam loss;
- BMS system renovation to optimize automatic control of air conditioning system and reduce electrical energy and steam consumption;
- Adding small boilers to replace production boilers for night operation to save natural gas consumption.

Indicators related to energy consumption	Unit	2022	2021
Natural gas consumption	Cubic meters	6,900,905.00	6,217,427.00
Liquefied petroleum gas consumption	Tons	8.61	2,057.62
Gasoline consumption	Litres	306,538.67	465,586.31
Diesel consumption	Litres	94,548.87	155,440.28
Total purchased electricity	MWh	216,780.42	196,548.08
Purchased steam consumption	GJ	653,527.00	669,777.20
Comprehensive energy consumption	MWh	543,982.98	553,103.49
Comprehensive energy consumption intensity (RMB1 million of revenue)	MWh/RMB1 million	18.90	20.59



Water resource management

Sino Biopharmaceutical actively promotes water conservation. A water conservation management team was set up by the member companies of the Group internally, which is composed of members from the major production departments, responsible for comprehensive water consumption management involving all employees and all processes. The member companies of the Group have formulated the Rules and Regulations on Water Conservation Management and other related systems, exercised control on total water consumption, splitted the water consumption plan to each department and workshop, and implemented rewards and punishments according to the achievement of the plan.

During 2022, each member company of the Group carried out a number of water saving initiatives such as intelligent management of water resources, process renovation related to water consumption and recycling of water resources, and all water saving projects carried out during the year achieved water saving of 83,237 tons/year in total.

Digital water management	Optimization of production water consumption	Optimization of domestic water consumption
Establishing a smart water management system, integrating big data analysis technology and IOT technology, and realizing real-time monitoring of the major water consumption processes and visualization of water consumption data.	<ul style="list-style-type: none"> - Recycling of reverse osmosis (RO) concentrated water for consumption, which can save 67,000 tons of water per year; - Renovation of the freeze-dryer cleaning procedure, which can save 400 tons of water per year. - Constructing condensation recovery devices for boilers to recover steam condensate from each production workshop as water supply to boilers, which can save 11,000 tons of water per year and 110,000 cubic meters of natural gas per year. 	Optimizing saving of domestic water consumption and avoiding waste of domestic water, which saved approximately 480 tons of tap water in 2022;

Indicators related to water consumption	Unit	2022	2021
Total water consumption	Tons	3,078,142.24	3,132,274.00
Water consumption intensity (RMB1 million of revenue)	Tons/RMB1 million	106.95	116.61
Recycling water of wastewater	Tons	15,800.00	-

Case

Packaging reduction of a carbohydrate component formula food for special medical purpose (Suqian[®])

Sino Biopharmaceutical reduced the packaging of a carbohydrate component formula food for special medical purpose (Suqian[®]) by eliminating the foam in the product box to reduce the amount of packaging materials and the volume of the box and carton. For one batch of products, 259kg of foam, 230kg of middle boxes and 12.5kg of outer boxes can thus be reduced. At the same time, by changing the product packaging design, the utilization rate of packaging materials was enhanced. For one batch of products, 295kg of cartons can be saved. A total of about 2 tons of packaging materials for this product was saved in 2022.

* The entity of this case is CT Fenghai, a member company of Sino Biopharmaceutical.

Packaging material management

We are committed to building a resource-saving and environment-friendly enterprise by actively promoting the reduction of product packaging and prioritizing the use of environmentally friendly packaging materials, thereby reducing the impact on the ecological environment. In 2022, the Group used a total of 50,534.44 tons of packaging materials.



Green Office

Sino Biopharmaceutical adheres to the concept of "green office and low-carbon life" and is committed to creating a low-carbon and harmonious work environment. We actively promote a paperless office, recommend all employees to reduce unnecessary paper printing and waste of other office supplies, and continued to optimize the utilization of office area lighting, air conditioning, sanitation facilities and other efficiency, saving energy and water consumption.

EMISSIONS MANAGEMENT

Sino Biopharmaceutical continued to strengthen the control of pollutant emissions during operations, properly dispose of or handle all types of emissions generated during production and operation, ensure discharge of wastewater, exhaust gas and noise in accordance with standards, standardized solid waste management and disposal, and carrying out of various initiatives to reduce pollutant emissions and reduce the environmental impact caused by business operations.

Waste management

Sino Biopharmaceutical has formulated and implemented the Emission Management System, the Hazardous Waste Pollution Management Procedures, the General Waste Emission Management Procedures and other related waste management systems and operating procedures to strictly regulate the collection, storage, treatment and disposal of waste.

The hazardous wastes generated by the Group mainly include medical wastes, pharmaceutical wastes, waste drugs/medicines and waste organic solvents. All hazardous wastes are disposed of by qualified third-party professional organizations in accordance with the requirements of ISO14001 environmental management system. In order to further promote the reduction and elimination of hazardous wastes, the Group has set quantitative targets for hazardous waste reduction and promoted the implementation of hazardous waste reduction initiatives by its member companies.

Case

Recycling and reuse of chemical agents for production

In 2022, the Group confirmed the feasibility of recycling and reuse of chemical agents for production through comprehensive study and evaluation of the liquid waste output of some products and production processes, and started the recycling and reuse of chemical agents for production.

The Company formulated the Operating Procedures for Solvent Recovery and Application Management to guide each workshop to carry out solvent recovery and use. In 2022, the Group completed the recycling of more than 10 kinds of waste chemical agents such as pneumocandin B0 and caspofungin acetate, with a total volume of more than 730 tons of waste chemical agents recycled.

* The entity of this case is CT Tianqing, a member company of Sino Biopharmaceutical.

Case **Reduction of waste reagent bottles and harmless treatment**

The Company produces about 110 tons of waste reagent glass bottles of ethyl acetate and cyclohexane per year in the production of Calcitriol API, which are disposed of as hazardous waste. In order to reduce the emission of hazardous waste and lower the cost of treatment, the Company finally decided to adopt the emission reduction plan of cleaning and qualifying the waste reagent bottles as general solid waste after internal research and external consultation.

The Company started the construction and operation of the cleaning production line and solid waste monitoring and identification in July 2022. In September 2022, the waste reagent bottles after harmless treatment formally passed the general solid waste identification and were uploaded on the national environmental protection hazardous waste identification platform for public notification. The treated waste reagent glass bottles were treated as general industrial solid waste, which completely solved the problem of treatment of waste reagent bottles.

By the end of 2022, the Company has completed the harmless treatment of waste reagent bottles of about 44 tons, saving treatment cost of hazardous waste of RMB198,000, and it is expected that approximately RMB495,000 of treatment cost can be saved per year in future.

*The entity of this case is CP Pharmaceutical (Qingdao), a member company of Sino Biopharmaceutical.

Indicators related to hazardous waste emissions	Unit	2022
Total hazardous wastes	tons	7,503.90
Hazardous waste emission intensity (RMB1 million of revenue)	tons/RMB1 million	0.26
YoY decrease in hazardous waste emission intensity	%	3.43
Medical waste emissions	tons	23.45
Pharmaceutical waste emissions	tons	5,941.32
Pharmaceutical/Drug waste emissions	tons	572.14
Emissions of waste organic solvents and waste containing organic solvents	tons	390.83
Emissions of waste mineral oil and waste containing mineral oil	tons	1.40
Other hazardous waste emissions	tons	525.47
Waste catalyst emissions	tons	49.29

The harmless waste generated by the Group mainly includes metals, plastic, paper, food waste and office waste, which are uniformly passed to local environmental protection departments for disposal. According to the actual situation, each production plant continued to promote the reduction of non-hazardous waste by optimizing production processes and replacing disposable consumables to help the Group achieve sustainable development.

Indicators related to general waste emissions	Unit	2022
Total amount of general waste emissions	Tons	5,111.46
General waste emission intensity (RMB1 million of revenue)	Tons/RMB1 million	0.18

Exhaust gas management

Sino Biopharmaceutical formulated and implements relevant documents on exhaust gas emission management system such as the Air Pollution Management Procedures, Regulations on the Operation and Management of Exhaust Gas Treatment Facilities, and regulated emissions management and emissions requirements to ensure compliance with emissions standards.

The Group's waste gas emissions mainly come from various volatile organic compounds (VOC_s), nitrogen oxides (NO_x), sulphur oxides (SO_x) and particulates generated during the production process. On the one hand, the Group continued to optimize its production processes to reduce emissions at source. On the other hand, it continued to improve its waste gas collection and treatment equipment and facilities to ensure that exhaust gas emissions met the standards.

Indicators related to exhaust gas emissions	Unit	2022	2021
Total volatile organic compounds (VOC _s) emissions	tons	48.84	67.55
Intensity of volatile organic compounds (VOC _s) emissions (RMB1 million of revenue)	kg/RMB1 million	1.70	2.50
Nitrogen oxides (NO _x) emissions	tons	2.72	4.38
Intensity of nitrogen oxides (NO _x) emissions (RMB1 million of revenue)	kg/RMB1 million	0.09	0.16
Particulate emissions	tons	2.15	2.71
Particulate emission intensity (RMB1 million of revenue)	kg/RMB1 million	0.07	-
Sulphur oxides (SO _x) emissions	tons	0.11	0.64
Intensity of sulphur oxides (SO _x) emissions (RMB1 million of revenue)	kg/RMB1 million	0.004	-

Wastewater management

Sino Biopharmaceutical has formulated and implemented wastewater discharge-related system documents such as the Water Pollution Prevention and Control Management Procedures and the Regulations on Operation and Management of Wastewater Treatment Facilities to regulate wastewater treatment and discharge requirements and ensure that wastewater is discharged in accordance with standards.

The wastewater discharge generated by the Group mainly includes R&D and production wastewater, domestic sewage and circulating cooling system drainage. All member companies have established wastewater treatment stations and set up online monitoring systems for real-time monitoring of wastewater discharge and added online alarm systems to ensure timely treatment of wastewater indicators exceeding the standards. In addition, the Group continued to reduce wastewater discharge by optimizing production processes and strengthening wastewater recovery and recycling.

Indicators related to wastewater discharge	Unit	2022	2021
Total water discharged	tons	1,209,330.03	1,285,532.79
Wastewater discharge intensity (RMB1 million of revenue)	tons/RMB1 million	42.02	47.86
Biochemical oxygen demand (BOD) emissions	tons	45.88	33.84
BOD emission intensity (RMB1 million of revenue)	kg/RMB1 million	1.59	1.26
Chemical oxygen demand (COD) emissions	tons	141.88	105.1
COD emission intensity (RMB1 million of revenue)	kg/RMB1 million	4.93	3.91
Suspended solids (SS) emissions	tons	30.82	37.65
SS emission intensity (RMB1 million of revenue)	kg/RMB1 million	1.07	1.40
Ammonia nitrogen (NH ₃) emissions	tons	11.92	8.60
NH ₃ emission intensity (RMB1 million of revenue)	kg/RMB1 million	0.41	0.32

Hazardous waste reduction target of Sino Biopharmaceutical:



To reduce **10%** hazardous waste emissions per RMB1 million of revenue by 2025 with 2021 as the year of benchmark.

07

GIVING BACK TO THE COMMUNITY AND BUILDING A HARMONIOUS HOME

Contribute to the following SDGs



Sino Biopharmaceutical has actively assumed social responsibility, participated in public welfare undertakings, continued to carry out public welfare activities in areas such as fighting the pandemic, rural revitalization and charity, and contributed to the human well-being over the world.



During the reporting period:

Sino Biopharmaceutical contributed a total amount of

RMB **66.65** million
contributed effort of

38,195.5 hours for public welfare

Types of public welfare activities	Contributions (in RMB10,000)	Time of employee participation (hours)
Fighting the pan-demic	369.24	33,354.5
Rural revitalization	67.76	1,021
Donation to education	449.13	150
Disaster relief	109.94	74
Charity	4066.76	3,596
Health accessibility	1601.97	0

FIGHTING THE PANDEMIC

In the face of the recurring outbreaks of the COVID-19 pandemic in multiple locations, Sino Biopharmaceutical actively responded to the national call, and its member companies actively resumed operation and production and logistics supply under the premise of protecting the health and safety of employees and overcoming all difficulties. At the same time, the member companies of the Group put all efforts in taking part in the fight against the pandemic in the areas of operation by actively participating in the medical supplies deployment by the medical and health departments, materials donation, participation in pandemic prevention, etc., and worked together with the local people to help each other overcome the difficulties.

Case

Sino Biopharmaceutical supporting the fight against the pandemic in the Yangtze River Delta region

In March 2022, a large-scale pandemic broke out in Shanghai, which lasted for a long time. A large number of people were infected and the area affected was so wide that the overall situation of pandemic prevention in the Yangtze River Delta region became critical. In order to support the fight against the pandemic, Sino Biopharmaceutical donated drugs and pandemic prevention materials to the Yangtze River Delta region successively.

In the afternoon of 8 March 2022, Sino Biopharmaceutical donated 100,000 copies of nucleic acid testing reagents, 12,000 N95 masks and 20,000 pairs of medical rubber gloves to Lianyungang Haizhou District through the donation center of Lianyungang Civil Affairs Bureau to help prevent and control the pandemic where the member companies are located.

In April 2022, Mr. Tse, Eric S Y, Chief Operation Officer and chairman of board of directors of CT Tianqing Pharmaceutical at that time, and the operation level of the Group donated 500,000 COVID-19 test kits to Shanghai Clover Fangcang Hospital through the Shanghai Charity Foundation for the prevention and control of the pandemic in Shanghai.

On 30 May 2022, the Group donated 2,000 sets of epidemic-proof isolation suits to the senior citizens' residences in Jiangsu Province to provide material support to medical staff, community workers and volunteers who were on the front line of the fight against the pandemic.

Case

Sino Biopharmaceutical provided urgent support to Changchun University to fight against the pandemic

In March 2022, Changchun University requested assistance through the All-China Federation of Industry and Commerce Medical and Pharmaceutical Industry Chamber. Due to the lockdown caused by the pandemic, the university was in urgent need of anti-epidemic materials.

As the vice president entity of the Chamber of Commerce, Beijing Tide, one of our member companies, overcame transportation difficulties and donated 30,000 medical gloves to help Changchun University to fight against the pandemic after learning the relevant information.

Case

Sino Biopharmaceutical commencing rural support work

Sino Biopharmaceutical actively participated in the rural support work of "urban-rural partnership and civilization building", donating RMB20,000 for the construction of rural cultural centers, cultural service stations and other related facilities in the rural areas where the member companies operate, and donating RMB100,000 for the local assistance team to carry out their work. In addition, the employees actively responded to the call of a one-day donation activity called "Strengthening the results of poverty alleviation and helping rural revitalization", donating a total of RMB30,000 in cash.

Case

Sino Biopharmaceutical actively participating in the pandemic control of its community

NJCTT, a member company of Sino Biopharmaceutical, fully participated in the prevention and control of the pandemic in the community where it is located, with an accumulated total of 1,139 hours of voluntary service for the prevention and control of the pandemic in the community, and actively assisted external organizations in the prevention and control of the pandemic by donating anti-epidemic drugs worth RMB117,000 to Changzhou Third People's Hospital.

RURAL REVITALISATION

Sino Biopharmaceutical actively participated in the construction work of rural revitalization. In response to the actual situation of the area where it operates and the local development needs, each member company carried out public charity donations to remote rural areas around the operation location.



Case 

Sino Biopharmaceutical buying special agricultural products to help farmers

Sino Biopharmaceutical actively responded to the national call of "Focused Action on Assisting and Purchasing from Farmers" and continued to carry out activities to help the poor and farmers.

Since 2019, the Group has continued to help Shanxi Province's poverty alleviation and rural revitalization efforts through the establishment of a dedicated poverty alleviation fund and fundraising. In early 2022, Sino Biopharmaceutical purchased local agricultural by-products such as black fungus from Xiaoling Town, Zhashui County, Shangluo City, Shaanxi Province, with a total purchase amount of RMB264,000.

In January 2023, the Group purchased organic millet and other high-quality agricultural products worth over RMB2.5 million from Mengjiazhuang Village, Liujianzi Township, Chengde City, Chengde County, Hebei Province, to help solve the problem of slow selling of agricultural products in poverty-stricken areas and contribute to consolidating the achievements of poverty alleviation and village revitalization in these areas.



Case 

Sino Biopharmaceutical assisted to build Hope School

Under the assistance of Sino Biopharmaceutical, the first phase of the construction of Linquan Medical Hope School in Anhui Province, was completed in September 2022. Over the years, Sino Biopharmaceutical has continued to invest in education and has contributed more than RMB1.5 million to Linquan Medical Hope School through renovating the teaching building, donating books and electronic equipment as well as purchasing supplies.



COMMUNITY WELFARE 

Sino Biopharmaceutical actively practices social responsibility, carries out various charity activities based on the characteristics of the pharmaceutical industry and its own resource advantages, builds a charity platform, and contributes to the cause of charity.

Lighting up the World Project

The "Lighting up the World Project" is a charity project jointly launched by the CT Tianqing, being a member company of the Group, Shuidi GongYi and the China Social Assistance Foundation in 2020, aiming to gather the forces of different parties to raise funds for the families of patients in need of help to support the follow-up treatment and help patients with serious illnesses and their families to get rid of their difficulties. In 2022, the third season of the "Lighting up the World Project" was launched nationwide, covering 29 cities in 17 provinces and helping patients with neoplastic hematologic disorder, critical illness, brain surgery, general surgery and diseases in other fields, the public welfare footsteps spread across the country. As at the end of the reporting period, the total amount of funds raised by the "Lighting up the World Project" was more than RMB17.92 million, and the number of participants in fundraising exceeded 970,000.

While focusing on the field of major disease relief, the "Lighting up the World Project" continued to expand its coverage of activities to focus on medical knowledge education and science popularization and thus build a professional public welfare science popularization platform. The platform has held public welfare and science popularization activities such as "Lighting up the World Project – Dandelion Action", a series of seminars on chronic myelogenous leukemia, "Lighting up the World Project – Anti-cancer Public Welfare Project", a series of seminars on cancer.

Lighting up the World Project – Anti-cancer Public Welfare Project

In September 2022, the "Lighting up the World Project", a public welfare platform of Sino Biopharmaceutical member company CT Tianqing, joined hands with China Red Cross Foundation and China Social Relief Foundation to launch the "Lighting up the World Project - Anti-cancer Public Welfare Project", an educational public welfare project for patients with advanced cancer, which aims to improve patients' knowledge of tumor treatment and rehabilitation through combined promotion of online and offline science education.

More than 1,500 doctors were invited to participate in the Project, and more than 5,000 patients benefited from the project, raising an accumulated amount of RMB13.11 million for the treatment of serious diseases of 336 patients.





"I See the Magnificent Light – The Seventh National Medical Staff Photography Contest"

During 2022, CT Tianqing, a member company of Sino Biopharmaceutical, held the Seventh National Medical Staff Photography Contest with the theme of "I See the Magnificent Light" together with Popular Photography Magazine.

The photography contest named "I See the Magnificent Light" has been held for six consecutive years and it is the most professional, large-scale and influential public welfare photography contest in the healthcare industry, with more than 100,000 submissions. As the organizer of the contest, CT Tianqing acts with a strong sense of social responsibility and public welfare mission and intends to fully demonstrate the life of medical workers through the form of public welfare photography exhibition, promote the public understanding of the real life of medical workers and spread positive energy to the society.



Sino Biopharmaceutical and Nanjing Drum Tower Hospital launched a free clinic under the "Hundred Station Project – Care for Joints Community Walk"

In 2022, Beijing Tide, a member company of Sino Biopharmaceutical, joined hands with Nanjing Drum Tower Hospital and Nanjing Primary Health Care Association to launch a free clinic under the "Hundred Station Project – Care for Joints Community Walk" to help improve the ability of community doctors to treat diseases, promote the balanced development of medical resources, and provide patients with a more professional and convenient medical environment in the community.

As a participant of the project, Beijing Tide leveraged its own resources and advantages to actively expand the coverage of community hospitals participating in the activity and increase the influence of the activity. More than 40 directors of Nanjing community hospitals participated in the kick-off ceremony of the "Hundred Station Project". During the event, orthopedic experts from Drum Tower Hospital gave training and guidance to community doctors on common diseases for bones and joints through a combination of online lectures, on-site visits and voluntary consultations.



Sino Biopharmaceutical taking part in establishment of the Social Assistance Fund

In July 2022, CT Fenghai, a member company of Sino Biopharmaceutical, signed an agreement with Jiangsu Social Assistance Foundation, Jiangsu Yancheng Rural Revitalization Foundation and Yancheng Dafeng District Rural Revitalization Promotion Association regarding the joint establishment of the "Jiangsu Social Assistance Foundation · Yanshang Assistance Fund", which is named "CT Fenghai Social Assistance Fund". The fund is mainly used for the following purposes:

- Subsidizing children from households on the minimum living guarantee and other needy families to go to school;
- Subsidizing the needy groups caused by aging, weakness, illness, disability, orphanage and disasters;
- Subsidizing assisted development projects in economically disadvantaged areas and other regions for the development of breeding, raising, processing and marketing industries, training in new agricultural retailing models and agricultural packaging design;
- Supporting the cause of rural revitalization;
- Funding other related projects of the Jiangsu Social Assistance Foundation.

As at the end of the disclosure period, Sino Biopharmaceutical has completed its first donation to the fund.



CONTENT INDEX OF THE ESG REPORTING GUIDE OF THE HONG KONG STOCK EXCHANGE

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FEEDBACK

Dear Readers,

Thank you for reading the 2022 Environmental, Social and Governance Report of Sino Biopharmaceutical. We are eager to listen to your comments and suggestions on the report and our ESG work, and look forward to your assistance in completing and sending this questionnaire to us by mail, email or fax. You may also call us to share your valuable feedback. Thank you for your support.

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1. What type of stakeholder does you/your organisation belong to in relation to Sino Biopharmaceutical:

- Shareholder Employee Supplier User Government Community Bank
 Academic institution Others (please specify)

2. Have you read the Environmental, Social and Governance Report of Sino Biopharmaceutical (if your answer is no, please ignore questions 3, 4 and 5):

- Yes No

3. If yes, what is the version you read?

- Paper version Electronic version

4. What version do you prefer?

- Paper version Electronic version

5. Your overall view on the 2022 Environmental, Social and Governance Report is:

- Readability (Easy to understand, beautiful design, attractive and easy to find the required information)
 3 (Good) 2 (Average) 1 (Low)
- Credibility (report information is true and credible)
 3 (Good) 2 (Average) 1 (Low)
- Information completeness (providing both positive and negative performance, and meeting your information needs)
 3 (Good) 2 (Average) 1 (Low)

What information would you like to see more in addition to those disclosed in the report?



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