

# Environmental, Social and Governance Report

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# About this Report

## Overview

This report marks Laekna, Inc.'s (hereinafter referred to as "Laekna", "the Company", "we") inaugural Environmental, Social, and Governance (ESG) Report, showcasing the achievements and commitments of the Company in these critical areas.

## Reporting Methodology

This report adheres to the Environmental, Social, and Governance Reporting Guide (ESG Guide) outlined in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange"). Concurrently, our ESG report aligns with the guidelines set forth by the Global Reporting Initiative's Sustainability Reporting Standards 2021 (GRI Standards 2021). Additionally, it reflects our Company's current developmental stage and the practical aspects of our ESG activities. The compilation of this report adheres strictly to the reporting principles of materiality, quantitative, balance, and consistency as set out in the ESG Guide.

## Scope and Boundary

This report covers the environmental and social performance of Laekna and its subsidiary companies during the period from January 1, 2023, to December 31, 2023 (hereinafter referred to as the "reporting period" ). To ensure comprehensive disclosure, we have included relevant information that, where necessary, precedes or follows the designated reporting period.

## Data Sources and Reliability Commitment

The data and cases presented in this report are primarily sourced from the Company's statistical reports and pertinent documents. Our Board of Directors pledges that there are no false records or misleading statements in this report, and we assume full responsibility for its authenticity, accuracy, and integrity.

## Confirmation and Approval

This report was approved by the Board of Directors on March 26, 2024 after confirmation by the ESG committee.

# A Letter from our Chairman

Dear Stakeholders,

I am proud to share Laekna's inaugural 2023 Environmental, Social, and Governance (ESG) Report with you. Laekna, originated from Old Norse, means "to cure, to heal", underscores our fundamental purpose of healing and caring for others. We recognise the challenges inherent in pharmaceutical research and development, but through perseverance and progress, we can deliver sustainable growth for the Company and tangible benefits to patients. Guided by our unwavering commitment to long-termism, we strive for ESG excellence.

The year 2023 was pivotal for Laekna. Our Hong Kong Stock Exchange listing in June signified our transformation into a market-valued, socially responsible public company. Throughout the year, we established an ESG Committee, embedded sustainability into decisions and day-to-day operations, and provided ESG training across the Company. ESG ambassadors in each department now spearhead initiatives.

In ESG work, I've learned two key lessons: Never tire of small acts of kindness, and maintain high standards despite our size. Though our capabilities are limited, our collective compassion shines through. We may lack resources to build an entire village library or school laboratory, but through employee donations, we've funded an innovation classroom that sparks children's curiosity. Our projects over the past two years include a "Cloud-Based Learning" bookshelf in Gudeng Township Middle School in Yunnan province and a "Science and Innovation Classroom" in Taiping Town Central Primary School in Gansu province. While renowned experts are scarce, our talent teaches through the Laekna Expert Series (Lai Talk) to share insights from their valuable experiences. Our people also actively volunteer in their communities, assist in rescuing stray animals, and contribute to earthquake-stricken areas through donations, demonstrating our care.

Despite our size, we uphold compliance, ethics, and ESG as essential. We recognize that ESG has become a cornerstone of sustainable corporate development. To this end, we've enhanced internal controls to swiftly identify compliance risks and achieve full compliance training for all employees. Safeguarding intellectual property is critical, so we pursue patents, trademarks, and agreements. We also implement measures to reduce laboratory pollution emissions.

Currently, we benchmark against peers while crafting a comprehensive five-year ESG plan based on leading standards and our circumstances. This plan identifies focus areas for ESG governance within the Company, involves regular reviews, and positions Laekna as an ESG leader in the biopharmaceutical industry. We are committed to annual ESG reporting, demonstrating our unwavering commitment to transparency and responsibility as we pursue sustainable growth.

Sincerely,

Dr. LU Chris Xiangyang  
Chairman, Executive Director and Chief Executive Officer  
April, 2024

# ESG Performances Highlights



Reduction in GHG emissions

**19.4** %



Employee training coverage rate

**100** %



Total hours of employee training

**707.5** hours



Proportion of female employees

**64** %



Proportion of female directors and above

**53** %



Direct beneficiaries of public welfare activities

**344** people



# About Laekna

Founded in 2016, Laekna is a science-driven, clinical-stage biotechnology company committed to bringing novel therapies to cancer, metabolic diseases, and liver fibrosis patients worldwide.

As of December 31, 2023, we have initiated six clinical trials for Afuresertib (LAE002), LAE001 and LAE005 for the treatment of breast cancer, prostate cancer, ovarian cancer and PD-1/ PD-L1 drug-resistant solid tumors to address the unmet medical needs. Among these six clinical trials, three are multi-regional clinical trials (MRCTs). Afuresertib is a potent AKT inhibitor that inhibits all three AKT isoforms (AKT1, AKT2 and AKT3) as well as one of the only two AKT inhibitors in or completed the pivotal-stage clinical development for anti-cancer treatment globally.

Laekna's internal drug discovery platform has discovered 14 drug candidates. LAE102 is our first internally discovered antibody against ActRIIA. We submitted IND applications to the CDE and FDA, respectively, for LAE102 in relation to obesity in the first quarter of 2024. Blocking the Activin-ActRII pathway could promote skeletal muscle regeneration and decrease fat mass. The Laekna team has accumulated tremendous experience and deep know-how in this specific field and is developing more drug candidates (LAE103 and LAE123) to maximize the value of targeting ActRII receptors.

Laekna, Inc. was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on June 29, 2023, with the stock code 2105.HK.

## Mission and Values

**Our mission** ————— Let Health be Your Choice

### Our core values

#### Accountability



We encourage every employee to break boundaries, prioritize the team's interests, and approach their work with an owner's mindset and a strong sense of responsibility. We value the courage to make decisions, the willingness to embrace challenges, and the proactivity to assume responsibilities beyond one's role.

#### Collaboration



We strive to achieve common goals through effective collaboration while promoting diversity, equity, and inclusiveness within our teams. We prioritize mutual respect and trust, fostering a fair and transparent environment where we work closely together, enabling each other to thrive and achieve shared success.

#### Excellence



With an entrepreneurial spirit, we continuously embrace a culture of ongoing learning. Driven by scientific principles and guided by results, we relentlessly seek innovative and efficient solutions, pushing boundaries to surpass our own expectations.

#### Integrity



Integrity and compliance serve as the foundation of our conduct and actions. We are dedicated to prioritizing the interests of patients, deeply understanding their needs, upholding the principle of excellence in quality, and taking full accountability for the outcomes.

#### Open



Innovation and change are the sources of our inspiration. We embrace an open mindset and engage in transparent communication both internally and externally. We actively listen to diverse viewpoints and embrace change with a proactive attitude.

#### Resilience



We strive to lead in innovation, dedicated to exerting our utmost efforts to realize our objectives. We steadfastly uphold integrity, tackling challenges head-on, and advancing with courage and resolute determination.

# Honors & Awards

2023 Annual Innovation Award  
GuruClub



2023 Best Communication Case in the  
Pharmaceutical industry - Best Corporate Video  
bioPR, PharmaDJ, Zhangjiang INNOPARK



Most Valuable Pharmaceutical and Healthcare  
Company  
ZhiTong Financial Information



Annual Influential Science and Technology  
Innovation Enterprise  
Zhangjiang Group



2023 Top 100 Chinese Pharmaceutical Innovation  
Seed Enterprises  
E-Pharmacy Manager Magazine



Zhangjiang Life Science Industry  
New Prominent  
Shanghai Zhangjiang (Group) Co., Ltd.



# 01

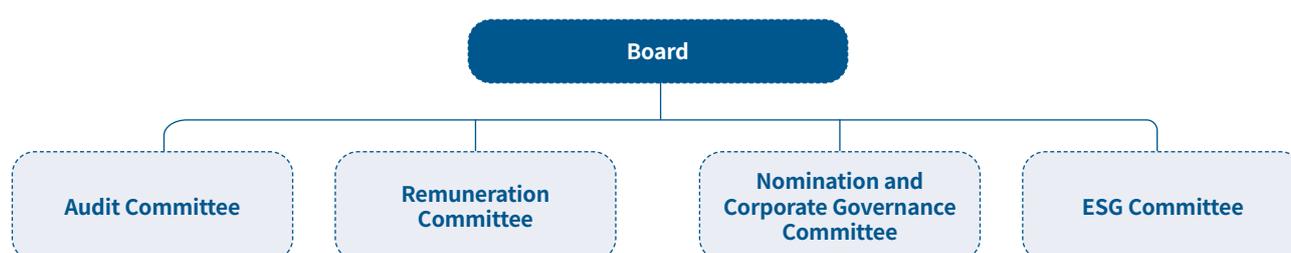
## Corporate Governance

Effective and rigorous corporate governance plays a crucial role in the sustainable development of a company. Laekna is committed to continuously improving its corporate governance practices. We ensure the effective functioning of our governance mechanisms by establishing systematic rules and regulations, delivering internal training, and implementing thorough supervision. Our goal is to foster the Company's sound and steady growth, enhance its long-term value, and deliver enduring returns to our investors.

# Governance Structure

In compliance with the regulations concerning corporate governance as stipulated in the *PRC Company Law and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the "Hong Kong Listing Rules"), Laekna has established relevant policies and structures accordingly.

The Board of Directors, serving as the decision-making body of the Company, is composed of several committees, including the Audit Committee, Remuneration Committee, Nomination and Corporate Governance Committee, and ESG Committee. Adhering to legal and regulatory obligations, the Board and its committees convene regular meetings to actively engage in corporate governance.



Committees under the Board of Directors	Composition and Functions of the Committee
Audit Committee	The Audit Committee consists of two independent non-executive Directors and one non-executive Director. The primary duties of the Audit Committee are to assist our Board of Directors by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Group, overseeing the audit process and performing other duties and responsibilities assigned by our Board of Directors.
Remuneration Committee	The Remuneration Committee consists of one executive Director and two independent non-executive Directors. The primary duties of the Remuneration Committee include, without limitation, making recommendations to the Board of Directors on our policy and structure for the remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing the policy on such remuneration, determining with delegated responsibility, or making recommendations to the Board of Directors on the specific remuneration packages of individual executive Directors and senior management and reviewing and approving management's remuneration proposals by reference to corporate goals and objectives resolved by the Board of Directors from time to time.
Nomination and Corporate Governance Committee	The Nomination and Corporate Governance Committee consists of one executive Director and two independent non-executive Directors. The primary duties of the Nomination and Corporate Governance Committee include, without limitation, reviewing the structure, size and composition of the Board of Directors, assessing the independence of the independent non-executive Directors, making recommendations to the Board of Directors on matters relating to the appointment or re-appointment of Directors, developing, reviewing and assessing the adequacy of our Company's policies and practices on corporate governance and reviewing our Company's compliance with the Corporate Governance Code and disclosure in the corporate governance report.
ESG Committee	The ESG Committee consists of three members, including our senior vice president, head of legal department and head of communication and public affairs. The ESG Committee will have a specific focus on environmental matters, such as energy consumption, pollutants, greenhouse gas emissions and reporting, waste management and recycling efforts, as well as product safety and quality. The ESG Committee serves a supportive role to our Board in implementing the agreed ESG Policy, targets and strategies; identifying and assessing ESG-related matters, including climate-related risks, by taking into consideration the metrics and targets stipulated in Appendix C2 to the Listing Rules and applicable laws, regulations and industry standards; managing how our Group adapts its business in light of climate change; collecting ESG data from different parties while preparing for the ESG report; and continuous monitoring of the implementation of measures to address our Group's ESG-related risks. The ESG Committee has to report to our Board periodically on the ESG performance of our Group and the effectiveness of the ESG systems.

**As of December 31, 2023**

Laekna Board of Directors

**8** members**In 2023**

Laekna held investor sessions

approximately **50** times**In 2023**

Laekna compliance training coverage rate

**100** %**Cultivating a Compliance Culture Through Training**

In July 2023, Laekna organized three compliance training sessions attended by all board directors and employees of the Company. The training covered crucial subjects including conflict of interest declaration, corporate governance, director transactions, market misconduct, and recent enforcement cases.

As of December 31, 2023, our Board of Directors consisted of eight members, including three executive directors, two non-executive directors, and three independent non-executive directors.

Laekna upholds diversity as a core principle in the nomination and appointment of the Board of Directors, taking into account various factors such as gender, professional expertise, skills, tenure and age. This approach aims to bolster the decision-making capabilities of the Board of Directors.

## Investor Relations

Following its listing in 2023, Laekna conducted approximately 50 research sessions with investors and investment analysts. These sessions were conducted through three different formats: one-on-one meetings, investor group discussions, and brokerage strategy conferences. By taking advantage of the benefits of each approach, Laekna managed to achieve a balance between in-depth interactions with professional investors and broad engagement across a wide spectrum of stakeholders.

## Compliance Operation

In accordance with the *PRC Company Law*, the *Hong Kong Listing Rules*, and other relevant laws and regulations, Laekna has established a dedicated team to ensure the legal and compliant operation of the Company.

Laekna ensures employee compliance by instituting a comprehensive framework of policies and procedures, including *Conflict of Interest Management*, *Anti-Fraud Measures*, *Information Disclosure Oversight*, *Insider Information Governance*, and *Internal and External Communication*. These materials are designed to regulate employee compliance behavior. The Company also conducts regular compliance training sessions to ensure that employees are fully aware of their responsibilities and compliance obligations. This empowers them to promptly identify, assess, and report compliance risks, thereby fostering a culture of compliance within the Company.

The internal control team conducts an annual review of compliance regulations, based on the Company's organizational structure and business development status. They assess risks and make real-time updates or establish new policies and procedures as needed.

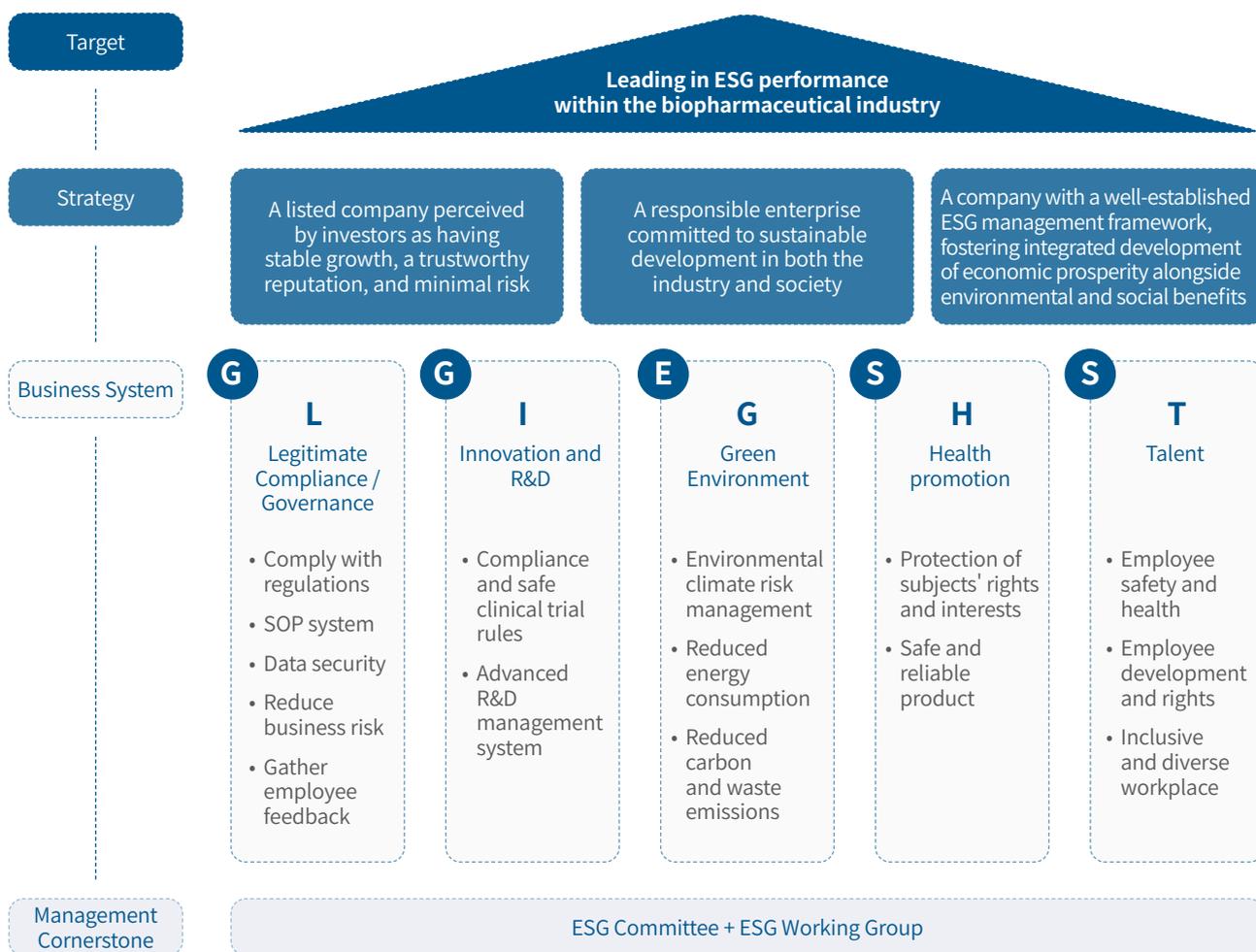
In 2023, the internal control team collaborated with the Human Resources Department, Legal Department, Investor Relations Department, and Public Affairs and Communications Department to develop and update regulations and policies such as *Conflict of Interest Management*, *Anti-Fraud Measures*, *Information Disclosure Oversight*, and *Insider Information Governance*. These policies were effectively conveyed to employees through online training sessions, prioritizing compliance and risk awareness. All employees needed to complete the relevant policy learning modules within Laekna's training system, achieving a 100% compliance training coverage rate among our workforce in 2023.

In addition to the policies in place and compliance training, Laekna emphasizes the importance of monitoring and evaluating the functions of its compliance team. Through close collaboration with senior management, the compliance team diligently oversees and assesses the efficacy of its functions and organizational structure, ensuring strict adherence to relevant laws and regulations.

# ESG Governance

At Laekna, we prioritize environmental protection and social responsibility, placing a strong emphasis on engaging with stakeholders. We have developed ESG policies aligned with both domestic and international standards, tailored to our company's specific needs and circumstances. By advancing the balanced development of our company's economic performance, environmental impact, and social contributions, we strive to approach our goal of having leading ESG performance in the biopharmaceutical industry.

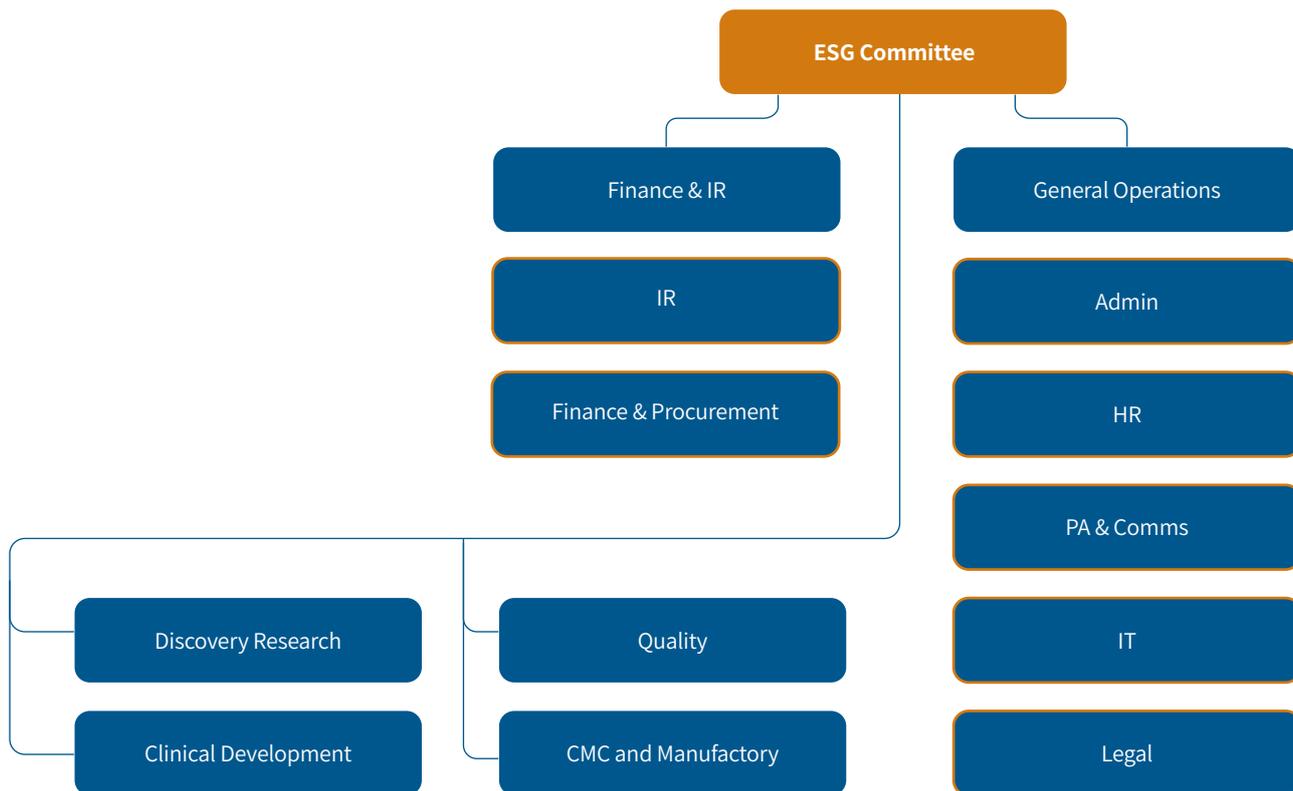
## ESG Five-Year Objectives and Strategies



## ESG Governance Structure

Our Board of Directors takes full responsibility for overseeing and identifying ESG-related risks and opportunities that impact the Company. They formulate and adopt relevant policies and objectives, ensuring compliance with the Company's ESG reporting obligations. Additionally, the Board conducts annual assessments of the Company's ESG performance against established objectives. Should significant discrepancies arise, the Board will promptly revise related strategies to address them.

The Board of Directors has established an ESG Committee and a core group to ensure the effective execution of the Company's ESG strategy. ESG ambassadors from each department are entrusted with the responsibility of incorporating the Company's ESG strategy and objectives into their respective business operations and developmental endeavors.



Furthermore, Laekna actively encourages board members to participate in ESG-related training, while partnering with third-party professional institutions to deliver tailored ESG training programs for management team and employees.



Certificates Issued to Laekna ESG Ambassadors.  
Members of Laekna's management team and employees actively participated in ESG training sessions.

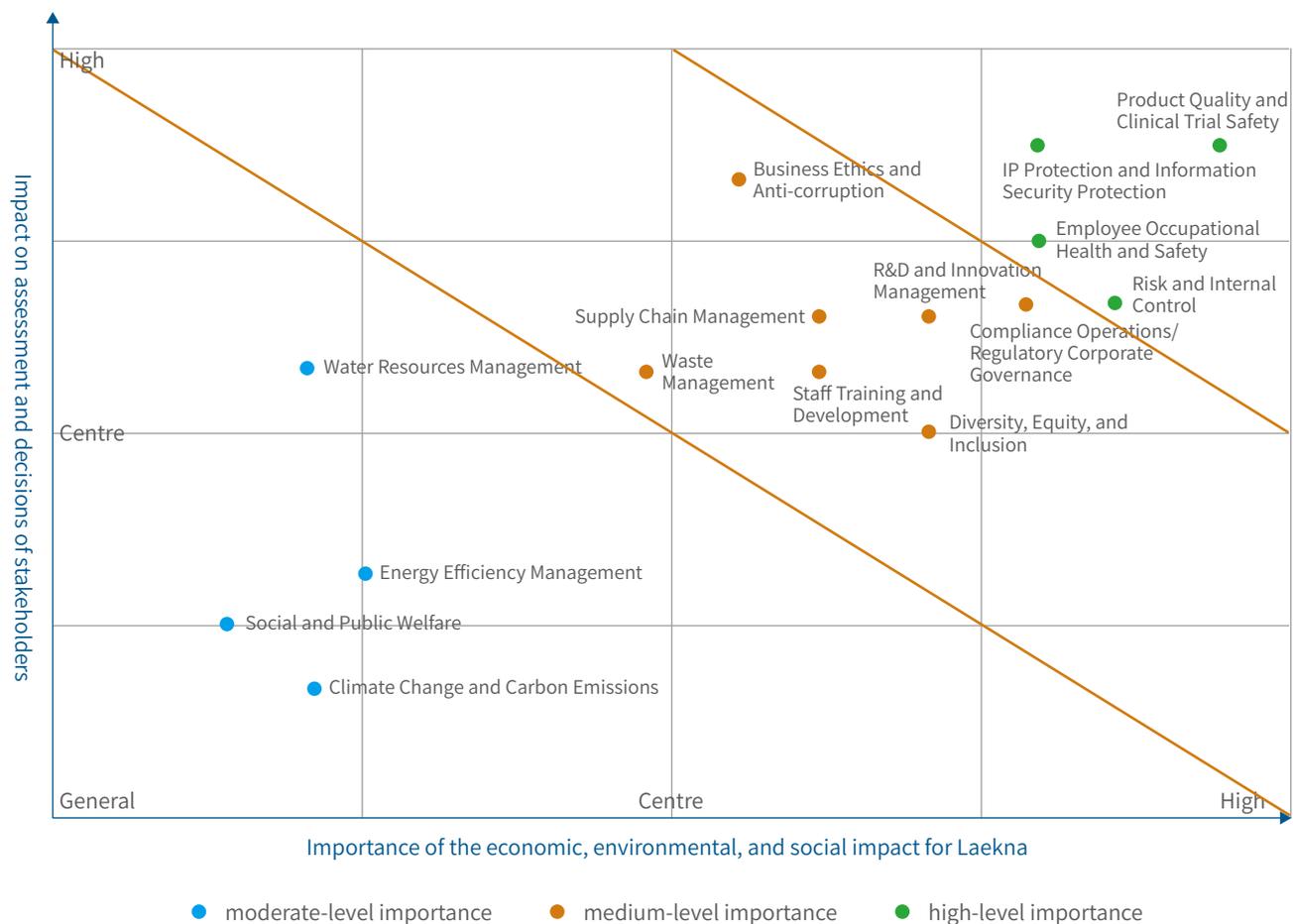
# Stakeholder Engagement

At Laekna, stakeholder engagement is of utmost importance, and we have identified eight stakeholder categories. Through timely and effective communication channels, we strive to address the demands and expectations of each stakeholder group promptly.

Stakeholders	Issues of Interest	Communication Channels
 <b>Government</b>	Compliance operations/regulatory corporate governance Climate change and carbon emissions Business ethics and anti-corruption Energy efficiency management Waste management Water resource management Social and public welfare	Regular information disclosure Result announcement Daily communication Government regulation and inspection
 <b>Investors/Shareholders</b>	Compliance operations/Regulatory corporate governance Risk and internal control R&D and innovation management Intellectual property protection	Shareholders' meeting Investor relations meeting Result announcement Regular information disclosure Responding to investor inquiries
 <b>Regulators</b>	Compliance operations/regulatory corporate governance Business ethics and anti-corruption	Accepting supervision and inquiries Announcements and corporate releases
 <b>Upstream/Downstream Suppliers</b>	Supply chain management	Supplier qualification Supplier audit
 <b>Industry Associations/ Company Organizations/Peers</b>	R&D and innovation management Product quality and clinical trial safety	Strategic cooperation Participation in industry summits
 <b>Trial Participants/Patients</b>	Product quality and clinical trial safety Data privacy protection	Clinical trials Regular communication
 <b>Research Institutions</b>	Research and innovation management	Research collaboration Industry exchange
 <b>Employees</b>	Employee occupational health and safety Employee training and development Diversity, equity, and inclusion	Town hall meeting Daily communication Employee satisfaction survey

# Materiality Assessment

We employ a comprehensive and standardized approach to identify material issues critical to our operations. This process involves preliminary policy research, benchmarking with industry peers, stakeholder engagement, and expert consultations. Through the distribution of questionnaires to both internal and external stakeholders, we further identify the priority of material issues, thereby ensuring that the interests of all stakeholders are adequately addressed.



# Risk Management and Internal Control

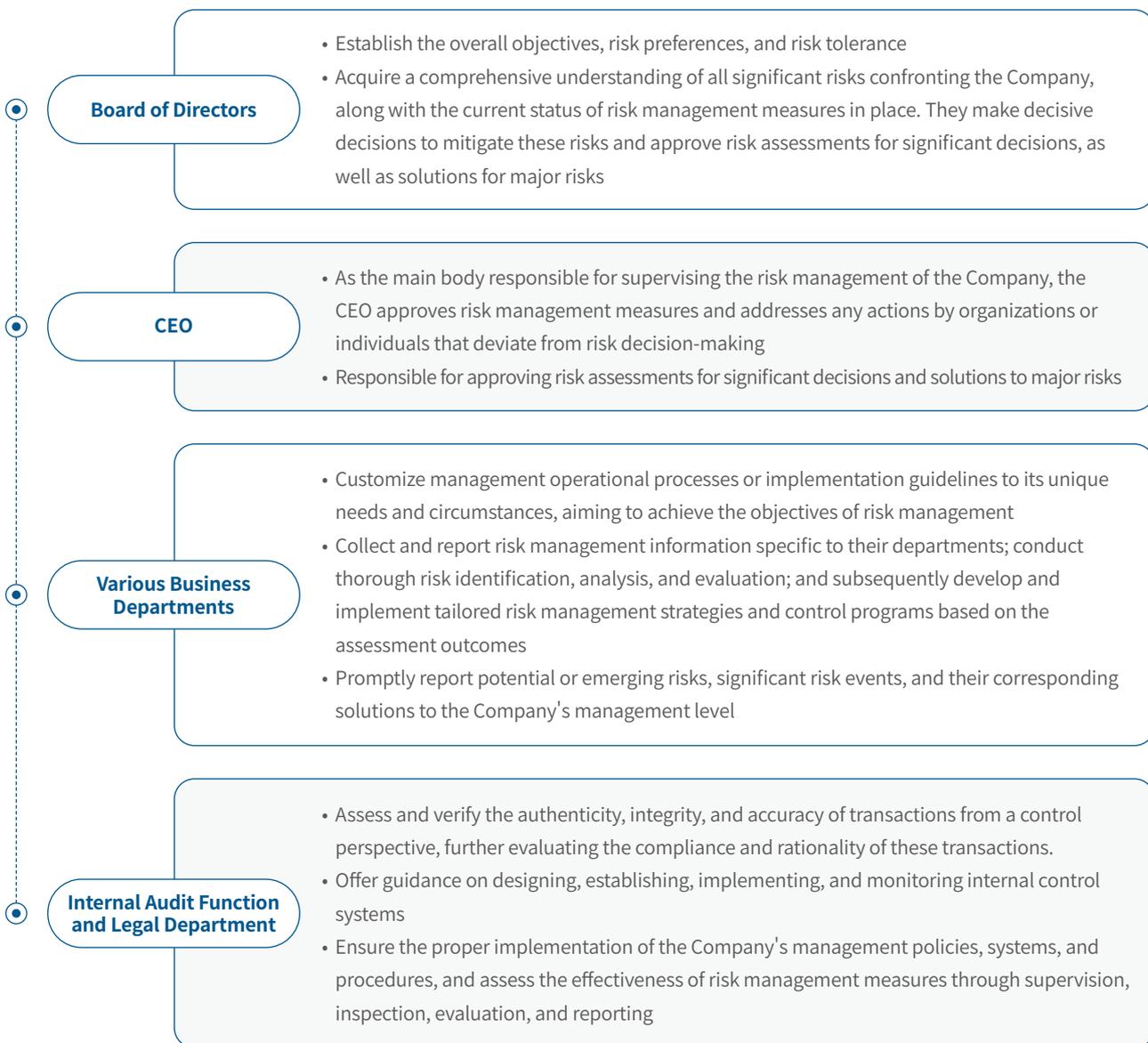
Risk management and internal control are critical for the success of any enterprise. At Laekna, we prioritize the identification and mitigation of various risks encountered in our business operations. We consistently bolster our internal management and control systems to improve the Company's ability to respond to risks and promote sustainable development.

## Risk Identification and Control

Laekna has implemented a robust 'Risk Management' system and continuously refines our existing management processes and control measures. In doing so, we enhance the efficiency and effectiveness of our business operations while ensuring that risks are kept within acceptable limits aligned with our overarching corporate objectives.

To ensure the implementation of our risk management system across the Company, Laekna conducted thorough training on Risk Management for all employees, achieving a 100% training coverage rate.

### Procedure of Risk Management and Control

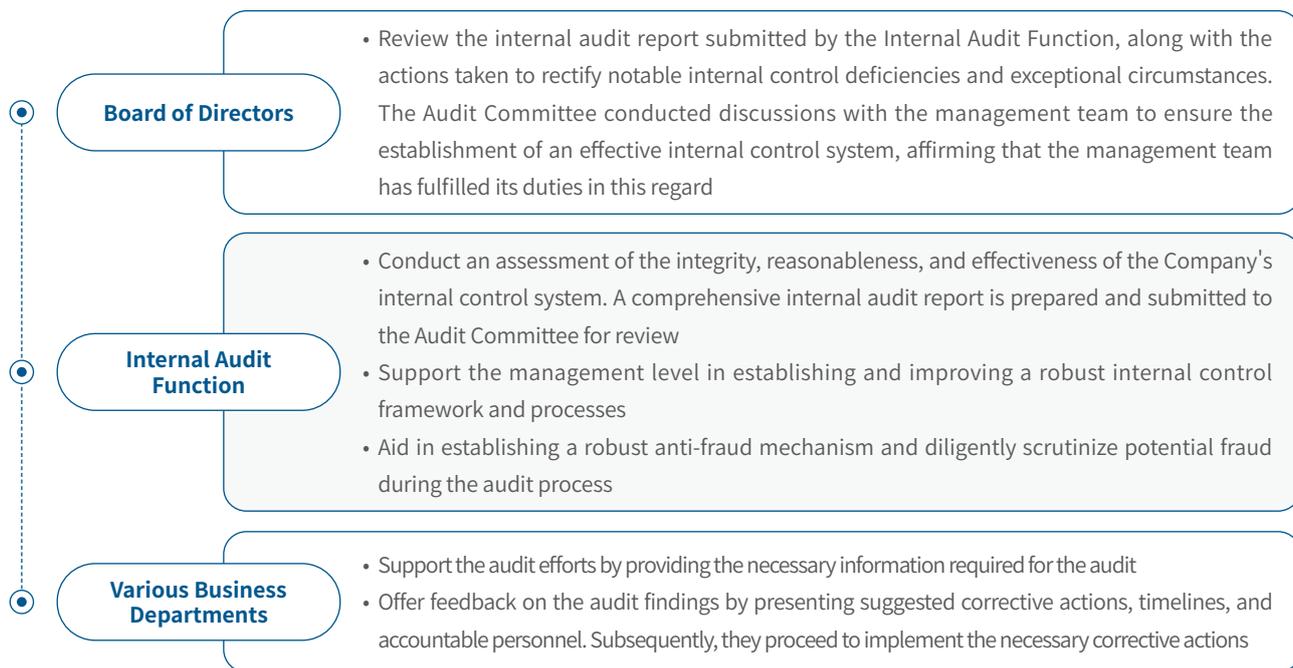


## Internal Audit and Control

Laekna ensures the effective implementation of its internal control system by formulating various internal control policies, including *Internal Audit*, *Information Security Code*, *Procurement Management*, and *R&D Project Management*. We have enlisted professional staff to carry out internal control reviews, and no major defects were identified during the reporting period.

In 2023, the Company fostered collaboration across multiple departments to revise and fortify critical internal audit and control systems. Alongside the implementation of these systems, comprehensive training was extended to all company departments. Meanwhile, by incorporating pertinent internal control procedures into an automated information system, we have achieved systematic management and oversight, effectively preventing and managing risks.

### Procedure of Internal Audit and Control



## Business Ethics and Anti-corruption

Laekna always operates in accordance with ethical business practices, ensuring integrity and professionalism in all endeavors. We maintain a stringent anti-bribery and anti-corruption policy, firmly prohibiting any instances of bribery or corrupt conduct.

Internally, Laekna explicitly outlines the fundamental principles and behavioral requirements regarding *Anti-Corruption and Anti-Bribery in the Laekna Employee Handbook*. This handbook has been distributed to all employees via email, and they are mandated to read its contents and confirm their understanding to ensure they possess the necessary awareness of anti-corruption and anti-bribery measures in their respective roles. Additionally, the Company offers online anti-corruption training through an internal platform. All employees, including management, are obligated to complete these training modules and effectively apply anti-corruption measures in their daily work routines.

For any behavior that may violate anti-corruption and anti-bribery policy, the Company encourages employees to report such incidents to the Human Resources Department or Legal Department. A dedicated reporting email address ([whistleblow@laekna.com](mailto:whistleblow@laekna.com)) has been established for this purpose. Additionally, the Company places great importance on protecting whistleblowers and strictly prohibits any retaliation against employees who report in good faith or cooperate with investigations related to anti-corruption and anti-bribery matters.

Externally, Laekna strictly prohibits employees from engaging in bribery or making illicit payments during business operations. This prohibition applies to all commercial activities worldwide and encompasses kickbacks, excessive gifts or hospitality, or any other payments made or provided to obtain improper business advantages. Unusual, excessive, or inadequately described false invoices or payment requests will be rejected and promptly reported.

# 02



## R&D and Innovation

R&D and innovation are at the core of Laekna's mission, with the protection of intellectual property rights serving as a cornerstone for our ongoing innovative R&D endeavors. We have established multiple mechanisms to incentivize R&D and innovation while safeguarding our R&D achievements, ensuring that the Company maintains strong and abundant R&D capabilities.

# Management of R&D and Innovation

Laekna adheres to the belief that innovation is the primary driving force for its development. We aim to cultivate an environment that fosters curiosity, encourages exploration, and challenges conventional thinking. We motivate our researchers to approach their work with passion and enthusiasm. Meanwhile, at Laekna, we actively explore cutting-edge technologies, empowering our employees to pursue new ideas and transcend traditional boundaries. Furthermore, we keep a close eye on industry advancements and participate in various academic conferences to ensure our R&D team stays abreast of the latest trends in the field.



All five members of our team have backgrounds as doctors, with a majority specializing in oncology. Our experience as doctors enables us to deeply understand the pain and needs of patients. Every decision and recommendation we make is driven by the goal of benefiting patients. Witnessing the suffering of countless patients in clinics who had no available treatment options has been the driving force behind our dedication to researching and developing new drugs.

Wenyue MA  
Senior Medical Director  
Clinical Development  
Joined Laekna in October 2020



## R&D Achievements

Our R&D pipeline focuses on three major disease areas: solid tumors, liver fibrosis, and metabolism, reflecting our commitment to addressing challenging aspects of human health. We are at the forefront of scientific innovation, consistently pushing the boundaries to introduce new drug candidates into clinical trials annually. Concurrently, we actively engage in diverse clinical research endeavors, aiming to bolster the global competitiveness and influence of our company.

During the reporting period, we have made significant progress with respect to our drug pipeline. The Company initiated six clinical trials, internally discovered 14 drug candidates, submitted two IND applications, and advanced seven molecules to the PCC stage. Furthermore, the Company's research results have been presented at prestigious academic conferences such as the **San Antonio Breast Cancer Symposium (SABCS)**, the **European Society for Medical Oncology (ESMO)**, and the **Society for Immunotherapy of Cancer (SITC)**, with multiple patents published.

**San Antonio Breast Cancer Symposium (SABCS)**

**European Society for Medical Oncology (ESMO)**

**Society for Immunotherapy of Cancer (SITC)**

### Breakthroughs in R&D during the reporting period



Clinical trials initiated

6



Internally discovered drug candidates

14



IND applications submitted

2



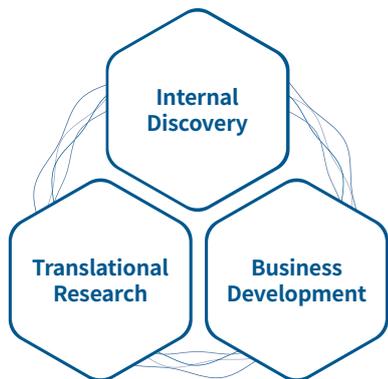
R&D in the PCC stage

7

During the reporting period, we achieved significant breakthroughs or advancements with respect to several of our core products:

Pipeline	Breakthrough
LAE002 (Afulnessertib) is a potent AKT inhibitor that inhibits all three AKT isoforms (AKT1, AKT2 and AKT3) as well as one of the only two AKT inhibitors in or completed the pivotal-stage clinical development for anti-cancer treatment globally.	The preliminary data from the combination therapy of afuresertib plus fulvestrant has shown promising anti-cancer efficacy with a well-tolerated safety profile in patients with HR+/HER2-locally advanced or metastatic breast cancer (LA/mBC) who had disease progression after 1–2 prior lines of standard of care therapies. The results of a Phase Ib study were presented during a poster spotlight session at the 2023 San Antonio Breast Cancer Symposium (SABCS) in December 2023. Currently, the Phase III pivotal trial of afuresertib plus fulvestrant in patients with HR+/HER2-LA/mBC has been initiated.
	Top-line data of the Phase II trial (PROFECTA-II) in both U.S. and China to treat Platinum-Resistant Ovarian Cancer (PROC) patients with afuresertib plus paclitaxel was announced in January 2024. The study showed reduced risk of disease progression or death (progression-free survival; PFS) with a HR of 0.744 (95%CI: 0.502–1.102) but missed statistical significance. For biomarker subgroup with phospho-AKT positive, IHC>1, (37%), study data demonstrated that afuresertib combination arm significantly improved PFS, and the median PFS is 5.4m vs 2.9m with HR of 0.352 (95%CI: 0.125–0.997). We will discuss the results with regulatory authorities to identify a registration path for PROC patient populations that may benefit from afuresertib.
LAE001 is an androgen synthesis inhibitor that inhibits both CYP17A1 and CYP11B2. We in-licensed LAE001 from Novartis in 2017. According to Frost & Sullivan, LAE001 is the only dual CYP17A1/CYP11B2 inhibitor in clinical trials for the treatment of prostate cancer globally. As a dual CYP17A1/CYP11B2 inhibitor, LAE001 can block both androgen and aldosterone synthesis and potentially be administered without prednisone, the short-term high dose or long-term exposure of which can lead to a variety of adverse events.	Laekna has completed a Phase II clinical trial of the MRCT study in patients with mCRPC following SOC treatment in the U.S. and South Korea. The study demonstrated promising treatment benefit for mCRPC patients. The detailed study readouts including efficacy and safety data was presented in the European Society for Medical Oncology (ESMO) Congress in October 2023. A following pivotal trial design is under discussion with regulatory agencies.
LAE102 is our internally discovered antibody against ActRIIA.	We submitted IND applications to CDE and FDA respectively in relation to obesity indication in the first quarter of 2024. We plan to commence clinical trial process after obtaining IND approval. We are committed to bringing this precision therapy to obesity patients who are in needs of the novel treatment options.
LAE103 is an ActRIIB-selective antibody LAE123 is a dual inhibitor for ActRIIA/IIB.	Blocking Activin-ActRII pathway could promote skeletal muscle regeneration and decrease fat mass. Laekna team has accumulated tremendous experiences and deep knowhow in this specific field and are developing more drug candidates to maximize the value of targeting ActRII receptors. Both of LAE103 and LAE123 are our internally discovered antibodies for muscle regeneration and other disease indications in the drug candidate pipeline.
LAE005 is a high-affinity, ligand-blocking, humanized anti-PD-L1 IgG4 antibody.	In the pre-clinical and clinical studies, LAE005 demonstrated its strong binding avidity to PD-L1 and compelling anti-tumor activities. Specifically, we are evaluating the therapeutic potential of the combination therapy of Afuresertib and LAE005 in patients with TNBC. We believe LAE005 has the potential to serve as an effective therapy for the treatment of TNBC when combined with other synergistic mechanisms. We have completed the dose escalation phase and determined RP2D. The preliminary efficacy and safety data will be presented at a scientific conference in the second quarter of 2024.

## Innovative R&D Mechanisms



Three-Engine product development framework

Since its establishment in 2016, Laekna has adopted a "Three-Engine" product development framework, encompassing independent R&D, translational research, and business development. This strategic approach not only ensures the Company's sustained international competitiveness but also effectively balances short-, medium-, and long-term success rates in developing new drugs, thereby maximizing return on investment.

The Company has formed an early-stage research team and a clinical development team, consisting of seasoned scientists and enthusiastic young researchers. As of December 31, 2023, we were supported by a talented R&D team consisting of 62 employees, with 17 holding doctorate degrees and 30 holding master degrees. In the Zhangjiang laboratory, distinctive platforms such as the large molecule condition-specific binding screening platform and AI-assisted drug design have been established. These platforms greatly enhance drug development efficiency and expedite the research process.

Researchers of Laekna team have rich and diverse backgrounds, as the Company has brought together experienced scientists and pharmaceutical experts. They foster a collaborative environment where they exchange ideas, support one another, and continuously expand their knowledge. This collective effort enables the transformation of cutting-edge theoretical knowledge into effective drug development strategies.

In 2023, two young scientists from Laekna, Ming LI, Director of Medicinal Chemistry in the Early R&D Department, and Dr. Mengxue YANG, Chief Scientist in the Early R&D Department, were successfully selected as the first cohort of the elite talent program called "Mingzhu Elite Talents" in the Pudong New Area of Shanghai.

### Team members of our R&D group



Proportion of master's degree and above holders

**76** %



Proportion of doctoral degree holders

**27** %



Dr. Mengxue YANG, Principal Investigator in Discovery Research



Dr. Ming LI, Director, Discovery Research – Medicinal Chemistry

The "Mingzhu Plan" is a talent-specific policy newly released in 2023 by the Shanghai Pudong New Area. It primarily focuses on identifying innovative and entrepreneurial talents with high growth potential at the forefront of international science and technology space.



The team firmly believes that open and frequent communication is a vital opportunity for sparking innovative ideas. The R&D team actively participates in brainstorming activities on a regular basis, fostering continuous collisions of ideas and stimulating the generation of new research directions. Promising ideas are subsequently implemented and validated through the Company's internal innovation laboratory.



Communication and discussion among Laekna's R&D personnel

**"We should think a few steps ahead for patients, not just addressing their immediate concerns, but also exploring a cure for their future health issues."**

Dr. Ming LI

Director of Medicinal Chemistry in Discovery Research

Delving into the R&D of new drugs requires an unparalleled level of passion and unwavering dedication to persevere through the demanding environment typified by the sobering fact that "investing 10 years and \$2 billion may only result in a mere 10% success rate." Dr. Ming LI's choice to "leave a mature multinational corporation for an emerging innovative pharmaceutical company" was driven by a profound desire to play a more integral role in the R&D of new drugs.

Dr. Ming LI observed that at Laekna, there is a readiness among team members to extend beyond their designated roles and collaborate with colleagues and partners. They actively seek feedback from diverse stakeholders, allowing them to gain a comprehensive understanding of the effects of the compounds they develop and how they can benefit patients. These voices serve as a constant reminder of their initial vision. Despite the arduous path of R&D, the culture of exchanging insights and providing mutual support imbues this challenging journey with warmth and optimism.

In the process of developing new drugs, Dr. Ming LI and colleagues at Laekna also engage in deeper reflection, taking a forward-thinking approach that involves considering multiple steps ahead for the benefit of patients. For example, they contemplate how to develop the next generation of safer drugs while maintaining their effectiveness and addressing safety concerns. They also ponder the potential issues such as the development of drug resistance in patients in the coming years and the availability of further treatment options at that time.

Such considerations not only capture the trends in new drug development but also integrate personal convictions with Laekna's philosophy: aiming not solely to address immediate concerns but also to develop treatments that can effectively cure future health issues.

## Participating in Industry Exchanges

Laekna actively engages in industry-wide exchanges, sharing insights and discussing emerging trends among peer companies. Our key R&D members take the initiative to participate in major scientific conferences in the medical field, including prestigious events like the SABCS, the ESMO, the SITC, etc., where they can share their latest research findings with fellow attendees.

In addition, Laekna participates in various events, including the JP Morgan Healthcare Conference, China Healthcare Innovation and Investment Summit, China Clinical Development Leaders' Summit, Shanghai International Biopharmaceutical Industry Week, and BIO-Europe. During these gatherings, we share insights and express opinions on topics such as clinical trials, international collaborations, and joint research, engaging in discussions with a broader range of industry partners.

In April 2023, the China Pharmaceutical Innovation and Research Development Association (PhIRDA) held an election meeting for its Specialty Committees, during which Laekna was honored to have four professionals elected as members.

<b>Yong YUE</b>	Chief Medical Officer	Member of the Clinical Research on Oncology Drugs Specialty Committee
<b>Gary WANG</b>	Vice President of Clinical Development	Member of the Medical Digitalization and Innovative Therapies Specialty Committee
<b>Huimin CHEN</b>	Head of Regulatory Affairs	Member of the Medicinal Policy Specialty Committee
<b>Emma CAO</b>	Head of Pharmacovigilance	Member of the Clinical Research on Cardiovascular Drugs Specialty Committee

“ I am truly honored to have been elected as a committee member of the PhIRDA. This accomplishment is not only a personal honor for me and my three colleagues but also a testament to Laekna's esteemed reputation. We remain committed to collaborating with industry partners and experts, making valuable contributions to the industry.

Dr. Yong YUE  
Chief Medical Officer of Laekna

”



# Intellectual Property Protection and Information Security

Intellectual property stands as a crucial asset for research-oriented pharmaceutical companies. At Laekna, as we dedicate ourselves to advancing new drug innovations for the benefit of patients, we proactively implement measures to protect our IP rights. Furthermore, we prioritize the establishment of robust internal information firewalls to prevent unauthorized disclosure of critical data and protect our valuable research outcomes.

## Intellectual Property Protection

Laekna recognizes the significance of safeguarding IP rights to facilitate innovation and R&D. We uphold the IP rights of others while actively protecting our own. To ensure the effective development, utilization, and protection of IP, we have implemented an internal IP management system. This framework encourages our employees and the Company as a whole to engage in continuous innovative exploration. We protect our IP rights through patent applications, trademark registrations, the execution of confidentiality agreements, and the utilization of legal enforcement measures.

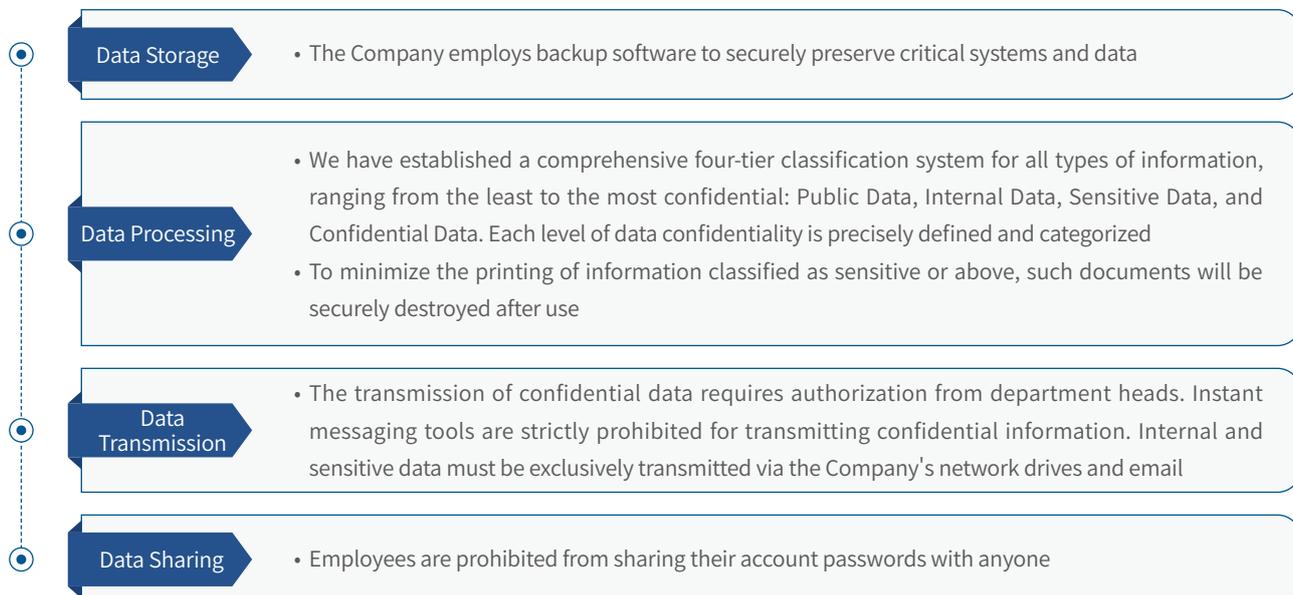
To effectively manage our IP, we collaborate with external attorneys and promote internal team coordination. Our partners include reputable intellectual property law firms, both domestically and internationally, which are known for their expertise and positive reputation. These law firms play a crucial role in formulating, implementing, and supervising our IP strategies. They provide technical support in various areas, including tracking new technologies, patent application processes, and patent maintenance.

## Information Security Protection

With the rapid introduction of digitalization and online office tools, we attach great importance to the security of business data. Laekna has implemented a comprehensive data security management mechanism to mitigate the risk of information leakage through technological safeguards, procedural scenarios, regulatory compliance, and other relevant channels. We strive to ensure that the Company's data operates in a secure, reliable, and stable environment.

Laekna has formulated *the Employee Information Security Code of Conduct*, which stipulates the standards and requirements for information security. Clear provisions have been established for data storage, processing, transmission, sharing, and external disclosure.

### Methods for Handling Information as Defined by the *Employee Information Security Code of Conduct*



Laekna Information Security Reminder Email - The Arrival of Traditional Style



Laekna sends out an email on data security to all employees, reminding them of the importance of data security and urging continual vigilance in their daily tasks. The email employs a witty and approachable tone, using everyday language to captivate employees' attention while effectively educating them.



Beyond the digital sphere, Laekna urges employees to pay attention to information confidentiality in physical spaces as per the *Environmental Management Policy*. For example, office areas can only be accessed through fingerprint recognition or access codes. Discussions concerning the Company secrets are strictly forbidden in public spaces. Measures have been implemented to deter unauthorized individuals from entering laboratories and core office zones. Furthermore, employees' computers are equipped with anti-glare screens.

## Product Quality and Clinical Trial Safety

The quality of products forms the cornerstone of a pharmaceutical company's reputation. Laekna is committed to developing drugs that are practical, reliable, and beneficial, for the purpose of benefiting countless patients. In accordance with relevant Chinese laws and regulations, as well as international guidelines, we establish stringent standards and policies for product quality control to ensure the delivery of high-quality medications.



# Measures for Product Quality Management

The Company is currently in the drug application stage, and the production of experimental drugs is contracted to qualified suppliers. Following the standards outlined in the Chinese Good Manufacturing Practice (GMP) and the U.S. Good Manufacturing Practice (cGMP), the Company has established a series of management procedures to ensure product quality.

## Procedures for Product Quality Management

- 01

*Contractor Qualification and Management*

Contractors must undergo qualification confirmation including quality audits. Upon successful completion of the confirmation, they are authorized to undertake contract manufacturing tasks.
- 02

*Pharmaceutical Quality Agreements*

We sign quality agreements with contractors, outlining the responsibilities of both Laekna and the contractors. Contractors are required to conduct production and testing in compliance with laws, regulations, and GMP standards.
- 03

*Production Supervision and Management*

In alignment with risk management principles, we oversee the production and testing activities of contractors to ensure the safety, effectiveness, and controlled quality of products, while also ensuring our products meet their intend use.
- 04

*Deviation Management*

We manage deviations by investigating their root causes and implementing preventive and corrective actions according to the *Corrective and Preventive Action (CAPA) handling*.
- 05

*IMP Complain and Recall*

We manage complaints and recalls of investigational drugs used in clinical trials.

In addition to the quality management procedures, we have established traceability procedures to mitigate product quality risks and ensure the safety and reliability of drugs developed by Laekna. These procedures guarantee the traceability of product quality. Furthermore, before products are administered to trial subjects, the Company promptly and accurately addresses any drugs that present quality risks.



### Quality Traceability Measures



## Clinical Trial Safety

Laekna has developed comprehensive medical review processes, outlining necessary measures for timely monitoring and evaluating the safety and effectiveness of trial projects.

Additionally, we have established a patient safety management process for Laekna products, ensuring patient safety across the entirety of Laekna's product lifecycle.

### Three-Tiered Structure for Patient Safety Management



## Subject Protection

Protecting the rights and interests of trial subjects is a cornerstone of our clinical ethics. We prioritize safeguarding the three fundamental rights of trial subjects: the right to privacy, the right to informed consent, and the right to voluntary participation.

In adherence to the principles of Good Clinical Practice, the Helsinki Declaration, and relevant national laws and regulations, Laekna has established internal regulations to safeguard the rights of trial subjects, delineating procedures for protecting their privacy. In medical reports and materials, subjects' identities and personal information are anonymized using assigned codes to ensure confidentiality. Access privileges to non-blinded individuals in blinded studies are granted based on specific circumstances and requirements.

We strictly adhere to ethical principles and regulations throughout the entire clinical trial process to ensure their moral and legal integrity. As mandated by the ethics committee, trial subjects are afforded transparent and comprehensive informed consent, fully apprised of the research's objectives, procedures, risks, and benefits. Before enrollment, patients must personally sign the consent form or do so through a legally authorized representative, retaining the right to opt in or withdraw from the trial at any time.

## Supply Chain Management

Laekna understands the critical importance of a stable and reliable supply chain in our research endeavors and patient care. We are committed to continuously improving our supply chain infrastructure to build a resilient, low-risk, and responsible supply chain that fosters sustainable growth for us and our partners.

When choosing service providers, Laekna takes into account their environmental and social impact. We gather information about suppliers using a *Supplier Information Collection Form* to gain an overview of their operations and conduct preliminary assessments. For projects with procurement amounts exceeding the relevant standard, our procurement team utilizes the *Purchase Inquiry and Price Comparison Summary Form* along with the Supplier Evaluation Form to facilitate the selection of suppliers.

More specifically, we evaluate service types and frequencies to select and confirm preferred suppliers for specific categories. Suppliers with excellent evaluation results are chosen to sign framework agreements, fostering long-term and stable cooperation. In 2023, we established a complaint tracking form to collect and track complaints until they are resolved. Additionally, we establish and manage supplier files using the *Application Form for Creating New Supplier Master Data or Modifying Existing Supplier Data* and the *Request Form for Freezing Supplier Main Data*. These tools aid in creating new supplier files and conducting routine maintenance of the supplier database.

As of December 2023, the supplier count for Laekna is as follows:



China (including Hong Kong SAR, Macau SAR and Taiwan)

**484**



Outside China

**49**



Total

**533**

Laekna invited hearing-impaired designers for the report cover design



Laekna is deeply committed to fulfilling its social responsibility by cultivating a compassionate supply chain. This commitment extends to partnering with charitable organizations, as well as integrating hearing-impaired designers into Laekna's supplier network.



Hearing-impaired designer Peiyan SHEN contributed to the report cover design

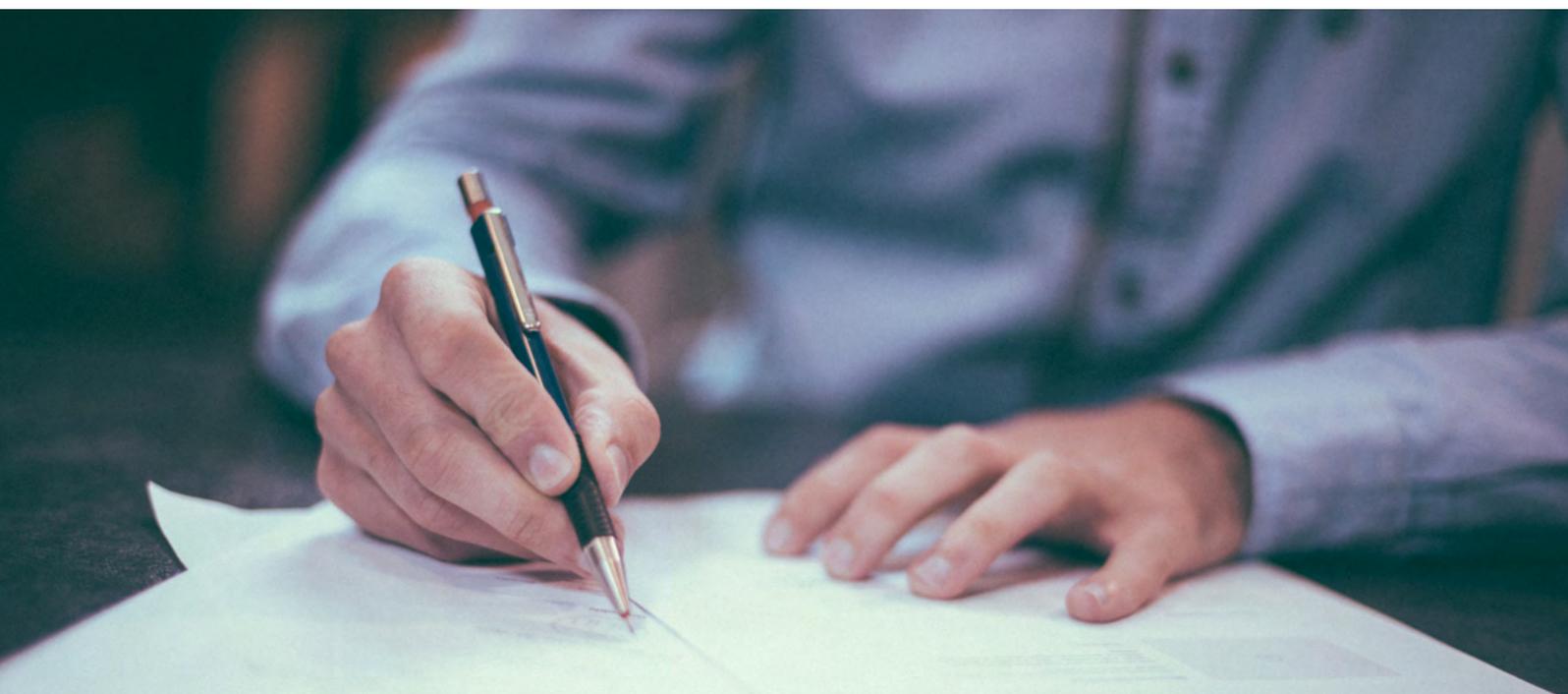
Through the *Supplier Information Collection Form*, we consult with suppliers with whom cooperation has reached a certain quantity or amount. In doing this, we want to ensure that important suppliers do not have social or environmental risks to prevent the supply chain from disturbing by similar incidents. In addition, the compliance department will also track the news of suppliers from time to time to identify potential risks promptly, and avoid choosing suppliers that witnessed salient environmental accidents.

Supplier Risk Assessment

Does the Company have any criminal penalties (related to corruption, or bribery)?

Are there three or more instances of administrative penalties against the Company or criminal penalties against company executives?

Is there any negative news reported by the media?



# 03



## Focusing on Talent

We consider talent as the most valuable asset for the Company's sustainable development. Laekna strictly abides by the *Labor Law of the PRC*, the *Employment Promotion Law of the PRC*, the *Social Insurance Law of the PRC*, the *Law on the Protection of Minors of the PRC*, the *Regulations on Prohibition of Child Labor*, the *Employment Ordinance of the Hong Kong Special Administrative Region* and other relevant laws and regulations applicable overseas. We uphold and safeguard the lawful rights and interests of our employees, offering diverse training and career development opportunities. We inspire our employees to keep exploring, pursue continuous learning, and unleash their potential. We strive to create a healthy, harmonious, and diverse work atmosphere, focusing on the physical and mental well-being of our employees. Moreover, recognizing and rewarding employees' contributions and exceptional performance is a priority. We encourage employees to embrace a strong sense of responsibility and entrepreneurial spirit, shaping together the core values of Laekna: Accountability, Collaboration, Excellence, Integrity, Openness, and Resilience. Together with our employees, we strive for mutual growth and a brighter future.

# Safeguarding Employee Rights

## Employment Management

As of December 2023



Full-time employees at Laekna

**89** people



Full-time female employees at Laekna

**57** people

accounted for

**64** %



Director-level positions or above

**36** people

Women proportion

**53** %

Laekna remains steadfast in its commitment to cultivating a diverse talent pool and fostering an inclusive workplace environment. We continuously refine our internal hiring policies, ensuring they align with principles of fair competition and transparency. Our recruitment processes are accessible to both internal and external candidates. The Group has established policies to ensure compliance with all applicable laws and regulations. Child and forced labor is strictly prohibited. The Group shall consider disciplinary punishments on anyone who violates this policy. Pursuant to the Prohibition of the Use of Child Administration of the PRC, there was no child nor forced labor in the Group's operation during the Reporting Period. All original identification cards of job candidates are first checked by the Group to confirm their age is above 16 years old. In addition, the Group conducts regular checking to ensure that there is no child labor nor forced labor in its operations. If any violation is identified, the Group will terminate such employments according to applicable laws and regulations immediately, so as to ensure proper compliance and to eliminate any child labor and forced labor problem in the operations.

We uphold non-discrimination practices, ensuring that candidates are treated fairly regardless of race, religion, nationality, gender, age, marital status, or sexual orientation. We ensure that our hiring procedures adhere to internal management protocols, including the *Employee Recruitment and Hiring Management Policy* and the *Employee Onboarding Management Process*, to ensure that only individuals meeting employment criteria are recruited. During the reporting period, there were no reported cases of violation related to child and forced labor.

Laekna advocates for gender equality in the workplace. In core departments such as R&D and business, many women hold key positions, leveraging their strengths and contributing significantly. Notably, on the company platform, showcasing outstanding employee stories to the external world, half of these feature the remarkable achievements of female employees.

During the reporting period, Laekna had a total of 89 full-time employees, with 57 being female, representing approximately 64% of the workforce. Among the 36 employees holding director-level positions or above, 19 were female, reflecting a female-executive ratio of approximately 53%.

“

As I witnessed the Company's growth, I also embarked on a personal journey of becoming a mother. At both work and home, my role has expanded and become more fulfilling. At Laekna, I engage in rational scientific work, while at home, I provide warmth and care as a mother.

Dr. Minhua ZHANG  
Senior Director, Discovery Research - Biology  
Joined Laekna in December 2017

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**"What drives me to constantly move forward is continuously engaging in self-directed learning and updating my knowledge."**

Dr. Yan CHEN

Associate Director, Discovery Research - Biology

Dr. Yan CHEN was raised in a family deeply rooted in the pharmaceutical field, with several relatives working in healthcare. Her career path has been somewhat exploratory. She began her career with four years in R&D at a major pharmaceutical company before transitioning to a role at the Center for Drug Evaluation where she gained insights into new medications from a regulatory perspective. After sufficiently understanding the regulations, she could better understand how to make a drug more efficiently. Thus, she joined Laekna as a return to the path of innovative drug R&D.

Dr. Yan CHEN, currently responsible for several R&D projects at Laekna, has recently achieved significant milestones: the presentation of preclinical data from her projects at the 38th annual meeting of the SITC. Her success lies in her dedication to continuous and lifelong learning—a trait inherent in her identity as a researcher. Even after work hours, her passion for knowledge remains unabated; she finds solace in keeping up with industry news and research trends.

From Dr. Yan CHEN's perspective, not only herself but many colleagues at Laekna exhibit strong self-motivation to absorb the latest knowledge and technologies. The Company also provides abundant learning resources.

"At a growing company like Laekna, young scientists like myself are given more opportunities and challenges," says Dr. Yan CHEN. She emphasizes that maintaining long-term enthusiasm for a challenging field like drug development requires genuine, heartfelt devotion. Amidst the long and hard R&D journey, setbacks and moments of frustration are inevitable. However, engaging in conversations with partners to share experiences, and witnessing collective dedication towards shared objectives, serves as a source of inspiration and fresh ideas, driving her with renewed enthusiasm to delve deeper into R&D projects.

## Salary Incentives and Performance Appraisal

Laekna has established a fair, robust, and competitive compensation and performance management system, along with a welfare program that prioritizes employee well-being. These are designed to motivate employees to fully invest themselves in their work and unleash their potential.

Our employee compensation system comprises basic salary, fixed expense allowances, and annual performance bonuses. Regular evaluations and adjustments to compensation are made based on operational plans, market salary surveys, and individual performance. Furthermore, objective and comprehensive assessments of employee performance are conducted annually through goal setting, performance reviews, and evaluations as part of the performance appraisal system. Employees are then awarded performance bonuses based on the annual assessment results and the overall performance of the Company.

The Company hosts an annual Outstanding Employee and Team Awards program to recognize and reward teams and individuals who have shown exceptional performance and made significant contributions throughout the year. In 2023, awards were presented to three teams and five individuals, comprising a total of 26 employees.

The Company has implemented an Employee Stock Ownership Incentive Plan, granting eligible employees stock options to attract and retain top talent. This approach aims to achieve simultaneous growth in both employee value contribution and corporate development outcomes.

# Employee Training and Development

Laekna promotes an ethos of innovation, collaboration, and efficiency, committed to cultivating high-potential talent. The Company actively supports employee career development by providing a wide range of training opportunities annually. Additionally, it incentivizes outstanding employees who have made significant contributions, to attract, develop, and retain talent.

## Talent Cultivation

Each year, aligned with corporate training management policies and business requirements, Laekna formulates a comprehensive training plan, while maintaining employee training records. The training programs cover a wide spectrum, including orientation for new hires, general skill enhancement, health, and safety protocols, as well as specialized technical and managerial training, ensuring that employees across various levels and roles receive tailored training opportunities.

In 2023, we organized a series of training activities covering a wide array of topics, including professional skill development in areas such as R&D, production, clinical research, and quality management. We also provided training on laboratory safety procedures, emergency response protocols, and industry regulations, and hosted seminars on corporate culture and values. Our training program achieved a 100% coverage rate among our employees.

To continuously enhance employees' professional knowledge and promote interdepartmental communication, various departments regularly host knowledge-sharing sessions and discussions on industry trends. By inviting employees to share their expertise, these events promote personal expression, expand peer knowledge, and facilitate team communication.

Furthermore, to encourage inter-departmental learning and offer employees a platform for self-improvement, we organize internal knowledge-sharing events known as "Lai Talk" on a regular basis. Throughout 2023, the Company successfully organized three sessions where colleagues shared expertise on various topics such as drug registration, clinical project management, digitization, and the metaverse, attracting over 30 participants in each event.

### Lai Talk for Sharing Knowledge



Laekna has two office locations in Shanghai, one in Puxi and the other in Pudong, which makes the commute between the two locations time-consuming. Despite this, whenever the Company hosts its Lai Talk, colleagues are eager to cross the Huangpu River to attend, demonstrating their enthusiasm for this event.

Lai Talk serves as a platform for inter-departmental knowledge sharing, with employees themselves stepping into the spotlight as the "big shots," sharing their expertise and passions. This project aims to strengthen bonds between departments and promote mutual understanding among employees from different sectors.

To ensure the success of Lai Talk, this project adopted a rigorous process akin to pharmaceutical research: conducting extensive preliminary research to collect topics and selecting the most relevant ones; reaching out to different departments to recruit "big shots" and jointly refining presentation materials; teaming up with the communication department to create excitement; and collaborate with the IT department to test and set up equipment, to deliver presentations that are accessible to newcomers yet rich in substantive content. After the event, feedback will be gathered through post-event evaluations to further refine the process for future sessions.

In 2022 and 2023, six sessions of Lai Talk were held, covering a diverse array of topics, which include early drug research, personal fitness, drug pipeline combination strategies, the metaverse, drug registration management, and project portfolio management. Within the Company, a devoted group of followers eagerly awaits the new sessions. The initial goal of enhancing communication between departments has been achieved. In the future, the sessions will be more systematic and organized, with content that directly benefits the attendees' work. What's particularly touching is witnessing the "big shots" willingly collaborate with "non-professionals", despite their busy schedules, to refine the content. They consistently demonstrate a spirit of helpfulness and are always willing to provide valuable insights. This culture of kindness, humility, and mutual support truly reflects the ethos of Laekna.

## Employee Promotion

In 2023



Employees got promoted

17

At Laekna, we actively promote the establishment of clear career development paths for our employees within each department, giving regular nomination, assessment, and approval processes for employee promotions. Meanwhile, we encourage our team members to explore opportunities through internal transfers, where internal candidates are given priority under fair conditions. We foster an environment that empowers employees to transcend traditional boundaries between roles and skills, encouraging continuous learning and collaboration. Moreover, we encourage employees to actively participate in diverse projects to facilitate teamwork both within and across departments, laying a strong foundation for career growth and internal mobility.

In 2023, a total of 17 employees were promoted within the Company. Among them, four were male employees, and 13 were female employees. Additionally, three employees completed internal job transfers, all of whom were female.

## Employee Occupational Health and Safety

In 2023



Physical examination and health file coverage rate

100 %

Laekna always prioritizes the protection of employees' occupational health and safety as a crucial aspect of our company's development. We have established and rigorously enforced the *Provisions on the Administration of Occupational Health at Workplaces*, *Environmental Management Policy*, and *Laboratory Biosafety Management System*. We also provide occupational health administrators for employees engaged in work associated with occupational hazards, conducting regular monitoring in our laboratories to eliminate hazards that may pose risks to employee health.

At Laekna, we place great emphasis on the health of our employees. Upon joining the Company, relevant staff are promptly informed and required to sign a *Notice of Occupational Disease Hazards*. We establish individual occupational health profiles and offer various forms of occupational disease examinations for our employees, which are conducted at different stages, such as before starting a job, during employment, upon leaving a job, in emergencies, and after resignation.

In 2023, a total of 18 Laekna employees were exposed to occupational hazards, and all of them have taken occupational disease and related examinations. In the meantime, all employees underwent regular medical examinations, ensuring comprehensive health records for our workforce.

Each year, we conduct laboratory safety system training and safety drills for emergent environmental incidents, actively fulfilling our corporate responsibility to ensure the physical and mental health of our employees. In 2023, we organized safety training, safety drills, health training, and occupational health training for our employees, ensuring all employees attend the training sessions and realize a training coverage rate of 100%.

### Measures for Employee Occupational Health and Safety in 2023

Establish individual occupational health records for each employee

Conduct occupational disease examinations at different stages, such as before starting a job, during employment, upon leaving a job, in emergencies, and after resignation

Conduct annual laboratory safety system training and safety drills for responding to emergent environmental incidents

# Diversity, Equity, and Inclusion

To bolster team cohesion and foster a healthy, harmonious, and diverse work environment, we offer a diverse range of welfare measures to ensure the physical and mental well-being of our employees.

“

I was born and raised in Israel, where I experienced a culture that shares several similarities with Chinese culture. Now, as a member of the Laekna team based in the United States, I'm exposed to the American culture, which places a premium on social interactions. The blending of these three distinct cultural threads—Chinese, American, and Israeli—is a captivating experience. I firmly advocate for the importance of effective communication and interaction, grounded in mutual respect. Luckily, the management team at Laekna sets a stellar example in this regard; my colleagues demonstrate humility, openness, and a willingness to engage.

Dr. Guy Rosenthal  
Vice President, Head of Corporate and Business Development  
Joined Laekna in May 2021

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## Employee Benefits

At Laekna, we honor the value of each employee, endeavoring to uplift their well-being through diverse approaches by following our corporate mission: Let Health be Your Choice.

Adhering to national regulations and corporate policies such as the *Employee Handbook*, *Compensation and Benefits*, and *Attendance and Leave*, we cover the costs of social insurance and housing funds for our employees, ensuring their entitlement to annual leave and various holidays. Moreover, the Company provides welfare subsidies, including commercial medical insurance, and health examinations for employees and their children.

Furthermore, the Company places great emphasis on fostering a harmonious and enjoyable workplace culture so that successes and joys are promptly shared with employees. To further support employee well-being, we organize events such as annual gatherings, team-building activities, and holiday celebrations on a regular basis.

### 2023 Employee Team Building Activity



In October and November 2023, we organized team-building activities for our employees in China and the U.S. These activities not only provided an opportunity for employees to relax after work but also fostered mutual understanding among them, ultimately strengthening team cohesion.



The 2023 Outdoor Team Building Activity for Chinese Employees

### Safeguarding Women Employees' Rights and Interests



In compliance with relevant laws and regulations, Laekna takes proactive measures to protect female employees. For pregnant staff, the Company grants necessary leave from work and enforces a policy to avoid assigning tasks that may jeopardize their health during pregnancy.

## Engaging with Our Employees

Communication with our employees is highly valued at Laekna, where we prioritize listening to every employee’s feedback. Through various online and offline channels, we encourage employees to share their thoughts and suggestions with us anytime.

In 2023, Laekna hosted two town hall meetings. These gatherings provided an opportunity for management to share updates on the Company’s business progress and plans, while also carefully listening to employee feedback and suggestions, and addressing questions raised by the staff.

Employee Communication Channels					
Stakeholders	Company/ Management	Heads of Departments	Within the department	Departing employees	Two-way (Online) communication between employees and the Company
Communication mechanisms/ strategies	Town hall meeting	Conversations with the human resources department	Online questionnaires Talks between department heads and employees	Staff exit interview	All-staff emails Routine communication on WeCom



2023 Laekna Town Hall Meeting

# 04



## Green Operation and Environmental Protection

As a biopharmaceutical company, Laekna firmly believes in the intricate connection between the environment and human health. We enhance environmental management across various facets including R&D, production, procurement, and operations, and take necessary measures to address climate change. Through these efforts, we are committed to protecting and improving the environment and ensure that our business does not pose material impacts on the environment or resources.



## Climate Change and Carbon Emissions

Currently, climate change has emerged as a significant global challenge of shared concern. Recognizing the significant role that businesses play in the economy and society, Laekna proactively addresses climate change. Laekna adheres to the principles of sustainable development with green and low-carbon practices, actively supporting China's dual carbon goals of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060. In our day-to-day operations, we seek sustainable solutions to minimize our environmental footprint. The Group's core business in discovering and development of novel therapies do not have significant impacts on the environment and natural resources. Laekna is committed to conducting its business responsibly, ensuring that its business does not contribute to significant adverse impact on the environment and society.

## Responding to Climate Change

Our Board of Directors is responsible for making decisions regarding critical climate change issues. Each year, the Board evaluates or commissions external experts to conduct climate risk assessments, reviews the Company's existing strategies, objectives, and internal control mechanisms, assesses climate change risks, and deliberates on plans for addressing climate change.

At present, considering the nature of Laekna's business, the Board believes that climate change will not pose substantial challenges to the Company's operations in the short term. However, given its significant long-term implications for Laekna's future development, the Company will closely monitor and track climate change issues, assess associated risks, and develop and implement appropriate strategies based on the actual circumstances.

Short, Medium, and Long-Term Climate Change Risk Assessment by Laekna

Period	Climate Risks	Potential Impacts	Response Strategies
Short-term (during the current reporting period)	<ul style="list-style-type: none"> <li>• Extreme weather events, such as floods and storms</li> </ul>	<ul style="list-style-type: none"> <li>• Decreased revenue due to asset damage, disruptions in third-party logistics providers, or interruptions in third-party manufacturing</li> </ul>	<ul style="list-style-type: none"> <li>• Actively respond to local government policies, make contingency plans beyond life insurance, develop corresponding emergency and disaster recovery plans to ensure employee safety and minimize adverse impacts on the supply chain and assets</li> </ul>
Mid-term (one to three years)	<ul style="list-style-type: none"> <li>• Continuous warming</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in operating expenses</li> </ul>	
Long-term (four to ten years)	<ul style="list-style-type: none"> <li>• Changes in climate-related laws</li> <li>• Changes in customer preferences</li> </ul>	<ul style="list-style-type: none"> <li>• Increase compliance costs</li> <li>• Decrease in demand for goods and services</li> </ul>	

# GHG Emissions Management & Energy Efficiency

## During the reporting period



Laekna electricity consumption

**177.79** MWh



Carbon emission from electricity use

**101.39** tonnes



GHG emission intensity

**0.05** kilograms per capita per RMB 1000 in R&D expenses

Since 2021, Laekna has consistently conducted inspections and calculations of the Company's greenhouse gas (GHG) emissions, setting tailored carbon reduction goals aligned with its operations. With no production equipment, factories, or vehicles under its ownership, its primary carbon emissions stem from Scope 2 indirect emissions, which are generated by externally purchased electricity.

During the reporting period, Laekna consumed 177.79 MWh of electricity, the intensity of which is 0.0087 KWh per capita per RMB 1,000 in R&D expenses. Electricity consumption was the primary source of its GHG emissions, totaling 101.39 metric tonnes. The greenhouse gas emission intensity was 0.005 kilograms per capita per RMB 1,000 in R&D expenses.

We planned to reduce our annual carbon emission intensity (per capita per RMB 1,000 in R&D expenses) by 10% in 2023. Eventually, our electricity consumption declined by 19.81% compared to the level of the year 2022. Carbon emission was reduced by 11% compared to the level of the year 2022. However, because for two months in 2022, the company ceased operations for reasons of public health prevention and control, the goal was not met. We will continue to monitor our daily operations and accordingly adjust our emission reduction goals and methods.

To achieve our emission reduction goal, Laekna is actively pursuing several strategies, from ramping up clean energy usage and adopting energy-efficient equipment to imposing stricter environmental criteria on suppliers. Moreover, we're proactively promoting eco-friendly office practices to curtail greenhouse gas emissions during daily corporate activities. The measures taken include:

## Multifaceted Measures for Reducing GHG Emissions and Energy Consumption

### Optimizing Office Operations

- Encourage employees to switch off lights, equipment, and electronic devices when not in use or when leaving the premises
- Maintain air conditioning within a comfortable and energy-efficient temperature range, or reduce its usage frequency in laboratories
- Advocate for reducing the frequency of business air travel, favoring online meetings over face-to-face ones whenever feasible
- Introduce electronic business cards for employees, minimizing the need for paper versions
- Transition to electronic pay stubs instead of printed ones
- Encourage paper-free publication of corporate communication

### Procurement of Energy-Efficient Equipment

- Use energy-efficient LED products for lighting in office areas
- Company did not own vehicles
- Procure energy-efficient meters to monitor and improve electricity usage in real time for enhanced efficiency

### Promoting Energy Conservation

- Encourage staff to commute via public transit, such as the subway
- Advocate for electric-powered vehicles as the preferred mode of transportation for employees

## Waste Management

As a leading biopharmaceutical company, Laekna rigorously manages waste generated during its operations to prevent any negative environmental impact. Following relevant emissions management laws and regulations, we have established comprehensive protocols within our organization. These measures are designed to strengthen pollutant management, covering wastewater, emissions, and solid waste. For example, we do testing on a regular basis for wastewater, gas, and noise to ensure our emissions complying with regulations and to diminish our environmental footprint. Moreover, we continuously explore avenues to minimize pollutant emissions throughout our R&D processes.

## Waste Management Policies

Laekna has a series of waste management measures in place to ensure the safe and compliant disposal of waste. According to the *Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste* and the *Regulations of the PRC on the Management of Medical Waste*, the Company has developed a series of rules and guidelines related to waste management based on its situation, which include the *Hazardous Waste Management Protocol*, the *Hazardous Waste Management Emergency Plan*, the *Medical Waste Management Protocol*, the *Hazardous Waste Warehouse Management Protocol* and the *Preventive Measures for Accidents Involving Hazardous Waste*. Each of these protocols delineates specific requirements for the collection, storage, stacking, and disposal of hazardous waste materials.

In the course of our daily R&D activities, the *Hazardous Waste Pollution Prevention and Control Responsibility Information Disclosure Form* is posted in the hazardous waste storage room. This form explicitly outlines the responsibilities and duties of waste handlers and ensures the continuous updating of the *Hazardous Waste Inbound and Outbound Ledger*. The hazardous waste management process has been strictly implemented, with every hazardous waste disposal recorded meticulously.

## Disposal of Hazardous Waste

Laekna's primary hazardous waste consists of hazardous waste (laboratory waste liquid (900-047-49), laboratory contaminated solid waste (900-041-49)) and medical waste (contaminated active substance waste (831-001-01)). Since 2021, Laekna has maintained periodical monitoring of the disposal of hazardous waste and has engaged accredited third parties for its disposal. We assess the qualifications and capabilities of relevant suppliers through rigorous scrutiny and evaluation. When signing contracts, we explicitly define precise specifications for the types and quantities of hazardous waste to be disposed of, ensuring that all waste is handled in compliance with regulations to avoid harm to the surrounding environment.

During the reporting period, our R&D scale further expanded. We conducted various practices to actively control the range of increasing waste disposal. In 2023, Laekna produced 3.28 tonnes of hazardous waste (including medical waste), the intensity of which was 0.16 kilograms per capita per RMB 1,000 in R&D expenses.

In 2021 and 2022, our disposal of hazardous waste amounted to 2.12 tonnes (excluding medical waste) and 2.75 tonnes (including medical waste), respectively. Due to the expansion of R&D scale, our hazardous waste disposal slightly increased in 2023. The disposal intensity did not meet our goal of a 10% reduction per capita per RMB 1,000 in R&D expenses. We will monitor our disposal and set reasonable reduction plans based on our business development situation.

To contain disposal increase caused by business growth, the practices we conduct include:



Hazardous waste disposal in 2023

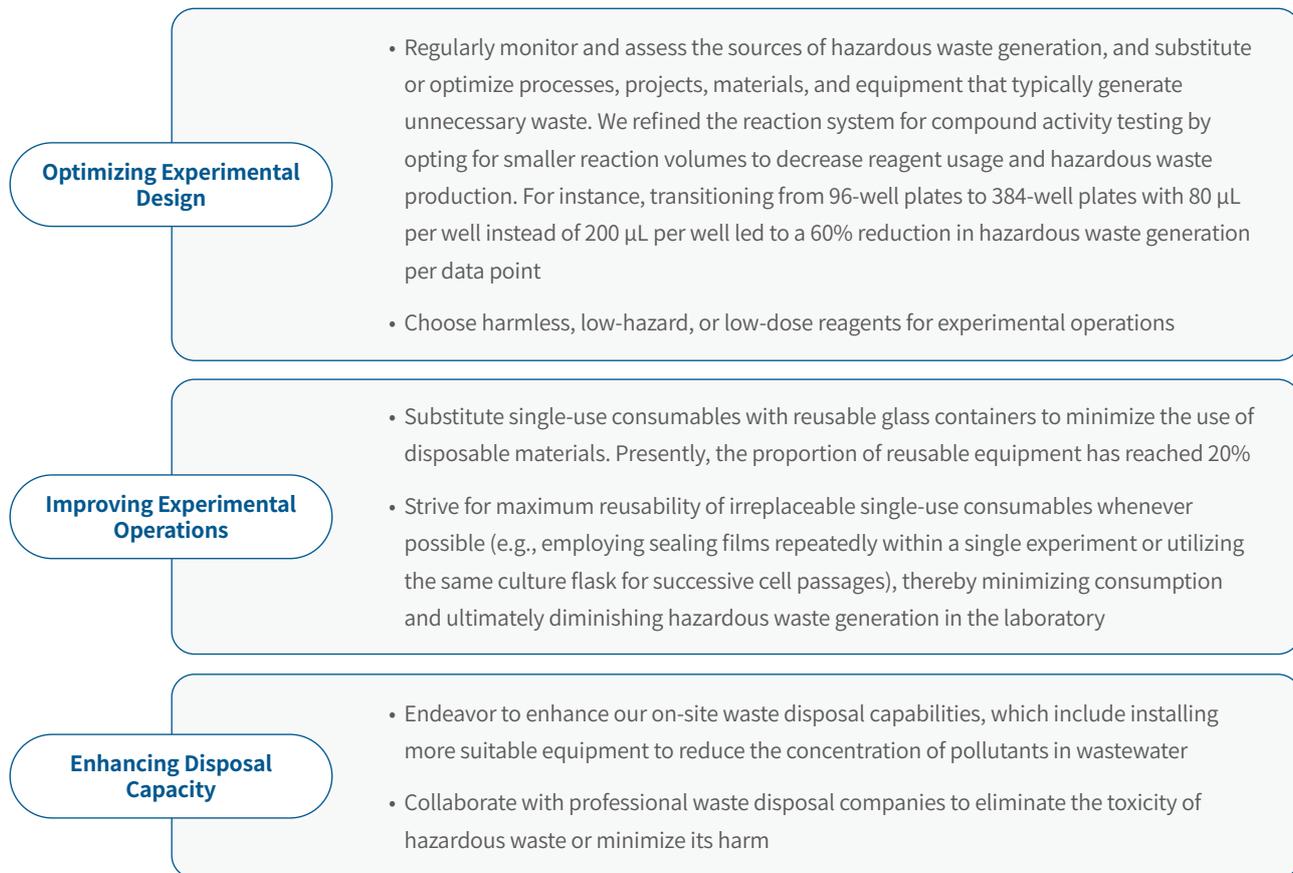
**3.28** tonnes



Intensity

**0.16** kilograms per capita per RMB 1,000 in R&D expenses

### Measures to Reduce Waste Disposal



## Disposal of Non-hazardous Waste

During the reporting period, Laekna's business does not involve the use of package, as package materials are mainly used by suppliers. Non hazardous waste generated by Laekna primarily consists of office employees' household garbage, including paper, metal, plastic, food waste, and office trash, whose weights are respectively 13.5 kilograms, 4.2 kilograms, 32 kilograms, 336 kilograms and 1,680 kilograms. The disposal of non-hazardous waste (including medical waste) totaled 2.1 tonnes. Per capita non-hazardous disposal was 0.02 tonnes. All non-hazardous waste produced by the Company is directed by property management to professional third-party organizations for disposal. We will monitor our disposal and set reasonable reduction plans based on our business development situation.

## Water Resource Management

Water is essential for life and critical for our production activities. Laekna primarily relies on municipal water supply, with no foreseeable risks to our business operations from water sources in the short term. Since 2021, we have been consistently monitoring our water consumption in an effort to minimize wastage, improve efficiency, and standardize usage practices. During the reporting period, our water consumption was 309 tonnes, with an intensity at 0.015 kilograms per capita per RMB 1,000 in R&D expenses. As our R&D scale expanded in 2023, the number was larger than the 2022-year level (281 tonnes), failing to achieve our goal of 10% reduction per capita per RMB 1,000 in R&D expenses. However, thanks to some measures, the number was still lower than the 2021-year level (323 tonnes). We will monitor our water consumption level and set reasonable water management plans based on our business development situation.

To effectively respond to increasing water consumption caused by the business growth, we have implemented the following water-saving measures:

Utilize and maintain water-saving devices to enhance water-use efficiency, such as installing rainwater harvesting systems and low-flow valves.

Post water conservation slogans in the office to remind employees to keep water conservation in mind.

# 05



## Community Investment

Laekna is dedicated to both self-improvement and societal betterment, actively engaging in public service endeavors and contributing to various community initiatives to create a better future.

# Social and Public Welfare



During the reporting period, Laekna along with its employees invested in social welfare

RMB **60,452**

All Laekna employees have been actively participating in social welfare undertakings. As an innovative pharmaceutical company, Laekna places a strong emphasis on science and education. Currently, public welfare initiatives have been integrated into the Company's ESG strategic planning.

In 2022, Laekna donated RMB 50,000 to schools in Yunnan province through the Shanghai Foreign Investment Association, supporting the "Care for Yunnan Nujiang Youth Development Public Welfare and Volunteer Service Project." In 2023, we continued to advance the project by assisting Nujiang junior high school students in voluntarily undertaking compulsory education, planning their development paths after compulsory education, providing training for school teachers, and offering job skills training and employment opportunities for interested graduates.

During the reporting period, Laekna actively supported social welfare activities. The Company and our employees jointly donated RMB 60,452 and 438 volunteer hours to various welfare projects.

## Laekna Bookshelf



Laekna donated 1,500 books to establish the GengDu Bookshelf.



## The Children's Science Innovation Classroom



Laekna donated RMB 30,000 to the "Children's Science Innovation Center Classroom" project, organized by the Dandangzhe Foundation. This donation was jointly contributed by employees through fundraising efforts, totaling RMB 27,100, with an additional Company-matching donation of RMB 2,900. The project will be implemented at Zhongxin Elementary School in Taiping Town, Jingchuan County, Pingliang City, Gansu Province. The funds will be used to establish a space-themed innovation classroom.

## Caring for Autism



Laekna supported the employment practice of autistic individuals through the "Dim Sum Chef of Tomorrow" public welfare project, by procuring pastries made by autistic youths and distributing them to all employees in the China region.

Gansu Earthquake Disaster Relief Donation



On December 18, 2023, a 6.2 magnitude earthquake struck Gansu Province. The recipients of Laekna's "Annual Team Award" showed compassion for the earthquake-stricken area in Gansu Province and donated their RMB 5,000 team award bonus through the Red Cross Society of China Gansu Branch.



In addition to the charitable activities organized by the Company, our employees have actively participated in numerous voluntary public welfare initiatives. According to statistics, during the reporting period, Laekna's staff participated in animal welfare, disaster management, environmental protection, children welfare, and elder caring. In total, our employees donated RMB 2,852 to the areas mentioned above and dedicated 438 hours for volunteering.

Dingding sports public welfare activities



Laekna employees use workplace application Dingding to exchange goods with their sports steps, and donate the goods to various public welfare activities, supporting keys areas such as children nutrition and sport development. In total, our employees make donations for 881 times and support more than 72 schools.



Nankai library donation



A Laekna employee donated RMB 3,000 to Nankai library program through Nankai University alumni association in Shanghai, to support primary and elementary school library construction in Central and West China. The program will help more students to read books, read good books and know how to do reading, boosting basic education and rural revitalization.



Laekna employees joining social welfare activities		
Public welfare types	Donation	Volunteering
Animal Welfare	RMB 624	438 hours
Disaster management	RMB 1,000	
Environmental Protection	One salix gordejvii 37 kilograms second-hand clothes	
Children Welfare	RMB 3,618	
Elder Caring	RMB 610	

# Performance Table

Corporate Governance			
Indicator	2023	2022	2021
Number of compliance training sessions (unit: times)	7	/	/
Total hours of compliance training (unit: hours)	2.5	/	/
Number of participants in compliance training (unit: person-times)	400	/	/
Percentage of employees participating in the compliance training (unit: %)	100	/	/
Number of corruption litigation cases	0	/	/
R&D and Innovation			
Indicator	2023	2022	2021
Instances of information or data breaches (unit: times)	0	0	0
Product recall incidents (unit: times)	0	0	0
Products and service related complaints (unit: times)	0	0	0
Number of suppliers	533	/	/
Focusing on Talent			
Indicator	2023	2022	2021
Safety training sessions (unit: times)	1	2	1
Percentage of employees attending safety training (unit: %)	100	100	100
Number of safety emergency drills (unit: times)	1	1	1
Number and rate of work-related fatalities (unit: persons)	0	0	0
Number of lost days due to work injury (unit: days)	0	0	0
Number of major safety incidents	0	0	0
Number of cases of occupational diseases (unit: times)	0	0	0
Percentage of employees with medical examinations and health records (unit: %)	100	100	100
Number of health training sessions (unit: times)	1	2	1
Number of occupational health training sessions (unit: times)	1	2	1
Employee turnover rate (unit:%)	8.7	5	20.2
Employee turnover rate by gender-female (unit:%)	7	/	/
Employee turnover rate by gender-male (unit:%)	12.5	/	/
Employee turnover rate by age: 30-50 (unit:%)	11.6	/	/

Employee turnover rate in China	10.1	/	/
Employee turnover rate in the U.S.	0	/	/
Turnover employee number	8	/	/
Employees trained (unit: person-times)	292	689	/
Employees trained by gender (unit: person-times)			
Female	177	406	/
Male	115	283	/
Percentage of employees trained (unit:%)	100	100	100
Percentage of employees trained by gender(unit:%)			
Female	64	/	/
Male	36	/	/
Percentage of employees trained by employee category(unit:%)			
Management	5.6	/	/
Non-management employees	94.4	/	/
Total employee training hours	707.5	1,374	/
Average training hours per person	7.95	14.46	/
Average trained hours by gender (unit: hours)			
Female	6.63	/	/
Male	10.29	/	/
Average trained hours by employee category (unit: hours)			
Management	9.84	/	/
Non-management employees	7.84	/	/
Number of employees taking regular performance and career development assessments (unit: persons)	89	95	84
Number of days of maternity leave taken by female employees (unit: days)	13	158	/
Number of employee events (unit: times)	5	5	/
Number of participants in employee events (unit: person-times)	370	400	/
Total number of employees	89	95	84
Number of employees by gender - female	57	62	54
Number of employees by gender - male	32	33	30
Number of employees by age: below 30	6	7	6
Number of employees by age: 30-50	70	77	71

Number of employees by age: over 50	13	11	7
Number of employees in management	5	5	5
Number of non-management employees	84	90	79
Number of employees in management: female	2	2	2
Number of employees in management: male	3	3	3
Number of employees in the U.S.	10	10	7
Number of employees in China	79	85	77
Number of full-time employees	89	95	84
Number of part-time employees	0	0	0
<b>Green Operation and Environmental Protection</b>			
<b>Indicator</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Electricity consumption (unit: MWh)	177.79	200	200
Electricity consumption intensity (unit: MWh per capita per RMB 1,000 in R&D expenses)	0.0087	0.0067	0.0137
Direct (Scope 1) greenhouse gas emissions (unit: tonnes)	0	0	0
Intensity of direct greenhouse gas emissions (unit: kilograms per capita per RMB 1000 in R&D expenses)	0	0	0
Energy indirect (Scope 2) greenhouse gas emissions (unit: tonnes)	101.39	126.43	117.86
Intensity of energy indirect greenhouse gas emissions (unit: kilograms per capita per RMB 1000 in R&D expenses)	0.005	0.004	0.008
Laboratory-contaminated solid waste (unit: tonnes)	1.80	1.19	1.36
Laboratory liquid waste (unit: tonnes)	1.10	0.78	0.75
Medical waste (unit: tonnes)	0.38	0.78	/
Hazardous waste (unit: tonnes)	3.28	2.75	/
Intensity of hazardous waste (unit: kilograms per capita per RMB 1000 in R&D expenses)	0.16	0.09	/
Non-hazardous waste (unit: tonnes)	2.1	/	/
Intensity of non-hazardous waste (unit: tonnes per capita)	0.02	/	/
Water consumption (unit: tonnes)	309	281	323
Intensity of water consumption (unit: kilograms per capita per RMB 1000 in R&D expenses)	0.015	0.009	0.022
<b>Community Investment</b>			
<b>Indicator</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Number of public welfare events held (unit: times)	2	1	/
Number of participants in public welfare events (unit: person-times)	258	54	/
Number of direct beneficiaries covered by public welfare events (unit: persons)	344	/	/
Amount invested in the public welfare (Unit: RMB 10,000)	6.05	5	/

# Hong Kong Stock Exchange ESG Reporting Guide - Index

Subject Areas, Aspects, General Disclosures and KPIs	Sections in ESG Report
<p>General disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	<ul style="list-style-type: none"> <li>• Climate Change and Carbon Emissions</li> <li>• Waste Management</li> </ul>
<p>KPI A1.1</p> <p>The types of emissions and respective emissions data.</p>	<ul style="list-style-type: none"> <li>• Disposal of Hazardous Waste</li> <li>• Disposal of Non-hazardous Waste</li> </ul>
<p>Aspect A1: Emissions</p> <p>KPI A1.2</p> <p>Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	<ul style="list-style-type: none"> <li>• GHG Emissions Management &amp; Energy Efficiency</li> </ul>
<p>KPI A1.3</p> <p>Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	<ul style="list-style-type: none"> <li>• Disposal of Hazardous Waste</li> </ul>
<p>KPI A1.4</p> <p>Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	<ul style="list-style-type: none"> <li>• Disposal of Non-hazardous Waste</li> <li>• Performance Table</li> </ul>
<p>KPI A1.5</p> <p>Description of emissions target(s) set and steps taken to achieve them.</p>	<ul style="list-style-type: none"> <li>• Disposal of Hazardous Waste</li> <li>• Disposal of Non-hazardous Waste</li> <li>• GHG Emissions Management &amp; Energy Efficiency</li> </ul>
<p>KPI A1.6</p> <p>Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.</p>	<ul style="list-style-type: none"> <li>• Disposal of Hazardous Waste</li> <li>• Disposal of Non-hazardous Waste</li> </ul>
<p>General Disclosure</p> <p>Policies on the efficient use of resources, including energy, water and other raw materials.</p>	<ul style="list-style-type: none"> <li>• GHG Emissions Management &amp; Energy Efficiency</li> <li>• Water Resource Management</li> </ul>
<p>Aspect A2: Use of Resources</p> <p>KPI A2.1</p> <p>Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).</p>	<ul style="list-style-type: none"> <li>• GHG Emissions Management &amp; Energy Efficiency</li> </ul>
<p>KPI A2.2</p> <p>Water consumption in total and intensity (e.g. per unit of production volume, per facility).</p>	<ul style="list-style-type: none"> <li>• Performance Table</li> </ul>

Subject Areas, Aspects, General Disclosures and KPIs			Sections in ESG Report
Aspect A2: Use of Resources	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	• GHG Emissions Management & Energy Efficiency
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	• Water Resource Management
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	• Not Applicable, the Company Has Not Launched Such Products
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	• Climate Change and Carbon Emissions • Waste Management • Water Resource Management
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	• Climate Change and Carbon Emissions
Aspect A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	• Climate Change and Carbon Emissions
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	• Climate Change and Carbon Emissions
Aspect B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	• Safeguarding Employee Rights • Employee Training and Development • Diversity, Equity, and Inclusion
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	• Performance Table
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	• Performance Table
Aspect B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	• Employee Occupational Health and Safety
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	• Performance Table

Subject Areas, Aspects, General Disclosures and KPIs			Sections in ESG Report
Aspect B2: Health and Safety	KPI B2.2	Lost days due to work injury.	• Performance Table
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	• Employee Occupational Health and Safety
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	• Talent Cultivation
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	• Performance Table
	KPI B3.2	The average training hours completed per employee by gender and employee category.	• Performance Table
Aspect B4: Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	• Employment Management
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	• Employment Management
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	• Employment Management
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	• Supply Chain Management
	KPI B5.1	Number of suppliers by geographical region.	• Supply Chain Management
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	• Supply Chain Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	• Supply Chain Management
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	• Supply Chain Management

Subject Areas, Aspects, General Disclosures and KPIs	Sections in ESG Report
<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	<ul style="list-style-type: none"> <li>• Product Quality and Clinical Trial Safety</li> </ul>
<p><b>Aspect B6: Product Responsibility</b></p> <p>KPI B6.1</p> <p>Percentage of total products sold or shipped subject to recalls for safety and health reasons.</p>	<ul style="list-style-type: none"> <li>• Performance Table</li> </ul>
<p>KPI B6.2</p> <p>Number of products and service related complaints received and how they are dealt with.</p>	<ul style="list-style-type: none"> <li>• Performance Table</li> </ul>
<p>KPI B6.3</p> <p>Description of practices relating to observing and protecting intellectual property rights.</p>	<ul style="list-style-type: none"> <li>• Intellectual Property Protection</li> </ul>
<p>KPI B6.4</p> <p>Description of quality assurance process and recall procedures.</p>	<ul style="list-style-type: none"> <li>• Measures for Product Quality Management</li> </ul>
<p>KPI B6.5</p> <p>Description of consumer data protection and privacy policies, and how they are implemented and monitored.</p>	<ul style="list-style-type: none"> <li>• Subject Protection</li> </ul>
<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to bribery, extortion, fraud and money laundering.</p>	<ul style="list-style-type: none"> <li>• Business Ethics and Anti-corruption</li> </ul>
<p><b>Aspect B7: Anti-corruption</b></p> <p>KPI B7.1</p> <p>Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.</p>	<ul style="list-style-type: none"> <li>• Performance Table</li> </ul>
<p>KPI B7.2</p> <p>Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.</p>	<ul style="list-style-type: none"> <li>• Business Ethics and Anti-corruption</li> </ul>
<p>KPI B7.3</p> <p>Description of anti-corruption training provided to directors and staff.</p>	<ul style="list-style-type: none"> <li>• Business Ethics and Anti-corruption</li> </ul>
<p>General disclosure</p> <p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.</p>	<ul style="list-style-type: none"> <li>• Social and Public Welfare</li> </ul>
<p><b>Aspect B8: Community Investment</b></p> <p>KPI B8.1</p> <p>Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).</p>	<ul style="list-style-type: none"> <li>• Social and Public Welfare</li> </ul>
<p>KPI B8.2</p> <p>Resources contributed (e.g. money or time) to the focus area.</p>	<ul style="list-style-type: none"> <li>• Performance Table</li> </ul>

LOKNA



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