

WuXi Biologics
Global Solution Provider

WuXi Biologics (Cayman) Inc.
藥明生物技術有限公司*

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 2269

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT
2020



*For identification purpose only

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Message from Our CEO



First of all, on behalf of the Board of Directors and management of WuXi Biologics, I would like to express our sincere gratitude to all of WuXi Biologics' shareholders and customers worldwide for their long-term interest and support. At the same time, I would like to thank all the staff for their outstanding work and tenacity demonstrated in the special year of 2020 in turning challenges into opportunities. The team spirit and dedication shown by all of our staff are very touching and role-modeling their embodiment of the culture of WuXi Biologics!

Since the establishment of WuXi Biologics, we have set our vision as "Every drug can be made and every disease can be treated by building an open-access platform with the most comprehensive capabilities and technologies in the global biologics industry". Our mission is to accelerate and transform the discovery, development and manufacturing of biologics through a comprehensive open-access platform, enabling our global healthcare partners and benefiting patients worldwide.

WuXi Biologics has always been committed to strict corporate governance standards, practiced the principle of sustainable development, and carried out various business activities with ethics and rationale, and prepared information disclosure in an open and transparent manner. We led the information disclosure of the CDMO industry by being the most transparent and providing global community all aspects of the CDMO business. A phenomenon has been observed that all sectors of society, especially investors and regulators, are increasingly concerned about environmental, social and governance issues, which is in high consistence with the Company's long-term development strategy.

In 2020, the COVID-19 was raging around the world, which brought challenges to the normal operation of companies. In face of the pandemic, we have always put the health and safety of our employees first. Thanks to the effective business continuity plans and integrated solutions, we are able to get our business back to normal as soon as possible and propound the calling of "Turn Challenges into Opportunities and Win Back 2020". In face of the pandemic, WuXi Biologics stepped forward and shouldered its social responsibilities to undertake more customized research, development and production projects with its high responsiveness, cutting-edge technologies and rich experiences, making contributions to the treatment and prevention of the global COVID-19 pandemic and the global public health. WuXi Biologics accounted for more than 80% of the global IND-enabling COVID-19 mAb projects and will produce more than 1500kg of neutralization mAbs as treatment for millions of patients and approximately 200 million doses of COVID-19 vaccines for global customers in 2021.

Message from Our CEO

With the unremitting efforts and perseverance of all the staff, we have delivered a result exceeding expectations. The total revenue was RMB5,612.4 million with an increase of 40.9%; the net profit was RMB1,692.7 million, with an increase of 67.5%; and the number of integrated projects was 334, with an increase of 33.6%, showcasing our business growth was not slowed down by the pandemic at all. Instead, it accelerated the promotion and development of new projects, new business models and new management schemes under the catalysis of the pandemic.

From the perspective of environment, we have carried out various energy conservation and emission reduction projects in 2020 and achieved remarkable results. Speaking of consumption intensity, we have reduced the intensity of electricity consumption by 22%, the intensity of gas consumption by 25%, the intensity of greenhouse gas emissions by 25%, and the total nitrogen oxide emissions by 19%. This has significantly out-performed our short-term target of annual 5% reduction in intensity of energy consumption and emission. In addition, thanks to the extensive use of Single-Use Technology, our water consumption was significantly reduced. It was estimated that the water consumption has been reduced by 120,000 tons compared with the traditional stainless steel technology. On the social front, we continue to attract and cultivate outstanding talents and have been awarded the title of “Top Graduate Employer”. We actively promote and publicize the PROUD culture to strengthen the cohesion of our employees and the sense of belonging to WuXi Biologics. We set up the “Volunteer Association”, in order to bring the scattered volunteers’ power together to make a greater impact. During COVID-19 pandemic, we made significant donations of face masks, medical gowns and sanitization agents to various hospitals in China and also donated face masks to some global customers and communities we operated including the U.S., Germany and Ireland. In terms of governance, with the more and more new hires we continue to carry out ethics and anti-corruption trainings, embedding a code of ethical business conduct in everyone’s mind.

Looking back to 2020, technology and innovation have always been the constant driving force of WuXi Biologics. The principle of proper operation and people-first is the lighthouse of WuXi Biologics. Sustainable development and giving back to the society are the goals of WuXi Biologics unremitting efforts. The Board of Directors and the management of WuXi Biologics will continue to plan and guide WuXi Biologics’ development with a long-term commitment and vision.

Looking forward to the coming year, I hope that the treatment and prevention of COVID-19 will come out more and more quickly to help global patients. We will continue to strengthen the green operation, adopt environmental conservation measures, and consider the positive role that the Company can play in dealing with the challenge of ‘Zero Carbon’, and formulate the medium and long-term energy conservation and emission reduction targets and measures. We will continue to play the role of innovative industry benchmark and high standard quality system. In the broad development prospects of biologics industry, we should embrace changes and seize opportunities with a broader and a longer-term vision, and make unremitting efforts to fulfill the great mission of enabling global partners and benefiting patients.

Zhisheng (Chris) Chen, Ph.D.
Chief Executive Officer
March 23, 2021



About This Report

Reporting period:

This report covers the period from January 1, 2020 to December 31, 2020.

In-scope entities

Social and governance sector of this report is consistent with the Annual Report of WuXi Biologics. Based on the significance of the operational impact, the scope of environmental data includes the major production sites currently in operation in China, including the Wai Gao Qiao (“WGQ”) site in Shanghai and the Wuxi sites (including Mashan and New District). From the revenue perspective, the revenue of the above sites accounted for 89% of the overall revenue in 2020.

Reporting standards

The Report is compiled based on the Environmental, Social and Governance Reporting Guide, Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and its major revision summaries.

Indicators selection

The indicators in the Report are selected and elaborated following the principles of “materiality, quantitative, balance, and consistency” to disclose the performances in the material issues. We will make continuous adjustments and optimization to the disclosure indicators in the subsequent reports.

Materiality: WuXi Biologics uses the stakeholder right-interest model, stakeholder engagement mechanism and materiality assessment matrix to identify corporate and social responsibility issues that are material or relevant to the Company and stakeholders.

Quantitative: WuXi Biologics embodies the quantitative principle by disclosing the measurable key performance indicators.

Balance: WuXi Biologics presents its work in the environmental, social and governance aspects in a fair and objective manner in this Report.

Consistency: WuXi Biologics has adopted a consistent approach to data disclosure, compared the data over the years in the Report, and noted the changes in statistical methods and key performance indicators.

Source of information

The qualitative and quantitative information used in the Report is sourced from WuXi Biologics (Cayman) Inc.’s public information, internal documents and relevant statistics.

About This Report

Company name in short

For ease of presentation and reading, “WuXi Biologics (Cayman) Inc.” is also referred to as “WuXi Biologics”, “the Company” or “We” in this report.

Form of release

The online version of the Report is available for download on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and WuXi Biologics (www.wuxibiologics.com).

Communication with shareholders and other stakeholders

In addition to establishing a positive and orderly communication mechanism with customers, suppliers, partners, investors and regulatory authorities in daily work, we conducted a survey for nearly two months started from November 2020 in order to better collect the expectations of stakeholders for the environmental, social and governance work of WuXi Biologics and identify those important ones. All the survey questionnaires were anonymous. The statistics of the distribution and collection of the questionnaires are 490 and 223, and the collection rate is 46%.

This year is the first time that WuXi Biologics uses questionnaire survey to collect information. Although the overall collection rate is medium, we can better understand the real feedback of different stakeholders through anonymous survey. In the future, we will also actively develop other effective ways of communication to improve the collection rate of the questionnaire.

Company Overview

Introduction

WuXi Biologics, as a company listed on the Hong Kong Stock Exchange, is a leading global open-access biologics technology platform offering end-to-end solutions to empower organizations to discover, develop, and manufacture biologics from concept to commercial manufacturing. The Company aims to accelerate the global development process of biologics, reduce the development cost and benefit the patients worldwide.

“Win-the-Molecule”

The business model is built up on “follow and win the molecule” strategy which serves as two-wheel drive. “Global Dual Sourcing within WuXi Bio” is the manufacturing paradigm, which can help customers start or switch production seamlessly in any two sites around the globe.

“Global Dual Sourcing within WuXi Bio”

There are more than 6,500 employees in WuXi Biologics, including more than 2,500 scientists with advanced degrees and rich working experiences from internationally renowned universities and schools. They have experiences in antibody development, manufacturing, quality control, preclinical research and international registration. All members of the senior management team work in the front line, with more than 20 years of industry experiences in their respective professional fields. We have built a world-class biological discovery, development and manufacturing team.

>6,500
Employees

>2,500
Scientists

WuXi Biologics is the first and the only biologics company certificated by U.S. FDA, EU EMA, Brazilian ANVISA for commercial manufacturing in China. It is also one of the largest cGMP biologics manufacturing facilities using only single-use bioreactors in the world.

First biopharmaceutical enterprise in China to obtain the certification of FDA, EMA and ANVISA in Brazil

In 2020, we launched a new strategy of “Win-the-Molecule”, which is committed to the acquisition of late phase project pipelines and complimenting the existing “follow the molecule” strategy focusing on early phase projects. In 2020, the Company added 11 external projects transferred from global peers, including 6 phase III projects. Generally speaking, it usually takes 40 to 50 investigational new drug (“IND”) applications to come out these late phase projects based on a statistical conversion rate. The achievement that the Company has won those late phase projects is attributed to its strong supply chain, sufficient inventory and the highly adaptable and capable professional team.

As of December 31, 2020, 334 integrated projects have been developed on WuXi Biologics platform, including 169 in preclinical development stage, 135 in early-phase (phase I & II) clinical development stage, 28 in late-phase (phase III) clinical development stage and 2 in commercial manufacturing stage. As at the date of this Report on March 23, 2021, the total number of on-going integrated projects has increased to 361.

Following with “Global Dual Sourcing within WuXi Bio” strategy, the Company has set up production and R&D bases in China, Ireland, Singapore, Germany and the United States, spanning three continents and five countries. Among them, the Company has seven R&D and production sites that have been put into operation, which are located in WuXi (2), Shanghai, Hangzhou, Suzhou, Leverkusen of Germany and Pennsylvania of the United States. In 2020, the Company added a new integrated business innovation center in Hangzhou to build biologics platforms such as microbial fermentation and viral-based products. It acquired two manufacturing sites from Bayer in Germany, and added a biologics manufacturing facility and a clinical manufacturing facility in the United States. At the same time, the Company is constantly improving the capacity utilization rate of the existing sites, which in turn brought strong growth for development and manufacturing revenue. It is estimated that after 2024, the total planned capacity of WuXi Biologics will reach around 430,000 liters, which strongly ensures that the Company will provide customers with biological drugs that meet the global quality standards through a strong global supply chain network.

334

**Integrated projects
as of December 31, 2020**

Total planned capacity

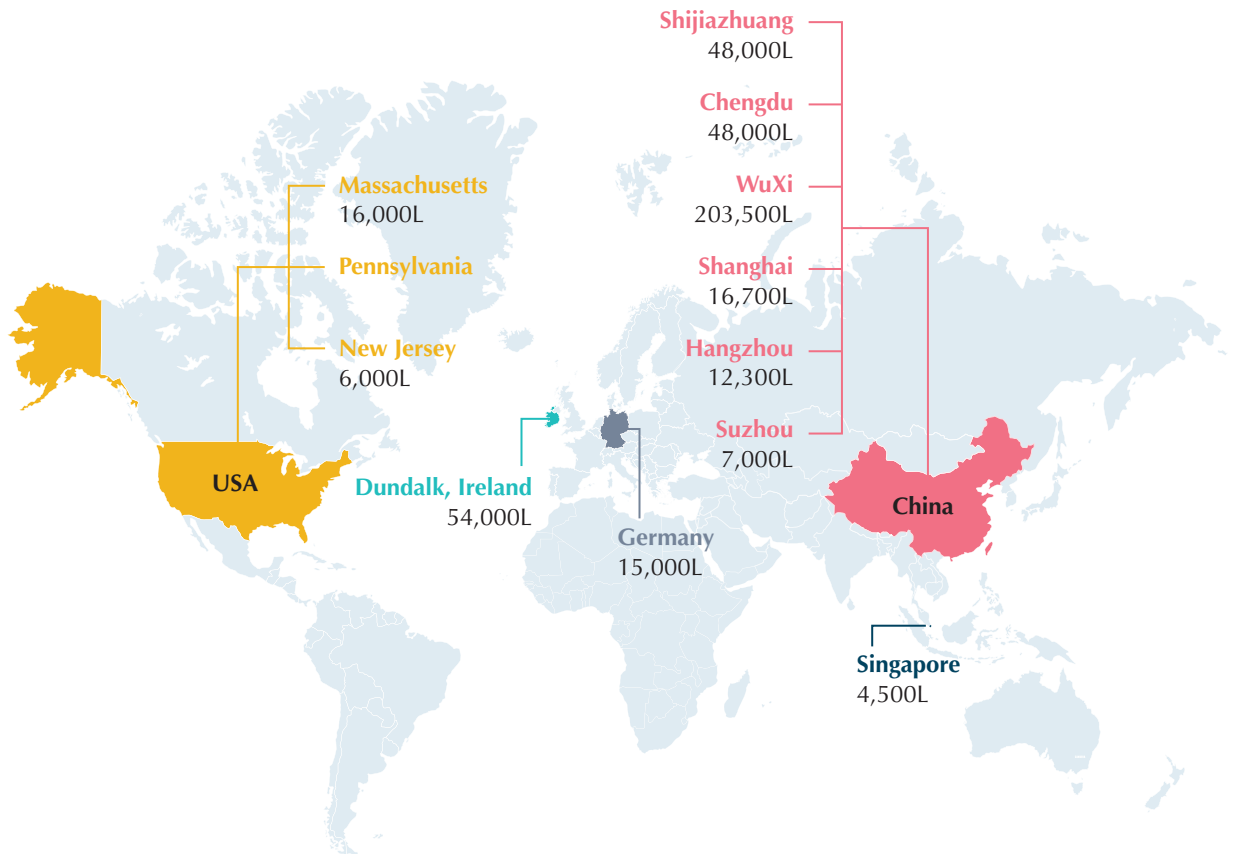
430,000 liters

after 2024

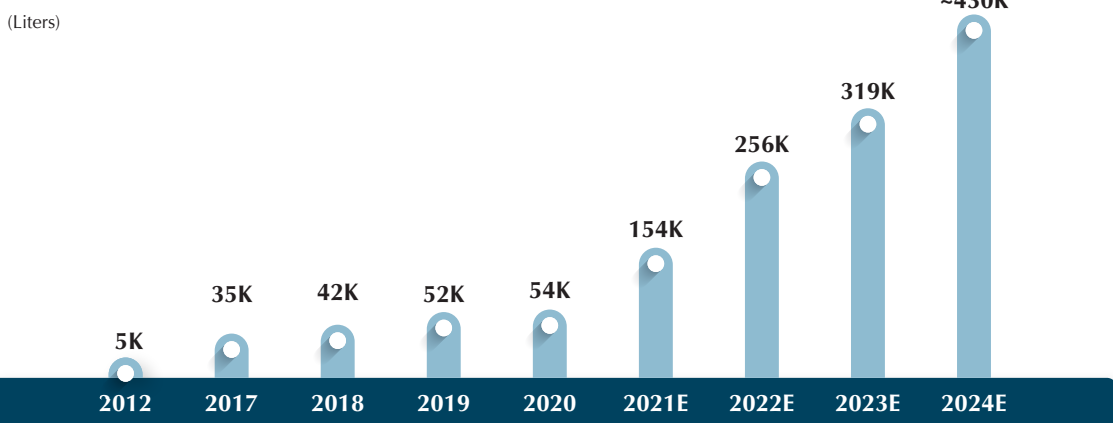
Company Overview

Introduction

Global layout of WuXi Biologics



Capacity in Progress (CIP) by Year



Company Overview

Vision and Mission

Our vision is to build an open-access platform with the most comprehensive capabilities and technologies in the global biologics industry, to fulfill the dream that “every drug can be made and every disease can be treated”. At the same time, we are committed to accelerate and transform the discovery, development and manufacturing of biologics through a comprehensive open-access platform, enabling our global healthcare partners and benefiting patients worldwide, taking it as our mission. In the course of operation, we adhere to the core values of “Integrity & Dedication”, “Working Together & Sharing Success” and “Do the Right Thing and Do it Right”. We hold the spirit of changes and innovation, maintain the attitude of striving for excellence and always put customers first. We pursue collaboration and teamwork and execute for results. Our PROUD culture is explained in details below:

P  **Passion**
Customer focus/ Positive attitude and energetic/ Continuous learning

R  **Reward**
Tackling tough task/ Embracing change/ Giving back to society

O  **Ownership**
Accountability/ Excellence and efficiency/ Honesty and ethics

U  **United**
Teamwork/ Inclusive and diversified/
Open and transparent communication

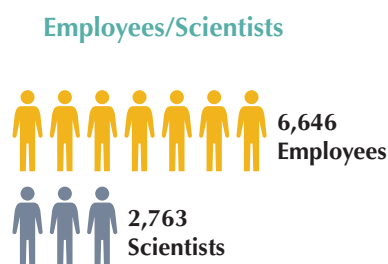
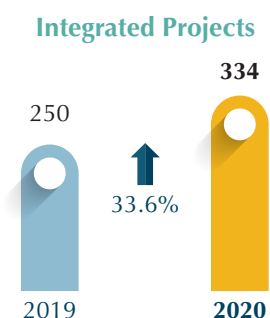
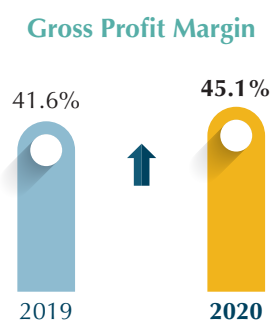
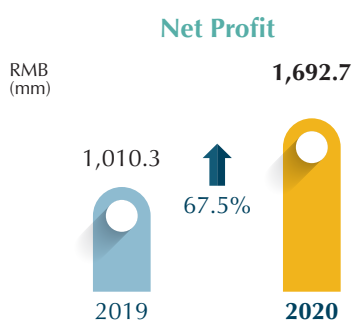
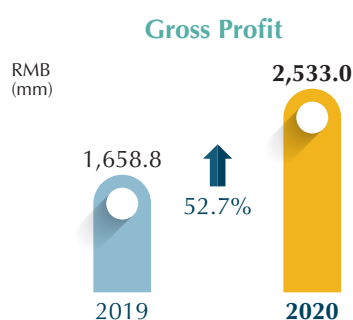
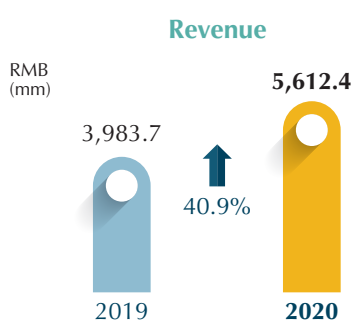
D  **Determined**
Stand up to challenges/ Growth mindset/ Take calculated risks

Company Overview

Operating Performance

In 2020, the outbreak of COVID-19 posed great challenges to companies. WuXi Biologics showed the most outstanding and tenacious aspect to the industry facing to the challenges. Our revenue for the year ended December 31, 2020 increased by 40.9% year-on-year to RMB5,612.4 million.

The Company has been selected as a constituent of the Hang Seng Index (HSI) with an index weight of 1.75% (ranking 13th among the 50 constituents) in August 2020. The Company's inclusion as one of the three pharmaceutical companies in the HSI, the most representative and important benchmark as well as the most widely quoted indicator of the overall performance of the Hong Kong stock market, not only validates the capital market's recognition of the Company's leading market position in the healthcare industry, robust fundamentals and strong financial performance but also demonstrates the successful implementation of our business strategies. In 2020, WuXi Biologics was awarded as "Forbes Asia's Best Under A Billion 2020" and "Most Honored Company" by Institutional Investor.



Company Overview

Milestones of WuXi Biologics in 2020

Dec 2020

- WuXi Biologics acquired Drug Substance Facility in Wuppertal, Germany from Bayer
- WuXi Biologics Received GMP Certification from Brazil's ANVISA



Nov 2020

- WuXi Biologics' integrated new business, Hangzhou innovation center, was officially put into operation to build biotechnology platforms such as microbial fermentation and viral-based products



Oct 2020

- WuXi Biologics and AB2 Bio Announce Collaboration to Accelerate Commercial-Scale Manufacturing of Tadekinig alfa
- WuXi Biologics' technology research and development laboratory in Prussian king, Pennsylvania, USA is officially in operation



Aug 2020

- WuXi Biologics has been listed for three years and selected into Hang Seng Index



Jun 2020

- WuXi Biologics (Suzhou) Received EMA GMP Certificate for Biosafety Testing



April 2020

- WuXi Biologics Completed Acquisition of a Drug Product Manufacturing Facility in Germany
- WuXi Biologics' DP4 Successfully Completed PFS Filling at its Robotic Aseptic Filling Facility



Feb 2020

- WuXi Biologics' Subsidiary WuXi Vaccines Signed Long-Term Vaccine Manufacturing Contract with a Global Vaccine Leader



Jan 2020

- WuXi Biologics Enables Development of Multiple Neutralizing Antibodies for COVID-19



Company Overview

ESG Governance

We take full account of global governance, combine the expectations of the international community for the sustainable development of our industry, and regard sustainable development strategy as one of the core competitive advantages of our Company. WuXi Biologics adheres to the sustainable development strategy. The Board of Directors is responsible for the formulation of sustainable development strategy, supervises the implementation, and guides the whole company from top-down approach. We set “beneficial to all patients” as the starting point, encourage innovation, provide high-quality and reliable services, products and platforms, create long-term value for all stakeholders, attach importance to environmental protection, protect the rights interests of employees, care about the development of employees, actively participate in community activities, and strive to promote the sustainable development of society. In addition, WuXi Biologics conducts risk assessment every year, covering supply chain, information system, human resources, site operation and engineering construction, etc., establishes corresponding control measures, and implements appropriate remediation activities when necessary, so as to ensure the implementation of sustainable development strategy.



In order to live up to the concept of sustainable development, WuXi Biologics elected and set up the ESG Committee in early 2021. As the highest governance body, the ESG Committee is composed of executive director and independent non-executive directors of the Company. It learns from the advanced ESG governance concepts and methods in the industry, and combines with the actual situation of the Company to implement its own sustainable development strategy. An ESG working group is set up to promote the application of various sustainable development measures in daily work and form an effective feedback and communication channel. Under the leadership of the Board of Directors and the management, the team is composed of key functional heads of the Company. According to the “ESG Working Group Management Regulations”, the team takes the lead in designing the action plan for sustainable development, guiding and implementing the relevant action plans, and ensuring the implementation by all staff of the Company.



Company Overview

ESG Governance

The Company's sustainable development governance and achievement have been well recognized by the authorities. WuXi Biologics has now been included by most ESG rating agencies and the rating results are as follows:

	The MSCI ESG Leaders Indexes (previously MSCI Global Sustainability Indexes) target companies that have the highest ESG rated performance in each sector of the parent index. WuXi Biologics has qualified as a constituent of the index. The latest MSCI ESG Rating is A .
	The Dow Jones Sustainability Index (DJSI) is a globally recognised index which includes companies from a wide spectrum of industries. Inclusion in DJSI is based on a company's score in the Corporate Sustainability Assessment. WuXi Biologics has been included in DJSI since 2019. Its score in 2020 was 29 and ranked 5th out of 53 companies in the industry.
	The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices. WuXi Biologics has been included in the FTSE4Good Index in June 2020 for the first time.
	Launched in 2020, Sustainalytics' ESG Risk Ratings aim to help companies and investors identify ESG issues that pose potential financial risks. They measure the degree to which ESG issues are putting a company's entire value at risk. The lower a company's rating, the lower their overall risk of experiencing material financial impact due to ESG factors. WuXi Biologics' overall risk rating was "medium" and eligible for "2021 ESG Industry Top Rated Badge".
	CDP, formerly known as the Carbon Disclosure Project, runs a global disclosure system for companies, cities, states and regions to measure and manage their environmental impacts. In 2020, WuXi Biologics has provided data for CDP – Climate Change and Water Security disclosure initiatives for the first time.

Major ESG awards received by WuXi Biologics in 2020 are as follows:

 All-Asia Executive Team- Best ESG Institutional Investor	 Best ESG Zhitong Finance & Tonghuashun Finance
 Best Corporate Governance Awards 2020 Hong Kong Institute of Certified Public Accountants	 Lead Wildlife Friendly Company World Animal Protection

Special Highlight

Fight against COVID-19, turning challenges into opportunities

2020 may be the most difficult year since entering into the 21st century. A virus called COVID-19 spread rapidly in 2020. By the end of 2020, one in 93 people around the world was infected by it. COVID-19 has become the greatest threat to the international public health, brought numbers of challenges and high uncertainty to the global economy.

At the moment of COVID-19 outbreak, WuXi Biologics implemented a comprehensive business continuity plan (BCP) in the first place and resumed normal operation in a short period of time. At the same time, WuXi Biologics has placed great emphasis on the employees' health and safety, and the Company has, as always, put our employees' health and safety as top priority. The Company has formed focus team to prevent and control the pandemic at the very beginning of the COVID-19, and through the formulation of enterprise pandemic prevention process and social joint prevention and control mechanism, remarkable achievements have been made by the Company in the aspects of staff protection and control guidance, emergency supplies guarantee and rapid resumption of work and production.

As a company with high corporate social responsibility, WuXi Biologics organized the donations of pandemic prevention materials to local employees, medical staff and customers when the COVID-19 was spreading rapidly across the globe. What's more, we also communicate with relevant people about the experiences in the process of fighting against the virus and the characteristics of the development of the pandemic situation, so as to save local response time and reduce the number of infected people.

On the other hand, because of the virulence of the virus, the treatment and prevention of COVID-19 is in great demand and urgent. As the world's leading open-access biologics technology platform, WuXi Biologics undertook its due social responsibility at the first time, actively empowered global partners to develop and manufacture neutralizing antibodies against COVID-19, and strove for the health of patients all over the world.

10+
COVID-19 projects

20+
INDs approved

In face of the challenges, WuXi Biologics has further demonstrated its most outstanding and tenacious side to the industry through its world-class patent protection system, state-of-art technology platforms, excellent team, high performance and integrated development mode. In 2020, we have enabled over 10 COVID-19 projects with more than 20 INDs approved in the U.S., EU, Singapore and China within a record-breaking three to five months DNA to IND timeline.

The COVID-19 is both a challenge and an opportunity for us. The management team of WuXi Biologics led the formulation of a six-month or even shorter development schedule plan for the COVID-19 antibody from DNA to IND, which has never been achieved in nether WuXi Biologics nor the whole industry. However, with **the power of Platform, Team and WuXi Grit**, WuXi Biologics has successfully turned "Missions Impossible" into new records.

Special Highlight

Fight against COVID-19, turning challenges into opportunities

The power of the Platform

In the past ten years, we have enabled global partners to develop more than 300 projects and various molecules. We have accumulated a wealth of experience during our conquer of technical difficulties one after another. With the help of the technology platform of WuXi Biologics, each department involved in the COVID-19 projects has designed and adopted transformative approaches and innovative technologies to shorten the project timeline, under the premise of ensuring the safety and effectiveness of the drug under development. In addition, with the strong support of all leaders, the project priority of COVID-19 projects is escalated in the Company. When it involved the allocation of department resources, any conflict with COVID-19 projects was to give in to the latter as much as possible, which was well understood and supported by other projects and customers as well.

Enabled global partners to develop

300+ projects and various molecules

The power of the Team

The team of the COVID-19 projects has expanded rapidly from less than 250 scientists to a team of more than 3,000, which is equivalent to half of the Company's employees. We work closely, communicate in time, respond and solve the problem as soon as possible, seek common ground while reserving differences for the common goal — to ensure the shortest time and the best quality delivery of the project without any mistakes. Each member's efforts and dedication eventually gathered into an immeasurable team cohesion.

~50%
of all employees are involved

"When friends around me said it was boring during the isolation, I felt the passion and enthusiasm of work; When relatives around me were anxious about the pandemic, I told them our company was helping in the research and development of new drugs for treatment and prevention of COVID-19 to console them; when my child asked me what I was busy with, I was proud to tell him that his mother was one of the world-class teams in developing new drugs to fight against COVID-19."

Voice from representative of COVID-19 projects front line team

Special Highlight

Fight against COVID-19, turning challenges into opportunities

The power of Grit

Due to the influence of customer antibody screening, regulatory, epidemic changes and other factors, the project development plan changed often. Yesterday's plan and efforts may come to nothing today. In the face of uncertainty again and again, no one was discouraged, and no one was too anxious, because we firmly believed that every change was a progress on the road to success. WuXi Biologics Grit, means never be afraid of difficulties and never give up. With the solution of every technical problem and the seamless communication and coordination between different departments, we have won the trust and confidence of our customers, and also witnessed the rapid growth of our team.

From the technical level, the accumulated innovative development strategies and technologies in the R&D process of the COVID-19 projects, e.g. producing 1g or 5g samples for pharmacodynamics, preparations, analytical methods and other development and research work through transient and stable rotation; parallel cell line development, process, analytical methods, preparation methods and pharmacodynamics research, which can be enlarged to 2,000 liters of clinical samples in 9 weeks, and so on, can also be expected to be applied in the development of other antibodies and bring hope for accelerating the advent of innovative drugs.

WuXi Biologics has been brave in the war of "COVID-19", regardless of the cost, overcome the difficulties with the partners threatened by the COVID-19, and won wide praise from customers, partners and the market.

"COVID-19 has brought serious challenges to everyone, but facts have proved that the unity of the family of WuXi Biologics has made countless impossibilities possible, overcome difficulties, seized opportunities and faced up to challenges. It proves that our global leading technical capabilities have been widely recognized, enabling our global partners to win the fight against COVID-19 from preventive, cure the root cause, cure the symptom three dimensions as soon as possible!"

Zhisheng (Chris) Chen, Ph.D. CEO of WuXi Biologics

Special Highlight

Technological innovation helps high-speed sustainable growth

As an international company, we always pursue innovation and progress, which is the instinct flowing in our blood. WuXi Biologics has been taking innovation as the inexhaustible driving force for sustainable development. We continue to increase the investment in R&D and continuously improve our innovation and development capability. In 2020, our R&D expenditure was about RMB303.73 million, representing an increase of RMB44.08 million compared with 2019 and an increase rate of 17.0%.

RMB303.73 million
Expenditure on R&D
Increased by
17.0%
compared with 2019

Excellent technology platform leading the forefront of innovation

As an industry-leading technology pioneer, the Company is fueled by a culture of innovation. It constantly invests in cutting-edge technology platforms throughout the life cycle of biologics discovery, development and manufacturing. As early as 2017, we prospectively launched the WuXiBody® bispecific antibody platform. This platform allows valency flexibility and also permits almost any mAb pair to be easily joined to build a bispecific antibody. WuXia™, the Group's proprietary Chinese Hamster Ovary (CHO) cell line development platform enables the Group to conduct more than 80 IND-enabling projects per year, one of the largest capacities in the world. WuXiUP™, the Group's proprietary continuous manufacturing platform, utilizes 1,000–2,000L disposable bioreactors to achieve comparable productivity as a traditional 10,000–20,000L stainless steel bioreactor while still providing similar or even better purification yield. The Company also offers various state-of-the-art platforms, such as an exciting platform for mRNA (messenger RNA)-based vaccines, for biologics discovery, development and manufacturing. With the development of artificial intelligence (AI) and nanotechnology, these new technologies will also bring new possibilities for our innovative technology platforms.

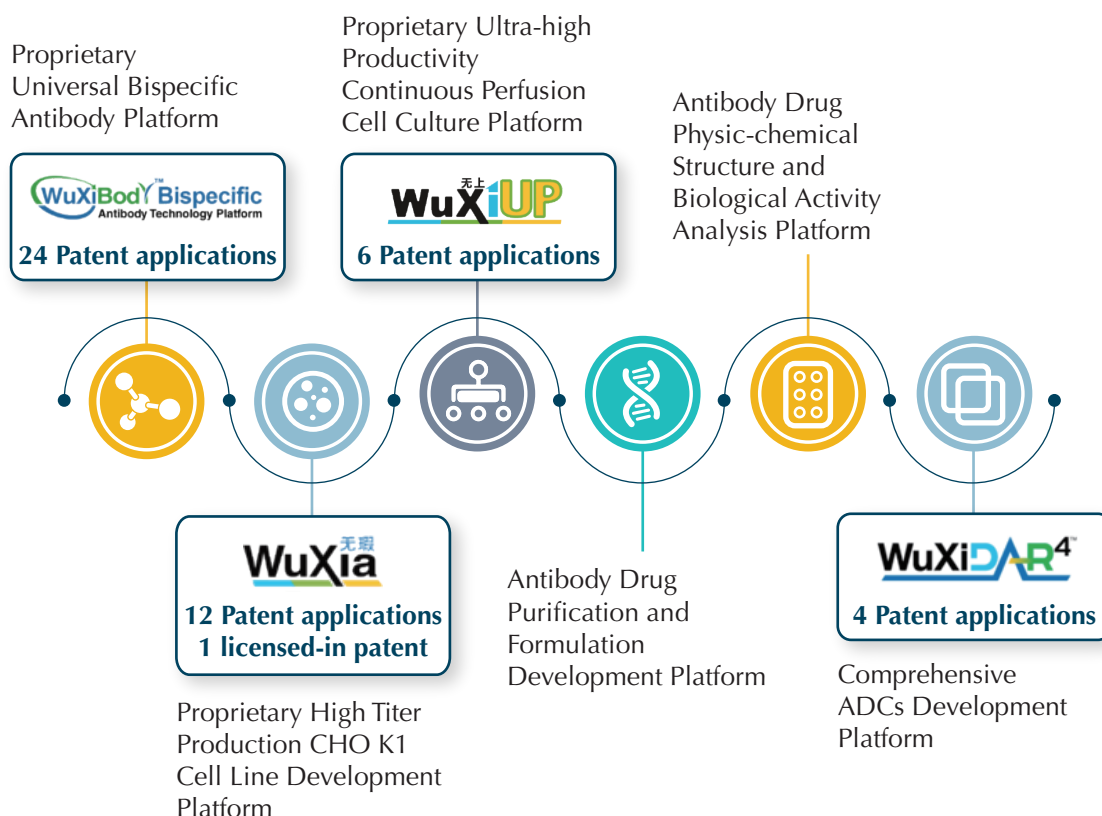
In addition to the above-mentioned technology platforms, we also actively solidify our R&D and innovation achievements through patent application and other means. In 2020, WuXi Biologics has applied for 52 international patent applications (PCT), 27 CN patent applications and 5 TW patent applications, obtained 4 new software copyrights and 67 registered trademarks.

52
International patent
applications

Special Highlight

Technological innovation helps high-speed sustainable growth

Six innovative technology platforms of WuXi Biologics



WuXiBody® is a proprietary bispecific antibody platform. The platform breaks through the technical bottleneck of most bispecific antibody platforms, effectively overcomes the challenges of low expression, high polymer and low purification yield in the development process of bispecific antibody, and has the advantages of saving 6–18 months of R&D time for each project and significantly reduces the production cost of bispecific antibody.



In September 2020, the first “China Biologics Industry Innovation List” was held. According to the comprehensive evaluation of academician expert group and online voting, WuXiBody® of WuXi Biologics has won the benchmarking award, recognizing WuXi Biologics’ outstanding achievements in focusing on the new generation of technology and innovating and enabling global partners.



Technological innovation helps high-speed sustainable growth

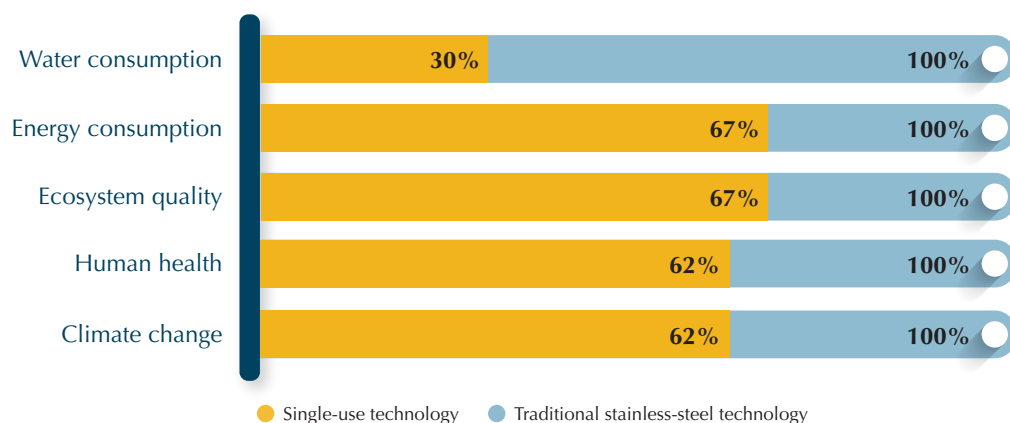
Single-use technology promotes sustainable development

As a pioneer and leader in the industry, we have innovatively applied single-use technology in different manufacturing facilities around the world, which is a complete subversion of the traditional stainless steel bioreactor technology.

Single-Use Technology (SUT), also known as Disposable Technology, is a bioprocess equipment designed for single-use or single-product manufacturing and is now widely used in the field of biologics, especially in the process involving animal cell culture to produce therapeutic antibodies, hormones, enzymes and vaccines. SUT has lower requirement on clean room in operation than traditional stainless steel process due to the use of closed system. The corresponding energy consumption in construction and maintenance can be greatly reduced, thus increasing the flexibility and controllability of environmental safety for the production enterprises. SUT can be used immediately and disposed of after use. It does not require to clean and sterilize equipment and components after the end of each production cycle, thus reducing the possibility of cross contamination and saving the investment and maintenance costs in disinfection and cleaning equipment. The consumption of water and electricity can be reduced too, which in turn avoiding the generation of sewage from the origin.

A number of global enterprises have conducted systematic surveys and studies by comparing the direct environmental impact (including carbon emissions, energy and water consumption) and overall impact (climate change, resources consumption, ecosystem quality, and human health) of SUT and traditional stainless steel process throughout the entire life cycle. SUT generally reduces the impact on the environment no matter in different countries, of different products or with different production scales. Such decrease is mainly achieved by simplifying the maintenance system for the production process, but offset in part by the transportation of disposable materials and the equipment of producing them. For example, in terms of resource consumption, single-use technology can relatively reduce resources by about 33%; for climate change, single-use technology will also reduce the negative impact of climate change by about 40% compared with stainless steel technology.

Environmental impact of the two technologies*



*Source: Single-use technology and sustainability-quantifying the environmental impact. GE Healthcare (2017)

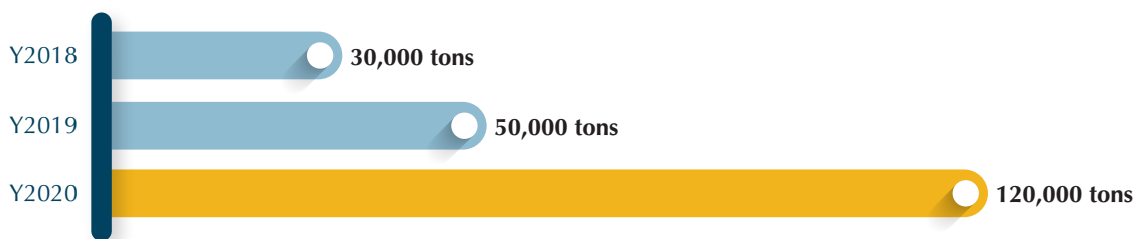
Special Highlight

Technological innovation helps high-speed sustainable growth

As early as 2017, our world's largest cGMP production base at that time in WuXi, which used single-use bioreactors was fully put into operation. In February 2021, our MFG5 Drug Substance (DS) manufacturing facility in China has successfully launched GMP operation, with the capacity of 36,000L, deploying nine 4,000L single-use bioreactors. This new facility is the largest DS facility within WuXi Biologics' global network, and also one of the world's largest GMP facilities using single-use bioreactors. The unique design of MFG5 can flexibly "combine" multiple disposable bioreactors according to the process requirements, which can achieve a single batch of large-scale capacity comparable to the traditional stainless steel bioreactor with the capacity of more than 10,000L, and has the advantages of reducing energy consumption and environment friendly.

According to the Company's internal calculation, under the same production scale, the water consumption of all SUT is only 29% of that of traditional stainless steel technology, and the water saving is as high as 71%. In 2020, WuXi Biologics has completed production of 300 batches. According to statistics, compared with the traditional stainless steel technology of the same scale, the SUT can reduce the water consumption by 120,000 tons, which is equivalent to the water consumption of more than 50 standard swimming pools.

Annual water savings due to the adoption of SUT (estimated value)

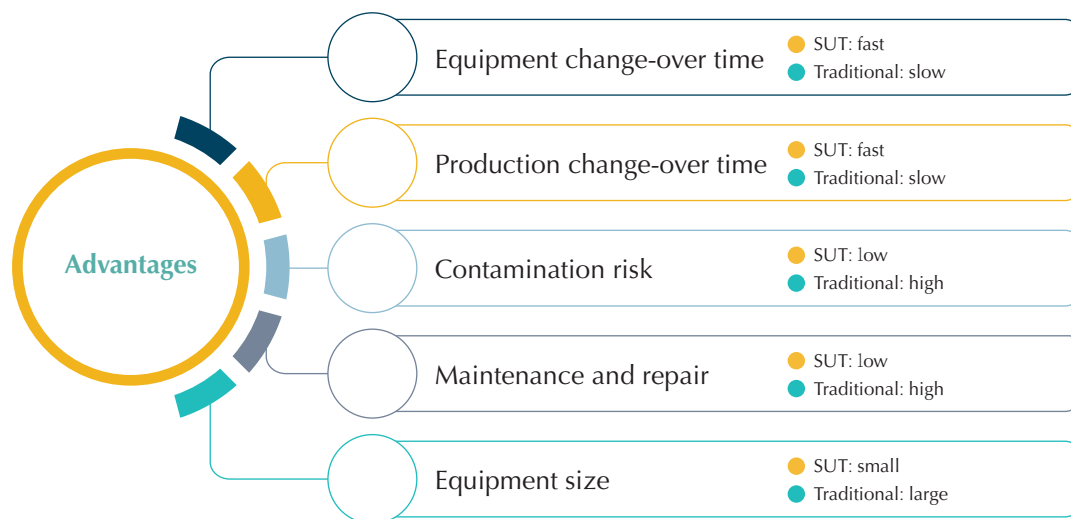


Compared with the traditional repeated use of stainless steel production equipment, SUT has the core advantages of flexible operation, safe use, small impact on the environment, high cost-effectiveness, short payback period and so on. SUT can reduce the risk of cross contamination to the greatest extent, avoid the cleaning in place (CIP) and sterilization in place (SIP) processes that stainless steel equipment must go through, strengthen the aseptic control, and help to improve product quality.

Special Highlight

Technological innovation helps high-speed sustainable growth

Process advantages over traditional stainless steel



Other advantages of single-use technology

- Accelerate the process of R&D to market**
Significantly reduce the risk of contamination and cross-contamination in the research process, shorten the overall development cycle of the project, speed up the process from development to marketing, and help our customers gain a competitive advantage
- Improve product quality and production efficiency**
Due to the reduction of contamination and cross-contamination, the qualified rate and quality of products can be effectively improved
Simplify production process, no need to clean, disinfect/sterilize, reduce production preparation time
- Reduce the need for production personnel and materials**
Benefiting from the improved process, the use of SUT will reduce the need for production personnel and production materials, such as the necessary cleaning process, cleaning validation, etc.
- Significantly shorten the investment return cycle**
The use of SUT can reduce the fixed investment of equipment and plant and significantly shorten the investment return cycle

As the “leader” of SUT, WuXi Biologics will continue providing strong support in the development, registration and commercial manufacturing of global partner.

Special Highlight

Technological innovation helps high-speed sustainable growth

The introduction of automation technology to adapt to the changes in the new era

With the advent of industrial 3.0, automation technology and AI technology are changing our society all the time. What new technology brings will be disruptive changes. WuXi Biologics embraces the change, keeps up with the pace of science and technology progress, and applies **robot technology** in production for the first time.

Featuring modularization, robotic automation and a closed system, this state-of-the-art line reflects our leadership in biologics manufacturing innovation. DP4 has demonstrated our diverse aseptic filling capabilities, maintaining high product quality and extensive flexibility to serve the complex biologics filling needs of our clients. WuXi Biologics will continue to invest in cutting-edge technologies to accelerate and change the discovery, development and production process of biological drugs.

WuXi Biologics Successfully Completes PFS Filling at its Robotic Aseptic Filling Facility



In April 2020, WuXi Biologics' robotic aseptic filling isolator facility (DP4) has successfully completed the filling of two batches of pre-filled syringes (PFS). Using certain equipment to fill the two batches, each needle's speed reached 30 vials per minute with an acceptance rate of up to 99.1%. DP4 is the first facility in China to use robotic aseptic filling line for biologics. In the period of this report, DP4 has successfully completed the filling of many batches of PFS. The whole process was performed using the robotic filling isolator in a closed system without gloves or human intervention, delivering high-quality and controlled filling accuracy, as well as improved aseptic assurance.



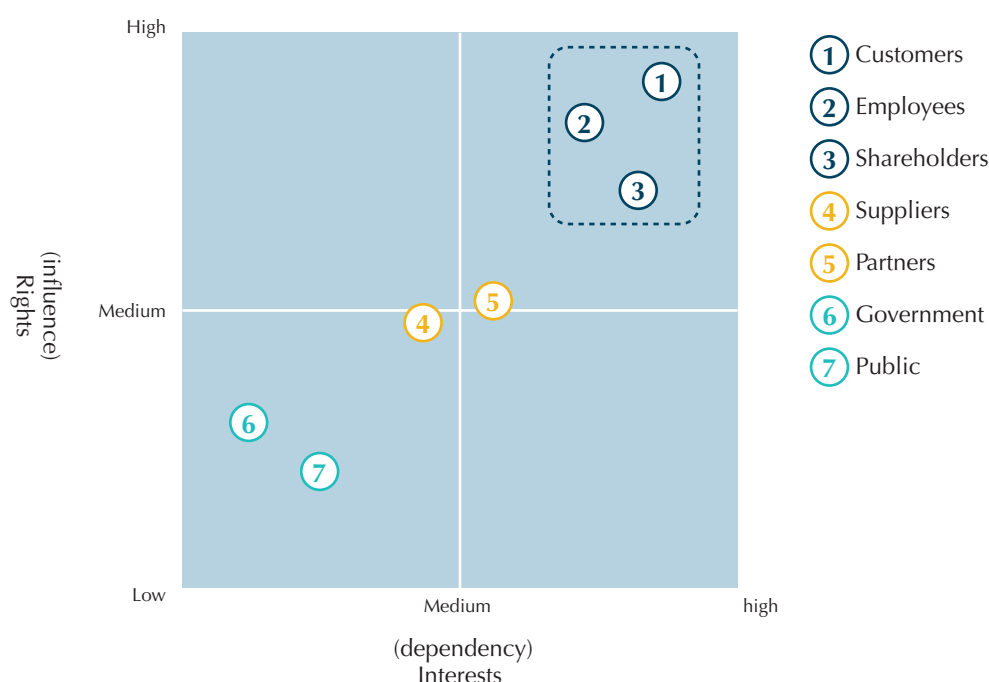
Standard environmental, social and governance disclosure

Analysis of Material Issues

Identification and Evaluation of Stakeholders

The preparation of the Report focuses on the material issues of concern to the stakeholders. In order to better understand the demands and concerns of the stakeholders, WuXi Biologics has conducted analysis on stakeholders, identified important stakeholders, and used the stakeholders right-interest model to evaluate from the influence and dependence aspects.

Stakeholders Right-Interest Model



According to the assessment result, **customers, employees** and **investors** are the most important stakeholders of WuXi Biologics, and these three stakeholders have achieved a high rating in terms of influence and dependence on us, as shown in the chart. Therefore, while disclosing the key indicators required by the ESG Guide, the Report will focus on the disclosure of the material issues concerned by these three parties.

We pay close attention to the needs and expectations of stakeholders, and have established corresponding communication mechanisms. In the process of communication, we collate and record their demands, and identify and evaluate the substantive issues of this report according to the opinions of stakeholders.

Standard environmental, social and governance disclosure

Analysis of Material Issues

Stakeholders	Material Issues of Concern	Communication or response mode	Corresponding Chapter in the Report
Customers	Product quality assurance	Quality management system	Quality
	Innovation and R&D	Increase R&D investment	Technological innovation
	Production	Continuous expansion of production capacity	Introduction
	Efficient delivery	Customer satisfaction survey	Customers
	Intellectual property protection	Compliance test	Corporate governance
Employees	Salaries and benefits	Improve the salary system and welfare policies	Employee
	Equality and diversity of personnel	Improve the HR policies	Employee
	Training and development	Improve the training system	Employee
Shareholders	Corporate governance	Shareholders meeting/investor communication meeting	Corporate governance
	Compliance operation	Improve and implement the institutional system	Corporate governance
	Innovation and R&D	Increase R&D investment	Technological innovation
Suppliers	Fair cooperation	Improve the supplier access mechanism	Supply chain
	Good cooperative relationship	Communication by email and phone call	Supply chain
Partners	Innovation and R&D	Building technology platform	Technological innovation
	Quality assurance	Improve the quality management system	Quality
Government	Safety production	Strictly implement safety inspection	Safety
	Protection the environment	Improve EHS management system	Environment
Public	Promotion of local employment	Provide employment opportunities	Employee
	Quality assurance	Avoid product recalls	Quality
	Corporate social responsibility	Participate in charity activities and make donations	Community

Standard environmental, social and governance disclosure

Analysis of Material Issues

Identification, evaluation and ranking of Material Issues

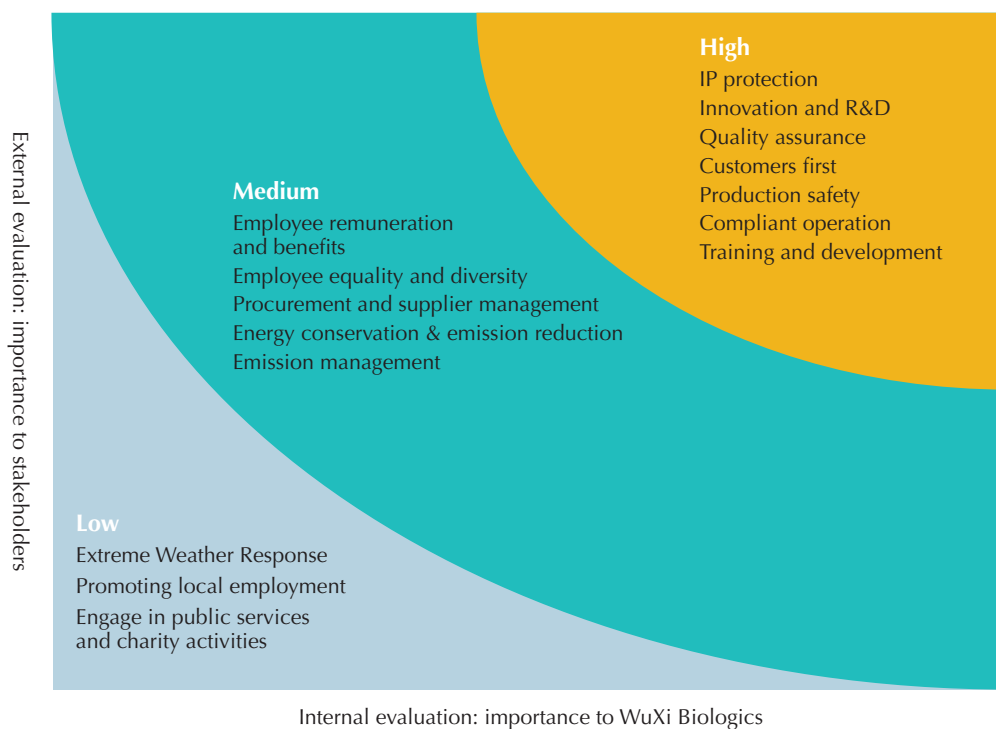
Based on the understanding of the expectations and demands of the stakeholders, in 2020, we carried out the relevant analysis of material issues by issuing sustainable development questionnaires to representatives of all identified stakeholders. In total 223 questionnaires were collected in this survey. After the identification, evaluation and ranking of the issues, the practical issues were classified high, medium and low material issues.

Identification of material issues: communicated with stakeholders in various ways, and summarized the demands and expectations of stakeholders in the daily business process. At the same time, based on ESG reporting guidelines issued by Hong Kong Stock Exchange, and with reference to international and domestic sustainable development trends and peers' practice, material issues of sustainable development in 2020 were identified.

Evaluation of material issues: we took the form of questionnaire survey and invited customers, employees, investors and other stakeholders to evaluate the importance of material issues from their own perspective; then the management of the Company decided the weight distribution according to the impact of the issues on the operation of WuXi Biologics.

Ranking of material issues: based on the two dimensions of "the importance of issues to stakeholders" and "the importance of issues to WuXi Biologics", the importance matrix is used to sort the material issues. Experts and management were invited to participate in the discussion, and 15 important material issues were identified, and then were classified as high, medium and low material issues based on which we manage the sustainable development and prepare relevant disclosure.

Material Issues of WuXi Biologics



Standard environmental, social and governance disclosure

Corporate Governance

Corporate Governance

WuXi Biologics has established a modern organizational structure in compliance with the requirements of the PRC Code of Corporate Governance for Listed Companies, the PRC Securities Law, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and the Companies Ordinance and other laws, regulations and regulatory documents. Based on the “Rules of Corporate Governance” in Appendix 14 of the listing rules, a sound and effective governance framework has been established. The Company has set up a Board of Directors to lead and monitor the strategic planning and daily operation of the Company, appointed a sufficient number of qualified independent Directors, and ensured that they have appropriate skills and experience. As of December 31, 2020, the Board consisted of nine Directors, including three independent non-executive Directors.

The Company has set up Remuneration Committee, Nomination Committee and Strategy Committee, which are endowed with the necessary authority to perform their duties; meanwhile, the Company has set up Audit Committee to ensure that the internal control system of the Company is effective and reliable, and to provide reasonable assurance for protecting for the interests of shareholders and the safety of the Company’s assets.

Best Corporate Governance Awards

In 2020, the Company was awarded the “Best Corporate Governance Awards” by the Hong Kong Institute of Certified Public Accountants, because of its sound governance structure and transparent and compliant disclosure since its listing.



Case

Standard environmental, social and governance disclosure

Corporate Governance

Compliant operation

WuXi Biologics has always adhered to the principle of compliant operation and regarded it as the cornerstone of sustainable development. In carrying out different business activities, the Company abides by the relevant laws, regulations and requirements of the country or the region where it operates, including but not limited to lawful operation, environmental protection, occupational health and safety production, code of business ethics, fair competition and honest operation, etc. The Company has established the Code of Business Conduct, which establishes clear business conduct norms in product quality management, intellectual property and trade secret protection, anti-corruption and anti-bribery, fair trade, employee rights, financial records, global trade compliance, etc., which providing clear guidelines for the employees to carry out business activities compliantly. Meanwhile, the Company has also established the Code of Business Conduct for Business Partners, which aims to regulate and guide business partners' behaviors in anti-corruption, employee rights and sustainable development and etc.

Compliance with Laws, Rules and Regulations	Antitrust and Competition Principle	Gifts, Meals and Entertainment	Zero Tolerance for Corruption and Bribery	Preventing Discrimination and Harassment
Global Trade Compliance	Data Privacy	Protection of Company Assets	Human Rights	Health and Safety
WuXi Biologics' Code of Conduct				
Quality Management	Data Management	Political Activity	Use of Social Media	Financial Records
IP Protection, Trade Secret and Confidentiality Management	EHS Compliance and Sustainable Development	Animal Care and Use	Conflicts of Interest	Insider Trading

Standard environmental, social and governance disclosure

Corporate Governance

Anti-corruption and Anti-bribery

WuXi Biologics always adopts the “Zero Tolerance” standard for corruption and bribery, actively advocates honest and trustworthy business conduct, firmly opposes and resists various forms of bribery and corruption, and makes it clear that the Internal Audit Department, which directly reports to the Audit Committee is the management department of anti-corruption related work. In order to avoid corruption incidents and standardize the management of conflicts of interest, the Internal Audit Department, under the supervision of the Audit Committee, has formulated “Anti-Corruption Policy” based on the applicable laws and regulations, benchmarking the industry practices and adjusting with the actual situation of the Company. Such policy specifies the management requirements over gifts, meals and entertainment and company assets management, etc., and clearly regulates the annual audit and special audit requirements.

~100%

Participation rate

100%

Test passing rate

In 2020, the Internal Audit department has organized training and examinations for all employees around the world and all employees of holding joint ventures to enhance their awareness of anti-corruption and anti-bribery. The training was carried out both online and offline, with the employee participation rate being nearly 100%, and the test passing rate of 100%.



Anti-corruption training

To cultivate the integrity culture, anti-corruption trainings are organized so as to enhance the compliance awareness and self-discipline of all employees. The relevant training effect is enhanced through the anti-corruption examination.



Protection of whistleblower

Those who report properly are promised to be protected from unreasonable dismissal, injury or unfounded disciplinary action, and those who harm or retaliate against them will be subject to disciplinary action.



Closely work with vendors

We build cooperation and mutual benefit based on integrity and compliance, to prevent the occurrence of violations of laws and regulations or corruptive incidents, and work together with suppliers to achieve a clean and fair win-win relationship.

Standard environmental, social and governance disclosure

Corporate Governance

We pay attention to the anti-corruption management of the supply chain, and require all suppliers to sign the Anti-Corruption Agreement with us, which stipulates that both parties shall be honest, self-disciplined and trustworthy in the process of performance. The Internal Audit Department supervises the compliance during the execution of contracts and reports to the Audit Committee.

We encourage employees, customers, suppliers and other stakeholders to report the possible misconduct they notice by sending an e-mail to IA_Biologics@wuxibiologics.com. The Audit Committee receives the report and immediately arranges relevant personnel to follow up.



IA_Biologics@wuxibiologics.com

The Company has set up the “Whistleblowing & Investigation Policy”, which aims to protect the Company’s interests, establish a communication framework for fraud reporting, support and protect the whistleblowers, and ensure that violations are investigated and dealt with independently, objectively and fairly. Such policy also defines the investigation steps, management communication channel and reward and punishment mechanism. The Internal Audit Department inspects the high-risk areas of potential corruption through auditing, issues audit reports, and carries out follow-up rectification for the problems found. In 2020, there was no such case in WuXi Biologics.

Transparent information disclosure

WuXi Biologics is committed to protecting the interests of its shareholders and considers that effective communication with shareholders and other stakeholders is essential for enhancing investor relations and investors’ understanding of the Company’s business performance and business strategies. In this regard, WuXi Biologics has established the “Investor Relationship Management Policy”, which sets out various formal communication channels with shareholders and other stakeholders to ensure fair, comprehensive and transparent disclosure and reporting of the Company’s performance and activities.

On June 18, 2020, WuXi Biologics held the second Investor Day with the theme of “Embrace Change to Turn Challenges into Opportunities”. The Company’s senior management had an in-depth online discussion with nearly 700 global investors about the Company’s strategy, cutting-edge technology platforms, global layout, challenges and opportunities brought by COVID-19 and etc. WuXi Biologics’ annual Investor Day aims to build an open and transparent communication bridge, create value through dialogue, build a harmonious and inclusive shareholder culture, and help global investors better understand WuXi Biologics’ global leading capabilities and technology platforms, advanced management concepts and excellent corporate culture.



Case

Standard environmental, social and governance disclosure

Customers

WuXi Biologics provided services to over 300 customers during the year. It has further diversified its customer base by working with 14 out of the 20 largest pharmaceutical companies in the world and 32 of the 50 largest pharmaceutical companies in China.

89.3%

Overall customer satisfaction

We continue to improve our service and efficiency and strive to improve customer satisfaction. Our Customer Service department organizes customer satisfaction surveys once or twice a year. The contents of the questionnaire has been optimized year by year. In 2020, we have upgraded the questionnaire to be more suitable for the service provided at different stages of projects, and also expanded the scope of the survey. Due to the pandemic that “work-from-home” prevailed and the customer on-site inspection was limited, our overall customer satisfaction still reached 89.3%, equivalent to those of previous years. Through the satisfaction survey, we hope to know the customers’ opinions on the services and products we provide, and whether there are problems such as poor communication in the process of the project. According to the conclusion, we can optimize the products and processes, formulate improvement plans, and improve the service level, so as to keep improving the services and promote the sustainable growth and development of the business.

From a biologics company in China

In the process of rapid promotion and progress of the project as scheduled, we are very satisfied as customers with WuXi Biologics' leading project execution and world-class quality system. Thank you very much for the support of the whole team.

From a large American Bio Company

This came at a shocking surprise ... and with WuXi Bio speed!

From a large American Bio Company

The WuXi Biologics team has been tremendous in their diligence, thoughtfulness, organization, preparation, and follow-through.

From a large Asian Bio Company

Thank your kind and professional supports and friendly hard efforts in helping our team whenever information required to make this success possible.

— Praises from Customers

Standard environmental, social and governance disclosure

Customers

Customer recognition is our biggest affirmation. WuXi Biologics had swept 2020 CMO Leadership Awards in all six criteria (Quality, Reliability, Service, Expertise, Capabilities and Compatibility) across both the Big Pharma and Overall groups. The highly-coveted, hard-earned honors underscore WuXi Biologics' steadfast determination and unremitting pursuit of premier quality, first-class service, efficient execution, and rising influence for the partners.



With light speed, WuXi Biologics won customer recognition by competitive delivery time and high quality



On September 30, 2020, WuXi Biologics undertook the late phase project originally provided by an overseas contract development and manufacturing organization (hereinafter referred to as “CDMO”) company. We were mainly responsible for the manufacturing after the clinical phase III project developed by an overseas company for multiple indications. In the global material shortage environment, with a strong and mature supply chain, the Company mobilized all possible forces to purchase materials, and used the reserved materials to promote the smooth development of the project. On the premise of ensuring the quality, the Company overcame various challenges and completed the delivery to customers in three months. The rapid responsiveness of the Company adapted to the needs of customers, improved the process of development and manufacturing with rich experience, and made the best efforts for the development of new drugs.

Standard environmental, social and governance disclosure

Quality

As a global leading open-access biologics technology platform, while focusing on speed and cost, quality management has always been regarded as the foundation of sustainable development of WuXi Biologics.

Quality Team

Our quality team is directly led by our Chief Quality Officer (“CQO”), and consists of five departments, namely Global Quality and Compliance Department (GQC), Quality Assurance Department (QA), Quality Control Department (QC), Training Center (TC) and Regulatory Affairs Department (RA). Through the collaborative efforts of our quality team, we assisted our customers to complete 100+ global IND applications with our excellent quality control system

100+
complete global IND applications

and development and manufacturing process, with a success rate of 100%. We were awarded more than 50 customer awards, including but not limited to the “Best Partner” awards, medals and letters of gratitude, and continued to secure renewal from our customers.



Standard environmental, social and governance disclosure

Quality

Quality Control

In order to ensure the quality of products and services provided to customers as well as all product related activities, we have established a drug quality management system applicable to all CDMO GMP production facilities under WuXi Biologics. The system meets the relevant requirements of China, EU and the United States for the production of human drugs, as well as to maintain product quality, product safety, compliance and customer satisfaction and the goal of reducing ineffective activities and failures. In order to control the quality of products, we have established a seven-step process of quality control to control the overall quality from the perspectives of raw material procurement, equipment management, staff training and etc..

Quality Control 7-step Process



The Company's Quality Manual regulates the handling of product complaints. Once a product complaint is received, the trained and qualified investigators shall investigate it in time and form a written report. According to the investigation results, corresponding measures shall be taken to ensure that the raw materials, intermediate products, DS and final products with possible problems are properly handled. At the same time, we regularly review the products complaints, to find some common trends, to provide improvement solutions for product packaging or other problems related to product quality and process. In 2020, we received a total of 6 product complaints, of which 3 were caused by bottle cap falling off. By the end of 2020, all product complaints have been properly handled.

Standard environmental, social and governance disclosure

Quality

Quality Audit

We receive the quality audit from the regulatory authorities and global customers every year. In 2020, due to the pandemic the on-site inspection has been restricted. We quickly develop remote audit to cooperate with the audit agenda and meeting arrangement of all parties, and ensure the smooth progress of quality audit by providing documents and photos on the shared disk, in addition to the direct broadcast and Q&A sessions arranged. This year we have received and successfully passed 43 quality reviews, one of which is the on-site GMP inspection by the National Health Supervision Administration of Brazil, and the rest are online quality audits from Asia, the United States, and the European Union.

As of December 31, 2020, we have received and successfully passed 200+ GMP audits. We will continue to lay a solid foundation for global production with the highest quality standards.



Since the establishment
of the Company
200+ GMP Audit



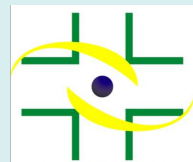
In 2020
43 Quality Audit

WuXi Biologics Received GMP Certification from Brazil's ANVISA

December 28, 2020 WuXi Biologics received the GMP certification from Brazil's Agência Nacional de Vigilância Sanitária (ANVISA). This is WuXi Biologics' third GMP certification from drug regulatory authorities, and distinguishes it as the first company in China to receive authorizations from the U.S. FDA, EMA and ANVISA to manufacture biologics. By the year end 2020, WuXi Biologics' facilities in Wuxi, Shanghai and Suzhou have passed a total of six GMP inspections conducted by these regulatory agencies.



Case



ANVISA

WuXi Biologics (Suzhou) Received EMA GMP Certificate for Biosafety Testing

June 16, 2020 WuXi Biologics' facility in Suzhou received EMA GMP certificate, following that from China National Accreditation Service for Conformity Assessment (CNAS) and China Inspection Body and Laboratory Mandatory Approval (CMA). This marks a great step for the Company to be one of few third-party biosafety testing providers certified by EMA GMP standards in China and even in Asia-Pacific region. The EMA GMP certification is a strong proof of the international recognition of WuXi Biologics' leading technology platform and service, as well as the Company's unremitting pursuit of higher quality.



Case



Standard environmental, social and governance disclosure

Operation

Intellectual property management



Our purpose in business is to enable innovation for our global partners, who keep us at the top of their confidence. IP is our shared lifeline. We guard it at WuXi Biologics with founding principles of integrity, world-class security, zero tolerance policies, and relentless pursuit of justice against any criminal act.

This is our highest priority, and we must hold ourselves accountable. We have established stringent policies and procedures for IP protection and prosecution of IP violations to ensure our partners' success and win their trust.

In compliance with the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Paris Convention, the Patent Cooperation Treaty and other local and international laws and regulations relating to intellectual property rights, as well as the standards of GB/T29490-2013, we pay close attention to the changes in the legal provisions relating to intellectual property rights, and have established the WuXi Biologics IP Manual, the Regulations on Project Related IP Management, the Regulations on the Risk Management and Disputes Settling with Relation to IP and other management measures to specify the management requirements in respect of patents, trademarks, copyrights, domain names, trade secrets and etc.

In order to improve employees' awareness of intellectual property protection, we have carried out a number of trainings related to intellectual property and trade secret protection in 2020. The trainings are based on real cases to publicize the importance and necessity of intellectual property protection, and help employees understand and implement the specific requirements of the Company in the following aspects: intellectual property development, application, protection, use, license, confidentiality, anti-infringement, anti-embezzlement, anti-unfair competition, etc.

At the same time, we require the supplier to sign the supplier's intellectual property declaration with us to explain the intellectual property application and dispute if any, so as to ensure that the procurement behavior does not infringe the intellectual property rights of third parties.

The intellectual property certification authority has conducted certification audit on the intellectual property management system of WuXi Biologics. The audit areas include application, maintenance, transfer, alteration, abandonment, IP search and etc. and so on. No non-conformity was found in the audit process.



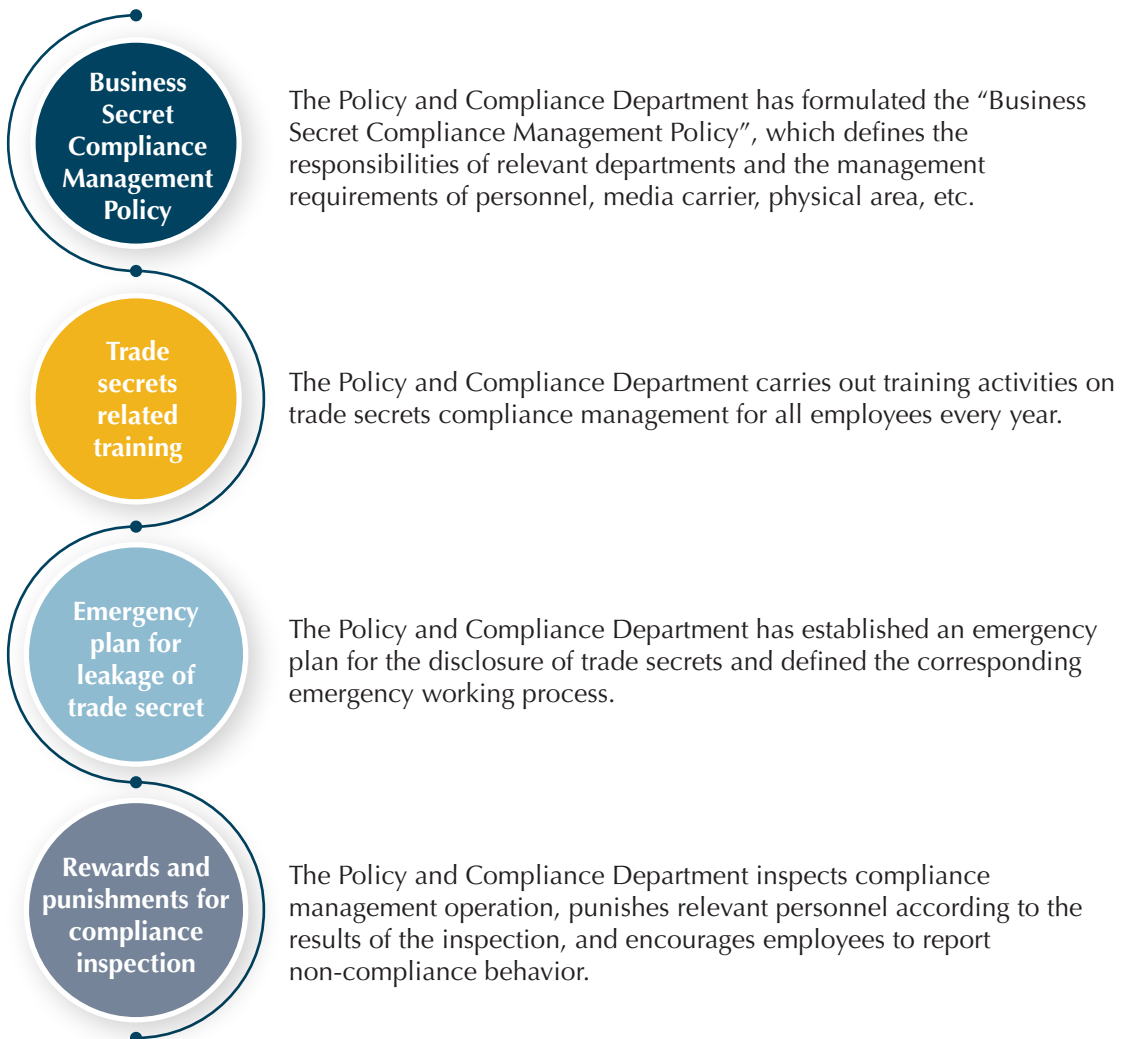
IP Management System (GB/T29490-2013) Certificates

Standard environmental, social and governance disclosure

Operation

Trade secret protection

We attach great importance to the protection of trade secrets of our customers and ourselves. In order to prevent the occurrence of illegal intrusion, hacking and leakage of trade secrets, WuXi Biologics has strengthened the construction of information security technology and safe operation system, and formulated the Trade Secret Compliance Management Policy, which specifies the management requirements. We actively carry out relevant trainings to improve the compliance awareness of employees. To ensure the source of data can be traced, we use Electronic Laboratory Notebook (ELN), double data backup, sequence point-to-point transmission and other means to protect data security. All project related files are encrypted and protected, and the use of removable disks and flash drives is prohibited. Members of different project teams are forbidden to talk about and share confidential project information. Firewalls are set up between different project teams by encrypting project codes and sample names. We have established the leakage emergency plan to minimize the impact of any leakage. Compliance inspection are regularly carried out to independently assess the performance. In 2020, there were five cases of trade secret investigation and punishment. The main violations noticed include installing company mailbox on personal computer, storing and uploading files to online network disk through unapproved channels, etc. No violations have caused any substantial impact on customers, projects and the Company.



Standard environmental, social and governance disclosure

Operation

Information security

Information security is also an important basis for the Company's compliance operation. In order to strengthen the information security management, in 2020, WuXi Biologics updated the relevant policies such as "Database Security Management Specification", "Information Security Incident Management Standard" and "Cyber Security Vulnerability Management Standard", to strengthen the network security from management requirements. The Company also completed the development of Reminder system, which reminding users of the security of the web pages they browse by means of security pop-up window through artificial intelligence. This helps to eliminate network security loopholes from the technical level, so as to build up a better data security system and provide information security assurance for the Company's business continuity.

With the increasing complexity of Internet technology, common network attacks such as cracking enterprise information security system, e-mail fraud, phishing and social media fraud are increasingly rampant. In order to protect data security and improve the information security awareness of employees, the Company regularly promotes information technology compliance knowledge for employees, organizes relevant training activities, and improves the awareness of employees on network security, so as to lower the possibility of employees and data being threatened by such threats.

In addition, in response to the COVID-19, our Information Technology Department strengthens the functionalities of online office software to ensure its stability, so as to help employees work from home to fight against the pandemic.

Remote audit and inspection platform

Due to the COVID-19, we face many challenges from remote working. Our Information Technology Department quickly worked with different departments and launched the Remote Access Platform in April 2020. The new platform solves the needs of different business units and operation units, such as new customer due diligence check, customer remote visit and remote audit, providing customers with innovative digital customer access service and maintaining real-time communication through multi-channels, and ensuring the smooth progress of the projects. Total remote access services provided in 2020 was 108.



Standard environmental, social and governance disclosure

Safety

We always give a top priority to employees' occupational health and safety. We provide our employees with a healthy and safe work environment, and protect their occupational safety and health by organizing medical examination for employees, carrying out publicity campaign on prevention and control of occupational diseases, building a safety culture, establishing emergency response mechanism, enhancing laboratory protection measures, providing potential risk reporting channels, organizing safety training and carrying out safety inspection.

Occupational hazard monitoring

We always attach great importance to the work environment and strive to provide a safe and compliant working environment for employees, and ensure their health.

The Environment, Health and Safety Department ("EHS") arranges qualified third-party inspection institutions to inspect occupational disease hazards in the workplace of the Company annually in accordance with the requirements of the Law of the People's Republic of China on Prevention and Control of Occupational Diseases. In November 2020, a third-party inspection institution was commissioned by EHS to inspect the occupational hazards in WGQ Site, Shanghai. According to the report issued by the third-party, all results were in line with the national requirements.

Safe production

WuXi Biologics has established a sound health and safety management system. The Company ensures the standardized use of special equipment by formulating documents such as "Management Measures of Special Equipment" and "Management System for Safety and Prevention", so as to prevent the occurrence of personal safety and occupational hazards. In addition, the EHS department builds safety culture through various ways, such as establishing EHS Committee, issuing EHS policies and standards, organizing EHS training and "Month of Safe Production" activities, conducting on-site EHS audit and inspection, embedding EHS concept and design throughout project stage, and organizing personal protective equipment (PPE) roadshow. Through the multi-dimensional approaches, WuXi Biologics continuously cultivates the safety values and safety behavior habits of employees, gradually realizes the safety culture of "Self-discipline, Self-management and Team Management", so as to reduce the occurrence of various accidents.

From 2018 to 2020, there is zero casualty due to injury on-the-job. In this year, the number of working days lost due to work-related accidents is 45 days.

Standard environmental, social and governance disclosure

Safety

Safety education and training



In 2020, WuXi Biologics actively carried out 15 internal EHS trainings, including level 3 safety training for employees, annual safety training, first aid training, chemical safety training, special equipment training, environmental protection training, various system training, etc. These rich training contents familiarized employees with the Company's various EHS policies, improved employees' safety responsibility awareness. Through trainings, the life safety of employees and the property safety of the Company are expected to be improved, and all production and operation activities meet the requirements of national laws and regulations.



15 Total trainings
36,000 person-times

30,000 hours
Total training duration

Health prevention

Improper protection of occupational diseases may cause serious damage to the health and safety of employees. Therefore, the Company conducts comprehensive occupational health examinations for employees in positions exposed to occupational hazards, including pre-employment, on-the-job and off-the-job medical examinations, in accordance with the "Technical Specifications for Occupational Health Surveillance".

Pre-employment Examination

Establishes basic health records for the employees exposed to occupational hazards by pre-employment examination.

On-the-job Examination

Dynamically observes the health changes of employees and evaluates the control effect of occupational hazard factors in the workplace by arranging paid physical examinations regularly.

Off-the-job Examination

Carries out off-the-job health examination to determine the health status when (s)he stops contacting with the occupational hazard factors and provides medical assistance and treatment if necessary.

In addition, we provide all employees with medical examination benefits, including general examination, liver and kidney function examination, full digital X-ray and HD color Doppler B ultrasound examination, etc. to ensure that employees detect health problems and diseases in time and reduce health risk factors.

Standard environmental, social and governance disclosure

Safety

Safety Inspection

The Safety Inspection includes daily inspection, pre Festival safety inspection and cross-department joint inspection. The inspections are aimed to supervise whether each department has correctly implemented the EHS policies, and discover and correct the unsafe behavior and unsafe objects timely. After each inspection, the issues found in inspection are entered into the system for remediation actions. By the end of 2020, all departments have actively cooperated with the remediation actions of the issues found in the inspections and the completion rate of the remediation has reached 100%.

Safety Drill

In order to improve the emergency response ability of employees and enhance their familiarity with emergency evacuation routes, each site of the Company has been required to organize twice fire drills a year to evaluate the effectiveness of the overall fire system, and improve employees' response to emergencies.



Employees in the emergency drill of chemical leakage

In November 2020, the Company held an emergency drill for chemical leakage, simulating the actions taken by EHS, engineering department and logistics department when the dangerous chemicals were leaked. The wearing of PPE and the use of emergency materials were conducted on the spot, which enhanced the employees' emergency response when the sudden chemical leakage occurs.



Emergency Response

The Company established an emergency response mechanism, where the EHS department would set up an emergency response team to assume the responsibility of emergency response. Six special emergency response plans have been set up, including fire and explosion, chemical leakage, environmental incidents, special equipment, biological hazard incidents and natural disaster incidents.

In addition, in response to the COVID-19, the Company formulated contingency plans for the first time, including personnel isolation requirements, personnel information statistics, commuting and social demands, exception handling process, access control, external personnel control, emergency supplies storage, masks distribution and so on. Since its outbreak to slow-down, the preventive and control measures were updated real-time according to local government's requirements. The high risk areas were timely communicated to all the people. People who accessed to those high risk areas were searched and monitored, as well as their close contacts. The quarantine and nucleic acid testing were arranged. All the above proved the Company's quick emergency response mechanism.

Standard environmental, social and governance disclosure

Employee

Talent is the foundation of enterprise operation and development. As a global R&D and innovation company, we always see our employees as our first priority. Aiming at ensuring the occupational health and safety of employees and creating harmonious labor relations, we establish a talent team that meets the strategic requirements of the Company from the perspective of sustainable development strategy. We also actively promote the employment development of talents in regions all around world, and help local economic growth to achieve coordinated development of the industry.

According to the requirements of all applicable national, regional and international laws, regulations, conventions and regulations, we have designed policies on employee recruitment, management, development, occupational health, labor safety, welfare and other related topics to protect the interests of our employees. In 2020, in line with the continuous expansion of business scale, the total number of WuXi Biologics total employees has risen to 6,646, with an increase of 17.3% compared with last year. In addition, we have established a high-quality and highly educated talent team, of which 8.3% of the employees have a PHD or equivalent degree, half of the employees have a master degree or above, and nearly 86.8% of the employees have a bachelor degree or above.

Top Graduate Employers Award



WuXi Biologics stood out as the winner of the Top Graduate Employers Award. The Top Graduate Employers Award is co-launched by 51job.com, the leading integrated human resources service provider in China, and yingjiesheng.com, the leading online job search portal for college users in China. This award represents the best employers widely recognized by college students, and shares high reputation among students. We attach great importance to the development and retention of talents, and continuously improve employee satisfaction by providing a healthy and safe working environment and improving the training and development system.

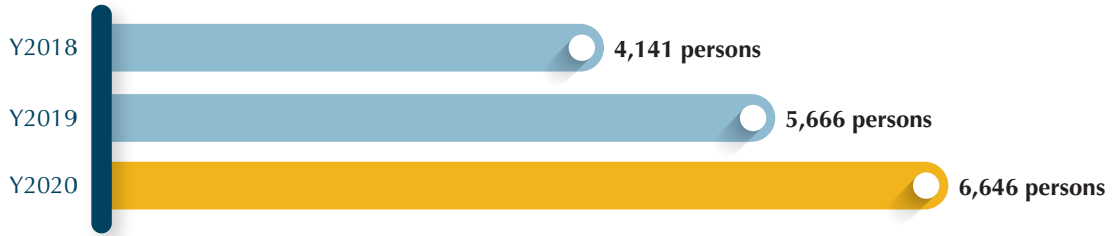


The Company adheres to high performance culture and PROUD culture, improves job requirements, strengthens the identification and management of low performance employees. As a result, the number of employees who leave the Company passively has increased. The staff turnover rate (calculated by voluntary application for resignation) was 9.28%.

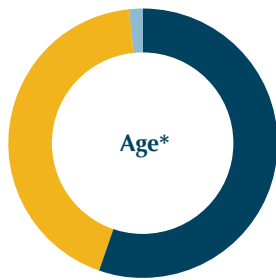
Standard environmental, social and governance disclosure

Employee

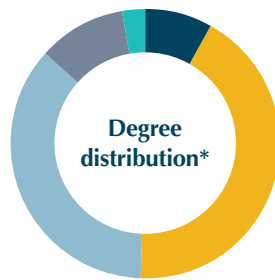
The growth of the number of employees of WuXi Biologics in recent three years



Employee Structure in 2020



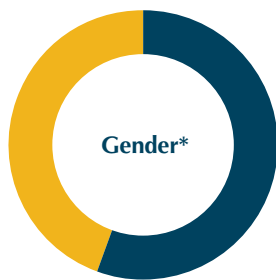
- Below age 30
- Age 30 to 50
- Above age 50



- Doctor
- Master
- Bachelor
- Junior college
- High school and under



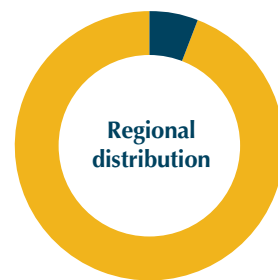
- Senior
- Intermediate
- Entry
- General



56%
Female Employees



97%
Full-time Employees



6%
Employees out of China

* Since the specific information of employees out of China cannot be obtained, the data range with asterisk is only for employees based in China.

Standard environmental, social and governance disclosure

Employee

WuXi Biologics strictly follows corresponding laws, regulations including “the Labor Law of the People’s Republic of China” and “the Law of the People’s Republic of China on Employment Contracts”, and prohibits child labor and forced labor. In the “Recruitment Management Policy”, the Company clearly stipulates that the employed employees must meet the minimum working age requirements of relevant laws and regulations, and forbids employing anyone below the minimum working age. The specific age standard varies in different countries. In 2020, WuXi Biologics did not have any case of child labor or forced labor.

Global Partner Program

According to the Company’s future development plan and comprehensive compensation strategy, the Company has launched the “Global Partner Program” in 2020, aiming to further enhance the employees’ compensation competitiveness in various countries around the world, attract the world’s first-class management and technical talents, motivate and retain the Company’s core key talents, and link the Company’s performance with the employee’s equity incentive compensation, so as to further improve the Company’s rapid growth of performance.

Training and Development

The essence of enterprise competition and development is the competition of talents. Therefore, WuXi Biologics attaches great importance to the improvement of employees’ knowledge and skills, and vigorously supports the individual’s personal development. We have designed a reasonable annual training and development plan for business needs, and established an efficient talent training and development system, which is composed of 5 series of courses, namely the integration of new employees, general skills for all employees, professional and technical skills, leadership and management skills, and educational development. Such system can help employees to get good career development, to realize their self-worth as well as to achieve the Company’s business development.

Efficient training

We adhere to the “Training Policy”, “Internal Lecturer Management Policy” and other policies to continuously and efficiently train talents to ensure the adequacy and depth of talent team. In 2020, in addition to the continuing traditional training courses, we added more new and interesting training contents and in different training forms, including classroom courses, live sharing, video courses, online and offline mixed training, etc. As of December 31, 2020, we have conducted 1,436 training sessions in total. Unlike previous years, EHS Department, Compliance Department and Training Center have been added to the statistics of the Company’s training data, so the total amount of training data is 1,276 sessions more than that in 2019; the total training time is 487,510 hours, and the average training hours per capita is 78.10 hours.

1,436
Training sessions

487,510 hours
Total training time

78.10
Average training hour

Standard environmental, social and governance disclosure

Employee

PROUD Culture Course



In 2020, WuXi Biologics continued to promote the PROUD culture, which represents Passion, Reward, Ownership, United and Determined. The HR department has developed the corporate culture course — “the PROUD Journey”. As the Company’s key project to promote globalization, such culture course is aimed at global employees. It is committed to establishing the Company’s cultural values among global employees, helping employees to deeply understand the connotation of PROUD culture and embrace the inclusive and diversified culture. In December 2020, the first lecture of PROUD course was held in Shanghai, which was unanimously well received and highly spoken of by the employees. After the course, the employees learned about the relevant tools, methodology and other points through videos, group discussions, activities and exercises, etc., to master the principle and application of relevant tools so as to put the PROUD culture into effect.



Master Class



In order to continuously create a learning culture for all employees, promote the exchange and accumulation of experiences, and build a high-quality learning platform for all staff, the Company launched a series of lectures of sharing since April 2020. Those sharing sessions have covered over 30 themes of major business sectors, including discovery, development and manufacturing, Chinese manufacturing and quality. The Company's senior executives were invited as guests to share with the whole staff about the business introduction, platform capabilities, advanced technologies, and future development trends. During the year, there are 20 sharing sessions of online live lectures (including one overseas lecture), with a total of 2,508 participants (calculated by individuals) throughout the year, accounting for nearly one-third of the Company's employees. The accumulated person times is 6,969 with an average 348 participants per session, and an overall satisfaction rate of 97 points. Through the sharing window, colleagues learned about the status quo and the development of the Company's leading enabling platforms, team size and functions, advanced processes and technologies, and some hot topics in the industry. Nevertheless, the employees also got a very rare opportunity to communicate and interact closely with the senior executives. After each sharing session, we received a lot of positive feedback from the participants.

Participants' feedback

Broaden our horizons:

We understand the industry trends and the future prospects of the Company, and the strength of the empowering platform.

Enhance business insight:

Through the understanding of business overview, we enhanced our business insight and understanding of our own works.

Stimulate the sense of mission:

Through the sharing session, we can understand the Company's capabilities, advanced technology and industry status, stimulate the sense of honor, and strengthen the confidence in the Company and personal development.

Promote cross functional communication and cooperation:

Through understanding of each Business Unit and its work, it lays a foundation for cross functional communication and cooperation in the future.

Standard environmental, social and governance disclosure

Employee

Career development

The Company has developed the Employee Promotion Policy to specify the promotion criteria, promotion rate, promotion appraisals and other aspects so as to standardize the orderly promotion of employees, and provide employees with clear career development paths, which namely includes promotion within technical system, promotion within managerial system and transfer from technical to managerial system.

Fresh Water Program

In 2020, we officially launched the “Fresh Water Program” which is to increase the flexibility in employees’ development from their own perspectives. The “Fresh Water Program” identifies and develops high-performance employees, establishes internal talent pools, designs performance/profit driven incentive scheme and promotes the high-performance culture, which in turn helps to increase efficiency, activate the flow of talents and achieve the goal of long-term sustainable growth.

Elite Program

The Company continues to implement the “Elite Program” this year, and is committed to looking for high potential talents around the world. We provide students with a series of learning and development resources and tools tailored to help them grow into excellent managerial and technical experts. During the two-year project period of “Elite Program”, through job rotation and a bi-tutor system, we enable students to have a comprehensive understanding of the Company’s business, and finally find the most suitable position for their own career development according to their performance and interests.





Standard environmental, social and governance disclosure

Employee

Compensation and Benefits

WuXi Biologics has always been committed to providing employees with competitive compensation and benefits. In terms of salary, the Company strictly follows the relevant salary management regulations of local governments, ensures that the basic salary of all levels of employees is not lower than the standards set by laws and regulations, and pays all kinds of social insurance in full and on time, including basic endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, birth insurance, supplementary commercial insurance and housing provident fund. We effectively use the salary adjustment matrix to determine the annual salary adjustment rate of each employee based on two aspects, namely the individual performance and the pay level. In addition, the operating results, changes in local consumption index, market salary level, peers comparison, changes in position and job nature are also included in consideration for salary adjustment.

In terms of corporate welfare, the Company arranges at least one physical examination for employees every year and provides diversified health insurances for employees. In addition, we also provide the following benefits for all employees:

 Employee clubs Sports Club English Club Photography Association Acabera Association	 Festival care Women's day, International Children's Day, Mid-Autumn Festival and Spring Festival, etc. Staff birthday party activities
 Personalized benefits Shuttle bus/transportation subsidy Free transitional housing High temperature paid leave Staff canteen	 Welfare incentive Reward for outstanding employees A+ performance ceremony

We are committed to creating a people-oriented and excellent working environment, advocating work and life balance, and hope that employees can find fun from their work. Therefore, the Company actively establishes various clubs and associations, such as dance, sports and English clubs, photography and Acabera Association, to enrich the cultural life of employees, create a good working atmosphere and jointly promote the corporate culture.

Standard environmental, social and governance disclosure

Employee

“MingYu Dorm” Isolation



In the early stage of the resumption of operation in 2020, in order to settle the employees out of town who returned to work in WuXi City, the MingYu Dorm of the Company was quickly converted into a centralized home quarantine location. The employees were allowed to back to work after the 14-day home quarantine period at MingYu Dorm which was certified by the Bureau of Safety Supervision. It properly resettled the employees returning to WuXi City and ensured the safe isolation by one room for one person. There were in total 232 people settled for normal isolation and 168 people settled for emergency isolation, which effectively alleviated the accommodation pressure during the pandemic.

In order to prevent cross infection inside the apartment, MingYu Dorm also adopted alternated isolation mode to ensure the separation of different types of people to the maximum extent. During the period of isolation, MingYu provided basic daily lifecare services to ensure the livelihood of the people and calm their emotions to smoothly complete the isolation.



Employees entering MingYu Dorm for isolation

In addition, WuXi Biologics always keeps communication with employees and listens to their voices. Through Human Resources (“HR”) hotline, we have learned about employees’ consultation on salary, benefits, vacation, training and other aspects, and have solved these problems effectively.



HR Hotline

In 2020, WuXi Biologics organized the PROUD Engagement Best Practice Competition which put up with action plans including: set up remote access platform, have Complaints meeting and lunch meeting, optimize training team and system, set up automation, process standardization and etc. to address the issues of “upgrading leadership and exploring employees’ potential”, “broadening career path by providing comprehensive training and breaking career boundaries”, “improving safety, efficiency and cooperation” among all departments. On the other hand, through the all employee meetings organized by HR department, we timely and transparently deliver the personnel policies and incentive plans to all employees so as to increase their sense of belongings and pride.

Standard environmental, social and governance disclosure

Employee

Equality and Diversity

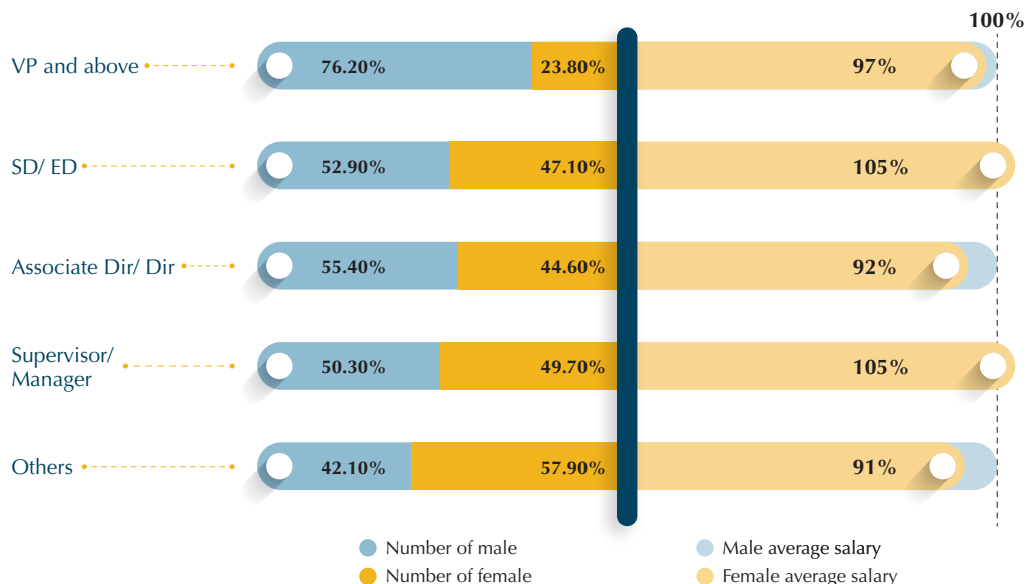
WuXi Biologics actively promotes its global operation and development, and strives to maintain equal and diversified employment opportunities. We are always committed to attracting, gathering, encouraging and employing diversified talents to build a harmonious and efficient team. Therefore, the Company strictly follows human rights, international labor conventions, Labor Law of the People’s Republic of China and Labor Contract Law of the People’s Republic of China, and signs labor contracts with all employees compliantly. In addition, we promise to provide equal employment opportunities in recruitment, career development, promotion, training and reward, regardless of skin color, nationality, race, age, gender, religious belief or physical defects, prohibit any form of discrimination or unfair treatment caused by any non-work related factors, and promote a fair and equal corporate culture. The Company works with the Disabled Persons’ Federation, Home for the Disabled and other government agencies to solve the employment problem of the disabled people. In 2020, the Company has helped 68 disabled people in total.

In 2020, our female employees accounted for approximately 56% of our total workforce based in China, basically achieving a balanced gender company-wide. Female employees are equally paid for equal work. The Company attaches great importance to the cultivation of women’s leadership, promotes leadership through women’s flexible management, and is committed to creating a harmonious culture. In 2020, about 49% of our managers and above are female, about 4% higher than that of 2019. In addition, at a certain levels, the proportion of female employees’ average salary is higher than that of male employees, which also proved that more female employees have devoted themselves and achieved their value. In addition, we also have employees from the United States, Malaysia, Germany and Russia currently work in China.

49%
female management staff

↑ 4%
compared with 2019

Proportion of female employees and average salary comparison



Standard environmental, social and governance disclosure

Environment

WuXi Biologics adheres to the green environmental protection concept of harmonious coexistence between human and nature, and attaches importance to the environmental impact in the operation process. We have a well-established EHS management system, makes rational use of clean energy, effectively responds to climate change, continuously advocates the concept of low-carbon office operation, and actively carries out environmental protection activities, so as to effectively reduce the impact of the Company's operation on the surrounding environment.

Improve EHS management system

In 2020, the Company continues to improve the construction of EHS management system. The system consists of four tiers and one audit tool, namely EHS guidelines, compliance with EHS standards and regulations, EHS policies and procedures, EHS related records and EHS audit tool, which provides guidance for the operation, EHS design of new projects and EHS audit of customers. In 2020, the Company focused on the internal and external audits of EHS and improved the EHS management system. In addition, Mashan base phase I of Wuxi Site has passed the ISO 14001 Environmental Management System certification.

Internal EHS management system audit

In July and August 2020, according to the Company's EHS standards, the EHS Department conducted internal EHS management system audit on Wuxi Mashan Site and Shanghai WGQ Site, aiming to verify whether the EHS management system meets the requirements, and provide effective information for future effective management review, correction and prevention. Internal audit covered on-site work audit and document audit, including EHS management system, emergency response, contractor management, chemical management, work permit, biosafety, industrial hygiene, atmospheric management, laboratory safety, occupational health system construction, etc. Through the internal EHS audit, we also shared the best practices of each site, effectively reduced the EHS risk, found improvement opportunities, and continuously followed up the rectification through "Corrective Action and Preventive Action" (hereinafter referred to as "CAPA").

Standard environmental, social and governance disclosure

Environment

External EHS laws and regulations audit

In recent years, EHS related laws and regulations update frequently. The government departments such as Emergency Management Bureau, Ecological Environment Bureau, Market Supervision Department and Public Security Bureau have been increasingly active in the inspection and supervision of enterprises. In order to better meet the requirements of EHS related national and local laws and regulations, and reduce the relevant risk, in September 2020, the Company hired a professional third-party consulting agency to conduct a compliance audit on environment, health, safety, fire protection and other aspects for WuXi Mashan site and Shanghai WGQ site. The audit focus included environment, safety, occupational health permit documents, special equipment management, work permit, emergency management, fire management, training, waste water, waste gas and solid waste management, etc., and the Company's overall compliance with laws and regulations was comprehensively reviewed.

Pharmaceutical Supply Chain Institution (hereinafter referred to as "PSCI") external audit

PSCI audit is the audit of pharmaceutical enterprises with suppliers, which includes management system, ethics, environment, safety and so on. In October and November 2020, the customers of two large multinational pharmaceutical companies conducted two PSCI audits on WuXi Mashan Site respectively. The customers visited the site and checked the EHS management documents, records and reports. There were no serious or major non-conformities found in the two PSCI audits. The customers' auditor highly recognized the EHS management team, EHS record keeping and EHS on-site management of WuXi Biologics.

Use of Resources

Energy is an important material basis for national economic and social development. The resources we consume mainly include natural gas, electricity, water and packaging materials. In 2020, we continuously adhered to the principle of recycling resources and advocates the better use of energy, by promoting energy efficiency management to save resources consumption and reduce the impact on the environment.

Standard environmental, social and governance disclosure

Environment

↓25%
Intensity of natural gas consumption decreased

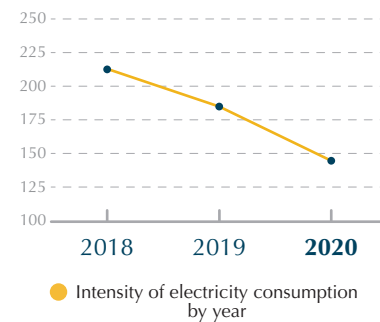
↓22%
Intensity of electricity consumption decreased

Energy consumption

In the daily production and operation activities, the energy we consume is mainly electricity and the natural gas. Natural gas consumption in 2020 was 5,665,031 m³ with an intensity of 10.09 m³/RMB0'000 calculated by unit of revenue of RMB10,000, representing a decrease of 25% as compared to 2019. The total electricity consumption was 81,128,859 kWh with an intensity of 144.55 kWh/RMB0'000 calculated by unit of revenue of RMB10,000, representing a decrease of 22% as compared to 2019.

Thanks to the concept of energy saving and consumption reduction that WuXi Biologics always adheres to, the electricity and natural gas density data of the Company have decreased significantly in the past three years. The Company's progress in energy saving comes from the fact that, we fully consider the process design of operating equipment and identify effective energy saving measures to reduce the required energy consumption in the process of plant construction and daily operation. In this year, the Company has introduced different policies for various energy-saving processes. For example, in order to standardize the management of power transformation, power supply, distribution and electrical facilities and equipment, and achieve the purpose of energy-saving, WGQ site has newly issued the "Electricity Management Specification". In order to reduce the consumption of industrial water, the Company issued "SOP for Pretreatment Water System" and etc. In addition, to manage the energy conservation of specific projects better, the Company hired external professional organizations to evaluate the energy consumption of these projects and dynamically monitor the energy cost.

Intensity of electricity consumption (kWh/RMB0'000)



Indicators	2020	2019	2018
Total electricity consumption (kWh)	81,128,859	73,641,241	53,954,373
Intensity of electricity consumption (kWh/RMB0'000)	144.55	184.86	212.88
Total gas consumption (m ³)	5,665,031	5,389,428	3,381,315
Intensity of gas consumption (m ³ /RMB0'000)	10.09	13.53	13.34

Standard environmental, social and governance disclosure

Environment

In order to reduce the use of energy, WuXi Biologics has also implemented a series of energy-saving measures in 2020, which estimated to reduce energy consumption by more than RMB1 million per year:

Air conditioning air volume optimization

By reducing the operating frequency of the fan in the air conditioning system, the air exchange rate is reduced by 20% on average, which not only ensures that the air exchange rate in the clean area meets the requirements of production process and regulations, but also takes into account the needs of energy conservation, environmental protection and cost reduction.

Building management system (hereinafter referred to as BMS) automation transformation

The old cooling tower fans required manual start/stop, being difficult and wasted time, and may cause over temperature of cooling water due to untimely manual adjustment which will negatively impact the manufacturing. After reconstruction, the cooling tower fans have been monitored by BMS system, and can start/stop automatically according to the cooling water temperature, which not only saves the energy but also increases stability of water temperature control.

Air conditioning lowering the temperature of the air supplied

Through the BMS system setting, the air temperature parameter setting of air conditioning is lowered, to achieve the purpose of energy saving.

Centralizing fresh air treatment of air conditioning and designing heat recovery device

In the design of the new facilities, the design of clean air conditioning is continuously optimized, the dehumidification treatment of air conditioning has been optimized, and combined with the heat recovery device so as to utilize the recovery energy for the second time. The energy consumption of hot and cold air conditioning is expected to save 10%-20%.



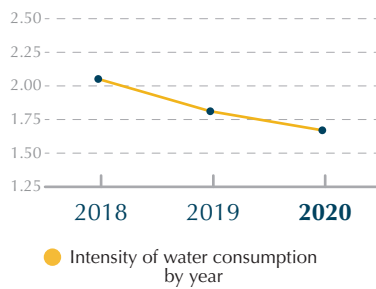
Standard environmental, social and governance disclosure

Environment

↓ 8%

Intensity of water consumption decreased

Intensity of water consumption (tonnes/RMB0'000)



Water consumption

WuXi Biologics does not take water from water resources pressured areas and all sites have sufficient high-quality industrial water for use. We have encouraged our employees of each department make proper use of water in producing, cleaning, cooling and living, etc. By multiple use of water and recycling, we are able to improve the overall utilization rate of water and avoid waste. In 2020, due to the increase in production capacity, the Company's total water consumption was 935,046m³. The water consumption intensity was 1.67 tonnes/RMB0'000 calculated by unit of revenue of RMB10,000, representing a decrease of 8% compared with 2019.

In 2020, WuXi Biologics has implemented the following water-saving measures:



Tap valve control

Adjust the flow of water valve in the office area, and reduce the water supply valve by 50%.

Optimization of activated carbon backwashing process in pretreatment system

The water consumption of activated carbon backwashing is reduced by half.

Indicators	2020	2019	2018
Total water consumption (tonnes)	935,046	719,168	519,787
Intensity of water consumption (tonnes/RMB0'000)	1.67	1.81	2.05

Standard environmental, social and governance disclosure

Environment

Packaging materials consumption

The main packaging materials we used are penicillin bottles, rubber plugs, aluminum caps and carton boxes. In 2020, due to the increased production capacity and new production workshop, we consumed packaging materials of 23,400 kg, with a intensity of 0.042 kg/RMB0'000 calculated by unit of revenue of RMB10,000. We actively encourage our customers to use renewable materials or recycle packaging materials to reduce consumption.

Indicators	2020	2019	2018
Total packaging materials consumption (kg)	23,400	15,600	10,287
Intensity of packaging materials consumption (kg/RMB0'000)	0.042	0.039	0.041

Emission Management

The emission of WuXi Biologics includes exhaust gas, greenhouse gas, sewage and waste. We pay great attention to the harmony between operation and environment. During the reporting period, we insisted on environmental protection investment, reduced production emissions, and minimized the negative effect of the Company on the environment in the operation process. We carefully identify the emission sources of various pollutants. With reference to the environmental protection law of the People's Republic of China, the Law of the People's Republic of China on the prevention and control of air pollution and other laws and regulations, we have formulated Biological Environmental Protection Management Policy. We effectively manage the emissions in the process of development and production, and strengthen the waste management by continuously improving the environmental management system and promoting process optimization. In addition, WuXi Biologics regularly engages qualified testing institutions to conduct corresponding environmental inspections of the sites in Shanghai, WuXi and Suzhou, and issue environmental monitoring reports to check the emissions of exhaust gas, sewage and environmental noise. In 2020, there was no excessive emission from WuXi Biologics.

Standard environmental, social and governance disclosure

Environment

↓25%
Intensity of emission decreased

Greenhouse gas

In 2020, due to the increase in production capacity, the greenhouse gas (GHG) emissions increased because of more consumption of natural gas. The total greenhouse gas emissions were 85,402.91 tonnes, among which approximately 87% residing in Scope 2 emissions. The total emission intensity was 0.15 tonnes/RMB0'000 calculated by unit of revenue of RMB10,000, representing a decrease of 25% as compared to 2019. Our main energy use is natural gas and electricity. In order to give full play to the synergistic role of energy conservation and emission reduction, we continue to increase investment in energy conservation and emission reduction related technologies, strengthen the publicity of emission reduction concept within the Company, and strive to use cleaner energy to reduce greenhouse gas emissions.

Indicators	2020	2019	2018
Scope 1 emissions (tonnes)	11,042.34	10,584.38	4,182.00
Scope 2 emissions (tonnes)	74,360.56	68,339.07	50,069.66*
Total emissions (tonnes)	85,402.91	78,923.45	54,251.66*
Emission intensity (tonnes/RMB0'000)	0.15	0.20	0.21

* The data of Scope 2 emissions in 2018 has been restated.

↓~20%
Nitrogen oxide emissions reduced

↓~70%
Smoke and dust emissions reduced

Exhaust gas

The waste gas generated by us is mainly industrial exhaust gas, such as boiler exhaust, nitrogen oxide, smoke and dust. We strictly abide by the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution and the Emission Standard of Air Pollutants of the People's Republic of China, to control the emission of waste gas, reduce the damage and impact of waste gas on the ecological environment. There was no incident of excessive emission during the year. And in 2020, the Company's nitrogen oxide emissions is reduced by nearly 20% compared with that in 2019, and the smoke and dust emissions is reduced by nearly 70% compared with that in 2019.

Indicators	2020	2019	2018
Boiler exhaust emissions (ten thousand Nm ³)	5,863.50	5,389.00	3,139.00
Nitrogen oxide emissions (tonnes)	2.66	3.28	2.35
Smoke and dust (tonnes)	0.02	0.07	0.07

Standard environmental, social and governance disclosure

Environment

Hazardous Waste

We strictly abide by the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People's Republic of China on the Prevention and Control of Radioactive Pollution, the Management Measures for Urban Radioactive Waste and the Regulations on the Administration of Medical Waste. We have formulated and adhered to the Waste Management Policy to supervise and manage the collection, storage, transfer and disposal of hazardous waste generated in production and operation activities. In the process of disposal, all hazardous wastes are handled in accordance with the required procedures. Employees are offered necessary protection in the course, and different wastes are placed in different temporary storage points to ensure that all various solid wastes are 100% properly disposed without affecting the surrounding environment.

In view of the three major bottlenecks of waste disposal, namely, high volume, improperly classified and difficult to be disposed, the Company launched hazardous waste treatment process improvement project and adding new disposal service provider in 2020. By the end of the report period, the cost of hazardous waste disposal has been saved by 22% of the total annual budget.

Hazardous waste treatment process improvement project, not only reduces the air pollution caused by burning hazardous waste, but also reduces the cost of hazardous waste disposal. The adding new disposal service provider project, on the premise that only qualified hazardous waste disposal suppliers are included, added the processes of price comparison and supplier evaluation for hazardous waste suppliers, including environmental impact assessment, emission permit, account management, environmental penalty record, environmental treatment facilities, staff training, security situation, etc. We selected the best supplier by evaluation.

In 2020, due to the increase in production capacity, the amount of hazardous waste discharged by WuXi Biologics was 1,626.78 tonnes and the unit discharge was 0.0029 tonnes/RMB0'000 calculated by unit of revenue of RMB10,000.

Non-hazardous waste

Non-hazardous waste produced by us is mainly office solid waste. In 2020, due to the increase in the number of employees, WuXi Biologics generated 2,107.31 tonnes of non-hazardous waste. In WuXi Site, we engage qualified suppliers to recycle office solid waste, where valuable waste such as carton boxes and iron is recycled and recovered monthly. In Shanghai Site, we declare office solid waste disposal fee to Shanghai Waste Management Center and the government will carry out the removal and disposal work.

Indicators	2020	2019	2018
Total hazardous waste (tonnes)	1,626.78	1,152.00	857.11
Total non-hazardous waste (tonnes)	2,107.31	1,231.09	367.50
Total waste discharge (tonnes)	3,734.09	2,383.09	1,224.61
Intensity of waste discharge (tonnes/RMB0'000)	0.0067	0.0060	0.0048

Standard environmental, social and governance disclosure

Environment

Sewage

The sewage mainly comes from the experimental wastewater produced in the production process. We strictly abide by the Water Pollution Prevention and Control Law of the People's Republic of China, the Regulations on Urban Drainage and Sewage Treatment and other regulations. We regulate the emission reduction, treatment, detection and other related operations of wastewater to ensure that the sewage can be discharged only after being treated by the wastewater treatment plant to meet the standard and reduce the adverse impact of sewage pollutants on the surrounding environment and the health of employees.



The new sewage treatment station in WGQ Site

In 2020, in order to further regulate the discharge of sewage, the Company built a new sewage treatment station in Shanghai WGQ Site to improve the effluent quality and ensure that the discharged wastewater meets the Shanghai integrated wastewater discharge standard (DB31_199-2018), which will not directly affect the surrounding surface water environment.



Case

Standard environmental, social and governance disclosure

Supply Chain

Supply Chain

WuXi Biologics attaches great importance to the management of supply chain. We make efforts to eliminate any violation of business ethics and market rules by strictly abiding by relevant laws and regulations of bidding activities. On such basis, we have formulated the Supplier Management Policy, which specifies the classification of suppliers and the management responsibilities of each department, providing comprehensive guidance on supplier introduction, performance review and management, supplier audit and other key activities within supplier management lifecycle. We continuously inspect and evaluate the facilities and operational capabilities of suppliers.

At the same time, we have taken the performance of suppliers in terms of social responsibility into consideration. For example, we have employed a third-party professional organization to conduct a due diligence check on the suppliers. The check covers whether the suppliers have seriously violated the labor regulations, whether they have used child labor, whether they have defaulted on employees' salaries, whether they have violated the environmental protection regulations, etc. We grade suppliers according to their performance in these aspects, and only suppliers with more than certain points can be qualified.



Supplier Management

WuXi Biologics actively establishes long-term and mutually beneficial cooperation with suppliers, prioritizes cooperation with local suppliers and contributes to the development of local industrial chain. In 2020, WuXi Biologics has nearly 1,000 active suppliers, with 89% being Chinese companies, among which the suppliers from the Yangtze River Delta Region are of the greatest number and accounting for 76%.

Standard environmental, social and governance disclosure

Community

Public welfare has always been the direction of the Company. WuXi Biologics is committed to actively taking the responsibility of practicing corporate social sustainable development, participating in diversified welfare activities, caring for vulnerable groups, and creating sustainable public welfare value. In 2020, we, as always, actively participated in organizing and carrying out various social activities, such as launching blood donation activities, making voluntary donations, establishing volunteer associations, etc. to help people in need to give back to the society.

“Medicine Kit” project

In 2020, WuXi Biologics donated RMB500,000 to support the “Medicine Kit” project of China Population Welfare Foundation, which is led by the National Health Commission. The Medicine Kit project is one of the health and heartwarming projects of the foundation. The volunteers of WuXi Biologics received professional training in advance, took these Medicine Kits to Lianhua County, Pingxiang City, Jiangxi Province, to publicize health knowledge for local people, and handed out Medicine Kit to families in need.

Fighting against COVID-19

Since the outbreak of COVID-19 in 2020, the management and departments of the Company have actively coordinated and allocated resources. Apart from China, we also donated anti epidemic materials to dozens of customers and medical institutions in countries such as Ireland, the United States and Germany, and supported the fight against the pandemic. The total donation amount exceeded RMB1 million.



German doctors express their thanks to WuXi Biologics after receiving anti epidemic materials

Standard environmental, social and governance disclosure

Community

Ecological protection

In order to better protect the planet and nature and undertake our due responsibilities, we strictly follow animal research and testing standards in daily operation, and actively cooperate with non-governmental organizations to protect the ecological environment. In November 2020, WuXi Biologics attended the seminar of “Benevolent pharmaceutical companies — protection of endangered wildlife”. We had in-depth discussions and exchanges with more than 30 experts, scholars and enterprise leaders in the field of medicine and related fields on the topic of the pharmaceutical industry’s participation in wildlife protection. We strived to reduce the demand of wildlife drugs and health care products from the aspects of the change of public concept and the research and development and publicity of substitutes.

Supporting Education



In July 2020, WuXi Biologics launched the charity activities of supporting students to education. We came to Shuping Town Central Primary School in Liangshan, Sichuan Province to help the children in the mountainous areas with the necessary educational materials to let them feel love and caring. The six partners of the charity group set out from WuXi and Shanghai, respectively. After three hours by plane and eight hours by bus, they traveled around Chengdu and Xichang and finally arrived in Zhaojue County, Yi Autonomous Prefecture, they have carried heavy gift bags carefully prepared for the children in Shuping Town, Liangshan, and started the journey of “love transmission”.

On behalf of the Company, the charity group donated 239 books to the school, visited more than 10 local children’s families, and sent stationery, snacks, daily necessities, personal protection and health bags and full of love for the children, to do their best to support the children’s reading dream.



“A strong youth makes a strong country; a wise youth makes a wise country”. Looking at the innocent smiling faces of the children, all the volunteers felt that the hard work of the journey had been swept away. WuXi Biologics’ love aid activities will go further and longer.

Standard environmental, social and governance disclosure

Community

Establishing “Volunteer Association”



On December 4, 2020, the “Volunteer Association” was officially established. Two branch offices were set up in Shanghai and WuXi City, and the first volunteer community activity was carried out in WuXi City to deliver the medicine kits with standing medicines for the elderly in the community, and explain the hazards of expired medicines on spot. In the future, the Volunteer Association will continue to develop more voluntary projects in line with the Company’s core values, focusing on public health, education and public welfare, empowering patients, poor groups, and every employee, so that every partner can realize higher personal value through participating in voluntary activities and practicing social responsibility on the Company’s platform.



The establishment of WuXi Biologics Volunteer Association



The community activities of WuXi Branch of WuXi Biologics Volunteer Association

Preparing for the “WuXi Biologics Charity Foundation”

In 2020, we began to prepare for the establishment of WuXi Biologics Charity Foundation, with an initial registered capital of RMB2 million. The fund is used for special purpose and managed individually, to further practice corporate social responsibility.

Enabling local communities to help the poor

WuXi Biologics donated to Fengxian branch of Shanghai Charity Foundation to help the charity activity of “Love under the Blue Sky”. With the theme of “Helping Others and Sunshine Yourself”, we spread the concept of charity, reflecting the connotation of cultivating good moral quality through charity. Focusing on the public’s “anxieties and wishes”, we deeply dig out the love stories that embody Fengxian’s warmth, promote the “Virtue” and “Charity” of the county.

Standard environmental, social and governance disclosure

Industry

As a global leading enterprise in the biologics industry, WuXi Biologics has always followed the development of the industry, actively participated in various seminars, shared leading technical experience, explored cutting-edge technologies, and contributed to the construction of pharmaceutical innovation ecosystem.

WuXi Biologics participated in JPMorgan Annual Medical Conference



As the largest event in the global pharmaceutical and health care industry, JPMorgan's Annual Medical Conference (JPM) brings professionals together who come from established pharmaceutical companies, emerging companies and investment fields. It is also regarded as a wind vane for the development and investment of global pharmaceutical and health care fields. From January 11 to 14, 2021, JPM conference was held online, attracting more than 400 companies and more than 8,000 industry participants. Dr. Chris Chen, CEO of WuXi Biologics, was invited to attend the conference, and made a keynote speech by theme of "Global Leading Biologics Platforms to Enable and Expedite Innovations", which got positive feedback from the participants.

attracting
>400 companies
>8,000
industry participants

WuXi Biologics participated in the Summit Meeting of biologics process development



On August 25, 2020, the 2020 Biologics Process Development Summit jointly held by WuXi Biologics and Enmore Health Care was successfully held in Shanghai. More than 800 people from the industry gathered together to participate in the grand meeting, and had a wonderful discussion on the topics of upstream and downstream process, analysis method and quality, supply chain, and industrialization of biologics.

Dr. Zhisheng Chen, CEO of WuXi Biologics, Dr. Weichang Zhou, executive vice president and Chief Technology Officer of WuXi Biologics, and a number of experts of the Company attended the conference and expressed brilliant industrial insights.

>800 people
participate in the
grand meeting

Standard environmental, social and governance disclosure

Climate Change

Climate Change

In 2020, WuXi Biologics focuses on climate change. Within the Company, we actively identify potential or existing factors that may affect the Company due to climate change, including possible shutdown, asset damage, casualties, etc. due to extreme weather. In order to cope with climate change, the Company formulated corresponding policy documents and response measures.

We have formulated emergency plans, such as “Emergency Response Plan”. We adhere to the principle of “prevention first, combination of prevention and elimination”, establish an emergency response team, which is responsible for mobilizing internal and external resources to guide and lead the rescue work in an emergency. In addition, all departments carry out regular inspection to comprehensively inspect the parts that may be affected, and actively eliminate all kinds of potential safety hazards that may be caused by extreme weather. The Company has also set up a 24-hour emergency hotline, which is convenient for timely response in case of danger or rescue needs. In 2020, the Company has no safety accident or production impact caused by extreme weather.

In addition to the response to climate change, we also pay attention to our own impact on the ecological environment. In the process of plant construction, we are committed to maintaining the balance of the local ecological environment and eliminating the adverse impact on the ecological environment to the maximum extent.

Aspect	Description	Location
A. Environment		
Aspect A1: Discharge		
General disclosure	Information relating to waste gas and greenhouse gas discharge, sewage to water and land, hazardous and non-hazardous waste generation, etc.: (a) Policies; and (b) Comply with laws and regulations that have a significant impact on issuers.	Environment
A1.1	Types of emissions and respective emissions data.	Data statistics
A1.2	Total GHG emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data statistics
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data statistics
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data statistics
A1.5	Description of emission targets devised and steps taken to achieve the targets.	Environment
A1.6	Description of how hazardous and non-hazardous wastes are handled, targets devised for wastes reduction and steps taken to achieve the targets.	Environment
Aspect A2: Resource Use		
General disclosure	Policies on the effective use of resources including energy, water and other raw materials.	Environment
A2.1	Direct and/or indirect energy consumption (e.g. electricity, gas and oil) by type in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Data statistics
A2.2	Total water consumption and intensity (e.g. per unit of production volume, per facility).	Data statistics
A2.3	Description of targets devised for energy use efficiency initiatives and steps taken to achieve the targets.	Environment
A2.4	Description of whether there is any issue in sourcing water, targets devised for water use efficiency initiatives and steps taken to achieve the targets.	Environment
A2.5	Total packaging material used for finished products (in tonnes) and, where appropriate, with reference to per unit produced.	Data statistics

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“ESG Guide” Content Index

Aspect	Description	Location
Aspect A3: Environment and Natural Resources		
General disclosure	Policies on minimizing the issuer’s significant impact on the environment and natural resources.	Environment
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment
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
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
B. Society		
Aspect B1: Employment		
General disclosure	Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Employee
B1.1	Total workforce by gender, employment type, age group and geographical region.	Data statistics
B1.2	Employee turnover rate by gender, age group and geographical region.	Data statistics
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.	Safety
B2.1	Number and rate of work-related fatalities in the past 3 years (including the reporting year).	Safety
B2.2	Lost days due to work injury.	Data statistics
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Safety

Aspect	Description	Location
Aspect B3: Development and Training		
General disclosure	Policies on improving employee’s knowledge and skills for discharging duties at work. Description of training activities.	Employee
B3.1	The percentage of employees trained by gender and employee category (e.g. senior and intermediate management).	Data statistics
B3.2	The average training hours completed per employee by gender and employee category.	Data statistics
Aspect B4: Labor Code		
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.	Employee
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employee
B4.2	Description of steps taken to eliminate the situation when discovered.	Employee
Aspect B5: Supply chain management		
General disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain
B5.1	Number of suppliers by geographical region.	Supply Chain
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain
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
B5.4	Description of practices used to promote environmental preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain
Aspect B6: Product responsibility		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality

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“ESG Guide” Content Index

Aspect	Description	Location
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality
B6.2	Number of products and service related complaints received and how they are dealt with.	Quality
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Quality
B6.4	Description of quality assurance process and recall procedures.	Quality
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Operation
Aspect B7: Anti-corruption		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Corporate governance
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Corporate governance
B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Corporate governance
B7.3	Description of anti-corruption training provided to directors and staff.	Corporate governance
Aspect B8: Community investment		
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities’ interests.	Community
B8.1	Focus areas of contribution (e.g. education, environment, labor needs, health, culture and sports).	Community
B8.2	Resources contributed (e.g. money or time) to the focus area.	Community

Environment¹				
Category	Unit	2020	2019	2018
Energy Consumption				
Electricity	kWh	81,128,859.00	73,641,241.00	53,954,373.00
Intensity of electricity consumption	kWh/RMB0'000	144.55	184.86	212.88
Gas	m ³	5,665,031.00	5,389,428.00	3,381,315.00
Intensity of gas consumption	m ³ /RMB0'000	10.09	13.53	13.34
Waste				
Hazardous waste	tonnes	1,626.78	1,152.00	857.11
Intensity of hazardous waste	tonnes/RMB0'000	0.0029	0.0029	0.0034
Non-hazardous waste	tonnes	2,107.31	1,231.09	367.50
Intensity of non-hazardous waste	tonnes/RMB0'000	0.0038	0.0031	0.0015
Total waste discharge	tonnes	3,734.09	2,383.09	1,204.61
Intensity of waste discharge	tonnes/RMB0'000	0.0067	0.0060	0.0048
Water				
Production and office usage	tonnes	935,046.00	719,168.00	519,787.00
Intensity of production and office usage	tonnes/RMB0'000	1.67	1.81	2.05
Packaging Materials				
Packaging material consumption	kg	23,400.00	15,600.00	10,287.00
Intensity of packaging material consumption	kg/RMB0'000	0.042	0.039	0.041

1 The statistical scope of environmental data in 2020 was newly incorporated into WuXi ADC site.

Appendix

Data statistics

Environment ¹				
Category	Unit	2020	2019	2018
GHG²				
Scope 1 emissions	tonnes	11,042.34	10,584.38	4,182.00
Intensity of scope 1 emissions	tonnes/RMB0'000	0.02	0.03	0.02
Scope 2 emissions	tonnes	74,360.56	68,339.07	50,069.66
Intensity of scope 2 emissions	tonnes/RMB0'000	0.13	0.17	0.20
Total emissions	tonnes	85,402.90	78,923.45	54,251.66
Emission intensity	tonnes/RMB0'000	0.15	0.20	0.21
Exhaust Gas³				
Boiler exhaust emissions	Ten thousand Nm ³	5,863.50	5,389.00	3,139.00
Intensity of boiler exhaust emissions	Ten thousand Nm ³ /RMB0'000	0.01	0.01	0.01
Nitrogen oxide emissions	tonnes	2.66	3.28	2.35
Smoke	tonnes	0.02	0.07	0.07

2 Scope 1 greenhouse gas: The carbon dioxide emission from the combustion of natural gas in the boiler is Scope 1 greenhouse gas. $\text{CH}_4 + 2\text{O}_2 = \text{CO}_2 + 2\text{H}_2\text{O}$, so 1 cubic of natural gas produces 1 cubic of CO_2 . CO_2 's molar volume 22.4L/mol while its material volume 44g/mol. The mass of 1 cubic of CO_2 is 1L/22.4L/mol * 44g/mol = 1.964g.

Scope 2 greenhouse gas: The electricity used by our plants is generated by thermal power. The carbon dioxide generated is Scope 2 greenhouse gas. 0.928 kg CO_2 is produced when generating 1 kWh of electricity. The coefficient is derived from the provincial greenhouse gas preparation guide No. [2011] 1041 issued by the Ministry of Development and Reform.

3 Boiler exhaust gas: Adopts 1. Pollution discharge coefficient method: Based on the gross calorific value of 36MJ/m³ for natural gas under private use category 1 of the natural gas national standard, the low calorific value is calculated as 90%*36=32.4. According to Table 5-Standard Amount of Fume and Smoke under the Technical Specifications for Application and Issuance of Pollutant Permit-Boiler <排污許可證申請與核發技術規範 — 鍋爐>, V_{gy} of natural gas boiler = 0.285Q_{net} + 0.343 = 0.285*32.4 + 0.343 = 9.577. The aforesaid gross calorific value is the minimum value, thus the result calculated is also the minimum and could be adjusted to the nearest 10 as appropriate; or 2. Material balance method: since $\text{CH}_4 + 2\text{O}_2 = \text{CO}_2 + 2\text{H}_2\text{O}$, 2 m³ of oxygen is needed to burn 1 m³ of natural gas, while oxygen accounted for 21% of air, 9.52 m³ of air is needed for combustion. Since 1 m³ of carbon dioxide and 2 m³ of vapor will be produced, the total amount of exhaust gas will be 10.52 m³. Considering that some N_2 in air participates the combustion, and that 1m³ of nitrogen + 2 m³ of oxygen produces 2 m³ of NO_2 , the volumes of gas will reduce, thus the volume of the fume and smoke will be slightly lower than 10.52, and will be rounded to the nearest 10.

Nitrogen oxides: Total amount of boiler exhaust gas * emission concentration of nitrogen oxides. The emission concentration of nitrogen oxides is measured by third parties.

Smoke and dust: Total amount of boiler exhaust gas * emission concentration of smoke and dust. The emission concentration is measured by third parties.

Social Responsibility				
Category	Unit	2020	2019	2018
Employee Structure				
Employee ⁴	Total	6,646	5,666	4,141
Gender*	Female	3,470	3,037	2,271
	Male	2,772	2,507	1,870
Age*	Below age 30	3,463	3,688	2,543
	Age 30 to 50	2,677	1,760	1,507
	Above age 50	102	96	91
Degree distribution*	Doctor	518	424	364
	Master	2,650	2,317	1,723
	Bachelor	2,248	2,119	1,509
	Junior college	662	564	432
	High school and under	164	120	113
Employee type*	Full-time	6,646	5,544	4,141
	Part-time ⁵	178	–	–
Staffing level*	Senior	101	102	86
	Intermediate	350	322	237
	Entry	807	806	546
	General	4,984	4,314	3,272
Regional distribution	Out of China	404	122	33
	China	6,242	5,544	4,108
Employee Turnover				
Employee turnover	Total	909	572	358
	Rate	14%	10%	9%
Gender (rate) *	Female	7%	5%	5%
	Male	7%	5%	4%
Age (rate) *	Below age 30	9%	6%	6%
	Age 30 to 50	5%	4%	3%
	Above age 50	0%	0%	0%
Region area (rate)	Out of China	0%	0%	0%
	China	14%	10%	9%

4 Since the specific information of employees out of China cannot be obtained, the data range with asterisk is for employees based in China.

5 The number of part-time in 2020 was included in the Company's statistics for the first time and was not counted in total employees.

Appendix

Data statistics

Social Responsibility				
Category	Unit	2020	2019	2018
Number and Rate of Work-related Fatalities				
Amount	Total	0	0	0
Rate	Rate	0%	0%	0%
Lost Days Due to Work Injury				
Amount	Total	45	46	17
The Percentage of Employee Training⁶				
Percentage	Total	100%	45%	48%
Gender*	Female	100%	46%	47%
	Male	99.57%	43%	49%
Staffing level*	Senior	65%	60%	62%
	Intermediate	83%	51%	52%
	Entry	88%	40%	38%
	General	100%	45%	49%
Average Hours of Employee Training				
Average hours per person	Hours	78	5	4
Gender*	Female	78	5	4
	Male	78	5	4
Staffing level*	Senior	66	12	8
	Intermediate	77	10	5
	Entry	78	4	3
	General	78	5	4
Supplier Distribution				
China	Percentage	89%	94%	96%
Out of China	Percentage	11%	6%	4%
Products				
Products and services complaints	Pieces	6	2	0
Safety and health-led recalls	Pieces	0	0	0
Anti-corruption				
Number of corruption cases	Pieces	0	0	0

6 In 2020, EHS, compliance and training center were added to the statistical coverage of training data, so the total amount of training data increased significantly compared with that in 2019. All employees are required to attend at least one training session in the current year. Due to such factors as employee may leave the Company in the middle of the year, the overall percentage of the specified perspective may not reach 100%.



Appendix

Summary of abbreviations

CMC — Chemical Manufacturing and Control
ADC — Antibody-drug Conjugate
FDA — Food and Drug Administration
EMA — European Medicines Agency
GMP — Good Manufacturing Practice
IND — Investigational New Drug
CDMO — Contract Development and Manufacturing Organization
PCT — Patent Cooperation Treaty
CMA — China Inspection Body and Laboratory Mandatory Approval
CNAS — China National Accreditation Service for Conformity Assess
EHS — Environment Health Safety
PPE — Personal Protective Equipment
CAPA — Corrective Action and Preventive Action
CIP — Cleaning In Place
SIP — Sterilization In Place