

# Environmental, Social and Governance Report 2022

**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

*\* For identification purpose only*





# Contents

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<b>A Message from Our CEO</b>				
.....	2			
<b>2022 Highlights</b>				
.....	4			
<b>Company Overview</b>				
.....	5			
<b>ESG Strategy</b>				
.....	10			
<b>ESG Targets and Progress</b>				
.....	11			
<b>Enhancing Governance</b>				
.....	12			
Corporate Governance				
.....	13			
Operational Governance				
.....	19			
Supply Chain Management				
.....	32			
<b>Giving Back to Society</b>				
.....	40			
Enabling Clients				
.....	41			
Developing Employees				
.....	46			
Fostering Communities				
.....	61			
<b>Greening Our Business</b>				
.....	66			
Climate Change and Energy Saving				
.....	67			
Environment Protection				
.....	83			
<b>Appendix</b>				
.....	92			
<b>About the Report</b>				
.....	119			



## A Message from Our CEO

2022 was another record year for WuXi Biologics with strong business momentum and sustainable high growth. We have been dedicated to infusing our core values into business operations and making more positive impacts on society.

At WuXi Biologics, sustainability remains central to our business strategy. This year, environmental, social and governance (ESG) concepts were deployed even deeper into our daily operations and global business development. We established multiple ESG Task Forces, advancing cross-functional collaborations on the prioritized ESG material issues, and stimulating efficient and effective improvements in our sustainability performance.

In addition, we committed ourselves to measurable and attainable ESG goals, and developed detailed roadmaps and action plans for focus areas — such as climate change; diversity, equity and inclusion (DEI); responsible governance; and sustainable procurement — to make impactful contributions and take further steps towards being an industry leader in ESG performance.

Guided by our ESG strategy, we put great efforts to enhancing corporate governance and building cohesion with our employees, global partners and all other stakeholders. We aim to implement the best governance practices to promote a culture of integrity and strong business ethics. In 2022, all employees participated in customized trainings on ethical standards and anti-corruption. With oversight from the Board and our executive team, the Company has established comprehensive plans to address potential business risks and is always pursuing the highest risk management standards in our daily operations.

While continually improving our own ESG performance, we also help advance the industry by promoting a sustainable supply chain. We ensure that our suppliers meet the same business ethics standards as we do, and, in 2022, all of our suppliers committed to *the Code of Business Conduct and Ethics of WuXi Biologics Business Partner*. In addition, we designed our own supplier sustainability risk assessment evaluations and help our suppliers improve their sustainability management.



The exceptional growth of WuXi Biologics could not be achieved without our talents. Creating a safe, inclusive and diverse work environment is the cornerstone of our long-term business success, and we believe it helps bring innovation and sustainable growth to our company. We have over 12,000 employees — representing 49 nationalities with diverse backgrounds — working across our global operations. In 2022, we launched a WiSTEM (Women in STEM) program globally to encourage female employees to pursue both professional development and personal growth. I feel very proud that among WuXi Biologics, 53% STEM positions are taken by female employees, which is much higher than the industry average.

At WuXi Biologics, we see community engagement and commitment as, unquestionably, one of our business responsibilities. Throughout the year, we initiated Corporate Social Responsibility (CSR) programs on public health (including oncology and rare disease), supported disadvantaged groups (including patients worldwide), and contributed to local communities through stable investments and donations. In addition, we encouraged our employees to join in the efforts to create positive social impact. Altogether, 5,996 volunteer hours were logged in 2022.

With environmental challenges widely perceived as one of the dominant concerns for the next decades, especially the fight against climate change, we have deepened our commitment to environmental sustainability through strong strategies, detailed roadmaps, and setting such ambitious goals as reaching Net Zero by 2050. In 2022, we enhanced our environmental reporting transparency by applying the Task Force on Climate-related Financial Disclosures (TCFD) framework to our climate-related information disclosure. We believe it is our responsibility to make every effort to design each new facility in an eco-friendlier way and integrate low-carbon concepts into building design, facility construction and operation. All of our newly-released sites are equipped with water-recycling systems as well as mechanisms for collecting rainwater and using other alternative sources. All these initiatives provided us meaningful outcomes. In 2022, Scope 1 and 2 GHG emission intensity decreased by 27% compared to the 2020 baseline, and water consumption intensity was reduced by 24% compared to the 2019 baseline, far beyond our environmentally sustainable goals.

While making continuous progress in our ESG journey, we are honored to receive wide recognition for our strong ESG commitments and proactive efforts. In 2022, we were recognized as both an Industry and Regional Top-Rated Company by Sustainalytics, rated as a top 10 Constituent of the FTSE4Good Emerging Index, received an “A-” rating on CDP Water Security and a “B” rating on climate change disclosure, received an “A” rating by MSCI for the third year, and earned a Bronze Medal from EcoVadis and the ESG Corporate Awards (Platinum) from the Asset.

As we look into the future, WuXi Biologics will continue to position ESG responsibilities as an integral component of our ethos and business strategy, and will drive our ESG excellence through lean management with WBS (WuXi Biologics Business System). We are committed to delivering a stronger ESG performance for all stakeholders and for the greater good of society, enabling our global partners and benefiting patients worldwide.

**Dr. Chris Chen**  
Chief Executive Officer  
Chairman of ESG Committee

# 2022 Highlights

As of December 31, 2022



## Enhancing Governance

### ESG Committee

Comprise 4 board members led by CEO

**21**

Material ESG issues

**100%**

Participation in business ethics and anti-corruption training

**100%**

Supplier Code of Conduct sign off

**ISO 27001**

Information security management certification

## Empowering People

**47%**

Female employees in managerial positions

**53%**

STEM positions held by female employees

**49**

Nationalities of our global employees

**72 hours**

Of training per employee

**ISO 45001**

Occupational health & safety management certification

## Giving Back to Society

**599**

Global partners

**588**

Integrated projects

**27**

Inspections by global regulatory agencies were passed

**99%**

Success rate of 2,100+ batches of drug substance produced

**5,996**

Volunteer hours for community

## Greening Our Business

**21%**

YoY reduction in GHG emissions intensity (Scope 1 and Scope 2)

**5%**

YoY reduction of water intensity

**New Waste Target**

10% reduction of waste intensity by 2027 from base year of 2022

**ISO 14064**

GHG emissions verification

**ISO 14001**

Environmental management certification



# Company Overview

## Introduction

WuXi Biologics is a leading global Contract Research, Development, and Manufacturing Organization (CRDMO) offering end-to-end solutions to enable partners to discover, develop and manufacture biologics — from concept to commercialization — for the benefit of patients worldwide.

Over the past decade, WuXi Biologics has experienced robust growth momentum, driven by the successful execution of the Company’s “Follow and Win the Molecule” strategies. With over 12,000 employees in the United States, Ireland, Germany, Singapore and China, WuXi Biologics leverages its technologies and expertise to provide customers with efficient and cost-effective biologics discovery, development and manufacturing solutions.

In 2022, we continued to expand our capacity to meet growing client demand worldwide, demonstrating great synergy within our existing network and a strong commitment to our “Global Dual Sourcing” strategy. Our global manufacturing facilities ensure that products can be manufactured and materials can be sourced at multiple WuXi Biologics locations around the world.

Revenue

**48.4%** YoY increase to  
**15.27** billion RMB

Gross Profit

**39.2%** YoY increase to  
**6.72** billion RMB

## Our Vision

“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

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.

## Business Performance

Positive Free Cash Flow to Support Sustainable Growth

Integrated Projects: increased by 22.5% from 480 to 588

Commercial Manufacturing Projects: 8 added in 2022, bringing total to 17




Global Biomanufacturing Capacity: increase to 262,000L in 2022; will exceed 580,000L by 2026

# Public Recognition Awards

WuXi Biologics has gained global recognition in a number of key areas. The following is a selection of some of our recent awards and honors.







## INDUSTRY LEADERSHIP

-  Life Science Leader  
CMO Leadership Awards in all six core categories  
Additional recognition as one of the  
CHAMPIONS in the Capabilities category (2018-2022)
-  IMAPAC  
Bioprocessing Excellence Award (2021-2022)
-  Asia-Pacific Biologics CMO Excellence Awards  
Best CDMO Award of the Year (2022)

## ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

-  Institutional Investor  
Best ESG Company (2020-2022)

## EMPLOYER BRANDING

-  LinkedIn China  
MostIn Award — Most Attractive Employers for  
Global Graduates (2022)
-  LinkedIn  
Talent Awards — Best Talent Acquisition  
Team / Talent Insights Pioneer (2022)
-  Universum  
China's Most Attractive Employers — Top 3 in  
Pharma and Biotech Industry / Top 10 amongst  
Natural Sciences students (2022)
-  Zhaopin.com  
China Best Employer Award — Outstanding  
Campus Recruitment Award (2022)

-  The Asset  
ESG Corporate Awards — Platinum Award (2021-2022)

# Public Recognition ESG Rating

WuXi Biologics' outstanding ESG performance has been recognized by some of the world's leading ESG rating agencies.



Sustainalytics' ESG Risk Ratings measure a company's exposure to industry-specific material ESG risks and how well a company is managing those risks.



WuXi Biologics received an overall 'Low Risk' rating from Sustainalytics and has been recognized as both a 2023 Industry and Regional Top-Rated ESG Company.

This marks the third consecutive year the Company has been awarded top-rated company.



MSCI ESG Ratings aims to measure a company's resilience to long-term, financially relevant ESG risks. WuXi Biologics earned an A rating for three consecutive years.



The FTSE4Good Index Series measure companies' performance in ESG areas. In 2022, WuXi Biologics was selected in the top 10 Constituents of FTSE4Good Emerging Index.



In 2022, EcoVadis, a globally recognized business sustainability ratings provider, awarded a bronze medal to WuXi Biologics in recognition of its achievements in sustainability.



CDP is an international, not-for-profit organization that runs the global disclosure system for investors, companies, etc., to manage their environmental impacts. In 2022, WuXi Biologics has proactively participated in the disclosure of Climate Change and Water Security and received A- for Water Security, B for Climate Change and Supplier Engagement.

The company also received a "Leadership Award" from CDP China.



The S&P Global Corporate Sustainability Assessment (CSA) is an annual evaluation of companies' sustainability practices. WuXi Biologics' score of 52 in 2022 represented a significant rise from the previous year.





# Empowering Sustainability Through WBS

## WuXi Biologics Business System (WBS)

As with all our endeavors at WuXi Biologics, the spirit of incremental improvement that is at the heart of the WBS has motivated our pursuits and helped us positively impact the world around us in meaningful ways.

WBS is the lean management system that enables us to continually improve management processes, reduce costs, improve work efficiency, eliminate waste, reduce excessive working hours, minimize environmental impacts, and, ultimately, to foster the sustainable development of the Company.

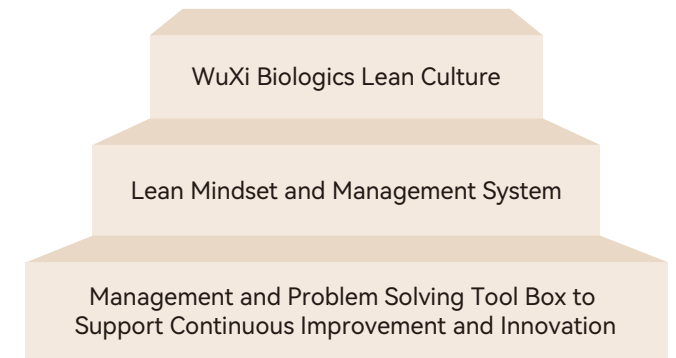
**120** million

Reduction in material/labor cost (RMB/year)

## WBS Achievements in 2022

<b>Quality Management</b>	Reduced quality risks and improved customer satisfaction through Poka-yoke, and standard work, process optimization and training improvements, etc.
<b>Operational Efficiency Enhancement</b>	Greatly improved our operational efficiency of field management and standardized operations.
<b>Workflow Optimization</b>	Identified and eliminated redundant processes to simplify multiple workflows and increased efficiency by using value stream and processes analysis.
<b>Material Cost Saving</b>	Identified material cost-saving opportunities, improved material-use flexibility and reduced waste to improve gross profit margin and competitiveness.
<b>Inventory Management</b>	Reduced inventory and material impairment, and lowered storage and transportation costs through inventory strategy optimization.
<b>Capacity Increase</b>	Increased multiple facilities' capacity through improvements that included fast change-over between batches and optimization of solution preparation.
<b>Delivery Speed</b>	Significantly shortened turnaround time for testing reports and batch releases.

## WBS



## 250+ Kaizen Projects in 2022

- 900,000+ labor hours saved (hours/year)
- 120 million reduction in material/labor costs (RMB/Year)
- 140 million improvement in production capacity (RMB/Year)



# Empowering Sustainability Through WBS

## Driving ESG improvement through WBS

Guided by our lean culture and enabled by the WBS, we apply lean management principles and methods to support continuous improvement and make measurable progress in achieving ESG objectives. By adopting our WBS tools, we can streamline our operations, improve quality management, enhance client satisfaction, create a more engaged and empowered workforce, and improve resource efficiency, leading to an improved overall ESG performance.

WuXi Biologics has developed an ESG Guideline for Kaizen Projects, which serves as a standard tool for all employees to effectively identify ESG opportunities and track progress improvement with clearly defined indicator metrics.

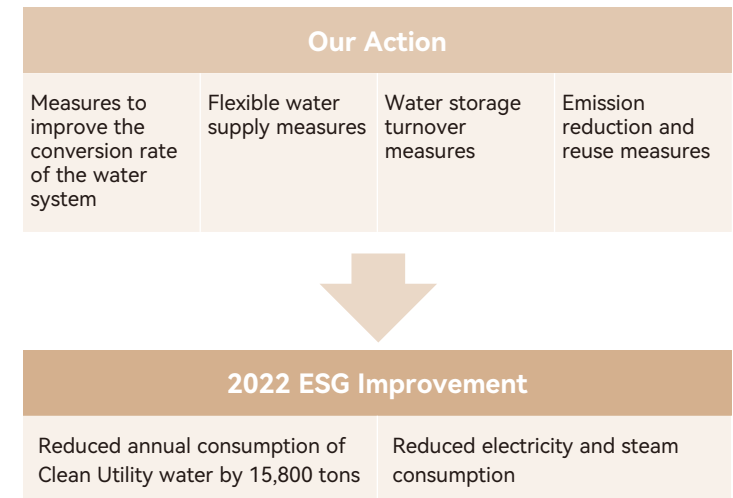
### Enhancing Stainless Steel System Buffer Hold Capability

With the improvement of Buffer Hold capacity, a total of 23 tons of solid waste — including single-use bags and filters — were reduced, along with a reduction of 1,932 tons of flushing waste liquid discharge at four manufacturing sites. At the same time, work strength was reduced and process stability was increased through the reduction in the number of turnover liquid dispensing.



### Water Saving in Clean Utility Water System at Shanghai Site

At our Shanghai Fengxian site, leveraging our WBS tools, professional expertise and guiding processes, we conducted a series of data collection and analysis to propose strategies for optimizing water conservation.


















# ESG Strategy

We are committed to delivering enduring impact through the execution of a high level of ESG performance, which helps us drive sustainable value for our business and society. With our ESG strategy, ESG priorities are organized into four leadership themes: enhancing governance, giving back to society, greening our business, and empowering our people. These four focus areas enable us to address major global sustainable issues and also create long-term value by continuously challenging ourselves to innovate, leading with accountability, and forming collaborative partnerships.





# ESG Targets and Progress in Line with SDGs<sup>1</sup>

	Topics	Goals and Targets	2022 Progress	Related SDGs
Enhancing Governance	Business Ethics	Maintain 100% anti-corruption training coverage every year	Achieved	
	Sustainable Supply Chain	Ensure that 100% of suppliers sign the <i>Code of Business Conduct and the Ethics of WuXi Biologics Business Partner</i> every year	Achieved <sup>2</sup>	 
		Ensure 100% of procurement staff trained on sustainable procurement	Achieved	
Being Responsible to Society	Diversity, Equity, and Inclusion	Maintain gender balance and achieve 45% of women in managerial positions globally every year	Achieved: 47% of women in managerial positions globally in 2022	 
	Talent Development	Ensure that 100% of employees receive training every year	Achieved	 
	Occupational Health and Safety	Keep the Lost Time Incident Rate (LTIR) ≤0.072	Achieved	 
	Community Engagement	Continually expand community involvement and employee volunteer hours	On Track: 5,996 hours and 1,371 person-times of volunteer participation	
Greening Our Business	Climate Change and Energy Saving	Mid-term Goal: Reduce Scope 1 and 2 greenhouse gas (GHG) emissions intensity by 50% by 2030 from the baseline year 2020 (tonnes/RMB10,000)	On Track: 27% decrease in Scope 1 and 2 GHG emission intensity compared with the baseline year 2020	
		Long-term Goal: Achieve net-zero emissions from overall operations by 2050	Achieved: 21% YoY decrease in Scope 1 and 2 GHG emission intensity	 
	Water Management	Reduce water consumption intensity by 18% by 2025 from the baseline year 2019	Achieved: 24% decrease in water consumption intensity compared with the baseline year 2019	 
		Implementing Water Excellence Stewardship (WES) <sup>3</sup> on our priority sites by 2027	Achieved: 5% YoY decrease in water consumption intensity	
Waste Management	Reduce waste intensity, including hazardous and non-hazardous waste by 10% (tonnes/RMB10,000) by 2027 from the base year 2022	Newly established target in 2022		



# Enhancing Governance

In the pursuit of corporate objectives, governance serves as the foundation for WuXi Biologics' compliant and effective business management. We operate with a comprehensive governance mechanism and seek transparent dialogues with our stakeholders. Recognizing ourselves as a corporate citizen, we uphold high standards of ethical behavior and extend the same expectations to our partners and suppliers.



Corporate Governance	13
Operational Governance	19
Supply Chain Management	32



# Corporate Governance

## The Big Picture

As we face the multiple challenges of adapting to constant environmental and social changes, a strong governance framework and effective management procedures have enabled us to embed sustainability into our business strategy and everything we do. By enhancing supervision, transparency and effectiveness, WuXi Biologics is striving to deliver long-term value for all stakeholders.

## Governance Structure

Five Board-level committees have been established with clearly delineated duties, building up our robust corporate management and accelerating operational excellence. Under the guidance of these committees, we are taking steps to achieve greater transparency and accountability for our stakeholders.

### Board Governance Structure



## Board Diversity

A diverse board is essential for us to operate effectively in the changing business environment. The Company is committed to supporting and encouraging the diversity of the Board in terms of gender, race and cultural background. We have established a *Board Diversity Policy*, which includes our approach to achieving and maintaining the diversity of the Board. All Board members are appointed based on their individual competencies and abilities, such as diverse and differentiated technical and managerial skills, regional and industry experience, and financial and risk management expertise, among other considerations. This is to ensure an optimal representation of extensive high-level perspectives in the Company.

ESG GOVERNANCE

BOARD STATEMENT

STAKEHOLDER ENGAGEMENT



# ESG Governance

## Why It Matters

Oversight and management of ESG issues from the Board level ensures that the Company's management procedures are effective and that adequate resources are allocated to improve our ESG performance. By virtue of the ongoing attention of the Board and the active executive engagement in ESG topics, we drive the integrity of corporate governance structure and enhance corporate competitiveness.

### ESG GOVERNANCE

BOARD STATEMENT

STAKEHOLDER ENGAGEMENT

## ESG Governance Structure

Our Board of Directors is our highest decision-making and governing body regarding ESG issues. Composed of executive directors, non-executive directors, and independent non-executive directors, our ESG Committee takes primary oversight responsibility for formulating the Company's sustainability vision, target, policy, strategy and progress tracking, evaluating ESG trends, opportunities and risks, in areas such as Business Ethics and IT Security, Environmental Protection and Climate Change, Human Capital and DEI, and a Sustainable Supply Chain, among others. To drive continuous improvement of our sustainability performance, we have incorporated ESG metrics into the remuneration of senior executives and relevant management teams. Their contributions toward our ESG performance and targets are assessed annually as part of the incentive mechanism, promoting effective management of our prioritized ESG issues.

### Our Corporate ESG Management Structure

Organization	Members	Responsibilities
<b>ESG Committee</b>	Chaired by the CEO Composed of an executive board director, a non-executive director and two independent non-executive directors	<ul style="list-style-type: none"> <li>Reviews ESG trends, oversees ESG-related issues and identifies sustainability opportunities.</li> <li>Directs and develops our vision, objectives, strategies and structures.</li> <li>Oversees the progress of the above and the implementation of frameworks and goals.</li> </ul>
<b>ESG Steering Group</b>	Company senior executives from all business units	<ul style="list-style-type: none"> <li>Provides insights into material issues for the ESG Department to ensure our objectives align closely with our business.</li> <li>Coordinates resources to ensure ESG work is effectively implemented.</li> </ul>
<b>ESG Department</b>	Dedicated ESG management in parallel with all Business Units, part of company core leadership team	<ul style="list-style-type: none"> <li>Evaluates our ESG performance, with reference to our long-term strategy and to internationally recognized ESG guidelines.</li> <li>Proactively communicate with stakeholders about material issues and provide advice, directions and suggested solutions for ESG decision-making.</li> <li>Refines action plans for ESG targets approved by the Board of Directors and coordinates their implementation across departments.</li> </ul>
<b>Material Issues Task Forces and Relevant Departments</b>	Head of each department and their designated ESG representatives	<ul style="list-style-type: none"> <li>Jointly promote the implementation of our ESG strategies and action plans.</li> <li>Keep innovating and refining operational excellence to improve ESG performance.</li> </ul>



# Board Statement

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## WuXi Biologics Board of Directors' Statement

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### Supervision of the Board

The Board holds overall accountability for the Company's ESG governance. As the decision-making body, the Board reviews all the progress on our ESG targets and ESG implementation.

Our ESG Committee is appointed by the Board and chaired by the CEO, Dr. Chris Chen. It also includes one non-executive director and two independent non-executive directors to ensure its independence and effectiveness. To support the Board's oversight responsibilities for ESG-related affairs, the ESG Committee regularly monitors the development and implementation of the Group's ESG vision, strategies, policies, governance structure, and objectives; approves and assures that all priority topics are covered in our ESG report; and reports on ESG progress and recommendations to the Board.

### Work Implementation

An ESG Steering Group, formed by the Company's senior leadership, was set up to provide strategic insights and resource support for ESG work. Our ESG Department reports to the ESG Committee on a regular basis to provide professional advice. It is also tasked with facilitating communications about ESG implementation and coordinating the engagement of relevant departments, with the goal of embedding our ESG strategy into daily operations. The department's output and recommendations are overseen and endorsed by the ESG Committee.

### Risk Management

We take a disciplined approach to our risk identification and review process to make sure all ESG-related risks are fully considered and integrated into our enterprise risk management (ERM) system. As a key category in our ERM, ESG risks are assessed by identifying the concerns of our stakeholders, with the integration of our annual materiality assessment results.

Potential ESG-related impacts will be fully monitored and discussed by the Audit Committee should any emerging risk be identified. All ESG-related risks and potential impacts are overseen and endorsed by the Audit Committee.

### ESG Targets Tracking

To help assure that we attain our ESG targets, we assign employees to take responsibility for target achievement, and to regularly collect data, track progress and review performance.

The Board is committed to tracking our progress towards goals in response to the concerns and expectations of our stakeholders.

### Material ESG Issues

WuXi Biologics is committed to incorporating stakeholders' shared values into its ESG strategy. We have established a smooth and transparent communication mechanism to identify and assess ESG issues of concern to stakeholders. The Board of Directors and the ESG Committee meet regularly to discuss stakeholders' area of concerns, identify ESG issues of importance to the Company, and review and assess our ESG performance. This allows us to continue to refine our sustainable development strategy and protocols.

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# Stakeholder Engagement

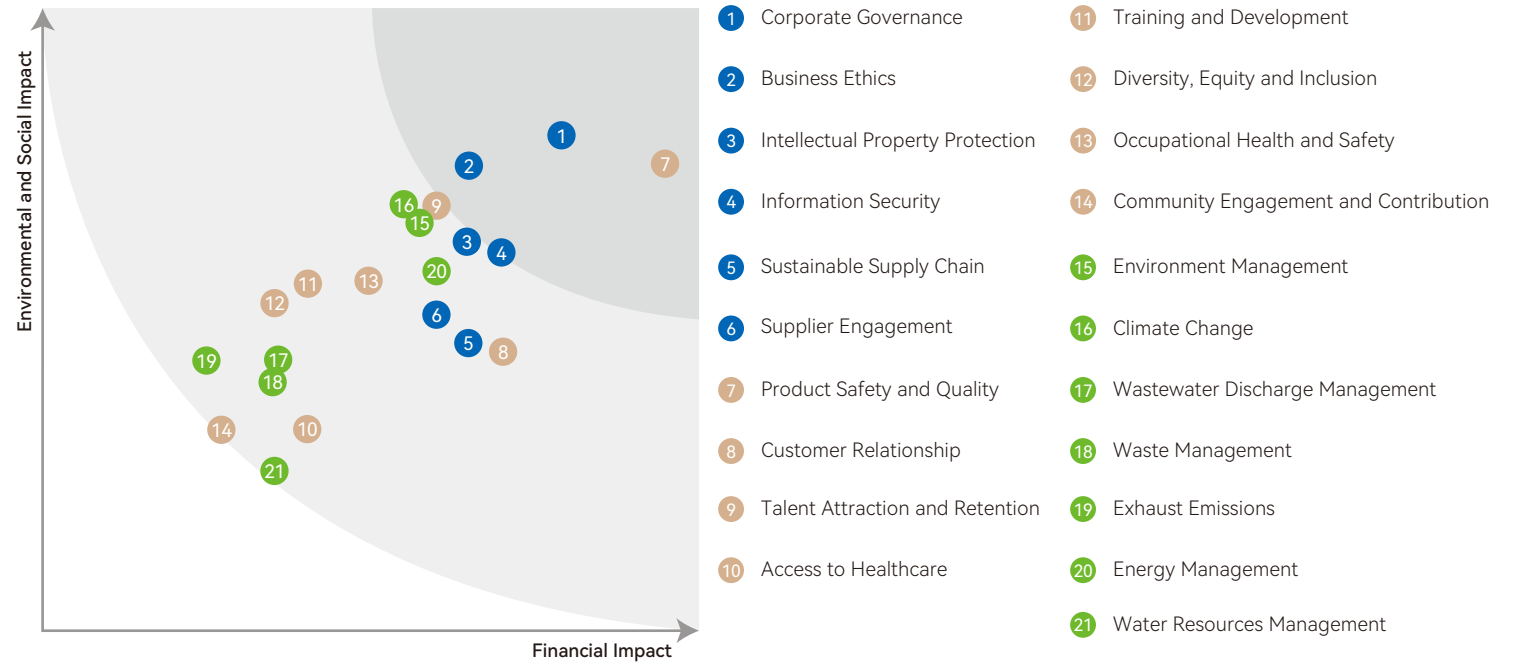
## Why It Matters

The direction of WuXi Biologics' ESG development is decided by a systematic evaluation process in which both the impact of ESG issues on the Company and the impact of the Company's operations on the environment, society and other external stakeholders are considered. Besides conducting assessments and updating our materiality annually, we also have established dialogues with external stakeholders to regularly evaluate the impacts on them of our operations and to better understand their expectations, views, and concerns.

- ESG GOVERNANCE
- BOARD STATEMENT
- STAKEHOLDER ENGAGEMENT

## Material ESG Issues

In 2022, we implemented a double materiality approach to identify the financial opportunities and risks that sustainability matters can have on the Company and to align our environmental and social impact with the expectations of our stakeholders. We assessed financial materiality based on the views and opinions of board members, senior management and investors. By conducting in-depth interviews with senior management and board members, holding investor meetings and distributing questionnaires, we determined the possible degree of impact each ESG issue can have on the value of our Company. The social and environment materiality assessment process involved a wide range of stakeholders, including employees, customers, government and regulatory agencies, suppliers, social organizations, and media. Stakeholders' opinions and expectations were collected through anonymous questionnaires as well as by means of ongoing communications and engagement.





Based on the materiality assessment, we further identified multiple ESG topics that have a material impact on external stakeholders. We will further evaluate the externalized impact on external stakeholders to consolidate our management of the impact areas in 2023. Our materiality assessment metrics and the 2022 materiality matrix have been reviewed and approved by the Board of Directors.

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### Impact Assessment — Product/Service Quality & Safety

Type of impact: Positive

Based on our survey, external stakeholders agree that the Company has shown strong performance on this topic. Our leading technologies, best-in-class quality, and sound operational support enable our customers to discover, develop, and manufacture biologics, accelerating their efforts to bring lifesaving drugs to patients around the world. We will maintain our first-class quality standards and continue to have a positive impact on our clients and patients worldwide.

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### Impact Assessment — Climate Change

Type of impact: Positive

The Company has recognized the urgent societal and environmental need to mitigate climate change and was already taking active actions to manage its impact on GHG emissions. We set long-term emission reduction and energy consumption goals, work to reduce our environmental footprint with green technologies, and build “Factory of the Future” facilities for green manufacturing, striving to accelerate the climate-change transition of the industry and create a positive impact on our value chain.

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## Stakeholder Communication

We disclose our major activities on material issues through ESG reporting for transparent communication with stakeholders. In addition, we established regular communication channels with major internal and external stakeholders to openly and dynamically report on our ESG performance and progress regarding our common goals.

Stakeholders	Common Goals	Communication Channel
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Product safety and quality guarantee</li> <li>Information security</li> <li>Climate change and Energy management</li> </ul>	<ul style="list-style-type: none"> <li>Board meetings</li> <li>ESG committee meetings</li> </ul>
<b>Clients</b>	<ul style="list-style-type: none"> <li>Superior delivery capabilities</li> <li>Product safety and quality guarantee</li> <li>Intellectual property protection</li> <li>Information security</li> </ul>	<ul style="list-style-type: none"> <li>Client communication and complaint mechanisms</li> <li>Client satisfaction surveys</li> <li>Transparent disclosures</li> <li>Client audits</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Salary and benefits</li> <li>Safeguarding of employee rights and interests</li> <li>Employee developments and training</li> <li>A culture of diversity, equity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Staff Townhall</li> <li>CEO inbox</li> <li>HR Helpline and service desk</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Business ethics and compliance</li> <li>Technology and innovation</li> </ul>	<ul style="list-style-type: none"> <li>Annual general meetings</li> <li>Investors meetings</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Supply chain safeguards</li> <li>Communication</li> </ul>	<ul style="list-style-type: none"> <li>Supplier approvals and audits</li> <li>Communication channels, including email, telephone, regular meetings, and trainings</li> </ul>
<b>Government and Regulatory Authorities</b>	<ul style="list-style-type: none"> <li>Business ethics and compliance</li> <li>Product safety and quality guarantee</li> <li>Climate change and Energy management</li> </ul>	<ul style="list-style-type: none"> <li>Transparent disclosures</li> </ul>
<b>The Public</b>	<ul style="list-style-type: none"> <li>Benefits for patients</li> <li>Community engagement and development</li> </ul>	<ul style="list-style-type: none"> <li>Transparent disclosures</li> <li>WuXi Biologics Charity Foundation and Employee Volunteer Association</li> <li>Enabling clients to accelerate the launch of new drugs</li> </ul>

ESG GOVERNANCE

BOARD STATEMENT

STAKEHOLDER ENGAGEMENT 



# Operational Governance

## The Big Picture

Operating responsibly is a vital step in establishing close connections with the society. WuXi Biologics honors the trust that our customers, partners, employees, and communities put in us, and strives to retain it by upholding the highest standards of business ethics. Our key efforts involve anti-corruption, risk management, intellectual property protection, information security, responsible marketing, and animal welfare.



BUSINESS ETHICS

RISK MANAGEMENT

INTELLECTUAL PROPERTY

INFORMATION SECURITY

RESPONSIBLE MARKETING

ANIMAL WELFARE



# Business Ethics<sup>4</sup>

## Why It Matters

With integrity as one of our core values, WuXi Biologics is committed to identifying and addressing any potential business ethics risks in our operations. Business ethics are deeply embedded in the way we work, and we aspire to generate real, lasting, positive impacts on the value chain by also applying the same ethical standards to our business partners.

### BUSINESS ETHICS

RISK MANAGEMENT

INTELLECTUAL PROPERTY

INFORMATION SECURITY

RESPONSIBLE MARKETING

ANIMAL WELFARE

## Management Structure and Policies

Our internal policies provide guidance for all employees on how to work and behave with uncompromising integrity. The Company's *Code of Business Conduct and Ethics*, which outlines our compliance principles and standards in detail, applies to all directors, managers and employees of the Company, as well as its worldwide holding subsidiaries and affiliated companies.

In addition to the *Code of Conduct*, our *Anti-Corruption Policy and Conflict of Interest Policy* were established to address different forms of corruption and bribery. Our ethical standards and anti-corruption policies are regularly audited to ensure their effectiveness, with the frequency of the audit being increased whenever high risks are identified.

The Audit Committee of the Board of Directors oversees the effectiveness of our compliance system and policies with the support of the Company's Compliance, Audit and Risk Management department. This department is responsible for monitoring the implementation of our compliance system and policies, and for reporting any anti-corruption and business ethics-related issues directly to the Audit Committee.

## Our Approach

WuXi Biologics' business ethics and compliance programs are designed to ensure the effective implementation of our high ethical standards, and to prevent, identify, and respond in a timely manner to any potential business ethics risks. Key elements of the ethics and compliance programs include communication and training, regular audits and risk assessments, employee incentives linked to compliance, and well-established reporting and incident investigation procedures.

## Communication and Training

Our policies and procedures are clearly defined and communicated to all employees. Staff are required to sign an agreement to comply with our business ethics guidelines. Periodic training sessions on the *Code of Conduct* and the *Anti-Corruption Policy* are provided to all employees (including part-time employees) and contractors through E-Learning, new-employee compliance training, daily compliance team meetings, and annual compliance training. Employees who have completed the sessions are required to participate in an annual compliance examination to ensure that they fully understand and follow our ethical requirements.

We take measures to deter non-compliance and reduce exposure to unethical opportunities, and we endeavor to eliminate conflict of interests by sharing information internally on a need-to-know-basis. We also conduct employee background checks for ethical conduct.

## Regular Audits and Risk Assessments

Our Compliance, Audit and Risk Management Department undertakes holistic annual risks assessments including anti-bribery and corruption topics across our global operations, through comprehensive mechanisms including in-depth engagements with line managers of each department.

These assessments aim to detect areas of high risk and evaluate the possible impact and severity on our business. We identify business activities and operations with high corruption risks through audits and other control procedures, and our Compliance, Audit and Risk Management Department issues investigation reports on any confirmed cases and takes actions accordingly. To ensure operational compliance, our ethical standards audit covers all Business Units and Operation Units at least once every three years, with the frequency increased according to specific business needs.



100%

of Board Directors participated in training on ethical standards and anti-corruption

100%

of employees participated in training on ethical standards and anti-corruption

BUSINESS ETHICS

RISK MANAGEMENT

INTELLECTUAL PROPERTY

INFORMATION SECURITY

RESPONSIBLE MARKETING

ANIMAL WELFARE

Incentives and Discipline Linked to Compliance

The Company includes ethical conduct as part of our employee performance appraisals, and critical/major violations will directly affect the yearly performance results for both the employees in question and their departments. We award incentives to employees who actively monitor and report corrupt behaviors, and we implement appropriate disciplinary actions for affirmed cases of non-compliance.

Reporting and Incident Investigation Procedures

We strive to create an open environment and encourage our employees, clients, suppliers, and other stakeholders to raise concerns on any suspected violations. A hotline (400-820-9577), operated by an external provider, is available 24/7 to both internal and external stakeholders.

Our Whistleblowing and Investigation Policy protects the rights of whistleblowers and empowers employees to do the right thing. The policy details the relevant investigation procedure, rewards, and disciplinary actions.

The Company handles all inquiries and investigations confidentially. Anonymous reports are allowed and we strictly prohibit any form of retaliation against anyone who reports a violation in good faith or cooperates in a company investigation, taking appropriate measures to ensure the concerned party is protected from retaliation. For more information on the protections we afford to whistleblowers, refer to our Whistleblowing and Investigation Policy.

During the Reporting Period, no lawsuits or legal cases were brought against WuXi Biologics for corruption, breaches of business ethics, or unfair competition, and no administrative penalty has occurred.

Training on Reporting Concerns and "Speak-Up" Culture

During the Reporting Period, the Company further improved its reporting and investigation system, aiming to address the concerns of whistleblowers and facilitate the investigation process. To promote a healthy "Speak-Up" culture that empowers employees to raise questions, two training sessions were provided for all employees regarding the whistleblowing mechanism and process. During the training, we conveyed the attitude of the Company and management towards whistleblowing and investigation, answered questions from employees, and addressed their potential concerns on reporting misconduct.

Indicator	Unit	2022
Training on the Business Code of Conduct and Anti-corruption Policy that each Board Directors received	Hour	0.5
Percentage of Board Directors participated in training on ethical standards and anti-corruption	%	100
Training on the Business Code of Conduct and Anti-corruption Policy that each employee received	Hour	1
Percentage of employees participated in training on ethical standards and anti-corruption	%	100



# Risk Management

## Why It Matters

As a company operating on a global scale, WuXi Biologics actively takes actions to mitigate various internal and external risks that could potentially impact our operations. We continually work on enhancing our risk management system to boost resilience and integrate it into everything we do.

BUSINESS ETHICS

**RISK MANAGEMENT**

INTELLECTUAL PROPERTY

INFORMATION SECURITY

RESPONSIBLE MARKETING

ANIMAL WELFARE

## Management Structure and Policies

We have established a holistic risk management system to manage risks, hazards, incidents, complaints, and claims. The system is designed to ensure the stability of our business activities by identifying, assessing, and responding to risks at an early stage. The Board of Directors holds the overall responsibility for the risk management system, and our Audit Committee monitors the appropriateness and effectiveness of the system as well as the overall management structure.

On an operational level, three lines of defense are designed to support and improve our risk management structure: the front office staff, including managers and responsible person(s) in business units, form the first line of defense; the Compliance, Audit and Risk Management Department and other operation units (such as the Finance, Legal, and HR departments) constitute the second line; and internal audits and investigations make up the third line.

The Compliance, Audit and Risk Management Department is led by the WuXi Biologics' Chief Compliance Officer (CCO), who reports directly to the CEO. Based on our three lines of defense, we are aiming at establishing a first-class compliance and risk management system to support the sustainable, long-term development of the Company. We have established an Ethics and Compliance Committee that serves as the highest management body of the Company's compliance risk management, tasked with overall control of the Company's compliance risks, and is ultimately responsible for monitoring and auditing risk management performance on an operational level. The Ethics and Compliance Committee regularly reports to the Audit Committee of the Board of Directors.

## Our Approach

### Risk Management System

Risk management is incorporated into the strategic and operational processes at all levels within WuXi Biologics to minimize the impact of risk. Following the COSO's Enterprise Risk Management Framework and guided by internal policies, we conduct an annual formalized risk assessment, which includes the identification, prioritization, measurement and categorization of all key risks that could potentially affect the Company's objectives. We continually monitor key risks and controls, and implement appropriate risk responses where necessary. In 2022, an independent third party conducted the systematical assessment on the overall readiness of the Company's risk management.

Taking preventive measures and assuring business continuity remain top priorities so we can continue delivery of high-quality services and products to our global clients in an ever-changing world. Our actions include conducting annual drills for emergency events, enhancing our business continuity management process, and promoting a risk-aware culture across the organization. If an event escalates to a crisis level, our emergency command team will promptly report to the emergency leadership team, and the business continuity and recovery protocol will then be activated after confirmation by the leadership team.



Risk Management Process



BUSINESS ETHICS

**RISK MANAGEMENT**

INTELLECTUAL PROPERTY

INFORMATION SECURITY

RESPONSIBLE MARKETING

ANIMAL WELFARE

### Risk Management Culture

To embed an effective risk management culture into our daily operations, we use an approach that includes a series of actions aimed at making risk management a collective responsibility for our employees at all levels.

#### Regular Risk Education

We strive to increase employees' awareness of compliance and risk management through training and communications that cover a wide range of focus areas, including compliance, cybersecurity, quality and EHS. Our internal compliance and risk control policies and procedures are clearly communicated to all employees through dedicated training sessions and weekly compliance meetings.

#### Incentive System

We have developed a set of compliance and risk management-related metrics — such as compliance and risk control — and incorporated it into our employee performance appraisal system. The evaluation procedure applies to both senior executives and line managers. In addition, rewards are provided to employees who proactively identify and report potential risks.

#### Risk Reporting Mechanism

Apart from our whistleblowing mechanism, we established a compliance risk reporting channel to make risk management a shared responsibility across the organization and to encourage all of our employees proactively identify and report potential risks.

### Emerging Risks Evaluation and Mitigations

We evaluate emerging risks coming from the dynamic environment annually to effectively manage potential risks that may affect our business operations in the long term. Herein below are selected topics from our 2022 emerging risk assessment.

### Emerging risk type - Climate Change

#### Risk Definition

Governments and private sectors are setting more ambitious goals to mitigate climate change. Given the pace and change required to meet any of these goals, potential risks could emerge during the Company's transition to a low-carbon future. Moreover, as a company that has global operations and sites, our business may encounter risks from the increasing extreme weather events caused by climate change.

#### Impact to the Company

Potential regulatory shifts towards climate-related reporting could increase the Company's cost on GHG emissions control. Additionally, changing technologies could also increase the Company's investment on green and clean technology when outdated facilities and technologies have become less economical. The physical impacts of climate change are likely to affect our business continuity if they occur at the operations of the Company or its critical suppliers, thus deterring the financial performance.

#### Mitigation Approach

Considering the estimated impacts, the Company formulated policies and guidance on climate change and energy management, set clear emission reduction goals, and improved energy efficiency through systematic management of carbon emissions and refinement of energy structure. To quantify our GHG emissions and lay a solid foundation for an energy-saving and carbon reduction roadmap, we invited an independent and accredited professional agency to conduct ISO 14064 carbon verification for our production sites, which enabled us to gauge our long-term carbon emissions, based on capacity planning, and provide a scientific basis for decision-making. The Company will continue to explore low-emission technologies, revamp machinery, enhance carbon reducing technological innovation, explore the use of renewable resources and devise energy-efficiency improvements.





### **Emerging risk type - Sustainable procurement**

#### **Risk Definition**

A stable supply chain is key for the Company to deliver high-quality service for its clients. Furthermore, environmental, social and governance misconduct coming from our suppliers is likely to pose an adverse impact on our reputation, as companies are increasingly held accountable to source material and services in a responsible way.

#### **Impact to the Company**

Suppliers with high sustainability risks could require additional management time and effort, which will increase our management costs. Additionally, suppliers involved in incidents of non-compliance could damage our brand image and reputation, which compromises the trust we earned from our clients and affects our business. Identified sustainability issues in the supply chain also increase our time and efforts invested into procurement governance, as we need to find new alternative suppliers.

#### **Mitigation Approach**

To promote a sustainable value chain and meet the expectation from our stakeholders, we continuously engage with our suppliers through training and communications to improve their sustainability performance. We also conducted sustainability risk assessments to identify potential sustainability risks in the supply chain, and take corrective measures as necessary. Moreover, we continued to improve our multiple-sourced procurement and safety stock, which enables us to cope with supply challenges in the changing environment. We build redundancy into our supply chain by keeping at least two suppliers for key raw materials and components, and retain sufficient stock of material to meet production needs. This double backup strategy enables us to deliver projects on time even when the supply chain is affected.

BUSINESS ETHICS

**RISK MANAGEMENT** 

INTELLECTUAL PROPERTY

INFORMATION SECURITY

RESPONSIBLE MARKETING

ANIMAL WELFARE



# Intellectual Property

## Why It Matters

At WuXi Biologics, intellectual property protection is the foundation for mutual trust between the Company and its clients. We regard intellectual property as our shared lifeline, and guard it with our founding principles of integrity, world-class security, zero-tolerance policy enforcement, and relentless pursuit of justice for any criminal act.

## Management Structure and Systems

The Company's Legal Department holds the responsibility for designing and implementing our intellectual property protection strategy across the organization. Our internal policies on intellectual property management are aligned with standards and principles such as the GB/T 29490-2013 *Administration of Intellectual Property Rights of Enterprises*. We also have strict policies and procedures in place for accountability in cases of infringement. In 2022, we received annual audits from external certification organizations and remained certified, as shown by our Intellectual Property Management Certificates.



Intellectual Property Management Certificates

BUSINESS ETHICS

RISK MANAGEMENT

INTELLECTUAL PROPERTY

INFORMATION SECURITY

RESPONSIBLE MARKETING

ANIMAL WELFARE



## Our Approach

We take a holistic approach to protecting intellectual property. Internally, our efforts focus on raising awareness and enhancing IT infrastructure. To enhance risk monitoring and management, we have a clear escalation protocol in place and encourage all employees to report any potential intellectual property infringement. To minimize the risk of intellectual property infringement when we collaborate with a third party, we require our suppliers to sign the *Suppliers Intellectual Property Declaration*, which explains the application of intellectual property rights and describes our dispute settlement procedures.

Intellectual Property Protection Measures			
Training	Data	Files	Firewall
<ul style="list-style-type: none"> <li>• Ongoing training on intellectual property protection and compliance is provided for all employees.</li> <li>• Dedicated training on patent protection for R&amp;D personnel and senior management is designed to raise risk awareness.</li> <li>• An annual intellectual property compliance examination.</li> </ul>	<ul style="list-style-type: none"> <li>• Traceable data</li> <li>• Electronic laboratory notes</li> <li>• Double backup</li> <li>• Serial point-to-point transmission</li> <li>• Strict authority control over information storage</li> </ul>	<ul style="list-style-type: none"> <li>• All project related files are encrypted.</li> <li>• Transfers to flash drives and other removable disks are forbidden.</li> </ul>	<ul style="list-style-type: none"> <li>• Teams working on different projects are not allowed to talk about or share clients' confidential information.</li> <li>• Firewalls are established between teams working on different projects.</li> <li>• Projects are encoded with sample names encrypted.</li> </ul>

BUSINESS ETHICS

RISK MANAGEMENT

**INTELLECTUAL PROPERTY**

INFORMATION SECURITY

RESPONSIBLE MARKETING

ANIMAL WELFARE



# Information Security

BUSINESS ETHICS

RISK MANAGEMENT

INTELLECTUAL PROPERTY

**INFORMATION SECURITY** ▾

RESPONSIBLE MARKETING

ANIMAL WELFARE

## Why It Matters

At WuXi Biologics, information and data security is a top priority. The stability and efficiency of our services rely on critical information systems and the secure transmission of various data. We are committed to respecting and protecting people’s right to data privacy in our operations and activities. To that end, we pay close attention to potential information security risks, and quickly identify and respond to security incidents and data breaches, going to extra lengths to protect the information entrusted to us by our clients and partners.

## Management Structure, Systems and Policies

Our information security management system is built in accordance with the requirements of ISO 27001, and we have established comprehensive policies and processes to control potential information security risks, including *Information Security Manual*, *Information Security Risk Management Policy*, *Information Security Strategy*, *Third-Party Security Management Policy*, etc.

Internal policies on information security are provided to all employees through email updates and training sessions to ensure that up-to-date rules are followed. To hold our business partners to the same standards, our suppliers are also required to abide by our information security and data protection policies, as well as other data protection requirements covered in our *Business Partner Code of Conduct*.

The effectiveness of the information security system is supervised by WuXi Biologics’ executive management team. Privacy and data security risks and their potential impacts are under the oversight of our Board-level Audit Committee. Our Information Security Management Committee – headed by the CEO, one of the Board members – is responsible for the establishment of our strategy and the review/approval of relevant policies. Moreover, our CTO on the executive management team is tasked with overseeing cybersecurity within the Company. Also at the executive level, we have an Information Security Working Committee – composed of members from various business units – which is responsible for assessing and responding to information security risks. In 2022, we have obtained ISO 27001 certification.



ISO 27001 Certificate



## Our Approach

We use a rigorous proactive approach to protect the Company's assets, systems, and information from potential technical failure, human error, or malicious attacks. To prevent and control risk at its source, we take a series of precautionary measures, including conducting information security due diligence on third parties, raising security awareness through regular staff training sessions, integrating information security metrics into employee performance evaluations, and opening reporting channels that enable stakeholders to raise concerns.

We continuously enhance our defense technologies and infrastructure to cope with possible external cybersecurity risks. In 2022, there were no confirmed information security incidents. To ensure business continuity and maintain customer trust, we have established comprehensive *Information Systems Business Continuity and Disaster Recovery Plans* as well as other policies, including *Information Security Incident Management Standards*. At WuXi Biologics, contingency plans are designed to be both proactive and reactive. We test them at least semi-annually to increase resilience and further optimize the original plans. Additionally, external and internal audits are conducted on our information security system every year. In 2022, we received IT audits from our clients and invited an external party to conduct independent IT audits. There were no major findings or evidence of business information leaks.

BUSINESS ETHICS

RISK MANAGEMENT

INTELLECTUAL PROPERTY

**INFORMATION SECURITY**

RESPONSIBLE MARKETING

ANIMAL WELFARE



### External risk prevention and management

- Security score above 90 for all internet-facing websites assessed by Security Scorecard.
- Penetration testing from two external organizations annually, ensuring that risks are identified from an independent and multidimensional perspective.
- Approximately 170 million external attacks, 3000,000 phishing/spam emails, 6,000 computer virus/malware attempts blocked in 2022.



### Business development empowerment

- Full application security assessments for hundreds of IT and business projects.
- 25 information system failure recovery drills conducted in 2022.



### Creating a culture of security

- Information security training courses for all new employees, including part-time employees and contractors.
- Two information security training sessions for all employees, including part-time employees and contractors.
- Two dedicated security awareness training sessions for international employees.
- One compliance meeting covering information security for all employees.
- Weekly security meetings covering all employees to communicate policies and procedures.
- Phishing simulations conducted on an annual basis.

### Measures to Enhance Information Security



# Responsible Marketing

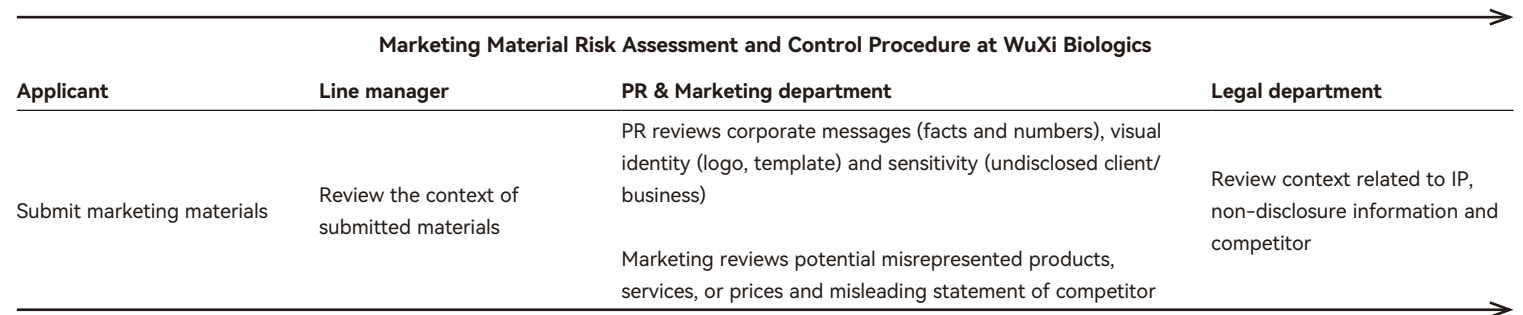
## Why It Matters

Marketing compliance is a key component of our overall business ethics management. As part of our mission to improve people’s lives, WuXi Biologics aims to ensure that our marketing behaviors are honest, accurate, and consistent with our company values. The Company strictly abides by all applicable legal requirements and industry guidelines regarding ethical marketing, and is committed to demonstrating socially responsible values when communicating, promoting and marketing the Company’s services to stakeholders.

## Management Structure and Policies

Our ethical marketing practices are supported by a robust governance structure. We have established a Steering Committee that provides oversight and guidance for responsible marketing issues. The Steering Committee Chair reports directly to the CEO and holds overall responsibility for the Company’s marketing behavior. We also have a Marketing Committee in place to support the Steering Committee in developing and implementing strategy and providing regular training in responsible marketing.

We have established policies on responsible marketing that help regulate the marketing and communicating behaviors of relevant personnel. Based on the policy, ethical reviews are carried out regularly to ensure that the context of promotional materials meets our ethical standards. We have also established a systematic audit procedure for marketing compliance that involves multiple reviewers. Marketing materials must be approved by all relevant personnel and departments before being published or disclosed to any party for the purposes of printing and publication.



BUSINESS ETHICS

RISK MANAGEMENT

INTELLECTUAL PROPERTY

INFORMATION SECURITY

**RESPONSIBLE MARKETING** 🏠

ANIMAL WELFARE



## Our Approach

We make every effort to identify, assess and minimize potential compliance risks associated with marketing misconduct. The Company has established a marketing material reviewing and monitoring system focused on policy compliance, where due diligence is conducted at all levels of the marketing team.

To increase employees' awareness of responsible marketing and facilitate their understanding of our policies and procedures, we require all employees, including part-time employees and contractors, to receive annual training on *Responsible Marketing Policy*. Our training covers various ethical marketing areas related to our business, including social media communications, antitrust and competition principles, and anti-bribery during marketing activities. Those courses are mandatory for all new employees, as is training on the audit and approval of publicity materials.

In addition, for business development personnel and employees who engage in marketing, communications, and sales we regularly offer in-depth and role-specific training on responsible marketing to ensure that our marketing activities are being implemented in an appropriate way. Ethical training is provided regarding relevant topics such as public external speech, webinars and events, and promotional and non-promotional materials.

We also have reporting channels in place to engage stakeholders in helping us manage our marketing compliance risks. Any employee, client, supplier, or other third party may report potential marketing violations. All reports of misconduct will be taken seriously. The Internal Audit Department will conduct an investigation consistent with the established investigation procedure and corrective action will be taken accordingly. For more information on our procedures for investigating marketing violations uncovered through monitoring, auditing or reporting mechanisms, refer to the WuXi Biologics *Whistleblowing and Investigation Policy*.

In 2022, no administrative penalties or litigation arose from marketing violations.

BUSINESS ETHICS

RISK MANAGEMENT

INTELLECTUAL PROPERTY

INFORMATION SECURITY

**RESPONSIBLE MARKETING** 

ANIMAL WELFARE



# Animal Welfare

## Why It Matters

WuXi Biologics takes effective measures to ensure that laboratory animals are treated ethically and humanely, and that their use is scientifically justified. We strictly abide by all applicable guidelines and regulations in each country or region in which we operate, and uphold the highest standards for animal care.

In 2022, we maintained our accreditation from AAALAC International (the Association for Assessment and Accreditation of Laboratory Animal Care).

BUSINESS ETHICS

RISK MANAGEMENT

INTELLECTUAL PROPERTY

INFORMATION SECURITY

RESPONSIBLE MARKETING

**ANIMAL WELFARE**

## Management Structure and Policies

The compliance and management of animal research is under the supervision of our Institutional Animal Care and Use Committee (IACUC), with the Chair of the committee reporting directly to our CEO on the management and ethical conduct of animal tests. The committee carries out semiannual audits to evaluate the necessity, rationality, and standardization of the use of laboratory animals. The audit outcomes are used to identify opportunities for alternative (non-animal) methods and detect gaps in the processes or procedures. We have established sound animal welfare policies and standard operating procedures on responsible animal use, which provide guidance for relevant personnel in our animal research.

## Our Approach

Subscribing to the recognized principles of replacement, reduction, and refinement (the 3Rs), we work to reduce the use of laboratory animals to a strictly necessary minimum, while we also implement effective programs to ensure that animals are treated ethically and humanely, and appropriate designs and sanitary facilities are provided to promote their comfort and well-being.

Initiatives to Enhance Animal Welfare		
Replace Animal Testing	Reduce Animal Testing	Refine Animal Testing
<ul style="list-style-type: none"> <li>Conduct in vitro testing when selecting the suitable molecules as an alternative to animal testing, allowing molecules to be studied safely and ethically without subjecting animals to possible side effects or toxicity.</li> </ul>	<ul style="list-style-type: none"> <li>Before granting permission for an animal test, conduct a series of evaluations to identify whether use of animals is scientifically justified.</li> <li>Increase the enrollment rate during the IACUC audit to reduce animal use.</li> <li>Improve the skills and performance of relevant personnel to minimize unnecessary animal use.</li> </ul>	<ul style="list-style-type: none"> <li>Optimize experimental methods, and minimize discomfort, pain and stress to animals.</li> <li>Design optimal animal living environments to ensure that each animal has an appropriate activity space. Continuously monitor temperature and humidity.</li> <li>Provide toys to animals for their well-being.</li> </ul>

We ensure that all personnel in our animal research centers remain aware of their ethical and legal responsibilities by providing technical and compliance training on a regular basis. Additionally, external training on professional skills related to laboratory animals is provided for all professional staff, including part-time employees and contractors.

In 2022, zero misconduct and non-compliance regarding animal welfare occurred.





# Supply Chain Management

## The Big Picture

As a global company, WuXi Biologics collaborates with business partners worldwide. We are committed to working with supply chain business partners who operate in line with our ethical standards and principles, and we strive to integrate environmental and social sustainability into our supplier management system, engaging and collaborating with our suppliers to drive best practices and bring positive impact to our value chain.

### PROCUREMENT MANAGEMENT

SUSTAINABLE SUPPLY CHAIN

## Procurement Management

### Why It Matters

Effective procurement management is essential for WuXi Biologics to ensure we meet customer demands in a timely manner and with high quality. We implemented a rigorous supply chain management process – from initial vendor assessment and approval, supplier risk assessment and fulfillment evaluation, to annual audits and corrective plan implementation – to minimize supply chain risks and scale quality assurance.

## Our Approach

### Admitting and Classifying Our Suppliers

Together with strict product quality requirements and Good Manufacturing Practice (GMP) reviews, we conduct due diligence in respect of our suppliers' qualifications and review sustainability performance through our supplier management process. To assure that our suppliers are operating in a responsible way, we also include social and environmental sustainability criteria in our supplier assessment forms and all supplier contracts.

Our criteria for admitting suppliers includes: establish required item names and material quality standards; ensure product conforms to national, industry and company standards; check supplier's production capacity and conditions, and quality assurance; confirm that after-sales service meets our requirements as well as supplier's reputation and provision of quality service; prioritize suppliers with low-carbon and environmentally friendly products and those with a good record of corporate social responsibility.



We screen all approved suppliers and then classify them as either significant (including strategic and preferred) or general suppliers, identifying them by procurement volume, nature of the procured item, and substitutability. Sector-specific and commodity-specific risks are also considered in the screening process for significant suppliers. We have implemented varied management approaches – based on the classification – for effective supplier management.

Category	Significant Suppliers		General Suppliers
	Strategic Suppliers	Preferred Suppliers	
<b>Key Features</b>	<ul style="list-style-type: none"> <li>• High purchasing volume</li> <li>• Provide critical component(s)</li> <li>• Provide multiple categories of products/services</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperation time is more than one year</li> <li>• No major quality complaints</li> <li>• Selected through competitive bidding</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with supplier admittance process</li> <li>• Pass quality audit</li> </ul>
<b>Extent of Management</b>	<ul style="list-style-type: none"> <li>• Monthly performance evaluations</li> <li>• Quarterly quality and technical exchanges</li> <li>• Biannual leadership team communications</li> <li>• Ongoing strategic synergy and relationship management</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly performance evaluation</li> <li>• Annual due diligence and risk assessment</li> <li>• Ongoing business continuity risk management</li> <li>• Ongoing procurement cost management</li> <li>• Ongoing alternative supply development</li> </ul>	<ul style="list-style-type: none"> <li>• Day-to-day supply management</li> <li>• In major event cases, activation of risk substitution strategy</li> </ul>

#### Supplier Classification and Management

#### PROCUREMENT MANAGEMENT

##### SUSTAINABLE SUPPLY CHAIN

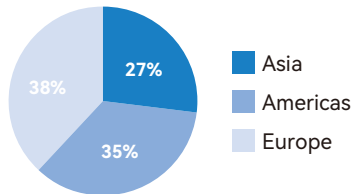


### Supplier Quality Audit

We conduct annual audits of our suppliers' facilities and processes, covering all significant suppliers as well as selected general suppliers. Our internally developed audit criteria enable us to comprehensively evaluate suppliers in terms of product safety and quality management, internal management, production reliability, and other factors. Manufacturers or distributors of raw material, as well as GMP service providers, are qualified only after being certified against our internal quality standards, which are in line with GMP requirements. Aside from auditing direct suppliers, we also test and certify all raw materials we use to ensure they meet our quality standards, and we continue to monitor our raw material quality on an ongoing basis.

Our audits take the form of document audits and on-site audits to verify that a supplier's production and operation are responsible and meet our expectations. In response to audit findings, we may instruct our suppliers to devise targeted correction plans, and track their implementation for additional quality management. Suppliers who fail to pass the audit twice would be blacklisted.

### Supplier Geographical Distribution by Spend



### PROCUREMENT MANAGEMENT

#### SUSTAINABLE SUPPLY CHAIN

### Supplier Engagement

We have established an open and constant communication mechanism with each supplier, sharing with them the latest standards and updates as well as providing necessary support during day-to-day business. We organize regular strategic, technical, and operational meetings with suppliers, helping them to improve their efficiency and quality of delivery.

To drive innovation and industry development, we held three rounds of Supply Chain Innovation Day in 2022 in cooperation with our strategic suppliers, covering more than 20 topics, including innovation, sustainable supply chain, and quality assurance.

### Supply Chain Continuity

Ensuring supply chain continuity remains one of our top priorities. We continued to maintain our multiple-sourced procurement and safety stock. To safeguard a steady supply source, we have established an effective inventory strategy by proactively assessing and classifying high-risk materials and suppliers. For suppliers identified as high risk, we apply a dual-sourcing plan to keep backup suppliers available in our supplier pool.

Indicator	Unit	2022
Total number of significant suppliers in Tier 1 <sup>6</sup>	Number	109
Percentage of total spend on significant suppliers in Tier 1	%	80



# Sustainable Supply Chain

## Why It Matters

An inclusive, responsible, and resilient supply chain is key to the long-term success of our business. We are working to embed sustainability in all our business dealings through continuing collaboration with our suppliers. With ongoing training, communication, and sustainability programs, we aim to promote environmentally and socially responsible practices within our value chain.

## Principles and Policies

WuXi Biologics strives to conduct business with partners who share our commitment to high ethical standards and who operate in a socially and environmentally responsible manner. We developed responsible purchasing principles, and, when admitting and assessing prospective suppliers, we consider their sustainability performance – among other factors – to ensure alignment with our responsible supply chain principles. We also include environmental sustainability criteria as part of our supplier selection process, prioritizing suppliers with low-carbon and environment-friendly products.

Aiming at advancing our social and environmental commitments, we published the *Code of Business Conduct and Ethics of WuXi Biologics Business Partner* and updated a series of procurement-related policies, such as *WuXi Biologics Procurement Policy* and *WuXi Biologics Supplier Management Standards* — based on the *PSCI<sup>1</sup> Principles for Responsible Supply Chain Management* — with more detailed requirements regarding business ethics, anti-bribery & corruption, labor and human rights, health and safety, environmental protection, quality control, and an overall compliance management system. We conduct due diligence regarding business ethics including anti-bribery & corruption for new business partners, including suppliers, contractors, and consultants. During our collaboration, we supervise their compliance continuously through audits

and risk assessments. Moreover, we have established and included suitable sustainable supply chain targets in our procurement-related policies, guiding the Company towards a more transparent, ethical, and responsible supply chain. These supplier ESG programs are under the oversight of the Board and reviewed by management quarterly.

Throughout the lifetime of our relationship with all suppliers, we seek to keep them well-informed of our internal policies and standards, and ensure that their conduct meets our expectations. We communicate and emphasize our anti-bribery and corruption requirements to all business partners and ensure that they fully acknowledge and comply with our policies by signing both the *Code of Business Conduct and Ethics of WuXi Biologics Business Partner* and the *Integrity Agreement for Cooperation* upon commencement of collaboration. In 2022, all new suppliers — along with all existing significant suppliers — signed the *Code of Business Conduct and Ethics of WuXi Biologics Business Partner* and the *Integrity Agreement for Cooperation* to acknowledge their understanding and commitment to our requirements.

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### Principles We Follow

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- The PSCI Principles for Responsible Supply Chain Management
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## Our Approach

### Empower Procurement Personnel

We have taken measures to ensure the effective implementation of our sustainable supply chain management system. We integrated the sustainable supply chain targets into the performance evaluation of our procurement personnel. Training programs on sustainable purchasing are provided annually to all procurement personnel to ensure their understanding of social and environmental issues, and how those issues are integrated into our procurement process.

### Supplier Sustainability Risk Assessment

We actively identify, assess, monitor, and mitigate suppliers' sustainability risks through desk assessments with systematic verification of evidence. In 2022, we conducted supplier sustainability risk assessment by sending questionnaires to all of our significant suppliers, covering 80% of our entire supplier base by spend. The four major areas of assessment were business ethics and anti-bribery & corruption, labor and human rights<sup>8</sup>, environment and climate change, and sustainable procurement. We applied customized metrics to evaluate suppliers' policy, action, and performance under the four major areas.

Level of Risk	Descriptions
Low Risk	<ul style="list-style-type: none"> <li>Structured and proactive CSR management</li> <li>Detailed policies and tangible actions in place on major ESG issues</li> <li>Evidence of implementation</li> <li>Performance and actions around ESG indicators fully disclosed</li> </ul>
Medium Risk	<ul style="list-style-type: none"> <li>Structured and proactive CSR management</li> <li>Detailed policies and tangible actions in place on major ESG issues</li> <li>Performance and actions around ESG indicators partially disclosed</li> </ul>
High Risk	<ul style="list-style-type: none"> <li>Lack of policies or actions on ESG issues</li> <li>Evidence of serious misconduct in specific areas (e.g., pollution, corruption)</li> </ul>

### Supplier Sustainability Risk Definitions



Based on the risk assessment results, we engaged with suppliers through detailed audits, training and education, and, if needed, established effective remedial action plans to improve their sustainability performance. We provided suppliers with remote or onsite support for the implementation of corrective or improvement actions, and offered one-on-one technical assistance to build capacity before reassessing and checking for improvements.

	High Risk	Medium Risk	Low Risk
Sign the <i>Code of Business Conduct and Ethics Commitment of Business Partners</i>	√	√	√
Participate in annual sustainability risk assessment (desk or on-site) carried out referencing the PSCI principles	√	√	√
Participate in supplier on-site assessments carried out by contracted consultants or an independent accredited auditing body	√	√	√
Participate in our training and communication	√	√	√
Strengthen ESG performance through corrective action or improvement plans	√	√	

#### Measures to Improve Supplier's Sustainability Performance

Indicator	Unit	2022
Total number of suppliers assessed via desk assessments	Number	109
Percentage of suppliers assessed via desk assessments by spend	%	80
Number of suppliers assessed that had potential negative impacts	Number	12
Percentage of suppliers that had potential negative impacts and agreed to corrective improvement plan	%	100
Number of suppliers that had substantial potential negative impacts and were terminated	Number	0
Total number of suppliers supported in corrective action plan implementation	Number	1
Total number of suppliers in capacity-building programs	Number	1



### Responsible Procurement Audit

At the end of 2022, we conducted our annual responsible procurement audit. Throughout the audit, sustainability issues were incorporated into our supplier audit framework, which covered business ethics and anti-bribery & corruption, labor and human rights, environment and climate change, and sustainable procurement. All significant suppliers and selected general suppliers were audited, and we provided audit feedbacks and improvement plans to targeted suppliers.

### Supplier Engagement and Development

Based on the supplier performance evaluation, we actively engage suppliers with sustainable capacity-building programs, including training on quality assurance as well as our supplier ESG program, process and sustainable requirements. We offer various training to all suppliers on an annual basis to help them refine their quality management and improve their sustainability performance and management, and we proactively share our peers' benchmark and best practice of ESG governance to help empower them for continuous improvement.

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### Sustainability Training for Suppliers

In 2022, we held three supplier ESG trainings with different focuses. The first one, provided to significant suppliers, introduced our ESG strategies and quality requirements for suppliers. The second was one tailored to international significant suppliers, elaborating on our global ESG commitments and expectations for quality. The third training was devoted to addressing the questions and findings that arose from the supplier sustainability survey results, and we provided improvement advice and dedicated trainings to suppliers who were lagging behind.

We are highly aware that mitigating climate change requires joint efforts along our supply chain. To build climate resilience and minimize our environmental footprints, we call on our suppliers to actively engage in climate action. We educate our suppliers on climate change and emission reduction, and encourage them to incorporate the best practices into their operations.

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## Target and Progress

Target	2022 Progress
Require all new suppliers sign both the <i>Code of Business Conduct and Ethics of WuXi Biologics Business Partner</i> and the <i>Integrity Agreement for Cooperation</i> .	All new suppliers and all existing significant suppliers have signed both.
Conduct sustainability risk assessment annually that covers at least 75% of the entire supplier base by spend.	All significant suppliers were included in the 2022 sustainability risk assessment, covering 80% of the entire supplier base by spend.
Engage 100% of significant suppliers through capacity-building programs.	Held three rounds of supplier training in 2022 that covered all significant suppliers.

## Performance Highlights

Indicator	Unit	2022
Number of participants	Person-times	196
Duration	Hours	392

PROCUREMENT MANAGEMENT  
SUSTAINABLE SUPPLY CHAIN 

# 100%

Targeted suppliers with contracts that include environmental and social clauses

# 100%

New suppliers and targeted suppliers that have signed the *Code of Business Conduct and Ethics of WuXi Biologics Business Partner*

# 100%

Procurement staff trained on sustainable procurement





# Giving Back to Society

As a responsible corporate citizen, WuXi Biologics always strives to advance equity and opportunities for our clients, employees, and the communities we reach, while creating broad value to society. We aim to fulfill our clients' expectations, empower our people, and serve our communities through technology and innovation.

Enabling Clients	41
Developing Employees	46
Fostering Communities	61



# ■ Enabling Clients

## The Big Picture

As a leading global open-access biologics technology platform, WuXi Biologics offers end-to-end solutions and technologies to empower our clients to bring groundbreaking therapies to people in need. We regard our clients as an indispensable part in shaping our sustainable development strategy, and strive to provide our clients with the most comprehensive capabilities.

### QUALITY MANAGEMENT

CLIENT ENGAGEMENT

## Quality Management

### Why It Matters

Quality is a core value embedded in our culture to assure that the biopharmaceutical products manufactured at WuXi Biologics are of the highest level of efficacy and safety as per our customers' expectations. For our global partners, our commitment to premier world-class quality is key to enabling hundreds of biologics to enter the different stages of clinical trials and the market.

## Management Structure and Policies

Quality is the hallmark of WuXi Biologics. We have developed a unified *Global Quality Manual* that provides the basis for 36 Quality Standard Guidelines and thousands of Standard Operating Procedures. We outline our commitment to an effective and modern Pharmaceutical Quality System (PQS) and the highest standards of product quality and safety. The PQS assures the quality of the products and services provided to our clients, and ensures the excellent execution of all production-related activities. Additionally, it provides guidance towards achieving our quality objectives of maintaining product quality, product safety, compliance, and customer satisfaction, while minimizing inefficient practices as well as failure costs.

WuXi Biologics has established a Quality Governance framework to ensure transparency of quality issues at all levels of management. Quality information is systematically and continually gathered, and reported at periodic quality review meetings, with potential risks promptly identified and escalated. Our Chief Quality Officer takes the leading role in ensuring effective and comprehensive implementation of our quality system, supported by the five forces of our quality management system.



At each global/regional organizational level, the quality lead chairs a cross-functional Quality Committee to review quality and compliance. At the site or plant level, information is escalated to senior management from various Specific Quality Review Committees. Quality Governance ensures clearly delineated management responsibilities, along with efficient reporting and escalation across local, regional, and global scales.

The Five Forces of the WuXi Biologics Quality System

Global Quality Compliance	Quality Assurance	Quality Control	Training Center	Regulatory Affairs
Ensures consistency in quality protocols and practices across sites and departments	Ensures products meet the requirements for registration and use	Produces high-quality data to ensure the Company's product quality	Implements trainings and programs under strict compliance requirements	Provides clients with the best drug application strategies to ensure product safety, efficacy, and quality

Our Approach

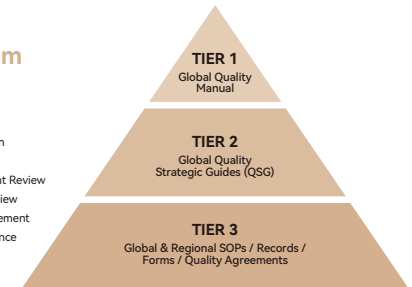
Global Quality System

To ensure safe and efficacious biotherapeutics and vaccines, global manufacturing regulatory agencies provide to drug manufacturers a comprehensive set of guidelines and regulations that covers all aspects of product development and manufacturing. Meeting these guidelines and regulations is the utmost priority for WuXi Biologics, and we commit to the highest level of production quality in accordance with GMP requirements.

One Global Quality System

Key Components of the WuXi Biologics Quality System:

- Documentation Management
- Personnel and Training
- Supplier Management
- Deviation/OOS Management
- Change Management
- Data Integrity
- CAPA
- Audit and Inspection
- Risk Management
- Quality Management Review
- Annual Product Review
- Compliance Management
- Regulatory Intelligence





Our comprehensive Global Quality System was established based on GMP requirements and governs 100% of our manufacturing operations globally. It has been audited by multiple regulatory agencies including, but not limited to, the FDA, EMA, NMPA, PMDA, MFDS, HSA, ANIVSA, HPRa and Health Canada.

The key components of our quality system are quality risk management, quality control, quality inspection and certification, and quality training.

#### **Quality Risk Management**

Quality risk management is an integral part of our Global Quality System, and is embedded throughout the full product lifecycle at all our R&D and manufacturing sites. We have established a Quality Risk Management (QRM) system according to the guidance of GMP, and it is a systematic process for the assessment, control, communication, and review of risks related to the quality of the medicinal products. The evaluation of quality risks is based on scientific knowledge and experience with the process, and is ultimately linked to the protection of patients.

We closely monitor product quality, safety performance and the related metrics, and also conduct investigations of deviations, findings from self-inspections or external inspections, complaints, and recalls. An appropriate level of root-cause analysis is applied during the investigation of deviations, suspected product defects and other issues, as determined by our QRM principles. Corrective and/or preventive actions are identified and taken in response to investigations, and the effectiveness of such actions is monitored and assessed to assure alignment with our QRM principles.

#### **Quality Control**

WuXi Biologics has a systematic quality control process with robust in-house quality testing capabilities, supported by quality control laboratories located around the world. This helps enhance our quality through regular precautionary testing for emerging quality/safety concerns in all products and services, and includes such aspects as raw material testing, in-process testing, process control and validation, product release testing, and stability testing for biologic products.

#### **Quality Inspection and Certification**

Our globally unified quality standards are based on GMP requirements, along with the guidelines of multiple regulatory agencies – such as NMPA / FDA/ EMA – and company standard operating procedures. We conduct internal audits annually at all of our operating facilities in strict accordance with internal quality standards. Designated departments are involved to analyze audit results, develop appropriate solutions, and implement improvement measures in coordination with the on-site quality assurance and quality control departments.

Meanwhile, we receive external quality inspections and certifications from drug regulatory agencies. As of December 31, 2022, we underwent 27 inspections conducted by the regulatory agencies. The number of certified facilities is 14, accounting for 61% of the total number of facilities that have been put into operation.

## **QUALITY MANAGEMENT**

### CLIENT ENGAGEMENT



### Quality Training

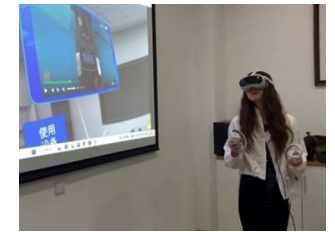
Building a quality-focused company culture is vital for deploying quality standards and regulating day-to-day operations. Our Training Center is responsible for implementing training policies, developing the annual training plan, and conducting the training programs. In-depth quality trainings include job-specific training and product quality practice promotion, among others, and the trainings are applied to all employees – including full-time and part-time – as well as contractors.

New employees in R&D, production, quality, and other related positions receive training on GMP, production and quality control, along with hands-on laboratory practice. Annual trainings and up-skilling trainings are offered to existing employees for quality knowledge updates. All employees can access online courses through the iGrow training platform to continually improve quality awareness.

To help ensure the continued effectiveness of our quality training, we have strict rules for the preparation and evaluation of each quality training, and require that each training be followed by examinations, data collection, survey feedback, reports generation, and record archiving.

### VR Virtual Practice Training

In 2022, WuXi Biologics conducted the first virtual reality (VR) training in the industry on Operation and Cleaning of the Biowelder/Biosealer. Trainees experienced a learning mode with visual guidance and repeatable practice, an assessment mode with error tips and electronic examination, and a multi-person interaction component with an immersive feature where trainees could observe from a 360-degree perspective. In the future, we will adapt and apply VR training to more production scenarios to enhance training effectiveness and foster business development.





# Client Engagement

## Why It Matters

Candid engagement facilitates mutual understanding between clients and WuXi Biologics, and we can better leverage client input to address any issues or concerns in a timely manner and deliver value more effectively throughout the collaboration journey. We aim to build trust and strengthen relationships with our clients, which leads to improved outcomes and higher levels of satisfaction.

**89.47**

Customer satisfaction ratings

QUALITY MANAGEMENT

**CLIENT ENGAGEMENT** 

## Our Approach

We are committed to delivering the best product and service experience for our worldwide clients with speed, flexibility, and quality. To do this, we monitor client satisfaction, maintain communications, and follow rigorous recall procedures. We also practice dual sourcing and multi-sourcing of materials globally to meet client demands, improve stability of supply, and fulfill client expectations.

### Customer Satisfaction

To effectively gather feedback from our clients, we conduct customer satisfaction surveys and carefully review the results every year. In 2022, with the survey focused on those customers who account for over 50% of revenue, our overall customer satisfaction ratings reached 89.47, exceeding the 2022 target of 80.

#### Voice of Customers

“ I have worked with 12 CMOs over the past five years. WuXi Biologics’ quality standard and adherence to the schedule are truly outstanding. WuXi Biologics’ team is very flexible and goes the extra mile to meet schedule requirements.”

“ The best team that I have ever worked with in my 40-year career. It is very special and rare in the industry to have so many projects going on at the same time but WuXi Biologics makes it happen.”

“ Far beyond our expectations. We expect to pay for services but were surprised at the level of commitment and collaboration that was included – hard to achieve in a tough year.”

“ Someone asked me my thoughts of WuXi Biologics. I said it’s very difficult for other companies to compete with the one that says yes all the time.”

## Client Communication and Feedback

Maintaining communication with our clients is an important way to help us improve the quality of our services, and we have set up complaint channels for receiving their feedback. We require that product complaints be investigated in a timely manner by qualified and trained individuals, that investigations be documented with a written report, and that appropriate actions be taken as a result of an investigation. Complaints are reviewed periodically to detect trends that might suggest changes needed to improve product quality or operational processes.

In 2022, we received and properly addressed three customer complaints related to the products and services we provide. We reviewed the causes, strengthened communication between relevant suppliers, and prevented recurrence via internal training, the upgrading of the relevant documents or SOPs, and in specific instances, the filing of supplier complaints.

### Product Recall Process

As a Contract Manufacturing Organization, WuXi Biologics is responsible only for releasing products to our customers, who then release the products to the market. Product recalls are not initiated by WuXi Biologics, but we actively cooperate with customers in the event of recalls and we have established effective product recall processes to respond to potential product quality incidents. Different scenarios and levels of recalls are specified to ensure timely and appropriate response. In addition, to improve our resilience to product recall, we conduct mock recalls annually and invite clients to participate.

While we actively work to prevent product quality and safety incidents, in the event of non-compliance, we will publicly report on product/service safety issues to protect our customers and maintain transparency. In 2022, no product recalls occurred.

### Meeting Client Needs with Flexibility

To deliver projects at the fastest speed with the highest quality, we deploy a Global Dual Sourcing manufacturing strategy with built-in contingency plans and mitigation controls. With facilities located in the United States, Ireland, Germany, Singapore, and China, our biomanufacturing capacity is able to meet the growing needs of our clients worldwide, while ensuring a robust global supply chain.



# Developing Employees

## The Big Picture

The WuXi Biologics team comprises highly dedicated and experienced talents, who are our greatest asset and help maximize our competitive advantage. The well-being and growth of our employees is invaluable to our business and sustainability strategy. By fostering a welcoming and respectful atmosphere, we remain dedicated to creating a diverse, equitable and inclusive workplace for all employees.

### EMPLOYMENT COMPLIANCE

DIVERSITY, EQUITY, AND INCLUSION (DEI)

TALENT DEVELOPMENT

EMPLOYEE ENGAGEMENT

OCCUPATIONAL HEALTH AND SAFETY

## Employment Compliance

### Why It Matters

Productive employment and decent work are fundamental to sustainable growth. WuXi Biologics is committed to providing all employees with a fair, just and sustainable work environment. We strive to create an inclusive and supportive environment where employees are treated with dignity and respect, and are free from inappropriate behaviors such as bullying, harassment, and discrimination.

## Policy and Commitment

WuXi Biologics firmly upholds the principles and values laid out in the *United Nations International Bill of Human Rights* (consisting of the *Universal Declaration of Human Rights* and its associated covenants), the International Labor Organization's *Declaration on Fundamental Principles and Rights at Work and its Follow-up*, and the *UN Guiding Principles on Business and Human Rights*. Our *Code of Business Conduct and Ethics* serves as the overarching policy that guides everything we do. Additional requirements regarding recruitment and employment align with regional and country guidelines where we operate.

The policies are available in relevant languages and communicated globally to all employees. Additionally, we provide training sessions that address discrimination, harassment, and other forms of misconduct, as well as sessions on other human rights issues, to emphasize our zero-tolerance stance.



## Our Approach

### Talent Acquisition

WuXi Biologics believes that transparency in the hiring process helps attract top talent. We are committed to diversifying our hires and maintaining a fair and equitable recruitment process, during which our standards are communicated to all candidates in a transparent manner. Our hiring team is made up of recruiting managers and interviewers from diverse backgrounds. We evaluate candidates objectively and use standardized methods to ensure that we consider only their competence and individual merit. We treat every applicant equally, and do not discriminate on the basis of ethnicity, gender, race, region, religion, form of employment, or any other factors.

#### EMPLOYMENT COMPLIANCE

DIVERSITY, EQUITY, AND INCLUSION (DEI)

TALENT DEVELOPMENT

EMPLOYEE ENGAGEMENT

OCCUPATIONAL HEALTH AND SAFETY

We conduct annual talent reviews and human capital risk assessments to identify current workforce skill gaps, forecast talent supply and demand, and establish talent pipeline strategies. The HR Dashboard and HR Analytics Platform were used to facilitate these processes. In 2022, the Company's recruitment team made a conscious effort to expand its global recruitment channels, identify key job directions, and design talent community projects to recruit experts with diverse background. We have developed various channels to find new hires, including campus recruitment seminars, online recruitment, talent recruitment fairs, internal referrals, and internal transfers.

#### Seeds Program

The Seeds program is our flagship internship program that offers practical training opportunities to university students and full-time positions to top performers. We have formed long-term partnerships with over 30 universities to recruit interns. The Seeds program lasts from 3 to 6 months, during which we offer systematic and comprehensive learning roadmaps along with tailored training plans. In 2022, over 80% of talents from the Seeds program received full-time offers.

#### Elite Program

At WuXi Biologics, the Elite Program is designed to cultivate high-potential talents at the beginning of their careers and develop them into future leaders in the biopharmaceutical industry. This is achieved through job rotations, individual development plans, mentor coaching, and a combination of online and offline training methods. These activities help elite trainees solidify their professional and management skills, and develop the ability to handle responsibility and withstand pressure. As a result, elite trainees experience rapid growth in their careers through this program.

### Human Rights Protection

We continue to make progress in expanding our efforts to ensure respect for human rights in five priority areas: labor practices; diversity, equity, and inclusion (DEI); occupational health and safety; environment protection; and data privacy. As part of those efforts, we updated the *WuXi Biologics Diversity, Equity, and Inclusion Policy*; the *WuXi Biologics Climate Change Policy* and the *Code of Business Conduct and Ethics of WuXi Biologics Business Partner* based on assessment of our global policy framework relevant to the five priority areas.

Human rights topics were covered as part of the two main assessment processes: annual corporate risk assessment and ESG materiality assessment. Additionally, we take proactive measures to identify and assess potential risks<sup>9</sup> across our value chain, new business relationships, and other activities related to our business. Relevant stakeholders were considered and particular attention was paid to groups that are widely regarded to have a heightened risk of vulnerability<sup>10</sup>. We engaged with a wide range of internal and external stakeholders to identify and assess the issues covered in those processes and maintain continuous communication and response mechanisms. In 2023, we will hold internal workshops with key stakeholders to further develop and define a long-term strategic framework and action plan.





Employee rights protection is an indispensable element of a fair and equitable workplace. Our Human Resources Department implemented a range of actions to enhance fair labor practices in our operations and create a respectful and just working environment for our employees, where we prohibit illegal employment, respect freedom of association, promote equality and decency, monitor risks or violations concerning human rights, and maintain a healthy and harassment-free workplace.

We maintain a zero-tolerance policy regarding illegal employment, including child labor and forced labor, and any form of discrimination and harassment. We empower all staff to report, as necessary, any incidents of abuse or violence, and we strictly prohibit any discrimination based on ethnicity, gender, race, region, religion, form of employment, or any other factors, as well as any inhumane treatment, including harassment. In 2022, there were no forced or child labor incidents reported.

At WuXi Biologics, we are committed to offering equal remuneration<sup>11</sup>, guaranteeing minimum living wages, and providing fair and competitive pay and benefits. Salaries are reviewed on a regular basis to keep up with market trends, and staff are rewarded based on their performance and contribution. For extra or out-of-hours work, we pay overtime or offer reasonable time off. We also make an effort to promote the work-life balance of our employees and reduce excessive working hours.

We strive to prevent human rights violations and are committed to identifying risks and implementing actions to eliminate, isolate or minimize the risk of harm through continuous monitoring and internal auditing. Any suspected human rights concerns or violations can also be reported through our confidential grievance reporting and escalation channels, which are publicly available and have been introduced to internal and external stakeholders broadly. All reported violations are subject to a thorough and timely investigation, and actions are taken for prevention, mitigation and remediation. In 2022, there were no human rights violation incidents reported.

## EMPLOYMENT COMPLIANCE

DIVERSITY, EQUITY, AND INCLUSION (DEI)

TALENT DEVELOPMENT

EMPLOYEE ENGAGEMENT

OCCUPATIONAL HEALTH AND SAFETY



# Diversity, Equity, and Inclusion (DEI)

## Why It Matters

At WuXi Biologics, we believe that a diverse and inclusive workforce is essential for fostering new ideas, perspectives, and developing solutions that can make positive impacts on our clients and patients worldwide. We are committed to providing an equal and inclusive environment for talents with different backgrounds, and enabling every employee to reach their full potential.

EMPLOYMENT COMPLIANCE

**DIVERSITY, EQUITY, AND INCLUSION (DEI)** 📌

TALENT DEVELOPMENT

EMPLOYEE ENGAGEMENT

OCCUPATIONAL HEALTH AND SAFETY

## Policy and Training

In 2022, we upgraded the *WuXi Biologics Diversity, Equity, and Inclusion Policy* to further clarify and reinforce the importance of DEI in the workplace. A variety of awareness trainings were provided to all employees to educate, influence, and motivate positive behaviors across our Company. Our senior executives actively support policies and initiatives regarding DEI, and oversee DEI performance for continuous improvement.

We provide compulsory training to all employees on our *Diversity, Equity, and Inclusion Policy*, in which we cover topics such as DEI culture in the workplace, anti-discrimination and anti-harassment, human rights, the physical and mental health of employees, and reporting channels. During the Reporting Period, we also invited external experts from sHero, a non-profit organization, to jointly provide DEI-related training in both Chinese and English. Themed “Build an Inclusive Workplace”, the training emphasized the value of DEI, stressed our firm opposition to workplace discrimination or harassment, and provided actionable steps for building an inclusive workplace.

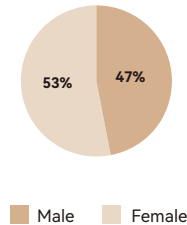
## Our Approach

### Equitable Opportunities

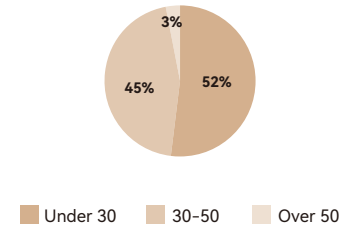
WuXi Biologics believes in building inclusive environments where everybody has the opportunity to thrive. We actively seek to hire diverse talents, and we ensure equitable opportunities are available to all<sup>12</sup>. This contributes to our business excellence and drives our diverse and inclusive culture into every corner of the Company.

WuXi Biologics has set targets of achieving balanced overall gender representation and having 45% of managerial positions held by women across our global operations. To reach these goals, we have undertaken several initiatives and actions including Women Leadership Forums and a global WiSTEM program. In 2022, the percentage of female in managerial positions reached 47%, outperforming our target of 45%.

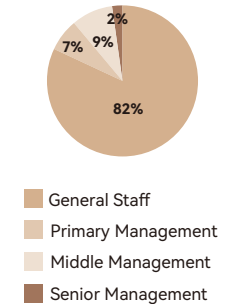
Employees by Gender



Employees by Age



Employees by Job Level





49

Total number of employee nationalities

47%

Percentage of female in managerial positions

EMPLOYMENT COMPLIANCE

**DIVERSITY, EQUITY, AND INCLUSION (DEI)**

TALENT DEVELOPMENT

EMPLOYEE ENGAGEMENT

OCCUPATIONAL HEALTH AND SAFETY

### Women in STEM Initiatives



WuXi Biologics is highly aware that women make outstanding contributions to science, technology, engineering, and mathematics (STEM). In 2022, Dr. Chris Chen, CEO of WuXi Biologics, announced the global launch of Women in STEM (WiSTEM) as the Company’s dedicated endeavor to empower and encourage more female employees to increase their representation and realize their potential in the fields of STEM. In 2022, 53% of STEM positions in WuXi Biologics are held by women.

Our DEI taskforce organized a series of corporate-wide campaigns to support and empower women in STEM, such as a WiSTEM survey, online training, and online forums featuring female role models and male allies from different STEM disciplines. In addition, we announced the launch of our global WiSTEM community, providing a platform for women to network, learn and grow.

Localized WiSTEM initiatives are encouraged throughout our sites worldwide. A WiSTEM committee has been founded in Dundalk site in Ireland, consisting of local female employees from different sectors with different job titles, ethnic backgrounds, etc. Since its inception, the Committee has organized several lectures and sharing sessions, including “Breaking the Bias – A Panel Discussion”, a “THRIVE program” for empowering women to succeed in STEM, and live video interviews with female role models. In addition, the Company participated in a local career fair designated for women in STEM, and organized campus open days where we provided guided site tours and information sessions to high school students from the local girls’ school, encouraging them to pursue an education and career in STEM.

### Women Leadership Forum

In 2022, the DEI Taskforce organized a number of events focusing on women’s growth, including WuXi Biologics Women Leadership Forums, where seven experienced leaders from different fields and backgrounds shared their career stories and decades of leadership development experiences. The panelists answered questions from the attendees on a variety of topics including leadership skills, development opportunities, and working in the industry.

WuXi Biologics is committed to offering equal opportunities to employees with disabilities and has worked together with non-profits that focus on the protection of the rights of the disabled. Currently, 0.8% of our employees are people with disabilities. For their safety and convenience, we have designed and set up accessible facilities at each of our sites, such as elevators, entrance ramps, and designated parking.

### Continuous Monitoring of DEI

As part of our commitment to create an inclusive culture, we keep track of employee diversity data to gain insights on our progress, and the Board of Directors reviews our DEI progress at least once a year. We have launched an HR dashboard, which serves as our diversity monitoring tool. Constantly monitoring diversity is an indispensable means to implement and promote diversity across the Company.

WuXi Biologics upholds the principle of equal pay for equal work, and strives to ensure equal wages for men and women who perform equivalent work. We not only conduct an annual in-depth assessment on compensation data for continuous monitoring, but also conduct audits of our gender pay gap, analyze the audit findings, take follow-up actions, and disclose the metrics annually. The gender pay gap<sup>13</sup> was 3.1% in 2022.



# Talent Development

## Why It Matters

Talent development is essential for the growth and success of any organization. WuXi Biologics truly cares about and invests in our people, striving to develop a skilled and motivated workforce that is fully equipped to meet the challenges of the future. We inculcate a culture of continuous learning, where employees are provided with a variety of training programs and ongoing career development opportunities to help them grow professionally and succeed at work.

## Our Approach

### Employee Training

We believe that effective and comprehensive training not only improves employee and corporate performance, but also help retain top talents. We have built a thorough annual training and development plan in response to business demands and established an efficient talent training and development system for all employees<sup>14</sup>. In 2022, we set a target for training, which was to achieve 95% employee satisfaction with the courses we provided, and we exceeded the target by receiving 96% satisfaction for online classes and 97% for offline training.

WuXi Biologics’ iGrow online learning platform – with multiple language options and covering our global employees – helps staff access relevant courses related to their career development and skill enhancement. The iGrow platform leverages resources from well-known training vendors<sup>15</sup> and learners can have access to other learning platforms for additional resources.

Our training program framework is detailed as the following:

Types	Trainees	Training Contents and Objectives
Orientation	General Staff	Within the first 12 months after onboarding, new employees will go through the NEO learning journey, including online and offline training on company culture, professionalism, and career story sharing from management. This guides their career development, equips them with soft skills, helps them integrate knowledge with hands-on practice, and facilitates their personal growth and development.
	All Management	Within the first 6 months after onboarding, new leaders will join in the “Navigator Program” and gain a deep understanding of our culture, business model, different functions, and key focuses, as well as expectations for middle to senior leaders.

EMPLOYMENT COMPLIANCE

DIVERSITY, EQUITY, AND INCLUSION (DEI)

**TALENT DEVELOPMENT** ▾

EMPLOYEE ENGAGEMENT

OCCUPATIONAL HEALTH AND SAFETY



Total Training Hours Completed

# 897,192

Average number of training hours per employee

# 72

Training coverage

# 100%

EMPLOYMENT COMPLIANCE

DIVERSITY, EQUITY, AND INCLUSION (DEI)

**TALENT DEVELOPMENT** ▾

EMPLOYEE ENGAGEMENT

OCCUPATIONAL HEALTH AND SAFETY

Types	Trainees	Training Contents and Objectives
<b>Leadership</b>	All Employees	Leadership training for general staff focuses on self-awareness, project management, effective communication, and personal effectiveness.
	Primary Management	Junior Level Leadership program is a blended learning journey designed to improve the management capabilities of junior managers. This program focuses on topics such as Manager Role Change, Performance Management and Team Roles, Effective Communication, Employee Coaching & Motivation.
	Middle Management	Middle Level Leadership program is a blended learning journey designed to improve leadership of middle managers. This program focuses on the topics such as Effective Decision-making, Self-management, Leading High-performance Team, Leader as Coach, Influence by Storytelling.
	Senior Management	Through the Senior Level Leadership Program, leaders can develop a deep level of self-awareness by mindfulness, Leader as Coach training, and 1:1 coaching. This will help senior leaders to lead their teams more effectively and improve organizational capability.
<b>Professional and Job-Specific</b>	Junior Specialist	On-the-job training and standard operating procedure training help technical staff adjust quickly and master core knowledge and technology.
	Mid-Level Specialist	Mid-level technical experts gain advanced knowledge and strengthen their project management skills so they can grow into technology-driven managers.
	Senior Specialist	Through training camps and programs, we enhance our specialists' drug research and innovation, enabling them to become experts in their fields.
<b>Educational</b>	All Employees	We encourage employees to obtain on-the-job graduate and doctoral degrees from partner universities to improve their professional skills. We also provide tuition support.
	All Employees	English and German learning opportunities are offered and tuition support is provided to encourage all employees to improve their language skills.
<b>General Skills</b>	All Employees	The iGrow online learning platform covers office skills, soft skills, and fundamental leadership skills. We have also conducted courses on technical sharing to foster an environment for knowledge exchange.
<b>Vocational</b>	All Employees	Employees in various functions are encouraged, with financial support, to undertake vocational training and obtain related occupational certificates.



### Leadership Development Training Program

In 2022, we developed a leadership training framework that follows four stages of leadership development: Self, Thought, Achieving, and Relating. Our goal was to empower employees of all levels to become effective team leaders and contribute to business and individual success. The program included about 180 online and in-person classes and workshops tailored to senior, middle-level, and junior-level leaders, as well as general staff.

The leadership framework was designed for all employees, and participants applied what they learned to their daily problem-solving, further enhancing their decision-making and project management skills. Employees who completed the leadership programs were better equipped and more dedicated to their work. As of December 31, 2022, a total of 3,628 employees have participated in the different levels of leadership programs, with a 91.6% retention rate.

### “The Golden Rules of Interview” Training Program

To optimize our recruitment process and source the most suitable talents, we held “The Golden Rules of Interview” training for all management involved in interviewing candidates. The training aimed to help managers understand role positioning, talent profiling, and Behavioral Event Interview strategies. Through mock interviews and group activities, the managers developed deeper understanding of talent acquisition and obtained hands-on experience. By 2022, a total of 316 targeted managers have completed this training program, which contributes greatly to our talent acquisition efforts.

### “The Ming Shi Tang” Internal Trainer Program

“The Ming Shi Tang” Internal Trainer Program aims to promote a culture of learning and personal growth, and comprises three key components: course instruction and guidance, annual empowerment activities, and course development. This program cultivates internal trainers to support the growth of individuals, departments, and the Company as a whole. In 2022, 59 internal trainers participated in the program, and provided a total of 240 teaching hours, with an average satisfaction rate of 97%.

### Talent Retention and Promotion

To effectively identify, develop, retain, and grow our talents, WuXi Biologics established a comprehensive individual performance management and review system.

The Company's key performance indicators are cascaded down to the teams and individuals. Supervisors<sup>16</sup> and employees jointly discuss and form agreed upon measurable performance targets. During the annual performance review, we analyze each employee's current competency and develop an Individual Development Plan (IDP) that aligns with their personal career development targets and organizational objectives. Multidimensional performance appraisals<sup>17</sup> are conducted on an annual basis that cover all employees. We determine key evaluation indicators based on job requirements and establish formal comparative ranking of employees. We have taken the necessary steps to spread an open-feedback culture throughout the Company, resulting in improved transparency and clarity during the employee appraisal process. We operate with a formal mechanism where managers provide feedback to their direct reports, and employees can also provide upward feedback about their supervisors. Apart from regular reviews of team goals and personal goals, continuous conversations and feedback between employees and their supervisors are required to keep track of progress and ultimately achieve the performance targets for both individuals and organization.

EMPLOYMENT COMPLIANCE

DIVERSITY, EQUITY, AND INCLUSION (DEI)

**TALENT DEVELOPMENT** ▾

EMPLOYEE ENGAGEMENT

OCCUPATIONAL HEALTH AND SAFETY



To empower our talents to fulfill their potential and facilitate internal career mobility, we put in place formal promotion and transfer processes as part of our talent development initiative. Our development plan and assessment standards are based on a comprehensive talent inventory and take into account of individual ability, strengths and potential. We created a “Fresh Water” program that enables rotations across regions and departments, offering broader opportunities for our talents and helping the Company to accelerate new business development. In 2022, 1,176 employees were internally transferred to suitable positions for further development.

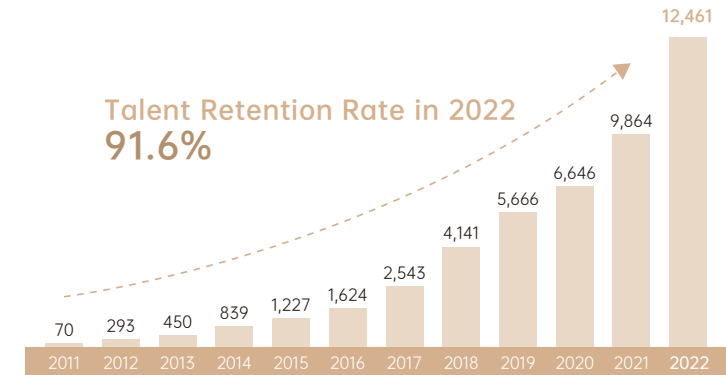
To incentivize high performance and reduce employee turnover, WuXi Biologics offers competitive remuneration packages and incentive programs. Our remuneration system includes fixed and variable pay components, and all employees are eligible for high performance rewards as part of our annual performance bonus plan. For core talents and managers, we also offer equity incentives.

### Succession and Development Programs

As our production capacity grows, we are building up our talent pool for management positions at manufacturing sites. To this end, we have launched a manufacturing site director-succession program in October 2022. By setting performance goals, conducting regular evaluations, and implementing special incentive mechanisms, we are able to accelerate the growth and development of the potential candidates. Our succession program plays a vital part in increasing the availability of experienced and competent employees, identifying future leaders, and ensuring business continuity.

By leveraging resources such as online education platforms and partnerships with educational institutions, we keep exploring various ways to cultivate and nurture talents. We support employees in pursuing higher education degrees and obtaining professional certifications, offer graduate traineeship programs, and partner with educational institutions to develop and deliver joint training programs. We provide opportunities for our employees to pursue advanced academic degrees to further their careers. By providing tuition sponsorship and partnering with universities, we hope to lower the barrier for employees to obtain advanced education. We have partnered with several universities – such as Fudan University, Jiangnan University, and Zhejiang University – to offer graduate programs in a variety of disciplines, including bioengineering, biotechnology, and pharmacy, and with Tsinghua University to offer a doctoral program in chemical engineering.

- EMPLOYMENT COMPLIANCE
- DIVERSITY, EQUITY, AND INCLUSION (DEI)
- TALENT DEVELOPMENT** ▾
- EMPLOYEE ENGAGEMENT
- OCCUPATIONAL HEALTH AND SAFETY





# Employee Engagement

## Why It Matters

Decent work, authentic recognition, a high level of engagement, and improved overall well-being can make employees feel appreciated and valued. WuXi Biologics is deeply aware of the importance of retaining high-quality, talented individuals and generating employee loyalty. We are dedicated to providing a broad range of benefits for employees and actively organizing cultural and recreational activities to enrich their work experience.

EMPLOYMENT COMPLIANCE

DIVERSITY, EQUITY, AND INCLUSION (DEI)

TALENT DEVELOPMENT

**EMPLOYEE ENGAGEMENT** ▾

OCCUPATIONAL HEALTH AND SAFETY

## Our Approach

### Employee Communication

At WuXi Biologics, a great variety of transparent and inclusive communication channels are available – such as the Company intranet, CEO mailbox and corporate WeChat – that help create a strong bond between managers and general staff. In addition, we listen attentively to the requests and opinions of our employees, and seek to proactively address problems through staff townhalls, regular internal evaluations and targeted improvement initiatives.

### Employee Engagement Survey

In 2022, we conducted an employee engagement survey (PROUD<sup>18</sup> survey) covering all employees of WuXi Biologics. We achieved a response rate of 86%, which exceeded our target of 72%. The survey evaluated the employee experience from multiple dimensions<sup>19</sup>, and the overall engagement rate was 87%.

We're proud that our employees demonstrated high recognition on items such as "Where I work, we learn from our mistakes", "My company has the right products and services for the marketplace", "My company responds quickly to meet changing customer needs and wants", "My immediate manager/supervisor treats me with respect and dignity", and "My immediate manager/supervisor can guide our team achieve the goals".

Based on the survey findings, we identified gaps and actionable items to improve in 2023. All departments will be involved in developing and implementing action plans in 2023 to address the issues identified and continually improve employee engagement.

## PROUD Day

On August 17, 2022, a total of 5,309 employees across the globe took part in the WuXi Biologics PROUD Day online event, which had the theme "Because of you, we are PROUD". Moreover, a range of site-wide PROUD Day celebration events were held throughout May to November 2022. These events served as an avenue for promoting the PROUD culture, where employees from different parts of the world could draw motivation from their colleagues' accomplishments and team accolades as they progress with PROUD.







### Employee Benefits

At WuXi Biologics, we ensure that all employees receive their social insurance payments in full and on time, in accordance with regional and country guidelines where we operate. We also offer a wide range of non-pay benefits to all our employees, such as paid parental leave, paid family or care leave, and commuting subsidies. As part of our efforts to support and facilitate global talent mobility, we provide assignees with special benefits that include long-term incentives, a global health insurance, a relocation allowance, temporary living arrangements, a family allowance for spouse or children, assistance with children's education<sup>20</sup>.

We recognize the importance of employees' mental health and well-being, and offer various stress-management support options. An Employee Assistance Program (EAP) hotline is available for one-on-one mental health counseling, and also invite internal and external experts to provide training sessions on emotional and stress management.

We encourage work-life balance and offer remote and flexible working options to accommodate employees' needs. Additionally, we organize corporate culture and employee appreciation events at our different business locations, and also support various sports clubs and hobby associations. We regularly hold sports competitions and social activities to enrich the cultural life of our employees and foster a positive work environment.

EMPLOYMENT COMPLIANCE

DIVERSITY, EQUITY, AND INCLUSION (DEI)

TALENT DEVELOPMENT

**EMPLOYEE ENGAGEMENT**

OCCUPATIONAL HEALTH AND SAFETY

Types of benefits	Details
Statutory Benefits	<ul style="list-style-type: none"> <li>• Pension</li> <li>• Medical insurance</li> <li>• Unemployment insurance</li> <li>• Disability insurance</li> <li>• Work-related injury insurance</li> <li>• Birth insurance</li> <li>• Housing provident fund</li> </ul>
Supplementary Benefits	<ul style="list-style-type: none"> <li>• Paid annual leave</li> <li>• Supplementary commercial insurance<sup>21</sup></li> <li>• Annual health examinations</li> <li>• Commuting subsidies</li> <li>• Free transitional housing</li> <li>• Paid leave during high temperatures</li> <li>• Overtime pay and time off in lieu</li> </ul>
Flexibilities	<ul style="list-style-type: none"> <li>• Flexible working hours</li> <li>• Remote working arrangements</li> </ul>
Family-Friendly Benefits	<ul style="list-style-type: none"> <li>• Paid maternity leave</li> <li>• Paid paternity leave</li> <li>• Prenatal check-up leave</li> <li>• Paid parental leave</li> <li>• Paid family or care leave beyond parental leave</li> <li>• Breast-feeding/lactation leave</li> <li>• Nursing room</li> </ul>



# Occupational Health and Safety

## Why It Matters

Employees' health and safety lays a solid foundation for their well-being and productivity. As one of our core values, health and safety is always a top priority. We incorporate the highest standards in every aspect of our operations to protect our employees from health and safety hazards in the workplace. We are committed to respecting the right of our employees to healthy and safe working conditions, and we continually strive to improve the performance of our Occupational Health and Safety (OHS) management system.

- EMPLOYMENT COMPLIANCE
- DIVERSITY, EQUITY, AND INCLUSION (DEI)
- TALENT DEVELOPMENT
- EMPLOYEE ENGAGEMENT
- OCCUPATIONAL HEALTH AND SAFETY**

### Certifications and Awards

ISO 45001 Certification

*Jiangsu Healthy Enterprise Award* by the Jiangsu Commission of Health: Wuxi Site

*Safety Production Month Excellent Organization Award* by the Suzhou Industrial Park Administrative Committee: Suzhou site

*Excellent Safety Manager Award* by the Suzhou Industrial Park Emergency Management Bureau: Suzhou site

*Advanced Occupational Health Unit Award* by Hangzhou Hospital for the Prevention and Treatment of Occupational Disease: Hangzhou Site



ISO 45001 Certificate

## Management Structure and Policies

Our *WuXi Biologics Environmental, Health and Safety (EHS) Policy* and *WuXi Biologics EHS Standards* provide the guiding principles for managing occupational health and safety across our operation sites, including key issues such as emergency response, contractor management, permit to work, industrial hygiene, bio-laboratory safety, noise management, radiation safety, machinery and electrical safety, warehouse safety, fire prevention, traffic safety, and slip and fall prevention. These policies and standards comply with the laws and regulations where we operate, and their development took into account not only the nature of our industry and best practices, but also involved consultation with and participation of all employees. They are guiding principles applicable to our employees, contractors, and individuals under the Company's supervision. Additionally, we obtained ISO 45001 certification and a series of OHS internal policies were established in accordance with ISO 45001. In 2022, no penalty for violating occupational health and safety laws and regulations was incurred.

Implementation of our EHS management system is endorsed by the Board, and executive management sets EHS-related targets as well as key indicators for an EHS performance assessment at the annual management review meeting. In 2022, we set a target for the Lost Time Incident Rate (LTIR) to be no higher than 0.072. Prioritization and action plans related to EHS are developed at management review meetings to guide the implementation of the internal policies.



## Our Approach

### Risk Assessment

The first and foremost approach to providing our employees with a healthy and safe work environment is prevention, which includes avoiding workplace injuries, operational accidents or interruptions. Our preventive measures are based on the annual occupational health and safety risk assessment conducted by third-party agencies to identify what could potentially cause harm in the workplace. In 2022, there was no major finding from the annual health and safety risk assessment.

Based on the risk assessment, prevention plans are developed accordingly and actions are prioritized to address any risks identified. Our prevention plans include making regular occupational health medical check-ups compulsory for employees, informing them of potential occupational hazards, and providing them with personal protective equipment as well as relevant training.

To measure and keep improving our preventive measures, WuXi Biologics sets targets for lost work day case-rate, which are linked to the performance evaluations of all departments and employees, including management. Our progress towards these targets are evaluated every year and we continually track health-and-safety-related metrics.

### Safety Inspections and Audits

We conduct safety inspections routinely and encourage employees to report hidden danger in the workplace. Our EHS Department follows up on the reports promptly to inspect and resolve any issues identified. Various types of EHS inspections are carried out, including daily inspections, pre-holiday inspections, and cross-department joint inspections. Moreover, security patrols are conducted every two hours by on-site security guards to detect potential emergencies in a timely manner. Health and safety audits for all sites are carried out at least once every three years to identify safety hazards, supervise the implementation of our EHS policies, and discover and correct any unsafe elements or behaviors in a timely manner.

Any issues identified during inspections and audits are entered into our system and followed up for rectification. In addition to internal safety inspections and audits, independent annual external verification of health and safety was also conducted in 2022 in accordance with ISO 45001.

### Incident Response

When a work-related injury occurs, first aid will be administered immediately. The injury will be promptly reported, the injured person will be sent to the hospital (if necessary). During the handling process, we follow the local work-injury and accident-insurance-declaration requirements to make reports, and we assign experts to provide employee care and psychological services. Once the workplace accident has happened, an accident investigation team is set up immediately to conduct an investigation, analysis root causes and carry out corrective and preventive actions. Between 2020 and 2022, WuXi Biologics operated safely, with no work-related fatalities among employees and contractors.

EMPLOYMENT COMPLIANCE

DIVERSITY, EQUITY, AND INCLUSION (DEI)

TALENT DEVELOPMENT

EMPLOYEE ENGAGEMENT

OCCUPATIONAL HEALTH AND SAFETY 



### Training and Drill

Employee training is essential to raise their awareness and reduce operational health and safety incidents. We conduct regular safety training and drills for all employees and also invite contractors and visitors on site to participate.

#### OHS Training

##### Self-Contained Breathing Apparatus (SCBA) Training

We conducted a specialized training on how to correctly use a self-contained breathing apparatus, so our employees could learn how to quickly put on and use SCBA in event of an emergency.



### Lifeguard Training

Our lifeguard training aimed to equip employees with life-saving skills. The training covered cardiopulmonary resuscitation, the Heimlich maneuver, and the use of automated external defibrillators (AEDs).



### Emergency Response Team Training

Specialized training was also organized for the emergency response team members to better prepare them for emergencies.



EMPLOYMENT COMPLIANCE

DIVERSITY, EQUITY, AND INCLUSION (DEI)

TALENT DEVELOPMENT

EMPLOYEE ENGAGEMENT

OCCUPATIONAL HEALTH AND SAFETY



100%

of sites which an employee health & safety risk assessment has been conducted

100%

of employees who received safety training

EMPLOYMENT COMPLIANCE

DIVERSITY, EQUITY, AND INCLUSION (DEI)

TALENT DEVELOPMENT

EMPLOYEE ENGAGEMENT

OCCUPATIONAL HEALTH AND SAFETY

### OHS Drills

#### Fire Drills

To improve our employees' ability to respond to emergencies and familiarize them with emergency evacuation routes, WuXi Biologics conducts two fire evacuation drills per year, which involve all employees, contractors, and visitors. During a recent drill, local firefighters were invited to take part in the exercise and provide guidance. As soon as the alarm sounded, all employees were evacuated from the building and arrived at their emergency assembly point, while the emergency response team members performed a simulated fire extinguishing exercise.



#### Biosafety Drills

We conducted a biosafety drill to help prepare employees for potential biological emergencies and assess their readiness.



### Drills for Environmental Emergencies

To help our employees better prepare for and respond to environmental incidents, while raising awareness about potential environmental hazards, we organized drills for handling environmental emergencies to minimize the impact of potential incidents, protect the environment, and safeguard public health and safety.



### Supplier and Contractor Safety

In addition to protecting the health and safety of our own employees, we are acutely aware of the safety of those under our supervision, including contractors and project construction workers. Our safety requirements extend to all personnel at WuXi Biologics' work sites, and OHS criteria is included in our procurement and contractual requirements. For contractors, we conduct training programs specific to their job responsibilities – such as hazardous waste management training for relevant personnel – and ensure that they are all trained on safety rules and regulations. Additionally, suppliers are reviewed by project specialists for safety and health risks prior to admission and during operation, and their OHS performance is continually monitored on site.

### Performance Highlights

Indicator	Unit	2022
Lost Time Injury Rate	Time/200,000 working hours	0.040
Percentage of the total workforce across all locations represented in formal joint management-worker health & safety committees	%	2.20

# Fostering Communities

## The Big Picture

Generating social value is central to our sustainability strategy. We are committed to operating in a socially responsible manner, improving the health of local communities and benefiting patients worldwide. Focused on the three pillars of CSR, our group-wide CSR strategy aims to make positive contributions to social and environmental well-being. This marks an extension of our overall corporate strategy to promote public health and benefit patients worldwide. We have established the WuXi Biologics Charity Foundation and the WuXi Biologics Volunteer Association, and continue to systematically implement our CSR strategy.

BENEFITING PATIENTS WORLDWIDE

PROTECTING THE ENVIRONMENT

COMMUNITY ENGAGEMENT

WuXi Biologics (Cayman) Inc.  
Environmental, Social and Governance Report 2022

## Three Pillars of Corporate Social Responsibility

Use our core competencies  
to benefit patients worldwide



Protect the environment  
and promote a low-carbon ethos



Engage with communities  
through volunteerism and donations



Paintings by rare disease patients

# Benefiting Patients Worldwide

## Why It Matters

At WuXi Biologics, we are dedicated to accelerating the development of biologics for the ultimate benefit of patients and global health. Additionally, by leveraging our platform and expertise, we aim to promote awareness of rare diseases, and help address other public health issues through community engagement and charity events.

## Our Approach

Public health is integral to the work we do at WuXi Biologics. We leverage our strengths to benefit patients worldwide, support the R&D of firms specializing in rare disease drugs, participate in epidemic prevention and control and better care for patients with rare diseases.

Diseases with an incidence of 0.65‰ to 1‰ – such as Pompe disease, Fabry disease, hemophilia, thalassemia, amyotrophic lateral sclerosis and Gaucher disease – are defined as rare diseases. More than 300 million people around the world live with one or more of 7,000 rare diseases. Over the past decade, WuXi Biologics has empowered our customers worldwide to accelerate the development of innovative biologic medicines that can treat rare diseases. We have cooperated with and enabled many global innovative biotechnology companies – such as Amicus Therapeutics and CANbridge – to explore and develop rare disease therapeutics. As of December 31, 2022, there are 18 ongoing rare disease projects on our platform.

## Granting Scholarships to Students Suffering from Rare Diseases



In December 2022, WuXi Biologics and the Illness Challenge Foundation joined forces for the second time to launch the 2022-2023 Education Support Program for Rare Disease Sufferers. Through the program, scholarships of RMB 3,000 per person were provided to 25 rare disease patients in high school and college, together with further psychological counseling and medical services for medical problems that arise during their time at school. Upon completion of the program, WuXi Biologics expects to have provided scholarship support for a total of 50 students suffering from rare diseases.

## BENEFITING PATIENTS WORLDWIDE

PROTECTING THE ENVIRONMENT

COMMUNITY ENGAGEMENT



### “Walk for Rare” Rare Disease Funding Program

In September 2022, WuXi Biologics and the Chinese Organization for Rare Disorders (CORD) jointly launched the “Walk for Rare” activity again in support of 99 Giving Day Charity Campaign. The donations were used to fund the rare disease programs of CORD, which include CORD’s efforts to incubate, provide small project funding for, and conduct capacity building training sessions for rare disease patient organizations. The number of walking steps that our participating employees accumulated were converted to a certain amount of money and donated by WuXi Biologics. With joint effort, 917 participants contributed a total of 117,348,000 steps to the program, helping to raise RMB 50,000 that was donated for rare disease patient care programs, community development and advocacy programs.

### Caring for Breast Cancer Patients

In July 2022, WuXi Biologics and WuXi Vaccines in Ireland sponsored for the second year in a row the “100KM in 30 Days” charity campaign initiated by Breast Cancer Ireland, an Irish-based charity dedicated to breast cancer care and research. As one of Ireland’s most influential charity events, the initiative, which features a month-long walk each year, aims to raise funds for Breast Cancer Care Ireland. This year at our Dundalk site, more than 200 of our employees participated in the group walking to raise funds and call for care for breast cancer patients.

#### BENEFITING PATIENTS WORLDWIDE

PROTECTING THE ENVIRONMENT

COMMUNITY ENGAGEMENT





# Protecting the Environment

## Why It Matters

Human health is greatly affected by the natural environment. As a company devoted to enhancing public health and protecting people's right to a healthy environment, WuXi Biologics raises awareness, promotes environmental sustainability, and identifies ideas and initiatives that support our environmental objectives. We are committed to ensuring that both current and future generations have access to the resources they need to maintain good health.

BENEFITING PATIENTS WORLDWIDE

**PROTECTING THE ENVIRONMENT** 📌

COMMUNITY ENGAGEMENT

## Our Approach

We empower our people to protect the environment and we promote a company-wide low-carbon ethos through advocating and launching environmental protection activities related to energy conservation, emissions reduction, and low carbon footprint across our sites.

### “Energy Saving NOW!” Campaign

In September 2022, WuXi Biologics’ “Energy Saving NOW!” campaign was kicked off with two training sessions focused on climate change, energy conservation and carbon reduction. Following that, starting in November 2022, we have been calling for creative “Golden Ideas” aimed at energy conservation and so far, have received 49 energy-saving “Golden Ideas” from 7 sites.

To further help our staff understand and apply new energy-saving ideas, and contribute actively to the process, we shared with them those “Golden Ideas” under different working scenarios, including utilities, offices, manufacturing areas, and labs.



## Environmental Protection Activities



We encourage our global employees to actively engage in environmental protection initiatives at their local sites as we believe that individual acts – no matter how small – will accumulate into remarkable results and make a big difference to the local environment.

Upholding this spirit, our Hangzhou site held an environmental protection welfare campaign in November 2022 called “Green Transition – Every Little Act Matters”, which included hiking and various environmental protection activities, such as garbage sorting, turning waste into treasure, and making reusable bags. The event was well received and attracted over 120 participants.

Similarly, our employees based in the U.S. also organized several beach-cleaning activities in California and brought their families along, raising awareness of how individual actions impact the local environment.



# Community Engagement

## Why It Matters

The development of WuXi Biologics is inseparable from the support and recognition of all sectors of society. We value social interconnection and actively carry out initiatives addressing social and environmental challenges in our communities. Our employees are encouraged to volunteer and demonstrate their social and environmental commitment, which makes their jobs more fulfilling and helps the communities that they care about. Meanwhile, charitable donation is also a direct and impactful means for corporations to give back to their communities and strengthen their bond with the public, and WuXi Biologics sets aside dedicated resources to provide financial support to various causes.

# 5,996

Volunteer hours for community

BENEFITING PATIENTS WORLDWIDE

PROTECTING THE ENVIRONMENT

COMMUNITY ENGAGEMENT 

## Our Approach

### Facilitating Volunteerism

WuXi Biologics has established a company-wide volunteer association with site-level divisions and corresponding volunteer platforms to provide specialized resources for global employees who seek to make an impact in their communities.

In 2022, WuXi Biologics' volunteer contribution for community service totaled 5,996 volunteer hours and 1,371 person-times of participation.

### Transforming a Wasteland into a Garden in USA

In November 2022, employees at our Worcester site voluntarily helped transform a deserted wasteland near our Worcester site into a garden, contributing to improving the environment of the local community. Our employees worked together with the city government and landscape architects to develop a detailed cleaning and landscaping plan, followed by a one-day community service where everyone gathered together, cleaned up the garbage and weeds in the wasteland, and planted more than 130 flowers and plants. The transformed "island" is now full of birds and grass, which adds warmth and vitality to the community.

Worcester City Councilor Candy Mero-Carlson, speaking about the project, said: "Never before has anyone taken care of this land so well. Thank you, WuXi Biologics, for everything you do for our community!"

### Charitable Donations

To promote our charitable efforts in a more systematic and transparent manner, we established the WuXi Biologics Charity Foundation in 2022. The Foundation is guided by the WuXi Biologics Charity Foundation Charter, which strictly complies with relevant laws and regulations regarding charities and donations.

### Donating for Disaster Relief after the Sichuan Luding Earthquake

A magnitude 6.8 earthquake struck Luding county in Sichuan Province on September 5, 2022. Advocated by the WuXi Biologics Charity Foundation, our site in Chengdu, Sichuan quickly responded and donated RMB 500,000 for disaster relief. The donation, which was directed to help families impacted by the earthquake and assist with post-disaster recovery, was a means by which WuXi Biologics gave back to the local communities, conveying our gratitude towards the local employees, clients, and governments.

### Bringing Warmth to Disadvantaged Families for Christmas in Ireland

On December 2, 2022, our colleagues in the Dundalk, Ireland site donated over 500 new toys, clothes and books to Women's Aid Ireland in an effort to bring love and warmth to the children of local disadvantaged families during Christmas. The total value of the donation exceeded 10,000 Euros.

In addition, our colleagues in Ireland donated over 200 pieces of winter clothing to the Society of St. Vincent de Paul, the largest charitable organization in the country, benefiting the local disadvantaged populations during the recent challenging winter.

### Delivering Supplies to Help with Elderly Health Protection

In December 2022, the WuXi Biologics Charity Foundation responded to an initiative of the Wuxi Municipal Civil Affairs Bureau by donating a total of more than 100,000 pieces of such supplies as medical masks, ethanol disinfectant, band-aids and other items to be used for health protection in Wuxi City's elderly institutions.



# Greening Our Business

Pursuit of environmental sustainability has become a consensus of human society, and is considered an imperative for every business to achieve their long-term goals. At WuXi Biologics, we take innovative actions to address climate change and optimize our environmental management system, aiming to continue to greening our business and influencing the wider value chain.



Climate Change and Energy Saving 67

Environmental Management 83



# Climate Change and Energy Saving

GOVERNANCE

STRATEGY

RISK MANAGEMENT

PERFORMANCE AND METRICS

## The Big Picture

As climate change intensifies globally, WuXi Biologics stands firmly committed to decreasing our energy use and reducing emissions. In addition, as a global corporation, we shoulder the responsibility to minimize our carbon footprint and build business resilience against climate change throughout our own operations, as well as the upstream and downstream value chain.

The Task Force on Climate-related Financial Disclosures (TCFD) guides our understanding of risks and opportunities that may arise from climate change, and we developed our *Climate Change Policy* accordingly. With reference to the recommendations of the TCFD, we communicate and publish climate-related disclosures under the four core categories of governance, strategy, risk management, and metrics and targets.

We actively take steps to transparently disclose our GHG emissions reduction progress and other critical climate-related information to our valued stakeholders; establish and track our context-specific plans to adapt to physical and transition risks in existing and/or new operations; implement mitigation actions by avoiding and reducing our energy consumption; replace current energy sources with clean energy; and contribute to an overall reduction in GHG emissions through carbon offset.



# Governance

At WuXi Biologics, governance of climate-related issues is incorporated into our comprehensive ESG structure to ensure that the topic of climate change is considered equally with other material ESG issues in the Company's strategy-making process.

The Board takes ultimate responsibility for oversight and review of climate change-related strategies, the identification and management of climate-related risks and opportunities, and the Company's decarbonization performance on an annual basis. A dedicated task force and various related departments are involved to ensure sufficient knowledge and resources are allocated in managing climate-related issues across all sites.

The process of identifying climate-related risks is incorporated into the risk assessment practice carried out company-wide. The assessment is part of a holistic and integrated risk management system that is aligned with the *COSO Enterprise Risk Management Framework-Aligning Risk with Strategy and Performance*.

To effectively guide our goal-setting and actions related to climate change, we developed a *Climate Change Policy* in 2021, which addresses our commitments, targets, strategy and roadmap for reducing GHG emissions and environmental impacts, decarbonizing our business, and managing and adapting to climate risks. The policy is regularly reviewed and updated as necessary.

As a further driver to achieving of our environmental and climate-change targets, and the promotion of low-carbon operations, we linked climate change and environmental management key performance indicators to the performance reviews and remuneration packages of the Company's CEO and all related senior executives and employees.

## GOVERNANCE

### STRATEGY

### RISK MANAGEMENT

### PERFORMANCE AND METRICS

## Climate-related Governance Responsibilities

<b>ESG Committee</b>	<p>The Board-level ESG committee is responsible for:</p> <ul style="list-style-type: none"> <li>Guiding and formulating the Company's climate-related vision, goals, strategies, and structure.</li> <li>Determining material climate risks and opportunities.</li> <li>Tracking the execution and progress of climate-related goals.</li> <li>Scheduling annual review about climate-related issues on board meeting.</li> </ul>
<b>ESG Steering Group</b>	<p>The ESG Steering Group, composed of the Company's senior executives, is responsible for:</p> <ul style="list-style-type: none"> <li>Providing business insights into Company's Climate Change strategy, including climate risks and opportunities monitoring and management.</li> <li>Ensuring resources allocation for the implementation and enforcement of climate-related strategies and climate-related risk management.</li> </ul>
<b>ESG Department and Climate Change Task Force</b>	<p>The Climate Change Task Force, composed of experts from various key departments, together with a separate ESG department, are responsible for:</p> <ul style="list-style-type: none"> <li>Communicating with stakeholders and providing insights and advice for identifying climate risks and opportunities and formulating climate-related strategies.</li> <li>Continually monitoring climate-related performance and refining action plans for achieving climate-related goals.</li> </ul>
<b>Business Departments and All Sites</b>	<p>Relevant business departments, including developments, manufacturing, EHS, etc. together with all sites are responsible for:</p> <ul style="list-style-type: none"> <li>Implementing climate-related adaption and mitigation strategies.</li> <li>Proposing and implementing innovation and operational excellence practices to promote the Company's climate-related vision.</li> </ul>



# Strategy



Climate-Related Strategic Planning

Given the cumulative and multifaceted impacts of climate-related risks on our business, effective assessment and management of those risks is essential for the continuity of our operations. When formulating strategy, we consider external factors such as government policies and plans that may influence our operations, and historical records and future projections of extreme weather events, as well as internal factors such as operational characteristics and business growth. To facilitate our physical and transition risk identification and prioritization process, we applied four climate scenarios for analysis: “Representative Concentration Pathways (RCP) 2.6” and “Net Zero Emissions by 2050 Scenario (NZE)” as 2°C or below scenarios, and “Representative Concentration Pathways (RCP) 8.5” and “Stated Policies Scenarios (STEPS)” as above 2°C scenarios<sup>22</sup>.

- The RCP 2.6 scenario<sup>23</sup> is a so-called “peak” scenario, which means the radiative forcing level reaches 3.1 W/m<sup>2</sup> by mid-century but returns to 2.6 W/m<sup>2</sup> by 2100.
- NZE<sup>24</sup> is a scenario that sets out a pathway for the global energy sector to achieve net zero CO<sub>2</sub> emissions by 2050. It doesn’t rely on emissions reductions from outside the energy sector to achieve its goals.
- STEPS<sup>25</sup> is a scenario that reflects current policy settings based on a sector-by-sector and country-by-country assessment of the specific policies that are in place, as well as those that have been announced by governments around the world.
- In the RCP 8.5 emissions scenario<sup>26</sup>, the radiative forcing level reaches 8.5 W/m<sup>2</sup>, characterized by increasing greenhouse gas emissions over time. It is representative for scenarios in the literature leading to high greenhouse gas concentration levels.

GOVERNANCE

STRATEGY

RISK MANAGEMENT

PERFORMANCE AND METRICS



A list of climate-related risks and opportunities was developed and summarized by WuXi Biologics into a comprehensive risk and opportunity register through peer benchmarking and stakeholder communications, considering both the Company's own operations and the value chain. Additionally, we conducted internal workshops, financial impact analysis, and materiality analysis to identify and prioritize the climate risks that would have significant operational and financial impacts under the selected scenarios, as well as the opportunities that may contribute to our operations and the wider environment arising from our current and future practices over the short, medium and long term. To better mitigate the risks and seize the opportunities, we devised corresponding response strategies, which are integrated into our overall business planning. The prioritized risks and opportunities, the associated financial impact, and our response strategy are detailed in the accompanying graphic.

#### Detailed List of Climate-Related Risks and Opportunities

Risk/Opportunity	Description	Financial Impact	Time Horizon	Response Strategy
Physical Risks	<p><b>Acute Physical Risk</b></p> <p>Increased severity and frequency of extreme weather events resulting from climate change – such as heat waves, cyclones and floods – may disrupt our ability to operate effectively due to interruption of energy and transport infrastructure.</p> <p>Typhoons and rainstorms could sever transportation routes and disrupt both upstream and downstream activities throughout our supply chain.</p>	Increased operating costs from reinforcement of site infrastructures and additional engineering costs.	Short-term (by 2025)	<ul style="list-style-type: none"> <li>• Pay close attention to weather forecasts and issue timely alerts in the case of extreme weather events.</li> <li>• Develop early warning systems, evacuation plans, and emergency response measures to prepare for extreme weather events.</li> <li>• Develop supply chain continuity plans accounting for upstream and downstream suppliers' climate-related risks, and apply dual-sourcing plans accordingly.</li> </ul>
	<p><b>Chronic Physical Risk</b></p> <p>Chronic physical risks arising from climate change may include temperature rise, sea level rise, and long-term shifts in climate patterns. Rising temperature may require more energy to regulate site temperatures. Coastal sea level rise and coastal flooding may have a significant impact on critical public infrastructure, which could potentially impact a site's ability to operate efficiently.</p>			



Risk/Opportunity	Description	Financial Impact	Time Horizon	Response Strategy	
<b>Transition Risks</b>	<b>Emerging Regulation Risk</b>	As governments review, update, and deliver on their commitments to the <i>United Nations Framework Convention on Climate Change</i> and the <i>Paris Agreement</i> , GHG emission policies and regulatory measures continue to evolve. As a result, the carbon price is expected to rise, and additional resources will be needed to stay current with regulatory changes.	Increased operating costs from future implementation of carbon pricing schemes in more jurisdictions.	Long-term (by 2050)	<ul style="list-style-type: none"> <li>Stay updated on the latest climate-related regulations, at both the national and international level.</li> <li>Evaluate our operations, products, and supply chain to understand the risks posed by new regulations and how they may affect our business.</li> </ul>
	<b>Technology Risk</b>	Our endeavors to transition to low-carbon operation will require us to invest in energy-efficient equipment as well as clean energy and low-carbon production technologies.	Decreased asset value from the need to upgrade to low-carbon technologies. Decreased asset useful life, asset impairment or early retirement of existing asset might occur.	Long-term (by 2050)	<ul style="list-style-type: none"> <li>Consider environmental impact and energy efficiency when acquiring new equipment.</li> <li>Explore clean energy alternatives and expand the use of clean energy.</li> </ul>
	<b>Market Risk</b>	As climate change intensifies globally and the propensity of clients to use environmentally friendly products and services rises, WuXi Biologics has to enhance our competitive advantage by proactively adopting a strategy of improving the environmental performance of products and services. Failure to do so may cause us to lose market share and decrease market demand for our services.	Increased cost to respond to client changes in preference towards more environmentally friendly products and services.	Medium-term (by 2030)	<ul style="list-style-type: none"> <li>Maintain close communications with our key customers regarding their expectations of our environmental performance.</li> <li>Enhance transparency of our environmental performance.</li> </ul>
	<b>Reputation Risk</b>	The expectations of stakeholders – including clients, employees, investors, and shareholders – regarding our contribution to a lower-carbon economy could affect the Company’s value, which may decrease if our performance in relation to climate goals and actions is seen as insufficient.	Increased cost of capital and potential decrease in company value from failure to meet stakeholders’ expectations.	Long-term (by 2050)	<ul style="list-style-type: none"> <li>Strengthen communications with stakeholders and gather timely feedback regarding any concerns about our climate-related responses.</li> <li>Maintain transparent disclosure on climate-related efforts.</li> </ul>

GOVERNANCE

STRATEGY

RISK MANAGEMENT

PERFORMANCE AND METRICS





Risk/Opportunity	Description	Financial Impact	Time Horizon	Response Strategy	
<b>Opportunities</b>	<b>Resource Efficiency</b>	By seeking technology improvement and process innovation, opportunities may arise from more efficient use of utilities including steam, water, and electricity. Improved resource efficiency and enhanced process efficiency will bring positive business impact.	Reduced operating cost from improved resource efficiency.	Medium-term (by 2030)	<ul style="list-style-type: none"> <li>Take advantage of such opportunities to optimize business processes and strive for lean management.</li> </ul>
	<b>Energy Source</b>	As we integrate more renewable energy into our energy mix – such as installing more photovoltaic systems – it will not only lower our emissions but also decrease energy costs.  In addition, governments globally are rolling out policies and incentives in favor of renewable energy development and trading, which provides promising opportunities for us to actively and easily adopt more renewable energy.	Returns on investment in renewable energy projects.  Reduced operating cost from potential policy incentives.	Long-term (by 2050)	<ul style="list-style-type: none"> <li>Actively explore ways to shift our energy mix to include more renewable sources.</li> <li>Keep updated on national and international renewable energy policies to amplify both environmental and financial outcomes.</li> </ul>
	<b>Market</b>	Opportunities might be found in existing and new markets through low carbon solutions, and working together with value chain partners towards a more sustainable economy.	Increased revenue from tapping into expanded and new markets with a broader client base.	Long-term (by 2050)	<ul style="list-style-type: none"> <li>Expand collaboration with industry partners on low-carbon solutions, and products research and development.</li> </ul>
	<b>Products and Services</b>	The implementation of green manufacturing – including operation efficiency enhancement and manufacturing process improvement – will help attract and retain clients and gain competitive advantage, as more clients are incorporating environmental aspects in their tender criteria.	Increased revenue resulting from increased demand for product and services provided through an energy-efficient and low-emission platform	Long-term (by 2050)	<ul style="list-style-type: none"> <li>Enhance competitive advantage by proactively optimizing operation efficiency and processes, enabling clients to lower a product’s carbon footprint.</li> </ul>
	<b>Resilience</b>	As WuXi Biologics continues to enhance our capacity to better combat climate risks and expand opportunities, we enable not only ourselves but also our suppliers and clients to become more resilient to climate change by increasing the reliability of our supply chain and strengthening the ability to operate under various conditions.	Increased market valuation through resilience planning.  Reduced operating costs from enhanced supply chain stability and reliability.	Long-term (by 2050)	<ul style="list-style-type: none"> <li>Participate in climate-related programs and adopt energy-efficiency measures. In addition, advocate for suppliers and clients to also engage in these resilience-enhancing activities.</li> </ul>

GOVERNANCE

STRATEGY

RISK MANAGEMENT

PERFORMANCE AND METRICS



# Risk Management

The Company is working both internally and externally to minimize and mitigate identified material climate risks. The processes for identifying, assessing, and managing climate-related risks are essential elements of our current risk management system, which is aligned with the COSO Enterprise Risk Management Framework – Aligning with Strategy and Performance and is designed to assess and manage multidisciplinary risks and opportunities. Our climate-related strategy is built on three pillars – transparency, adaptation and mitigation.

## Transparency

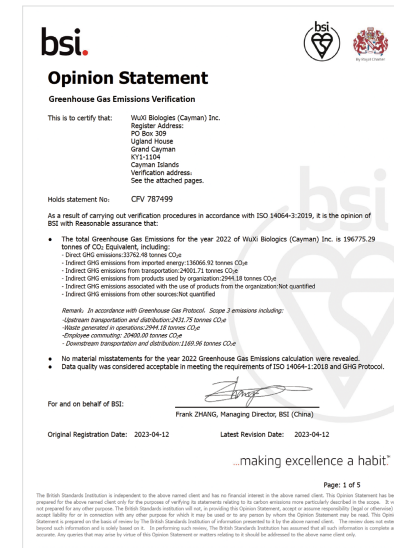
### Compliance and Disclosure

WuXi Biologics ensures full and consistent compliance with international standards as well as the national laws and regulations wherever the Company operates. We believe that being valued and trusted by our stakeholders is critical to our business and development, and that transparent disclosure can foster their confidence and reliance.

We constantly monitor our climate-change and environmental performance, and track and evaluate our GHG emissions-reduction progress through annual carbon inventory. We are committed to providing regular, fair and balanced information regarding our progress, initiatives, opportunities and risks of environmental protection, and climate-change topics. At the same time, we actively and transparently communicate with our stakeholders on an ongoing basis regarding climate-change issues deemed material through formal stakeholder engagement and analysis.

## GHG Emission Measurement and Verification

In 2022, we invited an independent and accredited professional agency to conduct carbon inventory across the Company based on the ISO 14064 standard<sup>27</sup> for Scope 1, 2 and 3. Their findings allowed us to lay a solid foundation for an energy-saving and carbon-reduction roadmap, and to track our progress against our GHG target. As a result, we were able to estimate our long-term carbon emissions using capacity planning and presented a rationale based on science.



## ISO 14064 Certificate

GOVERNANCE

STRATEGY

RISK MANAGEMENT

PERFORMANCE AND METRICS



## Adaptation

### Addressing Climate Risks

We aim to create a climate-resilient workplace and build a climate-literate workforce, equipping ourselves to better cope with the physical impacts of climate change. As such, with consideration of our response strategies, we formulate context-specific plans with various physical risk adaptation initiatives in both existing and new operations.

During the planning for new construction – whether a new site or expansion at an existing location – WuXi Biologics applies higher-than-normal environmental standards. This includes integrating sustainability criteria into the risk assessment process for new mergers and acquisitions (if any), such as resilience analysis, flood risk assessment, energy efficiency evaluation, and carbon emissions calculations.

To adapt to the climate risks at existing operations, we conduct substantive analysis on each site and develop targeted response programs as needed, such as introducing adaptive design by developing weather early-warning systems, designing emergency response measures and evacuation plans, implementing energy reserves, and initiating soil and water conservation programs.

### Adaptive Design: Make-up MAU Seasonal Switching

When designing the Make-up Air Unit (MAU) system for the WuXi Biologics Hebei site, we took full account of the climatic conditions in Hebei, specifically the seasonal trend of local air humidity. When the dryness of the air meets the requirements of the Air Handling Unit (AHU) and there is no need to dehumidify the air, we stop the operation of the dehumidifying machine and instead meet the fresh air demand of the AHU through natural air extraction, thus effectively reducing the energy consumption of the dehumidifier.

At the same time, by continually optimizing the design of the winter fresh air ducts of the MAU system, we ensure the stability of the system when the air is taken and switched, and reduce the power consumption of the fan motor of the fresh air unit, which is expected to reduce carbon emissions by about 146 tons per year.

### Business Contingency Plan Optimization

As a key part of our operations risk adaption strategy, our business continuity plans are developed with consideration of the disruptions that could be due to extreme weather events, among other potential incidents or risks. We have a business continuity plan in place to ensure that we maintain critical crisis management and execution capabilities in the event of major incidents, including extreme weather events. To protect our business from physical risks, we pay close attention to weather changes and allocate protective devices and emergency equipment ahead of possible climate disasters. In addition, we conduct annual drills to evaluate the effectiveness of our emergency response. In 2022, there were no safety accidents or production impacts caused by extreme weather at WuXi Biologics.



### Training

Employee engagement is critical for achieving our GHG goals and implementing our climate adaption plans. To raise employee awareness on climate change topics, we actively provide them with training curricula, lectures and other internal communication channels. In addition, the Company encourages employees to contribute their knowledge to help reach carbon-reduction goals in their daily work. We incorporate energy management performance into department assessments, link relevant indicators to individual performance reviews, and reward projects and innovations that offer notable energy conservation and carbon reduction results.

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#### Carbon Workshops

To help employees better understand low-carbon development guidelines and policies, and to collate and share best practices for energy savings across our sites worldwide, WuXi Biologics held a series of Carbon Workshops in 2022.

At the workshops, we imparted the deployment of our ESG strategy, and the design and plan for energy savings in the project. The sites shared their initiatives and results in energy saving and consumption reduction, and participants from each site actively exchanged ideas on techniques, equipment index and practical details with a view to improving their energy-saving performance.

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### Industry Cooperation

WuXi Biologics strives to boost the capacity of our businesses, our employees and the communities in which we operate to better adapt to climate change. This involves having – and helping to provide access to – information, skills and physical resources. We are committed to following public policies related to climate change that align with the *Paris Agreement*. We also collaborate with trade associations and global organizations that have the same philosophy to develop and test methods for increasing energy efficiency, find the best solutions on climate change and improve environmental performance in our business. A reviewing and monitoring process was set up to continually assess whether our public policy engagement and collaborations are aligned with the *Paris Agreement*.

In 2022, we participated in CDP's environmental disclosure and assessment process to share our corporate climate change activities, and became a supporter of CDP, with a view to contributing industry-specific insights for securing a sustainable net-zero and water-secure world. In recognition of our leadership in disclosing information, identifying and managing risks, addressing challenges, and setting significant, ambitious goals, WuXi Biologics' score on climate change improved significantly from previous years and we received a "Leadership Award" from CDP China.





## Mitigation

In addition to adapting to ever-changing climate risks, we also proactively embed various mitigation plans into our climate response strategy. Pursuant to our commitment to reducing our carbon footprint, we set medium and long-term GHG emission-reduction targets with four main pathways; avoiding and reducing GHG emissions by enhancing our energy management system; integrating energy conservation and emissions-reduction measures throughout our design, manufacturing and operation processes; replacing fossil fuels with renewable energy; and seeking carbon-offset opportunities to reduce overall emissions.



## Target Setting

WuXi Biologics is fully aware that GHG reduction is key for mitigating both climate-related physical and transition risks. We set GHG emission reduction targets based on different time horizons.

Our mid-term goal is to reduce our Scope 1 and Scope 2 GHG emission intensity by 50% (tonnes/RMB10,000) by 2030 from a 2020 base year.

Our long-term goal is to achieve net-zero emissions from overall operations by 2050.

## Avoid and Reduce

### 1. Energy Management

We established an internal energy management system aligned with ISO 50001 standard and formulated various internal policies for using energy in an efficient way, enhancing energy efficiency and reducing energy consumption through a systematic and comprehensive management structure. Internal audits of the energy management system are regularly conducted to assess conformity and effectiveness. We developed our *WuXi Biologics Energy Management Standards* to define responsibilities and guide our approaches to energy conservation and emission reduction.

Through the comprehensive and systematic energy management system, we vigorously adopted energy-efficient technologies and equipment, and focused on increasing the proportion of clean energy usage. WuXi Biologics is committed to aligning all future capital expenditures with our long-term GHG target and to facilitating decarbonization throughout the design, construction and daily operation phases of our facilities.



## 2. Energy-Efficient Building Design

Energy-saving and a low-carbon concept are integrated into the design and construction of our new sites to reduce future energy consumption.

### Low-Carbon Design

- All new construction projects must meet or exceed the relevant local and international standards of green building.
- Adopt low-energy consumption, low-carbon and environmentally friendly products as building materials.
- Design the external features and architectural form taking into consideration the climate environment.

### Energy Efficiency Upgrade

- Create a monitoring system to identify key control points of energy consumption, monitor the operation status of production facilities and equipment, and strengthen energy information collection, daily monitoring and management.
- Adopt energy-efficient production facilities and equipment, such as fresh air systems and clean utility facilities, while continually optimizing equipment parameters to improve energy-use efficiency and effectively reduce GHG emissions.
- Take advantage of natural light to reduce the demand for indoor lighting and install intelligent lighting systems with controls that will help reduce electricity consumption.
- Select suitable building materials and improve the airtightness of windows and doors to improve building insulation and reduce HVAC energy consumption.
- Maximize the use of natural cooling capacity and save electricity consumption.

### Reusing and Recycling

- Establish water recycling systems for rainwater, condensate and grey water, to save water resources and improve water use efficiency.

### Clean Energy

- Integrate renewable energy into our energy mix, such as green electricity, photovoltaic power, and wind power.

### Cutting-Edge Technologies

- Integrate innovative continuous manufacturing process and environmentally friendly Single-Use Technology to improve energy efficiency, reduce water consumption, and minimize environmental impacts.
- By combining Single-Use Technology with our new-generation continuous biologics manufacturing platform, we are estimating that water usage will be reduced by approximately 70% and energy consumption by 33% compared to traditional Stainless-Steel Technology.





### Factory of the Future – Hebei Site

The design of the Hebei site incorporates environmental protection, energy conservation, emission reduction, and resource utilization – a reflection of WuXi Biologics’ ESG commitment. The facility is a showcase of best practices for the “Factory of the Future”, embracing the latest developments in sustainable design and construction, and applying state-of-the-art technologies, such as a digital management platform, to optimize carbon reduction, and reuse and recycle resources.

#### Low-Carbon Design

Facility design that adheres to an energy-saving and low-carbon concept, aligning with green building standards.

#### Digital Management

A centralized digital platform to enable operational excellence regarding energy and water usage.

#### Green Manufacturing

Innovative and energy-efficient equipment and technologies to optimize carbon reduction, and reuse and recycle resources.

#### Water & Heat Recycling

Close-loop water and heat recycling design that offers a potential savings of 30% in water consumption.

Going forward, we will continue to integrate the concept of sustainability into the design of our sites, establish green and low-carbon facilities worldwide, and move towards a greener future.



### 3. Energy-Efficient Manufacturing and Operation

Recognizing energy consumption as one of the Company’s most significant aspects in achieving our GHG emission reduction goal, we set a target of continually improving energy efficiency and reducing energy consumption during our daily and manufacturing operations. For effective energy management at our operational sites, the Company established an energy management team in each site to monitor resource use in real time, detect and rectify abnormalities, and conduct regular inspections.

WuXi Biologics diligently seeks opportunities to decrease our energy consumption. We have implemented a variety of technological solutions and actions to achieve this objective, including process optimization, equipment upgrades, infrastructure replacement and renovation, and energy-saving initiatives in offices. In 2022, 8,543 MWh of electricity and 6,550 tonnes of steam were saved, leading to an 8,912 tonnes reduction in Scope 1 and Scope 2 GHG emissions.



#### Examples of Actions Taken at Various Sites to Improve Energy Efficiency and Reduce Energy Consumption

Process Optimization	Machine/Equipment Replacement	Maintenance Program
<ul style="list-style-type: none"> <li>Optimizing production process system parameters to enhance energy efficiency.</li> <li>Implementing real-time manufacturing process monitoring and automated controls to reduce equipment idle time.</li> <li>Using a two-stage cooling system to cool water for injection by ambient temperature in the first stage and reduce cooling demand in the second stage.</li> </ul>	<ul style="list-style-type: none"> <li>Selecting the latest energy-efficient process equipment in the market to maintain highly efficient energy use.</li> <li>Carrying out low-nitrogen retrofit for boilers burners.</li> <li>Deploying a multiple-tier energy metering device to monitor and further control equipment electricity use.</li> </ul>	<ul style="list-style-type: none"> <li>Repairing and coating the surface of the impeller and worm gear to improve the surface finish and reduce the adhesion effect of the surface, thus increasing the operating efficiency of the pump and decreasing energy use.</li> <li>Adding automatic start/stop devices to air curtain units.</li> <li>Installing high-efficiency transformers to prevent no-load electricity losses.</li> </ul>
Predicted annual GHG emissions reduction 510 t CO <sub>2</sub> e	Predicted annual GHG emissions reduction 764 t CO <sub>2</sub> e	Predicted annual GHG emissions reduction 79 t CO <sub>2</sub> e





Cooling Technology	Heating, Ventilation, Air-Conditioning and Cooling (HVAC)	Waste Heat Recovery
<ul style="list-style-type: none"> <li>Utilizing free cooling system to maximize the use of natural cooling.</li> <li>Using vaporizers and common pipes instead of vacuum insulation pipes to reuse the cooling energy released from daily vaporizers and reduce energy consumption for the air-conditioning cooling system.</li> <li>Equipping chiller rooms with Maglev chillers.</li> <li>Adding an atomization system on the air-cooling unit to bring down the temperature of the air cooler owing to increasingly hot weather.</li> </ul>	<ul style="list-style-type: none"> <li>Installing heat pipe modules on the cool section of the air conditioning unit to recover the energy from the dehumidification process and thus reduce energy loss.</li> <li>Adopting an air recirculation system to optimize the proportion of fresh air.</li> <li>Adopting a Building Management System (BMS) for better control of energy consumption for heating, ventilation and air-conditioning.</li> <li>Setting a suitable temperature to prevent wasting electricity on air-conditioning.</li> </ul>	<ul style="list-style-type: none"> <li>Adding a heat recovery unit and cooling tower to recover heat from steam condensate.</li> <li>Employing a double-loop U-shaped heat recovery system, simultaneously recovers the cooling capacity of the exhaust side and the rear sides of the cooling coil.</li> </ul>
Predicted annual GHG emissions reduction 214 t CO <sub>2</sub> e	Predicted annual GHG emissions reduction 5,160 t CO <sub>2</sub> e	Predicted annual GHG emissions reduction 597 t CO <sub>2</sub> e
Renewable Energy	Reuse of Steam	Lighting
<ul style="list-style-type: none"> <li>Deploying a photovoltaic system.</li> <li>Purchasing renewable energy.</li> </ul>	<ul style="list-style-type: none"> <li>Using compressed air to reduce humidity and steam usage.</li> <li>Adjusting water for injection maintenance mode to reduce steam consumption.</li> </ul>	<ul style="list-style-type: none"> <li>Using Light Emitting Diode (LED) light sources for lighting fixtures.</li> <li>Installing sensor lights.</li> <li>Keeping the lights off in non-working areas.</li> </ul>
Predicted annual GHG emissions reduction 700 t CO <sub>2</sub> e	Predicted annual GHG emissions reduction 761 t CO <sub>2</sub> e	Predicted annual GHG emissions reduction 127 t CO <sub>2</sub> e

GOVERNANCE

STRATEGY

RISK MANAGEMENT 

PERFORMANCE AND METRICS



In addition, we encourage and promote environmental-friendly business travel, contributing to a reduction in Scope 3 GHG emissions.

### Green Commuting

A number of initiatives have been taken to empower our staff to travel in an eco-friendly way:

- Reduce dependence on private cars by offering 109 electric shuttle buses for daily commuting.
- Provide 207 electric vehicle chargers for employees.
- Encourage staff to use business taxis that are electric vehicles. In China, 75% of business taxis taken by our platform are e-cars.



### Substitute

Shifting our energy mix to renewable sources is crucial for our decarbonization strategy, and we continually explore opportunities for generating and purchasing more renewable energy. We are setting a renewable energy target and are considering joining RE100<sup>28</sup> in due course. We encourage all of our operations to make full use of renewable energy, to replace energy sources with green alternatives when possible – such as green electricity, photovoltaic power, and wind power – to

gradually promote electrification and reduce the use of fossil fuels. In step with WuXi Biologics’ commitment to increasing the use of renewable energy, some sites are actively experimenting with new energy sources. For example, our Dundalk, Ireland site gets 100% of its power supply from renewable energy. Further advancing our renewable energy journey, a number of PV power installation projects, among other improvements, were completed recently at the Wuxi Mashan site, Shanghai Fengxian site, Ireland site, and several other operating sites.

### Offset

In accordance with WuXi Biologics’ *Climate Change Policy*, carbon removal and verified carbon offsets will form part of our strategy. We are dedicated to supporting nature-based solutions and other emerging carbon offset technologies, and focusing our efforts on carbon credit purchasing and carbon capture and storage.



# Performance and Metrics

In this report, we disclose Scope 1 GHG emissions<sup>29</sup>, Scope 2 GHG emissions<sup>30</sup> and part of Scope 3 GHG emissions<sup>31</sup> (refer to appendix I for details). All data, including GHG emissions and energy consumptions, are verified by an independent and accredited third party.

In 2022, our GHG emissions intensity (scope1 and scope2) decreased by 21% compared with 2021, which exceeds our annual target and contributes significantly to achieving our GHG goal.

Climate change is, and will continue to be, a defining issue for our business and for the world. We will strengthen our efforts to decarbonize our business through such actions as improving energy efficiency, reducing energy waste, increasing the use of renewable energy and offsetting carbon, and will make periodic reports regarding our progress.

# 21%

YoY reduction in GHG emissions intensity (Scope 1 and Scope 2)

GOVERNANCE

STRATEGY

RISK MANAGEMENT

**PERFORMANCE AND METRICS** ▾





# Environment Protection

## The Big Picture

We believe that business growth should not come at the expense of the environment. In addition to compliance with applicable environmental laws and regulations, we continually improve our environmental management system, aiming to minimize our environmental impact through effective waste management and discharge control in our operations while protecting valuable resources.

We prioritize proper waste disposal and pollutant management, and constantly seek to identify waste reduction and recycling opportunities. Furthermore, WuXi Biologics places a high value on the protection of water resources and the economical use of packaging materials. We strive to set targets for water use, emissions, and waste reduction that will lead us to take prompt action in reducing environmental impacts, and empower energy and resource saving initiatives.



ENVIRONMENTAL MANAGEMENT  
WASTE AND DISCHARGE CONTROL  
RESOURCE MANAGEMENT



# Environmental Management

## Why It Matters

A robust Environmental Management System (EMS) is indispensable to WuXi Biologics' sustainability strategy. We recognize that by integrating a sound EMS into all aspects of our business, we can coordinate our plans for overall resource conservation and waste reduction, which helps further improve our environmental compliance and reduce operating impacts on the environment.

### ENVIRONMENTAL MANAGEMENT

WASTE AND DISCHARGE CONTROL

RESOURCE MANAGEMENT

### Certifications and Awards

ISO 14001 Certification

*Two-star Green Factory* by Bureau of Industry and Information Technology of Binhu District: Wuxi Site

*Water-Saving Corporation* by Water-Saving Office of the Wuxi Government: Wuxi Site

*Advanced Company in Ecological Environment* by Shanghai Fengxian Economic Development Park: Fengxian Site

## Management Structure and Policies

Our Board of Directors undertakes the overall responsibility for the Company's environmental management strategy, oversees the implementation of relevant environmental policies, and monitors the progress and improvement of our environmental performance. The Environmental Health & Safety (EHS) department is responsible for instructing other departments to implement environmental management initiatives, and for monitoring and recording environmental performance in daily operations. All employees – from entry-level to senior management – are actively engaged in all environmental efforts, and contributing to facility design, construction and operation. We link key environmental performance indicators to the performance reviews of all employees, and any inappropriate behaviors – such as non-compliance of regulations – can negatively affect the result.

WuXi Biologics has established, implemented, and maintained a global EHS policy clarifying our environmental management framework and environmental commitments, which applies to all our business and employees. Our *WuXi Biologics Environmental, Health and Safety (EHS) Policy* and *WuXi Biologics EHS Standards* provide the guiding principles for environmental management, including for key issues such as emergency response, contractor management, air management, water and wastewater management, waste management, EHS by design and management of change, noise management, and acquisition and divestiture. Through these comprehensive environmental management policies and standards, we ensure our compliance with all applicable EHS laws and regulations, as well as company EHS standards and industry practices in all operational activities. To further ensure our compliance, we regularly conduct environmental compliance assessments. When we identify new or updated environmental laws and regulations, we determine whether they apply to us and update the applicability list in a timely manner. To reduce environmental impacts, we endeavor to implement a solid EMS, set environmental targets and objectives and continuously monitor our environmental performance. Our policies are publicly communicated with the purpose of fostering a transparent dialogue with internal and external stakeholders regarding our environmental efforts and progress.



**ISO 14001 Certificate**

**Our Approach**

**Environmental Management System**

WuXi Biologics has in place a reliable, effective, and responsible Environmental Management System (EMS) that was developed according to the latest ISO 14001 standard. It covers all countries and regions where we operate, and governs our operations and sustainability efforts. Following the requirements of our EMS, the Company identifies products, activities and services that have significant impacts on the environment and manages the environmental elements of its operation. We are committed to reducing the generation of pollutants while complying with national norms for waste and emissions. In our environmental management procedures, we define the responsibility of related departments in managing solid waste, wastewater, air emissions and noise, as well as the principles of such management. Independent third-party inspections and audits on environmental performance are conducted regularly and recorded for further compliance on waste and discharge management. In addition, we have developed contingency plans for environmental emergencies, and have made relevant arrangements for responding to environmental pollution accidents with the aim of eliminating adverse environmental impacts. During the Reporting Period, WuXi Biologics has reviewed by a qualified third-party agency and obtained ISO 14001 certification.

For new sites and extension sites of our own construction, as well as those from acquisitions, we ensure strict compliance with the “Three Simultaneities” principle and identify significant environmental impacts in accordance with national laws and regulations. At the early stage of

mergers and acquisitions, our EHS team comprehensively assesses the environmental, health and safety risks of the project by evaluating the EHS permits of the acquired company, conducting on-site inspections, hiring a third party to assess the soil and groundwater contamination, and giving the Company EHS risk management recommendations in terms of mergers and acquisitions. The EHS team is involved at a project’s designing stage to evaluate and monitor environmental risks. We conduct environmental impact assessments approved by authorities before project implementation. Continuing its oversight and following our management framework, the EHS team organizes environmental risk assessment at least once a year to identify and record environmental risks of our operations according to the “Environmental Impact Checklists” and formulates targeted measures. In 2022, environmental risk assessments have been conducted at all our sites.

**EHS Management Digital System**

WuXi Biologics launched an EHS Management Digital System to further improve our EHS management. The system is used for monitoring, gathering, storing, and analyzing EHS data and improving data reliability and traceability. It consists of the following modules:

- EHS Audit Module: Optimizing the procedure and efficiency through digital management of audit reports and problem analyses.
- EHS Action Tracking Module: Tracking any problems found in internal and external audits and monitoring the improvement process.
- EHS Performance Billboard: Integrating the performance indicators of all sites to improve data collection efficiency.

**ENVIRONMENTAL MANAGEMENT**

WASTE AND DISCHARGE CONTROL

RESOURCE MANAGEMENT



100%

of employees who received environmental training courses

100%

of sites which an environmental risk assessment has been conducted

### Internal and External Audits

We monitor our environmental performance through internal EHS audits for all operation sites on compliance with environmental laws and regulations, implementation of environmental management procedures, and risk management measures. Internal audits on EHS procedures and implementation of key EHS risk management measures are conducted at least once a year, with audits on compliance with EHS laws and regulations conducted at least once every three years. In 2022, WuXi Biologics conducted its annual internal EHS audits, covering all operation sites, based on our environmental management system.

In addition, annual external audits are conducted in accordance with the ISO 14001 standards. We actively encourage external communications on environmental management issues and welcome remote and onsite visits from clients. In 2022, sites visited by our clients and their audit officers were highly praised for our EHS management system. All audits reported no critical finding of policy or procedural breaches.

We will take corrective and preventive actions if any issues arise, aiming for further improvement and continual compliance. The corrective action plan and preventive action plan is developed once incidents happen and in management review meeting if it requires adjustments to our environmental management system. The management review meeting is organized and attended by top management and conducted at least once a year, we discuss EHS policies, targets, and management initiatives at the meeting and make adjustments to our environmental management system as needed to align with our commitment to continual improvement.

### EHS Training

To help our employees understand the impact of their work activities on the environment and raise their awareness of environmental protection, our EHS team organizes regular training for all staff-level employees, senior managers and executives, covering topics such as environmental management, environmental compliance, hazardous substances management, and waste classification and reduction. We conduct specific training for the EHS team at all of our sites on the latest update of environmental laws and regulations. Furthermore, we organize drills of simulated environmental emergencies to improve staff’s emergency response capabilities. During the Reporting Period, all of our employees participated in and completed the environmental training courses. In addition to raising the awareness and competence of our employees through training, we also encourage internal communications on environmental management issues through a series of activities, such as our “Energy Saving NOW!” campaign which collects employees’ ideas on environmental protection and energy saving.

In 2022, we complied with all environmental laws and regulations of the jurisdictions in which we operate, and we had no reported external environmental pollution incidents or environmental penalties. Our Mashan site in Wuxi was recognized as a Two-Star Green Factory by the Bureau of Industry and Information Technology of Binhu District.

## ENVIRONMENTAL MANAGEMENT

WASTE AND DISCHARGE CONTROL

RESOURCE MANAGEMENT



# Waste and Discharge Control

WuXi Biologics strives to reduce the amount of hazardous and non-hazardous waste, wastewater, and waste gas emissions. We have developed specific internal policies and auditing procedures on waste management and discharge control for further compliance. In 2022, all waste and discharge was compliant and no cases of pollutant discharge exceeded regulatory limits or violated relevant industrial standards.

## Waste Management

WuXi Biologics strictly supervises the collection, classification, storage, and transfer of different kinds of waste to prevent environmental pollution and maintain compliance. We are committed to regularly monitoring and analyzing the waste stream, and reducing waste in a targeted manner. In 2022, we set up a new waste reduction target for decreasing our hazardous and non-hazardous waste.

## Our Approach

To ensure waste is properly managed and reduce our environmental impact, the Company's hazardous and non-hazardous waste are separated, collected on the site of generation, and disposed of through qualified third-party waste management companies in accordance with our policies and all applicable legal requirements.

## Non-hazardous Waste

Non-hazardous waste includes office waste, domestic waste and general industrial solids. Once the waste has been collected and classified into non-hazardous waste, it is stored in a proper place to prevent it from polluting land and soil, before it is transferred to a garbage recycling station for centralized collection and disposal.

## Hazardous Waste

Hazardous waste is produced mainly from R&D processes and manufacturing, and includes liquid, consumables, and waste-activated carbon. We follow local environmental regulations and requirements regarding storing, segregating, labeling and documenting hazardous and chemical waste, and meet stringent requirements for decontaminating biohazardous waste prior to final disposal. All hazardous waste is classified into different categories based on their properties before being stored temporarily in the warehouse, and a registration form must be completed before the transfer. Additionally, hazardous waste labels in compliance with regulatory requirements are required to be put on all the waste containers and storage bags. All biohazardous waste is final disposed by qualified third parties. Moreover, in order to improve our hazardous waste handling capacity and ensure the compliant disposal of hazardous waste, we conduct hazardous waste training for all employees and contractors entering the site.

We conduct EHS audits for all hazardous waste handlers for compliance. A database of hazardous waste suppliers constructed in 2021 has been continually optimized to allow comprehensive evaluations of our suppliers. In 2022, we conducted on-site assessment of our waste handlers. The assessment included the status of the supplier's environmental evaluation documents, discharge permits, ledgers, environmental penalty records, environmental treatment facilities, employee training, and security. Sites in the same region share information on waste disposal suppliers, and set up backups to mitigate the impact of an emergency or the unavailability of a single supplier.

ENVIRONMENTAL MANAGEMENT

**WASTE AND DISCHARGE CONTROL**

RESOURCE MANAGEMENT





100%

of compliant waste treatment

100%

of compliant wastewater treatment

WuXi Biologics is committed to reducing the intensity of waste – including hazardous and non-hazardous waste – by 10% (tonnes/RMB10,000) by 2027 from the base year 2022 as one of our sustainable development targets. We are driven to meet this target and are proactively developing innovative and impactful waste reduction opportunities. Our EHS department is in charge of developing and improving the management plan for hazardous waste and developing initiatives to reduce hazardous waste and its perniciousness.

**Optimization of Buffer Utilization Rate to Reduce Hazardous Waste**

WuXi Biologics continues to take the initiative to reduce hazardous waste. In 2022, in an effort to reduce the amount of hazardous waste from discarded buffer, our Suzhou site in China investigated the generation of liquid waste in the production process, tracking three different batches. After an analysis of the results, they set out to optimize the buffer ratio to achieve a higher buffer utilization rate. This optimization is expected to reduce hazardous waste disposal by 468 tonnes per year based on the estimated manufacturing capacity.

In 2022, the Company – through an internal environmental database – continually measured and monitored both hazardous and non-hazardous waste generation volumes and disposal methods. As part of WuXi Biologics’ greening commitment, we set a target to reduce hazardous and non-hazardous waste, and ensure that all waste disposal would be compliant in 2022.

**Water Discharge Management**

WuXi Biologics attaches great importance to wastewater management and we strictly abide by laws, regulations, and standards of wastewater treatment in all countries and regions where we operate.

**Our Approach**

All of the Company’s wastewater is first collected in tanks or reservoirs and treated in our internal wastewater treatment facilities. It is then tested according to local permits before being discharged into the industrial park or municipal sewage system, to prevent its polluting the environment, soil or groundwater. In addition, we have implemented a monitoring system that detects abnormalities – such as ammonia nitrogen and COD – to ensure that wastewater is discharged only after reaching standard allowable levels. The system alerts the responsible personnel in a timely manner when abnormalities are identified, and immediate corrective actions are taken to ensure we remain in compliance.

Wastewater generated by office and other non-laboratory operations is collected separately before it is discharged to the industrial park or municipal station for further treatment. Sludge generated from the treatment is dehydrated and transported to a solid waste disposal plant.

Internal inspections are carried out periodically as required by the discharge permit. For a further check on compliance, we engage third-party institutions to regularly monitor the quality of wastewater that is discharged. Based on the results of our monitoring and inspection systems, all our wastewater discharge is compliant.

ENVIRONMENTAL MANAGEMENT

**WASTE AND DISCHARGE CONTROL**

RESOURCE MANAGEMENT



## Air Emission Management

In addition to the importance we place on reducing the emission of greenhouse gases, we are also aware that the management of other air emissions – such as soot, NO<sub>x</sub>, and SO<sub>x</sub> – is also important to our operations and to the environment. We require all of our facilities to take any and all necessary steps on air emission management to ensure environmental protection.

### Our Approach

WuXi Biologics makes proactive efforts to control and reduce air emissions through continuous investment and technical improvement of our emission control equipment at emission points. We take the initiative and continue to implement high-efficiency filters and activated carbon in our sites to reduce non-GHG air emissions and prevent air pollutants from entering the environment. In addition, we engaged a third-party institution that regularly monitors and audits emission concentrations to ensure ongoing compliance. To reduce overall air pollutant emissions, our sites continued to refine their machinery and improve air emission treatment methods in 2022.

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### Air Emission Treatment Facility Optimization at Hangzhou Site, China

To protect the environment and ensure our compliance on air emissions, in 2022, our site in Hangzhou, China built new air emission treatment facilities with alkaline wash and activated carbon designed to consolidate and dispose of air pollutants before they are discharged to the environment. The new facilities were put into operation and now all treated air emissions are compliant with laws, regulations and standards of environmental protection in the region.

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# Resource Management

## Why It Matters

Natural resources and other materials are essential to the existence of human beings, and are indispensable in medical research, development and production. We are committed to reducing our footprint on the planet through efficient, circular use of water and packaging materials to ensure responsible production and disposal.

## Water Resource Management

Water is used for various purposes across our daily operations, including for washing, cleaning and sanitization, and as a product ingredient. Water we use for operations comes from municipal water systems and a small amount for irrigation and road cleaning comes from harvested rainwater. We not only provide all employees with safe drinking-water, sanitation and hygiene, but also work continuously to reduce water usage. Our sites actively participate in local water-saving initiatives where we operate. For example, our Mashan site participates in their local community's initiative of water-saving enterprises establishment, and has been recognized as a "Water-saving Corporation" by the local water-saving office of the Wuxi government. Our Shanghai Waigaoqiao site is cooperating with other companies operating at the same industry campus to carry out water-saving projects.

## Our Target and Goal

In 2021, WuXi Biologics set medium-term water conservation targets at the Company level. We aimed to reduce our water consumption intensity by 18% (tonnes/RMB 10,000) by 2025 from the baseline year 2019. To help achieve our water reduction target, we stepped further and released a water management goal in 2022 to achieve good water stewardship. We are committed to implementing Water Excellence Stewardship (WES) at our priority sites by 2027. In line with our target and goal, we formulated a water consumption reduction plan, and continually monitor water consumption performance and our progress towards the target and goal.

## Our Approach

### Water-Stress Assessment

Before beginning a new project, WuXi Biologics conducts a water-stress assessment at the potential site to evaluate water scarcity and water-related risks and opportunities – including physical, regulatory and reputational – and develops a site-specific water management plan based on the assessment result. During operations, we conduct regular water risk assessments and scenario analysis within our direct operations and other stages of the value chain. We dedicate financial expenditure for cost associated with water-related risks and Investment in R&D and facility upgrades to mitigate water-related risks, and we strive to reduce our own water use as well as safeguard water resources in the regions where we operate.

### Reducing and Recycling water

We focus our efforts on reducing our water consumption at the source, and maximize the use of recycled water in manufacturing processes across all sites. To optimize the utilization of water resources, we establish and operate water recycling facilities that can adjust water balance and recycle water between facilities with different water needs, and we use reclaimed and pre-treated water to replenish a cooling tower, and for park irrigation and road cleaning. We also engage with our value chain on water-reduction issues. As a pioneer in the application of large-scale SUT through our scale-out manufacturing paradigm, WuXi Biologics collaborates with SUT suppliers to improve the sustainability performance of our manufacturing process. Based on related research and our actual operation, SUT can greatly reduce equipment-cleaning and disinfection, and thus reduce water use and waste. The savings can be as high as 70% compared to stainless steel technology under the same production scale. In addition, we conduct EHS training sessions to help raise employees' awareness of ways to save water.

ENVIRONMENTAL MANAGEMENT

WASTE AND DISCHARGE CONTROL

RESOURCE MANAGEMENT 



### Technology Optimization

We seek innovative solutions to enhance the water efficiency of our equipment.

#### Rainwater Harvesting System in Hebei Site

To support the Company's green development and save water resources in the area, the WuXi Biologics Hebei site in Shijiazhuang, China has adopted rainwater harvesting technology. The designed capacity of the rainwater collection system is 108m<sup>3</sup>, which can meet the facility's irrigation water demand for three days. There are about 4,000 tonnes of water saved annually.

We will continue to make efforts in water conservation and are confident we will successfully meet our targets. In 2022, WuXi Biologics had no incidents of non-compliance with water quality or quantity permits, standards or regulations.

**5%**

YoY reduction in water consumption intensity

### Packaging Optimization

The 3R concept (Reduce, Reuse, Recycle) is becoming more important in all phases of product life cycles, from development and production to use and final disposal. WuXi Biologics directly and indirectly uses various types of packaging materials in the manufacturing and transporting processes. We carefully consider the impact of our products on the environment through all stages of their lifecycles.

#### Our Approach

We make great effort to use more recyclable, reusable or industrially compostable materials while also reducing the use of plastic and developing more optimized packaging solutions. The main types of packaging used for our clients' finished drug products are medicine bottles/vials, rubber stoppers/plugs, aluminum caps, labels, honeycomb covers and carton boxes. In order to prevent the waste of packaging materials and lessen excessive and unneeded packaging, we reduce the use of materials by managing the source of product packaging and streamlining the manufacturing process. We also actively seek out new packaging materials that are made from sustainable components - 100% of our packaging are FSC-certified - while ensuring they are of the same or even better quality. We classify left-over packaging materials and reuse them internally for other purposes. If they cannot be used internally, we cooperate with qualified third-party agencies to maximize the recycling or reuse of packaging materials.



# Appendix I

## Key Performance Indicators

Environmental performance indicators Type	Unit	2019	2020	2021	2022
<b>Energy indicators</b>					
Direct energy consumption — Gasoline	Litres	—	—	12,974	10,764
Direct energy consumption — Diesel fuel	Litres	—	—	60,314	16,470
Direct energy consumption — Natural gas	m <sup>3</sup>	5,389,428	5,665,031	10,575,955	11,875,465
Indirect energy consumption — Purchased electricity	KWh	73,641,241	81,128,859	145,487,253	166,417,679
Indirect energy consumption — Purchased steam	GJ	—	—	62,708	108,021
<b>Energy consumption indicators<sup>32</sup></b>					
Total energy consumption	MWh	—	—	278,070	325,195
Integrated energy consumption intensity	MWh/10,000RMB	—	—	0.27	0.21
<b>Greenhouse gas emissions indicators</b>					
Scope 1 Emissions	tCO <sub>2</sub> e	10,584	11,042	29,917	33,762
Scope 1 Emissions Intensity	tCO <sub>2</sub> e/10,000RMB	0.03	0.02	0.03	0.02
Scope 2 Emissions <sup>33</sup>	tCO <sub>2</sub> e	68,339	74,361	114,292	136,067
Scope 2 Emissions Intensity	tCO <sub>2</sub> e/10,000RMB	0.17	0.13	0.11	0.09
Totals (Scope 1 + Scope 2)	tCO <sub>2</sub> e	78,923	85,403	144,209	169,829
Total Emission Intensity (Scope 1 + Scope 2)	tCO <sub>2</sub> e/10,000RMB	0.2	0.15	0.14	0.11
Scope 3 Emissions — Upstream transportation and distribution	tCO <sub>2</sub> e	—	—	—	2,431.75
Scope 3 Emissions — Waste generated in operations	tCO <sub>2</sub> e	—	—	—	2,944.18
Scope 3 Emissions — Employee commuting	tCO <sub>2</sub> e	—	—	—	20,400
Scope 3 Emissions — Downstream transportation and distribution	tCO <sub>2</sub> e	—	—	—	1,169.96



# Appendix I

## Key Performance Indicators (Cont.)

Environmental performance indicators					
Type	Unit	2019	2020	2021	2022
<b>Waste indicators</b>					
Hazardous waste produced volume	tonnes	1,152.00	1,626.78	3,021.99	3,337.11
Hazardous waste treatment — Landfilled	tonnes	0	0	0	0.0068
Hazardous waste treatment — Incinerated with energy recovery	tonnes	0	318.32	1,144.43	2,866.50
Hazardous waste treatment — Incinerated without energy recovery	tonnes	356.33	956.31	1,774.60	438.69
Hazardous waste treatment — Recycled/Reused	tonnes	429.10	163.80	0	6.32
Hazardous waste treatment — Other treatments	tonnes	366.57	188.35	102.96	25.59
Hazardous waste Intensity	tonnes/10,000RMB	0.0029	0.0029	0.0029	0.0022
Non-hazardous waste produced volume	tonnes	1,231.09	2,107.31	2,687.07	2,671.93
Non-hazardous waste treatment — Landfilled	tonnes	0	0	0	12.00
Non-hazardous waste treatment — Incinerated with energy recovery	tonnes	716.42	1,287.66	1,384.68	2,317.19
Non-hazardous waste treatment — Incinerated without energy recovery	tonnes	11.55	10.05	57.42	42.32
Non-hazardous waste treatment — Recycled/Reused	tonnes	40.40	38.54	51.69	171.42
Non-hazardous waste treatment — Biological Treatment	tonnes	0	0	0	25.00
Non-hazardous waste treatment — Other treatments	tonnes	462.72	771.06	1,193.28	104.00
Non-hazardous waste intensity	tonnes/10,000RMB	0.0031	0.0038	0.0026	0.0017
<b>Water discharge indicators</b>					
Total water discharge	tonnes	—	343,350	765,480	1,410,253
Off-site water treatment total discharge <sup>34</sup>	tonnes	—	343,350	765,480	1,396,193
Beneficial/other use total discharge	tonnes	—	0	0	14,060
Other destination total discharge	tonnes	—	0	0	0
COD discharge	tonnes	—	—	—	101.91
NH <sub>3</sub> -N discharge	tonnes	—	—	—	6.81



# Appendix I

## Key Performance Indicators (Cont.)

Environmental performance indicators					
Type	Unit	2019	2020	2021	2022
<b>Exhaust gas indicators</b>					
NO <sub>x</sub> emissions	tonnes	3.28	2.66	5.67	3.53
SO <sub>x</sub> emissions	tonnes	—	—	—	0.0049
Soot emissions	tonnes	0.07	0.02	0.12	0.19
<b>Water consumption indicators</b>					
Total water consumption/withdrawal <sup>35</sup>	tonnes	719,168	935,046	1,500,923	2,108,001
Municipal water supply	tonnes	719,168	935,046	1,500,923	2,106,456
Harvested rainwater	tonnes	0	0	0	1,545
Other sources	tonnes	0	0	0	0
Water consumption/withdrawal intensity	tonnes/10,000RMB	1.81	1.67	1.46	1.38
<b>Packaging material consumption indicators</b>					
Packaging material consumption	kg	15,600	23,400	126,651	219,325
Packaging material consumption intensity	kg/10,000RMB	0.039	0.042	0.123	0.144

# Appendix I

## Key Performance Indicators (Cont.)

Social performance indicators					
Type	Unit	2019	2020	2021	2022
<b>Personnel employment indicators</b>					
Number of employees	Number	5,666	6,646	9,864	12,461 <sup>36</sup>
By gender	Male	2,507	2,772	4,236	5,808
	Female	3,037	3,470	4,865	6,653
By age	Under 30	3,688	3,463	4,970	6,546
	30 to 50	1,760	2,677	4,003	5,591
	Over 50	96	102	128	324
By employment type	Contract employees (Directly employed)	5,666	6,646	9,864	12,461
	Part-time employees	—	178	161	409
By job level	Senior management	102	101	191	218
	Middle management	322	350	997	1,161
	Primary management	806	807	684	927
	General staff	4,314	4,984	7,992	10,155
By location <sup>37</sup>	Asia	—	—	—	11,217
	America	—	—	—	359
	Europe	—	—	—	885
New employees	Number	—	—	4,189	3,826
By gender	Male	—	—	—	1,714
	Female	—	—	—	2,112
By age	Under 30	—	—	—	2,649
	30 to 50	—	—	—	1,098
	Over 50	—	—	—	79
Average years employed by the Company	Male	—	—	—	1.9
	Female	—	—	—	2.0





# Appendix I

## Key Performance Indicators (Cont.)

Social performance indicators					
Type	Unit	2019	2020	2021	2022
<b>Employee equality and diversity metrics</b>					
Total number of employee nationalities	Number	14	14	16	49
Percentage of non-Chinese employees	%	—	—	—	8.6
Percentage of non-Chinese employees in all management positions	%	—	—	—	14.1
Percentage of non-Han Chinese ethnicity	%	—	—	—	2.3
Percentage of non-Han Chinese ethnicity in all management positions	%	—	—	—	1.2
Percentage of Han Chinese ethnicity	%	—	—	—	89.1
Percentage of Han Chinese ethnicity in all management positions	%	—	—	—	84.7
Percentage of female employees in executive management	%	—	—	—	30
Percentage of female employees in senior management	%	—	—	38	39
Percentage of female employees in middle management	%	—	—	—	46
Percentage of female employees in primary management	%	—	—	—	50
Percentage of female employees in management positions in revenue-generating functions	%	—	—	—	44
Percentage of female employees in STEM-related positions (as % of total STEM positions)	%	—	—	—	53
Percentage of employees with disability	%	—	—	—	0.8
Average salary comparison between genders — Non-management	%	—	—	—	101
Average salary comparison between genders — Primary and middle-level management	%	—	—	—	97
Average salary comparison between genders — Senior-level management	%	—	—	—	87



# Appendix I

## Key Performance Indicators (Cont.)

<b>Social performance indicators</b>					
Type	Unit	2019	2020	2021	2022
<b>Employment compliance metrics</b>					
Number of incidents of discrimination and harassment	Number	—	—	—	0
Percentage of employees represented by an independent trade union or covered by collective bargaining agreements	%	—	—	—	32
<b>Employee retention metrics</b>					
Total employees lost	Number	572	909	1,249	1,300
Total employee turnover <sup>38</sup>	%	10	14	13	10
By gender	Male	11	15	13	11
	Female	9	14	12	10
By age	Under 30	9	17	13	10
	30 to 50	13	11	12	10
	Over 50	4	14	11	14
By region	China	10	14	12	10
	Outside China	10	6	16	16
Voluntary employee turnover <sup>39</sup>	%	—	9.28	9.72	8.41
Internal employee transfers	Number of people	—	—	1,500	1,176
<b>Occupational health and safety indicators</b>					
Number of deaths due to work injuries — Employees	Number	0	0	0	0
Number of deaths due to work injuries — Contractors	Number	0	0	0	0
Number of lost work days due to work-injuries — Employees	Day	46	45	32	103
Lost-time injury rate — Employees	Times/200,000 working hours	0.044	0.038	0.042	0.040



# Appendix I

## Key Performance Indicators (Cont.)

<b>Social performance indicators</b>					
Type	Unit	2019	2020	2021	2022
<b>Employee training indicators</b>					
Percentage of employees trained	%	45	100	100	100
By gender	Male	43	44	47	47
	Female	56	56	53	53
By job level	General staff	78	80	81	82
	Primary management	13	12	7	7
	Middle management	7	6	10	9
	Senior management	2	2	2	2
Average number of training hours per employee	Hours	5	78	73	72
By gender	Male	5	78	73	71
	Female	5	78	73	73
By job level	General staff	5	78	69	72
	Primary management	4	78	69	75
	Middle management	10	77	74	72
	Senior management	12	66	77	57
Total investment in training	10,000RMB	—	127.35	330.2	1,334.7
<b>Social contribution indicators</b>					
Donations/community investments made to registered not-for-profit organizations	Million RMB	—	—	—	1.42
Employee volunteering during paid working hours	Hours	—	—	3,192	5,996
Times of volunteer participation	Person-times	—	—	798	1,371



# Appendix I

## Key Performance Indicators (Cont.)

Governance performance indicators					
Type	Unit	2019	2020	2021	2022
<b>Supplier Distribution</b>					
Total number of suppliers	Companies	—	—	3,419	2,884
Number of suppliers in Asia	Companies	—	—	3,079	1,468
Asian supplier distribution by purchase volume	%	—	—	31	27
Number of suppliers in Europe	Companies	—	—	205	480
European supplier distribution by purchase volume	%	—	—	38	38
Number of suppliers in America	Companies	—	—	135	936
American supplier distribution by purchase volume	%	—	—	31	35
Supplier training	Person-times	—	—	80	196
	Hours	—	—	640	392



## Appendix II

### HKEX *Environmental, Social and Governance Reporting Guide Index*

Subject Areas, Aspects, General Disclosures and KPIs		Index
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Greening Our Business–Climate Change and Energy Saving  Greening Our Business–Environment Protection  Appendix VI: List of Laws and Regulations  Greening Our Business–Climate Change and Energy Saving–Performance and Metrics
KPI A1.1	The types of emissions and respective emissions data.	Greening Our Business–Environment Protection–Waste and Discharge Control  Appendix I: Key Performance Indicators
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Greening Our Business–Climate Change and Energy Saving–Performance and Metrics  Appendix I: Key Performance Indicators
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Greening Our Business–Environment Protection–Waste and Discharge Control  Appendix I: Key Performance Indicators
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.(e.g. per unit of production volume, per facility).	Greening Our Business–Environment Protection–Waste and Discharge Control  Appendix I: Key Performance Indicators
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	ESG Targets and Progress Greening Our Business–Environment Protection
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	ESG Targets and Progress Greening Our Business–Environment Protection–Waste and Discharge Control



## Appendix II

### HKEX *Environmental, Social and Governance Reporting Guide Index (Cont.)*

Subject Areas, Aspects, General Disclosures and KPIs		Index
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Greening Our Business–Environment Protection– Environmental Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Appendix I: Key Performance Indicators
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix I: Key Performance Indicators
KPI A2.3	Description of energy-use efficiency target(s) set and steps taken to achieve them.	Greening Our Business–Climate Change and Energy Saving–Risk Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	ESG Targets and Progress Greening Our Business–Environment Protection–Resource Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Appendix I: Key Performance Indicators
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Greening Our Business–Climate Change and Energy Saving
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Greening Our Business–Environment Protection Greening Our Business–Climate Change and Energy Saving Greening Our Business–Environment Protection
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Greening Our Business–Climate Change and Energy Saving
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Greening Our Business–Climate Change and Energy Saving



## Appendix II

### HKEX *Environmental, Social and Governance Reporting Guide Index (Cont.)*

Subject Areas, Aspects, General Disclosures and KPIs		Index
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Giving Back to Society-Developing Employees
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Giving Back to Society-Developing Employees- Diversity, Equity, and Inclusion (DEI)  Appendix I: Key Performance Indicators
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: Key Performance Indicators
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Giving Back to Society-Developing Employees- Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each past three years including the report year.	Giving Back to Society-Developing Employees- Occupational Health and Safety
KPI B2.2	Lost days due to work injury.	Appendix I: Key Performance Indicators
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Giving Back to Society-Developing Employees- Occupational Health and Safety



## Appendix II

### HKEX *Environmental, Social and Governance Reporting Guide Index (Cont.)*

Subject Areas, Aspects, General Disclosures and KPIs		Index
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Giving Back to Society-Developing Employees-Talent Development
KPI B3.1	The percentage of employees trained by gender and employee category.(e.g. senior management, middle management).	Appendix I: Key Performance Indicators
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix I: Key Performance Indicators
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Giving Back to Society- Developing Employees-Employment Compliance
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Giving Back to Society- Developing Employees-Employment Compliance
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Giving Back to Society- Developing Employees-Employment Compliance
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Enhancing Governance-Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Enhancing Governance-Supply Chain Management-Sustainable Supply Chain Appendix I: Key Performance Indicators
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Enhancing Governance-Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Enhancing Governance-Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Enhancing Governance-Supply Chain Management





## Appendix II

### HKEX *Environmental, Social and Governance Reporting Guide Index (Cont.)*

Subject Areas, Aspects, General Disclosures and KPIs		Index
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Enhancing Governance–Operational Governance Giving Back to Society–Enabling Clients
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Giving Back to Society–Enabling Clients–Client Engagement
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Giving Back to Society–Enabling Clients–Client Engagement
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Enhancing Governance–Operational Governance–Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Giving Back to Society–Enabling Clients
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Enhancing Governance–Operational Governance–Information Security
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Enhancing Governance–Operational Governance–Business Ethics
KPI 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.	Enhancing Governance–Operational Governance–Business Ethics
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Enhancing Governance–Operational Governance–Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Enhancing Governance–Operational Governance–Business Ethics



## Appendix II

### HKEX *Environmental, Social and Governance Reporting Guide Index (Cont.)*

Subject Areas, Aspects, General Disclosures and KPIs		Index
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Giving Back to Society-Community Engagement
KPI B8.1	Focus areas of contribution (e.g. education , environmental concerns, labour needs, health, culture, sport).	Giving Back to Society-Community Engagement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Giving Back to Society-Community Engagement
		Appendix I: Key Performance Indicators



# Appendix III

## GRI Standard Index

<b>Statement of use</b>	WuXi Biologics has reported the information cited in this GRI content index for the period January 1, 2022 to December 31, 2022 with reference to the GRI Standards.	
<b>GRI 1 used</b>	GRI 1: Foundation 2021	
<b>GRI Standard</b>	<b>Disclosure</b>	<b>Location</b>
<b>GRI 2: General Disclosures 2021</b>		
<b>The organization and its reporting practices</b>		
2-1	Organizational details	Company Overview-Introduction
2-2	Entities included in the organization's sustainability reporting	About the Report
2-3	Reporting period, frequency and contact point	About the Report
2-4	Restatements of information	No
2-5	External assurance	Appendix VIII: External Assurance Report
<b>Activities and works</b>		
2-6	Activities, value chain and other business relationships	Company Overview-Introduction Enhancing Governance-Supply Chain Management
2-7	Employees	Giving Back to Society-Developing Employees
2-8	Workers who are not employees	Giving Back to Society-Developing Employees
<b>Governance</b>		
2-9	Governance structure and composition	Enhancing Governance-Corporate Governance
2-10	Nomination and selection of the highest governance body	Enhancing Governance-Corporate Governance
2-11	Chair of the highest governance body	See Annual Report
2-12	Role of the highest governance body in overseeing the management of impacts	Enhancing Governance-Corporate Governance
2-13	Delegation of responsibility for managing impacts	Enhancing Governance-Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	Enhancing Governance-Corporate Governance-Board Statement
2-15	Conflicts of interest	See Annual Report
2-16	Communication of critical concerns	Enhancing Governance-Corporate Governance-Board Statement
2-17	Collective knowledge of the highest governance body	Enhancing Governance-Corporate Governance-Board Statement



## Appendix III

### GRI Standard Index (Cont.)

2-18	Evaluation of the performance of the highest governance body	Enhancing Governance–Corporate Governance–ESG Governance
2-19	Remuneration policies	See Annual Report
2-20	Process to determine remuneration	See Annual Report
2-21	Annual total compensation ratio	See Annual Report
<b>Strategy, policies and practices</b>		
2-22	Statement on sustainable development strategy	ESG Strategy
2-23	Policy commitments	Enhancing Governance–Business Ethics  Enhancing Governance–Sustainable Supply Chain  Giving Back to Society–Developing Employees–Employment Compliance
2-24	Embedding policy commitments	Enhancing Governance–Business Ethics  Enhancing Governance–Sustainable Supply Chain  Giving Back to Society–Developing Employees–Employment Compliance
2-25	Processes to remediate negative impacts	Enhancing Governance–Operational Governance–Business Ethics
2-26	Mechanisms for seeking advice and raising concerns	Enhancing Governance–Operational Governance–Business Ethics
2-27	Compliance with laws and regulations	Enhancing Governance–Operational Governance–Business Ethics
2-28	Membership associations	Company Overview–Public Recognition
<b>Stakeholder engagement</b>		
2-29	Approach to stakeholder engagement	Enhancing Governance–Corporate Governance–Stakeholder Engagement
2-30	Collective bargaining agreements	Giving Back to Society–Developing Employees–Employment Compliance
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	Enhancing Governance–Corporate Governance–Stakeholder Engagement
3-2	List of material topics	Enhancing Governance–Corporate Governance–Stakeholder Engagement



# Appendix III

## GRI Standard Index (Cont.)

<b>Material Issues</b>		
<b>GRI 202: Market Presence 2016</b>		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Giving Back to Society–Developing Employees –Employment Compliance  Giving Back to Society–Developing Employees–Diversity, Equity, and Inclusion (DEI)  Appendix I: Key Performance Indicators
<b>GRI 205: Anti-corruption 2016</b>		
205-1	Operations assessed for risks	Enhancing Governance–Operational Governance–Business Ethics
205-2	Communication and training about anti-corruption policies and procedures	Enhancing Governance–Operational Governance–Business Ethics
205-3	Confirmed incidents of corruption and actions taken	Enhancing Governance–Operational Governance–Business Ethics
<b>GRI 206: Anti-competitive Behavior 2016</b>		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Enhancing Governance–Operational Governance–Business Ethics
<b>Environment</b>		
<b>GRI301: Materials 2016</b>		
301-1	Materials used by weight or volume	Greening Our Business–Environment Protection–Resource Management  Appendix I: Key Performance Indicators
<b>GRI 302: Energy 2016</b>		
302-1	Energy consumption within the organization	Appendix I: Key Performance Indicators
302-3	Energy intensity	Appendix I: Key Performance Indicators
302-4	Reduction of energy consumption	Greening Our Business–Climate Change and Energy Saving  Appendix I: Key Performance Indicators



# Appendix III

## GRI Standard Index (Cont.)

<b>GRI 303: Water and Effluents 2018</b>		
303-1	Interactions with water as a shared resource	Greening Our Business-Environment Protection-Resource Management
303-2	Management of water discharge- related impacts	Greening Our Business-Environment Protection-Resource Management
303-4	Water discharge	Appendix I: Key Performance Indicators
303-5	Water consumption	Greening Our Business-Environment Protection-Resource Management
		Appendix I: Key Performance Indicators
<b>GRI 305: Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	Appendix I: Key Performance Indicators
305-2	Energy indirect (Scope 2) GHG emissions	Appendix I: Key Performance Indicators
305-3	Other indirect (Scope 3) GHG emissions	Appendix I: Key Performance Indicators
305-4	GHG emissions intensity	Greening Our Business-Climate Change and Energy Saving
		Appendix I: Key Performance Indicators
305-5	Reduction of GHG emissions	Greening Our Business-Climate Change and Energy Saving
		Appendix I: Key Performance Indicators
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Appendix I: Key Performance Indicators
<b>GRI 306: Effluents and Waste 2016</b>		
306-1	Waste generation and significant waste-related impacts	Greening Our Business- Environment Protection -Waste and Discharge Control
306-2	Management of significant waste- related impacts	Greening Our Business- Environment Protection -Waste and Discharge Control
306-3	Waste generated	Appendix I: Key Performance Indicators
306-4	Waste diverted from disposal	Appendix I: Key Performance Indicators
306-5	Waste directed to disposal	Appendix I: Key Performance Indicators



# Appendix III

## GRI Standard Index (Cont.)

<b>GRI 308: Supplier Environmental Assessment 2016</b>		
308-1	New suppliers that were screened using environmental criteria	Enhancing Governance- Supply Chain Management
308-2	Negative environmental impacts in the supply chain and actions taken	Enhancing Governance- Supply Chain Management
<b>Society</b>		
<b>GRI 401: Employment 2016</b>		
401-1	New employee hires and employee turnover	Appendix I: Key Performance Indicators
401-3	Parental leave	Giving Back to Society-Developing Employees-Employee Engagement
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-1	Occupational health and safety management system	Giving Back to Society-Developing Employees-Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Giving Back to Society-Developing Employees-Occupational Health and Safety
403-3	Occupational health services	Giving Back to Society-Developing Employees-Occupational Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Giving Back to Society-Developing Employees-Occupational Health and Safety
403-5	Worker training on occupational health and safety	Giving Back to Society-Developing Employees-Occupational Health and Safety
403-6	Promotion of worker health	Giving Back to Society-Developing Employees-Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Giving Back to Society-Developing Employees-Occupational Health and Safety
403-8	Workers covered by an occupational health and safety management system	Giving Back to Society-Developing Employees-Occupational Health and Safety
403-9	Work-related injuries	Appendix I: Key Performance Indicators



## Appendix III

### GRI Standard Index (Cont.)

<b>GRI 404: Training and Education 2016</b>		
404-1	Average hours of training per year per employee	Appendix I: Key Performance Indicators
404-2	Programs for upgrading employee skills and transition assistance programs	Giving Back to Society-Developing Employees-Talent Development
404-3	Percentage of employees receiving regular performance and career development reviews	Giving Back to Society-Developing Employees-Talent Development
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	Giving Back to Society-Developing Employees-Diversity, Equity, and Inclusion
405-2	Ratio of basic salary and remuneration of women to men	Appendix I: Key Performance Indicators
<b>GRI 406: Non-discrimination 2016</b>		
406-1	Incidents of discrimination and corrective actions taken	Giving Back to Society-Developing Employees
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>		
<b>GRI 408: Child Labor 2016</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	Giving Back to Society-Developing Employees-Employment Compliance  Enhancing Governance- Supply Chain Management
<b>GRI 409: Forced or Compulsory Labor 2016</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Giving Back to Society-Developing Employees-Employment Compliance  Enhancing Governance- Supply Chain Management
<b>GRI 413: Local Communities 2016</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	Giving Back to Society-Fostering Communities
413-2	Operations with significant actual and potential negative impacts on local communities	Giving Back to Society-Fostering Communities
<b>GRI 414: Supplier Social Assessment 2016</b>		
414-1	New suppliers that were screened using social criteria	Enhancing Governance- Supply Chain Management
414-2	Negative social impacts in the supply chain and actions taken	Enhancing Governance- Supply Chain Management





## Appendix III

### GRI Standard Index (Cont.)

<b>GRI 416: Customer Health and Safety 2016</b>		
416-1	Assessment of the health and safety impacts of product and service categories	Giving Back to Society-Enabling Clients-Quality Management
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Giving Back to Society-Enabling Clients-Quality Management
<b>GRI 417: Marketing and Labeling 2016</b>		
417-1	Requirements for product and service information and labeling	Enhancing Governance-Operational Governance-Responsible Marketing
417-2	Incidents of non-compliance concerning product and service information and labeling	Enhancing Governance-Operational Governance-Responsible Marketing
417-3	Incidents of non-compliance concerning marketing communications	Enhancing Governance-Operational Governance-Responsible Marketing
<b>GRI 418: Customer Privacy 2016</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Enhancing Governance-Operational Governance-Information Security



## Appendix IV

### SASB Index

Issues	Accounting Standards	Encoding	Chapter Index
General Health Care	Description of actions and initiatives for inclusive health care for priority diseases in developing countries. Includes research and development, pricing, public policy development and market impact, manufacturing and distribution, patents and licensing, product donations, and philanthropic activities.	HC-BP-240a.1	Giving Back to Society-Fostering Communities
Drug Safety	Number of recalls, total number of recalled products.	HC-BP-250a.3	Giving Back to Society-Enabling Clients
	Number and type of enforcement actions taken against breaches of good manufacturing practices (cGMP) by the FDA or equivalent institutions in other regions.	HC-BP-250a.5	Giving Back to Society-Enabling Clients
Ethical Marketing	Total monetary losses incurred by the Company due to legal proceedings related to false marketing claims.	HC-BP-270a.1	Enhancing Governance-Operational Governance
Employee recruitment, development and retention	Business strategies for recruiting and retaining scientists and R&D talent.	HC-BP-330a.1	Giving Back to Society-Developing Employees
	(1) Voluntary and (2) Non-voluntary turnover rates: (a) Supervisors/Senior Management (b) Middle Management, (c) Professionals, and (d) All other employees.	HC-BP-330a.2	Giving Back to Society- Developing Employees Appendix I: Key Performance Indicators
Business Ethics	Total monetary losses incurred due to legal proceedings related to corruption and bribery.	HC-BP-510a.1	Enhancing Governance-Operational Governance



# Appendix V

## TCFD Recommendation Index

TCFD Pillar	Recommended Disclosures	Chapter Index
Governance	a) Describe the board’s oversight of climate-related risks and opportunities.	Greening Our Business–Climate Change and Energy Saving–Governance
	b) Describe management’s role in assessing and managing climate-related risks and opportunities.	Greening Our Business–Climate Change and Energy Saving–Governance
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Greening Our Business–Climate Change and Energy Saving–Strategy
	b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	Greening Our Business–Climate Change and Energy Saving–Strategy
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Greening Our Business–Climate Change and Energy Saving–Strategy
Risk Management	a) Describe the organization’s processes for identifying and assessing climate-related risks.	Greening Our Business–Climate Change and Energy Saving–Risk Management
	b) Describe the organization’s processes for managing climate-related risks.	Greening Our Business–Climate Change and Energy Saving–Risk Management
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	Greening Our Business–Climate Change and Energy Saving–Risk Management
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Greening Our Business–Climate Change and Energy Saving–Metrics and Targets
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Greening Our Business–Climate Change and Energy Saving–Metrics and Targets
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Greening Our Business–Climate Change and Energy Saving–Metrics and Targets



## Appendix VI

### List of Laws and Regulations

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Company Law of the People's Republic of China

Securities Law of the People's Republic of China

Criminal Law of the People's Republic of China

The Civil Code of the People's Republic of China

Anti-Monopoly Law of the People's Republic of China

Anti-Unfair Competition Law of the People's Republic of China

Law of the People's Republic of China on Donations to Public Welfare

The Charity Law of the People's Republic of China

Advertisements Law of the People's Republic of China

Data Security Law of the People's Republic of China

Biosecurity Law of the People's Republic of China

Measures for the Administration of Safety Licensing for Radioisotopes and Radiation Devices

Regulation on the Administration of Narcotic Drugs and Psychotropic Drugs

The Cybersecurity Law of the People's Republic of China

Electronic Signature Law of the People's Republic of China

Cryptography Law of the People's Republic of China

Information security technology — Baseline for classified protection of cybersecurity

Online Data Security Management Regulations (Draft for Comment)

Measures for the Administration of Data Security in the Industry Technology Sector (Trial Implementation)

Personal Information Protection Law of the People's Republic of China

Patent Law of the People's Republic of China

Rules for the Implementation of the Patent Law of the People's Republic of China

China's Regulations on Patent Application Services (Revised 2018)

Trademark Law of the People's Republic of China (Revised 2019)

Rules for the Implementation of the Trademark Law of the People's Republic of China

Copyright Law of the People's Republic of China

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Rules for the Implementation of the Copyright Law of the People's Republic of China

Regulations for the Protection of Computer Software

Regulations on the Protection of the Right of Communication Through Network

Regulation of the People's Republic of China on the Administration of Human Genetic Resources

Regulations on the Protection of Intellectual Property Rights (IPR) by Customs (Revised 2018)

Regulations on Technology Import and Export Administration of the People's Republic of China (Revised 2019)

Patent Cooperation Treaty

Provisions Regarding the Prohibition of Trade Secret Infringement

China's Good Manufacturing Practice for Pharmaceutical Products (Revised 2010)

Drug Administration Law of the People's Republic of China

Rules for the Implementation of the Drug Administration Law of the People's Republic of China

Vaccine Administration Law of the People's Republic of China

Labor Law of the People's Republic of China

Labor Contract Law of the People's Republic of China

Employment Promotion Law of the People's Republic of China

Social Insurance Law of the People's Republic of China

Special Provisions on Labor Protection for Female Employees

Provisions on the Prohibition of Using Child Labor

Law of the People's Republic of China on Protection of Minors

Law of the People's Republic of China on the Prevention and Control of Occupational Diseases

Law of the People's Republic of China on Work Safety

Fire Protection Law of the People's Republic of China

Regulations on Work-related Injury Insurance

Factory Safety and Health Regulations

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## Appendix VI

### List of Laws and Regulations (Cont.)

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Interim Provisions on Finding Out and Controlling Hidden Dangers of Work Safety Accidents

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Regulations on Reporting and Investigation and Handling of Production Safety Accidents

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Regulations on the Safety Management of Hazardous Chemicals

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Environmental Protection Law of the People's Republic of China

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Environmental Impact Assessment Law of the People's Republic of China

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Environmental Protection Tax Law of the People's Republic of China

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Law of the People's Republic of China on Energy Conservation

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Water Pollution Prevention and Control Law of the People's Republic of China

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Urban Drainage and Sewerage Ordinance

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Law of the People's Republic of China on the Prevention and Control of Air Pollution

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Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste

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Law of the People's Republic of China on Prevention and Control of Soil Contamination

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Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution

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Cleaner Production Promotion Law of the People's Republic of China

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Medical Waste Management Regulations

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Hong Kong Cap. 514 Patents Ordinance

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Hong Kong Cap. 528 Copyright Ordinance

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Hong Kong Cap. 559 Trade Marks Ordinance

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U.S. Foreign Corrupt Practices Act (FCPA)

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U.S. Federal Trade Commission Act

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U.S. Truth in Advertising Act (Honest Ads Act)

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The European Union General Data Protection Regulation (GDPR)

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U.S. Data Protection Act

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U.S. California Consumer Privacy Act

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U.S. International Emergency Economic Powers Act (IEEPA)

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U.S. National Emergencies Act (NEA)

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U.S. Export Administration Regulation (EAR)

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U.S. Guide for the Care and Use of Laboratory Animals

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U.S. Uniform Trade Secrets Act (UTSA)

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U.S. Trademark Law

---

U.S. Digital Millennium Copyright Act

---

U.S. International Arbitration Rules of the American Arbitration Association

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EU European Convention for the Protection of Vertebrate Animals Used for Experimental and Other Scientific Purposes

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U.S. Food and Drug Administration, Section 211, 21st Edition of the Federal Code

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EU Guidelines for Good Manufacturing Practice for Pharmaceutical Products

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U.S. Labor Law

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U.S. Employment Law

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U.S. Occupational Safety and Health Act (OSHA)

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Irish Labor Code

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German Arbeitsrecht

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German Prod SG

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German Gesetzes gegen den unlauteren Wettbewerb (UWG)

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German MarkenG: Markengesetz

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U.S. Uniformed Services Employment and Reemployment Rights Act (USERRA)

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U.S. Employee Rights for Workers with Disabilities Paid at Special Minimum Wages (EPPA)

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# Appendix VII

## List of Notes

1. United Nations Sustainable Development Goals.
2. New suppliers refer to the ones contracted after July 2022 and all existing significant suppliers signed both.
3. Water Excellence Stewardship (WES) is an internal water management plan at site specific to manage the water quality, provide employees with safe drinking-water, sanitation and hygiene (WASH), reduce our water use and etc., based on the principle of Measure, Reduce, Reuse and Recycle. This plan will also refer to ISO 46001, International Water Stewardship Standard and other industry standard.
4. In WuXi Biologics, our overall Business Ethics governance includes but not limited to anti-corruption and bribery, discrimination, confidentiality of information, conflicts of interest, whistleblowing and investigation, etc.
5. COSO refers to The Committee of Sponsoring Organizations of the Treadway Commission.
6. Suppliers in Tier 1 denotes suppliers that directly supply goods, materials or services (including intellectual property/patents) to the Company.
7. Pharmaceutical Supply Chain Initiative.
8. This includes but not limited to discrimination, human trafficking, child labor, slavery, DEI, health and safety, etc.
9. The potential risks include human trafficking, discrimination, child labor, slavery and impact on environment as well as local communities.
10. This refers to women, children, persons with disability, third-party contracted labor, and local communities and students.
11. Compensation is based on merit without relation to race, color, gender, religion, nationality, disability status, sexual orientation, gender identity, marital status, veteran status, or any of the protected characteristics.
12. This includes people in minority groups and people with disabilities.
13. This refers to WuXi Biologics median gender pay gap in China.
14. This includes part-time employees and contractors.
15. This includes DDI, CEIBS Business Online, LinkedIn, and INTUITION.
16. This includes solid line managers and dotted line managers.
17. This includes Business indicators and PROUD Competence indicators.
18. PROUD stands for Passion, Reward, Ownership, Unity and Determination.
19. A total of 13 dimensions were covered, including engagement, thrive, career development, confidence for the future, healthy working environment, and manager effectiveness.
20. The Company offers assistance with children's education by providing information on local schooling through third-party vendors.
21. The Company partners with insurance institutions to offer discounted commercial insurance packages. Employees can choose to purchase these packages, which include an employee plan as well as a plan for their spouse and children.
22. Under the 2015 *Paris Agreement*, nearly 200 countries agreed to limit global warming to no more than 2°C by 2100, and to aim for a no more than 1.5°C increase. 2°C or below 2°C scenarios are the global community's accepted limitation of temperature growth to avoid significant and potentially catastrophic changes to the planet, which can also be referred to as 'Paris Aligned'. Above 2°C scenarios show a potential situation where this agreement is not met.
23. NOAA. (2013). *Climate Model: Temperature Change (RCP 2.6) — 2006–2100*.
24. IEA. (2022). *Understanding GEC Model scenarios*.
25. IEA. (2022). *Understanding GEC Model scenarios*.
26. NOAA. (2013). *Climate Model: Temperature Change (RCP 8.5) — 2006–2100*.
27. Under the operational control.
28. RE100 is a global corporate renewable energy initiative.
29. Direct greenhouse gas emissions (such as from natural gas and gasoline). The natural gas emission factor is calculated based on GB/T 2589- 2020 and IPCC 2006.
30. Indirect greenhouse gas emissions (from purchased electricity and steam). The electricity emission factor is calculated based on the average carbon dioxide emission factor of China's provincial power grids in 2010.
31. Emissions from activities like upstream transportation and distribution, downstream transportation and distribution, waste generated in operations, and employee commuting-collectively known as Scope 3 emissions — also contribute to our footprint.
32. Please refer to GB/T 2589-2020 *General Principles for Calculation of Comprehensive Energy Consumption*, and the *GHG Protocol* released by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
33. Applies location-based approach.
34. This includes 3,277.46 tonnes of waste liquids collected by a qualified third party and discharged off-site as wastewater.
35. Water we use for operations comes from municipal water systems and a small amount for irrigation and road cleaning comes from harvested rainwater, we do not take water from water stressed areas.
36. This includes employees in the Health Care Team.
37. This refers to the actual locations where employees work.
38. Total employee turnover = Total number of turnovers/Total number of employees by year-end.
39. Voluntary employee turnover = Total number of voluntary turnovers/Total number of employees by year-end.
40. All operating sites refer to all the sites put into operation before June 30, 2022, so that comprehensive and valid data can be measured. This includes the Wuxi Mashan Site, Wuxi New District Site (Phase I), Shanghai Waigaoqiao Site, Shanghai Fengxian Site (Phase I), Suzhou Biologics Site, Hangzhou Site and Suzhou Biosafety Testing Site.

# Appendix VIII

## External Assurance Report



### Independent Assurance Statement

**Introduction and objectives of work**

Bureau Veritas has been engaged by WuXi Biologics (Cayman) Inc. (hereafter referred to as "WuXi Biologics") to conduct an independent assurance to its 2022 Environmental, Social and Governance Report (hereafter referred to as "the Report") of WuXi Biologics. This Assurance Statement applies to the related information included within the scope of work described below. This information and its presentation in the report are the sole responsibility of the management of WuXi Biologics. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent verification statements according to the accuracy and reliability of the disclosure of information on the basis of the collection, analysis and management process of the report.

**Scope of work**

Bureau Veritas verify the accuracy and reliability of the following:

- All environmental, social and governance related data and information included in the report for the report period from January 1, 2022 to December 31, 2022;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Excluded from the scope of our work is any assurance of information relating to:
  - Activities outside the defined assurance period;
  - Positional statements (statements of beliefs, views, development and vision);
  - Much of the operating financial data in this report is taken from WuXi Biologics annual reporting and accounts, which is separately audited by an external auditor and therefore excluded from the scope of the Bureau Veritas assurance.

**Level of assurance**

- Reasonable

**Methodology**

As part of its independent assurance, Bureau Veritas undertook the following activities:


- Interviews with relevant personnel of WuXi Biologics;
- Review of documentary evidence produced by WuXi Biologics;
- Audit of sampled ESG performance data;
- Assessment of data and information systems for collection, aggregation, analysis and review;

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external assurance of ESG reports, based on current best practice in independent assurance. For this assignment, we have used the verification rules and instructions of ISAE3000, AA1000 and GRI Standards.

**Conclusions**

- Based on onsite verification, the information and data in WuXi Biologics' 2022 ESG report are accurate and reliable, no systemic or substantiality mistake significant impact to the report.

Certification body address: Room 02, 9/F, West Office Building 1, Oriental Economic and TradeCity, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China, 100738  
Local office address: Rm. B, F4, No.1268, Waiana Road, Huangpu District, Shanghai, China, 200011  
Further clarifications regarding the verification scope of this statement may be obtained by consulting the organization.  
To check this statement validity please call: +86 21 23190319



**Objectivity**

- The information and data disclosed in the ESG report are accurate and reliable. WuXi Biologics collect, organize the data and information about environmental, social and governance through data information system. During on-site verification, the evidence provided by WuXi Biologics is accurate, reliable and traceable.

**Materiality**

- 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; the global commission on sustainability standards (GSSB) GRI standards; the sustainable development accounting standards board foundation (SASB) accounting standards for sustainable development-biotechnology and pharmaceutical industries, and the Task Force on Climate-Related Financial Disclosures (TCFD). And the report had reasonably identified, disclosed the ESG issues and information involved in the company, it is materiality.

**Completeness**

- The report covers WuXi Biologics and its subsidiaries, it focuses on "A Message from our CEO", "Company Overview", "Enhancing Governance", "Giving Back to Society", and "Greening Our Business" and also discloses the company's ESG governance, environmental responsibility and social responsibility which concern from stakeholders.

**Responsiveness**


- The report basically covers the concerns of stakeholders, fully identifies relevant risks, and objectively describes the measures taken by the company, the results achieved or to be achieved.

**Statement of independence, impartiality and competence**

The Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 190 years history in providing independent assurance services.

No member of the verification team has a business relationship with WuXi Biologics, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

The Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

<p><b>Roger Hu</b></p> <p>Assurance Team Leader</p> <p>Bureau Veritas I&amp;F China</p> <p>2023-3-17</p>	 <p>General manager, Certification, I&amp;F China</p> <p>Bureau Veritas I&amp;F China</p> <p>2023-4-13</p>
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# About the Report



## Reporting Scope and Limits

The Scope of the Environmental, Social and Governance Report (the present report) is consistent with the Company's annual report. In view of the importance of our business's impact on the environment, the scope of our environmental data includes all operating sites owned and managed by WuXi Biologics (Cayman) Inc.<sup>40</sup>

## Reporting Period

This report covers the period from January 1, 2022 to December 31, 2022 (the Reporting Period). To complete the comprehensive suite of data contained in this report, some content considers previous years or extends to the first quarter of 2023.

## Reporting Standards

This 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 (HKEX)*; with reference to the *Global Sustainability Standards Board (GSSB) GRI Standards*; the *Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations of The Financial Stability Board (FSB)*; and the *Sustainable Development Accounting Standards Board Foundation (SASB) Accounting Standards for Sustainable Development – Biotechnology and Pharmaceutical Industries*.

## Indicators Selection

The indicators in the report were selected and elaborated on following the principles of "materiality, quantitative measurement, balance, and consistency" as described further below, to disclose performance of the material issues. Continuous updates and optimization of the disclosure indicators will be provided in subsequent reports.

**Materiality:** WuXi Biologics uses the stakeholder engagement mechanism and materiality assessment matrix to identify corporate and social responsibility issues that are material or relevant to the company and its stakeholders.

**Quantitative Measurement:** WuXi Biologics embodies the quantitative principle by disclosing 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 and data comparison across time periods covered by the report, and has noted the changes in statistical methods and key performance indicators.

## Explanation of Terms

For clarity of presentation and ease of reading, "WuXi Biologics (Cayman) Inc." is also referred to in this Report as "WuXi Biologics", "the Company" or "we".

## Sources and Reliability

The qualitative and quantitative information used in this report comes from WuXi Biologics' publicly available information, internal documents and related statistical data. The company's Board of Directors guarantees that this report is free from any misrepresentation or misleading statements, and is responsible for the truthfulness, accuracy and completeness of its contents.

## Confirmation and Approval

This report was approved by the Board of Directors on March 22, 2023, following confirmation by management.

## Report Access

The online version of this report is available for download on the website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and that of WuXi Biologics ([www.wuxibiologics.com](http://www.wuxibiologics.com)).





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