艾美疫苗
全产业链疫苗集团

# 艾美疫苗股份有限公司
# AIM Vaccine Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 06660

# 2023

## Environmental, Social and Governance Report

AIM 艾美疫苗
全产业链疫苗集团

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# 1 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 1.1 REPORT PREPARATION STANDARDS

This report is prepared in accordance with the "Environmental, Social and Governance Reporting Guide" as set out in Appendix to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the key performance indicators in this report have been prepared with reference to the relevant calculation standards and methods provided therein, and the content of this report has been defined and disclosed based on the principles of materiality, quantitative, balance and consistency, and have avoided choices, omissions or presentation format that may influence the reader's decision or judgment. Besides this, this report references the United Nations 2030 Agenda for Sustainable Development.

## 1.2 REPORTING SCOPE

The ESG report covers AIM Vaccine Co., Ltd., its subsidiaries (including AIM Rongyu, AIM Honesty, AIM Action and AIM Persistence) and research institutes (AIM Explorer, AIM Innovator and AIM Liverna), and the report scope is consistent with the annual report. The time range covered by this report is January 1, 2023 to December 31, 2023, with some content extending moderately into previous and subsequent years.

## 1.3 ARTICULATION AND EXPLANATION

For the purpose of clarity and readability, "AIM Vaccine Co., Ltd." will be referred to as "AIM Vaccine", "AIM", "the Company", or "we" throughout this report. AIM Vaccine Co., Ltd. and its subsidiaries will be referred to as "the Group". Unless otherwise specified, all monetary units mentioned in the report are in RMB. In case of any discrepancies with financial reports, the information in the financial reports shall prevail.

# 2 ABOUT AIM VACCINE

## 2.1 COMPANY OVERVIEW

### 2.1.1 Company profile

AIM Vaccine, committed to "developing and manufacturing top quality vaccines to safeguard the health of the world", stands as the second largest vaccine group covering the whole industry chain in China and the largest vaccine group in the private sector. It leads the race in China's vaccine arena, boasting a mature proprietary mRNA technology platform.

AIM Vaccine holds controlling stakes in four fully-owned certified vaccine manufacturing enterprises, along with three vaccine research institutes and four R&D centres, totalling seven R&D teams to ensure the ability of delivering milestones of pipeline products. It is one of only two human vaccine enterprises in China equipped with P3 laboratory strategic resources. Moreover, AIM Vaccine ranks as the world's largest HBV vaccine manufacturer and the second-largest rabies vaccine manufacturer globally.

AIM Vaccine possesses all five validated vaccine technology platforms, featuring eight commercialized vaccines and 21 vaccine candidates. Its pipeline covers the top ten vaccine varieties globally. Commercialized products have consistently dominated the market, with sales spanning all 31 provinces, municipalities, and autonomous regions in China, reaching over 2,000 district/county disease control centres (CDCs). AIM Vaccine is an extremely rare comprehensive platform with strengths in the four dimensions of pipeline, R&D, manufacturing and sales.

### 2.1.2 Mission and vision

The Group's corporate vision is "to become a global leader in the vaccine industry". With the mission of "developing and manufacturing top quality vaccines to safeguard the health of the world", the Group advocates an all-inclusive and progressive, open and empowering culture of innovation, strictly controls the quality of vaccines, covering the full value chain, empowered by a full spectrum of proven human vaccine platform technologies, and strives to access the best industry resources and innovative technologies to accelerate product development and commercialization.

Corporate Vision

**To become a global leader in the vaccine industry**

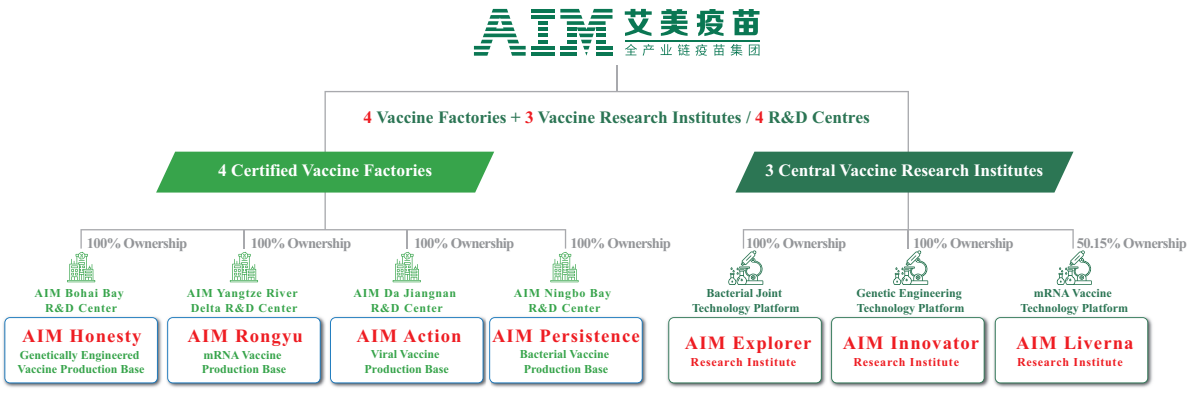
Core Values

**Innovation, Honor, Responsibility**
**Dream, Action, Persistence**

# 2 ABOUT AIM VACCINE

## 2.1.3 Business layout

As a large whole industry chain vaccine company in China, we encompass the entire value chain from R&D to manufacturing and commercialization. We possess five validated human vaccine platform technologies, including bacterial vaccine platform technology, viral vaccine platform technology, genetically engineered vaccine platform technology, combination vaccine platform technology, and mRNA vaccine platform technology. We have four wholly-owned licensed vaccine manufacturing enterprises, including AIM Rongyu (mRNA vaccine production base and viral vaccine technology platform), AIM Persistence (bacterial vaccine production base and technology platform), AIM Action (viral vaccine production base and technology platform), and AIM Honesty (genetically engineered vaccine production base and technology platform); three vaccine research institutes, including AIM Explorer (bacterial joint technology platform), AIM Innovator (genetic engineering technology platform), and AIM Liverna (mRNA technology platform); and four R&D centers, including AIM Bohai Bay R&D Center of AIM Honesty, AIM Yangtze River Delta R&D Center of AIM Rongyu, AIM Da Jiangnan R&D Center of AIM Action, and AIM Ningbo Bay R&D Center of AIM Persistence, totalling seven R&D teams to ensure the ability of delivering milestones of pipeline products. We are one of the first two human vaccine companies in the PRC that have been granted permission under the Fourteenth Five Year Plan of the PRC to build a bio-safety level 3 laboratory. Furthermore, we rank as the world's largest HBV vaccine manufacturer and the second-largest rabies vaccine manufacturer globally. Our product portfolio covers both immunization program vaccines and non-immunization program vaccines, with our commercialized products consistently leading the Chinese market. Commercialized products include recombinant HBV vaccine (Hansenula Polymorpha), freeze-dried human rabies vaccine (Vero cells), inactivated hepatitis A vaccine (human diploid cells), mumps vaccine, bivalent HFRS inactivated vaccine (Vero cells), and A, C, Y, and W135 group meningococcal polysaccharide vaccine (MPSV4).



# 2 ABOUT AIM VACCINE

## 2.1.4 Board statement

As a public company listed in 2022, the Group understands the importance of ESG in pursuing sustainable corporate development and managing the different risks and opportunities associated with the environment and society. To promote the sustainable development strategy, the Group has developed a comprehensive ESG strategy and policy and established an ESG governance structure centered on the Board of Directors.

The Board of Directors of the Group incorporates the philosophy of sustainable development into its daily operations, to ensure the overall strategic direction is aligned with the sustainable development goals, meanwhile, the performance of the Group in ESG aspects can be continuously improved. For the identification, assessment and management of important ESG issues relating to the business, the Group communicated with each department, subsidiary and research institution to list important ESG issues and then evaluated and sorted those issues by priority based on their potential impacts on and seniority to the Group, helping the Company to formulate the targets relating to ESG issues and conduct regular evaluation. The Group has formulated the Energy Conservation Regulation《節能條例》, which was fully implemented across the Group, and regularly monitors the implementation to ensure the energy conservation and emission reduction target is met. Meanwhile, the Group regards its employees as valuable resources, and strives to provide them with a fair, transparent, healthy and diverse working environment. The Group strictly manages the procurement process and suppliers to promote the green transformation and sustainable development of the supply chain. The Group also actively participates in various community activities to practise its corporate social responsibility. In the future, the Group will further upgrade the Group's strategy and operations in conjunction with the ESG concepts, along with the mission to "develop and manufacture top quality vaccines to safeguard the health of the world", to fulfill its commitment to the society and environment and contribute to building a better future.

# 2 ABOUT AIM VACCINE

## 2.2 2023 ESG PERFORMANCE

### Corporate Operations

**National services**

Reached **over 2,000** district/county CDCs in **31** provinces, municipalities, and autonomous regions in China

**Corruption litigation cases**
**None occurred**

**Customer complaint handling rate**
**100%**

**Information security incidents**
**0**

### Product Services

**R&D expenditure**
**RMB636.4** million

Increased by **27.2%** compared to the previous year

**Product batches**
**100%** of commercialized products passed approved lot releases

**Product recall incidents**
**None reported**

### Social Performance

**Total employees**
**1,624**

**Female inclusion**
**49.8%**

**Female inclusion in the management team**
**34.8%**

**Average training hours for employee**

Increased by **37.4%** compared to the previous year

**National immunization program**

Supplied **246** million doses of HBV vaccine

### Safety and Environmental Protection

**Waste gas discharge density**

Decreased by **9.9%** compared to the previous year

**Noise emission compliance rate**
**100%**

**Waste gas and solid waste emission compliance rate**
**100%**

# 2 ABOUT AIM VACCINE

## 2.3 COMPANY HISTORY

2011: Established the Company.

2012: Forged an open, collaborative, and empowering corporate culture featuring co-creation, win-win, and shared responsibility.

2013: Gradually built a marketing network covering all 31 provinces, municipalities, and autonomous regions nationwide.

2014: Initiated the mission to develop and manufacture top quality vaccines to safeguard the health of the world and the vision to become the leader in the vaccine industry.

2015: Integrated AIM Honesty, which obtained NDA for recombinant HBV vaccines (Hansenula Polymorpha) of 10ug/0.5ml and 20ug/0.5ml specifications from NMPA in March 2004 and August 2013, respectively, and acquired Good Manufacturing Practice (GMP) certificates for production requirements in June 2004.

2016: Integrated AIM Action, which obtained NDA for inactivated hepatitis A vaccines (HDCs) in April 2015, followed by NMPA approval for the production of all specifications of inactivated hepatitis A vaccines (HDCs) in January 2016.

2017: Integrated AIM Persistence, which obtained NDA approval for HFRS vaccines in September 2007 and for mumps vaccines in October 2004, acquired GMP certificates for production requirements in February 2008 and January 2005, respectively. We indirectly control 80% of AIM Rongyu's equity via AIM Persistence. AIM Rongyu obtained NDA for human rabies vaccines (Vero cells) in September 2007 and acquired GMP certificates for production requirements in June 2008.

2018: Established AIM Explorer. AIM Persistence obtained NDA approval for quadrivalent meningococcal polysaccharide vaccines in October 2018 and acquired GMP certificates for production requirements in December.

2019: AIM Explorer was up and running. Quadrivalent meningococcal polysaccharide vaccines were put into Industrialized production.

2020: Restructured the Company into a joint stock limited company. Clinical approvals for 13-valent pneumonia conjugate vaccine were obtained in October 2020. The Company continued to introduce renowned investment institutions such as Hillhouse Capital, Loyal Valley Capital, CMB Investments, and Cowin Capital.

2021: Integrated 50.15% equity of AIM Liverna, accelerating the Company's research and production layout in mRNA vaccines. Clinical approvals for mRNA COVID-19 vaccine were obtained in March, and those for 23-valent pneumonia polysaccharide vaccine were obtained in April. In May, AIM Innovator was established. Clinical approvals for monovalent inactivated COVID-19 vaccine were obtained in July, and approvals for tetravalent meningococcal conjugate vaccine were obtained in December.

# 2 ABOUT AIM VACCINE

2022: In January, 13-valent pneumonia conjugate vaccine entered Phase III clinical trial, and data unblinding for mRNA COVID-19 vaccine Phase I clinical trial was completed. In August, Phase II clinical trial for mRNA COVID-19 vaccine was completed and entered Phase III. In May, the Company signed a cooperation framework agreement with Wuhan Institute of Virology, Chinese Academy of Sciences, forging a comprehensive strategic partnership; on October 6, the Company was successfully listed on the Main Board of the Hong Kong Stock Exchange, with stock code 06660.HK. In October, the Company obtained clinical approvals for serum-free iterative rabies vaccine and EV71-CA16 bivalent HFMD vaccine (HDCs).

2023: In March, the Company was included in the constituent stock of the Hang Seng Composite Index, Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect; the Company's mRNA COVID-19 Vaccine was officially approved for Phase III clinical trial of sequential booster immunization in Pakistan; clinical trials for tetravalent meningococcal conjugate vaccine were kickstarted. In June, clinical application for mRNA iterative rabies vaccine was accepted. In December, the Company struck a strategic partnership with China Foundation for Hepatitis Prevention and Control; the Company was included in the MSCI Global Small Cap Index.

## 2.4 SOCIAL RECOGNITION AND HONORS

### Some Social Recognition and Honors Received by the Group in Recent Years

| Awardee | Award | Issuing Organisation |
|---|---|---|
| AIM Vaccine | Most Investable Enterprise in China's Pharmaceutical Industry for 2022 | China National Pharmaceutical Industry Information Center |
| AIM Vaccine | Excellent Case for High-Quality Development in the Big Health Industry by Xinhua News Agency for 2023 | Economic Information Daily/Xinhua News Agency |
| AIM Vaccine | Star of Outstanding Achievements in Biomedical Enterprises for 2023 | BioConAwards |
| AIM Vaccine | Top 100 Chinese Pharmaceutical Innovative Enterprises List for 2023 | E Healthcare Executive |
| AIM Vaccine | Top 100 Annual Growth Public Companies by Snowball for 2023 | Snowball |
| AIM Vaccine | Outstanding Financial Team for 2023 | Barron's/Futu |
| AIM Vaccine | Best Investor Relations Project Award and Best Digital Investor Relations Award for 2023 | 7th China Excellent IR Selection |
| AIM Explorer | High-tech Enterprise for 2023-2026 | Science and Technology Commission of Shanghai Municipality/Shanghai Municipal Finance Bureau/Shanghai Municipal Tax Service, State Taxation Administration |

# 2 ABOUT AIM VACCINE

| Awardee | Award | Issuing Organisation |
|---|---|---|
| AIM Explorer | Technology-oriented Small and Medium-sized Enterprise for 2023 | Science and Technology Commission of Shanghai Municipality |
| AIM Honesty | Specialized, Refined, Differential, and Innovative "Little Giant" Enterprise of Liaoning Province for 2022 | Department of Industry and Information Technology of Liaoning Province |
| AIM Honesty | AAA Credit Enterprise in Enterprise Credit Appraisal for 2022 | China Enterprise Confederation/China Enterprise Directors Association |
| AIM Honesty | Filming for CCTV's Discovery Journey: Guardian of the First Shot of Life for 2022 | CNDF Outlook |
| AIM Honesty | Outstanding Unit in the 2022 Collective Bargaining and Democratic Management Competition | Dalian Jinpu New District Federation of Trade Unions |
| AIM Honesty | Model Worker (Employee) Innovation Workshop for 2023 | Dalian Federation of Trade Unions |
| AIM Honesty | Liaoning Province Individual Champion of Manufacturing Industry for 2023 | Department of Industry and Information Technology of Liaoning Province |
| AIM Persistence | Enterprise of Harmonious Labor Relations in Ningbo for 2022 | Ningbo Municipal Department of Human Resources and Social Security/Ningbo Federation of Trade Unions/Ningbo Enterprise Confederation/Enterprise Directors Association/Ningbo Federation of Industry and Commerce |
| AIM Persistence | Top 50 R&D Investment Enterprises in Ningbo for 2022 | People's Government of Ningbo Municipality |
| AIM Persistence | Qualification Reward for Voluntary Clean Production in Ninghai County for 2023 | Ninghai County Economic and Information Technology Bureau/Ninghai Sub-bureau of Ninghai County Bureau of Ecology and Environment |
| AIM Persistence | "Contribution Award" for Charity for 2023 | Ninghai County People's Government |
| AIM Persistence | Fourth Batch Green Manufacturing Award for 2023 | Ninghai County Economic and Information Technology Bureau/Ninghai County Finance Bureau |
| AIM Persistence | Zero Waste Factory Award for 2023 | Ninghai Sub-bureau of Ningbo Municipal Bureau of Ecology and Environment |
| AIM Persistence | "Specialized, Refined, Differential, and Innovative" Small and Medium-Sized Enterprise of Ningbo City for 2023 | Ningbo Municipal Economic and Information Technology Bureau |

# 2 ABOUT AIM VACCINE

| Awardee | Award | Issuing Organisation |
|---|---|---|
| AIM Rongyu | High-tech Enterprise for 2021-2024 | Ningbo Science & Technology Bureau/ Ningbo Municipal Finance Bureau/Ningbo Municipal Tax Service, State Taxation Administration |
| AIM Rongyu | Five-Star Enterprise in Ningbo City for Management Innovation and Enhancement for 2022 | Ningbo Municipal Economic and Information Technology Bureau |
| AIM Rongyu | Top 100 Enterprises in R&D Investment in Ningbo City for 2022 | Ningbo Science & Technology Bureau |
| AIM Rongyu | Top Five Industrial Enterprises for 2022 | Ningbo Pharmaceutical Profession Association |
| AIM Rongyu | Recognition as a "Large, Excellent, and Strong" Cultivated Enterprise in the Manufacturing Industry of Ningbo City (Cultivated Enterprise at the Five Billion Level) for 2022 | Ningbo Municipal Economic and Information Technology Bureau |
| AIM Rongyu | Zhejiang Province AA "Contract-Honouring and Credit-Worthy" Enterprise for 2022 | Ningbo Administration for Market Regulation |
| AIM Rongyu | "Specialized, Refined, Differential, and Innovative" Small and Medium-Sized Enterprise of Ningbo City for 2022 | Ningbo Municipal Economic and Information Technology Bureau |
| AIM Rongyu | Green Factory in Beilun District for 2022 | Ningbo Municipal Beilun District Economic and Information Technology Bureau |
| AIM Rongyu | Zhejiang Province Emergency Medical Supplies Guarantee Enterprise for 2022 | Economy and Information Department of Zhejiang |
| AIM Rongyu | Worker Pioneer for 2022 | Ningbo Federation of Trade Unions |
| AIM Rongyu | Zhejiang Province Occupational Inspection "Pioneer Guide" Project Training Base for 2023 | Zhejiang Center for Drug Inspection |
| AIM Rongyu | Enterprise in the Positive List of Ecological Environment Supervision and Law Enforcement in Ningbo City for 2023 | Ningbo Municipal Bureau of Ecology and Environment |

# 2 ABOUT AIM VACCINE

| Awardee | Award | Issuing Organisation |
|---|---|---|
| AIM Rongyu | New Round of Industrial Enterprise "Soaring Dragon" Project Enterprise in Beilun District (Development Zone) for 2023 | Ningbo Municipal Beilun District Development and Reform Bureau |
| AIM Rongyu | Certified Small and Medium-Sized Technology-Based Enterprise in Zhejiang Province for 2023 | Economy and Information Department of Zhejiang |
| AIM Action | High-Tech Enterprise in Jiangsu Province for 2022-2025 | Jiangsu Provincial Science and Technology Department/Department of Finance of Jiangsu Province/Jiangsu Provincial Tax Service, State Taxation Administration |
| AIM Action | Worker Pioneer in Taizhou City for 2022 | Taizhou Federation of Trade Unions |
| AIM Action | Specialized, Refined, Differential, and Innovative Enterprise in Taizhou City for 2023 | Taizhou Bureau of Industry and Information Technology |
| AIM Liverna | Immunotherapy Nucleic Acid Drug Engineering Technology Research Center in Zhuhai City for 2022 | Zhuhai Science and Technology Innovation Bureau |
| AIM Liverna | New R&D Institution in Zhuhai City for 2022 | Zhuhai Science and Technology Innovation Bureau |
| AIM Liverna | High-Tech Enterprise for 2022 | Department of Science and Technology of Guangdong Province/Department of Finance of Guangdong Province/Guangdong Provincial Tax Service, State Taxation Administration |
| AIM Liverna | Innovative High-Quality Small and Medium-Sized Enterprise for 2022 | Department of Industry and Information Technology of Guangdong Province |
| AIM Liverna | Top 30 for Innovation Capability in China's New Technology Pharmaceutical Companies for 2022 | Expert Committee of the Top 100 Innovative Chinese Biopharmaceutical Enterprises |
| AIM Liverna | Specialized, Refined, Differential, and innovative Small and Medium-Sized Enterprise for 2023-2026 | Department of Industry and Information Technology of Guangdong Province |

# 2 ABOUT AIM VACCINE

### Industry Associations (Part)

| Participant | Association | Position |
|---|---|---|
| AIM Vaccine | China Association for Vaccines | Vice chairman |
| AIM Honesty | Dalian Pharmaceutical Profession Association | Chairman |
| AIM Honesty | China Association for Vaccines | Member |
| AIM Honesty | Liaoning Pharmaceutical Profession Association | Member |
| AIM Honesty | Liaoning Association for Biotechnology | Member |
| AIM Persistence | China Association for Vaccines | Director |
| AIM Persistence | Industry and Education Integration Community of National Biopharmaceutical Industry | Standing director |
| AIM Persistence | Ninghai Pharmaceutical Profession Association | Director |
| AIM Persistence | Ninghai Chamber of Commerce | Member |
| AIM Persistence | Ningbo Pharmaceutical Association | Director |
| AIM Persistence | Ninghai Association for Work Safety | Member |
| AIM Rongyu | China Association for Vaccines | Director |
| AIM Rongyu | Zhejiang Pharmaceutical Association | Member |
| AIM Rongyu | Ningbo Pharmaceutical Profession Association | Member |
| AIM Rongyu | Ningbo Pharmaceutical Association | Member |
| AIM Rongyu | Beilun Enterprise Confederation (Enterprise Directors Association) | Member |
| AIM Rongyu | Zhejiang Association on Laboratory Animal Care | Member |
| AIM Action | China Association for Vaccines | Member |
| AIM Liverna | China Association for Vaccines | Member |
| AIM Liverna | Hengqin Guangdong-Macao Deep Cooperation Zone Association for Big Health Biomedical Industry | Member |
| AIM Liverna | Technology and Innovation Alliance for Research and Development of Vaccines for Emerging Infectious Diseases | Vice president |

## 2.5 FULFILLMENT AND RESPONSE TO SDGS

As a major full-chain vaccine group in China, we align our ESG management strategy with the United Nations Sustainable Development Goals (SDGs), integrating them into our daily cultural development and business activities. Through an array of specific ESG management measures, we continuously ramp up our sustainable development level, achieving a win-win situation for both economic and social benefits. By leveraging our strengths in R&D and industrialization capabilities, we contribute to the advancement of global sustainable development endeavours.

# 2 ABOUT AIM VACCINE


## 3 Good Health and Well-Being

Vaccines, as a crucial means of preventing diseases, hold significant importance in safeguarding people's lives and health. AIM Vaccine actively fulfils its social responsibility by paying close attention to the contributions it can make to societal development. It remains steadfast in its commitment to the principle of prioritizing quality, dedicating itself to the research and production of safe and efficient vaccine products. Hepatitis B is one of the major infectious diseases threatening the health of the Chinese people, posing significant threats to personal health, family happiness, and social harmony. Combating the hepatitis B virus is crucial for the development of China's public health system. As of the end of the reporting period, the Group has provided HBV vaccines to over 400 million people nationwide, including 246 million doses for the national immunization program, making a significant contribution to preventing hepatitis B diseases and protecting public health.

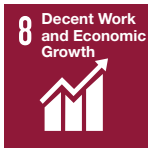

## 4 Quality Education

AIM Vaccine is committed to creating an inclusive, loving, and learning-oriented workplace for employees. We provide diverse training opportunities for employees in different positions, offering support and assistance at various stages of their careers. These training programs not only focus on developing professional skills but also cover areas such as leadership development, teamwork, and communication skills. We encourage employees to continuously learn and progress, providing them with more opportunities for growth and development. To this end, we have launched online learning platforms such as AIM Classroom and AIM Knowledge Base, where employees can engage in self-directed learning based on their needs and interests. Thanks to AIM Vaccine's continuous efforts in providing quality education, the average training duration per employee increased by 37.4% in 2023 compared to the previous year.


## 5 Gender Equality

AIM Vaccine upholds the principles of equality, openness, and inclusivity, firmly opposing any form of discrimination against employees. We secure the employment rights and interests of women, promoting gender equality through various measures to bolster the construction of a female backbone workforce. We provide diverse career development opportunities and training resources to help women build up their professional skills and management capabilities. We actively promote the balanced development of female employees at all levels and positions, allowing them to participate in decision-making and management work within the company and fully leverage their talents and wisdom. In 2023, the proportion of female employees in the Group clocked up 49.8%, with female managers accounting for 34.8%.

# 2 ABOUT AIM VACCINE




## 8 Decent Work

AIM Vaccine is committed to creating a challenging work environment full of opportunities for employees, enabling them to find suitable positions and realize their self-worth. We have established a sound promotion channel, providing employees with broad development space and promotion opportunities. By dint of regular performance evaluation and individual development planning, we encourage employees to continuously sharpen their abilities and skills. We have also established a scientific, competitive, and comprehensive salary and benefits system and held various caring activities to provide employees with a secure life and make them feel valued and recognized, thereby assisting employees in realizing their self-worth.


## 9 Industry, Innovation and Infrastructure

AIM Vaccine drives the innovative development of the vaccine industry with the concept of scientist-led management, a professional R&D system, and an excellent team of talents. We actively assist underdeveloped regions in establishing vaccine production infrastructure to help them build up immunization barriers locally. AIM Super Vaccine Factories, represented by the 13-valent pneumonia conjugate vaccine and the 23-valent pneumonia polysaccharide vaccine, are important achievements in our industrial innovation and development. These factories are designed and constructed according to WHO-PQ standards to ensure that product quality and safety reach international advanced levels. In terms of research and development, we maintain high input to continuously promote technological innovation. In 2023, the Company's R&D expenditure increased by 27.2% year-on-year, and the proportion of R&D personnel to total employees clocked up 27.0%.


## 10 Reduced Inequality

Regional inequality is one of the important issues urgently needing to be addressed in social development. AIM Vaccine upholds social responsibility and is committed to reducing regional inequality, allowing more people to enjoy quality medical resources and health security. To prevent disease hazards, we actively promote knowledge of vaccine products to heighten public health awareness. AIM Vaccine collaborates with regional trade unions to hold public welfare knowledge lectures, providing Q&A services for the general public. We strive to push forward disease prevention endeavours, donating high-quality vaccine products to the "Spark Project" to help regions establish effective immunization barriers, reduce the occurrence and spread of diseases, and contribute to reducing inequality.

# 2 ABOUT AIM VACCINE


## 12 Responsible Consumption and Production

AIM Vaccine always embraces a sense of responsibility towards consumers and the production process, considering the quality management system throughout the entire lifecycle as one of the key focuses of the Company's construction. We continuously optimize the quality management system throughout the entire lifecycle to ensure that every link from research and development to production and sales strictly adheres to high-quality standards. In terms of quality management, we persevere in solidifying the foundation of quality management assurance, always making quality risk prevention and control a top priority. Thanks to strict quality control, the approved lot release rate of our commercialized products has been 100% since their launch.


## 16 Peace, Justice and Strong Institutions

As an enterprise with a high sense of social responsibility, AIM Vaccine promotes the deepening development of an anti-corruption culture and contributes to the construction of a peaceful and just social environment. Anchored in a sound and effective corporate governance system, AIM Vaccine thoroughly implements the concept of compliance management to ensure that all business activities of the Company align with legal and regulatory requirements. We actively promote the construction of an anti-corruption culture, strengthening employee training and education on compliance awareness. In 2023, we recorded no corruption or other litigation and cases related to violations of business ethics.


## 17 Partnerships for the Goals

AIM Vaccine is keenly aware that in the field of public health security, only through cooperation can common goals be better achieved. We always uphold the concept of open cooperation and actively participate in China's public health security construction. In 2023, we officially entered into a strategic partnership with the Chinese Foundation for Hepatitis Prevention and Control to jointly advance the goal of eliminating the hazards of hepatitis B in China. We actively provide high-quality vaccine products and professional technical support, while the foundation utilizes its extensive social influence and resource network to spread the knowledge on hepatitis B prevention and treatment. Through our joint efforts, we will explore more effective prevention and treatment strategies and methods.

# 2 ABOUT AIM VACCINE

## 2.6 MATERIALITY AND STAKEHOLDERS

### 2.6.1 Stakeholders engagement

The Group believes that maintaining communication with stakeholders is an important part of the Group's sustainable development. The Group's stakeholders include shareholders and investors, employees, government and regulatory authorities, suppliers and partners, customers, communities and the public, as well as experts and scholars. The Group actively communicates with stakeholders through various channels to keep abreast of their views and expectations on the Group's sustainable development performance, and then adjusts the Group's management measures accordingly to address key issues. In 2023, the Group further identified its connection with the issues with reference to the relevant policy requirements and its key work, assessed the factors affecting its long-term development in the respects of society and environment, and took corresponding precaution and mitigation measures during the operation.

| Stakeholders | Views and expectations | Communication methods |
|---|---|---|
| **Shareholders and investors** | ESG governance<br>Risk management<br>Corporate operation and development | Shareholders' meetings<br>Public information disclosure<br>Road shows |
| **Employees** | Talent training and development<br>Employee welfare and rights<br>Occupational health and safety<br>Diversity and equality | System release<br>Management meeting<br>Internal online communication platform<br>Staff training<br>Staff activity management committee |
| **Government and regulatory authorities** | Product quality and safety<br>Emissions management<br>Technology and innovation | Institutional investigation<br>Policy implementation<br>Public information disclosure<br>Correspondence |
| **Suppliers and partners** | Compliance management<br>Supply chain management<br>Industry development and win-win | Exchanges and mutual visits<br>Industry forum |
| **Customers** | Product quality and safety<br>Product advantages and promotional education<br>Knowledge popularization | Customer research<br>Themed seminars<br>Customer visits |
| **Communities and the public** | Community and public welfare<br>Environmental protection | Volunteer service<br>Community activities<br>Exchange interviews |
| **Experts and scholars** | Industry development<br>Technology innovation | Forum activities<br>Training exchange |

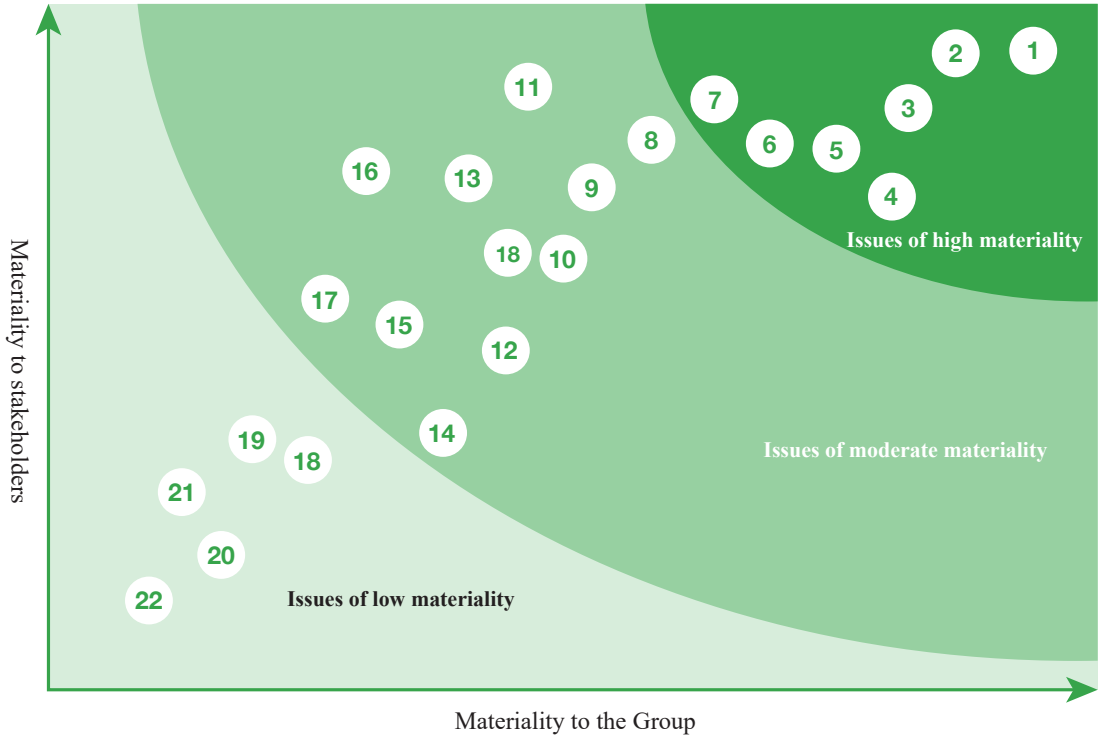
# 2 ABOUT AIM VACCINE

## 2.6.2 Materiality assessment

According to the environmental, social and governance aspects listed in the Environmental, Social and Governance Reporting Guide, with reference to the information collected by the stakeholders and in combination to the ESG development characteristics of the industry and the assessment on business importance, the Group established the following materiality matrix to demonstrate the areas of high importance to stakeholders and the Group.

**Related Issues**

1) Product Safety and Quality
2) Product Innovation and R&D
3) Corporate Governance
4) Compliance Operation
5) Anti-corruption and Anti-money Laundering
6) Intellectual Property Management
7) Employee Benefits and Rights
8) Responsible Marketing
9) Accessibility of Healthcare Service
10) Supplier Management
11) Information Safety and Privacy Protection
12) Human Capital Development
13) Employee Health and Safety
14) Energy Management
15) Community Investment
16) Hazardous Emissions and Wastes Management
17) Greenhouse Gase Emissions
18) Utilization of Resources
19) Water Resource Management
20) Public Charity
21) Ecological Environment Protection
22) Mitigation of Climate Change



# 3 CORPORATE GOVERNANCE

## 3.1 GOVERNANCE STRUCTURE

The Group strictly adheres to relevant laws and regulations and regulatory requirements, such as the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Securities Law of the People's Republic of China (《中華人民共和國證券法》), and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (《香港聯合交易所有限公司證券上市規則》). It has established a corporate governance structure and operating mechanism with the Board of Directors, Supervisory Committee, and Shareholders' General Meeting as the main bodies, and a management mechanism with the Board of Directors at the core. Espousing the compliance values of AIM Vaccine, we secure standardized operations and safeguard the interests of our shareholders.

### Corporate Governance Structure Chart


The Board of Directors of the Group has established the Audit Committee, Remuneration and Appraisal Committee, Compliance and Risk Control Committee, Nomination Committee, and Strategy Committee. Each committee is responsible for providing reference opinions and suggestions on major management issues, reviewing and improving relevant management systems and processes, supervising the actual implementation, and ensuring the efficient operation of the Board of Directors.

### Audit Committee

The Audit Committee's main responsibilities include reviewing the Company's financial conditions, reviewing the Company's financial information, making a judgment on the authenticity, completeness and accuracy of the financial information, evaluating the implementation and effectiveness of internal control systems, communicating with, supervising, and inspecting external audit firms, overseeing internal audits, evaluating and improving the Company's internal control systems, providing recommendations in these areas, conducting risk assessments on the on-going significant investment projects, and developing and reviewing the Company's corporate governance policies and practices. The Audit Committee shall report its work to the Board of Directors.

### Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee's main responsibilities include researching and establishing evaluation criteria for directors and senior management, as well as assessing their performance and providing opinions or recommendations. It is also responsible for studying, formulating, and reviewing the compensation plans or schemes for directors and senior management.

# 3 CORPORATE GOVERNANCE

## Compliance and Risk Control Committee

The Compliance and Risk Control Committee is mainly responsible for researching and evaluating the Company's compliance with regulations and the status of risk control, and providing suggestions for improving the Company's governance and risk control.

## Nomination Committee

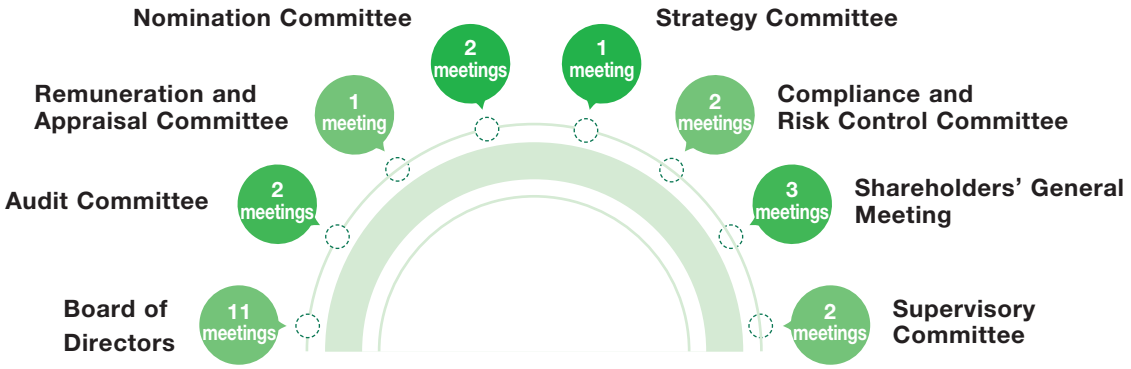
The Nomination Committee's main responsibilities include reviewing the candidates for directors (including independent non-executive directors) and senior management of the Company, relevant selection criteria and procedures, and providing opinions and recommendations to the Board of Directors.

## Strategy Committee

The Strategy Committee's main responsibility is to study the Company's long-term development strategy and significant investment decisions and provide recommendations.

In 2023, the Board of Directors convened a total of 11 meetings, with a director attendance rate of 100%.

**Meetings of the Board of Directors and all special committees of the Group in 2023**




## Board Composition

AIM Vaccine's Board of Directors consists of 11 members, including three executive directors, four non-executive directors, and four independent non-executive directors[1]. The Board's composition reflects a balanced mix of knowledge and skills, covering comprehensive management and strategic development, finance, accounting, risk management, as well as industry expertise in healthcare and pharmaceuticals. Directors hold various professional degrees, covering business administration, finance, accounting, economics, and chemistry, among others. The Company also appoints four independent non-executive directors with diverse industry backgrounds, comprising over one-third of the Board members.

In line with the Board's diversity policy, the Group strives for diversity by considering various factors, including but not limited to gender, age, cultural and educational backgrounds, industry experience, technical abilities, professional qualifications and skills, knowledge, and years of service. Final decisions are to be made based on the merits and contributions that candidates will bring to the Board.

1. For the relevant information about the members of the Board of Directors, please refer to 2023 Annual Report of the Company.

# 3 CORPORATE GOVERNANCE

| Director Type | Gender | Cultural and Educational Background | Length of Board Service |
|---|---|---|---|
| Executive Directors: 3 | Male: 9 | Master's Degree: 6 | More than 12 months: 11 |
| Non-Executive Directors: 4 | Female: 2 | Doctoral Degree: 5 | |
| Independent Non-Executive Directors: 4 | | | |

**Diversity Structure of the Board**

## Investor Relations

Since its listing, the Company has consistently fostered strong investor relations, and enhanced communication with shareholders and potential investors. The Company strictly adheres to regulations on information disclosure, ensuring the accuracy, timeliness, and fairness of information disclosure to improve its quality and transparency. Active communication with investors is maintained through results conferences, investor communication platforms, roadshows, etc., to convey the Company's strategy, operations, R&D pipeline, and future plans. Additionally, the Company regularly organizes investor visits to production facilities and R&D centres. In 2023, the Company issued 70 announcements and circulars on the Stock Exchange, organized over 150 roadshows at home and abroad, and staged the inaugural Investor Day, which attracted nearly 40 institutional investors.


# 3 CORPORATE GOVERNANCE

## 3.2 COMPLIANCE MANAGEMENT

### 3.2.1 Risk management and internal control

The Group has a robust compliance management system throughout the entire process. The Compliance and Risk Control Committee, as the top decision-making body for group compliance management, provides suggestions for improving governance and risk control based on the Group's compliance and risk control status. The Legal and Compliance Department serves as the daily executive body under the Compliance and Risk Control Committee, is responsible for organizing and executing compliance management-related work. The Legal and Compliance Department conducts regular compliance assessments of the Company's employees and business partners each year. For employees or business partners who do not meet the Company's compliance requirements, appropriate measures will be taken. In handling daily compliance incidents, the department adheres to the principles of proactive investigation and open supervision. It establishes a unified compliance and risk reporting mailbox for all employees, providing an equal channel for supervision and reporting. Heads of the Group and its subsidiaries can report compliance or risk issues encountered during operations. Upon review by the Legal and Compliance Department and issuance of written opinions, formal proposals are submitted to the Compliance and Risk Control Committee. The Compliance and Risk Control Committee reviews the reports provided by the Legal and Compliance Department at its meetings and submits relevant written resolutions to the Board for discussion.

The Group adopts various measures and procedures in all areas of business operations, such as quality control requirements, production technology standards, and occupational health and safety. We provide regular training to employees on such measures and procedures as part of their training courses. Through our on-site internal monitoring team, we regularly supervise the implementation of these measures and procedures at every stage of the product development process.

Compliance helps us create value, and we are committed to cultivating a culture of compliance among our employees. Meanwhile, the Group requires its employees and business partners to abide by laws and regulations, act with honesty and integrity, and have zero tolerance for any illegal or unethical behaviour, not least for bribery, corruption, and unfair competition. To ensure that this culture of compliance is integrated into daily work processes and to set personal conduct expectations within the Group, we conduct regular internal compliance checks and inspections, and adopt strict accountability and compliance training internally.

### 3.2.2 Information security

The Group has established a battery of institutional documents including the Information Security Management System (《信息安全管理制度》), Security Management System and Maintenance Specifications (《安全管理制度及維護規範》), Information Security Education and Training Management System (《信息安全教育和培訓管理制度》), and Network Security Management Measures (《網絡安全管理辦法》), among others. These documents facilitate the timely investigation and handling of information security incidents, minimizing potential losses resulting from such incidents. The Information Security Leading Group is responsible for approving and issuing management regulations, receiving reports on information security incident analyses, and making decisions accordingly. The Information Security Working Group is responsible for organizing the

# 3 CORPORATE GOVERNANCE

drafting of management regulations and guiding relevant departments and personnel in their implementation; in the event of a major security incident, timely reporting to the Information Security Leading Group is required; the group is also responsible for supervising the implementation of corrective measures for information security incidents. The Information Security Executive Group is responsible for handling incidents in accordance with the information security incident handling process. In 2023, the Group recorded no information security incidents or breaches.

### 3.2.3 Customer information protection and privacy policy

The Group has always considered the information security of customers, employees and other stakeholders as its most fundamental responsibility, and strictly complies with the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》), the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) and other relevant laws and regulations to ensure that all of its business activities are carried out within the framework of the law. In order to effectively protect the information resources and the data privacy of stakeholders, the Group has taken a series of strict measures, including making detailed explanations and rules on the use and maintenance of the Group's information security system in the Employee Handbook, clearly defining the process of information security handling and privacy protection, and raising employee awareness to ensure the integrity, availability and confidentiality of personal information. The Group requires every employee to strictly abide by the corporate system and provides solid guarantee for the security of the Group's information and customer privacy. In addition, the Group has also established a comprehensive internal control system to ensure that non-business-related persons have no access to customers' personal privacy by strict authority management and approval processes.

In order to ensure the long-term effectiveness of the information and privacy protection initiatives, the Group regularly monitors and maintains existing measures to ensure that each of them can be effectively implemented in practice, and promptly adjusts and improves relevant measures to cope with the ever-changing cyber environment and security threats.

### 3.2.4 Anti-corruption

The Group consistently upholds the bottom line of legality and ethics, strictly adheres to relevant laws and regulations involving anti-corruption, anti-bribery, anti-fraud, anti-extortion and anti-money laundering, including the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》) and the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), etc. The Group is committed to building an operating environment of integrity, honesty, and compliance to ensure that all business activities are conducted in accordance with the law.

In terms of anti-corruption regulations and system construction, the Group adheres to anti-corruption commitments and resolutely opposes commercial bribery and corrupt practices. The Group has implemented measures such as the Anti-Corruption and Anti-Bribery Management Measures of AIM Vaccine Co., Ltd. (《艾美疫苗股份有限公司反腐敗反賄賂管理辦法》) and the Anti-Fraud Management Regulations of AIM Vaccine Co., Ltd. (《艾美疫苗股份有限公司反舞弊管理規定》). To heighten the legal awareness and moral consciousness of directors, executives, and

# 3 CORPORATE GOVERNANCE

employees in anti-corruption and anti-bribery, regular training sessions on anti-corruption and anti-commercial bribery laws and regulations are provided to all Board members and employees, so as to ensure that each employee thoroughly understands and complies with the relevant regulations. Anti-corruption and anti-bribery training is also included as mandatory training content for new employees to instil the concepts of integrity and clean operation from the moment they join the Group. The training subjects include the audit of AIM clean governance, tools of AIM clean governance construction and legal compliance, etc. In 2023, there were no corruption lawsuits filed against the Group and its employees.

To bolster anti-corruption and anti-bribery management among CSOs, the Group entrusts third party to conduct compliance background checks on newly selected CSOs. Only those who pass the audit are officially qualified as CSOs. Moreover, the Group conducts regular inspections of CSO compliance each year, and during annual CSO conferences, it brings forward the latest compliance review requirements for the purpose of strengthening anti-corruption and anti-bribery management. In terms of bolstering supplier anti-corruption and anti-bribery management, the Group publicly announces anti-corruption and anti-bribery requirements in bidding documents for all major project, equipment, and service bidding processes, and all bidding units are required to stamp and confirm the Integrity Commitment Letter《廉政承諾函》. A robust reporting mechanism is established, including the creation of a dedicated complaint reporting mailbox, to encourage stakeholders to actively report illegal and non-compliant behaviour; an internal review department is set up to receive fraud report, conduct investigation, prepare reports and submit suggestions, and such department is subject to the supervision of the Audit Committee and the Board of Directors. The Group maintains a zero-tolerance attitude towards any form of corruption, bribery, or other violations. Once any illegal or non-compliant behaviour is discovered, it will be strictly dealt with in accordance with laws and regulations. Serious offenders will have their employment terminated and legal responsibilities pursued. High standards of business ethics and conduct are integrated into the Company's daily operations to ensure that all employees consistently adhere to the principles of legality, compliance, and integrity.

## 3.3 OPERATIONAL MANAGEMENT

### 3.3.1 Procurement management

In terms of procurement and supply chain management, the Group adheres to principles of compliance, transparency, and efficiency, and strictly complies with relevant laws and regulations such as the Bidding Law of the People's Republic of China《中華人民共和國招標投標法》. The Group has formulated systems such as the Procurement Management Regulations《採購管理規程》and Bidding Management Regulations《招標管理規程》, which outline the various stages of the procurement process, including material review, approval procedures, and contract management, ensuring the standardization and effectiveness of procurement activities. To better manage the bidding and tendering process, the Group has established the Bidding and Tendering Management Committee and the Bidding and Central Purchasing Department for the purpose of detailed regulations and managing the bidding and tendering process, ensuring that all bidding activities adhere to established rules. Therefore, the fairness, impartiality, and transparency throughout the procurement process are guaranteed. Regarding the approval of procurement contracts, the Group has established stringent measures. All procurement contracts and related information undergo a comprehensive approval process involving multiple departments and individuals, so as to ensures the

# 3 CORPORATE GOVERNANCE

conformity and efficiency of the contract terms. This multi-level approval mechanism helps to mitigate contract risks and safeguard the interests of the Group. To standardize business relationships with suppliers, according to the principles of fairness, impartiality, and transparency in the procurement practices, the Group has forged long-term and stable partnerships with suppliers, issued the Interim Measures for Bidding and Tendering Management (《招投標管理暫行辦法》), as well as set up a dedicated Bidding and Procurement Department which is responsible for the daily bidding management, ensuring the smooth and successful execution of bidding and tendering activities. In addition, the Group has established the Supplier Management SOP (《供應商管理 SOP》) and Procurement Management SOP (《採購管理 SOP》), defining the requirements for supplier admission, audit procedures, evaluation principles, etc. They also standardize the internal procurement process and define responsibilities and requirements throughout the procurement process, thus enhancing procurement efficiency and quality.

### 3.3.2 Suppliers management

The regional distribution of the Group's suppliers in 2023 is shown in the table below:

| **Total number of suppliers** | **772** |
|---|---|
| **By region** | |
| Eastern China | 46.0% |
| Southern China | 24.0% |
| Northeastern China | 12.4% |
| Northern China | 11.0% |
| Other regions | 6.6% |

*Note:* Other areas include West China, Central China, Northwest China and Southwest China, etc.

The Group has established a comprehensive supplier management system and formulated the Supplier Management Regulations (《供應商管理規程》) to systematically manage matters of cooperation with suppliers and implement standardized management across the supply chain. To enhance precision and efficiency in management, according to the source of purchased materials, potential toxicity, pollution risk, levels of clean areas used, degree of impact on product quality and other factors, the Group has classified suppliers, and implemented different screening and auditing procedures according to different types of suppliers, to improve the pertinence and effectiveness of supplier management. The Group has formulated the Material Supplier Evaluation and Approval Procedures (《物料供應商評估批准規程》) to fully evaluate suppliers' business licenses, business permits, quality standards, material inspection results, after-sales services and other dimensions. Only suppliers that pass the strict evaluation process and meet the Group's standards are approved and listed as qualified suppliers. The quality assurance department of the Group has set up an audit team to assess the quality of material suppliers, and a supplier file and a list of qualified suppliers will be established for reference of other departments when selecting cooperative partners. The Group conducts regular on-site audits and document audits of suppliers to ensure their compliance with the Group's standards and requirements. Each year, the Group enters into quality agreements with its key raw material suppliers and conducts quality reviews of the essential raw materials in order to ensure the continuous and stable product quality.

# 3 CORPORATE GOVERNANCE

The quality assurance department and other relevant departments of the Group will regularly monitor co-operating suppliers by regular audit and visit, telephone interview, annual assessment and other modes. For the suppliers that fail to meet the Group's standards after audit and assessment, the Group will replace the suppliers in a timely manner after assessment to assure the quality of the supplied materials. In 2023, the Group implemented the practices of relevant supplier engagement management system for all the 772 co-operating suppliers.

The Group has established the Quality Risk Management Regulations《質量風險管控規程》to identify environmental and social risks associated with various links in the supply chain. According to these regulations, whether suppliers are posing environmental and social risks is an important inspection criterion for the Group during the supplier monitoring process. In the event of severe quality deviations during the inspection or use of materials, significant changes in suppliers, poor results in the annual quality review, serious defects or a large number of major defects identified during on-site audits, and corrective actions cannot be completed in a short period and other similar circumstances, the Company will assess the situation and consider suspending the qualification of the supplier, ceasing the issuance of materials, and notifying the respective departments to discontinue their usage. For suppliers that have been temporarily suspended, they may be reinstated after a thorough investigation of the quality incident or upon completion of corrective actions for serious defects, major defects, or significant changes, once a risk assessment determines that the material quality risk is acceptable. For the suppliers with material environmental and social risks, the Group will require the suppliers to make corresponding rectification for the existing risks. For the unqualified suppliers after rectification, the Group will remove them from the list of qualified suppliers.

The Group is well aware of the importance of supply chain for environmental, social and governance, and therefore has set the environmental protection property of the materials supplied as one of the important criteria for selecting suppliers. At the pre-procurement stage, the Group will make comprehensive assessment on the environmental protection property of the materials or equipment, including but not limited to the materials themselves, external packing, as well as modes of transportation and others. When selecting suppliers, the Group strictly reviews their operation and production qualification to ensure that they have no records of violation of regulations and disciplines. Meanwhile, the Group regularly inquiries about the qualifications and credit of the co-operating suppliers, so as to ensure the stability and reliability of the cooperation. In order to promote the sustainable development of the supply chain, the Group gives priority to selecting standardized suppliers who can provide high-quality and environment-friendly materials, so as to promote the green transformation of supply chain.

# 4 PRODUCTS

## 4.1 QUALITY MANAGEMENT

The Group has always adhered to the mission of "developing and manufacturing top quality vaccines to safeguard the health of the world" and has maintained the quality policy of "quality orientation, customer satisfaction, continuous improvement". We are committed to continuously improving product quality and enhancing the quality management system to ensure the provision of high-quality, safe, and effective vaccine products to society.

### 4.1.1 Production quality management system

The Group has established a quality management system covering the entire product lifecycle from product R&D, technology transfer, production, to market and use, based on regulations such as China's GMP, WHO/EU GMP, and ICH (the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use). By continuously optimizing the quality management system throughout the product lifecycle, the Group ensures that: During the early stages of product R&D, the "quality-by-design" concept is applied to ensure that the quality of the designed product meets the requirements of users and regulatory agencies; during the technology transfer process, rigorous process validation ensures the production of products that meet R&D design requirements and national standards; during the production phase, strict quality control of materials, intermediates, and finished products is enforced, along with strict control of every aspect of the production process, in accordance with current GMP, National Pharmacopoeia《中國藥典》, and enterprise registration standards, to ensure the continuous and stable production of vaccines that meet registration requirements.

The Group perseveres in solidifying the foundation of quality management assurance and ramping up the investment of quality management resources. In 2021, the Company initiated the construction of manufacturing execution systems (MES), supervisory control and data acquisition systems (SCADA), laboratory information management systems (LIMS), and other production quality management information systems. These systems were put into operation in July 2022, raising the automation and information level of the production process and forging a complete electronic traceability system for vaccines. This ensures the authenticity, integrity, and traceability of data. The Company's production quality information system has also been connected to the provincial drug supervision information system. During the integration with the provincial system, AIM Honesty received recognition and commendation from the Liaoning Provincial Medical Products Administration. Currently, the Company's production quality information system is in stable operation, realizing the standardization and electronization of the entire production process, ensuring the reliability and traceability of production data, and effectively reducing quality risks and improving efficiency.

# 4 PRODUCTS

In 2023, AIM Rongyu, AIM Honesty, AIM Persistence, and AIM Action, the four production enterprises under AIM Vaccine, jointly submitted 152 batches of products for approved lot releases. All batches of products were qualified, achieving a 100% pass rate for approved lot releases by the National Institutes for Food and Drug Control (NIFDC) since the launch of all products being produced by the Group. AIM Honesty HBV vaccine has produced and recorded the approved lot releases of over 500 million doses since its launch in 2004, with a pass rate of 100%. AIM Rongyu freeze-dried human rabies vaccine (Vero cell), consistently ranks second in terms of approved lot release volume and market share nationwide. The product has maintained high quality since its launch, with a pass rate of 100% from the NIFDC for 16 years in a row. In 2023, the four production enterprises underwent a total of five GMP compliance inspections by the provincial medical products administration and four vaccine inspections by the NMPA, all of which were successfully passed.

## 4.1.2 Quality culture construction

The Group comprehensively strengthens the construction of quality culture, continuously conducts regulatory publicity, organizes knowledge competitions, adheres to the concept of quality first, and continuously heightens the quality awareness of all employees. Meanwhile, it actively conducts benchmarking with quality standards and exchanges experiences in product production technology and quality control technology to ramp up product quality. The Group consistently puts quality risk prevention and control at the top of its agenda, adheres to a problem-oriented approach, and conducts special quality inspections to comprehensively investigate risks, eliminate potential quality hazards, and ensure the steady improvement of the overall level of quality management and compliance with various regulations in production and operation activities.

## 4.1.3 Health and safety of products and services

The Group is keenly aware of the importance of vaccine quality and regards product safety as a top priority. With a strong sense of mission, the Group rigorously controls the quality of vaccines at every stage, including R&D, production, storage, and distribution, to ensure that every vaccine released on the market meets the highest safety standards. To ensure the safety and efficacy of vaccines, the Group strictly adheres to relevant laws and regulations, including but not limited to the Drug Administration Law of the People's Republic of China《中華人民共和國藥品管理法》, the Biosecurity Law of the People's Republic of China《中華人民共和國生物安全法》, Regulations of Implementation of the Drug Administration Law of the People's Republic of China《中華人民共和國藥品管理法實施條例》, Regulations on Administration of Vaccine Storage and Transportation (2017 Edition)《疫苗儲存和運輸管理規範(2017年版)》, Good Pharmacovigilance Practice《藥物警戒質量管理規範》, Provisions for Drug Registration《藥品註冊管理辦法》, Measures for the Supervision and Administration of Drug Production《藥品生產監督管理辦法》, Work Safety Law of the People's Republic of China《中華人民共和國安全生產法》, Good Manufacturing Practice for Pharmaceutical Products (2010 Revision)《藥品生產質量管理規範(2010年修訂)》, Advertising Law of the People's Republic of China《中華人民共和國廣告法》 and the Trademark Law of the People's Republic of China《中華人民共和國商標法》. The Group is keenly aware that compliance is the cornerstone of vaccine quality. Therefore, the Group always adheres to laws and regulations to ensure that the research, production, and distribution of vaccines comply with the requirements.

# 4 PRODUCTS

To fully safeguard vaccine quality, the Group has established a sound drug management system to cover all the factors affecting drug quality, including raw material procurement, production processes, quality control, storage, and transportation, among others. Through this system, the Group can ensure that every marketed vaccine has undergone strict quality control, ensuring the medication safety of patients. Additionally, the Group has also developed a drug storage management system and a drug vigilance management system, which strictly monitor and manage the storage and vigilance of vaccines, ensuring their safety and effectiveness during the storage and transportation processes, while being prepared to tackle any potential safety risks that may arise.

The Group continues to closely monitor laws and regulations updates, and regularly organizes training and learning sessions on relevant laws and regulations, continuously updating the management requirements of the quality system documents to ensure that the management system of the Group remains aligned with the latest laws and regulations.

### 4.1.4 Production process control

The Group puts production safety of pharmaceuticals in an important position, and is committed to continuously optimizing the Group's production management system to ensure quality and safety of pharmaceuticals. The Group has established a standardized management system for production safety, organized a leading group for production safety, and has special emergency response plans. The affiliated plants of the Group strictly control the whole production process of the products in accordance with the requirements of relevant laws to minimize the risks of contamination, cross contamination, confusion and errors during the manufacture process of pharmaceutical products, and to ensure the consistent and stable production of pharmaceutical products in conformity to intended use and registration requirements.

In 2023, in order to strengthen safety control of the manufacture process of pharmaceutical products, the affiliated plants of the Group have implemented a number of measures: obtaining safety standardization certificates, conducting safety design diagnosis in the whole plant area; improving emergency management mechanisms, arranging safety drills and safety education and training; carrying out preventive maintenance of equipment in advance according to the preventive maintenance plan to effectively reduce the probability of equipment malfunction; strengthening the training of production staff in theoretical knowledge, operational skills and laws and regulations to improve the management and operation level of production staff; strengthening the assessment of production process risks to ensure that risks are maintained at acceptable levels; completing the information management of the production process to further improve the reliability of product data. The Group will continue to improve the existing production system for products and try its best to reduce the risks of production safety of products that may be involved.

# 4 PRODUCTS

### 4.1.5 Quality appraisal and management

To enhance the effective quality management and control of our products, the Group has formulated the Quality Management Manual《質量管理手冊》in accordance with the registration requirements, which explicitly stipulates the quality management guidelines, quality management objectives and quality management elements of the enterprise. At the same time, in order to effectively control quality risks during the product operations processes, the Group has formulated the Regulation on Quality Risk Management《質量風險管理規程》, which defines the responsibilities of each organization and each department, and the quality management for the whole life cycle of products such as materials, production, inspection, release, storage and shipping. The Group has also formulated document management related regulations that make provisions for the drafting, revision, and withdrawal of documents, as well as issuance, retrieval, and destruction of document records. Various types of documents have been formulated, such as Standard Operating Procedure (SOP) and Environment, Health and Safety (EHS), which provide us rules to abide by during document management. Besides, relevant ledgers have been established and all the processed have been recorded. The Group has established a quality assurance system, covering the management procedures of quality system such as material and supplier management, deviation management, change management and management of abnormal results in laboratory. In addition, the Group has also established a GMP system to ensure the quality of its products.

Each batch of the Group's products is subject to several inspections and assessments by the Group's quality assurance department, the Group's quality control department, National Institutes for Food and Drug Control (中國食品藥品檢定研究院), the Qualified Person and other parties before launching and selling the product. The Group has formed a self-inspection team to regularly conduct self-inspection of its existing quality control system. These inspections cover product quality audits, compliance of the Company's documents with the latest laws, regulations, and technical standards, consistency between document content and actual operations, and whether job responsibilities cover all operations, among others, which help the Group ensure the continued effectiveness of its quality control system. Based on the inspection reports issued by the self-inspection team, the relevant departments of the Group will rectify the corresponding link in the system and issue rectification reports, so as to continuously optimize the quality management system. To enhance product quality, the Group constantly improves its product quality management by replacing outdated equipment, improving computerized system management, and enhancing the aseptic operation levels, among other measures. For example, AIM Honesty has conducted trial runs of information-based systems such as SCADA, MES, and LIMS, which have achieved stable operations and improved information-based management processes for production, inspection processes and data, thereby raising the Company's information-based management as well as production and inspection management levels. Moreover, this approach has ensured compliance with GMP requirements for biological products, improving the reliability of product data management, and further guaranteeing product quality. Additionally, the Group has customized and implemented its risk management plan upon the launch of products, continuing to monitor and study the safety, effectiveness and quality controllability of drugs, in an effort to constantly enhance the process and improve the quality of products.

# 4 PRODUCTS

### 4.1.6 Deviation management

Deviation management is an integral part of the drug quality management and control system of the Group and plays a critical role in ensuring drug quality and safety. The Group fully recognizes the importance of effective deviation management, as it enables us to promptly identify and rectify any deviations that occur during the production process. Additionally, through systematic analysis, it helps us prevent the recurrence of similar issues, thereby strengthening our overall control over the drug quality management system and reducing the risks associated with drug safety. The Group has formulated the detailed Deviation Management Provisions《偏差管理規程》, which outlines all key processes involved in deviation management, including initiation, identification, classification evaluation, and subsequent corrective and preventive measures, and more. These stipulations ensure the systematic, standardized, and effective implementation of deviation management activities. Based on this foundation, the Group categorizes deviations into minor, major, and critical based on their nature and level of impact, and sets up different investigation, handling, and prevention procedures for each category. By implementing deviation management measures, the Group continuously improves the level of drug quality control, ensuring that the produced drugs meet the highest standards of safety and effectiveness.

### 4.1.7 Laboratory management

Laboratory management is crucial for ensuring product quality, and the Group regards the management of the laboratories as an important part to ensure product quality. To achieve this goal, the Group has established a comprehensive laboratory management system that covers crucial areas such as sample management, reagent management, instrument and equipment maintenance, and standardization of experimental procedures. The Group strictly adheres to these regulations to ensure accuracy, reliability, and consistency of its experiments. For any abnormal results obtained during experiments, the Group remains highly responsible and will initiate an internal investigation process to thoroughly learn about their root causes. The quality control department and quality assurance department of the Group will work together to analyse investigation results and formulate targeted corrective and preventive measures. The Group prioritizes root cause analysis to address issues fundamentally and prevent similar situations from happening again. To ensure the effectiveness of corrective and preventive measures, the Group will continuously track their implementation and evaluate their effectiveness. The Group places great importance on the execution of measures and feedback of results, constantly improving laboratory management level to ensure that the product quality consistently meets the highest standards.

## 4.2 PHARMACOVIGILANCE

Each vaccine production enterprise under the Group, as an independent drug marketing authorization holder, has established a pharmacovigilance system covering the entire lifecycle of products in accordance with the requirements of the Drug Administration Law of the People's Republic of China《中華人民共和國藥品管理法》, the Vaccine Administration Law of the People's Republic of China《中華人民共和國疫苗管理法》, the Measures for the Reporting and Monitoring of Adverse Drug Reactions《藥品不良反應報告和監測管理辦法》, and the Good Pharmacovigilance Practice《藥物警戒品質管制規範》, among others.

# 4 PRODUCTS

Each vaccine production enterprise of the Group has established a Drug Safety Committee responsible for major risk assessment, handling of major or emergency vaccine safety incidents, risk control decision-making, and other major matters related to pharmacovigilance. Each subsidiary has established an Emergency Management Plan for Vaccine Safety Emergencies (《疫苗安全突發事件應急管理預案》). In the event of a vaccine safety emergency, the emergency team is assembled promptly, and an on-site investigation is organized to identify the cause of the event, determine the batch number of the relevant vaccine, grasp the progress of the event, further investigate and handle the event, convene an analysis and evaluation meeting, and respond to the emergency in a timely manner to minimize the drug safety risk. The dedicated pharmacovigilance departments of each vaccine production enterprise of the Group carry out various pharmacovigilance activities under the leadership of the principal. These activities include but are not limited to monitoring, identifying, evaluating, and controlling adverse reactions related to drug use. Each subsidiary continuously improves the relevant management systems of pharmacovigilance and has established standard operating procedures for information collection, event evaluation, investigation, event reporting, and follow-up disposal of safety events. According to the standard operating procedures, each subsidiary collects information on suspected adverse reactions to vaccination from various sources, including spontaneous reports, feedback from regulatory authorities, relevant websites, regular literature searches, phone calls, and complaints, and actively collects reports of suspected adverse reactions to vaccination through post-marketing studies and other organized data collection projects. Meanwhile, all employees of the Company have received training on the collection of information on suspected adverse reactions to vaccination as required, and they also serve as a collector of such information, assisting dedicated personnel in collecting, recording, and internally reporting safety information to ensure that all safety events are effectively prevented and properly handled. The pharmacovigilance department conducts signal detection on suspected adverse reactions to vaccination collected through various channels, selects appropriate, scientific, and effective signal detection methods, determines the frequency and confirmation of signal detection, integrates and summarizes relevant information, evaluates detected signals, comprehensively judges whether the signals constitute new drug safety risks, and takes appropriate risk control measures based on the characteristics of the risks to minimize drug safety risks and safeguard the health of vaccine recipients.

In 2023, the Group's Information Security Department put into use the pharmacovigilance information system constructed for each subsidiary, and at the same time, the Group's Medical Department was established to provide technical guidance and support for the pharmacovigilance work of each vaccine production enterprise under the Group. Thanks to such endeavours, the pharmacovigilance work of the entire group is running well, ensuring the safe use of vaccine products.

## 4.3 R&D MANAGEMENT

The Group is a vaccine enterprise with all five proven human vaccine technology platforms worldwide, namely bacterial vaccine platform technology, viral vaccine platform technology, genetically engineered vaccine platform technology, combination vaccine platform technology, and mRNA vaccine platform technology. This greatly secures the Group's R&D speed and flexibility. Under each technology platform, the Group has at least one commercialized or preclinical vaccine candidate.

# 4 PRODUCTS

Our R&D team mainly consists of three vaccine research institutes: AIM Explorer, AIM Innovator, and AIM Liverna; and dedicated R&D teams of our four operating subsidiaries (AIM Honesty, AIM Action, AIM Rongyu, and AIM Persistence). We have also established a global R&D management centre at the group level to coordinate and supervise all R&D activities of research centres and operating subsidiaries. Additionally, our internal R&D team is supported by an external scientific advisory committee consisting of distinguished scientists in the Chinese vaccine industry.

We implement cross-functional and cross-entity R&D within our Group. Dedicated R&D teams of each operating subsidiary, for instance, focus on new vaccine varieties based on their respective main products and manufacturing expertise, enabling us to collaborate on R&D and manufacturing. Moreover, our three research institutes occasionally collaborate with the four individual licensed manufacturing facilities or with each other to step up pipeline development.

To ramp up the management level of R&D projects, shorten the product R&D cycle, advance the systematization, standardization, and professionalization of product R&D management, sharpen the Company's core competitiveness, and ensure the smooth progress of R&D work, the Global R&D Management Center uniformly manages the process of each R&D project. The R&D management department of the Global R&D Management Center takes the lead in refining the R&D process through the formulation of a battery of project management documents such as the Project R&D Management Regulations《項目研發管理規程》. According to the regulations, work such as risk assessment, project approval, coordination and scheduling, promotion of implementation, as well as summarization and acceptance is conducted to ensure that each stage is rigorous and efficient. Meanwhile, active coordination is carried out with the clinical medical department, registration and declaration department, as well as the finance department and human resources department of the Global R&D Management Center to provide comprehensive support and guarantee for each R&D project. This optimizes the allocation and efficient utilization of group resources, allowing each R&D team to focus on the research and development of specific vaccine projects, thereby greatly enhancing the pertinence and effectiveness of research and development. Additionally, it strengthens cross-departmental and cross-team collaboration mechanisms, forming a powerful R&D force to collectively drive project R&D forward. The Group will continue to deepen the supplementation and revision of the standard management procedures for R&D projects, continuously improve and optimize the R&D management system, and conduct strict and efficient progress control and assessment management of the Group's R&D work to ensure that each project is completed on time and with quality.

The Group sets a high premium on the cultivation of R&D talents and provides systematic technical support for high-level R&D platforms. In 2023, our R&D expenditure was RMB636.4 million, representing an increase of 27.2% year-on-year. R&D personnel account for approximately 27.0% of the total number of employees.

RMB**636.4** million
**of the Group's R&D expenditure**

**R&D personnel accounting for approximately 27.0%**
**of the total number of employees**

# 4 PRODUCTS

## 4.4 CLINICAL MANAGEMENT

### 4.4.1 Clinical management system

To ensure the rigor and data quality of clinical trials, the Group strictly adheres to the requirements of Good Clinical Practice (GCP) 《藥物臨床試驗品質管制規範》 and international standards, constructing a complete clinical trial quality management system. This system not only covers the entire process of clinical trials but also ensures the standardization and efficiency of each stage of clinical trials.

We uphold scientific rigor and optimize clinical management. In 2023, the Clinical Medical Department of AIM Vaccine Global R&D Management Center further consolidated the construction of the clinical quality management system with higher standards and stricter requirements. We comprehensively reviewed the clinical standard operating procedure documents and management regulations, clarified responsibilities, personnel training, supplier management, document/archives management, project management, clinical medicine, clinical operations, data management, quality control, risk management, and problem management, totalling 10 core areas. Considering the practicality and operability of clinical trials, we combined rich experience in clinical trial quality management practice with theory to forge a Clinical Quality Management System (CQMS) applicable to the Company's management processes. This system not only covers the entire process management of clinical trials but also underlines alignment with the latest domestic and international regulations and standards to ensure that our clinical trial work remains at the forefront of the industry.

Based on this quality management system, the Group is committed to thoroughly implementing the clinical trial quality policy and responsibilities by dint of all-round quality management, efficient clinical operations, rigorous biological sample management, precise vaccine management for trials, comprehensive risk management, and strict quality control. We strive to ensure that every aspect follows the principles of scientific rigor to guarantee the safety and effectiveness of clinical trials.

# 4 PRODUCTS

### 4.4.2 Clinical digitization

Clinical digitization empowers clinical efficiency and data quality. The Group actively embraces the trend of digital management and fully propels the digitization of clinical trials, introducing an array of advanced digital systems to comprehensively optimize the entire process and various stages of clinical trials, which enhance efficiency while improving data quality. The systems include:

Lenovo Filez Cloud Storage: Serving as the core tool for clinical trial document management, this cloud storage not only offers efficient file storage and sharing functions but also features robust version control and permission management capabilities. It greatly enhances the convenience and security of file management, ensuring team members can access required files anytime, anywhere, thus improving work efficiency.

eSign Electronic Signature System: Used for electronic signature during clinical trials, this system simplifies cumbersome paper-based signature processes and enhances the signature efficiency and accuracy. Through the eSign system, we can quickly complete document approval and signing, ensuring smooth progress of clinical trials.

Vaccine Clinical Trial Process Management System: This system comprehensively manages various aspects of clinical trials, including subject recruitment, trial progress tracking, and data management, among others. Through this system, we can monitor the progress of clinical trials in real-time and promptly identify and resolve issues, thereby securing the smooth progress of trials.

EDC (Electronic Data Capture) System: An efficient platform for clinical trial data collection and transmission, this platform automatically collects, integrates, and transmits clinical trial data, significantly improving the efficiency and accuracy of data collection. This ensures data integrity and reliability, laying the foundation for scientific statistical analysis of clinical trials.

New Drug Intelligence Center: It enables real-time access and analysis of the latest information and trends in the field of new drug research and development. This center provides rich drug information, patent data, and market analysis functions, helping us better understand industry trends, formulate more scientific clinical trial strategies, and improve R&D efficiency.

Interactive Web Response System (IWRS): Used for drug management and subject randomization, this system ensures the fairness and randomness of drug allocation, reduces human intervention and trial bias, and thus levels up the scientificity of the trial.

# 4 PRODUCTS

### 4.4.3 Clinical quality management

The Group puts a high value on the process management and quality control of clinical trial projects, striving to establish a solid line of defence for clinical trial quality. Firstly, detailed quality control plans are formulated based on the progress of clinical trial projects, and clinical trial quality control activities are carried out in strict accordance with the plans to ensure that the implementation of clinical trials conforms to the principles of GCP, trial protocols, SOP, and relevant laws and regulations, thereby safeguarding the reliability of trial data and the rights of subjects. Additionally, to further enhance the quality of clinical trials, the Company has commissioned third parties to conduct up to six inspections of ongoing clinical projects. In response to the issues identified during inspections, proactive efforts are made to trace and analyse the root causes, and targeted corrective and preventive measures are formulated, with follow-up to ensure corrective actions are implemented. Moreover, deviation analysis and review are conducted to continuously improve the quality management system by summing up experience and lessons, providing solid protection for the quality of clinical data.

### 4.4.4 Clinical problem handling process

We have perfected the clinical trial quality problem handling process and strengthened our ability to respond to risks. In order to ensure the quality and safety of clinical trials, the Company continuously optimizes and improves the quality problem handling process, strengthens risk response capabilities, and provides solid guarantees for the smooth conduct of clinical trials.

Firstly, the Group has established a scientific mechanism for identifying and classifying clinical quality problems, categorizing problems into general issues and serious ones. For general issues, a proactive identification strategy is adopted, and potential risks are immediately addressed and rectified upon discovery. In terms of serious ones, great emphasis is required, and special analysis and knowledge bases are established to conduct in-depth analysis of identified risk points, enabling project teams to learn from experience and prevent similar problems from recurring.

We prioritize the formulation and implementation of corrective and preventive measures for identified problems. For problems identified during inspections, project managers organize teams to conduct root cause analysis and formulate detailed Corrective Action and Preventive Action (CAPA) plans. Inspectors are responsible for supervising the implementation of CAPA tracking records and providing regular feedback on the progress of corrections. Quality control personnel supervise and track the implementation of improvement measures to ensure effective resolution of problems.

Moreover, regular deviation analysis and review are conducted to further strengthen the quality of clinical trials and prevent the recurrence of similar quality risks and issues. Annual deviation analysis and review are conducted to sort out the risk points of problems, carry out case studies on key projects and key issues, summarize lessons learned, formulate preventive measures, and disseminate professional knowledge among all staff, thereby enhancing their professional literacy and skills in clinical trial quality management.

# 4 PRODUCTS

### 4.4.5 Clinical training

The Clinical Medical Department, as the core department of vaccine research and development, requires a high level of professionalism. Improving the team's professional quality is crucial to ensuring the smooth progress of projects and the delivery of high-quality clinical data. The Group sets a high premium on the cultivation of the clinical team's professional quality and adopts a combination of various training methods to ensure that all members of the Clinical Medical Department maintain a high level of professional quality and continuously improve their ability to conduct standardized operations.

**Internal training system construction**

Implementation of a job training system: Upon joining or transferring to a new position, each employee is guided by their line manager to develop a personalized training plan and receive one-on-one on-the-job guidance, which enables new employees to quickly become familiar with their job responsibilities and requirements.

Strict implementation of pre-job qualification training: All personnel in the Clinical Medical Department are required to undergo GCP training and obtain relevant qualifications before officially taking up their positions. This is an important step to ensure the standardization and compliance of work practices and reflects the Company's strict requirements for the professional quality of the clinical team.

Emphasis on on-the-job assessment: A combination of online and offline assessment methods is used to assess the training content, ensuring that employees grasp the key professional knowledge and work points. This not only helps improve employees' professional quality but also ensures that they can conduct standardized operations in their actual practices, thereby guaranteeing the quality of clinical work.

Regular training reviews and summaries: Every quarter, the Clinical Medical Department reviews and evaluates the training content, summarizes the training situation of employees, and centrally manages relevant training records. Based on this, combined with the department's annual goals and development direction, adjustments are made, and the next year's training plan is formulated, ensuring the training continuity and effectiveness.

# 4 PRODUCTS

External training

In addition to internal training, the Company attaches great importance to external training. By participating in industry seminars, training courses, academic conferences, and other activities, employees can access the latest research results, industry trends, and technological advancements, continually broadening their horizons and enhancing their professional literacy.

(1) Industry seminars and academic exchanges: The Company regularly arranges for employees to partake in industry seminars and forums, where they can engage in discussions with industry experts and peers. This allows employees to stay informed about the latest research trends, achievements, and technological advancements in the field.

(2) Professional training courses: Tailored to specific professional skills and knowledge requirements, the Group selects specialized courses offered by external training institutions or experts for training purposes. The course covers the latest clinical trial methods, data analysis techniques, ethical regulations, and so forth, conducive to enhancing employees' professional skills and practical abilities.

(3) Online learning platform and resources: Leveraging modern information technology, the Group establishes an online learning platform to provide employees with rich learning resources. Employees can engage in online learning anytime and anywhere based on their own needs and interests, gaining the latest professional knowledge and skills.

## 4.5 INTELLECTUAL PROPERTY MANAGEMENT

The protection and management of intellectual property rights are of vital significance to corporates' innovation ability and long-term development, to which the Group attaches great importance and is committed to establishing a comprehensive intellectual property management system. The Group strictly complies with the Patent Law of the People's Republic of China《中華人民共和國專利法》, the Copyright Law of the People's Republic of China《中華人民共和國版權法》and other relevant laws and regulations to ensure that all intellectual property activities are in compliance with the legal requirements. In order to continuously optimize the intellectual property management system, the Group has formulated the documents such as the Management System for Intellectual Property Rights《知識產權管理制度》, the Patent Management System《專利管理制度》and the Trademark Management System《商標管理制度》, which are regularly updated to adapt to the ever-changing legal environment and market demand. Such systems not only provide clear guidance for corporates' intellectual property-related work, but also help to enhance corporates' competitiveness of the intellectual properties and market position.

# 4 PRODUCTS

In terms of patent layout, the Group has established a scientific patent layout strategy based on its corporate characteristics and research and development projects. The Group lays great importance on patent application and protection in key technologies and innovation areas to ensure the its competitive advantages in the market.

In order to ensure the effective implementation of intellectual property work, the Group has established the specialized Intellectual Property Management Department, which is responsible for the overall planning, implementing and supervising of the work related to the intellectual property rights, including but not limited to the formulation of management regulations, conducting patent searches and analysis, tracking the development of patents in the industry, conducting application and maintenance for corporate patents, as well as conducting legal popularization and training. With these measures, the Group ensures that it maintains a high level of professionalism and efficiency in the field of its intellectual property rights all the time.

In order to motivate the initiative and creativity of employees in the field of intellectual property rights, the Group has also set up the Reward Management Mechanism of Intellectual Property Rights to grant certain incentive funds to inventors and designers, aiming to recognize their contributions to the creation and protection of intellectual property rights. Such incentive mechanism not only contributes to the stimulation of employees' innovative spirit, but also fuels the long-term development of the enterprise. In 2023, the Group continued its efforts in intellectual property protection and held 137 valid patents as of the end of the Reporting Period.

## 4.6 CUSTOMER SERVICES

### 4.6.1 Responsible marketing

The Group actively adopts a scientific and rigorous approach to responsible marketing and strictly adheres to the requirements of laws such as the Drug Administration Law of the People's Republic of China《中華人民共和國藥品管理法》, the Vaccine Administration Law of the People's Republic of China《中華人民共和國疫苗管理法》, the Advertising Law of the People's Republic of China《中華人民共和國廣告法》, and other legal requirements and industry guidelines, staying committed to academic promotion and responsible marketing. The Group has centralized, professional and market-oriented sales and marketing functions, which enable the Group to accelerate strategic planning and execution, achieve high cost-effectiveness, and capitalize on cross-selling opportunities.

The Group has assembled a professional and dedicated in-house team at the group level, adopting a two-pronged "in-house + promotion" development model for managing and expanding the Group's sales network. The Group divides the internal marketing team into North China, South China, West China, and East China teams based on geographical regions. Each in-house sales and marketing team in the sales region formulates and monitors the execution of overall marketing strategies in their respective sales region. Additionally, the Group has engaged third-party CSOs to cover areas where the internal team has not yet established specific coverage. Ongoing communication and regular meetings are conducted with the CSO teams. By dint of this two-pronged development model, the Group improves sales efficiency and has its sales network covering all 31 provinces, municipalities, and autonomous regions in China, reaching over 2,000 district/county CDCs.

# 4 PRODUCTS

In 2023, the Group further revised and improved the Business Management System for CSOs《推廣商業務管理制度》, clarifying and strengthening the evaluation and selection criteria for CSOs, the compliance commitments of CSOs, as well as the management of their business conduct. These measures ensure the compliance and rationality of business operations.

### 4.6.2 Product recall

In accordance with relevant laws and regulations, the Group has formulated the Product Recall Management Procedures《產品召回管理規程》, the Quality Incident Emergency Plan《質量事件應急預案》, the AIM Recall Management Procedures《艾美召回管理程序》and other documents. When a situation arises that may require recall, the Qualified Person of the Group is obliged to immediately start the recall procedure. The quality assurance department and other relevant departments of the Group are obliged to organize the meetings within 24 hours and conduct a thorough investigation and assessment for the emergence, and decide whether to implement a recall. If it is necessary to implement a recall, the Group will immediately set up a recall team, formulate a specific recall plan, coordinate with relevant departments such as the customer support and storage and transportation department to push forward the implementation of the plan and report to the provincial and municipal drug regulatory authorities. For the recalled products, the Group will handle them correspondingly according to the destruction requirements. To ensure the effectiveness of the recall system of the Group, the Group has established a comprehensive simulated recall system and conducts recall drills on a regular basis.

In 2023, the Group has not generated any sold or shipped products that are subject to recall for safety and health reasons.

### 4.6.3 Customer complaints

The Group has established a comprehensive complaint management system to fully safeguard the legitimate rights and interests of customers and ensure safety and satisfaction of customers. To ensure the standardization and systematization of complaint handling, the Group has formulated the User Complaint Management Procedures《用戶投訴管理規程》, which stipulates the responsibilities of each department in the complaint handling process and clarifies the registration procedure of the complaint information to ensure that all complaints of the customers are handled effectively. The Group requires that the person in charge of the relevant department has the obligation to formulate an emergency handling plan in a timely manner upon receipt of a complaint, and follow up the subsequent investigation and rectification to ensure that the complaint is properly handled and resolved. At the same time, the Group has formulated the corrective and preventive measures for the complaints management system to ensure that the system can be continuously optimized.

In 2023, the Group received a total of eight complaints regarding its products, including seven temperature excursion cases, which were handled in accordance with vaccine stability and cold-chain data standards. All these complaints have been fully resolved and closed. The remaining complaint involved a defect in the pre-filled syringe packaging material, for which we have provided a refund to the customer.

# 5 EMPLOYEES AND SOCIETY

## 5.1 TALENT MANAGEMENT

### 5.1.1 Employment principles

Talents are the core force driving the sustainable development of an enterprise. The Group is keenly aware that the knowledge, skills, and experience accumulated by each employee in their daily work are the most valuable resources of the enterprise. Therefore, in talent management, the Group always adheres to relevant laws and regulations such as the Labor Law of the PRC《中華人民共和國勞動法》, the Labor Contract Law of the PRC《中華人民共和國勞動合同法》, the Labor Protection Regulations for Female Employees《女職工勞動保護規定》, ensuring that employees' rights and interests are fully protected.

To further clarify and safeguard the rights and interests of employees, the Group has developed a detailed Employee Handbook of AIM Vaccine, which outlines employees' basic rights and obligations and provides clear behavioural guidelines for employees. In various aspects such as recruitment, training, promotion, and welfare allocation, the Group espouses the philosophy of equality, openness and inclusiveness, firmly opposes any form of employee discrimination, and ensures that every employee receives fair treatment within the enterprise. The Group ensures that employees have reasonable working hours, vacation arrangements, as well as fair promotion and welfare treatment. In the meantime, the Group sets a premium on the personal growth of employees, providing them with diverse training opportunities to continuously sharpen their skills. To maintain good communication with employees, the Group has established an effective communication mechanism, actively listening to employees' feedback and suggestions. Additionally, the Group has established a reporting mechanism, encouraging employees to actively report potential labour protection issues, ensuring that problems are promptly and effectively resolved.

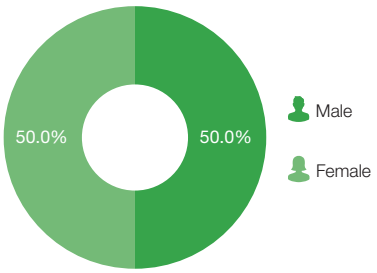
### 5.1.2 Equal opportunity, diversity and anti-discrimination

The Group strictly complies with relevant laws and regulations to ensure equal employment opportunities for employees. The Group always maintains open and transparent employment conditions and job qualifications, strictly eliminating any form of discrimination based on gender, age, race, religious belief, etc.

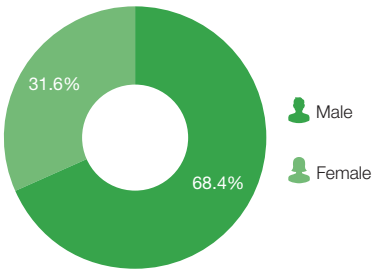
To safeguard employees' rights to career development, the Group has set fair performance appraisal standards and transparent promotion channels for employees. The Group values employees' personal growth and potential, providing diverse career development paths and promotion opportunities to allow each employee to find a suitable development path within the Group.

# 5 EMPLOYEES AND SOCIETY

It also attaches great importance to diversity and maintains a balanced ratio of male and female employees. In 2023, female employees accounted for 50.0% of the senior management team and 31.6% of the middle management team, with an overall female management representation of 34.8%. A diverse team brings richer perspectives and experiences to the enterprise, contributing to sharpened innovation capability and competitiveness. In meeting the diverse needs of employees, the Group also provides humanized corporate welfare, fosters an inclusive corporate culture, and encourages communication and collaboration among employees to jointly create a positive and harmonious work atmosphere.




**Percentage of Women in the Senior Management Team of the Group in 2023**




**Percentage of Women in the Middle Management Team of the Group in 2023**

# 5 EMPLOYEES AND SOCIETY

### 5.1.3 Guidelines and measures for preventing child labour or forced labour

The Group is committed to protecting the basic rights and interests of employees, pursues an equal, inclusive, and non-discriminatory employment policy, and upholds a people-oriented management philosophy, guaranteeing fair, equitable, and dignified treatment for all employees in the workplace. The Group strictly adheres to relevant laws and regulations, such as the Law on the Protection of Minors《未成年人保護法》and the Provisions on the Prohibition of Using Child Labor《禁止使用童工規定》, and strongly opposes any form of forced labour and maintains a zero-tolerance approach towards employing child labour, and firmly rejects any employment practices that violate laws and regulations, ensuring the protection of employees' lawful rights and interests. Additionally, the Group also requires its suppliers to adhere to the same principle of zero tolerance towards child labour and incorporates this requirement into the supplier evaluation process, and conducts rigorous background checks on suppliers to ensure compliance with legal regulations at every link of the supply chain. If illegal violations are found, the Group will strictly investigate the specific situation, and punish relevant responsible persons in accordance with laws and regulations, so as to firmly uphold the rights of employees and corporate image. In 2023, the Group did not use child labour or forced labour.

### 5.1.4 Recruitment and dismissal

The Group consistently adheres to national laws and regulations regarding recruitment and dismissal, striving to build a fair, just, and transparent employment environment. To ensure standardized management of the recruitment and dismissal processes, the Group elaborates on various related matters within the Employee Handbook. In terms of the recruitment process, the Employee Handbook clearly stipulates key contents such as registration procedures, probation and regularization of employees, and social security provident fund management, aiming to provide new employees with clear and concise onboarding guidance. Additionally, to ensure the legitimacy of employment, the Group conducts rigorous background checks before formally hiring any employee to prevent potential legal risks. In the dismissal process, the Group upholds the principles of fairness and transparency. The Employee Handbook has made a detailed explanation of the procedures to be followed when an employee resigns and the circumstances under which the Group has the right to terminate the employment contract, so as to ensure that employees understand both their rights and the Group's management regulations. Through such institutional arrangements, the Group strives to safeguard employees' legal rights in the dismissal process while avoiding any form of misunderstanding and disputes. The Group also endeavours to ensure standardized management of the recruitment and dismissal processes, ramp up employment efficiency, and maintain the enterprise's social reputation and employees' legal rights.

The Group is keenly aware that talent is one of the core driving forces behind its development. Therefore, it maintains a proactive and forward-thinking strategic approach to talent recruitment and development. In 2023, the Group actively released recruitment information in hundreds of universities. Additionally, the Group has forged strategic partnerships with more than ten universities, participating in recruitment presentations and engaging in meaningful dialogues with students to convey the Group's values and development philosophy. Through these efforts, the Group successfully recruited over fifty fresh graduates, injecting new vitality into the Group. In addition, the Group has collaborated with universities to provide internship opportunities for students, promote academic exchanges and cooperation between the Group and the universities, enhance students' professional competence and practical abilities, and nurture a pipeline of talents for the future.

# 5 EMPLOYEES AND SOCIETY

## 5.1.5 Performance management and employee promotion

To support employees' personal career development, the Group has established a transparent and fair performance management system in the Employee Handbook, aiming at promoting employee growth and advancement through clear standards and processes. The performance management system of the Group is guided by the principles of fairness, justice, comprehensiveness and objectivity and combines job responsibilities as the main basis, adhering to the principle of top-down, left-right and qualitative-quantitative integration. This system covers various aspects including performance planning and goal setting, mid-year review, and year-end performance review and evaluation, among others, while also emphasizing continuous feedback and training to ensure that employees can continuously learn and improve in their work. Under this system, the Group provides each employee with an implementation plan for personal development. The Group encourages employees to actively participate in career planning, ensuring that the enterprise pays full attention to employees' demands on personal growth while pursuing its own development. Employees not only have the opportunity to evaluate themselves but also communicate with their superiors to jointly establish performance goals that meet their individual development needs.

The Group highly values employees' career development and has established a comprehensive promotion process to encourage employees to realize their self-value, providing them with abundant opportunities for personal career development. The Group's promotion process is initiated in the fourth quarter of each year, and the direct manager of the relevant personnel submits the promotion application for the outstanding employees to the Group's Human Resources Department based on the employee's annual appraisal results and job promotion opportunities. This process ensures that employees receive fair and objective evaluations, thereby having the opportunity for promotion. In the evaluation stage, the Group's department head, the Human Resources Center and the executive director are responsible for the comprehensive assessments and reviews of applicants to ensure the comprehensiveness and accuracy of promotion decisions. The Group always embraces the principles of fairness and justice, providing capable employees with timely opportunities for internal promotion within the enterprise, so as to motivate them to continuously pursue excellence and promote mutual progress between employees and the enterprise.

The Group has established a dual-track model for management and professional development, seeking to expand the employees' career paths. Employees can choose between the management track or the professional skill track based on their career development needs and personal strengths. The former option enables employees to achieve promotions by taking on more job responsibilities and functions, thereby transitioning from professionals to managers. The latter allows employees to advance in rank and position through accumulating technical expertise and experience in their specialized roles, eventually reaching senior technical positions. By offering a flexible career development path and more promotion opportunities through the dual-track model, the Group aims to help employees choose suitable positions based on their interests, abilities, and career goals, thereby improving work efficiency, motivating employee potential, and achieving mutual development for individuals and the organization.

# 5 EMPLOYEES AND SOCIETY

### 5.1.6 Working hours and leaves

The Group values employees' rights to rest and take vacations, clearly specifying working hours, rest and leaves in the employment contract and Employee Handbook to ensure that each employee has a clear understanding of their rights. In order to better help employees strike a balance between family and work demands, the Group has provided employees with a flexible working system, allowing them to reasonably arrange their working hours and locations based on their actual situations, thus better balancing family and work arrangements. To this end, the Group has formulated the Flexible Working Regulations to explain the specific rights and interests which employees can enjoy under this system, including but not limited to flexible working hours and remote work. The Group is committed to providing employees with more choices and autonomy through this regulation to address different life and work needs. Additionally, the Group, in strict accordance with national laws and regulations, ensures that each employee enjoys statutory holidays. The Group provides paid annual leave, full-paid sick leave, long-term sick leave, and other corporate holidays to ensure that employees receive full support and protection when they need to rest, thereby better stimulating employees' enthusiasm and innovation spirit, and promoting the sustainable development of the enterprise.

### 5.1.7 Salary and welfare

The Group has provided employees with market-competitive salaries, striving to continuously attract, motivate, develop and retain outstanding talents. To achieve the scientific and fair management of salary, the Group has developed a performance-oriented Remuneration Management Policy, which specifies the remuneration framework and salary adjustment principles, to ensure that the distribution of remuneration aligns with internal fairness and holds external competitiveness. Besides, the Group has established a Remuneration Committee dedicated to supervising and reviewing the remuneration system to ensure its fairness and reasonableness.

In terms of salary structure, the Group has adopted a diversified strategy, taking into account factors such as market conditions, job responsibilities, employee capabilities, and performance. The remuneration system includes basic salary, housing provident fund, performance bonus, supplementary medical insurance, social insurance, etc. The Group strictly complies with the local laws and regulations on social security contributions, and pays housing allowances and social insurance for employees on a monthly basis, ensuring that employees have basic employment protection. In addition, the Group has provided various corporate benefits such as communication subsidies, health check-ups, supplementary medical insurance, etc., aiming to create a warm and inclusive working environment for employees and further boost their sense of belonging and satisfaction.

# 5 EMPLOYEES AND SOCIETY

When it comes to salary design principles, the Group adheres to setting corresponding salary standards for employees according to different job sequences and levels. The Group espouses the 3P1M (position, person, performance, and market) compensation philosophy to forge a scientific, fair, reasonable, and well-balanced salary management system. To be specific, "position" serves as the foundation for determining compensation. It involves evaluating and clarifying job responsibilities, determining the job grade corresponding to each position, and thereby establishing the correlation between job grade and compensation. "Person" links employees' work capabilities to a specific salary range. It involves designing different salary brackets based on the assessment of employees' skills and qualifications and future career development. "Performance" is assessed through setting performance goals for employees and conducting regular performance evaluations. Salary levels are determined based on performance results. Meanwhile, the salary system will also take the "market" into account by conducting external salary research and analysis to determine whether employees' compensation levels are reasonable and competitive.

The 3P1M philosophy is integrated throughout the entire compensation system of the Group, enabling the uniformity of salary elements, standards, structures, and dynamic adjustment rules between the Group and its subsidiaries. It further ignites employees' enthusiasm and creativity, injecting a continuous source of energy for the long-term development of the enterprise.

In order to enhance employee motivation and acknowledge individual or team contributions to the development of the Group, the Group has established various forms of rewards and recognition, including one-time bonuses, personal and team activities, and so forth. Additionally, the Group presented awards such as the "AIM Vaccine Culture Star", "AIM Vaccine President Award", "Outstanding Project Award", and "AIM Rongyu Knight Medal" to employees during the annual gala or other significant occasions to further highlight the importance of employees in the Group's development and boost a sense of accomplishment and satisfaction among the workforce.

**3P1M**

# 5 EMPLOYEES AND SOCIETY

## 5.1.8 Care for employees

The Group values its employees and is committed to providing them with a secure life through the improved salary system and employee promotion platform. In 2023, we offered additional benefits to our employees, such as exquisite gifts during traditional festivals, organized regular Party-building activities, team-building activities, sports competitions, and holiday celebrations to enrich the cultural and social activities of employees and boost their sense of satisfaction and happiness. AIM Honesty organized all Party members to visit the Mao Zedong Historical Collection Museum in Jinshitan, Dalian, to learn about the life and ideological essence of Comrade Mao Zedong and to experience our predecessors' striving spirit and patriotism. AIM Action organized team-building activities to foster friendships and trust among employees through teamwork and challenging tasks. During the International Women's Day, AIM Persistence sent special festive wishes and gifts to female employees, ensuring that they feel the warmth and care from the Group. AIM Liverna's badminton competition and AIM Rongyu's fun sports meeting also provide platforms for employees to showcase and surpass themselves, stimulating teamwork and competitive spirit among employees, while also building up their bodies and enhancing their skills. These events not only enrich the employees' leisure life but also enhance the cohesion and togetherness of the Group, laying a solid foundation for the Group's long-term development.

All Party members of AIM Honest visiting the Mao Zedong Historical Collection Museum in Jinshitan, Dalian


AIM Action organizing a team-building activity


AIM Persistence's activity celebrating the International Women's Day


AIM Liverna organizing a badminton competition


AIM Explorer organizing a team-building activity

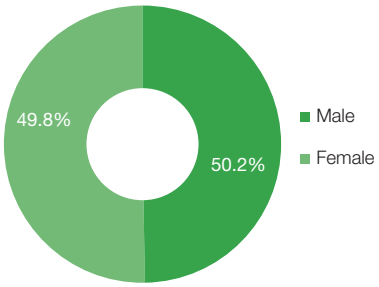
In addition to team activities, the Group focuses on the health and well-being of our employees, providing benefits such as insurance and maternity benefits. Since September 1, 2021, the Group has purchased Ping An commercial insurance for employees, providing comprehensive protection for them. As of December 31, 2023, this insurance program had accumulated a coverage for 28 months and handled over 2,100 insurance claims, providing timely and effective support to employees. The Group provides special care for employees' families with newborn babies. Over the past five years, we have provided maternity benefits to more than 20 employees, thus nurturing a more harmonious work environment for our employees.

# 5 EMPLOYEES AND SOCIETY

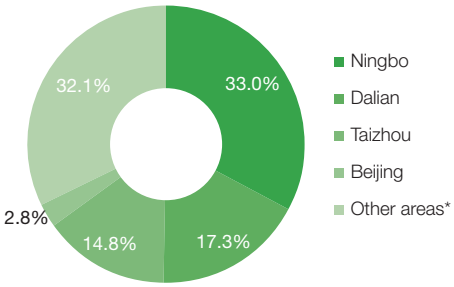
## 5.1.9 Employment status

As of December 31, 2023, the total number of the Group's employees in service was 1,624, with 49.8% female employees and a balanced gender ratio. By region, 536 of the Group's employees in service were located in Ningbo, accounting for 33.0% of the total employees in service. By age, employees aged 30 and below, 31-50 and 51 and above accounted for 36.4%, 58.4% and 5.2%, respectively. By educational background structure, 53.3% of the Group's employees have a university degree or above, and the overall education level of the employees is relatively high. By employment category, the Group's full-time employees accounted for 96.7%, while part-time employees and other types of employees accounted for 0.0% and 3.3%, respectively.

**Percentage of the Group's employees in service by each key indicator in 2023**

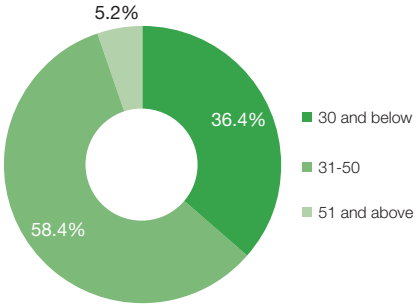



**Gender**

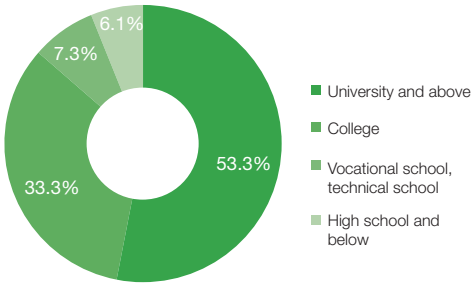



**Work Area**

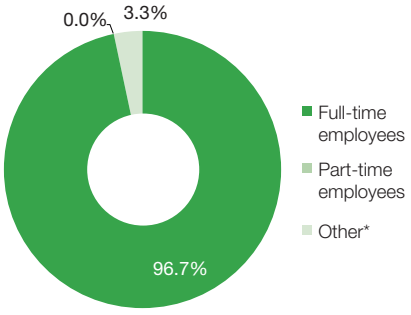
* Note: Other areas include Shanghai, Zhuhai, Shenyang and other regions in the People's Republic of China




**Age**




**Educational Background**




**Employment Type**

*Note:* Agents/Contract Personnel/Suppliers/Trainees/Volunteers, etc

# 5 EMPLOYEES AND SOCIETY

### 5.1.10 Employee turnover

As of December 31, 2023, the total number of employees leaving the Group during the reporting period was 251, with a total employee turnover rate of 13.4%. Among them, divided by gender, the turnover rate of male employees was 12.7%, and the turnover rate of female employees was 14.0%. Divided by age, the turnover rate of employees aged 30 and below was 18.0%, 10.1% for employees aged 31-50, and 14.3% for employees aged 51 and above. Divided by work area, the employee turnover rate in Beijing, Ningbo, Taizhou, Dalian and other areas was 32.4%, 10.1%, 6.6%, 4.4% and 21.1%, respectively.

Employee turnover of the Group in 2023 is shown in the table below:

| **Employee turnover rate** | **13.4%** |
|---|---|
| **Divided by gender** | |
| Male | 12.7% |
| Female | 14.0% |
| **Divided by age** | |
| Aged 30 and below | 18.0% |
| Aged 31-50 | 10.1% |
| Aged 51 and above | 14.3% |
| **Divided by work area** | |
| Beijing | 32.4% |
| Ningbo | 10.1% |
| Taizhou | 6.6% |
| Dalian | 4.4% |
| Other areas* | 21.1% |

*Note:* Other areas include Shanghai, Zhuhai, Shenyang and other regions in the People's Republic of China

## 5.2 EMPLOYEE HEALTH AND SAFETY

The Group has been paying high attention to the safety and health of employees in its business operation. The well-being of our employees is not only important for their individual happiness but also serves as the cornerstone for the stable development of the Group. As we strive for business development, the Group consistently places employee safety and health at the forefront. To foster a healthy and safe office environment, the Group strictly abides by relevant laws and regulations such as the Production Safety Law of the People's Republic of China《中華人民共和國安全生產法》, the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases《中華人民共和國職業病防治法》, and the Fire Control Law of the People's Republic of China《中華人民共和國消防法》, as well as industry standard requirements, ensuring that all workspaces meet the safety standards. Based on this, the Group has established a comprehensive safety management system, including hidden danger investigation, production safety management, fire safety management, education and training, and emergency drills. To ensure efficient management and oversight of occupational safety and health risks, the Group has designated the EHS Department to conduct regular safety inspections, integrate internal and external resources, and organize regular safety training for employees, so as to enhance their safety awareness and prevent occupational injuries. Furthermore, the Group also strictly implements safety production

# 5 EMPLOYEES AND SOCIETY

regulations, establishing a comprehensive set of standards and conducting regular drills to ensure swift responses in emergency situations. The Group strictly implements safety production regulations, including conducting safety education and training for at least 20 hours annually, establishing fire contingency plans, biosecurity plans, etc. Regular drills are also organized, such as fire emergency drills, chemical theft emergency drills, chemical leakage emergency drills, evacuation emergency drills, confined space emergency drills, and positive pressure respiratory device emergency drills. To safeguard the health of employees, the Group also provides health check-up arrangements. From 2021 to 2023, the Group recorded no work-related fatalities. However, there were 256 lost workdays due to minor work-related injuries during the reporting period. To prevent future work-related incidents, the Group has implemented measures such as placing warning signs in areas prone to work-related injuries and strengthening publicity and training on work-related injury prevention.

### 5.2.1 Production safety

The subordinate factories of the Group place a great emphasis on production safety and have established a safety production committee to oversee and manage all aspects of production safety. The committee conducts regular inspections and improvements to ensure the effective implementation of safety measures. To standardize the management process of production safety, the Group has established a set of documents and regulations, including the Management Procedures for Environmental Safety Accident Emergency Handling《環境安全事故應急處理管理規程》, the Management Procedures for Potential Safety Hazard Detection and Governance《安全隱患排查治理管理規程》, the Production Accident Management and Emergency Rescue Plan《生產事故管理及事故應急救援預案》, the Management Procedures for Safety Production Targets《安全生產目標管理規程》, and the Equipment and Facilities Safety Management Procedures《設備設施安全管理規程》, so as to ensure the effective execution of safety control measures throughout the production process and reduce production safety risks. Regarding safety education and training, the Group has established a management regulation for safety production education, which outlines detailed guidance on the precautions that employees should take during the production process. Additionally, regular safety knowledge training and drills are conducted to enhance employees' safety awareness and emergency response capabilities. To have an overall grasp of the production environment, the Group has conducted regular and thorough inspections, generated analysis reports, and recorded various data related to the production environment in detail, along with in-depth analysis and evaluation of existing risks. Based on these reports, the Group can promptly implement risk control measures and make systematical adjustments to ensure the stability and safety of the production process.

### 5.2.2 Biological safety

The Group has developed internal regulations such as the Biological Safety Management Manual《生物安全管理手冊》, Laboratory Safety Management Regulations《實驗室安全管理規程》, Biological Safety Management Regulations《生物安全管理規程》, Laboratory Emergency Response Plan《實驗室應急處置預案》, Quality Control Laboratory Safety Emergency Plan《質量控制實驗室安全應急預案》, and Biological Safety Emergency Plan《生物安全應急預案) to continuously standardize biological safety management, define the principles of risk assessment, and specify the specific processes for implementing risk management. To implement these biological safety management requirements, the Company has established a Biological Safety Committee to continuously promote biological safety management through an improved biological safety management system.

# 5 EMPLOYEES AND SOCIETY

Laboratory activities in the Group are carried out in laboratories of the corresponding levels, and the hazards of the pathogens involved in the laboratories have been assessed and documented. According to the approved records of the laboratories, experiments involving the relevant pathogenic microorganisms are conducted. In accordance with the Biological Safety Management Manual《生物安全管理手冊》, the Group conducts routine inspections of the laboratories on a regular basis. It also provides adequate biological safety protective equipment, such as portable eye washers, face shields, and cleanroom suits. Emergency response kits are also available in the laboratories to ensure timely and effective handling of any unforeseen accidents or injuries.

The Group consistently conducts biological safety training through various means such as biological safety training for new employees, annual biological safety training, equipment safety usage training, and specialized training conducted by external experts, aiming to strengthen employees' awareness of biological safety and ensure the standardization of the Group's biological safety management practices. In accordance with the biological safety management system, the Biological Safety Committee, laboratory managers, and laboratory biological safety supervisors of each subsidiary of the Group conduct regular inspections on biological security of laboratories and workshops, ensuring the effective functioning of the biological safety management system.


Biological safety training

# 5 EMPLOYEES AND SOCIETY

### 5.2.3 Fire safety

The Group attaches great importance to the fire safety of the enterprise. In terms of fire protection system, the Group has set up thorough fire protection facilities, which are regularly detected and optimized to ensure that the fire escapes are unblocked and the fire protection system is always in effective operation, thus providing solid safety guarantees for employees. In order to further strengthen the management and control of fire safety, the Group has established the Fire Safety Management Procedures (《消防安全管理規程》), the Fire Prevention Management Procedures of the Company (《公司動火防火管理規程》) and other fire-related rules and regulations, and requires its employees to strictly abide by the fire safety guidelines, and be familiar with the fire equipment and escape routes, to ensure a rapid and orderly evacuation in case of emergency, so as to guarantee the fire safety of the Group to the maximum extent. At the same time, the Group organizes fire-related training and drills on a regular basis to enhance the fire safety awareness of employees and enhance their emergency handling skills. In 2023, the Group organized 15 fire safety-related training sessions and drills.

### 5.2.4 Construction safety

In order to enhance construction management, the Group has formulated internal management systems such as the Contractor Management System (《承包商管理制度》), Special Operations Management System (《特殊作業管理制度》), Internal Hot Work Approval System (《廠內動火作業審批制度》), Approval System for Confined Space Operations (《廠內受限空間作業審批制度》), and Approval System for Working at Heights (《廠內高處作業審批制度》), providing detailed guidelines for the approval process of special operations construction and relevant safety regulations on-site. The Group strictly adheres to national regulations and requires contractors to establish a sound safety assurance system, safety inspection and rectification system, and conduct regular inspections of on-site safety and civilized construction, ensuring that safety construction signages are posted according to regulations. It also requires special workers to have valid qualifications. These measures are geared towards construction safety. The Group also enters into agreements with contractors and other relevant parties, specifying the responsibilities of both parties and clarifying the requirements for on-site safety management to ensure the health and safety of all participants in the project.

The Group has developed management systems such as the Safety Operation Management System (《安全作業管理制度》), Contractor Safety Management System (《承包商安全管理制度》), and Supplier Management System (供應商管理制度) to strengthen the management of external personnel and construction workers. Regular safety inspections are performed on construction units to ensure civilized and safe construction on site. Meanwhile, the Company also signs a safety production agreement when entering into a construction contract, clearly defining the responsibilities of both parties and ensuring the health and safety of relevant construction parties.

# 5 EMPLOYEES AND SOCIETY

### 5.2.5 Safety culture construction

The Group is committed to building and deepening a safety culture. It actively promotes safety culture through various regular activities, including training at the Safety Academy, promoting Fire Prevention Day on November 9 each year, knowledge training at the Safety Production Network Academy, occupational health training, limited space operations training, and other safety training programs. These activities aim to heighten employees' safety awareness, prevent unsafe behaviour, reduce human errors, and protect the safety and health of themselves and others. Additionally, the Group organizes EHS training, covering fire prevention, environmental protection, safety, and occupational health management. It also conducts management-level training to raise overall EHS awareness among personnel. The Group encourages employees to identify safety hazards and make rational suggestions for safety production. These suggestions are then collected by each department and submitted to the Safety Production Management Office for organization and rectification.

In addition to regular safety training activities, the Group actively implements emergency management requirements. It has a comprehensive set of emergency response plans, including the comprehensive emergency response plan for safety accidents, specialized emergency response plans for fire fighting, emergency evacuation, chemical accidents, and on-site disposal plans. The Group also conducts emergency training and drills to ensure that employees can respond quickly and accurately in emergency situations.

In 2023, the Group achieved significant achievements in safety management. The Group organized training for management personnel on improving work injury prevention capabilities, safety production knowledge, and management skills. A total of 13 individuals obtained corresponding certificates through assessments, further enhancing the Company's safety management level. It conducted various emergency drills, including unscripted drills for hazardous chemicals, emergency rescue drills for elevator accidents, on-site disposal plan drills for boiler rooms, on-site handling plan drills for cold storage, and fire drills. Meanwhile, the Group summarized each emergency drill to identify areas for improvement and implement targeted measures to enhance the Group's accident emergency response capabilities comprehensively.

Emergency evacuation drill

Emergency drill in limited space

# 5 EMPLOYEES AND SOCIETY

## 5.3 EMPLOYEE DEVELOPMENT AND TRAINING

The Group attaches great importance to the development and training of its employees and encourages them to fully apply their skills, knowledge and experience to their work to achieve the growth of both the corporate and the individuals. To enhance the overall competence of all employees, the Group has established a well-defined training and management system, ensuring that employees' management capabilities and skill levels align with the Company's business development. With a view to fully developing internal talents, the Group has formulated a succession plan, in which line managers carry out regular career planning and discussion with their subordinate employees, and communicate with the management of the Group in a timely manner, so as to help employees achieve faster career development while completing a more reasonable allocation of human resources in the Group. At the same time, the Group provides orientation training for employees within six months after they join the Group to help them better understand the Group and play their roles more smoothly. In order to strengthen the management of training and improve the planning, effectiveness and pertinence of training, the Group has formulated the Program of Annual Employee Training Planning《年度員工培訓規劃計劃》to further optimize the Group's training system and strengthen the training of internal talents. Key principles embraced by the Group in the training plan: (1) Strategic Principle: integrating human resource development and training, ensuring that human resource development serves the Company's overall strategic growth; (2) Long-Term Principle: emphasizing the long-term and continuous investment in both Group governance and talent development; (3) Active Participation Principle: encouraging employees to actively engage in training programs, fostering a sense of ownership and motivation; (4) Rigorous Evaluation Principle: utilizing performance evaluations to implement reward and penalty measures, motivating employees to take training seriously.

In 2023, the main training topics of the Group included pharmacovigilance objectives, responsibilities for reporting suspected adverse reactions to vaccination, fire emergency procedures and practical exercises, drug management laws, GMP, safety production, environmental protection laws, labour protection, and heat protection during the summer, among others.

### 5.3.1 Employee training system

The Group has established hierarchical tasks and matching courses for employees at different levels. For senior managers, the Group has set a senior management training program to help them acquire higher-level management skills and strategic vision, including implementing strategies, leading organizational construction and transformation, driving innovation, and constructing values. It has also paid attention to and cultivated department-level managers, frontline managers, and high-potential employees through management empowerment camps and training programs by internal trainers, so as to enhance their management skills and business

# 5 EMPLOYEES AND SOCIETY

acumen. Additionally, the Company conducts onboarding trainings for new employees to assist them in quickly familiarizing with the Company's culture, systems, and business operations, so as to integrate into the Group as soon as possible. In 2023, the Company had established multiple specialized training programs, including the "Sailing Camp" for newcomers to standardize their behaviours and lay a foundation for becoming outstanding employees; the "Endurance Camp" for sales professionals to enhance their sales skills and cultivate high-potential talents; and the "Leadership Training Camp" for sales management talents to comprehensively improve their abilities and shape an excellent management team. By implementing a hierarchical task and matching course system, the Company provides targeted training and development opportunities for employees at different levels and positions, continuously enhancing their overall competencies, thereby driving the sustained development of the Group.


2023 AIM Training Camp – Inaugural Executive Training Camp

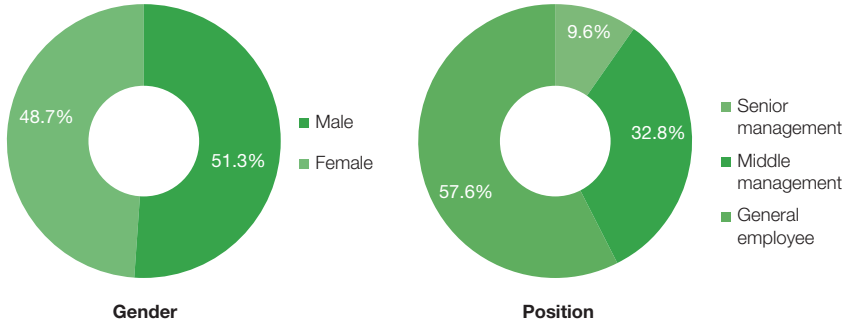

2023 AIM Training Camp – Inaugural Future Stars Training Camp

# 5 EMPLOYEES AND SOCIETY

### 5.3.2 Trained employees

During the reporting period, the total number of trained employees of the Group was 1,529. Divided by gender, female employees accounted for 48.7% of the total trained employees. Divided by position, general employees were the main group receiving training, accounting for 57.6%.

**Percentages of trained employees of the Group by each major indicator in 2023**




The average training time per employee of the Group in 2023 was 22.4 hours, of which, the average training time per male employee and per female employee was 21.6 and 23.1 hours, respectively. Divided by position, the average training time for senior management, middle management and general employee was 6.1 hours, 30.1 hours and 20.9 hours, respectively.

Average training hours for the employees of the Group in 2023 are shown in the table below:

| Average training hours per employee | Hour | 22.4 |
|---|---|---|
| **Divided by gender** | | |
| Male | Hour | 21.6 |
| Female | Hour | 23.1 |
| **Divided by position** | | |
| Senior management | Hour | 6.1 |
| Middle management | Hour | 30.1 |
| General employee | Hour | 20.9 |

## 5.4 COMMUNITY INVESTMENT

As an enterprise that actively commits to its social responsibilities, the Group has always complies with the relevant provisions of the Charity Law of the People's Republic of China《中華人民共和國慈善法》, and regards public welfare as an important part of its own development. While focusing on the corporate operations and development, the Group is also concerned about the community and always pays attention to the efforts that the enterprise can contribute to social development, aiming to promote the accessibility of the healthcare services. The Group focused on contributing to community investment activities in the healthcare sector. While providing safe and high-quality medicines to the public, the Group will continue to perform its social responsibility to the maximum extent and expand its social influence through its own resources. Through his personal charitable foundation, the Company's founder, chairman of the Board and CEO conducts annual visits, communications and donations for disabled children, poor families, left-behind children or other welfare organizations. The following is the Group's major achievements in community investment in 2023:

# 5 EMPLOYEES AND SOCIETY

### Cooperate with the Chinese Foundation for Hepatitis Prevention and Control to promote the elimination of hepatitis hazards

In December, the Group officially entered into a strategic partnership with the Chinese Foundation for Hepatitis Prevention and Control to jointly advance the goal of eliminating the hazards of hepatitis B in China. The core focus of this cooperation was on prevention, with a strong emphasis on public awareness campaigns and widespread dissemination of scientific knowledge on hepatitis prevention and treatment, aiming to enhance public understanding and prevention consciousness. Additionally, both parties were committed to promoting hepatitis B marker testing among adults, providing hepatitis B vaccination services to key populations, and supporting relevant scientific research and academic exchange activities. These initiatives collectively aimed to strengthen hepatitis prevention and control efforts from multiple levels and perspectives, providing the public with more professional and comprehensive services. As there is a significant population of hepatitis B carriers in China, the Group has been dedicated to promoting prevention and eliminating the hazards of hepatitis for many years. This cooperation with the Chinese Foundation for Hepatitis Prevention and Control not only marks a new starting point for the two sides' joint efforts but also signifies a solid step towards the great goal of eliminating viral hepatitis. Looking forward, the Group will continue to uphold positive core values and work closely with the Chinese Foundation for Hepatitis Prevention and Control to provide assistance to hepatitis patients, striving to achieve a future without hepatitis. Such cooperation not only aligns with public expectations but also embodies the enterprise's active commitment to social responsibility.


### Participate in the "Spark Project" to help eliminate the threat of hepatitis nationwide

In May, the "Spark Project" was officially launched in Jun'an Town, Shunde District, Foshan City, Guangdong Province, with the goal of eliminating the hazards of viral hepatitis. It is the second pilot project in China and the first in Guangdong Province for the comprehensive management of liver diseases to eliminate the threat of viral hepatitis. The project is specifically implemented by the government of Jun'an Town and the Jun'an Town Health Community. As an important participant in the Spark Project, AIM Vaccine actively supported the project by donating 40,000 doses of HBV vaccine and was awarded the honorary title of "Public Welfare Support Unit of the Spark Project".

# 5 EMPLOYEES AND SOCIETY

The Company is fully committed to supporting the implementation and further advancement of the Spark Project. It closely collaborates with local governments to create a ripple effect and provide a new model and valuable experience of "large-scale population census and universal treatment for patients" that can be replicated and promoted nationwide. Furthermore, the Company provides full support in expanding the implementation of the Spark Project to more regions. The Company contributes to the control of hepatitis transmission and achievement of the World Health Organization's goal of eliminating viral hepatitis by 2030, the Healthy China 2030 Planning Outline, and the 2035 Vision Targets by using high-quality HBV vaccines.



## AIM Vaccine is selected as an "excellent case for the high-quality development in the big health industry"

In May, the "2023 World Brand Moganshan Conference Series Events – Xinhua Health Industry and Capital Summit Forum", organized by the Economic Information Daily, was held in Deqing, Zhejiang Province. During the conference, the "excellent cases of high-quality development in the big health industry" were announced, and the Group was selected as one of them. Under the strong promotion of the "Healthy China" strategy, the big health industry has rapidly flourished and become a new engine for economic development.



## AIM Vaccine' application for clinical trials of the first domestic mRNA rabies vaccine is accepted

In June, the CTA for the human rabies mRNA vaccine developed by the Group was accepted by the CDE, making it the first domestic mRNA rabies vaccine to enter clinical trials. Compared to traditional human rabies vaccines, this mRNA rabies vaccine exhibits several notable advantages, including higher immunogenicity, a more simplified production process, and a more stable quality control. Rabies is a

# 5 EMPLOYEES AND SOCIETY

high-risk disease with no effective treatment currently available worldwide, making vaccination a vital tool in combating this illness. Animal experimental data shows that AIM Vaccine's mRNA rabies vaccine provides immune protection after just two doses. This not only simplifies the vaccination schedule but also helps improve vaccine coverage. Furthermore, the vaccine can stimulate cellular immune responses and exhibit significant preventive and therapeutic efficacy against the rabies virus. It serves as a powerful tool in the fight against this life-threatening disease, embodying the Group's mission of "developing and manufacturing top quality vaccines to safeguard the health of the world".

### AIM Vaccine offers home delivery services by providing knowledge lectures on "Guarding Family Health"

In order to enhance public health awareness and strengthen hepatitis B prevention and control efforts, the Group cooperated with the General Union of Huanggu District, Shenyang City to jointly organize a public lecture on "Guarding Family Health". Guided by the mission of "developing and manufacturing top quality vaccines to safeguard the health of the world", the lecture aimed to provide practical health knowledge and services to the mass grassroots union members. The lecture was open to more than 130 grassroots union members in Huanggu District, having attracted numerous individuals who were concerned about family health to participate. The lecture covered various topics such as rational diet, fitting exercise, and other aspects of family health care knowledge. Through the expert-led presentations, participants gained a clear understanding of healthy lifestyles. At the same time, the experts also patiently answered members' health-related inquiries and offered them personalized health guidance.

Notably, the lecture placed special emphasis on the knowledge of liver cancer prevention and control. The experts provided a detailed explanation of the link between hepatitis B virus infection and the risk of liver cancer, so as to highlight the importance of receiving HBV vaccine vaccination. As an HBV vaccine manufacturer, the Group is well aware of its social responsibility. Hence, it actively promoted hepatitis B prevention and control knowledge during the lecture, aiming to improve public awareness of hepatitis B prevention and control.

Through the "Guarding Family Health" public knowledge lecture, the Group not only fulfilled its corporate social responsibility but also provided practical health knowledge and services to grassroots union members in Huanggu District. In the future, the Group will continue to dedicate itself to public welfare activities and contribute to the construction of a healthier China.

# 6 ENVIRONMENT

## 6.1 EMISSION MANAGEMENT

The Group has always strictly complied with the Environmental Protection Law of the PRC《中華人民共和國環境保護法》, Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution《中華人民共和國大氣污染防治法》, Water Pollution Prevention and Control Law of the People's Republic of China《中華人民共和國水污染防治法》, Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes《中華人民共和國固體廢物污染環境防治法》, Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise《中華人民共和國環境噪聲污染防治法》, Integrated Emission Standard of Air Pollutants《大氣污染物綜合排放標準》and other relevant protection laws, regulations and standards, making the environmental protection as one of the core elements of corporate development. The Group adheres to the principle of green production, has formulated detailed energy conservation and environmental protection policies during the production process, and has optimized production process to reduce energy consumption and environmental pollution by gradually eliminating equipment with low production capacity and adopting advanced energy-efficient devices and technologies. In order to quantify and effectively demonstrate the Group's efforts in environmental protection, the Group applies the formulas and emission factors provided in the "Reporting Guidance on Environmental KPIs" of the Stock Exchange in the analysis of corporate environmental performance to ensure the accuracy and transparency of the relevant data. The Group actively refers to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to integrate climate change into the corporate strategic planning and risk management system in response to climate change, and is committed to reducing the climate risks of the Group and contributing to the response to global climate change by reducing greenhouse gas emissions and improving the efficiency of resource use.

### 6.1.1 Exhaust gas management

The exhaust gas generated by the Group's business due to fossil fuel combustion mainly includes nitrogen oxides (NOx), sulfur oxides (SOx) and suspended particulate matter (PM). In 2023, the Group emitted a total of approximately 987.4kg of exhaust gas, with an emission intensity of approximately 83.2kg/RMB100 million of revenue, decreasing by 9.9% as compared with 2022.

The discharge volume and density of various exhaust gases released by the Group in 2023 are shown in the table below:

| Type of exhaust gas | Discharge volume (kg) | Discharge density (kg/RMB100 million of revenue) |
|---|---|---|
| NOx | 921.1 | 77.6 |
| SOx | 2.5 | 0.2 |
| PM | 63.8 | 5.4 |
| **Total** | **987.4** | **83.2** |

*Note:* Exhaust gas emissions mainly include the exhaust gas generated by the Group's gas combustion and self-owned vehicles.

# 6 ENVIRONMENT

The Group strictly abides by the major national laws and regulations on pollutant discharge, including Environmental Protection Law of the People's Republic of China《中華人民共和國環境保護法》, Integrated Emission Standard of Air Pollutants《大氣污染物綜合排放標準》, etc. Meanwhile, the Group formulates Energy Conservation Regulation《節能條例》, comprehensively pilots energy conservation and emission reduction, sets the emission reduction target, ensuring that the gas to be emitted outdoors during the production, research and development is clean through a sound emission reduction management system, which includes boiler exhaust smoke preheating recovery device, canteen flue gas purification device, fermenter exhaust gas filtration device, biological safety cabinet exhaust gas filtration device of microbiological laboratory, etc., and regularly replaces the relevant devices. In 2023, the Group achieved a 100% compliance rate for gas emissions, solid waste emissions, and noise emissions.

Regarding waste gas, the Group installs corresponding exhaust systems for filtration, purification, adsorption, and other treatments based on different types of waste gases. The treated gases are then discharged through different specifications of exhaust pipes. For example, production gas is filtered through a four-stage filter by the air conditioning system. The exhaust from the air conditioning system is filtered through a primary HEPA high-efficiency filter before being released into the atmosphere. The animal rooms are equipped with exhaust and ventilation systems. The exhaust from the air conditioning system is filtered through two stages of high-efficiency filters and then treated with activated carbon adsorption before being discharged.

The Group will continue to focus on energy conservation and emission reduction, continuously improve the energy use efficiency of the Group's equipment, and further reduce the Group's overall exhaust emissions by improving corresponding measures, so as to minimize the possible impact of the Group's production and operation on the environment. In 2024, AIM Rongyu, AIM Action, AIM Honesty, and AIM Persistence aim at a 100% compliance rate for waste gas emissions. Through the relevant management measures on waste gas abovementioned, the Group expects that AIM Rongyu, AIM Action, AIM Honesty, and AIM Persistence will maintain a 100% compliance rate for waste gas emissions in 2024.

### 6.1.2 Greenhouse gas and waste management

Due to the consumption of fossil fuels and use of resources such as electricity, the Group's business results in direct and indirect emissions of greenhouse gases. The total greenhouse gas emissions of the Group in 2023 amounted to approximately 57,805.9 tons of carbon dioxide equivalent, with an emission intensity of around 4,868.0 tons of carbon dioxide equivalent/RMB100 million of revenue. Compared with 2022, the Group's greenhouse gas discharge density increased by 14.8%.

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The following table shows the Group's emissions by greenhouse gas type and source in 2023:

**Direct greenhouse gas emissions**

| Types of greenhouse gases | Discharge volume (tons of $CO_2$ equivalent) | Discharge density (tons of $CO_2$ equivalent/ RMB100 million of revenue) |
|---|---|---|
| $CO_2$ | 183.87 | 15.48 |
| $CH_4$ | 0.43 | 0.04 |
| $N_2O$ | 28.00 | 2.36 |
| **Total** | **212.30** | **17.88** |

**Indirect greenhouse gas emissions**

| Indirect sources of emission | Discharge volume (tons of $CO_2$ equivalent) | Discharge density (tons of $CO_2$ equivalent/ RMB100 million of revenue) |
|---|---|---|
| Use of electricity resources | 56,864.7 | 4,788.7 |
| Use of natural gas | 728.9 | 61.4 |
| **Total** | **57,593.6** | **4,850.1** |

*Note:* For the direct and indirect emission factors of greenhouse gas, please refer to Reporting Guidance on Environmental KPIs (Appendix 2) published by The Stock Exchange of Hong Kong Limited.

In 2023, the waste emitted by the Group mainly includes 126 used dry batteries, 102.9 tons of other hazardous waste, 2,167,000 sheets of office paper, 7.9 tons of packaging materials in the logistics process, and 174,680.5 tons of other non-hazardous waste. The discharge volume and intensity of the Group's wastes by type in 2023 are shown in the table below:

# 6 ENVIRONMENT

| Type of waste | Unit | Discharge volume |
|---|---|---|
| **Hazardous waste** | | |
| Used dry battery | Unit | 126 |
| Other hazardous waste (including waste organic solution, waste activated carbon, etc.) | Ton | 102.9 |
| **Non-hazardous waste** | | |
| Office paper | 0'000 sheets | 216.7 |
| Packaging materials in logistics process (including glass, cardboard box, plastic) | Ton | 7.9 |
| Other non-hazardous waste (mainly wastewater) | Ton | 174,680.5 |

| Type of waste | Unit | Discharge density |
|---|---|---|
| **Hazardous waste** | | |
| Used dry battery | Unit/RMB100 million of revenue | 10.6 |
| Other hazardous waste (including laboratory animal carcasses, sub-standard vaccines, waste organic solution, etc.) | Ton/RMB100 million of revenue | 8.7 |
| **Non-hazardous waste** | | |
| Office paper | 0'000 sheets/ RMB100 million of revenue | 18.2 |
| Packaging materials in logistics process (including glass, cardboard box and plastic) | Ton/RMB100 million of revenue | 0.7 |
| Other non-hazardous waste (mainly wastewater) | Ton/RMB100 million of revenue | 14,710.3 |

The Group attaches great importance to the control of greenhouse gas and waste emissions, strictly regulating the management of wastewater and solid waste emissions in production, R&D, and daily operations. The Group advocates energy conservation and waste reduction. All emitted waste is properly handled in accordance with national environmental protection policies and regulations, and subsidiaries are encouraged to actively set greenhouse gas emission reduction targets based on their own development status, continuously improving energy conservation and emission reduction.

# 6 ENVIRONMENT

The Group strictly abides by the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) and other laws and regulations relating to pollutant discharge management, and has formulated relevant policies for waste disposal within the Group, including the Environmental Facility Management Regulations (《環保設施管理規程》), the Hazardous Waste Management Regulations (《危險廢物管理規程》), the Medical Waste Management Regulations (《醫療廢物管理規程》), the Solid Waste and Hazardous Waste Management System (《固體廢物及危險廢物管理制度》), the Hazardous Waste Pollution Prevention and Control Responsibility System (《危險廢物污染防治責任制度》) and the Emergency Response Plan for Hazardous Waste Accidents (《危險廢物意外事故應急預案》), which set out the types of waste to be managed and the management process in detail and standardize the collection and transfer process of hazardous waste and general solid waste.

The Group implements various disposal measures for production wastewater and domestic sewage, including but not limited to: (1) Implementing rain and sewage diversion, with rainwater collected and discharged into rainwater pipes, ultimately entering the municipal rainwater pipe network; (2) Equipping production wastewater with sewage treatment systems. All production wastewater is collected and discharged into the sewage treatment system and, after meeting the discharge standards, sent to the sewage treatment plant via the municipal sewage pipeline; (3) Sewage is monitored in real time 24 hours a day, and monitoring data is uploaded to the website of the Ecology and Environment Bureau; (4) Domestic sewage is pre-treated at the sewage station in the factory before being discharged into the municipal sewage pipe network.

The Group implements various disposal measures for solid waste, including but not limited to: (1) Establishing dedicated storage sites for hazardous waste. Hazardous waste is weighed and labelled with QR codes on the outer packaging for identification, collected and stored in dedicated areas, and then regularly disposed of by entrusted solid waste disposal companies with relevant qualifications; (2) Non-hazardous waste is recycled by entrusted materials recycling departments; (3) Household waste of employees is regularly collected by the entrusted sanitation department. In 2023, the Group procured lower-priced dry batteries from a cost-saving perspective, resulting in a shorter lifespan and an increase in the usage of dry batteries. The Group has, therefore, improved its procurement of dry batteries by selecting higher-quality ones. Additionally, due to factors such as increased production batches of finished goods, revisions of verification documents, improvement of quality system schemes and system management documents, and changes in the names of subsidiaries of the Group, the quantity of paper in the Group's offices has witnessed a significant increase. In the future, the Group will further promote the electronic document management system to lower dependence on paper. Subsidiaries of the Group have set waste reduction goals, such as AIM Honesty's commitment to reduce solid waste and other waste generated from packaging materials and external packaging by 1% in 2024 compared to 2023. It is anticipated that AIM Rongyu, AIM Action, AIM Honesty, and AIM Persistence will maintain a 100% compliance rate for solid waste emissions in 2024.

# 6 ENVIRONMENT

## 6.2 RESOURCE MANAGEMENT

### 6.2.1 Energy management

The Group advocates the conservation of resources and energy, reduces the consumption of energy and raw materials, and strengthens energy management, thereby reducing energy consumption and raw material consumption, and maximizing the recycling of energy and resources in the production process. The Group consumed a total of approximately 78,000 liters of gasoline, approximately 70,674,000 kWh of electricity, and approximately 865,000 cubic meters of water resources in 2023. Due to reasons such as production workshop renovation, resumption of production after the COVID-19 pandemic, and the addition of new projects, the Group's gasoline consumption, electricity consumption, and water consumption have increased.

Our Group's various types of energy consumption in 2023 are shown in the table below:

| Energy name | Energy type | Unit | Consumption volume |
|---|---|---|---|
| Gasoline | Direct energy | 0'000 liters | 7.8 |
| Electricity energy | Indirect energy | 0'000 kWh | 7,067.4 |

Our Group's various types of energy consumption intensity in 2023 are shown in the table below:

| Energy name | Energy type | Unit | Consumption intensity |
|---|---|---|---|
| Gasoline | Direct energy | 0'000 liters/ RMB100 million of revenue | 0.7 |
| Electricity energy | Indirect energy | 0'000 kWh/ RMB100 million of revenue | 595.2 |

Our Group's water consumption volume in 2023 is shown in the table below:

| Resource name | Unit | Consumption volume |
|---|---|---|
| Water | 0'000 cubic meters | 86.5 |

Our Group's water consumption intensity in 2023 is shown in the table below:

| Resource name | Unit | Consumption intensity |
|---|---|---|
| Water | 0'000 cubic meters/ RMB100 million of revenue | 7.3 |

All packaging materials of the Group's finished products by type of product packaging materials in 2023 are shown in the table below:

| Product packaging material | Unit | Consumption volume |
|---|---|---|
| Plastic | Ton | 51.9 |
| Paper | Ton | 211.6 |
| Others (including glass, etc.) | Ton | 33.2 |

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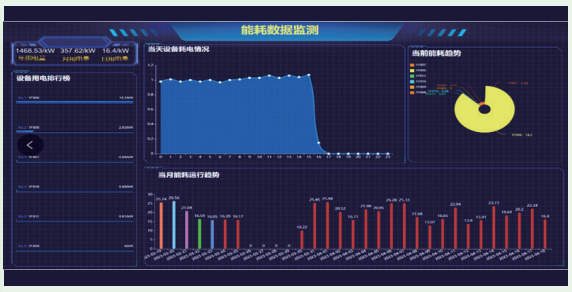
The Group is committed to controlling energy usage through daily management practices to continuously improve the efficiency of resource utilization. The Group actively promotes energy conservation and sets energy conservation targets to continuously ramp up the efficiency of energy and water resource utilization. In accordance with relevant national and local laws and regulations such as the Energy Conservation Law of the People's Republic of China《中華人民共和國節約能源法》, the Group has taken a series of specific measures to reduce energy consumption and waste.

The Group actively promotes green office and production practices and takes energy consumption reduction as its goal, so as to minimize environmental impact. The Group implements a paperless office through the adoption of online meeting system and production quality information system, and requires all departments to centralize the use of printers to reduce paper consumption. When purchasing equipment, the Group shall take energy consumption into account and energy-saving equipment will be the first choice where demand is met. The Group organizes a "comprehensive self-inspection campaign on energy-saving, consumption reduction and cost cutting" and forms energy-saving reports to guide future energy conservation efforts. In daily office work, the Group encourages energy-saving behaviours such as turning off lights when leaving rooms and shutting down air conditioning in a timely manner to minimize impact on the environment. During the production process, the Group optimizes production schedules to minimize inefficient energy loss. It has gradually replaced energy-consuming streetlights with solar-powered ones, while also conducting timely inspections, repairs, and replacements of old facilities such as heating pipes and steam pipelines to prevent leaks and avoid energy waste. The Group monitors energy consumption data for intelligent and standardized management of equipment data. The Group reduces the amount of cardboard outer packing of the packing material and uses the degradable stretch film instead. The subsidiary of the Group, AIM Persistence, establishes an energy conservation team led by the Company's general manager, with three sub-teams: the utility engineering energy conservation team, production energy-saving team, and inspection and supervision team. These teams carry out daily energy conservation work and promote a culture of "everyone participating in energy-saving activities" to encourage employees to develop habits of sophisticated management and conscious frugality.

Steam pipeline insulation for energy conservation




Energy monitoring system

# 6 ENVIRONMENT

Green storage and transportation is one of the important measures taken by the Group for energy conservation. In the process of product storage and distribution, the Group actively explores various technologies and alternative paths such as green storage and low-carbon cold chain to reduce energy consumption. The Group's measures for green storage and transportation include but are not limited to: (1) Using eco-friendly, insulated and flame-retardant materials to construct cold storage facilities. Employing advanced industry devices for temperature control equipment and using a polling start-up mode for operation to minimize pollution and reduce daily energy consumption while meeting the storage needs of products; (2) Using reusable insulation boxes that can be recycled as long as the box is not severely damaged and its performance meets usage requirements; (3) Using vehicles that comply with high standards such as "National Phase VI Motor Vehicle Pollutant Emission Standards" for refrigerated transportation, utilizing new eco-friendly fuel, and equipping all refrigerated vehicles with dual refrigeration units or low-displacement eco-friendly models; (4) Planning distribution routes rationally, consolidating multiple orders for bulk shipping, and adopting various cold chain transportation modes and multimodal transport to shorten delivery time and reduce carbon emissions.

Eco-friendly cold storage facilities and equipment

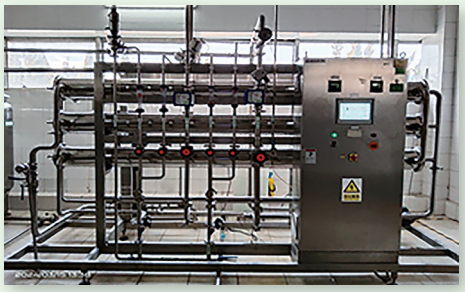
The Group will continue to make efforts to improve the efficiency of energy use, adhere to the principle of green development, and continuously optimize the use of resources to reduce waste of resources.

### 6.2.2 Water management

The Group regards water conservation as an environmental obligation that it needs to perform in the course of its business development. For this purpose, the Group strives to gradually improve water efficiency. The Group has no issue in sourcing water that is fit for its operations. The Group has implemented measures to enhance water efficiency, including but not limited to: (1) Enhancing water recycling, such as recycling discharge water generated during the water production

# 6 ENVIRONMENT

process for bathing and irrigation purposes in the Group; collecting condensate water from heat exchangers for the water source of heating equipment replenishment tanks; using closed cooling towers on the rooftops for process cooling to reuse cooling water; retrofitting existing equipment and designing reasonable processes, utilizing concentrated water produced in the pharmaceutical water preparation for secondary use for cooling equipment and flushing waste materials based on water-use practice for years; (2) Air conditioning and refrigeration units utilize air-cooling instead of water-cooling to reduce water evaporation; (3) Through operating procedures, setting specific limits on the usage of production water to avoid waste; (4) Setting bathing duration and turning off water valves after bathing; (5) Installing measurement devices in workshops to promptly detect any running, leaking, or dripping issues to prevent wastage.



Cooling towers and closed-loop circulation systems are properly utilized to fully leverage the cooling water circulation system

## 6.3 ENVIRONMENT AND NATURAL RESOURCE IMPACTS

The Group considers environmental protection as an indispensable social responsibility. During its operations, the Group will generate certain amounts of exhaust gas, waste water, solid waste, etc. To integrate environmental protection principles across all aspects of the corporate, the Group continuously heightens environmental protection awareness through various policies, measures, and actions. In terms of management and supervision, the Board of Directors is responsible for supervising the formulation and implementation of ESG strategies and policies to ensure that the Group's actions align with the corporate's long-term goals. The administrative department is responsible for the daily work of climate change management, monitoring and evaluating the environmental impacts of various activities to promote environmental practices within the corporate. The Group strictly adheres to relevant national environmental protection policies and emission requirements, ensuring that all business activities comply with laws and regulations. To promote green office practices, the Group actively advocates for paperless work, prioritizing double-sided and black-and-white printing to reduce paper consumption. Additionally, the Group focuses on reducing the frequencies of operating heating devices and air-conditioners, avoiding excessively high or low temperature settings to minimize energy consumption. When getting off work, employees are required by the Group to shut down all electrical devices to ensure the achievement of energy-saving and emission reduction targets.

During the reporting period, the Group and its subsidiaries strictly adhered to national laws and regulations on environmental protection and did not receive any administrative penalties from environmental protection departments for violating relevant laws and regulations.

# 6 ENVIRONMENT

## 6.4 CLIMATE CHANGE RESPONSE

Given the potential adverse impacts of extreme weather events such as snowstorms, typhoons and rainstorms on the Group's operations, the Group attaches great importance to potential risks arising from climate change. To effectively address these challenges, the Group has developed a comprehensive set of emergency plans, including evacuation plans for emergencies such as fires to ensure employee safety and minimize property losses. Additionally, the Group actively identifies the risks that climate change may bring to the Group's operations and strategically strengthens the maintenance and upgrading of operational equipment to enhance its resilience to extreme weather conditions.

Meanwhile, the Group pays close attention to environmental policy dynamics at the national level. The State Council issued the Comprehensive Work Plan for Energy Conservation and Emission Reduction for the "14th Five-Year Plan" Period, which mentioned the goal that the water consumption of industrial enterprises above a designated size per RMB10,000 of industrial added value shall decrease by 16% by 2025. In response, the Group plans to replace double pass reverse osmosis membranes in a timely manner to increase purified water production and decrease wastewater discharge, in a bid to save energy and reduce emissions.

# APPENDIX

## HONG KONG STOCK EXCHANGE "ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT GUIDE" CONTENT INDEX

| Aspects | | Description | Related Section |
|---|---|---|---|
| | | **A Environmental** | |
| ***Aspect A1: Emissions*** | General Disclosure | Information on:<br>the policies; and<br>compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | 6.1 Emission Management |
| | A1.1 | The types of emissions and respective emissions data. | 6.1.1 Exhaust gas management |
| | 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). | 6.1.2 Greenhouse gas and waste management |
| | A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | 6.1.2 Greenhouse gas and waste management |
| | A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | 6.1.2 Greenhouse gas and waste management |
| | A1.5 | Description of emissions target(s) set and steps taken to achieve them. | 6.1 Emission Management |
| | 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. | 6.1.2 Greenhouse gas and waste management |
| ***Aspect A2: Use of Resources*** | General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. | 6.2 Resource Management<br>6.3 Environment and Natural Resource Impacts |
| | 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). | 6.2.1 Energy management |
| | A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | 6.2.1 Energy management |
| | A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | 6.2.1 Energy management |
| | 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. | 6.2.2 Water management |

# APPENDIX

| Aspects | | Description | Related Section |
|---|---|---|---|
| | A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | 6.2.1 Energy management |
| ***Aspect A3: The Environment and Natural Resources*** | General Disclosure | Policies on minimising the issuer's significant impacts on the environment and natural resources. | 6.3 Environment and Natural Resource Impacts |
| | A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | 6.3 Environment and Natural Resource Impacts |
| ***Aspect A4: Climate Change*** | General Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. | 6.4 Climate Change Response |
| | 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. | 6.4 Climate Change Response |
| | | **B Social** | |
| ***Aspect B1: Employment*** | General Disclosure | Information on:<br>the policies; and<br>compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | 5.1 Talent Management |
| | B1.1 | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. | 5.1.9 Employment status |
| | B1.2 | Employee turnover rate by gender, age group and geographical region. | 5.1.10 Employee turnover |
| ***Aspect B2: Health and Safety*** | General Disclosure | Information on:<br>the policies; and<br>compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to providing a safe working environment and protecting employees from occupational hazards. | 5.2 Employee Health and Safety |

# APPENDIX

| Aspects | | Description | Related Section |
|---|---|---|---|
| | B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | 5.2 Employee Health and Safety |
| | B2.2 | Lost days due to work injury. | 5.2 Employee Health and Safety |
| | B2.3 | Description of occupational health and safety measures adopted, and how they are implemented and monitored. | 5.2 Employee Health and Safety |
| ***Aspect B3: Development and Training*** | General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | 5.3 Employee Development and Training |
| | B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | 5.3.2 Trained employees |
| | B3.2 | The average training hours completed per employee by gender and employee category. | 5.3.2 Trained employees |
| ***Aspect B4: Labour Standards*** | General Disclosure | Information on:<br>the policies; and<br>compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | 5.1.3 Guidelines and measures for preventing child labour or forced labour |
| | B4.1 | Description of measures to review employment practices to avoid child and forced labour. | 5.1.3 Guidelines and measures for preventing child labour or forced labour |
| | B4.2 | Description of steps taken to eliminate such practices when discovered. | 5.1.3 Guidelines and measures for preventing child labour or forced labour |
| ***Aspect B5: Supply Chain Management*** | General Disclosure | Policies on managing environmental and social risks of the supply chain. | 3.3 Operational Management |
| | B5.1 | Number of suppliers by geographical region. | 3.3.2 Suppliers management |
| | 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. | 3.3 Operational Management |
| | B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | 3.3 Operational Management |
| | B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | 3.3 Operational Management |

# APPENDIX

| Aspects | | Description | Related Section |
|---|---|---|---|
| ***Aspect B6: Product Responsibility*** | General Disclosure | Information on:<br>the policies; and<br>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. | 3.2.3 Customer information protection and privacy policy<br>4.1.3 Health and safety of products and services |
| | B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | 4.6.2 Product recall |
| | B6.2 | Number of products and service related complaints received and how they are dealt with. | 4.2 Pharmacovigilance<br>4.6.3 Customer complaints |
| | B6.3 | Description of practices relating to observing and protecting intellectual property rights. | 4.5 Intellectual Property Management |
| | B6.4 | Description of quality assurance process and recall procedures. | 4.1 Quality Management<br>4.2 Pharmacovigilance<br>4.3 R&D Management<br>4.4 Clinical Management<br>4.6.2 Product recall |
| | B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | 3.2.3 Customer information protection and privacy policy |
| ***Aspect B7: Anti-corruption*** | General Disclosure | Information on:<br>the policies; and<br>compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | 3.2.4 Anti-corruption<br>4.6.1 Responsible marketing |
| | 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. | 3.2.4 Anti-corruption |
| | B7.2 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. | 3.2.4 Anti-corruption |
| | B7.3 | Description of anti-corruption training provided to directors and staff. | 3.2.4 Anti-corruption |
| ***Aspect B8: Community Investment*** | General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | 5.4 Community Investment |
| | B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | 5.4 Community Investment |
| | B8.2 | Resources contributed (e.g. money or time) to the focus area. | 5.4 Community Investment |

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