



WuXi XDC Cayman Inc.

藥明合聯生物技術有限公司*

(Incorporated in the Cayman Islands with limited liability)

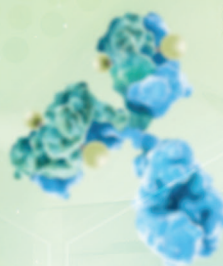
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2024

Environmental, Social
and Governance Report



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A MESSAGE FROM OUR CEO



As we reflect on 2024, WuXi XDC remains steadfast in its commitment to **Environmental, Social, and Governance (ESG) excellence** as a cornerstone of our corporate strategy. Our dedication to sustainability, ethical business practices, and social responsibility has strengthened our leadership in the bioconjugate industry while driving long-term value for all stakeholders.

This year, our ESG efforts were recognized through **multiple prestigious awards**, underscoring our unwavering commitment to responsible corporate citizenship. These achievements are a testament to the collective dedication of our employees, partners, and stakeholders in fostering a future where innovation, business success, and sustainability are deeply intertwined.

UPHOLDING STRONG GOVERNANCE AND ETHICAL LEADERSHIP

At WuXi XDC, we recognize that sound corporate governance is fundamental to sustainable growth. In 2024, we received an **'A' rating in the Wind ESG rankings**, a reflection of our exceptional performance in corporate responsibility, risk management, and ethical business conduct. This recognition reinforces our steadfast commitment to integrity, anti-corruption policies, and a robust governance framework that safeguards long-term value creation.

By continuously enhancing our risk management systems and governance structures, we remain dedicated to fostering a **resilient, transparent, and accountable organization** that upholds the highest ethical standards.

A MESSAGE FROM OUR CEO

ADVANCING ENVIRONMENTAL STEWARDSHIP AND CLIMATE ACTION

As a responsible corporate citizen, WuXi XDC is committed to reducing our environmental impact. This year, we were honored to be named one of the **'Top 10 Low Carbon Pioneers Among Chinese Pharmaceutical Listed Companies'** by Healthcare Executive magazine, recognizing our **industry-leading climate action strategies**.

Our continued efforts in carbon footprint reduction include the implementation of **energy-efficient processes, sustainable supply chain practices, and responsible resource management**. Through these initiatives, we are accelerating our transition toward a greener, more sustainable future while contributing to the broader global effort to combat climate change.

HARNESSING TECHNOLOGY TO DRIVE ESG INNOVATION

Innovation is at the heart of WuXi XDC's ESG strategy. Our inclusion in **KPMG China's '2024 Technology-Enabled ESG List'** highlights our pioneering approach to integrating digital solutions and data-driven insights into sustainability initiatives.

By embedding ESG principles into our technological advancements, we are enhancing **operational efficiency, optimizing resource utilization, and reinforcing responsible decision-making** across our value chain. These efforts ensure that we remain at the forefront of sustainable innovation in the bioconjugate industry.

RECOGNIZED LEADERSHIP IN ESG TRANSPARENCY AND EXCELLENCE

Transparency and accountability remain core to our ESG approach. In 2024, WuXi XDC was named among the **'Top 20 Pharmaceutical Listed Companies in ESG Competitiveness'** by Healthcare Executive magazine, acknowledging our robust disclosure practices and proactive engagement with investors and stakeholders.

Further demonstrating our leadership in ESG governance, we were honored with the **'Best ESG Newcomer Award'** at the 8th China Excellence IR Awards, reflecting the capital market's confidence in our long-term sustainability strategy and corporate governance framework.

These accolades reaffirm our position as an industry leader in ESG excellence and our commitment to fostering responsible, sustainable business practices.

STRENGTHENING ESG RISK MANAGEMENT: A GLOBAL BENCHMARK

WuXi XDC takes a proactive approach to ESG risk management, ensuring our business remains **resilient, sustainable, and aligned with global best practices**. In 2024, we were proud to receive a **'Low Risk' rating in the ESG corporate risk assessment by Morningstar Sustainalytics**, ranking among the **top 10% of companies globally**.

A MESSAGE FROM OUR CEO

This recognition underscores our **strong governance framework, robust risk management strategies, and unwavering commitment to sustainability**, further reinforcing our leadership position in the CRDMO industry.

EMPOWERING OUR PEOPLE AND FOSTERING A CULTURE OF WELL-BEING

Our employees are the driving force behind our success, and we remain dedicated to fostering an **inclusive, diverse, and collaborative workplace**. In 2024, we expanded our workforce to over **2,000 professionals worldwide**, investing in tailored leadership development programs, career growth initiatives, and mentorship opportunities to support our employees in reaching their full potential.

CELEBRATING MILESTONES: THE 2024 HEALTH RUN AND IPO ANNIVERSARY

A significant highlight of the year was the **WuXi XDC Health Run and IPO Anniversary Celebration in November 2024**. Bringing together **over 100 participants, including employees, partners, and stakeholders**, the event symbolized our commitment to **employee well-being, corporate culture, and ESG values**.

Beyond promoting health and teamwork, the event was a meaningful reminder of our remarkable journey as a publicly listed company. As we mark another year of growth and achievement, we reaffirm our dedication to **fostering a strong, engaged workforce and upholding the highest standards of corporate responsibility**.

LOOKING AHEAD: ELEVATING OUR ESG VISION FOR THE FUTURE

As we move into 2025, WuXi XDC remains deeply committed to **advancing ESG-driven innovation, strengthening sustainability frameworks, and deepening community engagement**. With our ongoing **global expansion, including continued development of our Singapore CRDMO site**, we are reinforcing a **resilient, sustainable supply chain** that will drive long-term value for all stakeholders.

We will continue to **enhance our ESG governance practices, implement sustainable business strategies, and accelerate meaningful climate action initiatives**. Our ESG journey is one of continuous progress, and we are eager to embrace the future with an even **stronger commitment to responsible growth and innovation**.

We sincerely appreciate your continued trust and support as we work together to build a **healthier, more sustainable, and transformative future**.

Dr. Jimmy Li
Chief Executive Officer
Chairman of ESG Committee

2024 HIGHLIGHTS

Strengthening Governance

Conducts annual risk assessments focused on anti-corruption and anti-bribery compliance at **all** of our operating places

100% of Board Directors and employees participated in training on ethical standards and anti-corruption

100% of significant suppliers assessed via desk assessments by spend

100% Targeted suppliers with contracts that include environmental and social clauses

100% of "All-in-One" manufacturing facilities with ISO27001-certified information security management systems

Contributing to Society

194 iCMC Projects

499 Global partners

Established a bioconjugate drug production base in the Tuas Biomedical Park in Singapore.

26 million RMB/year Reduction in material/operating cost

Empowering our People

53% Female employee

37% Female employees in senior management

100% Sites received an employee health & safety risk assessment

0 lost of work days in 3 years

ISO 45001 Occupational health & safety management certification

Environmental Sustainability

69% Reduction in GHG emission intensity from base year of 2021 (Scope 1 and Scope 2)

100% Sites received environmental risk assessment

100% Compliant waste and wastewater treatment

9% Reduction in wastewater discharge from 2023

Obtain **ISO 22301** Business continuity management systems Certification

COMPANY OVERVIEW

INTRODUCTION

WuXi XDC is a leading Contract Research, Development and Manufacturing Organization (CRDMO) focused on the global ADC (antibody drug conjugate) and broader bioconjugate market, is a pioneering CRDMO offering integrated, end-to-end services. Services are provided from proximately located, state-of-the-art laboratories and manufacturing facilities, allowing for a significant reduction in development timelines and costs. Our over 2,000 skilled employees work across a global network to deliver expert-driven, high-quality and right-first-time project execution for our customers. By offering a single-source, open-access platform with the most comprehensive capabilities and technologies, WuXi XDC enables our biopharmaceutical partners to speed the development of innovative therapies for the benefit of patients worldwide.

In 2023, WuXi XDC successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited. During this period, we remained committed to expanding our operational capacity, thereby further enabling our clients at both clinical and commercial stages. In March 2024, we initiated the ground-breaking ceremony for our Singapore Manufacturing Facility, marking a significant step in empowering global bioconjugates development.

OUR VISION

"Linking innovation to health" by offering an open-access platform with the most comprehensive capabilities and technologies in the global ADC and XDC (other novel bioconjugate) industry.

OUR MISSION

To continuously enhance our platform, propel and transform the development of the bioconjugate industry, enable global biopharmaceutical partners and benefit patients worldwide.

BUSINESS PERFORMANCE IN 2024

Revenue: increased by 90.8% to 4,052.3 million

Gross Profit: increased by 121.6% to 1,239.8 million

Integrated Projects: increased by 35.7% from 143 to 194

COMPANY OVERVIEW

AWARDS AND RECOGNITIONS IN 2024



Received Wind ESG "A" rating

Received "Best CEO", "Best CFO" and "Best IR" Awards by Institutional Investor

Honored with "2023 Best IPO Award" at China Financial Market Awards 2024

Ranked on the "2024 Fortune China Tech 50" list

Received Morningstar Sustainalytics 2024 ESG "Low Risk" Rating

Named "Best CDMO Winner" at 2024 World ADC Awards

Awarded the "Top Investor-Picked Companies" at the Futu 2024 Annual Leading CFO Awards

Awarded the "Most Valuable Pharmaceutical and Healthcare Company" and "Best CFO" Awards by Zhitong Caijing

Received On Healthcare Annual Star "Innovative Product Star Award"

Received 2nd KPMG ESG·50 Sci-Tech Empowerment ESG Award

Awarded 2024 China Healthcare Listed Companies Low-Carbon Pioneer TOP10 by Healthcare Executive magazine

Awarded 2024 China Healthcare Listed Companies ESG TOP20 by Healthcare Executive magazine

Excellent Production and Operation Promote Sustainability

WHY WBS

The WuXi Business System (WBS) serves as the cornerstone of WuXi XDC's operational philosophy, driving our commitment to continuous improvement and excellence in production and operations. By integrating sustainable practices, WBS generates positive impacts for our partners and the broader community.

As a lean management system, WBS enables us to enhance management processes, reduce costs, improve work efficiency, eliminate waste, minimize excessive working hours, and lessen environmental impacts, all contributing to WuXi XDC's sustainable development.

HOW WBS ENPOWER OUR SUSTAINABILITY

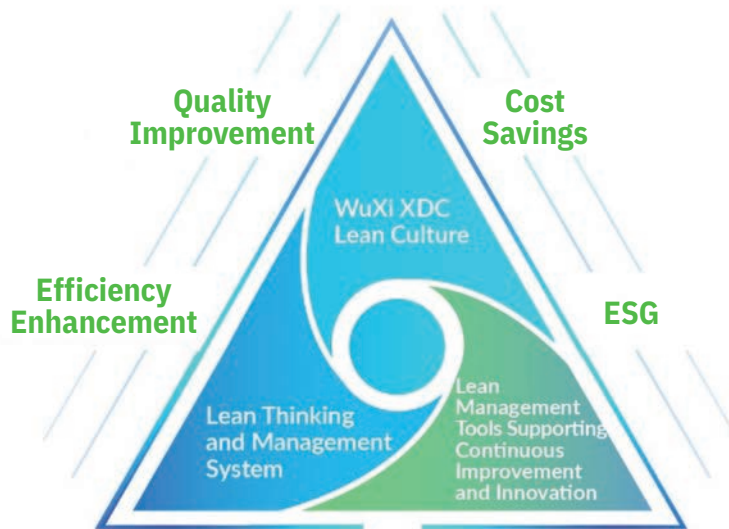
In 2024, WBS achieved significant progress in our ESG efforts through a series of WBS-based improvement initiatives. We focused on process optimization, energy conservation, and operational improvements. With strong support from the leadership team, we utilized scientific process design and the WBS ESG methodology to enhance resource efficiency and sustainability capabilities. Through continuous optimization and innovation, we not only improved team well-being and operational efficiency but also made positive contributions to environmental protection and social responsibility, showcasing WBS's outstanding leadership and execution in the ESG field.

WBS ACHIEVEMENTS IN 2024

Performance highlight

26 million Reduction in material/operating cost (RMB/year)

Excellent Production and Operation Promote Sustainability



WBS consistently refines and optimizes our core operational process, including laboratory processes and operational techniques, striving to enhance efficiency, sustainability, and innovation across all areas of our work.

Excellent Production and Operation Promote Sustainability

Implementation of Energy-saving Measures for Electricity and Steam

In 2024, led by the Shanghai OPS team, these measures included revising air conditioning system standards, improving cooling tower operations, and installing air-source heat pumps to replace some steam usage, reducing summer dehumidification energy consumption. As a result, the park saved 704,342 kWh of electricity and 1,157 tonnes of steam consumption, yielding financial savings of RMB958,000 and reducing CO₂ emissions by 918 tonnes.

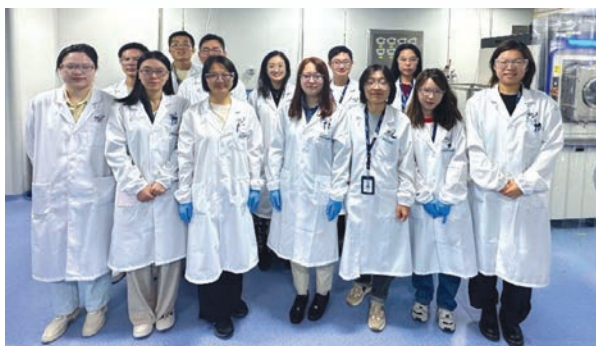


Photo of project-related staffs discussion scene

Optimization of Lyophilization Process and Experimental Operations

In 2024, WuXi XDC's lyophilization laboratory optimized the lyophilization process to improve efficiency, reduce resource waste, and enhance safety. Key initiatives included centralizing material placement, standardizing filling operations, optimizing equipment scheduling, and adjusting ventilation parameters to save energy.

As a result, total process time was reduced by over 50%, with unit time dropping from 90 minutes to 36 minutes. The initiative saved RMB44,000 in energy costs annually and reduced operational risks from medium-high to medium-low, achieving significant improvements in both efficiency and safety.



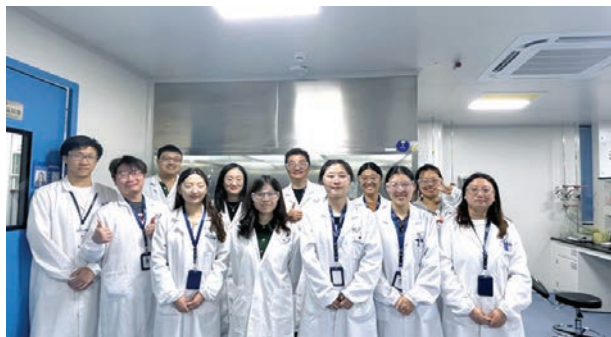
Group photo of the laboratory project participants

Excellent Production and Operation Promote Sustainability

Optimization of Formulation Process Research Plan

In 2024, WuXi XDC's XBPD laboratory optimized the formulation process research plan to address significant DS (Drug Substance) waste and complex inspection requirements during the ADC formulation filling process. Spearheaded by the R&D team, the initiative focused on redesigning the PD plan to streamline material cleaning and preparation processes. Furthermore, training on the new operational procedures was conducted, and centralized material storage was implemented to reduce switching time.

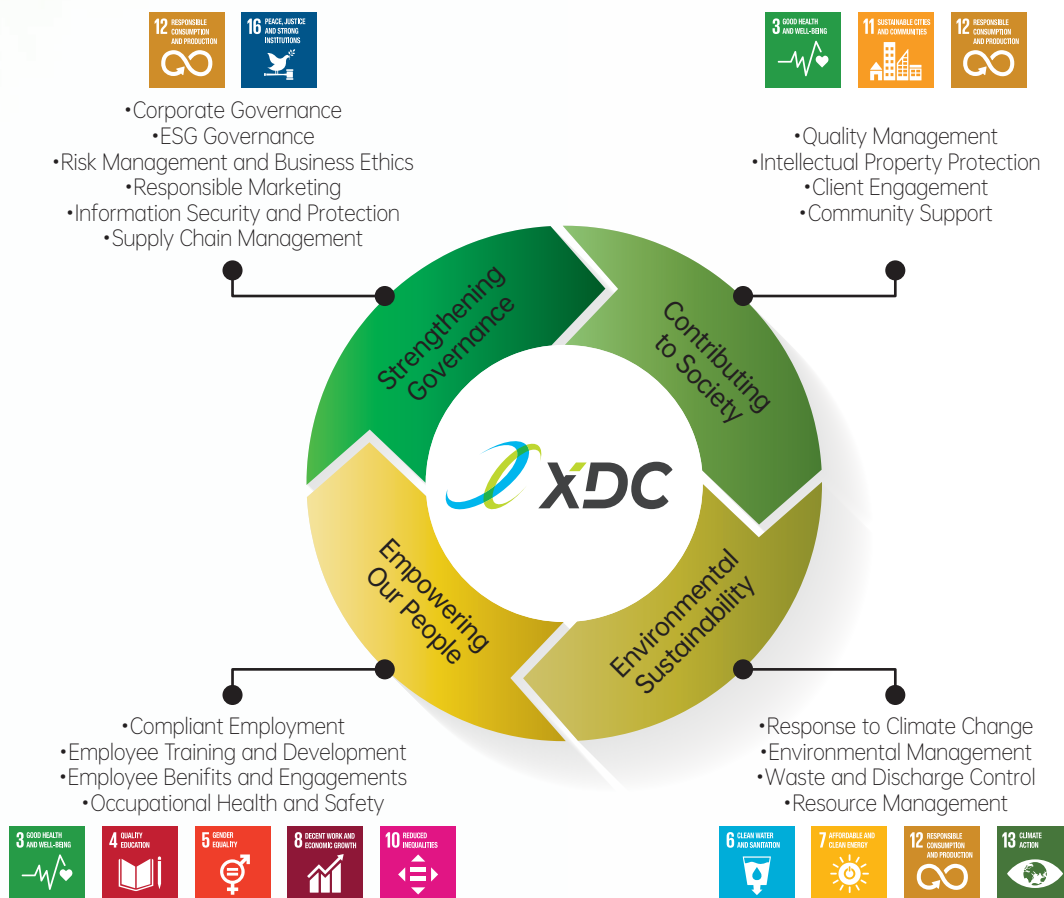
As a result, the program saved 400g of DS annually, reduced over 10,000 inspection steps, and saved approximately 580 working hours, resulting in cost savings of RMB36,600. Moreover, the initiative led to reductions of 30 tonnes in water consumption and 699 kWh in electricity usage, demonstrating WuXi XDC's dedication to enhancing operational efficiency, reducing waste, and promoting environmental sustainability.



Group photo of the laboratory project participant

ESG STRATEGY











WuXi XDC firmly believes that achieving a balanced development of economy, society, and environment is the cornerstone of long-term corporate success. While pursuing business growth, we actively fulfill our social responsibilities. Leveraging our core competencies and aligning with the demands and expectations of our stakeholders, we keep pace with industry trends and build our ESG strategy around four leadership themes: strengthening governance, contributing to society, empowering our people, and environmental sustainability. Committed to global sustainability goals, we strive to create shared value through responsible business practices and innovative solutions.



ESG STRATEGY





ESG TARGETS AND PROGRESS

WuXi XDC actively responds to the Sustainable Development Goals (SDGs). We closely integrate our ESG strategy with material topics, the underlying KPIs and targets. We continue to make efforts in addressing climate change, talent development, business ethics, and other issues, fulfilling our responsibilities as a global corporate citizen.

	Topics	Goals and Targets	2024 Progress	Related SDGs
Strengthening Governance	Business Ethics	Maintain 100% anti-corruption training coverage every year	Achieved	
	Green Supply Chain	Ensure that 100% of suppliers sign the <i>WuXi Biologics Code of Business Conduct and Ethics for Business Partners</i> every year	Achieved ¹	 
		Ensure 100% of procurement staff trained on sustainable procurement	Achieved	
Contributing to Society	Volunteerism and Donation	Continually expand community involvement, employee volunteer hours and charitable donations	Achieved: collaborated with WuXi Biologics in multiple public welfare and charitable activities.	  
Empowering Our People	Talent Development	Ensure that 100% of employees receive training every year	Achieved	 
	Occupational Health and Safety	Keep the Lost Time Incident Rate (LTIR) ≤0.063	Achieved	  

¹ New suppliers refer to the ones contracted in 2024 and all existing significant suppliers signed.

ESG STRATEGY

	Topics	Goals and Targets	2024 Progress	Related SDGs
Environmental Sustainability	Climate Change and Energy Saving	Mid-term Goal: Reduce Scope 1 and 2 greenhouse gas (GHG) emissions intensity by 50% by 2030 from the baseline year 2021 (tonnes/RMB10,000) Long-term Goal: Achieve net-zero emissions from overall operations by 2050	On Track: 69% decrease in Scope 1 and 2 GHG emissions intensity compared with the baseline year 2021	   
	Water Management	Reduce water consumption intensity by 30% by 2025 from the baseline year 2021 ² (tonnes/RMB10,000) Implementing Water Excellence Stewardship (WES) ³ on our priority sites by 2027	On Track: 74% decrease in water consumption intensity compared with the baseline year 2021	
	Waste Management	Reduce waste intensity, including hazardous and non-hazardous waste by 10% (tonnes/RMB10,000) by 2027 from the base year 2022	On Track: 72% decrease in hazardous waste intensity compared with the baseline year 2022, 54% decrease in non-hazardous waste intensity compared with the baseline year 2022	

² In 2024, we updated our water consumption target based on actual company operations.

³ Water Excellence Stewardship (WES) is an internal water management plan at site specific to manage the water quality, provide employees with safe drinking-water, sanitation and hygiene (WASH), reduce our water use and etc., based on the principle of Measure, Reduce, Reuse and Recycle. This plan will also refer to ISO 46001, International Water Stewardship Standard and other industry standard.

1. STRENGTHENING GOVERNANCE



WuXi XDC consistently adheres to high standards of corporate governance. By establishing a robust integrity management system, strengthening risk control, enhancing information security safeguards, valuing intellectual property protection, and implementing effective supply chain management, we lay a solid foundation for the Company's stable, orderly, and high-quality sustainable development.

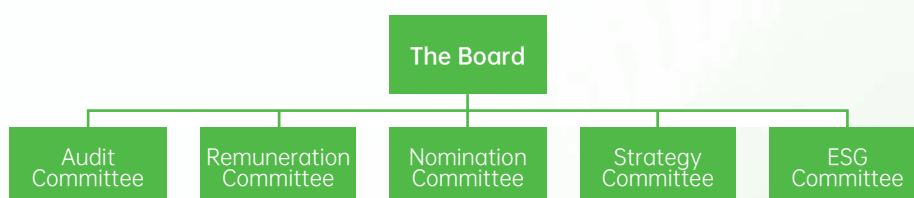
1.1 CORPORATE GOVERNANCE

The healthy and steady development of an enterprise relies on a sound corporate governance system. We continue to refine our corporate governance framework and clarify the Board governance structure. While ensuring sustainable and robust growth, we are also consistently enhancing our corporate governance capabilities.

1.1.1 Governance Structure

The Board of Directors of WuXi XDC has established five committees, including the Audit Committee, Remuneration Committee, Nomination Committee, Strategy Committee, and ESG Committee. Each committee bears corresponding governance responsibilities within its specific scope of authority.

Board Governance Structure



1.1.2 Board Diversity

WuXi XDC places great emphasis on the development of a diverse Board. In line with the company's development model and business needs, we take into account various aspects such as gender, race, and cultural background when determining the composition of the Board members. When selecting and appointing Board members, we consider a wide range of criteria, including but not limited to professional background, industry and regional experience, and financial and risk management skills. By doing so, we provide a diverse range of perspectives and viewpoints for decision-making, ensuring the efficient and coordinated functioning of the Board.

1. STRENGTHENING GOVERNANCE

1.2 ESG GOVERNANCE

WuXi XDC has steadfastly embraced the integration of economic and social responsibilities. We continuously optimize our ESG governance framework, enhance the management of material issues, and pay close attention to and respond to the concerns and expectations of all stakeholders. Through these concerted efforts, we strive to embed the principles of sustainable development into every facet of our business operations, thereby fostering long-term value creation for all stakeholders involved.

1.2.1 ESG Governance Structure

We have integrated the concept of sustainable development into every aspect of our operations. We have formulated an independent *WuXi XDC ESG Management Policy and Procedures*, providing a comprehensive system of institutional safeguards for the ESG governance framework and operational procedures.

Our Board of Directors serves as the ultimate authority in decision-making and governance for ESG issues. Our ESG committee, composed of executive and non-executive directors, plays a key role in overseeing the development of the Company's sustainability vision, target, policy, strategy and progress tracking, evaluating ESG trends, opportunities and risks in material ESG issues.

ESG Governance Structure



1. STRENGTHENING GOVERNANCE

Organization	Members	Responsibilities
ESG Committee	Comprises an executive board and two non-executive director and is chaired by the CEO.	<ul style="list-style-type: none"> Reviews ESG trends, oversees ESG-related issues and identifies sustainability opportunities. Directs and develops our vision, objectives, strategies and structures. Oversees the progress of the above and the implementation of frameworks and goals.
ESG Steering Group	Comprises company senior executives from all business units.	<ul style="list-style-type: none"> Offers strategic insights on key issues to the ESG Department, ensuring our goals are closely aligned with business priorities. Allocates resources to support the effective execution of ESG initiatives.
ESG Department	Dedicated ESG management operates alongside all business units and is an integral part of company core leadership team.	<ul style="list-style-type: none"> Assesses our ESG performance based on our long-term strategy and internationally recognized ESG standards. Engages proactively with stakeholders on key issues, offering guidance, recommendations, and solutions to support ESG decision-making. Develops and improves action plans for Board-approved ESG goals, ensuring their coordinated execution across all departments.
Material Issues Task Forces and Relevant Departments	Comprises the head of each department and their designated ESG representatives.	<ul style="list-style-type: none"> Collaborate to drive the execution of our ESG strategies and action plans. Continuously innovate and enhance operational practices to strengthen ESG performance.

1. STRENGTHENING GOVERNANCE

1.2.2 Board Statement

Supervision of the Board

The Board is the highest responsible and decision-making body for ESG management. It is responsible for overseeing and coordinating the management of ESG-related risks and opportunities, formulating ESG policies, strategies, and targets, and supervising their implementation.

Our ESG Committee, appointed by the Board and chaired by the CEO, Dr. Jimmy Li, comprises an executive board and two non-executive directors to maintain its independence and effectiveness. The ESG Committee support the Board in regularly monitoring the development and execution of the Company's ESG strategies, policies, governance structure, and objectives. It ensures that all key topics are addressed in the ESG report, monitors progress and provides updates and recommendations to the Board on ESG issues.

Work Implementation

the Company's senior executives established an ESG Steering Group to provide strategic insights and resource support for ESG work. Our ESG Department regularly deliver professional advice to the ESG Committee, and is responsible for implementing ESG policies, assessing ESG performance and engaging with stakeholders on a regular basis about material ESG issues. Our Material Issues Task Forces and Relevant Departments Collaborate to drive the execution of our ESG strategies and action plans and continuously innovate and enhance operational practices to strengthen ESG performance. The ESG Committee supervises and approves the department's output and suggestions.

Risk Management

We follow a systematic process to identify and review risks, ensuring that all ESG-related risks are fully considered and integrated into our enterprise risk management (ERM) system. ESG risks, as a key component of our ERM, are evaluated by analyzing stakeholder concerns and incorporating findings from our annual materiality assessments.

We continue to monitor, manage, and mitigate potential ESG-related impacts. The oversight and approval of all ESG-related risks and potential impacts fall under the responsibility of the ESG Committee and the Audit Committee.

1. STRENGTHENING GOVERNANCE

ESG Targets Tracking

To achieve our ESG goals, we assign specific employees to oversee target implementation, regularly collect data, monitor progress, and evaluate performance.

At the start of each financial year, the Board establishes targets, which are reviewed annually. The Board is dedicated to monitoring our progress toward these goals, addressing the concerns and expectations of our stakeholders.

Material ESG Issues

WuXi XDC is committed to incorporating the shared values of stakeholders into its ESG strategy. We have established an efficient and transparent communication system to identify and assess ESG issues that are important to stakeholders. The Board of Directors and the ESG Committee hold regular meetings to address stakeholder concerns, pinpoint key ESG issues relevant to the Company, and evaluate our ESG performance. This ongoing process allows us to continuously improve our sustainable development strategies and practices.

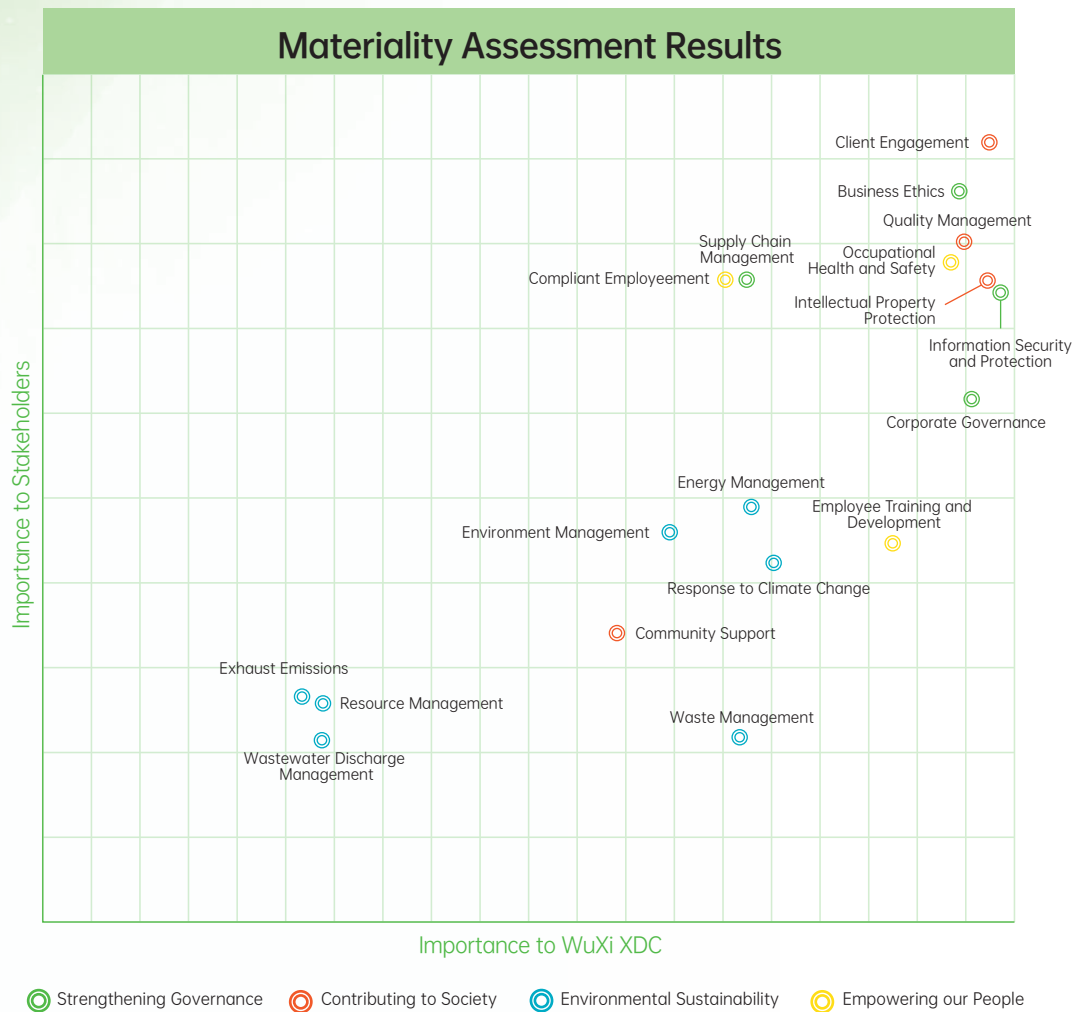
Stakeholder Engagement

Our ESG Committee monitors the channels and means of communication with our stakeholders and ensure that relevant policies are in place to effectively promote the relationship between us and our stakeholders and protect the Company's reputation. We maintain close engagement with all stakeholders and has established diverse communication channels to proactively gather and integrate ESG-related requirements and expectations from government entities, investors, clients, employees, suppliers, and the general public.

1.2.3 Material ESG Issues

WuXi XDC has identified and prioritized ESG issues of significant relevance to the Company based on its strategy and operational context, while also considering industry characteristics and the evolving trends in ESG management. In order to adapt the fast-changing nature, we have made some adjustments based on our last year's statistical results. Through rigorous materiality analysis, we have developed the WuXi XDC 2024 ESG Materiality Matrix. The list of material issues was finalized upon the review and approval of the Board of Directors.

1. STRENGTHENING GOVERNANCE



WuXi XDC 2024 ESG Materiality Matrix

Based on the materiality assessment, we identified several ESG topics with significant impacts on external stakeholders, such as client engagement, quality management, business ethics and occupational health and safety. We will determine our work priorities based on the results of the materiality analysis to address the concerns of our stakeholders.

1. STRENGTHENING GOVERNANCE

1.2.4 Stakeholder Communication

WuXi XDC places paramount importance on integrating stakeholder perspectives into its sustainability strategy. The company maintains close engagement with all stakeholders and has established diverse communication channels to proactively gather and integrate ESG-related requirements and expectations from government entities, investors, clients, employees, suppliers and the general public. This systematic approach to stakeholder management enables comprehensive enhancement of corporate social responsibility performance across environmental stewardship, social impact, and governance excellence.

Stakeholders	Common Goals	Communication Channel
Board of Directors	<ul style="list-style-type: none"> • Corporate governance • Product safety and quality guarantee • Information security • Climate change and Energy management 	<ul style="list-style-type: none"> • Board meetings • ESG committee meetings
Clients	<ul style="list-style-type: none"> • Superior delivery capabilities • Product safety and quality guarantee • Intellectual property protection • Information security 	<ul style="list-style-type: none"> • Client communication and complaint mechanisms • Client satisfaction surveys • Transparent disclosures • Client audits
Employees	<ul style="list-style-type: none"> • Salary and benefits • Safeguarding of employee rights and interests • Employee developments and training • A culture of diversity, equity and inclusion 	<ul style="list-style-type: none"> • Staff Townhall • CEO inbox • HR Hotline and service desk • Lunch with CXO
Investors	<ul style="list-style-type: none"> • Corporate governance • Business ethics and compliance • Technology and innovation 	<ul style="list-style-type: none"> • Annual general meetings • Investors meetings

1. STRENGTHENING GOVERNANCE

Stakeholders	Common Goals	Communication Channel
Suppliers	<ul style="list-style-type: none"> • Supply chain management • Supply chain safeguards 	<ul style="list-style-type: none"> • Supplier approvals and audits • Communication channels include email, call, regular meetings, and trainings
Government and Regulatory Authorities	<ul style="list-style-type: none"> • Business ethics and compliance • Product safety and quality guarantee • Climate change and Energy management 	<ul style="list-style-type: none"> • Transparent disclosures
The Public	<ul style="list-style-type: none"> • Community engagement and development 	<ul style="list-style-type: none"> • Transparent disclosures • Enabling clients to accelerate the launch of new drugs

1.3 RISK MANAGEMENT AND BUSINESS ETHICS

WuXi XDC adheres to lawful and compliant operations, upholds business ethics, and conducts commercial activities with rigorous standards and a strong sense of social responsibility. We have established comprehensive compliance management systems that integrate regulatory requirements into all business processes and management procedures. We optimize the risk management system, strengthen internal auditing, and enhance employees' awareness and capabilities of risk management and business ethics, to ensure the company's sustained, healthy, and stable growth.

1.3.1 Our Governance

WuXi XDC strictly adhering to the Group's requirements in risk governance and business ethics. The Group has established a comprehensive risk and business ethics management framework designed to effectively address risks, hazardous factors, emergencies, complaints, and claims. This framework ensures operational stability through proactive identification, assessment, and mitigation of potential risks. Our operational approach employs a three-line-of-defense model to systematically identify internal and external risks across critical domains. Through this multilayered structure, we continuously refine our risk management practices to align with evolving business needs and industry standards.

1. STRENGTHENING GOVERNANCE

Three-line-of-defense model

First Line of Defense: Departments of All Business Units

- Day-to-day risk identification and mitigation
- Implementing controls within business processes
- Ensuring compliance with policies and procedures

Second Line of Defense: Departments of Legal Compliance and Internal Audit

- Developing risk management frameworks
- Monitoring and reporting on risk exposures
- Ensuring regulatory compliance

Third Line of Defense: the Board of Directors and Audit Committee

- Evaluating the effectiveness of risk management and internal controls
- Overseeing the risk management framework and strategies
- Reviewing risk assessments and management reports

Meanwhile, WuXi XDC strictly complies with the *Code of Business Conduct and Ethics* established by the Group, which outlines detailed ethical standards and guiding principles. This code applies to all employees and mandating integrity and ethical practices across all operations. Additionally, the company complies with the group's *Anti-Corruption Policy and Conflict of Interest Policy* to address various forms of corrupt and bribery-related risks. All employees are required to sign the company's Business Ethics Commitment, pledging to comply with corporate policies and guidelines.

1. STRENGTHENING GOVERNANCE

1.3.2 Our Action

Risk Management Process

WuXi XDC has established a comprehensive risk management process and integrate business ethics into the framework. We begin with thorough risk identification to precisely identify various potential risks across business operations, covering environmental, social, and governance dimensions. Building on this foundation, we employ scientific methodologies to assess risks and formulate targeted risk mitigation strategies based on the severity and likelihood of risks, while ensuring all measures align with the Group's *Code of Business Conduct and Ethics*. Through continuous risk monitoring and reporting mechanisms, we ensure risks remain under control.

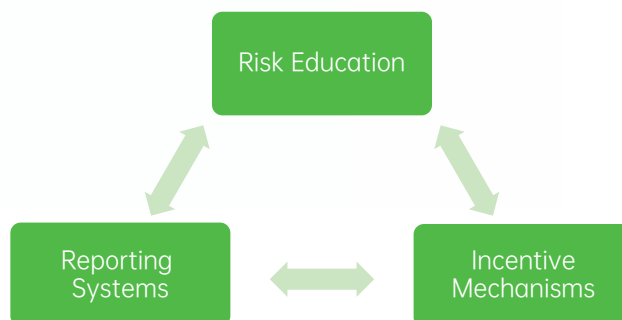
Risk Management Process



Risk Management and Business Ethics Culture

We implement a series of risk response measures — including risk education, incentive mechanisms, and reporting systems — to ensure the implementation of the group's risk and business ethics management strategy at the operational level.

Risk Management and Business Ethics Culture



1. STRENGTHENING GOVERNANCE

Through regular risk education programs, we enhance employees' risk awareness and management capabilities, and cultivate an ethical culture through business ethics training and anti-corruption initiatives. Specialized training on the *Code of Business Conduct and Ethics* is provided to all employees, and participants are required to complete annual assessments to verify their comprehensive understanding of and adherence to compliance requirements. In 2024, we strengthened the annual company-wide compliance training to all executive directors, ensuring that personnel at all levels demonstrate a profound grasp of and commitment to ethical governance and regulatory compliance.

We have established a comprehensive mechanism for reporting misconduct and risks, standardizing the process of detection, reporting, investigation, issuing reports, implementing corrective measures, and imposing penalties. This ensures that information is promptly and accurately communicated to management, enabling swift responses and effective mitigation. The company accepts reports through various channels, and continuously enhance whistleblower protection mechanisms, strictly adhering to the Group's institutional documents such as the *Whistleblowing and Investigation Policy*. The policy outlines the appropriate investigative process, incentives, and punitive measures. We explicitly commit to maintaining strict confidentiality regarding whistleblowers' identities and the content of their reports, and strictly prohibit any form of retaliation against whistleblowers.

Reporting Channels	Email: SpeakUp@wuxibiologics.com
	Website: wuxibiologics.ethicspoint.com
	Telephone: China 4001205045; USA 8334168867; Germany 08001823784; Ireland 1800770066; Singapore 8004922740
	On-site visit: Ethics and Compliance Department, Building 4, No. 800 Qifan Road, Pudong New District, Shanghai

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

In addition, We integrate ethical compliance and risk management into employee performance evaluations, with serious violations potentially impacting the annual performance assessments of both the individuals involved and their respective departments. Additionally, confirmed violations will result in appropriate disciplinary actions.

1. STRENGTHENING GOVERNANCE

Audit and risk assessment

The company engages external agencies to conduct annual internal control audits. In 2024, a comprehensive audit of the 2023 operations was completed, with the 2024 audit scheduled for February 2025. The audits cover all corporate entities and thoroughly review financial systems and business processes. No high-risk issues were identified, and targeted remediation measures were implemented for low-risk findings to strengthen internal controls. Additionally, the anti-corruption framework undergoes regular audits, with increased frequency for high-risk areas. During the Reporting Period, the risk management department conducts regular anti-corruption and anti-bribery compliance risk assessments, systematically evaluating and mitigating risks to ensure all operational sites adhere to regulatory and ethical standards.

1.3.3. Our Performance

Performance highlight

100% of Board Directors participated in training on ethical standards and anti-corruption

100% of employees participated in training on ethical standards and anti-corruption

100% of operating places conducted risks assessment and internal audit on business ethics

1. STRENGTHENING GOVERNANCE

1.4 RESPONSIBLE MARKETING

Ethical values-based decision making promotes corporate accountability and aligns with our mission to benefit patients globally. We understand that making decisions in an ethical, well-thought-out, and responsible way can enable our business to fulfill its purpose with quality and integrity, both for our patients and society.

1.4.1 Our Governance and Policy

The Company strictly abides by all applicable legal requirements and industry guidelines regarding ethical marketing. To ensure every decision is firmly grounded in ethical principles, we've established a robust governance structure. The Global Marketing department, along with the legal department, is pivotal within this framework, providing vigilant oversight of ethical marketing issues. This governance structure ensures that our marketing strategies and actions are not only effective but also align with our responsible business values.

At WuXi XDC, we have established clear expectations regarding how we achieve our purpose. While we adhere to the policy established by the Group on responsible marketing, during the Reporting Period, we have established clear and easy-to-understand policies and procedures, including *XDC External Communications Management System*, aiming to enhance the Company's regulation of marketing and information disclosure.

1.4.2 Our Action

We strive to the fullest extent possible to detect, evaluate, and reduce any potential compliance risks linked to marketing malpractice. The company has put in place a system for reviewing and monitoring marketing materials. This system is centered on ensuring compliance with policies, and it involves carrying out thorough due diligence at every level of the marketing team.

1. STRENGTHENING GOVERNANCE

Ethical Marketing Control Procedures at WuXi XDC

Communication Generation

- Each department is responsible for the production and maintenance of its marketing communication materials for the purpose of business promotion

Business Review

- The materials for marketing communication shall be reviewed and approved by Department Head or their authorized person before corporate review

Corporate Review

- All marketing communication materials must be submitted to Marketing Department, which reviews potential misrepresented products, services, or prices and misleading statement against business values, responsible marketing principles
- Depending on content nature, legal review may be needed

Ethical Marketing Training

All of our employees, including part-time employees and contractors, receive mandatory risk-based, role-specific training on ethical standards, responsible marketing and advertising practices, upon hire and regularly thereafter (normally once a year), to reinforce our *Responsible Marketing Policy* and commitment to integrity. The training encompasses multiple ethical marketing aspects relevant to the business, including social media communications, antitrust and competition principles, and anti-bribery in marketing.

2024 Responsible Marketing Policy Training 2024年负责任营销政策培训



WuXi Biologics
Global Solution Provider

1. STRENGTHENING GOVERNANCE

Reporting Channels

To effectively manage marketing compliance risks, we have established *Whistleblowing and Investigation Policy* and set up ethical marketing reporting channels. Our Integrity Hotline and EthicsPoint website are managed by a third party independent of The Group. The Integrity Hotline provides 24/7 service and is available in multiple languages. We uphold zero tolerance for retaliation, and we do not tolerate retaliation of any kind, employees who engage in retaliation will be held accountable, up to and including termination of employment.

Our Internal Audit Department is tasked with conducting investigations in line with predefined procedures. Based on the findings, appropriate corrective actions are implemented. During the Reporting Period, there were no administrative penalties or litigation resulting from marketing violations.

1.5 INFORMATION SECURITY AND PROTECTION

WuXi XDC places great importance on information security and the privacy protection. We are continuously enhancing the effectiveness of information security governance, strengthening technical safeguards, elevating cybersecurity awareness, and resolutely fortifying our cybersecurity defenses to ensure comprehensive protection of critical digital assets.

1.5.1 Our Action

Management System and certification

Our information security management system is built in accordance with the requirements of ISO 27001, and we adhere to the Group's comprehensive policies and processes to control potential information security risks, including but not limited to *the Information Security Manual, Information Security Risk Management Policy, Information Security Strategy, Third-Party Security Management Policy, Acceptable Use Policy,*

WuXi XDC maintains rigorous information security practices through regular updates to internal policies, which are disseminated via company-wide emails and mandatory training programs to ensure employee awareness and compliance. Our operations strictly adhere to *WuXi Biologics Data Protection Guidelines, WuXi Biologics Information Classification and Grading Standards, and WuXi Biologics Data Privacy Policies*, implementing robust classification systems and access controls for sensitive data including client confidential information and personal data. Suppliers are contractually bound to meet data protection requirements outlined in the Business Partner Code of Conduct. The company has obtained ISO 27001 certification at Wuxi site, demonstrating our commitment to global information security management standards.

1. STRENGTHENING GOVERNANCE

To strengthen our information security management system, the Group's cybersecurity team conducted systematic compliance initiatives in 2024 aligned with ISO 27001 requirements. This included a comprehensive internal audit, followed by dual verification from the compliance team, resulting in a finalized audit report to validate the system's effectiveness.

Risk Mitigation

The company rigorously enforces the *WuXi Biologics Information Security Incident Management Standard*, which implements tiered controls for security incidents and establishes an end-to-end response mechanism. This framework covers incident monitoring, containment, root cause eradication, system recovery, forensic investigation, and post-incident reporting.

Awareness Enhancement

In 2024, two organization-wide cybersecurity compliance training sessions were conducted. Additionally, outsourced personnel undergo mandatory pre-employment security training and must sign confidentiality agreements to ensure alignment with internal protocols.

1. STRENGTHENING GOVERNANCE

Case: "Information Security Month" Campaign

Launched in September 2024 by the Group, the "Information Security Month" campaign deepened the effectiveness of its publicity and education through multidimensional and innovative formats. It introduced 12 digital interactions online, including the Woodpecker Action, knowledge contests, and phishing tests, and completed eight specialized trainings in areas such as policy updates and OT (Operational Technology) security. It set up themed exhibition zones at eight major sites offline, conducted the Security Match game and joint office inspections.



On Site at the "Information Security Month"

1.5.2 Our Performance

Information security trainings cover 100% employees

100% of "All-in-One" manufacturing facilities with ISO27001-certified information security management systems

1. STRENGTHENING GOVERNANCE

1.6 SUPPLY CHAIN MANAGEMENT

At WuXi XDC, supply chain management is integral to our operational success. We have developed robust strategies to ensure efficiency, reliability, and sustainability throughout our supply network. We have fostered strong, mutually beneficial relationships with our suppliers, working collaboratively to create a responsible and sustainable supply chain.

1.6.1 Our Governance and Policy

WuXi XDC is committed to maintaining a robust and responsible supply chain by rigorously adhering to a comprehensive suite of applicable laws, regulations, and industry standards, aligned with the *PSCI⁴ Principles for Responsible Supply Chain Management*, including *WuXi Biologics Supplier Management Standards*, *WuXi Biologics Procurement Policy*. In 2024, we further strengthened our commitment by establishing our internal policy *WuXi XDC GMP Production-Specific Materials Management Guidelines*, which focus on the effective management and cost control of materials critical to GMP production. These guidelines establish clear expectations for our suppliers, ensuring compliance with environmental, social, and ethical standards throughout the procurement lifecycle. During the Reporting Period, WuXi XDC didn't receive any customer complaints due to human error and there was no material shortages occurred caused by planner actions.

Our supply chain management system, which is supported by a robust governance structure and effective measures, relies on the SCM (Supply Chain Management) Department to oversee the entire supply chain process, including procurement, logistics, and inventory control. This is done to ensure a smooth, cost-efficient, and sustainable flow of materials, with various departments collaborating to maintain efficiency and sustainability across operations.

1.6.2 Our Action

WuXi XDC continues to improve our supply chain management system, strengthen supplier compliance management, effectively mitigate supply chain risks, and establish mutually beneficial partnerships with suppliers, actively building a responsible and sustainable supply chain.

⁴ Pharmaceutical Supply Chain Initiative.

1. STRENGTHENING GOVERNANCE

Supply Chain Management System

Supplier Admission and Classification

WuXi XDC follows a comprehensive supplier access and segmentation strategy to ensure effective supplier management. Our supplier admission criteria includes establishing clear item names and material quality standards, verifying compliance with national, industry, and company standards, and assessing the supplier's production capacity, conditions, and quality assurance practices. We ensure that after-sales services meet our requirements and evaluate the supplier's reputation and commitment to providing quality services. Additionally, we prioritize suppliers who offer low-carbon and environmentally friendly products, as well as those with a strong track record of corporate social responsibility. We classify suppliers based on procurement volume, product types, and sustainability performance to align with our broader goals of responsible sourcing.

Supplier Classification and Management

Category	Significant Suppliers		General Suppliers
	Strategic Suppliers	Preferred Suppliers	
Key Features	<ul style="list-style-type: none">• High purchasing volume• Supply critical components and services• Supply across multiple product categories or services	<ul style="list-style-type: none">• Long-term cooperation (more than one year)• No major quality complaints• Selected through competitive bidding	<ul style="list-style-type: none">• Comply with supplier admittance process• Pass quality audits and meet basic qualification standards

1. STRENGTHENING GOVERNANCE

Category	Significant Suppliers		General Suppliers
	Strategic Suppliers	Preferred Suppliers	
Management Approach	<ul style="list-style-type: none"> • Monthly performance evaluations • Quarterly quality and technical exchanges • Biannual leadership team communications • Ongoing strategic synergy and relationship management 	<ul style="list-style-type: none"> • Quarterly performance evaluation • Annual due diligence and risk assessment • Ongoing business continuity risk management • Ongoing procurement cost management • Ongoing alternative supply development 	<ul style="list-style-type: none"> • Day-to-day supply management • In major event cases, activation of risk substitution strategy
Strategic Management	<ul style="list-style-type: none"> • Extensive risk management, including financial, operational, and market risks • Engage in co-development for critical components/products 	<ul style="list-style-type: none"> • Focus on optimizing business processes and aligning long-term goals • Regular strategic meetings and workshops for collaboration 	<ul style="list-style-type: none"> • Maintain supplier relationships for basic operational needs • Only engage for specific or non-critical items

1. STRENGTHENING GOVERNANCE

Indicator	Unit	2024
Total number of significant suppliers in Tier 1 ⁵	Number	261
Percentage of total spend on significant suppliers in Tier 1	%	68

Supplier Regular Management/Supplier Daily Management

WuXi XDC regularly reviews suppliers' performance using a structured evaluation process every year. We evaluate and assess suppliers' performance from a variety of dimensions to ensure comprehensive oversight.

Innovation and Qualification

- Evaluate suppliers' ability to meet WuXi XDC's standards and offer innovative solutions.

Management and Financials

- Assess the financial stability, service team structure, and flexibility in terms.

Performance and Operation

- Focus on the accuracy and timeliness of deliveries and the ability to resolve issues efficiently.

Assurance and Sustainability

- Review compliance with the Group's ethical standards, ESG requirements, and sustainability efforts.

Cost and Value Creation

- Evaluate the competitiveness of prices and the supplier's contribution to improving quality and reducing costs.

Transparency, Integrity, and Ethics

- Assess the integrity of the suppliers, focusing on transparency and their adherence to ethical practice and related laws.

⁵ Suppliers in Tier 1 denotes suppliers that directly supply goods, materials or services (including intellectual property/patents) to the Company.

1. STRENGTHENING GOVERNANCE

To ensure effective daily performance management, our procurement team works closely with the user departments to establish key performance metrics for suppliers and offer regular feedback. We conduct quarterly reviews of strategic suppliers' performance. Suppliers brought in for specific projects are overseen by the respective project teams. Meanwhile, service suppliers are assessed by the user departments, who then pass on their feedback to the procurement team.

Annual performance evaluations are carried out for strategic and preferred suppliers, with a focus on critical areas such as delivery accuracy, GMP compliance, ESG performance, and cost competitiveness. Any underperformance is addressed through corrective action plans, developed in collaboration with the suppliers.

Supply Chain Risk Assessment

Supply chain risk identification is essential for maintaining business continuity and operational efficiency. WuXi XDC follows the *Supply Chain Business Continuity Plan of WuXi Biologics* to effectively manage risks and ensure uninterrupted operations, thereby protecting financial performance and customer satisfaction. Through proactive identification, assessment, and monitoring, we address sustainability-related risks in the supply chain. Our desk-based evaluations enable us to manage potential risks effectively, ensuring the resilience and responsibility of our supply chain.

1. STRENGTHENING GOVERNANCE

Supply chain risks and mitigation plans

Risks	Business Impact	Mitigation Plan
Material Supply Disruption (General)	<ul style="list-style-type: none"> Disruptions caused by unforeseeable events like fires, maritime disasters, or accidents affecting material suppliers; Natural disasters or accidents disrupting critical materials supply. 	<ul style="list-style-type: none"> Evaluate alternative resources, establish multi-source supply chains, and test material substitutions. Develop a delivery performance management system. In case of disruptions, follow material switch plans and monitor risk assessments.
Material Supply Disruption (Filler Materials)	<ul style="list-style-type: none"> Major disruption in downstream processes, particularly for international projects reliant on imported filler materials; Inability to import essential filler materials for overseas projects. 	<ul style="list-style-type: none"> Identify leading domestic manufacturers for filler material substitutes and encourage the establishment of local production facilities for dual-source supply. Implement a backup stock strategy for high-risk materials. Quickly switch to pre-verified domestic alternatives, monitor material risks and apply mitigation actions.

1. STRENGTHENING GOVERNANCE

Risks	Business Impact	Mitigation Plan
Material Supply Disruption (Imported Commercial Media and Cultivation Bags, Hollow Fiber, etc.)	<ul style="list-style-type: none">• Significant disruption with few alternatives, causing project delayed due to affected production equipment.• Geopolitical events or trade restrictions.	<ul style="list-style-type: none">• Explore additional carriers, create a backup pool, and coordinate with customs for timely clearance and transportation.• Implement backup stock strategies for high-risk material.• Regularly monitor and evaluate risks, ensuring quick execution of contingency.

Supplier Quality Management

WuXi XDC evaluates supplier performance primarily through suppliers' audits, ensuring comprehensive management of our product quality. We conduct annual audits for all significant suppliers and selected general suppliers. Raw material manufacturers, distributors, and GMP service providers are only approved after meeting our internal standards, which are aligned with GMP regulations. Additionally, we implement rigorous quality testing and certification protocols for raw materials, supported by continuous monitoring mechanisms to ensure compliance and maintain long-term product integrity.

Supply Chain Stability

To maintain supply chain stability, WuXi XDC adopts an all-encompassing approach to material stocking that optimizes inventory management and minimizes the risks of both stockouts and overstocking which utilizes dynamic safety stock levels based on monthly and weekly demand forecasts, alongside reorder points and minimum-maximum strategies. By integrating data-driven insights, the company ensures timely material availability to meet production schedules, balancing operational needs with cost efficiency.

1. STRENGTHENING GOVERNANCE

Sustainable Supply Chain

A diverse, inclusive, and responsible supply chain is crucial to our long-term success. WuXi XDC is dedicated to building a sustainable and responsible supply chain that meets our operational needs while supporting our environmental and social goals.

We strictly follow the *WuXi Biologics Code of Business Conduct and Ethics for Business Partners*, *WuXi Biologics Procurement Policy*, and *WuXi Biologics Supplier Management Standards*. We require all new suppliers to sign the *Code of Business Conduct and Ethics for WuXi Biologics Business Partner* which ensures the fully understand and commitment to our ethical requirements. During the Reporting Period, we achieved a 100% signing rate among new and targeted suppliers, reflecting our strong focus on compliance from the outset of any business relationship.

To promote supplier diversity, we have incorporated a gender diversity question in our supplier onboarding questionnaire, specifically asking whether the company's female workforce exceeds 50%, underscoring our commitment to fostering diverse and inclusive partnerships within our supply chain.

We also prioritize the education and development of our suppliers in ESG practices, working to enhance their understanding and integration of sustainability principles. In 2024, we provided specialized ESG and compliance training to the top 80% of our suppliers, based on procurement volume.

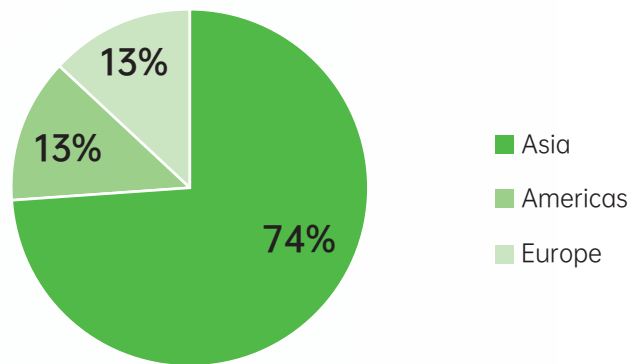
Moreover, to align our procurement strategies with long-term sustainability goals, we have integrated sustainability objectives into the key performance indicators (KPIs) used to evaluate procurement staff.

1. STRENGTHENING GOVERNANCE

1.6.3 Our performance

By the end of the Reporting Period, WuXi XDC has 680 suppliers, containing 261 significant suppliers.

Supplier Geographical Distribution by Spend



Indicator	Unit	2024
Total number of suppliers assessed via desk assessments	Number	261
Percentage of significant suppliers assessed via desk assessments by spend	%	100
Percentage of the number of audited/assessed suppliers involved in corrective action or capacity building	%	100
Number of suppliers being conducted PSCI-standard audits on-site	Number	4

Performance highlight

100% Targeted suppliers with contracts that include environmental and social clauses

100% New suppliers and targeted suppliers that have signed the *Code of Business Conduct and Ethics of WuXi Biologics Business Partner*

100% Procurement staff trained on sustainable procurement

2. CONTRIBUTING TO SOCIETY

WuXi XDC aims to offer a globally comprehensive open-access platform for ADC and XDC to support biopharmaceutical partners and the society. Thus, we strictly control quality based on the quality-first principle throughout all business operation processes. We are enhancing client satisfaction through systematic, active quality control, and are successfully completing quality inspections by regulatory organizations and clients. On top of this, we actively engaged in community support initiatives to improve public health in the communities we operate in.



2.1 QUALITY MANAGEMENT

The health and safety of patients are foundational to everything we do. We have established and operated a robust quality system to go beyond meeting customer standards, and operate and supervise all production processes in a quality-centered way.

2.1.1 Our Governance

A Quality Governance Framework has been put in place to enhance transparency in addressing quality-related matters and is supported by a governance structure with clear policies, communications, and escalation pathways. Our Chief Quality Officer takes the lead in ensuring our quality system is implemented both effectively and comprehensively. This effort is backed by five main departments, including Quality Compliance, Quality Assurance, Quality Control, Training Center and Regulatory Affairs, which make up our quality management system.



WuXi XDC Quality Governance Framework

2. CONTRIBUTING TO SOCIETY

Clear policies are instrumental in enabling us to handle complex quality-related challenges. Our policies, guidelines, and procedures are based on industry best practices and relevant regulatory requirements. We have developed our *Global Quality Manual*, as our foundation for 43 Quality Standard Guidelines and thousands of Standard Operating Procedures (SOPs).

2.1.2 Our Action

On top of the know-how that we have accumulated over years, we have production technologies and distribution channels that meet the quality level of global pharmaceutical companies. Leveraging these, we continuously supply drugs with proven stability to our clients, who in turn ensure these quality products reach the patients. While we commit to the highest level of production quality in accordance with GMP requirements, we have developed our One Global Quality System.



Quality Risk Management

WuXi XDC manages risks based on One Global Quality System, which has been built in accordance with regulatory guidelines as well as our own quality manual. We conduct the company-wide internal quality inspection every year. Through a quality risk assessment (QRA) throughout our entire process, we evaluate potential risks at each stage. Identified risks are scored for severity, chance of occurrence, and detectability compared to internal standards in raw material receipt testing and sampling testing for all products. In addition, we conduct pre/post-tests required for each process, thus systematically assessing and managing potential quality risks.

2. CONTRIBUTING TO SOCIETY

Quality Control

As our business expands, the scale of production is rapidly increasing. Over this progress, one of the key aspects of ensuring our quality competitiveness is the ability to quickly apply the quality control (QC) expertise accumulated in existing plants in China, and processes that reflect the latest regulations to new facilities in Singapore. To achieve this objective, we are in the process of centralizing and standardizing our quality-related organizational structure. This is to enforce stringent quality control measures, ensuring that a consistent quality-control process across all relevant operations.

In order to ensure the safety and quality of the drugs, we conduct testing on samples throughout the production process, including raw materials, in-process materials, drug product samples, and stability test samples. We also have the capability to transfer methods from clients and perform method validation according to the requirements of the Food and Drug Administration (FDA), European Medicines Agency (EMA), Pharmaceuticals and Medical Devices Agency (PMDA) and National Medical Products Administration (NMPA). The QC Team conducts testing in accordance with validated methods and test items in specifications of different products at different production sites.

WuXi XDC routinely conducts environmental monitoring, such as tests on purified water, to maintain an optimal working environment for producing high-quality products. All tests are conducted in accordance with strict GMP requirements.

In 2024, the QC team further enhanced its testing capabilities. The team procured 68 instruments/equipment, including sampling devices, microbial detection tools, and product testing instruments, resulting in an annual testing volume growth of over 100%. On top of this, QC team explored consolidated testing approaches for multiple samples and channels on specific test items, successfully piloting these methods in selected projects. This initiative improved testing efficiency for pilot items by 15%.

In the event of abnormal results in laboratory testing, the QC team will strictly enforce the regulations in the quality system and initiate a laboratory investigation.

2. CONTRIBUTING TO SOCIETY

Quality Assurance

To ensure compliance with all relevant rules and regulations, WuXi XDC maintains a robust quality audit program that annually audits all of our operating facilities against our internal quality standards. As of the Reporting Period, the Group has completed more than 137 GMP audits from global clients, including 16 audits by EU Qualified Persons. The Group believes that these certificates will help manifest the Group's premier quality system that meets global quality standards.

Quality Culture

Fostering a quality-centric corporate culture is of utmost importance for the successful implementation of quality standards. The Training Center is aimed at putting training policies into effect, developing yearly training plans, and carrying out the training initiatives. The in-depth quality training offerings consist of job-specific training, the advancement of product quality practices, and more. These training programs are extended to cover all employee, including full-time, part-time, and contractors.

In 2024, in order to strengthen employee competencies in relation to quality standards, we provide employee training on GMP, which covers all GMP employees. GMP training is centered around regulatory updates, good documentation practice, common issues of GMP documents and records, data reliability, etc.

While all employees at WuXi XDC have access to online courses via the iGrow training platform, enabling them to continuously improve their understanding of quality-related concepts, we arrange on-boarding training programs that includes hands-on laboratory practice for all new employees in R&D, production, quality, and other relevant positions, covering aspects such as GMP, production and quality control. By the end of the Reporting Period, nearly 600 new hires have been trained. For existing employees, on the other hand, we offer annual trainings and up-skilling courses.

2. CONTRIBUTING TO SOCIETY

2.2 INTELLECTUAL PROPERTY PROTECTION

Intellectual property constitutes a vital competitive advantage for enterprises. WuXi XDC continuously strengthens and refines its intellectual property (IP) management framework to safeguard proprietary intellectual property assets while upholding respect for the IP rights of clients, partners, and industry peers.

2.2.1 Our Policy

WuXi XDC has implemented rigorous policies aligned with WuXi Biologics Group standards to safeguard intellectual property and mitigate infringement risks. Key components include the *Operating Specifications of Patent Management Standards*, which govern IP ownership and usage across collaborations.

The company's internal IP protection practices fully comply with China's national standard GB/T 29490-2013 (*Administration of Intellectual Property Rights of Enterprises*) and integrate seamlessly with Group-wide protocols for addressing compliance incidents, ensuring systematic and standardized IP governance.

2.2.2 Our Action

Intellectual Property Protection Measures

We are continuously enhancing our IP protection measures. Comprehensive training programs are provided to all employees to reinforce awareness of trade secret protection. To mitigate potential risks, we classify and categorize trade secrets, conducting thorough assessments prior to the launch of critical business initiatives.

To bolster infrastructure, we have implemented advanced technical safeguards, including data traceability systems, stringent access controls for information storage, and firewalls between project teams to ensure data isolation. A clear reporting mechanism is in place, encouraging employees to report any suspected IP infringements.

In collaborations with third parties, we require suppliers to sign a *Suppliers Intellectual Property Declaration*, which outlines IP usage guidelines and defines dispute resolution procedures, ensuring alignment with our IP protection standards.

2. CONTRIBUTING TO SOCIETY

Intellectual Property Incentives Measures

Innovation is the key to success for any company. We fully understand this and have always placed a strong emphasis on intellectual property and innovation. To encourage our employees to be innovative, we have followed the Group's Service Invention Reward and Remuneration Policy to provide a comprehensive framework that rewards and recognizes the creative contributions of our employees. This policy is designed to foster a culture of innovation, where employees are motivated to develop new ideas and technologies that can drive our company and society forward.

Intellectual Property Technology Platform

As innovation accelerates across industries, the need for a robust and efficient intellectual property technology platform has never been greater. Clients often demand reduced risks, costs, and timelines in process development. To meet clients' R&D needs, we have developed the Integrated ADC Discovery Service, which can take a concept from initial idea to pre-clinical candidate compound in as quickly as 8–10 months.

Moreover, from DNA to IND (Investigational New Drug) filing, WuXi XDC's Integrated CMC Strategy has shortened the timeline to within 13–15 months, compared to the industry average of 24–30 months.

When it comes to late-stage development to BLA (Biological License Application) filing, we leverage our "All-in-One" manufacturing strategy to substantially reduce the timelines to within 24–36 months.

The integrated technology we have developed not only accelerates the development process and significantly enhances the efficiency and effectiveness of R&D efforts, but also contributes to reducing carbon emissions. On top of this, through this platform provided by WuXi XDC, we have reduced our clients' time and costs, ultimately benefiting patients.

2. CONTRIBUTING TO SOCIETY

Drug Antibody Ratio Technology Platform

We have accumulated industry-leading expertise in the process development of various types of bioconjugate drugs. The patented WuXiDAR4™ Drug Antibody Ratio (DAR) platform and enrichment technology greatly enhances DAR4 (four payload molecules per mAb) percentage in the final ADC product and improves conjugation efficiency. Precisely controlling DAR has been a major challenge for the ADC industry. Our new proprietary DAR4 technology tightly controls ADC product homogeneity allowing for more precise quality control of ADC molecules. Thus, WuXiDAR4™ also enables more accurate assessment of the ADC clinical efficacy and more importantly, offers greater patient safety.



WuXiDAR4™ Drug Antibody Ratio (DAR) platform

2.3 CLIENT ENGAGEMENT

WuXi XDC sets client excellence as one of our core values, and enhances corporate competitiveness through client satisfaction and trust. By fostering a client-oriented mindset across all employees and prioritizing client needs at every operational level, we continuously refine our client-centric management practices to deliver exceptional value and strengthen long-term partnerships.

Voice from client

"WuXi XDC is an exceptional business partner with a leading ADC development platform and in-depth capabilities. By combining WuXi XDC's strength in CMC development with our expertise in oncology, we look forward to accelerating the development of CUSP06 for the benefit of cancer patients around the world."

-Dr. Bing Yuan, CEO of OnCusp Therapeutic

2. CONTRIBUTING TO SOCIETY

2.3.1 Our Strategy

We are dedicated to providing our global clients with the optimal product and service experience, emphasizing speed, flexibility, and quality. To reach this target, we keep a close eye on client satisfaction and uphold open communication channels. On top of these, we promote Global Dual-Sourcing strategy to grow production and capacity, enabling us to meet client demands, enhance the stability of our supply chain, and meet our clients' expectations.

Global Dual-Sourcing Strategy

In order to better serve our clients by meeting their growing demands for bioconjugate drug production and strengthening a sustainable and robust global supply chain network, we have established a bioconjugate drug production base in the Tuas Biomedical Park in Singapore. This base scheduled to commence operations by the end of 2025. In Wuxi Site, XBCM2 Line 2 has been successfully put into production and operation. It has the commercial production capacity to produce 60 batches of 2,000-liter-scale antibody intermediates and 80 batches of 1,000-liter-scale bioconjugate drug substances annually.

This global dual-sourcing strategy will further empower our global clients to accelerate the development and production of bioconjugate drugs.



2. CONTRIBUTING TO SOCIETY

Technology Platforms

The Group is devoted to providing a full range of CRDMO services through its industry leading and globally accessible proprietary technology platforms. During the Reporting Period, the Group has launched the upgraded proprietary version of the WuXiDARx™ technology, which potentially being effective to improve the homogeneity of ADC drugs with flexible DAR choices, enhance process stability, reduce drug development costs, enable more accurate assessment of the ADC clinical efficacy and better safety profile, and broaden the possibilities of different desired DARs of ADC drugs. WuXiDARx™ technology aims to further augment conjugation technology and enhance the percentage of desired DAR values and narrowly control the drug distribution in ADC products, so as to develop highly homogeneous ADCs with different DAR values of choices (DAR2, DAR4 and DAR6) with drugs conjugated to the interchain disulfide bonds. As of the Reporting Period, the proprietary WuXiDARx™ platform has successfully facilitated customers to bring 7 ADC pipelines from preclinical stage to clinical stage. The Company, through the launch of WuXiDARx™ technology, is committed to providing cutting-edge conjugation technology, payload-linker technology, early-stage R&D and process development services to meet the diversified needs of its clients.



In respect of payload-linker innovation, the Group has launched X-LinC technology, which serves as a highly stable connector, designed to improve ADC stability and therapeutic window.

Aligned with the bioconjugate innovation trend, the Group has consistently invested in its in-house technology platform to solidify competitive, drive innovation, and deliver cutting-edge solutions that meet global customer evolving needs.

The Group boasts a rich portfolio of payload-linker and conjugation technologies, extensive expertise in payload-linker synthesis and process development, industry-leading process development know-how, comprehensive analytical methods, as well as dedicated and specialized facilities, and also collaborates with third parties. In addition to the internal platform, the Group collaborates with external partners to incorporate complementary ADC technologies, including CysLink™ and AbClick®.

2. CONTRIBUTING TO SOCIETY

The application of the new technologies is expected to enable the Group's clients to accelerate the discovery of preclinical ADC candidates (PCCs) and develop more novel bioconjugates, and to improve the efficiency of development as well as the rate of success. In addition, the Group is committed to pioneering the development of the bioconjugate industry and meeting various development requirements from our clients. In 2024, the Group explored over 3,900 molecules of various modalities, including bispecific ADC, dual-payload ADC, DAC, AOC, APC, etc.

2.3.2 Our Action

Client Communication and Feedback

Effective client communication serves as a cornerstone for enhancing service quality. To achieve this, we have established dedicated feedback channels to systematically address client concerns and analyzed the root causes, took several measures, and updated relevant SOPs. During the Reporting Period, we did not receive client complaints about the products and services.



2. CONTRIBUTING TO SOCIETY

2.4 COMMUNITY SUPPORT

WuXi XDC consistently balances corporate development with social responsibility, leveraging business operations to drive social good while using social initiatives to foster industrial growth, thereby empowering philanthropic progress. We actively engage in and promote the development of community welfare initiatives, mobilizing corporate resources and capitalizing on our industry advantages to contribute to sector-wide advancement.

2.4.1 Volunteerism and Donation

WuXi XDC actively organizes and participates in volunteer service activities, demonstrating deep commitment to social responsibility. We encourage employees to join the company-wide volunteer association, conveying care through practical actions and contributing to community development. Additionally, WuXi XDC directly engages in charitable donations to empower the advancement of public welfare initiatives.

During the reporting period, WuXi XDC's volunteer contribution for community service totalled 44 volunteer hours and 11 person-times of participation.

Annual Blood Donor Day

Together with the Group, WuXi XDC encouraged its employees to participate in the annual Blood Donor Day event at Shanghai Waigaoqiao. Those who volunteered for blood donation demonstrated their commitment to the local community.



2. CONTRIBUTING TO SOCIETY

2.4.2 Industry-Wide Collaboration

We promote the exchange and integration across the entire industry by participating in and organizing various industry exchange activities, and together lead the industry towards new frontiers of development.

Co-hosting the Global XDC 2024

On September 12, 2024, the Global XDC 2024, co-hosted by WuXi XDC and BioValley, concluded at the InterContinental Hotel in Wuxi. Themed "Exploring the Infinite Possibilities of Bioconjugates," the summit brought together over a thousand industry leaders, scientists, innovators, and experts from the US, Europe, Singapore, Japan, South Korea, India, Taiwan, Hong Kong, Malaysia, and more. Through keynote speeches, panel discussions, exhibitions, and a closed-door leadership summit, it focused on next-generation ADC technology, novel bioconjugate innovation pathways, and future development blueprints, including cutting-edge technology platforms, linker technology innovation, new payload development, early R&D processes, CMC challenges, and commercialization strategies. Over two days, elites from industry, academia, research, and medicine explored innovative breakthroughs and trends in the bioconjugate field, driving ADC and XDC industry development, fostering collaboration, and leading the sector to new frontiers.



On-site at the Global XDC 2024

2. CONTRIBUTING TO SOCIETY

World ADC London

On March 13th local time, at the 14th World ADC London conference held in London, UK, WuXi XDC made a significant appearance at this largest academic event in the global ADC field, showcasing its end-to-end services and capabilities in bioconjugate drugs from discovery, process development to production.

Dr. Jincal Li, CEO of WuXi XDC, delivered a keynote speech titled "Accelerating Bioconjugate Development from Discovery to Commercialization with WuXi XDC's Fully Integrated Capabilities and Expanding Capacities". Focusing on industry development trends, Dr. Li shared the company's one-stop technical platform for drug development to commercial production, progress in capacity layout, and ESG strategy practices.



3. EMPOWERING OUR PEOPLE

At WuXi XDC, we recognize that attracting, nurturing, and retaining top talent is essential for sustainable growth. We achieve this by fostering a culture of collaboration and innovation through systematic human resource management, investing in comprehensive training programs to enhance professional skills, offering competitive benefits, and prioritizing health and safety to ensure workplace well-being.



3.1 COMPLIANT EMPLOYMENT

Strategic talent management enables WuXi XDC to achieve sustainable growth and innovation. We therefore strive to secure outstanding talents through fair, diverse, transparent recruitment, provide support so that talents can demonstrate their capabilities and employee engagement. In addition, we uphold the values of Diversity, Equality, and Inclusion (DEI). By integrating these values into every aspect of our operations, we create an environment where employees can thrive.

3.1.1 Employee recruitment and human rights protection

Our Commitment and Policy

WuXi XDC adheres to the principles laid out in key international documents, including the *United Nations International Bill of Human Rights* (consisting of the *Universal Declaration of Human Rights* and its associated covenants), the International Labor Organization's *Declaration on Fundamental Principles and Rights at Work and its Follow-up*, and the *UN Guiding Principles on Business and Human Rights*. We regard The Group's *Code of Business Conduct and Ethics* as the overarching framework that steers all our recruitment activities.

As a recognized CRDMO company, we respect the human rights of our employees and stakeholders across all our business activities ranging from production to management, thereby practicing human rights management. In order to safeguard the human rights of all employees and reduce human rights risks, we strictly adhere to The Group's *Employee Handbook and Whistleblowing and Investigation Policy*. These policies address human rights issues, including but not limited to forced labor, child labor, and discrimination.

3. EMPOWERING OUR PEOPLE

Our Action

Respecting Human Rights

As a way to manage the human rights risks, we regularly assess and identify human rights risks through annual corporate risk assessment and ESG materiality assessment. We proactively conduct assessments of potential human rights issues in our own operations, value chain, and new business relations. Once the human rights risks are identified, measures are implemented to mitigate and remediate the adverse impacts of human right risks.

Our company maintains “zero tolerance principle”, including child labor, forced labor and harassment of any kind, and condemn all forms of inhumane treatment. In addition, we strictly prohibit discrimination based on ethnicity, gender, race, religion, employment status, or any other grounds

Besides, WuXi XDC is dedicated to fostering equal remuneration structures by ensuring adherence to minimum living wage. For extended work hours, employees are well-compensated through overtime pay or compensatory leave arrangements. Additionally, we prioritize employee well-being by implementing proactive measures to mitigate excessive working hours and sustain a healthy work-life equilibrium, reinforcing our commitment to holistic workforce welfare.

We endeavor to prevent any breach of human rights. We are resolute in identifying risks and taking actions to eradicate, quarantine, or minimize the harm-causing potential of these risks. This is carried out through monitoring and internal audits. In addition, we actively promote a culture of openness and accountability through our PROUD⁶, empowering employees to voice concerns and report policy violations via secure, anonymous channels. All reports are rigorously investigated with safeguards to protect whistleblowers from retaliation.

⁶ PROUD: stands for Passion, Reward, Ownership, Unity and Determination

3. EMPOWERING OUR PEOPLE

SpeakUp, Grievance Reporting

Phone (China)	400-120-5045
Phone (Singapore)	800-492-2740
EthicsPoint Website	wuxibiologics.ethicspoint.com
Mailing Address	Compliance and Risk Management Center Building 4, Lane 800 Qifan Road, Pudong New Area, Shanghai, China
E-mail	SpeakUp@wuxibiologics.com

In 2024, no incidents of forced labor, child labor, or discrimination were reported, reflecting our commitment to ethical workplace standards.

Talent Acquisition

WuXi XDC acknowledges employees as precious assets. Their experience, knowledge, and skills drive business growth, support customers and partners, and ultimately benefit patients worldwide.

We are committed to attracting talent from different backgrounds. We proactively assess our hiring via strategic workforce planning annually. This involves identifying the existing skill shortfalls within our workforce and forecasting future recruitment needs, which enables us to steadily expand our diverse talent pipelines.

In our recruitment endeavors this year, we engage in extensive outreach activities. We utilize a wide array of channels and collaborate with various partners. We have developed various channels to find new hires, including campus recruitment seminars, online recruitment, talent recruitment fairs, and internal transfers.

3. EMPOWERING OUR PEOPLE

Seeds Program

The Seeds program stands as our premier internship initiative. It provides university students with hands-on training experiences, and an opportunity for high-potential interns to secure full-time employment. We've established enduring partnerships with more than 30 universities to source interns. Spanning from 3 to 6 months, the Seeds program features well-structured and all-encompassing learning blueprints, complemented by customized training schemes. This ensures that interns gain a comprehensive and targeted learning experience during their time in the program. During the Reporting Period, a total of 198 students have joined in Seeds Program. It is estimated that around 30 students will stay with the company as full-time employees after their graduation in 2025. Furthermore, we have newly established partnerships with six universities this year.

Elite Program

The Elite Program is designed with the aim of nurturing high-potential individuals right at the start of their professional journeys, and finally transform them into future leaders within the biopharmaceutical sector. This is accomplished via a multi-pronged approach. Job rotation is the key part of the program, enabling elite trainees to gain understanding in different aspects of the company's operations. Alongside this, individualized development plans are formulated for each trainee. These plans are tailored to their unique skills, interests, and career aspirations. Mentor coaching is another crucial element, offering them insights, advice, and support. By the end of the Reporting Period, Elite program has covered all of our sites. In 2024, a total of 16 new employees joined the Elite Program.



3. EMPOWERING OUR PEOPLE

Walk-in Campus recruitment

WuXi XDC campus recruitment for the class of 2025 officially commenced on October 22, 2024. Through a multi-channel approach that combines online and offline, the recruitment team went to Tsinghua University, Nankai University, Nanjing University, etc., interacted closely with students and faculty members, shared information about campus recruitment positions, and offered career development advice to final-year undergraduates.



3.1.2 Diversity, Equity, and Inclusion

Our Commitment and Policy

We believe every person deserves to be seen, heard, and cared for. DEI is a path we choose both mindfully and actively, and is cultivated by listening, learning, and connecting with our colleagues, patients, and communities. We adhere to *WuXi Biologics Diversity, Equity, and Inclusion Policy*, which further clarifies and reinforces the importance of DEI in our workplace. Our DEI taskforce simultaneously promotes a wide range of initiatives across the entire company.

Our Target

WuXi XDC is committed to building an inclusive environment where everybody could thrive. We have set an ambitious target of achieving a minimum of 45% female representation in managerial positions across our global operations. In order to realize this goal, we have regularly undertaken DEI initiatives.

3. EMPOWERING OUR PEOPLE

Our Action

Women in STEM

In order to build authentic connections and encourage diverse perspectives, since 2022, we have launched WiSTEM program to empower and encourage more female employees to increase their representation and realize their potential in the fields of STEM. Our DEI taskforce organizes a series of company-wide campaigns to support women on regular basis.



3. EMPOWERING OUR PEOPLE

We consistently highlight the outstanding achievements of our female employees through internal company posts to champion female power

Over the past eight months, "Six Golden Flowers" project team — Chen Shuang, Cao Xing, Zhou Tingting, Lu Xuewei, Chen Jing and Ruanshen, has overcome many challenges and fulfilled their mission. The successful listing of WuXi XDC is the best reward for their hard work and the best proof of their capabilities. They've truly shone and earned their title.

Cao Xing, with over 10 years of service, has been an active participant and witness to the company's growth and development. Her comprehensive and impressive "WuXi resume" has made her synonymous with "seniority and professionalism." She has made outstanding contributions to the company and, in turn, has become a better version of herself.

Li Yue's career began at WuXi. Over nearly a decade, she has grown from a fresh graduate into a junior manager. She and her team have proven through tangible results that "small projects can develop into big clients." She continues to contribute to the Company's rapid development while committing to her own growth.



WiSTEM Initiatives

3. EMPOWERING OUR PEOPLE

Continuous Monitoring of DEI

Remaining committed to cultivating an inclusive work environment, we consistently gather and evaluate employee diversity data. This enables us to monitor our progress from one year to the next. Our HR dashboard, a sophisticated diversity-tracking instrument, facilitates continuous evaluation. This is an essential practice for the implementation and enhancement of diversity initiatives across the entire company.

WuXi XDC adheres to the concept of equal pay for equal work. We are dedicated to ensuring that men and women receive equal pay when they carry out equivalent tasks. Each year, we conduct a thorough assessment of compensation data for ongoing monitoring.

Global Cultural Awareness Training

Our rapid global growth is attracting a diverse range of talent from different cultural backgrounds. This influx enriches WuXi XDC with a wide range of ideas and viewpoints, strengthening our dedication to creating a workplace where innovation thrives, and inclusive decision-making is the norm. Our initiatives are designed to encourage collaboration, open communication, and mutual respect, providing a foundation for every individual to succeed and contribute in their unique way.

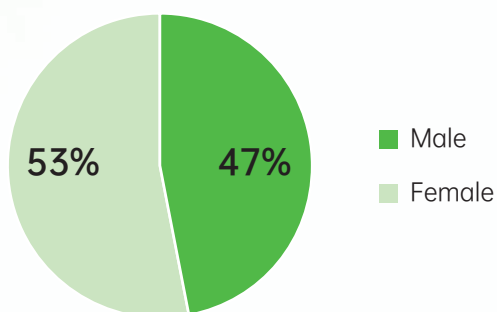
In 2024, we continue to cultivate leaders with a global mindset. The company has created a customized "Becoming a Global Leader" program, consists of three main modules: "Cross-Cultural Communication," "Developing a Global Mindset," and "Adapting to Change". The program has drawn a large number of participants and has achieved a high level of satisfaction, demonstrating our commitment to providing leaders with the means to manage diversity effectively.

3. EMPOWERING OUR PEOPLE

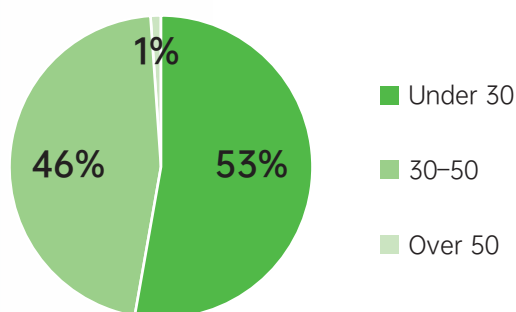
Our Performance

In 2024, the percentage of female in managerial positions has reached 44%, the percentage of female employees in senior management has reached 37%, and the total female employees account 53% in our workforce.

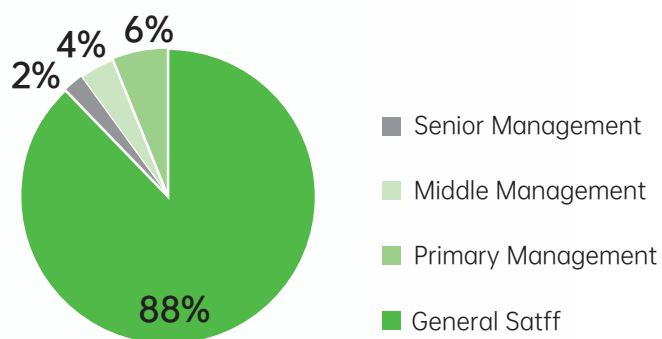
Employees by Gender



Employees by Age



Employees by Job Level



3. EMPOWERING OUR PEOPLE

3.2 EMPLOYEE TRAINING AND DEVELOPMENT

Human capital development is crucial in enabling WuXi XDC to meet external challenges and ensure its continual growth. We firmly believe the knowledge and insights of our employees empower the Company to innovate and make impact. We have made unremitting efforts in employee training and development to ensure that we have the right people equipped with skill sets that align with our long-term growth and innovation needs.

3.2.1 Our Target

WuXi XDC's front-line managers, essential for bridging and executing operational goals, face growing challenges due to rapid company expansion, necessitating continuous foundational improvements to attract and retain top talent.

We are committed to ensuring that our training programs cover 100% of the company's Front-line managers, and we aim for an employee training satisfaction rate of 95%.

3.2.2 Our Action

We believe that comprehensive and impactful training is not merely beneficial for enhancing the performance of both employees and the company, but also plays a crucial role in retaining high-caliber talent.

Each year, we update our annual training and development plan, such as Training Program Framework and "LEAP" program. The various training programs that are provided with the aim of developing careers and strengthening expertise are fairly provided to all employees, including contract workers. Relevant training content is also registered to iGrow online learning platform, being managed systematically by the Group.

3. EMPOWERING OUR PEOPLE

Diversified Talent Development Pathways

By leveraging the resources from the Group, WuXi XDC has now formulated our training program framework. We update the training content and objectives on a regular basis. This ensures that the training we provide meets the needs of all our employees, including contract workers.

Types	Trainees	Training Contents
Orientation	All employees	During their initial 12 months of employment, new hires embark on the New Employee Orientation (NEO) learning experience
	All management	In the first six months following their onboarding, new leaders will participate in the "Navigator Program."
Leadership	All Employees	Centering around aspects such as self-awareness, project management, effective communication, and personal effectiveness
	Primary Management	Using a blended learning approach to boost junior managers' management capabilities, with an emphasis on role transitions, performance and team management, communication, and employee motivation.
	Middle Management	Centering around making effective decisions, self -management, leading teams to achieve high performance, adopting the role of a coach as a leader
	Senior Management	Senior Level Leadership Program enables leaders to cultivate a profound sense of self-awareness. This is achieved through practices like mindfulness, "leader as coach" training, and one-on-one coaching sessions

3. EMPOWERING OUR PEOPLE

Types	Trainees	Training Contents
Professional and Job-Specific	Junior Specialist	Through on-the-job training and standard operating procedure training, technical staff can adapt rapidly and acquire core knowledge and technology
	Mid-Level Specialist	By obtaining advanced knowledge and fortifying their project management skills, mid-level technical experts can develop into managers driven by technology
	Senior Specialist	Through the implementation of training camps and specialized programs, enhancing the drug research and innovation skills of our specialists, paving the way for them to emerge as highly-regarded experts within their fields
Educational	All Employees	Encouraging employees to obtain on-the-job graduate and doctoral degrees from partner universities, including Fudan University, Tsinghua University etc., as well as offering language learning opportunities, and we also provide tuition support.
General Skills	All Employees	The iGrow online learning platform covers office skills, soft skills, and fundamental leadership skills
Vocational	All Employees	We stimulate employees, including contract worker, with financially support to obtain relevant occupational credentials

Training Program Framework

3. EMPOWERING OUR PEOPLE

The "LEAP" Series Employee Development Training Program

We kept developing and enhancing our talent development program system. This continuous effort led to the establishment of the LEAP talent development programs. In 2024, the Group offered approximately 140 targeted online and in-person courses and seminars. By the end of this reporting period, a total of 90 employees have participated in "LEAP", and the talent retention rate among participants reached a remarkable 100%. On top of this, WuXi XDC organized talent development initiatives based on the specific needs of our business development, such as the Executive Mindfulness and Coaching Leadership Program, and the Cross -departmental Collaboration Training Workshop.

L represents the "Leadership Transition Program"

- designed for frontline managers to enhance their leadership skills, help them develop role awareness, and strengthen the reserve of mid-level management talent.

E stands for "Elite Program"

- a customized talent development project designed by the Company to foster the next generation of top talents in the industry and train future leaders

A is for the "Advancing Program"

- designed for mid-level managers to build high-performing teams and enhance the organization's core strengths through leadership projects

P is for the "Pilot Program"

- designed for senior level managers and focuses on leadership projects that achieve team and organizational change through self-awareness

3. EMPOWERING OUR PEOPLE

"The Ming Shi Tang" Internal Trainer Program

"The Ming Shi Tang" Internal Trainer Program aims to promote a culture of learning and personal development. It cultivates in-house trainers from course delivery facilitation, annual empowerment activities, and course development support. By the end of the reporting period, a total of 14 in-house trainers had participated in this program. Among them, 4 obtained the Training the Trainer to Train (TTT) certification within the year. These trainers contributed 18.5 hours of teaching time and achieved an average teaching satisfaction rate of 97%.

WuXi XDC Learning Month

Learning month event focused on four dimensions: Achieving, Thinking, Self-Awareness and Relating. This initiative aimed to inform employees about the most recent business developments and technological trends. It also sought to clarify how to carry out company-wide business expansion, as well as to illustrate the significance of lean thinking for both the company and its individual employees.

Continuous Education for Employees

WuXi XDC actively explores diverse talent-cultivation methods by making use of resources like external online education platforms and collaborations with educational institutions. Through these means, the company is committed to fostering a highly skilled workforce. In addition, we support employees in their pursuit of higher education degrees and professional certifications. We offer graduate traineeship programs and collaborate with institutions to design and carry out joint training initiatives.

We have developed external training and educational programs for our employees to enhance their skills and knowledge.

Fudan University	offer graduate programs in multiple disciplines such as bioengineering, biotechnology, and pharmacy
Jiangnan University	
Tsinghua University	provide a doctoral program for our employees in chemical engineering.

3. EMPOWERING OUR PEOPLE

Strengthening partnership with Nankai University

In 2024, a symposium took place between WuXi XDC and the College of Life Sciences at Nankai University. The symposium was centered around a range of topics, such as project cooperation and transformation, talent recruitment, and student internships and employee training. Additionally, exchanges occurred with the college's faculty members regarding the recruitment of recent graduates and the career development paths of various positions.



Talent Motivation and Promotion

As part of our talent development strategy, we have established structured promotion and internal transfer mechanisms to enable employees to maximize their potential and advance their careers within the organization. In 2024, the company has adjusted and aligned its global job-grading system, in order to support business growth and operational needs and better facilitate global talent mobility. The refined job-grading system will reflect the development characteristics of different types of employees worldwide. It further strengthens the foundation of human resources structure, and the potential career advancement opportunities are available to all employees within the organization.

Executive Track (E)	Executives in this track are responsible for making strategic decisions and charting the overall direction of the organization
Management Track (M)	Individuals in this track drive the execution of goals by managing teams or departments. They assume the responsibility of personnel management, overseeing and guiding their teams to achieve organizational objectives

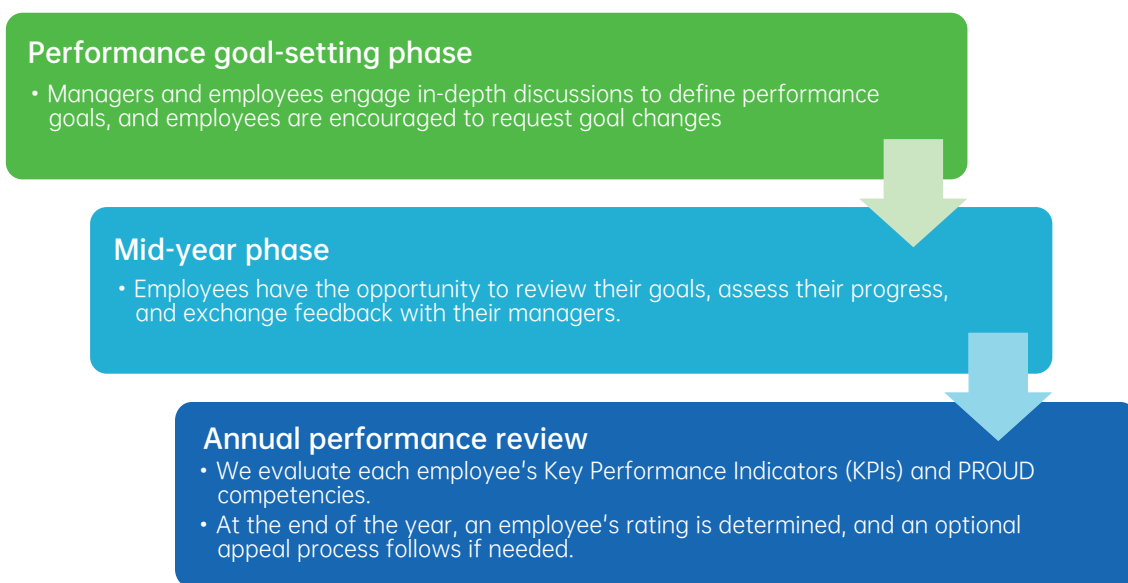
3. EMPOWERING OUR PEOPLE

Professional Track (P)	Employees in this track possess specialized knowledge. They contribute to the organization through their unique professional skills, expertise, or creativity, leveraging their individual capabilities to enhance the company's performance
Technical Support Track (T)	Employees in this track play the role of providing technical support or services to other employees or clients.

Talent Development Track

Employee Performance Appraisal

With the aim of successfully identifying, cultivating, retaining, and enabling the growth of our talents, we created a well-grounded individual performance appraisal system. We conduct performance appraisal annually, and employees are given the rights to appeal the appraisal.



Performance Appraisal Process

3. EMPOWERING OUR PEOPLE

Remuneration and Employee Equity Plan

WuXi XDC consistently benchmarks and refines its compensation and benefits package to uphold a high level of competitiveness within our industry. Our pay structure consists of fixed and variable pay elements. As part of our annual performance bonus scheme, every employee, including contract workers, is eligible for high-performance rewards. We make sure that top-performing employees are acknowledged through different salary adjustment approaches. These include annual raises, promotions, and special adjustments. On top of this, the company has implemented employee equity programs, covering key employees and management level, as a way to connect long-term incentives to both corporate and individual performance.

3.3 EMPLOYEE BENEFITS AND ENGAGEMENTS

Adequate working arrangements, heartfelt recognition, deep-seated engagement, and an improved general well-being can cause employees to perceive that they are regarded, and their value is recognized. WuXi XDC provides a wide range of benefits for our employees, we also actively engage in regular employee communication initiatives, aiming at better understanding employees' needs and concerns, making timely improvements to enhance their work experiences.

3.3.1 Our Action

Employee Benefits

WuXi XDC operates welfare systems and creates a warm corporate culture to advance into a leading family-friendly company through work-life balance. We implement customized welfare programs for all employees, including contract workers, and thus improves the quality of life of employees and their families, resulting in enhancement of employees' sense of trust in the company.

We provide a wide array of non-pay benefits to all employees, ranging from welfare systems that are aimed at promoting employees' physical and psychological health, including medical check-up support, to family welfare systems, such as financial gifts on special occasions. In addition, we operate various in-house convenience facilities so that employees can work in an optimal environment and focus on establishing an enriching work environment. We will continue to actively embrace employee opinions, while also adopting and operating welfare programs as part of our efforts to realize employee-centered welfare.

3. EMPOWERING OUR PEOPLE

Types of benefits	Details
Statutory Benefits	Pension
	Medical insurance
	Unemployment insurance
	Disability insurance
	Work-related injury insurance
	Birth insurance
	Housing provident fund
Supplementary Benefits	Enhanced paid annual leave
	Supplementary commercial insurance
	Annual health examinations
	Commuting buses
	Overtime pay and time off in lieu
	Cafeteria
	Outdoor activities
Flexibilities	Flexible working hours
	Remote working arrangements
Family-Friendly Benefits	Paid maternity leave
	Paid paternity leave
	Prenatal check-up leave
	Paid parental leave
	Paid family or care leave beyond parental leave
	Breast-feeding/lactation leave
	Nursing room

3. EMPOWERING OUR PEOPLE

Employee Communication

Engaging with employees is the cornerstone upon which the success and sustainability of our company are built. To make employees' voices heard, we have implemented a variety of open communication channels and feedback mechanisms. These include meeting with CXO and regular town hall meetings where employees can voice their concerns and ideas directly to the leadership team, anonymous suggestion boxes that allow for candid feedback without fear of repercussions. By actively listening to employees and taking their input seriously, we foster a culture of collaboration and mutual respect.

Meeting with CXO

In WuXi XDC, we are dedicated to fostering a strong sense of community and creating channels for open communication between employees and the management. To achieve this, we have launched the "Meet the CXO Face-to-Face" series of events and invite every XDC member to actively participate. The event is meant to discuss new opportunities for personal development and enhance cross-departmental collaboration, interaction, and communication.



Employees meeting with CEO

3. EMPOWERING OUR PEOPLE

Run for Health

At WuXi XDC, we are deeply committed to fostering a culture of health, engagement, and personal growth among our employees. During the Reporting Period, we organized outdoor activities, such as Run for Health, to promote physical fitness of our employees.



3.4 OCCUPATIONAL HEALTH AND SAFETY

WuXi XDC is committed to maintaining rigorous safety standards, ensuring that both employees and supplier staff work in a safe and healthy environment. At each of our facilities, we foster a culture of safety and well-being, providing a stable foundation that enables employees to focus on enhancing their professional skills, efficiently promote team collaboration and sustain excellent performance.

3.4.1 Our Governance

WuXi XDC strictly adheres to Group's laws such as *WuXi Biologics Environmental, Health, and Safety (EHS) Policy* and *WuXi Biologics EHS Standards*. In 2024, WuXi XDC established its internal *WuXi XDC Environment, Health & Safety (EHS) Policy*, which, together with the Group's policies, serves as the guiding framework for occupational health, safety, and environmental management across all WuXi XDC facilities. Our policies address critical areas such as emergency response, contractor management, work permits, industrial hygiene, laboratory biosafety, noise control, radiation safety, mechanical and electrical safety, warehouse safety, fire prevention, traffic safety, and slip and fall prevention. Applicable to all employees, contractors, and individuals within the company's operational scope, the policy is designed for continuous improvement. During the Reporting Period, WuXi XDC did not incur any penalties for violations of occupational health and safety regulations.

3. EMPOWERING OUR PEOPLE

3.4.2 Our Target

Target	2024 Achievement
Lost Time Incident Rate (LTIR) to be no higher than 0.063 in the current year.	Achieved

3.4.3 Our Action

WuXi XDC prioritizes the health and safety of our employees by implementing robust management systems. Our production facility has earned ISO 45001 certification and operate our safety and health system in line with global standards.



ISO 45001

3. EMPOWERING OUR PEOPLE

Risk assessment and audits

WuXi XDC adheres to the *WuXi XDC Environment, Health & Safety (EHS) Policy*, and *WuXi Biologics Environmental, Health, and Safety (EHS) Policy and EHS Standards*, which provide comprehensive guidelines for managing occupational health, safety, and overall risk management. Aligned with applicable laws and our internal policies, we consistently perform risk assessments to identify, evaluate, and address potential hazards within our operations. These assessments include controls and corrective actions to mitigate identified risks. In 2024, WuXi XDC maintained its rigorous safety risk management framework, actively identifying and mitigating occupational health and safety risks through effective control measures to ensure workplace safety. In addition, third-party audits and safety inspections were conducted to further enhance our safety practices and operational efficiency.

WuXi XDC employs dual prevention and control mechanisms as a key part of its risk management strategy, aiming to proactively identify risks and implement preventive measures. Alongside these proactive steps, responsive strategies are in place to effectively address any incidents that may arise. By integrating these approaches, we seek to minimize both potential and actual risks, ultimately fostering a stronger safety culture and ensuring safer operations across the organization.

Furthermore, WuXi XDC performs business processes safety analysis as part of its systematic risk assessment. This analysis focuses on identifying and mitigating potential hazards across all stages of the business processes. It ensures that safety is integrated into the design, operation, and ongoing improvement of business activities, while continuously monitoring and optimizing safety measures to mitigate any risks. Through this comprehensive approach, WuXi XDC ensures a safer work environment, reduces operational risks, and enhances overall compliance with safety standards.

3. EMPOWERING OUR PEOPLE

OHS Protection Measures

At WuXi XDC, Occupational Health and Safety (OHS) is a top priority. We have established comprehensive measures to safeguard employees working with hazardous materials.

Comprehensive Safeguards for Employees Handling Hazardous Materials

Protection Type	Measures	Targets
Engineering Control	Use of isolators when handling highly active materials. Regular containment performance testing.	Ensure exposure to hazardous substances is below required thresholds.
Administrative Control	Annual fit testing for employees using respiratory protection equipment.	Ensure proper mask fit and correct usage.
PPE Requirement	Development of a PPE matrix specifying minimum PPE requirements based on role-specific hazards.	Standardize safety protocols and minimize exposure risk.
Occupational Health Check	Provide regular occupational health check-ups for employees.	Monitor and protect employee health against occupational risks.

Training

WuXi XDC conducts quarterly training programs to ensure that employees are well-equipped to handle occupational health and safety risks, as well as manage equipment effectively.

3. EMPOWERING OUR PEOPLE

OHS Training	Equipment Management Training	First Aid Training
<ul style="list-style-type: none">Focusing on maintaining a safe working environment by addressing workplace hazards, emergency response procedures, and health and safety best practices	<ul style="list-style-type: none">Ensuring employees to be proficient in the proper handling and the maintenance of equipment, minimizing operational risks and enhancing efficiency.	<ul style="list-style-type: none">Equipping employees with the essential skills to respond effectively to medical emergencies, promoting a safer work environment and improving overall emergency preparedness.

OHS training programs

In 2024, WuXi XDC organized multiple safety training programs to ensure that both employees and contractors are equipped to handle emergencies effectively. Our contractors actively participated in emergency response training organized by the Group, which included fire fighting, confined space rescue, pipeline plugging, and SCBA (Self-Contained Breathing Apparatus) wearing practical operation training.

Additionally, WuXi XDC hosted own site-specific emergency response training, focusing on highly toxic and active chemical spill operational practices.

3. EMPOWERING OUR PEOPLE

We also conducted two fire evacuation drills at its base, with over 2,000 participants, as well as several material leakage drills.



Fire fighting practice training



Confined space rescue training



Pipeline plugging training



Theoretical training



SCBA wearing practical operation training



Highly toxic and active chemical spill operational training

photos of various training programs

3.4.4 Our Performance

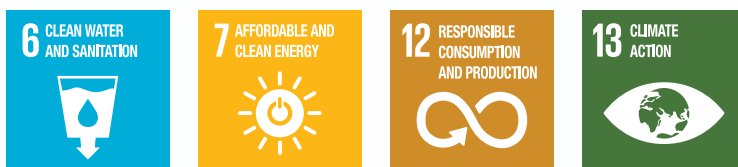
Performance highlight

100% of facilities which an employee health & safety risk assessment has been conducted

100% of employees who received safety training

4. ENVIRONMENTAL SUSTAINABILITY

WuXi XDC implements a sustainable development strategy focused on conserving natural resources and preserving ecological balance. Guided by green development principles, we prioritize environmental stewardship through enhanced energy efficiency and minimized pollutant emissions. Proactively addressing climate challenges, we conduct systematic evaluations of climate-related risks while identifying growth opportunities in sustainable practices.



4.1 RESPONSE TO CLIMATE CHANGE

WuXi XDC manages climate-related risks through systematic assessment and targeted mitigation strategies. We have established rigorous measures to address environmental and societal impacts of climate change, prioritizing energy efficiency optimization and greenhouse gas emission reduction. In operational execution, we strictly adhere to the TCFD framework under our Group's *Climate Policy*, with climate disclosures structured across four core pillars: governance, strategy, risk management, and metrics and targets.

4.1.1 Governance

WuXi XDC places a strong emphasis on climate change governance, integrating it into our management framework. We consistently enhance governance mechanisms to ensure climate-related risks and opportunities are prioritized equally with other critical ESG factors in strategic decision-making.

Our governance structure for managing climate-related risks comprises the Board level ESG committee, the ESG steering group, ESG department and Climate Change Task Force and working group composed of climate-related departments. The Board is responsible for overseeing climate change strategies, as well as for identifying and managing associated risks and opportunities, with annual reviews conducted to assess decarbonization progress.

4. ENVIRONMENTAL SUSTAINABILITY

Climate-related Governance Responsibilities

ESG Committee	<p>The Board-level ESG committee is responsible for:</p> <ul style="list-style-type: none"> • Guiding and formulating the Company's climate-related vision, goals, strategies, roadmap, and structure. • Identifying key climate risks and opportunities. • Overseeing the implementation and progress of climate-related goals. • Organizing annual reviews of climate-related issues during board meetings.
ESG Steering Group	<p>The ESG Steering Group, chaired by the CEO and comprising the Company's senior executives, is responsible for:</p> <ul style="list-style-type: none"> • Providing business insights to support the Group's Climate Change strategy, including the monitoring and management of climate risks and opportunities. • Ensuring appropriate resource allocation for the implementation and enforcement of climate-related strategies and risk management.
ESG Department and Climate Change Task Force	<p>The Climate Change Task Force, which is composed of experts from various key departments at Group level, together with the ESG Department of WuXi XDC, are responsible for:</p> <ul style="list-style-type: none"> • Engaging with stakeholders to provide insights and guidance in identifying climate risks and opportunities, and in developing climate-related strategies. • Continuously monitoring climate performance and refining action plans to ensure the achievement of climate-related goals.
Business Departments and All Facilities	<p>Relevant business departments, including developments, manufacturing, EHS, etc. together with all facilities are responsible for:</p> <ul style="list-style-type: none"> • Executing strategies for climate adaptation and mitigation. • Developing and implementing innovative and operationally excellent practices to advance our vision related to climate.

4. ENVIRONMENTAL SUSTAINABILITY

Climate-related risk identification is integrated into the company-wide risk assessment process, forming an integral component of a holistic risk management system that adheres to the *COSO Enterprise Risk Management Framework — Aligning Risk with Strategy and Performance*. Guided by the Group's Climate Change Policy, which delineates our commitments, strategies, and roadmap for reducing greenhouse gas emissions, decarbonizing operations, and managing climate risks, we establish clear actions and targets. This policy is periodically reviewed and updated to ensure its continued relevance and alignment with evolving challenges and objectives.

4.1.2 Strategy

Due to the complex and cumulative nature of climate-related risks and their potential impact on our business, it is crucial to assess and manage these risks effectively to maintain operational resilience. In shaping our strategy, we consider external factors such as government policies, regulatory frameworks, and historical data, alongside projections of future extreme weather events that could influence our operations. We also examine internal factors, including operational details and business growth trajectories, to develop a comprehensive approach to managing climate risks.

We follow a structured and scientific approach to develop climate-related management strategies. Scenario analysis, including Representative Concentration Pathways (RCP) 2.6⁷, "Net Zero Emissions by 2050 Scenario (NZE)" as 2°C or below scenarios, "Representative Concentration Pathways (RCP) 8.5" and "Stated Policies Scenarios (STEPS)" as above 2°C scenarios⁷, have been used to formulate strategic plans to enable flexible and robust responses to various future situations. To further identify the priority of our planned actions, we regularly adjust them in the short, medium, and long term based on the risks and opportunities identified in our current risk management system and strategic planning.

⁷ Under the 2015 *Paris Agreement*, nearly 200 countries agreed to limit global warming to no more than 2°C by 2100, and to aim for a no more than 1.5°C increase. 2°C or below 2°C scenarios are the global community's accepted limitation of temperature growth to avoid significant and potentially catastrophic changes to the planet, which can also be referred to as 'Paris Aligned'. Above 2°C scenarios show a potential situation where this agreement is not met.

4. ENVIRONMENTAL SUSTAINABILITY

Four climate scenarios for analysis

Scenario	RCP 2.6 (IPCC*) ⁸	RCP 8.5 (IPCC) ⁹	NZE (IEA**) ¹⁰	STEPS (IEA) ¹¹
Description	This scenario is consistent with ambitious GHG emissions reduction with the <i>Paris Agreement</i> , which would peak around 2020, then decline on a linear path and become net negative before 2100.	The high-emissions scenario, consistent with a future with no policy changes to reduce emissions and characterized by increasing GHG emissions that lead to high atmospheric GHG concentrations.	A scenario that sets out a pathway for the global energy sector to achieve net zero CO ₂ emissions by 2050. It doesn't rely on emissions reductions from outside the energy sector to achieve its goals.	A scenario that reflects current policy settings based on a sector-by-sector and country-by-country assessment of the specific policies that are in place, as well as those that have been announced by governments around the world
Temperature Rise by 2100	1.8 °C	4.4 °C	1.5 °C (with a 50% probability)	2.4 °C (with a 50% probability)
Approach of Analysis	Physical risks are analyzed responding to physical impacts on our assets and across value chain over the short, medium and longer term.		Transition risks/opportunities are analyzed responding to adapting and mitigating climate transition impacts over the short, medium and longer term.	

* The RCP scenarios are pathways that the IPCC (Intergovernmental Panel on Climate Change) used in the latest Sixth Assessment Report (AR6)

** The IEA (International Energy Agency) scenarios are used in its flagship publication — *World Energy Outlook (WEO)* on the global energy system every year

The prioritized risks and opportunities, the associated financial impact under different scenarios over time, and our response strategy are detailed in the accompanying table.

⁸ NOAA. (2013). Climate Model: Temperature Change (RCP 2.6) — 2006–2100.

⁹ NOAA. (2013). Climate Model: Temperature Change (RCP 8.5) — 2006–2100.

¹⁰ IEA. (2022). Understanding GEC Model scenarios.

¹¹ IEA. (2022). Understanding GEC Model scenarios.

4. ENVIRONMENTAL SUSTAINABILITY

Detailed List of Climate-Related Risks and Opportunities

Risk/Opportunity		Description	Financial Impact	Time Horizon
Physical Risks	Acute Physical Risk	<p>The increasing intensity and frequency of extreme weather events driven by climate change, including heatwaves, cyclones, and floods, could negatively impact our operational performance by disrupting energy and transportation systems.</p> <p>Typhoons and heavy rainfall may block transportation routes, leading to disturbances in both upstream and downstream activities throughout our supply chain.</p>	Increased operating costs from reinforcement of site infrastructures and additional engineering costs.	Short-term (by 2026)
	Chronic Physical Risk	<p>Long-term physical risks associated with climate change could involve rising temperatures, sea level increases, and permanent alterations in climate patterns. Higher temperatures may lead to a greater demand for energy to regulate site temperatures.</p> <p>Coastal flooding and rising sea levels could significantly impact critical public infrastructure, potentially impairing a site's operational efficiency.</p>	Increased operating costs due to more energy needed to maintain optimal temperatures at our manufacturing facilities, and additional subsidies and insurance to ensure employee health in hot temperatures.	Long-term (by 2050)

4. ENVIRONMENTAL SUSTAINABILITY

Risk/Opportunity		Description	Financial Impact	Time Horizon
Transition Risks	Policy and Legal Risk	The stricter local regulations in both domestic and international facilities are likely to increase carbon emission costs as governments update and implement their commitments under the <i>United Nations Framework Convention on Climate Change</i> and the <i>Paris Agreement</i> and as GHG emission policies and regulations evolve.	Increased operating costs from future implementation of carbon pricing schemes in more jurisdictions.	Long-term (by 2050)
	Technology Risk	To shift towards a low-carbon operation, we will need to invest in energy-efficient equipment, clean energy solutions, and low-carbon production technologies. This may lead to a reduction in asset value due to the necessity of upgrading to low-carbon technologies, potentially resulting in shorter asset lifespans, impairments, or the early retirement of existing assets.	Decreased asset value from the need to upgrade to low-carbon technologies. Decreased asset useful life, asset impairment or early retirement of existing asset might occur.	Long-term (by 2050)
	Market Risk	As climate change intensifies globally and the demand for environmentally sustainable products rises, WuXi XDC, which must strengthen its competitive position, needs to adopt strategies aimed at improving the environmental performance of its products and services. Failure to take such action could result in a loss of market share and a decline in demand for its offerings.	Increased cost to respond to client changes in preference towards more environmentally friendly products and services.	Medium-term (by 2030)
	Reputation Risk	Stakeholders, including clients, employees, investors, and shareholders, have increasing expectations for our contribution to a low-carbon economy, which could influence the Company's value. If we fail to make adequate progress toward achieving climate goals and taking necessary actions, our value may be negatively impacted.	Increased cost of capital and potential decrease in company value from failure to meet stakeholders' expectations.	Long-term (by 2050)

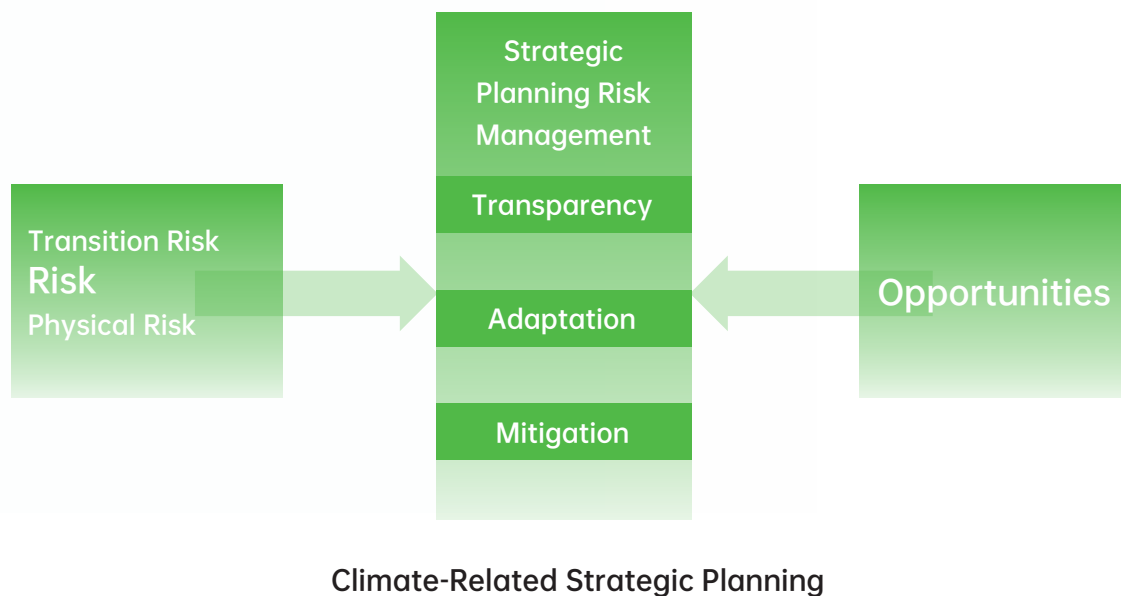
4. ENVIRONMENTAL SUSTAINABILITY

Risk/Opportunity		Description	Financial Impact	Time Horizon
Opportunities	Resource Efficiency	Through technological advancements and process innovations, opportunities could arise from optimizing the use of utilities like steam, water, and electricity. Enhanced resource and process efficiency will lead to a positive business impact.	Reduced operating cost from improved resource efficiency.	Medium-term (by 2030)
	Energy Source	Integrating more renewable energy into our energy mix, such as expanding photovoltaic systems, will reduce both emissions and energy costs. Furthermore, global governments are enacting policies and providing incentives to support the growth and trade of renewable energy, creating valuable opportunities for us to accelerate the adoption of renewable sources.	Returns on investment in renewable energy projects. Reduced operating cost from potential policy incentives.	Long-term (by 2050)
	Market	Adopting low-carbon solutions and partnering with value chain collaborators could create opportunities in both mature and developing markets, driving progress toward a more sustainable economy.	Increased revenue from tapping into expanded and new markets with a broader client base.	Long-term (by 2050)
	Products and Services	Conducting green manufacturing practices, such as improving operational efficiency and optimizing manufacturing processes, will not only enhance our competitive edge but also help us attract and retain clients, as an increasing number of clients are prioritizing environmental considerations in their tender requirements.	Increased revenue resulting from increased demand for product and services provided through an energy-efficient and low-emission platform	Long-term (by 2050)

4. ENVIRONMENTAL SUSTAINABILITY

Risk/Opportunity	Description	Financial Impact	Time Horizon
Resilience	By enhancing WuXi XDC's ability to manage climate risks and capitalize on opportunities, we not only build our own resilience but also support our suppliers and clients in strengthening their capacity to adapt to climate change. This is achieved by increasing the reliability of our supply chain and reinforcing our operational effectiveness under diverse conditions.	Increased market valuation through resilience planning. Reduced operating costs from enhanced supply chain stability and reliability.	Long-term (by 2050)

Through our climate strategy modeling framework, we systematically identify and assess climate-related risks, and take measures to address them. At the same time, we actively seize emerging opportunities and take corresponding actions to build climate resilience.



4. ENVIRONMENTAL SUSTAINABILITY

Transparency

We prioritize transparency in our strategic planning and risk management. We ensure open communication on climate-related management progress with stakeholders such as customers, investors, and local communities. Additionally, we adhere to international standards and local regulations, ensuring accountability and fostering trust in our climate actions.

– GHG Emission Measurement and Verification

In 2024, we engaged an independent, accredited professional agency to carry out a carbon inventory across the Company in accordance with the ISO 14064 standard¹² for Scope 1 and 2. This baseline assessment of our emissions profile provided a strong foundation for creating an energy-saving and carbon reduction roadmap, allowing us to track our progress towards the GHG target. As a result, we aim to forecast our future carbon emissions by utilizing capacity planning and aligning our approach with the latest scientific findings.

Adaptation

Our goal is to build a climate-resilient workplace and foster a climate-literate workforce, strengthening our capacity to manage the physical impacts of climate change. This not only involves mitigating risks but also adapting to evolving environmental conditions. Our adaptation strategies include implementing weather early-warning systems, developing emergency response and evacuation plans, setting up energy reserves, and promoting soil and water conservation initiatives. By taking these proactive measures, we enhance our ability to address climate-related challenges, ensure business continuity, and support both environmental preservation and community well-being in the long term.

– Business Contingency Plan Optimization

As part of our operations risk management strategy, we have developed comprehensive business continuity plans to address potential disruptions, including those resulting from extreme weather events. These plans ensure the continuity of critical operations and crisis management capabilities during major incidents. To mitigate physical risks, we actively monitor weather patterns and implement protective measures and emergency equipment in preparation for climate-related disasters. Additionally, we conduct annual drills to assess and enhance the effectiveness of our emergency response. During the Reporting Period, there were no safety accidents or production impacts attributed to extreme weather at WuXi XDC.

¹² Under the operational control.

4. ENVIRONMENTAL SUSTAINABILITY

By the end of Reporting Period, Shanghai and Wuxi site have established management system based on BCM-ISO 22301¹³, and successfully obtained the BCM-ISO 22301 certification, further demonstrating our strong commitment to ensuring operational resilience.



BCM-ISO 22301 Certification

– Employee Training

Effective climate adaptation requires the active involvement of all employees. Engaging our workforce is crucial for achieving GHG reduction targets and implementing climate adaptation strategies. To raise awareness of climate change, we provide comprehensive training programs, lectures, and leverage various internal communication channels. We also encourage employees to apply their climate knowledge in daily tasks, which drives progress towards our carbon reduction goals.

¹³ BCM-ISO 22301 is a recognized international standard for Business Continuity Management (BCM) systems, which helps organizations ensure they can continue operating during disruptive events. The standard provides guidelines to plan, establish, implement, and maintain business continuity strategies and practices.

4. ENVIRONMENTAL SUSTAINABILITY

Participation in the Environmental Sustainability Workshop

WuXi XDC participated in the Environmental Sustainability Workshop organized by WuXi Biologics in 2024. We actively engaged in discussions focused on climate change and the relevant challenges. The workshop featured key sessions addressing climate-related topics such as carbon reduction strategies, energy-saving initiatives, and the company's commitment to the *Science Based Targets initiative (SBTi)*. Experts from various departments shared insights on energy management policies, methodologies, and successful climate-related projects. WuXi XDC contributed valuable perspectives and was recognized for its ongoing efforts to promote sustainability, particularly through its energy-saving projects and alignment with climate goals.



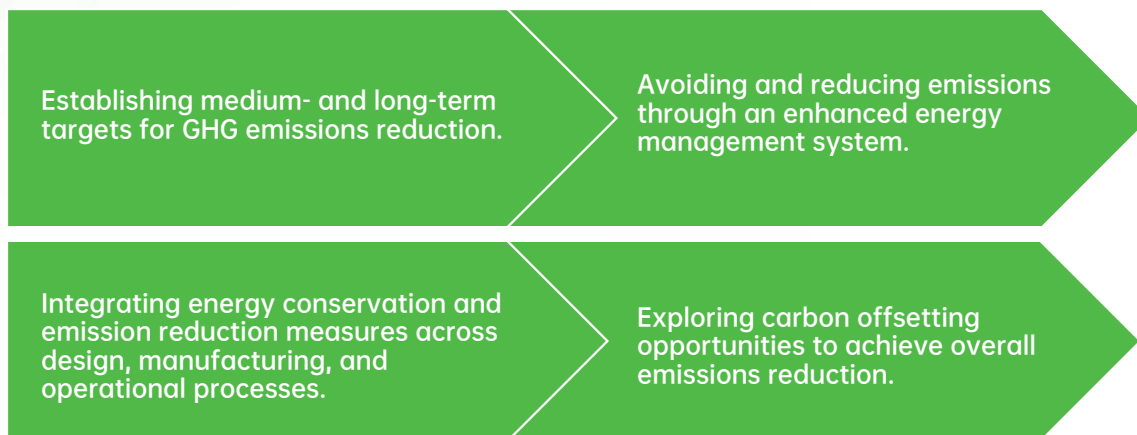
Environmental Sustainability Workshop Event Photo

By incorporating energy management performance into departmental assessments and linking climate-related indicators to individual performance reviews, we ensure alignment with our climate adaptation objectives. Furthermore, we recognize and reward projects and innovations that result in significant energy savings and carbon reductions, fostering greater participation in mitigating climate risks and adapting to climate change.

4. ENVIRONMENTAL SUSTAINABILITY

Mitigation

Risk mitigation is essential to reducing the impact of climate change on our operations and ensuring long-term sustainability. By setting clear targets and focusing on key pathways, we can effectively reduce greenhouse gas (GHG) emissions and minimize environmental risks.



Key pathways to mitigate climate change risks

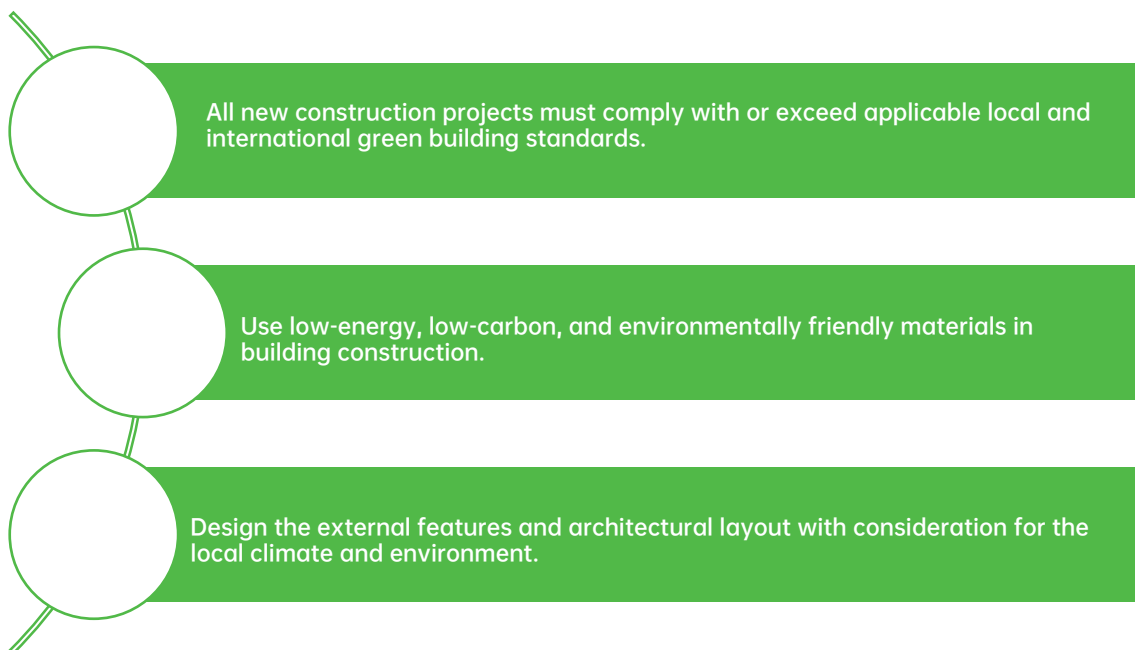
– Energy Management

We follow the *WuXi Biologics Energy Management Standards* to define clear responsibilities and outline our strategies for energy conservation and emission reduction. We have established an internal energy management system based on the ISO 50001 standard and developed a range of internal policies to ensure efficient energy use. Through our structured energy management system, we proactively adopt energy-efficient technologies and equipment, with a particular emphasis on increasing the use of clean energy. Additionally, we conduct regular internal audits to evaluate our system's compliance and effectiveness.

Adopting Energy-Efficient Building Design

In alignment with the Group's policy and approach, WuXi XDC integrates energy-saving and low-carbon principles into the design and construction of new facilities to reduce future energy consumption.

4. ENVIRONMENTAL SUSTAINABILITY



Energy-saving and low-carbon principles during design and construction of new facilities

Enhancing energy efficiency during manufacturing and operation

WuXi XDC is dedicated to improving energy efficiency and minimizing environmental impact across all operations. We focus on optimizing energy usage and streamlining processes, particularly in both office area and factory area.

4. ENVIRONMENTAL SUSTAINABILITY

Office area energy upgrade initiatives in 2024

Air Source Heat Pump Installation	Lighting Upgrade	HVAC Optimization During Holidays
In 2024, WuXi XDC undertook an energy-efficient upgrade by installing air source heat pumps on the rooftop, replacing the steam-based heating system for air conditioning units. This transition has significantly reduced steam consumption during summer dehumidification, cutting usage by 324 tonnes per month. While the system now utilizes approximately 59,427 kWh of electricity per month, it leads to a net reduction of 115.4 tonnes of CO ₂ e emissions annually, contributing to our ongoing efforts to reduce carbon footprints and enhance operational efficiency.	WuXi XDC upgraded the lighting in public areas and laboratories by replacing fluorescent lamps with energy-efficient LED lights. This upgrade not only increases durability but also improves energy efficiency, resulting in a monthly electricity saving of 129.6 kWh.	During long holidays, such as the Chinese New Year, when lab experiments and production activities are minimal, WuXi XDC optimized energy usage by turning off or adjusting HVAC systems in public areas and offices. This adjustment saves approximately 48,576 kWh of electricity per month, without compromising the required environmental conditions for laboratory operations.

Factory area energy upgrade initiatives in 2024

Projects	Reduction of CO ₂ e emissions (tonnes)
VRV Air Conditioning Central Control Management	59
Cooling Water Circulation System with Enhanced Insulation	23
Magnetic Floating Machine Unit Usage	331

4. ENVIRONMENTAL SUSTAINABILITY

– Green Energy

We recognize the many benefits of self-generated renewables to site energy costs, resilience, temporal relevance and employee engagement and we have installed photovoltaic panels on the roof to produce renewable energy.

Photovoltaic project

In 2024, Wuxi site has successfully completed a distributed photovoltaic (PV) power generation project on the rooftop area. The PV station is connected to the campus grid at a voltage level of 400V, with a total generation capacity of approximately 1,230 kW. The system generates 0.78 million kWh annually for self-use, resulting in an annual electricity cost savings of RMB173,400 and a reduction of 574 tonnes of CO₂ emissions per year.



Photo of the photovoltaic layout site

– Greenhouse Gas Offsetting

As part of our comprehensive approach to climate action and in alignment with the Group's Climate Change Policy, we recognize the importance of carbon offsetting in achieving our net-zero emissions goals. Carbon offsets are vital in compensating for unavoidable emissions by supporting projects that remove or reduce greenhouse gases from the atmosphere. These projects may include nature-based solutions such as reforestation, renewable energy initiatives, and carbon capture and storage. By investing in verified carbon offset programs and exploring emerging technologies, we aim to contribute to global efforts in mitigating climate impacts, advancing sustainable practices, and reducing our own emissions across operations.

4. ENVIRONMENTAL SUSTAINABILITY

4.1.3 Risk Management

WuXi XDC is proactively addressing significant climate risks through both internal initiatives and external collaborations. Our climate risk management processes — encompassing identification, assessment, and mitigation — are fully integrated into our established risk management framework, which adheres to the *COSO¹⁴ Enterprise Risk Management Framework: Aligning Strategy and Performance*. This framework is designed to holistically evaluate and manage multidisciplinary risks and opportunities across various dimensions, supporting our commitment to climate resilience. To ensure a systematic approach, we have developed a comprehensive process that aligns with best practices and global standards, incorporating both qualitative and quantitative assessments. The following four steps outline how we assess and respond to climate risks and opportunities, ensuring they are thoroughly integrated into our business strategy and operations.

Step 1: Developing risk and opportunity register

- Screen and identify risks/opportunities thoroughly considering both the Company's own operations and the value chain based on TCFD recommendations, peer benchmarking and stakeholder communications.

Step 2: Qualitative Assessment & Prioritization

- Risks and opportunities are ranked from both likelihood and impact perspectives. Qualitative factors such as political and social impact, business continuity and strategy attainment are taken into consideration as well.

Step 3: Quantitative Assessment of prioritized risks/opportunities

- The financial and non-financial impacts associated with the climate risks are assessed through internal workshops and internal analysis process under selected scenarios, as well as the opportunities that may contribute to our operations and the wider environment arising from our current and future practices over the short, medium and long term.

Step 4: Response Strategy Planning

- Apply differentiated response strategies based on the qualitative & quantitative assessment of climate-related risks and opportunities, which are integrated into our overall business planning to strengthen climate resilience throughout our operations.

¹⁴ COSO refers to The Committee of Sponsoring Organizations of the Treadway Commission.

4. ENVIRONMENTAL SUSTAINABILITY

4.1.4 Metrics and Targets

Our Target

At the Group level, we have pledged to the Science Based Targets initiative (SBTi), aligning our climate actions with the *Paris Agreement*. We are taking continuous actions to make efforts in limiting global warming to 1.5°C above pre-industrial levels.

GHG emission reduction targets

Time Period	Target
Mid-term	Reduce our Scope 1 and Scope 2 GHG emission intensity by 50% (tonnes/RMB10,000) by 2030 from a 2021 base year.
Long-term	Achieve net-zero emissions from overall operations by 2050.

As of energy saving, WuXi XDC is committed to continually enhancing energy efficiency and reducing energy consumption during our daily and manufacturing operations, contributing to the fulfilment of our GHG reduction.

Our Performance

Specially, we conducted a Carbon Footprint Verification¹⁵ for all our operational locations, and for certain categories covered under Scope 3, we identified emission sources and calculated emission data. In the future, we will continuously enhance our ability to identify and account for emissions across all 15 categories of Scope 3 and work collaboratively to improve the transparency of climate data across the pharmaceutical industry and its value chain.

¹⁵ We conducted this Footprint Verification according to ISO 14064,

4. ENVIRONMENTAL SUSTAINABILITY

According to the results of the greenhouse gas inventory, the summary of Scope 3 greenhouse gas emissions¹⁶ for WuXi XDC during the Reporting Period is as follows:

Category No.	Name	Total Carbon Emission ¹⁷ (tCO ₂ e)
3	Fuel- and Energy-Related Activities (not included in Scope 1 or Scope 2)	5,729
4	Upstream Transport and Distribution	571
5	Waste Generated in Operations	1,093
6	Business Travel	487
7	Employee Commuting	2,199
9	Downstream Transport and Distribution	364
Total		10,443

Performance highlight

Scope 1¹⁸: 438 tCO₂e

Scope 2¹⁹: 31,667 tCO₂e

Scope 3: 10,443 tCO₂e

Total Emission Intensity (Scope 1 + Scope 2) 0.08 tCO₂e/10,000RMB

69% Reduction in total GHG emissions intensity (Scope 1 + Scope 2) compared with the baseline year 2021

¹⁶ The Categories of Scope 3 we applied cover Fuel and Energy Related Activities (not included in Scope 1 or Scope 2), Waste Generated in Operations, Upstream Transport and Distribution, Business Travel, Employee Commuting and Downstream Transport and Distribution.

¹⁷ Contain all operational sites (Shanghai Site and Wuxi site)

¹⁸ Direct greenhouse gas emissions (such as from natural gas and gasoline).

¹⁹ Indirect greenhouse gas emissions (from purchased electricity and steam). The electricity emission factor is calculated based on the average carbon dioxide emission factor of China's provincial power grids in 2010. The steam emission factor is sourced from the Guidelines for Greenhouse Gas Emissions Accounting and Reporting for Chemical Production Enterprises in China (Trial), using the default value for the thermal emission factor.

4. ENVIRONMENTAL SUSTAINABILITY

4.2 ENVIRONMENT MANAGEMENT

WuXi XDC strives to minimize the environmental impact of its corporate operations and business activities and secure sustainability across all areas of the value chain. By prioritizing environmental stewardship, we strive to foster a positive impact not only at our business facilities but across the entire lifecycle of our products and services, ensuring we contribute to a sustainable future for both our industry and the communities we serve.

4.2.1 Our Governance

We adhere to *WuXi Biologics EHS Policy and WuXi Biologics EHS Standard*, providing us the framework for addressing key environmental challenges which include air, water, and waste management, emergency response, contractor management, and ensuring sustainability across operations.

We consistently reinforce our three-tier environmental management framework, ensuring that our sustainability objectives are integrated into operational practices and accountability at every organizational level. The Board holds ultimate responsibility for providing environmental-related strategic direction, while the EHS Committee plays a crucial role in guiding operational decisions and ensuring alignment with environmental, health, and safety objectives. Meanwhile, the EHS department is responsible for the execution of daily operations, overseeing all business units to ensure alignment with sustainability goals.

4. ENVIRONMENTAL SUSTAINABILITY

Board	EHS Committee	EHS Department
<ul style="list-style-type: none"> – Leads and oversees environmental initiatives. – Ensures effective implementation of the environmental management strategy aligned with the company's sustainability goals. – Monitors continuous improvement in environmental performance to meet long-term sustainability objectives. 	<ul style="list-style-type: none"> – Established in 2024, aligning with the Group's environmental protection policies. – Composed of key executives overseeing the company's environmental and safety initiatives. – Guides the development of EHS policies and ensures resource allocation. – Monitors the effectiveness of sustainability and safety goals. 	<ul style="list-style-type: none"> – Drives the day-to-day operations of environmental management. – Leads efforts to ensure compliance with environmental regulations and manage risks. – Supports sustainable operations across the company. – Coordinates with other business units to implement policies, monitor performance, and facilitate training program.

Three-tier environmental management framework

We adhere to the "Three Simultaneities" principle to evaluate significant environmental impacts in full compliance with national regulations for newly constructed facilities and expansions at existing facilities.

During the project design phase, we actively participate in evaluating and monitoring environmental risks. Prior to project implementation, environmental impact assessments are conducted and formally approved by relevant regulatory authorities.

In the early stages of mergers and acquisitions, our EHS team conducts comprehensive assessments of the environmental, health, and safety risks associated with the project. This includes reviewing the EHS permits of the acquired company, conducting on-site inspections, commissioning third-party evaluations for soil and groundwater contamination, and offering EHS risk management recommendations.

As part of our established framework, the EHS team oversees annual environmental risk assessments at all operational facilities, utilizing "Environmental Impact Checklists" to identify risks and implementing targeted mitigation measures to ensure continuous improvement and compliance.

4. ENVIRONMENTAL SUSTAINABILITY

4.2.2 Our Target

WuXi XDC has set clear EHS goals for 2024, aiming for full compliance and operational efficiency in key areas related to waste, water, and emissions.

Waste Disposal targets and achievements in 2024

EHS Objectives	Target	Achievement for 2024
Air Emissions	100% Compliance with emission standards	Achieved
Waste Disposal	100% Compliance with disposal regulations	Achieved
Wastewater Discharge	100% Compliance with disposal regulations	Achieved

4.2.3 Our Action

WuXi XDC has established a rigorous and structured Environmental Management System (EMS) to reduce its environmental footprint and enhance sustainability which aligns with the Group's commitment to protecting the environment through responsible practices and meeting all regulatory requirements. Our production facility has been certified to ISO 14001 Environmental Management System at the end of the Reporting Period.



ISO 14001 Certification

4. ENVIRONMENTAL SUSTAINABILITY

Environmental risk management

Environmental risk management is crucial for ensuring that our operations do not harm the environment and are aligned with our sustainability goals. We proactively identify, assess, and mitigate environmental risks to minimize our environmental footprint and ensure compliance with relevant regulations. We maintain compliance with ISO 14001 by identifying and documenting environmental factors within production processes. We implement updated risk control measures, which are regularly reviewed and adjusted based on the evolving environmental landscape.

Environmental Audit and Assessment

To further enhance our environmental management capabilities, WuXi XDC, in collaboration with the WuXi Biologics EHS team, conducts regular internal audits across all operational facilities. These audits include cross-functional audits, compliance with environmental regulations, ISO 14001 system audits, as well as client and supplier EHS audits. As a general practice, our facilities undergo these audits every three years, with the audit schedule aligned with business plans and adjusted as needed.

Additionally, following the environmental impact assessment requirements for new projects, during the preparation stage, WuXi XDC has engaged Academy of Environmental and Urban Planning & Design Co., Ltd. Nanjing University to prepare the environmental impact statement report, which is approved by Jiangsu Provincial Environmental Protection Bureau in August 2024.

Environmental awareness training

We regularly conduct specialized environmental management training sessions to promote a sustainable and environmentally responsible workplace, ensuring employees to gain knowledge on the appropriate use of chemicals and specialized equipment, as well as the proper classification and disposal of waste, enhancing their overall environmental awareness.

4. ENVIRONMENTAL SUSTAINABILITY

Waste Classification Training

In 2024, WuXi XDC conducted waste classification training, focusing on the identification and disposal methods of hazardous waste, including incineration and landfilling. Employees in production and laboratory areas were trained on properly classifying waste and transferring it to designated collection points, ensuring it is non-recyclable and irretrievable. This training enhanced employees' environmental awareness and ensured the compliance with waste management regulations.



废弃物的分类培训



Training resource image

Additionally, our employees can access to all training courses and resources through online platform. Each training session is followed by an exam, ensuring that all participants fully understand the content. During the Reporting Period, all of our audits reported no significant findings of policy or procedural violations

4. ENVIRONMENTAL SUSTAINABILITY

4.3 EXHAUST EMISSION, WASTEWATER DISCHARGE AND WASTE MANAGEMENT

We place great importance on the management of waste and discharge, ensuring that waste is minimized, properly disposed of, and where possible, recycled or repurposed. As an integral pillar of our environmental strategy, we operationalize this commitment through a closed-loop stewardship framework. Our systematic approach embeds waste hierarchy principles — prioritizing prevention, reuse, and recycling — across all operational phases.

4.3.1 Our Policy

To regulate the management and disposal of hazardous and non-hazardous waste generation, wastewater discharge and air emissions, and to ensure compliance with legal and regulatory requirements, WuXi XDC is committed to minimizing the environmental and health impacts associated with waste pollution. In alignment with the *WuXi Bio Pollution Source Management Guidelines*, we have implemented internal policies and auditing procedures to control waste generation, discharge, and emissions. In 2024, all waste management and discharge activities were fully compliant with applicable regulations, with no instances of pollutant discharge exceeding regulatory thresholds or violating industry standards.

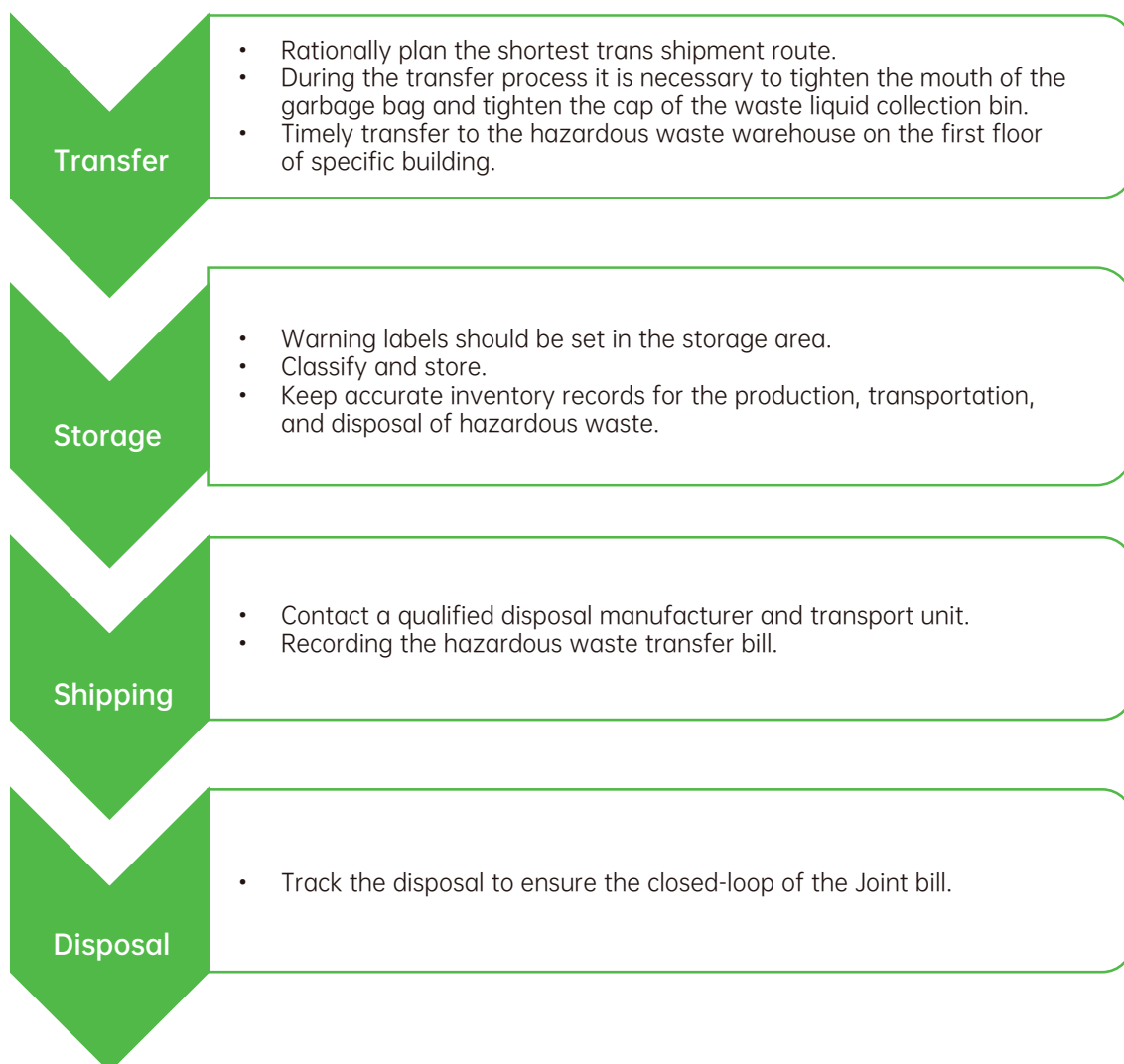
4.3.2 Our Action

WuXi XDC continually improves our facilities and technologies for managing non-hazardous waste generation, wastewater discharge, and air emissions, with the aim of reducing environmental impact and ensuring compliance with regulatory standards for emissions.

Hazardous Waste

Hazardous and biological wastes are systematically classified and stored, with clear warning labels highlighting the potential risks, ensuring compliance with local and international regulations across all operational facilities. Our hazardous waste types include liquid, consumables, and waste-activated carbon from R&D and manufacturing.

4. ENVIRONMENTAL SUSTAINABILITY



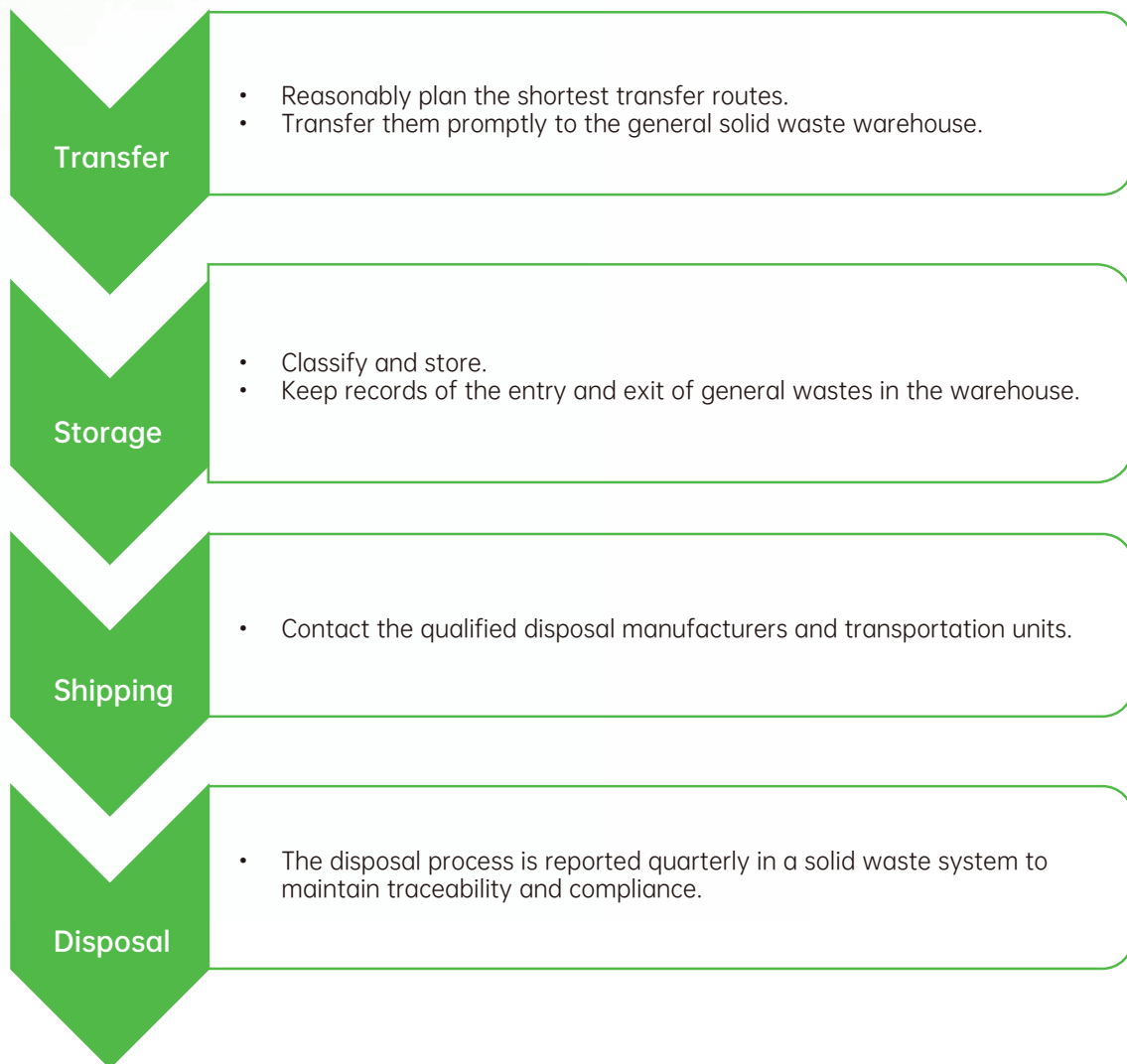
Hazardous Waste Management

WuXi XDC recognizes the importance of fostering a culture of environmental protection within our workforce. In 2024, we have implemented comprehensive employee training programs focused on hazardous waste reduction. These training sessions equip employees with the knowledge and skills necessary to identify hazardous waste sources, implement best practices for waste reduction, and adhere to environmental safety protocols.

4. ENVIRONMENTAL SUSTAINABILITY

Non-hazardous Waste

In 2024, WuXi XDC established an internal general waste disposal procedure to ensure proper management and compliance. The waste is categorized into solid and liquid types. general waste is systematically classified, stored, and labeled to indicate the type of waste, ensuring clear identification throughout the disposal process.



Non-hazardous Waste management

To continuously improve our waste management practices and enhance operational efficiency, WuXi XDC has implemented innovative solutions in the handling and disposal of solid waste.

4. ENVIRONMENTAL SUSTAINABILITY

Waste management innovative solutions

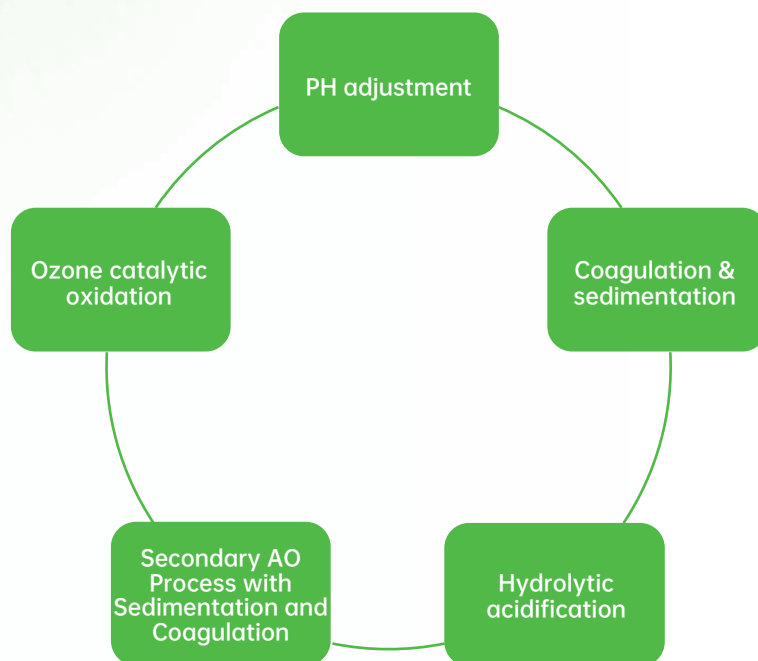
Categorized Outdoor Waste Storage Enhancement	New Activity Waste Room for Solid Waste Management
In 2024, WuXi XDC implemented a more efficient method for managing general waste by categorizing and placing it in designated outdoor areas. This approach streamlined the process by clearly segregating different types of waste, ensuring better organization and easier handling.	As part of ongoing improvements in waste handling, WuXi XDC introduced new activity waste rooms in 2024. This new facility is designed to better manage solid waste disposal and treatment, increasing operational efficiency. The dedicated waste rooms help optimize space and resources, improve the handling of waste, and promote a more sustainable approach to waste management.

Wastewater Discharge Management

WuXi XDC has implemented a comprehensive wastewater management system to ensure compliance with environmental regulations and minimize environmental impact.

We implement a comprehensive series of treatment processes for production wastewater. To monitor discharge, we utilize a real-time online system connected to the local Environmental Protection Bureau. Key parameters such as flow rate and pH are continuously updated, while indicators like COD, ammonia nitrogen, total phosphorus, and total nitrogen are monitored every two hours. Any abnormal readings are reported within 24 hours, ensuring compliance and transparency.

4. ENVIRONMENTAL SUSTAINABILITY



Treatment processes for production wastewater

Specifically, WuXi XDC implements standardized disposal procedures for API²⁰ and small molecule wastewater by employing advanced oxidation methods, involving catalytic oxidation to reduce the concentration of APIs in wastewater to levels below detection limits. Key process parameters, such as reaction time, oxygen volume, and other critical factors, have been rigorously validated to ensure the effective reduction of API concentrations.

For wastewater generated from office and non-laboratory areas is collected separately and sent for further treatment at either the industrial park or municipal sewage station. The sludge generated from this treatment is dehydrated and transported to a solid waste disposal facility.

²⁰ The full term for API in English is Active Pharmaceutical Ingredient. It refers to the active substance in a pharmaceutical drug that is responsible for its therapeutic effect, typically a small molecule compound.

4. ENVIRONMENTAL SUSTAINABILITY

Air Emission Management

WuXi XDC strictly controls air emissions to meet environmental standards. Gases undergo treatment with activated carbon and high-efficiency filters prior to release, fully complying with air quality regulations. In line with environmental impact assessment specifications, we implement activated carbon filtration for exhaust gases from both production facilities and laboratories. Third-party agencies are routinely commissioned to monitor and verify emission concentrations, ensuring the ongoing effectiveness of our air management systems.

Performance highlight
9% Reduction in wastewater discharge from 2023
100% of compliant waste treatment
100% of compliant wastewater treatment

4.4 RESOURCE MANAGEMENT

WuXi XDC embeds circularity at the heart of resource stewardship. We systematically optimize material flows across water, energy, and packaging systems through lifecycle-driven interventions. Our closed-loop strategies integrate water stress assessments, SUT-enabled process innovation, and packaging circularity programs to decouple operational growth from resource intensity. By embedding circular design principles from procurement to production, we transform resource efficiency into a competitive driver while maintaining operational resilience across facilities and value chains.

4.4.1 Our Target

WuXi XDC adheres to the water conservation goals set at the Group level. The objective is to reduce our water consumption intensity by 30% (tonnes/RMB10,000) by 2025 from the baseline year 2021. We are committed to enhancing water efficiency and minimizing our reliance on water resources, reflecting our strong dedication to responsible water management. In line with these goals, we have developed a plan to reduce water usage and consistently track our performance, ensuring continuous evaluation of our progress towards the target and objective.

4. ENVIRONMENTAL SUSTAINABILITY

4.4.2 Our Action

WuXi XDC attaches great importance to the protection of environment and natural resources, and has taken a series of measures to continuously improve the efficiency of resource utilization.

Water Stress Assessment

Before launching any new project, WuXi XDC conducts a water-stress assessment at the prospective site to evaluate water scarcity, associated risks, and opportunities, considering physical, regulatory, and reputational factors. Based on the findings, we develop a tailored water management plan for each site. We also perform regular water risk assessments and scenario analyses across our operations and throughout the value chain. To mitigate water-related risks, we allocate financial resources, invest in research and development, and upgrade facilities. Moreover, we are dedicated to reducing our water consumption and protecting water resources in the regions where we operate.

Reducing and Recycling Water

Our primary focus is on reducing water consumption at the source and maximizing the use of recycled water in manufacturing processes across all facilities. To optimize water resource use, we implement and maintain water recycling facilities that regulate water balance and enable recycling between facilities with varying water needs. We also use reclaimed and pre-treated water for cooling towers, park irrigation, and road cleaning. Additionally, we engage with our value chain partners on water reduction initiatives.

As a leader in large-scale SUT (Single-Use Technology) implementation through our scale-out manufacturing model, WuXi XDC partners with SUT suppliers to enhance the sustainability of our manufacturing processes. Based on researches and operational experience, SUT significantly reduces the need for equipment cleaning and disinfection, leading to substantial water and waste savings. Furthermore, we organize EHS training sessions to raise awareness among employees on water conservation methods.

We remain committed to improving water efficiency in our equipment, continuously seeking innovative solutions. Our dedication to water conservation is unwavering, and we are confident in our ability to achieve our goals. In 2024, WuXi XDC had no incidents of non-compliance with water quality or quantity permits, standards, or regulations.

In addition to the laboratory and factory areas, WuXi XDC also promoted sustainability efforts in the employee office areas by implementing water-saving initiatives and encouraging responsible resource usage.

4. ENVIRONMENTAL SUSTAINABILITY

Packaging Optimization

We are committed to promoting recycling of packaging materials, adopting green packaging and replacing paper packaging with reusable boxes. The primary packaging materials used in our production process include glass bottles, rubber stoppers, aluminum caps, paper labels, and honeycomb cardboard. To prevent waste and reduce excessive or unnecessary packaging, we collaborate with suppliers to eliminate non-recyclable packaging and reduce packaging material usage through efficient sourcing and streamlined production processes. We actively explore new, environmentally friendly packaging options made from sustainable materials. For unused packaging materials, we first explore the possibility of internal reuse. If internal reuse is not feasible, we partner with qualified third-party recycling organizations to maximize the recycling and repurposing of packaging materials.

Appendix 1: Key Performance Indicators

Type	Unit	2023	2024
Energy indicators			
Direct energy consumption — Diesel fuel	Litres	193	600
Indirect energy consumption — Purchased electricity	KWh	20,262,573	27,294,787
Indirect energy consumption — Purchased steam	GJ	89,652	103,000
Energy consumption indicators²¹			
Total energy consumption	MWh	45,168	55,912
Integrated energy consumption intensity	MWh/10,000RMB	0.21	0.14
Greenhouse gas emissions indicators			
Scope 1 Emissions	tCO ₂ e	417	438
Scope 1 Emissions intensity	tCO ₂ e/10,000RMB	0.0020	0.0011
Scope 2 Emissions ²²	tCO ₂ e	24,957	31,667
Scope 2 Emissions intensity	tCO ₂ e/10,000RMB	0.12	0.08
Total (Scope 1 + Scope 2)	tCO ₂ e	25,374	32,105
Total emission intensity (Scope 1 + Scope 2)	tCO ₂ e/10,000RMB	0.12	0.08
Scope 3 Emission	tCO ₂ e	/	10,443

²¹ Please refer to GB/T 2589-2020 General Principles for Calculation of Comprehensive Energy Consumption, and the GHG Protocol released by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

²² Applies location-based approach.

Appendix 1: Key Performance Indicators

Type	Unit	2023	2024
Waste indicators			
Hazardous waste produced volume	tonnes	661	1,373
Hazardous waste intensity	tonnes/10,000RMB	0.0031	0.0034
Non-hazardous waste produced volume	tonnes	265	373
Non-hazardous waste intensity	tonnes/10,000RMB	0.0012	0.0009
Water discharge indicators			
Total water discharge	tonnes	230,040	208,790
COD discharge	tonnes	2.37	1.91
NH3-N discharge	tonnes	0.21	0.28
Exhaust gas indicators			
NOx emissions	tonnes	0	0
SOx emissions	tonnes	0	0
Soot emissions	tonnes	0	0
Water consumption indicators²³			
Total water consumption/withdrawal ⁱ	tonnes	257,448	262,755
Water consumption/withdrawal intensity	tonnes/10,000RMB	1.21	0.65
Packaging material consumption indicators			
Packaging material consumption	tonnes	75	80
Packaging material consumption intensity	tonnes/10,000RMB	0.00035	0.00020

²³ Water we use for operations comes from municipal water systems and a small amount for irrigation and road cleaning comes from harvested rainwater, we do not take water from water stressed areas.

Appendix 1: Key Performance Indicators

Type	Unit	2023	2024
Personnel employment indicators			
Number of employees ⁱⁱ	Number	1,178	2,041
By gender*	Male	561	954
	Female	615	1,087
By age*	Under 30	651	1,071
	30 to 50	509	940
	Over 50	16	30
By employment type	"Contract employees (Directly employed)"	1,178	2,041
	Part-time employees	84	140
By job level	Senior management	29	38
	Middle management	67	89
	Primary management	121	117
	General staff	961	1,797
By location ²⁴	Asia	1,165	2,015
	America	9	22
	Europe	4	4
New employees	Number	514	1,023
By gender	Male	238	543
	Female	276	480

²⁴ This refers to the actual locations where employees work.

Appendix 1: Key Performance Indicators

Type	Unit	2023	2024
By age	Under 30	337	571
	30 to 50	169	439
	Over 50	8	13
By job level	Senior management	18	8
	Middle management	25	27
	Primary management	34	35
	General staff	437	953
By location	Asia	506	1,009
	America	7	13
	Europe	1	1

Type	Unit	2023	2024
Employee equality and diversity metrics			
Total number of employee nationalities	Number	5	8
Percentage of female employees in senior management	%	–	37
Percentage of employees from minority ethnic groups	%	–	3.33
Number of employees with disability	Number	–	19

Appendix 1: Key Performance Indicators

Type	Unit	2023	2024
Employee retention metrics			
Total employees lost	Number	89	160
Total employee turnover ²⁵	%	8	8
By gender	Male	9	9
	Female	6	7
By age	Under 30	9	10
	30 to 50	6	6
	Over 50	6	7
By region	China	8	8
	Outside China	0	5
Average years employed by the Company — Male	Years	–	2.59
Average years employed by the Company — Female	Years	–	2.75
Percentage of employees received an annual review on performance and career development	%	–	92
Occupational health and safety indicators			
Number of deaths due to work injuries — Employees (In the past 3 years)	Number	0	0
Number of deaths due to work injuries — Contractors (In the past 3 years)	Number	0	0
Number of lost work days due to work-injuries — Employees	Day	0	0
Lost-time injury rate — Employees	Times/200,000 working hours	0	0

²⁵ Total employee turnover = Total number of turnovers/Total number of employees by year-end.

Appendix 1: Key Performance Indicators

Type	Unit	2023	2024
Employee training indicators			
Percentage of employees trained	%	100	100
By gender	Male	48	47
	Female	52	53
By job level	General staff	82	88
	Primary management	10	6
	Middle management	6	4
	Senior management	2	2
Average number of training hours per employee	Hours	5	68
By gender	Male	5	68
	Female	5	68
By job level	General staff	3	67
	Primary management	22	79
	Middle management	7	87
	Senior management	2	9
Social contribution indicators			
Charity and social welfare investment	Million HKD	Over 3	0

Appendix 1: Key Performance Indicators

Supplier Distribution			
Total number of suppliers	Companies	504	680
Number of suppliers in Asia	Companies	472	633
Asian supplier distribution by purchase volume	%	59	74
Number of suppliers in Europe	Companies	10	19
European supplier distribution by purchase volume	%	15	13
Number of suppliers in America	Companies	22	28
American supplier distribution by purchase volume	%	26	13

Appendix 2: HKEX Environmental, Social And Governance Reporting Guide Index

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

Appendix 2: HKEX Environmental, Social And Governance Reporting Guide Index

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

Appendix 2: HKEX Environmental, Social And Governance Reporting Guide Index

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

Appendix 2: HKEX Environmental, Social And Governance Reporting Guide Index

Subject Areas, Aspects, General Disclosures and KPIs		Index
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Empowering Our People — Employee Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix 1: Key Performance Indicators
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix 1: Key Performance Indicators
Aspect B4: Labour Standards		
General Disclosure	"Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour."	Empowering Our People — Compliant Employment
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Empowering Our People — Compliant Employment
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Empowering Our People — Compliant Employment Aspect

Appendix 2: HKEX Environmental, Social And Governance Reporting Guide Index

Subject Areas, Aspects, General Disclosures and KPIs		Index
B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Strengthening Governance — Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Strengthening Governance — Supply Chain Management Appendix 1: Key Performance Indicators
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Strengthening Governance — Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Strengthening Governance — Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Strengthening Governance — Supply Chain Management

Appendix 2: HKEX Environmental, Social And Governance Reporting Guide Index

Subject Areas, Aspects, General Disclosures and KPIs		Index
Aspect B6: Product Responsibility		
General Disclosure	"Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress."	Strengthening Governance — Responsible Marketing Contributing to Society — Client Engagement
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Contributing to Society — Client Engagement
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Contributing to Society — Intellectual Property Protection
KPI B6.4	Description of quality assurance process and recall procedures.	Not applicable
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Strengthening Governance — Information Security and Protection

Appendix 2: HKEX Environmental, Social And Governance Reporting Guide Index

Subject Areas, Aspects, General Disclosures and KPIs		Index
Aspect B7: Anti-corruption		
General Disclosure	"Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering."	Strengthening Governance — Risk Management and Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees During the Reporting Period and the outcomes of the cases.	Strengthening Governance — Risk Management and Business Ethics
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Strengthening Governance — Risk Management and Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Strengthening Governance — Risk Management and Business Ethics
Community		
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.	Contributing to Society — Community Support
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Contributing to Society — Community Support
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Contributing to Society — Community Support Appendix 1: Key Performance Indicators

Appendix 3: GRI Standard Index

Statement of use	WuXi XDC has reported the information cited in this GRI content index for the period January 1, 2024 to December 31, 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021		
The organization and its reporting practices		
2-1	Organizational details	Company Overview — Introduction
2-2	Entities included in the organization's sustainability reporting	About the Report
2-3	Reporting period, frequency and contact point	About the Report
2-4	Restatements of information	No
2-5	External Assurance	Appendix 5: External Assurance Report
Activities and works		
2-6	Activities, value chain and other business relationships	Company Overview — Introduction Strengthening Governance — Supply Chain Management
2-7	Employees	Empowering Our People Appendix 1: Key Performance Indicators
2-8	Workers who are not employees	Empowering Our People
Governance		
2-9	Governance structure and composition	Strengthening Governance — Corporate Governance
2-10	Nomination and selection of the highest governance body	Strengthening Governance — Corporate Governance
2-11	Chair of the highest governance body	See Annual Report
2-12	Role of the highest governance body in overseeing the management of impacts	Strengthening Governance — Corporate Governance
2-13	Delegation of responsibility for managing impacts	Strengthening Governance — Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	Strengthening Governance — ESG Governance

Appendix 3: GRI Standard Index

GRI Standard	Disclosure	Location
2-15	Conflicts of interest	See Annual Report
2-16	Communication of critical concerns	Strengthening Governance — ESG Governance
2-17	Collective knowledge of the highest governance body	Strengthening Governance — ESG Governance
2-18	Evaluation of the performance of the highest governance body	Strengthening Governance — ESG Governance
2-19	Remuneration policies	See Annual Report
2-20	Process to determine remuneration	See Annual Report
2-21	Annual total compensation ratio	See Annual Report
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	ESG Strategy
2-23	Policy commitments	Strengthening Governance — Risk Management and Business Ethics Strengthening Governance — Green Supply Chain Empowering Our People — Compliant Employment
2-24	Embedding policy commitments	Strengthening Governance — Risk Management and Business Ethics Strengthening Governance — Green Supply Chain Empowering Our People — Compliant Employment
2-25	Processes to remediate negative impacts	Strengthening Governance — Risk Management and Business Ethics Empowering Our People — Compliant Employment
2-26	Mechanisms for seeking advice and raising concerns	Strengthening Governance — Risk Management and Business Ethics Empowering Our People — Compliant Employment
2-27	Compliance with laws and regulations	Strengthening Governance — Risk Management and Business Ethics

Appendix 3: GRI Standard Index

GRI Standard	Disclosure	Location
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Strengthening Governance — ESG Governance
2-30	Collective bargaining agreements	Empowering Our People — Compliant Employment
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Strengthening Governance — ESG Governance
3-2	List of material topics	Strengthening Governance — ESG Governance
Material Issues		
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Empowering Our People — Compliant Employment
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks	Strengthening Governance — Risk Management and Business Ethics
205-2	Communication and training about anti-corruption policies and procedures	Strengthening Governance — Risk Management and Business Ethics
205-3	Confirmed incidents of corruption and actions taken	Strengthening Governance — Risk Management and Business Ethics
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Strengthening Governance — Risk Management and Business Ethics

Appendix 3: GRI Standard Index

GRI Standard	Disclosure	Location
Environment		
GRI301: Materials 2016		
301-1	Materials used by weight or volume	Environmental Sustainability — Resource Management Appendix 1: Key Performance Indicators
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Appendix 1: Key Performance Indicators
302-3	Energy intensity	Appendix 1: Key Performance Indicators
302-4	Reduction of energy consumption	Environmental Sustainability—Response to Climate Change Appendix 1: Key Performance Indicators
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Environmental Sustainability — Resource Management
303-2	Management of water discharge-related impacts	Environmental Sustainability — Exhaust Emission, Wastewater Discharge and Waste Management
303-4	Water discharge	Appendix 1: Key Performance Indicators
303-5	Water consumption	Environmental Sustainability — Resource Management Appendix 1: Key Performance Indicators

Appendix 3: GRI Standard Index

GRI Standard	Disclosure	Location
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Appendix 1: Key Performance Indicators
305-2	Energy indirect (Scope 2) GHG emissions	Appendix 1: Key Performance Indicators
305-4	GHG emissions intensity	Environmental Sustainability — Response to Climate Change Appendix 1: Key Performance Indicators
305-5	Reduction of GHG emissions	Environmental Sustainability — Response to Climate Change Appendix 1: Key Performance Indicators
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Appendix 1: Key Performance Indicators
GRI 306: Waste 2016		
306-1	Waste generation and significant waste-related impacts	Environmental Sustainability — Exhaust Emission, Wastewater Discharge and Waste Management
306-2	Management of significant waste-related impacts	Environmental Sustainability — Exhaust Emission, Wastewater Discharge and Waste Management
306-3	Waste generated	Appendix 1: Key Performance Indicators
306-4	Waste diverted from disposal	Appendix 1: Key Performance Indicators
306-5	Waste directed to disposal	Appendix 1: Key Performance Indicators
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Strengthening Governance — Supply Chain Management
308-2	Negative environmental impacts in the supply chain and actions taken	Strengthening Governance — Supply Chain Management

Appendix 3: GRI Standard Index

GRI Standard	Disclosure	Location
Society		
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Appendix 1: Key Performance Indicators
401-3	Parental leave	Empowering Our People — Employee Benefits and Engagements
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Empowering Our People — Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Empowering Our People — Occupational Health and Safety
403-3	Occupational health services	Empowering Our People — Occupational Health and Safety
403-5	Worker training on occupational health and safety	Empowering Our People — Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Empowering Our People — Occupational Health and Safety
403-8	Workers covered by an occupational health and safety management system	Empowering Our People — Occupational Health and Safety
403-9	Work-related injuries	Appendix 1: Key Performance Indicators

Appendix 3: GRI Standard Index

GRI Standard	Disclosure	Location
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Appendix 1: Key Performance Indicators
404-2	Programs for upgrading employee skills and transition assistance programs	Empowering Our People — Employee Training and Development
404-3	Percentage of employees receiving regular performance and career development reviews	Empowering Our People — Employee Training and Development
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Empowering Our People — Compliant Employment Appendix I: Key Performance Indicators
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Empowering Our People — Compliant Employment
GRI 407: Freedom of Association and Collective Bargaining 2016		
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Empowering Our People — Compliant Employment Strengthening Governance — Supply Chain Management
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Empowering Our People — Compliant Employment Strengthening Governance — Supply Chain Management

Appendix 3: GRI Standard Index

GRI Standard	Disclosure	Location
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Contributing to Society — Community Support
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Strengthening Governance — Supply Chain Management
414-2	Negative social impacts in the supply chain and actions taken	Strengthening Governance — Supply Chain Management
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Contributing to Society — Quality Management
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Strengthening Governance — Responsible Marketing
417-2	Incidents of non-compliance concerning product and service information and labeling	Strengthening Governance — Responsible Marketing
417-3	Incidents of non-compliance concerning marketing communications	Strengthening Governance — Responsible Marketing
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Strengthening Governance — Information Security and Protection

Appendix 4: TCFD Recommendation Index

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

Appendix 5: External Assurance Report



INDEPENDENT ASSURANCE STATEMENT

Objectives of Work

Bureau Veritas Certification (Beijing) Co., Ltd. ("Bureau Veritas") has been engaged by WuXi XDC (Cayman) Inc. (hereafter referred to as "WuXi XDC" to conduct an independent Assurance of its 2024 Environmental, Social and Governance Report (the "Report"). This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the report are the sole responsibility of the management of WuXi XDC. Our sole responsibility was to provide independent assurance on the accuracy and reliability of information included, and on the underlying systems and processes used to collect, analyse and review it.

Scope of work

WuXi XDC requested Bureau Veritas to verify the accuracy and reliability of the following:

- Data and information included in 2024 Environmental, Social and Governance Report from January 1, 2024 to December 31, 2024.

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period.
- Positional statements (expressions of opinion, belief, aim or future intention by WuXi XDC and statements of future commitment.
- Financial data and information that has been audited by a third party.

Level of assurance: reasonable assurance level

Assurance standard

1. International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)"), developed by the International Auditing and Assurance Standards Board;
2. GRI Sustainability Reporting Standards, published by the Global Reporting Initiative
3. The Appendix of Environmental, Social and Governance Reporting Guide by Hong Kong Exchanges and Clearing Limited

Methodology

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

1. Interviews with relevant personnel of WuXi XDC.
2. Review of documentary evidence produced by WuXi XDC.
3. Evaluation of information against Global Reporting Initiative (GRI) principles of Materiality, Accuracy, Completeness, Balance, Clarity and Comparability.
4. Audit of performance data, tracing and checking the sample data according to the sampling principle.
5. Review of WuXi XDC data and information systems for collection, aggregation and analysis.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Non-financial Reports, based on current best practice in independent assurance. The work was planned, carried out and concluded based on reasonable, rather than absolute assurance, as determined by Bureau Veritas.

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738
Local office address: Rm. B, F4, No.1288, Waima Road, Huangpu District, Shanghai, China. 200011
Further clarifications regarding the verification scope of this statement may be obtained by consulting the organization.
To check this statement validity please call: +86 10 59683663

Appendix 5: External Assurance Report



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Assurance Conclusion

On the basis of our methodology and the activities described above, it is our opinion that:

- The information and data included in the scope of our assurance are accurate, reliable and free from material mistake or misstatement.
- The information is presented in a clear, understandable and accessible manner.
- The information of the Report provides a fair and balanced representation of related ESG management activities during January 1, 2024 to December 31, 2024.
- WuXi XDC has established appropriate systems for the collection, aggregation and analysis of relevant information. The performance data for 2024 has been disclosed and be with Comparability.

Accuracy

The information and data disclosed in the report are objective and reliable. WuXi XDC has established appropriate systems for the collection and disposal of quantitative data on organizational governance, environment and social management. Through on-site assurance, the evidence provided by WuXi XDC is relatively reliable and the report is of objectivity.

Materiality

WuXi XDC Identified and disclosed material ESG issues and related information in accordance with the GRI Sustainability Reporting Standard, the Appendix of Environmental, Social and Governance Reporting Guide by Hong Kong Exchanges and Clearing Limited, and recommendations issued by the Task Force on Climate-Related Financial Disclosure (TCFD).

Completeness

The report of WuXi XDC focuses on the aspects of "Enhancing Governance", "Giving Back to Society", "Greening Our Business", "Empowering Our People". The report discloses data and information related to product responsibility, social responsibility, environmental responsibility, and employee responsibility, which are of concern to the stakeholders of WuXi XDC. The disclosed is of relative Completeness.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Environmental and Occupational Health and Safety, Social Responsibility with more than 190 years history in providing independent assurance services. Members of the assurance team have no interests or conflicts of relationship with WuXi XDC. We have conducted this Assurance independently and impartially. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

Fanny Zou

Director of Greater China Region

ROGER HU

Assurance Team Leader

Bureau Veritas Certification (Beijing) Co., Ltd. Bureau Veritas Certification (Beijing) Co., Ltd.

2025-4-3

2025-3-7

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Local office address: Rm. B, F4, No.1288, Waima Road, Huangpu District, Shanghai, China. 200011

Further clarifications regarding the verification scope of this statement may be obtained by consulting the organization.

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Appendix 5: External Assurance Report



Greenhouse Gases Verification Statement

This is to verify that

WuXi XDC Co., Ltd.

Address: No.11, Xinhui Ring Road, Xinwu District, Wuxi City

Statement No: EMI25370174-04

Bureau Veritas Certification (Beijing) Co., Ltd. was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by WuXi XDC Co., Ltd. for the period stated below. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of WuXi XDC Co., Ltd. BVC's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information.

Organizational boundaries:

Activities and facilities of WuXi XDC Co., Ltd. under operational control approach.

Reporting boundaries:

GHG emissions generated in operation and related management activities within the organizational boundaries.

Reporting period covered: January 1, 2024 to December 31, 2024

Emissions data verified under reporting boundaries:

- Category 1: Direct GHG emissions: 408 tonnes of CO₂e
- Category 2: Indirect GHG emissions from imported energy: 27,404 tonnes of CO₂e
- Category 3: Indirect GHG emissions from transportation: 2,345 tonnes of CO₂e
- Category 4: Indirect GHG emissions from products used by organization: 5,891 tonnes of CO₂e
- Category 5: Indirect GHG emissions associated with the use of products from the organization: Unquantified
- Category 6: Indirect GHG emissions from other sources: Unquantified

GHG verification protocol used to conduct the verification:

- ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- ISO 14064-3:2019 Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements
- Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard
- Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738
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Appendix 5: External Assurance Report



Level of assurance: Reasonable assurance

Verification conclusion:

Based on the verification process and findings, the GHG emission data in the GHG inventory report from WuXi XDC Co., Ltd. is in compliance with ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

A handwritten signature in black ink, appearing to be 'ZM', is positioned above a horizontal line.

*Signed on behalf of
Bureau Veritas Certification (Beijing) Co., Ltd.*



Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738
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Page 2 of 4

Appendix 5: External Assurance Report



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Greenhouse Gases Verification Statement

WuXi XDC Co., Ltd.

Verification conclusion:

Based on the verification process and findings, the GHG emission data in the GHG inventory report from WuXi XDC Co., Ltd. is in compliance with Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard and Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

GHG emission classification: The Greenhouse Gas Protocol

Categories		tCO ₂ e
Scope 1: Direct GHG emissions		408
Scope 2: Indirect GHG emissions from imported energy		27,404
Scope 3:	Purchased goods and services	-
	Capital goods	-
	Fuel- and energy-related activities	4,893
	Upstream transportation and distribution	571
	Waste generated in operations	998
	Business travel	400
	Employee commuting	1,110
	Other	-
	Upstream leased assets	-
	Downstream transportation and distribution	264
Indirect GHG emissions	Processing of sold products	-
	Use of sold products	-
	End-of-life treatment of sold products	-
	Downstream leased assets	-
	Franchises	-
	Investments	-

Note: "-" is Unquantified

GHG Scope:

GHG covered: Carbon dioxide (CO₂), Methane (CH₄), Nitrous oxide (N₂O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulfur hexafluoride (SF₆) and Nitrogen trifluoride (NF₃)
Global warming potential (GWP): 2021 IPCC Sixth Assessment Report (AR6)

Level of assurance: Reasonable assurance

GHG verification methodology:

Interview for relevant personnel;
Review of the documentary evidence;
Evaluation of the methodology and information systems for data collection, aggregation, analysis and review;
Audit of sampled sites and data to verify source.

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738
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Appendix 5: External Assurance Report



Verified date : 2025-02-24~28

Verification Team: Lead Verifier: Roger HU, Verifier: Vistar CHANG, Zongpei YE

Statement of independence, impartiality and competence:

Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 190 years' history in providing independent assurance services. No member of the verification team has a business relationship with WuXi XDC Co., Ltd. and its directors or managers beyond that required by this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest. Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.



Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738
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Appendix 5: External Assurance Report



BUREAU
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Greenhouse Gases Verification Statement

This is to verify that

WuXi XDC (Shanghai) Co., Ltd.

Address: Room 368, Area 302, No.211 Futebei Road , China (Shanghai) Pilot Free Trade Zone

Statement No: EMI25370174-09

Bureau Veritas Certification (Beijing) Co., Ltd. was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by WuXi XDC (Shanghai) Co., Ltd. for the period stated below. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of WuXi XDC (Shanghai) Co., Ltd. BVC's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information.

Organizational boundaries:

Activities and facilities of WuXi XDC (Shanghai) Co., Ltd. under operational control approach.

Reporting boundaries:

GHG emissions generated in operation and related management activities within the organizational boundaries.

Reporting period covered: January 1, 2024 to December 31, 2024

Emissions data verified under reporting boundaries:

- Category 1: Direct GHG emissions: 30 tonnes of CO₂e
- Category 2: Indirect GHG emissions from imported energy: 4,263 tonnes of CO₂e
- Category 3: Indirect GHG emissions from transportation: 1,276 tonnes of CO₂e
- Category 4: Indirect GHG emissions from products used by organization: 931 tonnes of CO₂e
- Category 5: Indirect GHG emissions associated with the use of products from the organization: Unquantified
- Category 6: Indirect GHG emissions from other sources: Unquantified

GHG verification protocol used to conduct the verification:

- ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- ISO 14064-3:2019 Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements
- Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard
- Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China, 100738
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Appendix 5: External Assurance Report



Level of assurance: Reasonable assurance

Verification conclusion:

Based on the verification process and findings, the GHG emission data in the GHG inventory report from WuXi XDC (Shanghai) Co., Ltd. is in compliance with ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

*Signed on behalf of
Bureau Veritas Certification (Beijing) Co., Ltd.*



Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738
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Appendix 5: External Assurance Report



Bureau Veritas Certification

Greenhouse Gases Verification Statement

WuXi XDC (Shanghai) Co., Ltd.

Verification conclusion:

Based on the verification process and findings, the GHG emission data in the GHG inventory report from WuXi XDC (Shanghai) Co., Ltd. is in compliance with Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard and Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

GHG emission classification: The Greenhouse Gas Protocol

Categories		tCO ₂ e
Scope 1: Direct GHG emissions		30
Scope 2: Indirect GHG emissions from imported energy		4,263
Scope 3:	Purchased goods and services	-
	Capital goods	-
	Fuel- and energy-related activities	836
	Upstream transportation and distribution	-
	Waste generated in operations	95
	Business travel	87
	Employee commuting	1,089
	Other	-
	Upstream leased assets	-
	Downstream transportation and distribution	100
Indirect GHG emissions	Processing of sold products	-
	Use of sold products	-
	End-of-life treatment of sold products	-
	Downstream leased assets	-
	Franchises	-
	Investments	-

Note: "-" is Unquantified

GHG Scope:

GHG covered: Carbon dioxide (CO₂), Methane (CH₄), Nitrous oxide (N₂O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulfur hexafluoride (SF₆) and Nitrogen trifluoride (NF₃)
Global warming potential (GWP): 2021 IPCC Sixth Assessment Report (AR6)

Level of assurance: Reasonable assurance

GHG verification methodology:

Interview for relevant personnel;
Review of the documentary evidence;
Evaluation of the methodology and information systems for data collection, aggregation, analysis and review;
Audit of sampled sites and data to verify source.

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Appendix 5: External Assurance Report



Verified date : 2025-02-24~28

Verification Team: Lead Verifier: Roger HU, Verifier: Vistar CHANG, Zongpei YE

Statement of independence, impartiality and competence:

Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 190 years' history in providing independent assurance services. No member of the verification team has a business relationship with WuXi XDC (Shanghai) Co., Ltd. and its directors or managers beyond that required by this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest. Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.



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About The Report

REPORTING SCOPE AND LIMITS

The Scope of the Environmental, Social and Governance Report (the present report) is consistent with the Company's annual report. In view of the importance of our business's impact on the environment, the scope of our environmental data includes all operating sites owned and managed by WuXi XDC (Cayman) Inc²⁶.

REPORTING PERIOD

This report covers the period from January 1, 2024 to December 31, 2024 (the Reporting Period). To complete the comprehensive suite of data contained in this report, some content considers previous years or extends to the first quarter of 2025.

REPORTING STANDARDS

This report is compiled based on the Environmental, Social and Governance Reporting Guide, Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (HKEX); with reference to the Global Sustainability Standards Board (GSSB) GRI Standards and the Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations of The Financial Stability Board (FSB).

INDICATORS SELECTION

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

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

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

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

Consistency: WuXi XDC will adopt a consistent approach to data disclosure and data comparison across time periods covered by the report, and will note the changes in statistical methods and key performance indicators and any other relevant factors affecting a meaningful comparison.

²⁶ All operating sites refer to all the sites put into operation before 2023, so that comprehensive and valid data can be measured. This includes the XDC Wuxi Site and XDC Shanghai Site.

About The Report

EXPLANATION OF TERMS

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

SOURCE AND RELIABILITY

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

CONFIRMATION AND APPROVAL

This report was approved by the Board of Directors on April 22, 2025, following confirmation by management.

REPORT ACCESS

The online version of this report is available for download on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and that of WuXi XDC (www.wuxixdc.com).

