



CANbridge Pharmaceuticals Inc.
北海康成製藥有限公司

(於開曼群島註冊成立的有限公司)

(Incorporated in the Cayman Islands with limited liability)

股份代號 Stock Code : 1228

**Environmental, Social and
Governance Report**

2024



ABOUT THIS REPORT

This is the fourth Environmental, Social and Governance (“**ESG**”) report (“**ESG Report**”, or “**this Report**”) published by CANbridge Pharmaceuticals Inc. (the “**Company**”, “**We**”, or together with its subsidiaries as the “**Group**”). The ESG Report covers the sustainable development direction, strategy and performance of the Company, outlining strategies implemented and summarizing the performance for the year, with a view to elaborating on the efforts we uphold and the long-term value we create for our stakeholders.

BASIS AND REFERENCE

This ESG Report is prepared in accordance with the requirements set forth in Appendix C2 – Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”, which has been renamed as the “Environment, Social and Governance Reporting Code” since 1 January 2025) of the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited (“**the Stock Exchange**”) (“**Listing Rules**”). This Report covers the Company’s principal businesses in research, development and commercialization of therapies in rare diseases and rare oncology.

The Company has complied with the mandatory disclosure requirements and the “comply or explain” provisions set out in the ESG Reporting Guide. During the preparation of this Report, the Company adheres to the reporting principles of materiality, quantitative, balance and consistency by:

Materiality	Identifying material issues through stakeholder engagement and making key disclosures about these issues.
Quantitative	Presenting information in a quantitative way, where feasible.
Balance	Reporting information in an objective and unbiased manner to ensure it reflects both the achievements and the challenges faced by the Company.
Consistency	Using consistent measurement methods to enable meaningful comparisons of the Company’s ESG performance. Any change will be clearly stated in this Report.

REPORTING PERIOD

The Report illustrated the Group’s initiative and performance on the environmental and social aspects for the period from 1 January 2024 to 31 December 2024 (the “**Reporting Period**” or the “**Current Year**”).

REPORTING SCOPE

This Report covers the Company’s principal businesses in research and development and commercialization of therapies in rare diseases and rare oncology, which are considered to have primary impact on the social and environmental aspect by the Company during the Reporting Period.

The environmental data disclosed in this Report encompasses emissions and consumption data directly generated by the offices located in Hong Kong, Taiwan, the mainland (“**Chinese Mainland**”) of the People’s Republic of China (the “**PRC**”) and the United States of America (the “**USA**” or the “**United States**”).

DISCLOSURE OF REPORTING

This Report is disclosed alongside the CANbridge Pharmaceuticals Inc. 2024 Annual Report, and the financial data involved are consistent with the 2024 Annual Report. In this Report, the amounts mentioned are in HKD unless otherwise specified. Other data and cases mainly come from the Company's statistical reports and related documents. For more information on our corporate governance, please refer to the section "Corporate Governance Report" of the annual report of the Company for the year ended 31 December 2024.

REPORT RETRIEVAL

This Report is published in English and Chinese, and the electronic version of this Report is available on the Company's website and the Stock Exchange's website. Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail.

ABOUT THE COMPANY


CANbridge Pharmaceuticals Inc. (HKEX:1228) is a global biopharmaceutical company, with a foundation in the PRC, committed to the research, development and commercialization of transformative therapies for rare disease. CANbridge has a differentiated drug portfolio, with 2 approved drugs and a pipeline of 8 assets, targeting prevalent rare disease indications that have unmet needs and significant market potential. These include Hunter syndrome and other lysosomal storage disorders, complement-mediated disorders, hemophilia A, metabolic disorders, rare cholestatic liver diseases and neuromuscular diseases.

The CANbridge Next-Generation Innovation and Process Development Facility is developing novel, potentially curative, gene therapies for rare genetic diseases, including Pompe disease, Fabry disease, spinal muscular atrophy ("**SMA**"), Duchenne muscular dystrophy ("**DMD**") and other neuromuscular conditions, and collaborates with world-leading researchers and biotech companies. CANbridge global partners include: Apogenix, GC Pharma, Mirum, Wuxi Biologics, Privus, UMass Chan Medical School, the University of Washington School of Medicine and Scriptr Global.

For more details, please visit our official website (<https://www.canbridgepharma.com/>).

ESG STRATEGY AND GOVERNANCE

The Company fully recognizes the importance of improving environmental and social performance for a sustainable business operation. We therefore incorporate sustainability consideration, where appropriate, in the development of our business strategies and integrate our environmental, social and corporate governance strategies into our vision of being a global biopharmaceutical leader in delivering life-changing therapies based in the PRC. We are committed to upholding the quality of the services we provide to our customers and to building strong and lasting relationships with our stakeholders based on the core values of social, economic and environmental responsibility.



Given this, the Company has formulated an Environmental, Social and Corporate Governance Policy. The purpose of this policy is to ensure that the Company operates in a manner that makes a positive contribution to society and the environment. We continually seek to achieve and exceed the highest standards of behavior and corporate social responsibility, which are fundamental to our measure of success. We are committed to promoting corporate social responsibility and sustainable development and embedding it in our operations. We have progressively integrated our values and proactive attitude into our corporate culture, and we aim to guide our employees in practicing corporate social responsibility during their daily work through the implementation of a variety of policies.

The Company's Board of Directors (the **"Board"**) considers ESG risks and opportunities at a corporate level and is fully responsible for identifying the Company's ESG risks, determining appropriate ESG mitigation strategies and reporting ESG performance. Additionally, the Board is responsible for overseeing the Company's risk management and internal control systems. Under the supervision of the Board, the Company's management (the **"Management"**) has the responsibility of regularly communicating the effectiveness of the risk management and internal control system with the Board.

For a better management of ESG performance, the Company has set up the ESG Working Group, consisting of members of the Senior Management and Functional Departments. The ESG Working Group collaborates in collecting and analyzing ESG data, ensuring compliance with related laws and regulations regarding ESG and assisting the Board in supervising the implementation of ESG strategies. If any significant ESG risks or non-compliance issues are identified in day-to-day operations, they report directly to the Board. Different ESG issues are reviewed by the Board at the meetings which are held at least annually.

The Board understands that the establishment of ESG targets aids in the Company's ESG governance. Therefore, the Board sets ESG targets related to the Company's business where appropriate, and reviews progress made toward improving the Company's ESG performance by keeping track of the ESG key performance indicators (**"KPIs"**) on a regular basis, in the environmental and social aspects, which are vital and closely related to the Company's business. The Board will, if necessary, engage independent third parties to evaluate the Company's ESG risks and review existing strategies, targets and internal control measures. Furthermore, the Company has also considered ESG risks in its corporate risk management framework in order to achieve its business objectives and ensure its stable development. The Board determines the nature and extent of risks to be assumed for the purpose of achieving the Company's strategic objectives and has the overall responsibility for overseeing the design, implementation and overall effectiveness of the risk management and internal control system. The Board is also responsible for ensuring that the Company has taken reasonable measures to manage significant risks. The Company believes that ESG risks have gradually become an important factor in its business, and has taken the approach to incorporate ESG risks into its routine risk management process as a means of enhancing its overall risk evaluation, prioritizing and management and control capabilities. Additionally, the Company also engages external consultants to conduct annual risk assessment to identify potential risks as well as control deficiencies and to make recommendations for improvements.

SELECTION OF MATERIAL ESG ISSUES AND ANALYSIS

The daily operations of the Company affect and are affected by different groups of stakeholders, therefore it is crucial to fully consider the expectations of stakeholders and truly understand their concerns so as to maximize greater economic output and business value while keeping in line with the Company's long term sustainable development goals. The identification of such expectations and the related material ESG issues are conducted through our stakeholder engagement and materiality assessment process.

Stakeholder Engagement

Our internal and external stakeholders include employees, clients, investors and shareholders, suppliers and business partners, government and supervising authorities, social groups and public, and media. We have been actively engaging in and providing them with updates on our recent business developments through various effective channels of communication. These channels, as summarized below, provide important references for formulating and implementing ESG strategies, and for determining the materiality of ESG issues:

Stakeholders	Expectations and Requirements	Communication Channels
Employees	<ul style="list-style-type: none">• Employee rights protection• Channel of career development• Healthy & safe working environment• Welfare & care	<ul style="list-style-type: none">• Internal Emails & Publications• Meetings & briefings• Trainings• Employee Activities• Corporate Website
Patients	<ul style="list-style-type: none">• Delivery of high-quality products• Protection of patients' rights, privacy & interests• Accessibility & affordability of drugs• Promotional compliance• Responsible marketing	<ul style="list-style-type: none">• Company Website• Emails• Phone calls and Meetings
Investors & Shareholders	<ul style="list-style-type: none">• Return on investment• Corporate governance• Information disclosure	<ul style="list-style-type: none">• Corporate Website• Annual General Meeting• Annual and Interim Report• Press Release and Announcements• Emails, Facsimile & Phone Contacts
Suppliers & Business Partners	<ul style="list-style-type: none">• Promotional compliance• Responsible marketing• Synergetic cooperation• Promotion of fairness & openness	<ul style="list-style-type: none">• Corporate Website• Emails, Facsimile & Phone Contacts• Conference• Field Visitation

Stakeholders	Expectations and Requirements	Communication Channels
Government & Supervising Authorities	<ul style="list-style-type: none"> Operational Compliance Regulatory Compliance 	<ul style="list-style-type: none"> Corporate Website Press Release & Announcement Emails, Facsimile & Phone Contacts Cooperate with Government & Regulatory Authorities on Compliance Inspections
Social Groups & The Public	<ul style="list-style-type: none"> Community engagement Business compliance Environmental awareness Public health education & medical breakthrough 	<ul style="list-style-type: none"> Corporate Website Press Release and Announcement Emails, Facsimile & Phone Contacts
Media	<ul style="list-style-type: none"> Responsible marketing Information disclosure 	<ul style="list-style-type: none"> Corporate Website Press Release and Announcements Emails, Facsimile & Phone Contacts

Materiality Assessment

The Company faces a great number of ESG issues relating to its operations which are of varying importance to stakeholders. The key ESG issues and KPIs in this Report are reported with reference to the recommendations of the ESG Reporting Guide by the Stock Exchange.

The Company conducts materiality assessment annually to identify the key ESG issues that are material to our business operations. ESG issues were identified and considered as relevant to the Company with reference to the ESG Reporting Guide and peer benchmarking results. The result of peer benchmarking and stakeholder engagement exercise were analyzed and consolidated in terms of their importance to stakeholders and the Company's business developments to derive the overall materiality level to each ESG issues.

During the Reporting Period, ESG issues which are considered material to our stakeholders and the Company are listed in the following table:

No.	Categories	ESG Issues
1	General	Compliance
2	A1	Hazardous and non-hazardous waste
3	A1	Greenhouse Gas Emissions
4	A1	Waste Disposal and Management
5	A2	Energy Usage
6	A2	Water Usage and Other Matters
7	A2	Packaging Material Usage
8	A3	Environmental Impacts from Operations
9	A4	Climate Change
10	B1	Human Resources Practices
11	B1	Diversity and Equal Opportunity
12	B2	Workplace Health and Safety
13	B3	Staff Development and Training
14	B4	Anti-child and Forced Labor
15	B5	Supply Chain Management
16	B5	Evaluation of Suppliers' performance on environmental and labor performance
17	B6	Product Safety
18	B6	Product Quality
19	B6	Data Privacy and Protection
20	B7	Anti-corruption and Money Laundering
21	B8	Community Investment

A1: Emissions

As a Company whose primary business is the research, development and commercialization of pharmaceuticals, our services are typically relying on third-party suppliers for the manufacture, importation and services of pharmaceutical products. By this nature, our operations don't directly generate significant air emissions and hazardous waste. Nevertheless, we pay more attention to the procurement procedures of our third-party suppliers to ensure that they also have stringent mechanisms in place to control the greenhouse gas ("GHG") emissions and waste generated from their operations. We also strictly comply with relevant environmental laws and regulations, including but not limited to The Environmental Protection Law of the PRC* (《中華人民共和國環境保護法》), The Law of the PRC on Prevention and Control of Environmental Pollution by Solid Wastes* (《中華人民共和國固體廢物污染環境防治法》), The Law of the PRC on Prevention and Control of Water Pollution* (《中華人民共和國水污染防治法》), The Law of the PRC on Prevention and Control of Air Pollution* (《中華人民共和國大氣污染防治法》) and The Law of the PRC on Energy Conservation* (《中華人民共和國節約能源法》). During the Reporting Period, there was no material breach of or non-compliance with the applicable laws and regulations related to environmental protection, air and GHG emissions, discharges into water and land which have a significant impact to the Company.

* The English name is for identification only

Air Pollutant Emissions

During the Reporting Period, the business operations of the Company did not result in the consumption of any natural gas or diesel. Due to the Company's business nature, only an immaterial amount of air pollutant emissions was generated from the use of corporate vehicles. As such, there were no material nitrogen oxides, sulphur oxides, or particulate matters emissions during the Reporting Period.

GHG Emissions

The Company's GHG emissions mainly resulted from the consumption of energy, water and office consumables. During the Reporting Period and the corresponding period in 2022 and 2023, the Company's GHG emissions are summarized as follow:


GHG Emissions ^{1,2}	2022	2023	2024
Direct ("Scope 1") emissions (tCO ₂ e)	5.39	9.78	12.79
Scope 1 emissions intensity (tCO ₂ e/headcount)	0.038	0.084	0.138
Indirect ("Scope 2") emissions (tCO ₂ e)	715.27	254.66	195.89
Scope 2 emissions intensity (tCO ₂ e/headcount)	4.615	2.186	2.118
Other Indirect ("Scope 3") emissions (tCO ₂ e)	2.48	1.41	0.72
Scope 3 emissions intensity (tCO ₂ e/headcount)	0.016	0.012	0.008
Total GHG emissions (tCO ₂ e)	723.14	265.85	209.40
Total GHG emissions intensity (tCO ₂ e/headcount)	4.665	2.282	2.264

Notes:

1. The GHG emissions are calculated with reference to "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEx, Announcement on the Release of 2022 Electricity Carbon Dioxide Emission Factor (《關於發佈2022年電力二氧化碳排放因子的公告》) issued by the Ministry of Ecology and Environment of the PRC* (中華人民共和國生態環境部) and the Emission Factors for Greenhouse Gas Inventories (2024 version) issued by the United States Environmental Protection Agency.
2. Intensity is calculated based on headcount, determined by taking the average of the total number of employees at the beginning and the end of the Reporting Period. This average headcount is also utilized for calculating other intensity metrics.

Scope 1 emissions include direct emissions from the combustion of unleaded petroleum resulting from Company-registered vehicles used for transportation purposes. Scope 2 emissions include indirect emissions from purchased electricity in offices. Scope 3 emissions include emissions from the Company's disposal of paper.

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The increase in Scope 1 GHG emissions during the Reporting Period was primarily attributed to the increased vehicle usage for client visits and business trips. Conversely, as disclosed in the interim report of the Company for the six months ending 30 June 2024 (the “**2024 Interim Report**”), and also the announcements of the Company dated 25 October 2024 and 25 February 2025, the office and laboratory in Boston (the “**Leased Property**”) underwent operational adjustments under the Downsizing Plan (as defined and further disclosed in the 2024 Interim Report). As a result, the number of full-time employees at the Leased Property was reduced to four during the Reporting Period, leading to a decline in operational activities and decrease in Scope 2 GHG emissions associated with the Leased Property. Notably, the operations of the Leased Property accounted for 89% (2023: 78%) of the Company’s Scope 2 GHG emissions during the Reporting Period, primarily due to the relocation of two PRC offices to smaller premises which resulted in reduced electricity consumption and corresponding Scope 2 GHG emissions, thereby amplifying the proportional contribution of the Leased Property. The decrease in Scope 3 GHG emissions was mainly due to the decrease in paper consumption as a result of the effective implementation of the Company’s green office measures during the Reporting Period.

Further details and descriptions of this type of consumption, as well as our ongoing initiatives to reduce our carbon footprint, can be found in Section A2: Use of Resources.

Hazardous and Non-hazardous Waste

Owing to the current stage of our business operations, tests which have been carried out in the laboratory are not material to the environment. Even though the laboratory operates in leased premises, we took full responsibility to monitor the wastewater treatment by reviewing the monthly service report provided by property management agent, where chemical supplies and potential hazardous substances are included. During the Reporting Period, no material hazardous waste was produced.

During the Reporting Period, the professional team at leased laboratories continued to implement the Chemical Hygiene Plan, which outlines policies and procedures designed to eliminate or control hazards associated with the use and handling of hazardous chemicals. All employees at laboratories who are involved in research activities strictly adhere to the plan. Currently, some of the chemicals used in research laboratories pose a risk of harm to employees or public health, including but not limited to flammables, corrosives, reactants, toxins, peroxide-forming chemicals, environmental hazards, allergens, etc. Chemical and biomedical waste in the laboratory will be disposed of by a specialized medical waste disposal company. Chemical substances approved for sink disposal at CANbridge Pharmaceutical are: Dilute acids, bases, and buffered solutions with a pH between 6.0 and 10.0, as well as non-toxic, non-hazardous salt solutions in water or other non-hazardous media. The building owners are responsible for monitoring and pre-treating the wastewater. The Company continues to meet our hazardous waste minimization targets by reducing the amount of generated waste or reducing the toxicity of the generated waste. Strategies for waste minimization include reducing the size of chemical orders and experimental volumes, and/or substituting acutely toxic materials with less hazardous alternatives as well as sharing unused chemicals with others in the lab or facility.

Meanwhile, non-hazardous waste is mainly composed of consumption of paper for office administration. The table below summarizes the amount of paper consumed and recycled during the Reporting Period and the corresponding period in 2022 and 2023:

Non-hazardous Wastes	2022	2023	2024
Paper consumption (tonnes)	0.63	0.29	0.17
<i>Paper consumption intensity (tonnes/headcount)</i>	<i>0.0041</i>	<i>0.0025</i>	<i>0.0018</i>
Paper recycling volume (tonnes)	0.11	0.04	0.02
<i>Paper recycling intensity (tonnes/headcount)</i>	<i>0.0007</i>	<i>0.0003</i>	<i>0.0002</i>

The majority of the non-hazardous waste generated was 0.17 (2023: 0.29) tonnes of paper, which represents a 41% decrease compared to the amount in 2023. Of this, 88% is consumed in the form of documents or contracts which are archived or posted, and 12% is collected for reuse or sent to recyclers for disposal. Due to the Company's workforce downsizing during the Reporting Period (please refer to Section B1: Employment), office operations and paper consumption correspondingly decreased. We have established controls in waste disposal and management, which are described in the following section.

Waste Disposal and Management

With respect to managing the disposal of hazardous wastes in our laboratories, our professional laboratory management team continues to implement the Solvent Management Plan. After identifying sources of hazardous chemicals which can cause damaging impacts to municipal sewer systems, multiple control measures have been implemented to prevent accidental spills, including but not limited to:

Control Measures

Chemical Inventory	The Company assigns a designated Chemical Hygiene Officer to maintain an inventory of hazardous chemicals used and stored in the laboratory, which includes all solvents, in coordination with the employees, supervisors and safety representatives of the managed laboratory. This control measure ensures that the Company can identify any hazardous chemicals when ordering and receiving them so that they can be stored and disposed of appropriately.
Storage & Handling	All hazardous chemicals are stored in specialized chemical storage locations. Any chemicals in the vicinity of laboratory sinks or drains must be stored in a supplementary container with sufficient capacity to prevent accidental spillage.

Waste Collection & Disposal	Those solvents or solutions containing solvents which are no longer required for use in experiments will be immediately collected as hazardous waste. Containers for hazardous waste storage are kept in appropriate secondary containers (to prevent spills and accidental leaks) and are placed in Satellite Accumulation Areas with signs. All hazardous chemical wastes will be deposited by professionally licensed transporters of hazardous wastes. The transport operations will be documented through the hazardous waste inventory, managed by appropriately trained safety representatives under the direction of the Chemical Hygiene Officer, and archived at the facility.
Training	Employees of the laboratory are required to take annual training which covers sink disposal requirements as well as proper collection and disposal of hazardous wastes. The process and results of the training are supervised by the Chemical Hygiene Officer or a designated safety representative.
Posting & Signage	This Solvent Management Plan is to be posted in each laboratory area in which hazardous chemicals are used or stored. Additionally, sinks are posted with sign of "DO NOT POUR CHEMICALS DOWN THE SINK".

In terms of office management, the company implements the "3R" principle, namely Reduce, Reuse and Recycle, in its business activities. We continue to implement the waste classification mechanism to categorize different materials to facilitate their recycling. The classification mechanism has been effective in reducing the amount of waste generated as our employees have responded positively to office recycling. Apart from encouraging staff to print on both sides of the paper, the Company also encourages staff to minimize the waste caused by over-purchasing of office stationery. At the same time, employees responsible for procurement are reminded to pay more attention to sustainable sourcing by purchasing more environmentally friendly products (e.g. from Forest Stewardship Council-certified suppliers). Furthermore, we are actively promoting the use of digital platforms in our routine work to reduce our reliance on office consumables and inspiring more effective change.

Targets Setting

In the long run, the Company will continue to enhance its environmental management strategies regularly by monitoring and minimising the environmental impacts brought by its businesses. As such, we have set management and control targets on an absolute basis in reducing GHG emissions and waste production. In the future, we will develop more specific quantitative environmental goals to nurture the environment and cherish natural resources.

The Company develops the environmental targets for GHG emissions and waste production, and the progresses at the end of the Reporting Period are as follow:

Environmental KPI	Targets	2024 vs. 2022		
		2024 vs. 2023	(the baseline year)	Status
GHG emissions	To reduce total GHG emissions by 10% by 2030, with 2022 as the baseline year.	Decreased by 21%	Decreased by 71%	In progress
Waste production	To reduce paper disposal by 10% by 2030, with 2022 as the baseline year.	Decreased by 40%	Decreased by 71%	In progress

A2: Use of Resources

Energy Usage

Our major sources of resource consumption are electricity used for lighting, air-conditioning, and daily office utilities for office operations, as well as fuel consumed by vehicles in transportation of our senior management. During the Reporting Period and the corresponding period in 2022 and 2023, the energy consumption for petrol and electricity are summarized below:

Energy Consumption ¹	2022	2023	2024
Direct energy consumption (kWh in '000s)	29.07	47.86	53.78
<i>Direct energy consumption intensity (kWh in '000s/headcount)</i>	<i>0.19</i>	<i>0.41</i>	<i>0.58</i>
Indirect energy consumption (kWh in '000s)	576.23	909.28	753.61
<i>Indirect energy consumption intensity (kWh in '000s/headcount)</i>	<i>3.72</i>	<i>7.81</i>	<i>8.15</i>
Total energy consumption (kWh in '000s)	605.30	957.14	807.39
<i>Total energy consumption intensity (kWh in '000s/headcount)</i>	<i>3.91</i>	<i>8.22</i>	<i>8.73</i>

Note:

- ¹ The amounts represent the energy directly controlled and consumed by the Company during the Reporting Period. Indirect energy consumptions (i.e. those consumed by its suppliers and other third parties engaged by the Company) are excluded.

During the Reporting Period, petrol consumption of the Company's own vehicles was 5,549 (2023: 4,938) liters, with a per capita petrol consumption intensity of 60 (2023: 42) liters, representing an increase of 12% as compared to the petrol consumption in 2023, mainly due to the increased vehicle usage for client visits and business trips. In addition, the Company's electricity consumption decreased to 753.61 (2023: 909.28) kWh in '000s during the Reporting Period, with a per capita electricity intensity of 8.15 (2023: 7.81) kWh in '000s. As disclosed in the 2024 Interim Report of the Company, and also the announcements of the Company dated 25 October 2024 and 25 February 2025, the Leased Property in Boston underwent operational adjustments under the Downsizing Plan. As a result, the number of full-time employees at the Leased Property was reduced to four during the Reporting Period, leading to a decline in operational activities and material decrease in electricity consumption associated with the Leased Property. Notably, the operations of the Leased Property accounted for 95% (2023: 89%) of the Company's electricity consumption during the Reporting Period, primarily due to the relocation of two PRC offices to smaller premises which resulted in reduced electricity consumption, thereby amplifying the proportional contribution of the Leased Property.

Furthermore, we fully understand that energy consumption plays a large part in GHG emissions, and we seek to ensure all our business activities are conducted in an energy-conservative matter. During the Reporting Period, we continue putting efforts into energy saving with our green practices in the business operations, through less usage of office utilities by preferring to use more on digital platforms (for example, remote video conferencing), carrying out regular maintenance of vehicles with good condition for operational efficiency. By consistently implementing stringent control measures in green offices, such as: (i) adopting energy-efficient equipment; (ii) controlling the temperature of air-conditioning system within reasonable ranges; (iii) raising employees' awareness of green behaviour by recommending them to switch off all the lights, computers and printers by the end of the work day; and (iv) promoting environmental protection such as saving water and electricity by slogan or poster in offices.

Water Usage and Other Matters

The Company regards water consumption as one of the most important things in monitoring its use of resources. However, water consumption in all the Company's office premises is not separately metered and is not available to each local office, and therefore the relevant data is not available during the Reporting Period. The Company will allocate resources to establish quantified water efficiency target, once water usage data becomes available.

Water Consumption ¹	2022	2023	2024
Water (cubic meter)	4,667	349	N/A
<i>Intensity per headcount (cubic meter)</i>	<i>30.11</i>	<i>12.46</i>	N/A

Note:

- 1 The water consumption for the Reporting Period could not be measured due to the lack of separate water meter after the relocation of the Beijing office, while the water consumption in 2022 and 2023 includes only water consumption in Beijing.

The Company has no difficulty in sourcing water for our purposes. As our business operations are currently outsourced to our suppliers for the production of pharmaceuticals, water is not directly consumed by the Company. In addition, as our laboratory sites are centrally managed by a property management organization, the Company is unable to quantify the water consumption data for reporting purposes. Similarly, the situation is the same for our Hong Kong, Taiwan, Beijing and Shanghai offices during the Reporting Period.

The Company still actively seeks ways to mitigate water consumption by raising employees' awareness of water saving through green office policy such as reminding employees to turn faucet off tightly and conducting regular inspection and maintenance of water facilities. Regarding wastewater treatment, the leased laboratories' property management agent has cooperated with licensed wastewater operators to check the wastewater treatment system daily, conduct monthly service on the system and review the service by receiving monthly service reports. Our Lab wastewater treatment complied with the pH Neutralization System, in order to treat acidic or alkaline industrial wastewater to protect piping, pumps and meet regulatory discharge limitations.

Packaging Material Usage

During the Reporting Period, there is no disclosure of the amount of packaging materials consumed by CANbridge, as the Company did not directly manufacture pharmaceutical products for market sale. During the Reporting Period, the Company imports 3 listed pharmaceutical products for marketing purposes. Since these drugs are manufactured by our suppliers, their packaging material usage is not under the direct control of the Company.

Furthermore, CANbridge places emphasis on collaborating with suppliers to optimize packaging design and promote the use of green packaging materials and technologies. For this purpose, we have worked with our suppliers to streamline the packaging process, effectively improving productivity and reducing working hours. Packaging design has been standardized and shaped to better meet the needs of pallet loading and cargo transport, effectively improving space utilization and reducing logistics costs.

Targets Setting

In addition, the Company advocates energy and resources saving, and is committed to achieving sustainable operations and compliance with emission requirements by local authorities. To this end, we have set preliminary management and control targets on an absolute basis in terms of energy use efficiency, so as to perform better energy conservation. In the future, we will set more specific quantitative environmental goals to nurture the environment and cherish natural resources.

The Company develops the environmental targets and steps taken to achieve energy conservation, and the progress at the end of the Reporting Period are as follow:

Environmental KPI	Targets	2024 vs. 2022		
		2024 vs. 2023	(the baseline year)	Status
Energy consumption	To reduce electricity consumption by 5% by 2030, with 2022 as the baseline year	Decreased by 17%	Increased by 31%	In progress

A3: The Environment and Natural Resources

Environmental Impacts from Operations

The Company seeks to maintain the long-term sustainability of the environment and communities in which we operate. Being a responsible member of society, the Company is continuously monitoring the potential risks and impacts of its business operations on the environment. During the Reporting Period, effects on the environment are mainly due to the Company's administrative operation and laboratory research, which will result in direct and indirect emissions of GHG. The Company consistently takes steps to act with an environmentally responsible attitude and in full compliance with relevant laws and regulations. For instance, we have taken measures to improve the utilization of our office space and further reduce the floor area of our office space, thereby reducing energy consumption related to lighting, air conditioning and so on. The Company uses existing digital platforms and actively adopts video conferencing instead of offline meetings to minimize carbon emissions generated by business travel of our employees. At the same time, the Company continues to reduce non-essential office space and adopt energy-saving measures so as to reduce energy consumption. The Company also continues to implement energy-saving initiatives in the workplace, such as requiring employees to switch off the office equipment, lighting and air-conditioners when they are not in use, so as to avoid leaving them on standby for a long time. Additionally, the Company regularly reviews and updates the in-house policies to ensure that they accurately respond to the requirements of current laws, regulations and business practices.

Our employees are also very cautious in the utilization of resources for experimental research in the laboratory. We implement waste minimization strategies and constantly monitor the toxicity of waste generated. For the treatment of wastewater, we have introduced a pH neutralization system, which is inspected and monitored on a daily and monthly basis by a licensed wastewater treatment operator, for treating acidic or alkaline industrial wastewater to protect pipelines and pumps and meet the requirements of regulatory discharge limits. The purpose of all the above measures is to reduce negative environmental impacts and minimize the use of natural resources.

During the Reporting Period, there was no case of non-compliance with environmental laws and regulations. The Company's current operation focuses on research and development, clinical trial, market access, and sell pharmaceutical drugs, which does not have any material negative impact on the environment and natural resources in general. Hence, KPI A3.1 (Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them) are not applicable to the Company and therefore are not disclosed in the ESG Report. The Company, however, continues to implement environmentally friendly measures to conserve energy and water in our operations. These measures have been proven to not only minimize the adverse impact on the environment, but also help the Company to reduce its operating costs.

A4: Climate Change

Climate change and extreme weather events are having an increasingly visible impact on business operation across a wide range of areas including regular operation of the workplaces, stability of the supply chain, safety and health of employees. It is vital for the Company to understand the scale and nature of climate change risks. The TCFD Working Group has categorized climate-related risks into two main groups: Transition risks, which are risks associated with the transition to a low carbon economy; Physical risks, which are risks associated with the physical impacts of climate change. Although the carbon footprint associated with our business is relatively small, the Company has a responsibility to do its utmost to reduce emissions and mitigate the impacts of climate change.

The Company has assessed potential risks that may arise from the direct or indirect effects of climate change, and such risks are summarized below:

Risk	Description	Response Strategy
Physical Risks		
Acute Physical Risk	Extreme weather events such as heavy rainfall, typhoons, hurricanes, cyclones and flooding have potential hazards to the safety of employees, the preservation of assets, the stability of supply chain and smooth operations, the assets of the Company.	<ul style="list-style-type: none">• Pay close attention to weather forecasts and issue timely alerts in the case of extreme weather events.• Develop early warning systems, evacuation plans and emergency response measures for our employees and develop standard operating procedures for responding to such events, to enhance their awareness, ability and mobility in dealing with potential hazards.
Chronic Physical Risk	The impacts of climate change may increase in electricity consumption in handling pharmaceuticals and chemical substances, along with the maintenance costs for cold chain logistics and the insurance costs for catastrophic event losses, as our temperature-sensitive and humidity-sensitive products require stringent environmental controls. Rising temperatures could particularly affect the storage and transportation of temperature-sensitive products, while heatwaves may also impact employee working conditions, especially in R&D and manufacturing facilities.	<ul style="list-style-type: none">• Pay more attention to ensure that our facilities are adequate to cope with rising temperatures and precipitation• Outsourced our logistics and warehousing to external parties for the stability of supply chain and smooth operations

Risk	Description	Response Strategy
Transition Risks		
Policy and Legal Risk	Policies and regulations are implemented in a number of countries and regions around the world to transition to a low carbon and green economy, which will unavoidably create potential risks for the Company.	<ul style="list-style-type: none"> • Consider how the changing policies and regulations may affect our vendors and suppliers, especially in outsourced logistics; • Promoted our approach to cope with climate change within the organization, including climate risk identification, mitigation and adaptation guidelines to help build resilience to potential climate events.
Technology Risk	Our endeavors to transition to low-carbon operation will require us to invest in laboratory-related technology, equipment in office space and electrical hardware in warehouses and so on.	<ul style="list-style-type: none"> • Optimize business processes and strive for green research and development; • Consider environmental impact and energy efficiency when acquiring new equipment.
Market Risk	As climate change intensifies globally and the propensity of clients to use environmentally friendly products and services rises, failure to align our products and services with market trends may cause us to lose market share and decrease market demand for our services.	<ul style="list-style-type: none"> • Maintain close communication with our key clients regarding their expectations of our environmental performance; • Develop a sustainable procurement policy requiring suppliers to meet environmental and social criteria. • Enhance transparency of our environmental performance.
Reputation Risk	The expectations of stakeholders (including clients, employees, investors, and shareholders) regarding our contribution to lower-carbon economy could affect the Company's value, which may decrease if our performance in relation to climate goals and actions is seen as insufficient.	<ul style="list-style-type: none"> • Strengthen communications with stakeholders and gather timely feedback regarding any concerns about our climate-related responses. • Maintain transparent disclosure on climate-related efforts.

Our climate change risk assessment takes into account the policies and regulations expected to be introduced in the coming years as the climate cycle continues to deteriorate. By identifying areas where our organization can improve, we remain committed to implementing efficient investments and enhancing the resilience of our business operations. The first step toward a more sustainable future is to reduce energy and resource loss while improving overall efficiency. Ultimately, the key to protecting the environment lies in achieving complementarity and proportionality between business development and environmental protection. The Company actively promotes this belief and fosters a culture of environmental responsibility, ensuring that we contribute to alleviating climate change wherever possible.

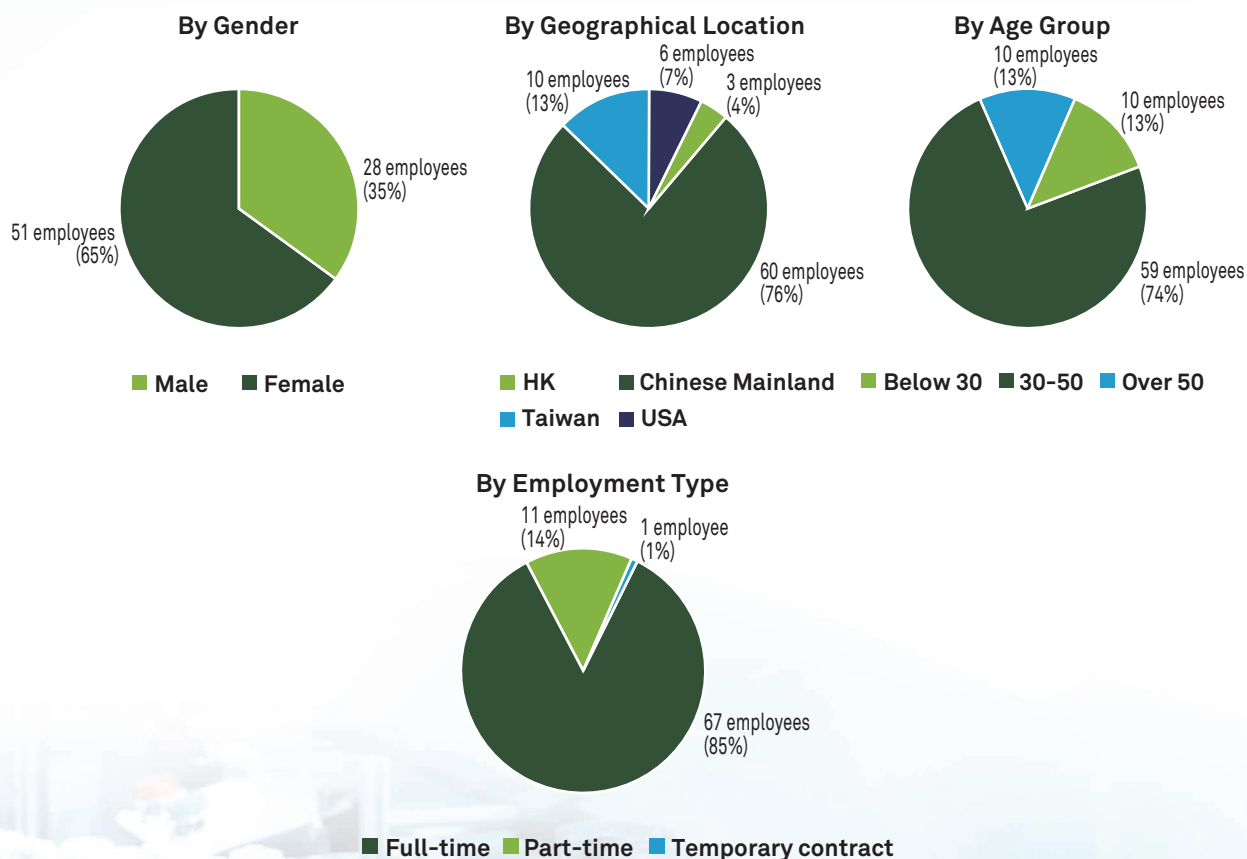
B1: Employment

Talent Attraction and Retention

People are considered as the most valuable asset for the development of the organization. We aim to attract the appropriate people who have the right skills and knowledge, willing to share the same vision and values as the Company. We appreciate the contributions made by our employees and are dedicated to improving their welfare and well-being during the tenure of their employment. We are always committed to creating a harmonious and caring work environment which empowers our employees and gives them a sense of belonging.

A set of human resources policies and procedures have been established to guide employee compensation, dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, other benefits and welfare in accordance with the relevant employment laws and regulations in each location. These human resources related policies are regularly reviewed and updated to ensure compliance with the latest labor laws and regulations. Also, the human resources department implements appropriate internal controls to ensure that these policies being strictly adhered to.

As of 31 December 2024, the Company has 79 (2023: 106) employees in total and 85% (2023: 94%) of them are full-time employees. Distributions of the Company's employees are shown below:



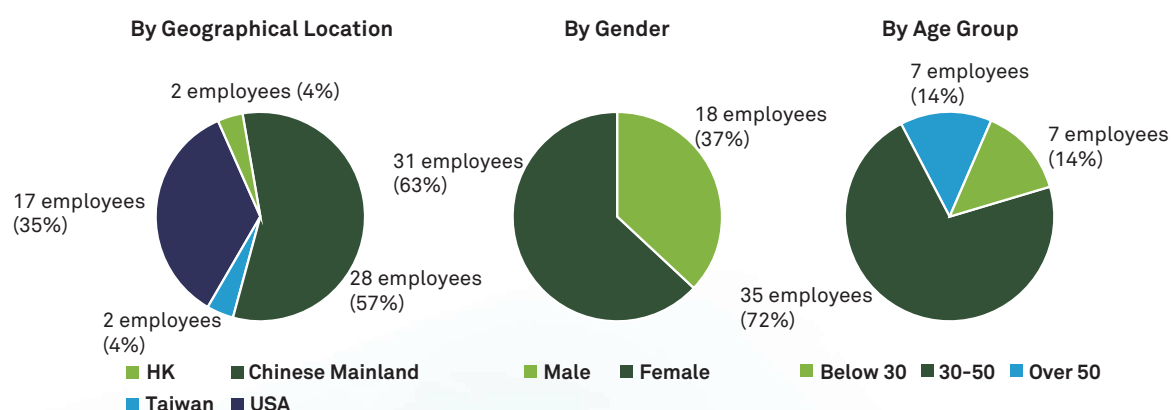
During the Reporting Period, the Company had an overall turnover rate of 38% (2023: 29%). The increase in the turnover rate was mainly due to the business restructuring implemented by the Company. The detailed breakdown of the employee turnover rate during the Reporting Period and the corresponding period in 2022 and 2023 are summarized as below:

Category		Number of employees leaved (total in category ¹)			Turnover rate for employees in the relevant categories		
		2022	2023	2024	2022	2023	2024
By Geographical Location	Hong Kong	2 (6)	3 (6)	2 (5)	33%	50%	40%
	PRC	78 (171)	27 (103)	28 (88)	46%	26%	32%
	Taiwan	3 (12)	4 (13)	2 (12)	25%	31%	17%
	USA	5 (26)	10 (28)	17 (23)	19%	36%	74%
By Gender	Male	35 (84)	16 (56)	18 (46)	42%	29%	39%
	Female	53 (131)	28 (94)	31 (82)	40%	30%	38%
By Age Group	Below 30	14 (31)	12 (27)	7 (17)	45%	44%	41%
	30 to 50	69 (163)	29 (106)	35 (94)	42%	27%	37%
	Over 50	5 (21)	3 (17)	7 (17)	24%	18%	41%

Note:

- 1 The numbers in parentheses are the sum of Number of Employees leaved and Total Number of Employees at the end of the Reporting Period.
- 2 Turnover rate for employees in the relevant categories= Number of Employees Leaved/(Number of Employees Leaved + Total Number of Employees at the end of the Reporting Period)

Overall, there were 49 (2023: 44) employees leaving the Company during the Reporting Period and the distribution of turnover was as follows:



Compensation and Employee Benefits

We offer our employees an attractive remuneration package, which is determined based on two main factors:

- **Competitiveness:** On a regular basis, CANbridge conducts market research and compares salary levels with competitors in the same industry to ensure that our employees are being offered competitive remuneration packages.
- **Performance:** CANbridge believes the key to overcoming challenges in a competitive business environment is our dedicated employees. As such, individual performance serves as one of the primary factors driving salary adjustments and promotions.

The Company's remuneration package includes a comprehensive range of benefits for all employees, such as mandatory provident fund, life insurance, medical insurance, annual leave, overtime leave, marriage leave, maternity leave, and birthday leave. Additionally, the Company offers meal and travel allowances for employees during overtime work and business trips.

Career Advancement and Promotion Opportunities

We provide our employees with ample opportunities for career development and promotion. Every year, we conduct performance reviews of employees through an established performance management mechanism, which is based on the following process:

Personal performance planning

- Formulate individual annual work plans based on company-level annual objectives and positional responsibilities.

Application of assessment results

- Implementation of pay incentives;
- Assign learning and development opportunities.



Executive performance management

- Follow up with employees on plan implementation and make adjustments;
- Coach and motivate employees on the process.

Implementing performance evaluation

- Conduct performance evaluations;
- Interview employees and provide feedback on evaluation results;
- Develop individual competency development plans.

The performance management mechanism provides a structured framework for employees to identify their strengths and areas for improvement, fostering effective communication and mutual understanding between employees and management. Performance assessment results serve as a reference for decisions related to salary adjustments, bonus distribution, promotions, re-deployment, job rotations, or other relevant arrangements. The evaluation process is designed to adhere to the principles of fairness, actionability, realism, and measurability, ensuring it effectively supports and guides employees in their career and professional development.

Wellbeing and Work Life Balance

The Company attaches equal importance to employee wellbeing and work-life balance. The Company has clearly stated the working hours and rest periods of employees in the Employee Handbook. At the same time, the Company has implemented a flexible working time policy which allows employees to freely choose 1.5 hours up or down as flexible time based on the standard working time, as well as to leave work 0.5 hours earlier every Friday, so that employees can maintain a proper work-life balance. The measures mentioned above have effectively reduced the work pressure of employees and improved their overall work efficiency.

Employee satisfaction is one of our key concerns, and as such, we invest a great deal of effort in maintaining and/or improving employees' motivation. The Company conducts annual internal employee satisfaction surveys to understand their perceptions and opinions about the Company or the work environment. The survey results are summarized and reviewed by the management with actionable goals and improvements being set as necessary.

Diversity and Equal Opportunity

The Company promotes a corporate culture of equality, inclusion and diversity. We strongly believe that an inclusive work environment will promote harmony and co-operation amongst our employees. We recognize that a team with greater diversity in terms of gender, age, marital status, pregnancy, race, education, family status and disability can help us to better understand the needs of our diverse customers and the dynamic business environment. We provide equal opportunities in employment and promotion for our employees, regardless of the differences among them, and this is also stipulated in our Employee Handbook.

The Company also pays attention to the prevention of sexual harassment in any form at the workplace. Relevant complaints will be forwarded to the Human Resources Department and will be dealt with under strict confidentiality. The Company's policies in diversity and equal opportunity were established with reference to the following laws and regulations: Sex Discrimination Ordinance (Cap.480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527), Race Discrimination Ordinance (Cap. 602) of Hong Kong, Labor Law of the PRC (《中華人民共和國勞動法》), Act of Gender Equality in Employment of Taiwan* (台灣《性別平等工作法》) and Equal Employment Act of USA.

* The English name is for identification only.

B2: Health and Safety

Workplace and Occupational Health and Safety

A healthy workforce is the backbone and foundation of the Company's long-term success. Therefore, it has been a top priority for us to ensure the occupational health and safety of our employees. The Company is committed to promoting and maintaining the physical as well as mental health of our employees, creating and maintaining a safe and healthy working environment. All of the Company's business operations comply with applicable laws and relevant provisions, including but not limited to The Occupational Safety and Health Ordinance (Cap. 509) of Hong Kong, Law of the PRC on Work Safety* (《中華人民共和國安全生產法》), The Occupational Safety and Health Act* (《職業安全衛生法》) and Act for Protecting Worker of Occupational Accidents of Taiwan* (《台灣職業事故工人保護法》), Law of the PRC on Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》), as well as the relevant regulations issued by the Occupational Safety and Health Administration (OSHA) of the USA Department of Labor.

Our laboratory is a shared laboratory environment equipped with infrastructure that fits our specialized needs. As part of the Company's commitment, the laboratory has established Biosafety Manual & Exposure Control Plan, the Chemical Hygiene Plan and the Emergency Action Plan. In detail, the Biosafety Manual & Exposure Control Plan has clarified the procedures to eliminate or control hazards associated with the use and handling of biological material, and it has been developed in accordance with OSHA requirements outlined in 29 CFR 1910.1030. The laboratory has a well-established Chemical Hygiene Plan, which has been developed in accordance with OSHA requirements outlined in the OSHA Lab Standard (29 CFR 1910.1450). The intent of this document is to provide core guidance on chemical safety, the potential risks and hazards presented by hazardous chemicals in the workplace, and the policies and practices required to minimize the likelihood of exposure. For instance, it outlines the OSHA standards needed to comply with, and also facility designs, general laboratory safe work practices, chemical hazard classification, exposure minimization and control measures, chemical handling and storage, hazardous waste management which have been mentioned in Section A1: Emissions – Waste Disposal and Management as well. Furthermore, the Emergency Action Plan outlines our policies and procedures to provide core guidance on hazards management in the workplace environment and the appropriate emergency response procedures for each incident. These potential incidents include, but are not limited to, fires, chemical or biological spills, medical emergencies, and other injuries, known or suspected exposures, workplace violence, and environmental releases. This manual has been developed in accordance with OSHA requirements outlined in 29 CFR 1910.1200 (OSHA Hazard Communication Standard, 29 CFR 1910.38 (Emergency Action Plans), and 29 CFR 1910.157 (Portable Fire Extinguishers), and fulfills Massachusetts State Regulations outlined in 527 CMR 1.00 (Massachusetts Comprehensive Fire Safety Code), 310 CMR 30.000 (Massachusetts Hazardous Waste Regulations), and 105 CMR 480.000 (Massachusetts State Sanitary Code).

In addition, the Company has established the Safety Manual for providing instructions on work safety. The Safety Manual is reviewed each year to ensure that the latest laws, regulatory requirements and internal requirements can be reflected, and any changes will be timely circulated to related staff. Furthermore, for all our offices, activities such as periodic safety training, fire and evacuation drills are conducted in order to maintain and raise our employees' safety awareness and knowledge in safety. Employees are also encouraged to express opinions on safety procedures to the management. Finally, we conduct periodic risk assessments in order to timely identify, evacuate and mitigate any new risks from the workplace and to ultimately provide our employees with a healthy and safe working environment.

* The English name is for identification only

The Company has established a sound mechanism for handling any work-related fatalities or injuries. During the Reporting Period, no case (2023: Nil) of work injuries and loss days due to work injuries are recorded by the Company. There were no work-related fatalities in the past three years including the Reporting Period. Also, no material case was identified in terms of non-compliance on health and safety related regulations.

B3: Development and Training

Staff Training and Professional Development

The Company believes that continuous learning and training is a strong pillar for the Company to achieve long term development as well as a driving force for the growth of the business. Therefore, the Company's management is committed to supporting and valuing the training and development of our employees in order to enhance their professional skills and knowledge. During the Reporting Period, the Company continues to implement its overarching talent development strategy with the vision of "Building a Global Leading Rare Disease Business Team" and comprehensively and systematically executes the corresponding skills enhancement program. At the same time, the Company has continued to objectively review and evaluate its existing talents pool based on employee evaluation standards and promotion procedures aligned with the respective levels. Additionally, the Company remains committed to fostering talent development through various projects and training programs aimed at enhancing the overall capabilities of the entire team. For instance, high-performing and high-potential employees are selected to participate in talent development camps, where they are paired with personalized career mentors to prepare them for taking on key roles and responsibilities within the organization. Employees with fair performance and average potential are assigned challenging tasks and provided with tailored online courses designed to address their areas for improvement. The management team plays a critical role in driving the Company's high-quality development and serves as a key force in leading and fostering the growth of the team. Employees with strategic thinking and strong problem-solving skills are selected for the Talent Leadership Programs as a reserve for the future management team. During the Reporting Period, the Company has conducted more than 8 online training and offline workshops, aiming to build a high-quality team by improving employees' innovation and interpersonal skills.

For the orientation of new employees, the Human Resources Department prepares an induction package on their first working day, which includes information regarding the Company's organizational structure, code of conduct as well as other materials related to the employee's responsibilities. The Company has also organized both online and offline training for new employees, helping them adapt to the new workplace quickly and smoothly. We believe that by providing these resources to our employees, both the Company and employees can receive enough benefits.

During the Reporting Period, a total of 92 (2023: 119) full-time employees have received training across four geographical locations, with 1,147 (2023: 1,502) training hours in total. The average employee training time during the Reporting Period is 11 (2023: 11) hours. More Details on training and development offered to the Company's staff are as follows:

Categories		2022	2023	2024
Percentage of Employees Trained ¹		100%	89%	89%
Composition of Employees Received Training ²				
By Gender	Male	40%	37%	38%
	Female	60%	63%	62%
By Employee Category	Senior Management	13%	8%	10%
	Middle Management	27%	25%	22%
	General Staff	60%	67%	68%
Average Number of Hours Trained ³		18 hours	11 hours	11 hours
By Gender	Male	7 hours	10 hours	11 hours
	Female	11 hours	12 hours	11 hours
By Employee Category	Senior Management	2 hours	14 hours	8 hours
	Middle Management	5 hours	25 hours	13 hours
	General Staff	11 hours	6 hours	11 hours

Notes:

- 1 Percentage of Employees Trained = Total Number of Employees Trained/Total Number of Full-time Employees (including the employees resigned or terminated) at the end of the Reporting Period
- 2 Composition Percentage of Employees in the Specified Category Received Training = Total Number of Employees in the Specified Category Trained/Total Number of Employees Trained
- 3 Average Number of Hours Trained = Total Training hours/Total Number of Full-time Employees (including the employees resigned or terminated) at the end of the Reporting Period

B4: Labor Standards

Anti-Child and Forced Labor

The Company firmly believes that only legal and ethical employment practices can attract and retain the right people. The Company strictly prohibits the use of child or forced labor in its business operations. All employees are recruited in strict compliance with local labor laws and regulations, which are detailed and stated in the employment contracts signed with the employees in order to protect the interests of both the employees and the Company. At the same time, we conduct background check on each new employee in order to protect the Company's reputation and ensure a safe working environment for all employees. Once a situation of child labor is identified, it will be immediately reported to senior management for follow-up actions. In addition, when engaging with suppliers and contractors, the Company also takes proactive steps to screen out potential business partners who may be involved in the employment of child labor. The Company continuously reviews their employment practices to ensure that they are in strict compliance with relevant laws, such as the Employment Ordinance (Cap.57) of Hong Kong, Labor Contract Law of the PRC* (《中華人民共和國勞動合同法》), the Labor Standards Act of Taiwan* (台灣《勞動基準法》), as well as the Fair Labor Standards Act of the USA.

The Company firmly believes that only legal and ethical employment practices can attract and retain the right people. During the Reporting Period, there is no violation of laws and regulations for the Company and also our business partners relating to child labor or forced labor.

B5: Supply Chain Management

Responsible Supply Chain Management

Similar to other pharmaceutical companies, the Company has established a responsible supply chain management framework to standardize and enhance supplier management, reducing procurement risk and maximizing overall value in terms of quality, cost, service and efficiency.

Supplier Selection Process

The Company implements a rigorous supplier selection process to ensure the competence and suitability of suppliers. The factors considered in this process include, but are not limited to, experience, reputation and the holding of relevant licenses. For supplier evaluation criteria, we have developed detailed requirements from a business perspective, including an assessment of services provided and technical parameters, quality certifications, technology, R&D and innovation capabilities, as well as the supplier's legal, safety, health and environmental performance. For example, we strictly select suppliers who have never been subject to any criminal or administrative investigation or received any criminal or administrative penalties for serious violations of anti-corruption, anti-money laundering, anti-monopoly and environmental protection regulations. In addition, when engaging with suppliers and contractors, the Company also takes proactive steps to screen out potential business partners who may be involved in the employment of child labor.

* The English name is for identification only.

The Company would not select suppliers with the following characteristics:

- Adverse environmental impacts brought from inefficient use of resources and emissions during lifecycle of product manufactured.
- Adverse impacts to people and environment due to usage of hazardous substances, emissions, pollutants, and limited recyclability of products that could be prevented or minimized.
- Unfair employment practices, such as low wages, excessive overtime, child labor, and absence of occupational health and safety measures; and
- Risks for consumer health and safety.

According to the Company's policies on procurement, selected suppliers are classified into three classes of risks, namely Class A (High Risk), Class B (Medium Risk), and Class C (Low Risk). If proposed business has any relationship or contact with any Healthcare Professional or Government Official, irrespective of whether the business is related to the principal business of the Company, the supplier is classified as high risk and as Class A type, or they will be classified as low risk and as Class C Type to the contrary. Prior to the establishment, renewal or extension of any business relationship, due diligence shall be conducted to the extent necessary and reasonable in accordance with Third-party Supplier Compliance Provisions and the Procurement Management Process. In particular, Third-party Supplier Compliance Provisions in principle shall apply to Class A (High Risk) strictly, and to Class B (Medium Risk) as a reference, and to Class C (Low Risk) flexibly. Internal control mechanisms are in place to ensure suppliers with different classes of risks meet respective requirements during the supplier selection process.

Supplier Monitoring Regime

All suppliers are required to complete a Third-Party Supplier Questionnaire and a Standard Compliance Clauses for the Third-Party Suppliers as part of the supplier selection process. For the purpose of monitoring our suppliers from time to time and ensuring their continuous compliance, the department that procures the goods or service is responsible for monitoring the supplier's performance, and regularly tracking the suppliers' activities, which should match the company's business objectives.

CANbridge distributes the Company's Anti-Corruption Guideline Policy to selected suppliers and holds compliance training for suppliers to ensure their understanding and compliance to the policy. Additionally, the Company also issues suppliers with Compliance Training Certificate upon successful attendance. These procedures are all clearly established under the Company's Third-Party Supplier Compliance Provisions, which is made according to relevant local and international anti-corruption laws applicable to the business of CANbridge, including but not limited to the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), Anti-Unfair Competition Law of the PRC* (《中華人民共和國反不正當競爭法》), the Criminal Law of the PRC* (《中華人民共和國刑法》), the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act.

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During the cooperation with suppliers, CANbridge actively monitors its suppliers' performance against predetermined cooperation criteria. An overall performance assessment will also be conducted at the end of the contractual relationship to serve as a reference for supplier selection in the future. The Company continuously maintains a close and long-term relationship with qualified suppliers and contractors to guarantee a stable supply chain for business operations.

Our Suppliers

During the Reporting Period, there were 7 (2023:10) major suppliers directly related to the Company's core operations. These included but not limited to research, licensing, cold chain logistics and drug production sites. The table below lists out the suppliers in certain key geographical locations:

Geographical Location	Number of Suppliers	
	2023	2024
Hong Kong	1	-
PRC	4	6
Taiwan	-	1
USA	2	-
Ireland	1	-
France	1	-
South Korea	1	-

During the Reporting Period, the Company did not terminate any supplier relationships based on the supplier evaluation mechanism. This can be partly attributed to the Company's proactive approach of assessing potential risks associated with suppliers before entering into cooperation with them.

B6: Product Responsibility

Product Safety and Service Quality

The Company is committed to producing high quality products. We have maintained a comprehensive quality management system to standardize all aspects of products and services, spanning from the initial clinical trial stage to product commercialization and marketing stage. The Company strictly complies the laws, rules and regulations of relevant geographical locations in relation to assurance and product safety such as the Drug Administration Law of the PRC* (《中華人民共和國藥品管理辦法》) and Good Manufacturing Practice of National Medical Products Administration* (《藥品生產質量管理規範》), Import and Export Ordinance (Cap. 60) and Control of Chemicals Ordinance (Cap.145) of Hong Kong · Pharmaceutical Affairs Act* (台灣《藥事法》), Regulations on Management of Medicament Samples and Gifts* (台灣《藥品樣品贈品管理辦法》), and Regulations Governing the Trace and Track System for Medical Products of Taiwan* (台灣《醫療產品追溯與追溯制度管理規定》).

* The English name is for identification only.

Elements of Control

Drug Import

The quality of our imported drugs is ensured since the Company only procures from sources that are in compliance with related regulations and standards, such as the Drug Administration Law of the PRC* (《中華人民共和國藥品管理辦法》), and Regulations for the Implementation of the Drug Administration Law of the PRC* (《中華人民共和國藥品管理法實施條例》), Standards for Quality Control of Pharmaceutical Production* (《藥品生產質量管理規範》), GMP 2010), Import and Export Ordinance (Cap. 60) and Control of Chemicals Ordinance (Cap.145) of Hong Kong.

Inventory Control

To ensure the traceability of our products, we have assigned responsible staff to keep track of daily inventory flows and maintain relevant records. The Company has also designated staff with professional pharmaceutical knowledge to perform quality checks upon receiving products, manage storage condition and report to government authorities in accordance with relevant laws and regulations.

Intellectual Property Rights

We strictly abide by the Trademark Law of the PRC* (《中華人民共和國商標法》), Patent Law of the PRC* (《中華人民共和國專利法》) and other related laws and regulations and establish adequate procedures to respect and protect relevant intellectual property rights.

Product Recall

We have signed license agreements with the license holders and the business agreements with distributors to address the responsibilities and scope of product recalls. Even though we are not facing the end customers directly, SOPs for Recall Management have been established internally to initiate and manage the recall process when quality issues occur and result in product recalls.

Complaint Handling

We constantly strive to maintain the quality of our products and customer relationships and have a sound feedback mechanism in place for customers to raise any problems or comments to us. We have regulated the standard procedures for receiving customer complaints, investigating, handling, and responding to ensure complaints are properly handled with care and diligence. If the customer raises complaints, distributors will be responsible for communicating and coordinating with our Quality Assurance Department in a prompt manner and resolving the complaint promptly with high customer satisfaction.

* The English name is for identification only.

Compliance Marketing

We have established the Code of Interaction with Healthcare Professionals (**HCPs**), Patients and the Public, which provides guidelines on business behaviors performed during all kinds of pharmaceutical awareness activities and interactions, including promotion of CANbridge's pharmaceutical products and interactions with entities such as HCPs, healthcare organizations, patients, patient organizations, and charitable entities. We have prohibited any false or exaggerated descriptions of our products, and continuously market our products according to the requirements of local regulations relevant to the pharmaceutical field, including but not limited to the Advertising Law of the PRC* (《中華人民共和國廣告法》), Measures for the Administration of Medical Advertisements* (《醫療廣告管理辦法》), and Provisions for Drug Insert Sheets and Labels* (《藥品說明書和標籤管理規定》).

During the Reporting Period, the Company has not identified any material non-compliance cases regarding products-related laws and regulations. In addition, the Company has not identified any cases of product recall or complaints for our products owing to health and safety problems.

Data Privacy and Protection

We value the confidentiality of personal data and are committed to protecting stakeholder's information with care. We trust to keep the information shared to us in a safe and secure manner by implementing strict data protection measures in compliance with the statutory requirements relating to data privacy. During the Reporting Period, we continue to implement the Data Management Plan ("**DMP**") in accordance with the guidelines of the National Medical Products Administration ("**NMPA**"), which fully considers the characteristics of data collection systems and the common data management practices in the industry, both domestically and internationally. Six data protection principles upheld by the Company include:

Collection Purpose and Means

Data is collected in a lawful and fair manner and clearly inform the data providers of the purposes for which we collect the data. Only the necessary data is gathered to fulfill the specified purpose.

Accuracy and Retention

Regular reviews are conducted to ensure the accuracy and timeliness of the data. Data is promptly removed once the purpose of its collection has been fulfilled.

Use of data

Collection of personal information is used for proper purposes only, and under explicit or implicit consent from clients.

Data Security

Data files are stored in locations with restricted access to solely authorized users, and list of authorized users are reviewed on a regular basis.

* The English name is for identification only.

Data Openness

Data providers would be notified of the types and contents of personal data being collected by the Company, as well as the policies and guidelines on dealing with data.

**Data access and
Correction**

The electronic or hard copies of personal data will be given to data providers upon request. Data providers are able to request correction of any data records where necessary.

Information Technology Policies and Procedures set out the principles for a sound information security management of the Company to protect the business by managing the risks arising from unauthorized disclosure or distribution of confidential or sensitive information. For instance, the Company has established data privacy and protection policies and procedures, including the Guideline on Personal Information Protection. These policies are also regularly reviewed and updated by the management to ensure they are sufficient to counter evolving threats to data privacy, and in full compliance with increasingly stringent data privacy laws and regulations. The Company has also established a complaint handling mechanism, in which all staff and the public can raise complaints to the Compliance Department for handling and follow-up. Furthermore, the Company developed a company-level Information Confidentiality Policy in 2023, which sets out the definition of confidential information, types of confidential information, classification of confidentiality, confidentiality measures and management procedures, confidentiality agreements, and liability for incidents of confidential information, and has organized relevant training for our staff. During the Reporting Period, the Company continues to use the EDC system for clinical trial data collection so as to protect patients' private information and the health data involved.

During the Reporting Period, we have not identified any material cases of non-compliance on data privacy laws and regulations.

B7: Anti-corruption***Anti-corruption and Anti-money Laundering***

The Company recognizes that integrity, openness and honesty are the core values for conducting business. Any form of corruption, bribery, extortion, money laundering and other fraudulent activities will not be tolerated and all employees are required to adhere to personal and professional ethics. We have established key policies and distributed them across all business units, including the Anti-Corruption Guideline Policy, Anti-Money Laundering Compliance Provisions, Anti-Monopoly and Fair Competition Compliance Policy and Whistleblowing and Anti-Fraud Policy to ensure all staff are aware of and comply with relevant requirements at all times. As we are also aware of the importance of avoiding commercial bribery, enforced anti-commercial bribery policies are also established, which includes Medical Advisors Engagement Compliance Provisions, Entertainment/Hospitality, Travel Support and Gifts Compliance Provisions, Third-Party Supplier Compliance Provisions, Code of Interaction with HCPs, Patients and the Public, and FAQs & Compliance Guidelines on Interactions with Various Parties Regarding the Huimin Supplemental Commercial Health Insurance Program. These policies have been developed in accordance with relevant laws and regulations, including but not limited to, the Anti-Money Laundering Law of the PRC* (《中華人民共和國反洗錢法》), the Anti-Monopoly Law of the PRC* (《中華人民共和國反壟斷法》), and the U.S. Foreign Corrupt Practices Act, which are available in both English and Chinese versions to ensure a full understanding by employees from different locations.

* The English name is for identification only.

The Company's Whistleblowing and Anti-Fraud Policy sets out the procedures for receiving, retaining and processing complaints received by the Company in relation to any suspected fraudulent activities or irregularities identified in its business operations. The implementation of this policy is in line with the Company's commitment to good corporate governance and its culture of zero tolerance for unethical behavior, irregularities, fraud or corruption in its activities. The Company maintains a zero-tolerance policy toward harassment, threats, retaliation, discrimination, or any adverse employment actions against employees who make complaints in good faith or assist in investigations. The Audit Committee holds overall responsibility for overseeing this policy and managing the procedures for handling complaints and reporting fraud cases. The steps for addressing a complaint or reported fraud case involves processing and monitoring the complaint, completing the investigation, and keeping a detailed record of the Report to ensure transparency and accountability. The Audit Committee and the CEO are notified of the results of any investigation. Upon completion of the investigation, the Audit Committee will review the results and determine corrective actions. If the complainant is not satisfied with the result, he/she may revert to the Audit Committee. Furthermore, the Company has also established an effective risk management and internal control system, which is regularly reviewed and updated to help detect anti-corruption actions.

During the Reporting Period, the Company has provided two training sessions on the Contract Management SOP and related management systems to employees, to ensure compliance in procurement processes and adhere to transparent approval processes. Training materials are also provided to all employees to ensure that they are aware of compliance requirements, thereby increasing their awareness of anticorruption and anti-money laundering practices.

During the Reporting Period, no significant violation of anti-corruption-related laws and regulations has been found. The Company and its employees are also not subject to any legal proceedings.

B8: Community Investments

Our goal is to build a sustainable community by supporting local activities that create effective and lasting benefits for the community. These activities primarily include corporate philanthropy, building community partnerships and motivating employees to engage in volunteer work. The Company is passionate about contributing and giving back to the community. As a pioneer in developing rare disease therapies in the PRC, we work with key stakeholders including regulatory authorities, key opinion leaders ("**KOLs**"), doctors, patients through patient registry and advocacy groups, centers of excellence, healthcare security organizations and commercial insurance organizations, among other key stakeholders, to play an active role in driving the development of the rare disease industry and shaping the rare disease ecosystem in the PRC.

Therefore, the Company actively participates in charitable activities and makes donations. Our goal is to help patients with rare diseases improve their multi-level protection and welfare system and reduce their family burden. During the Reporting Period, we have continued to cooperate with the Primary Healthcare Foundation of the PRC to provide a special care program for patients with rare diseases called 'CANcare'. We seriously value the service needs of patients with Mucopolysaccharide Type II ("**MPS II**") and have established a one-stop service system to accompany the patients with rare diseases throughout their lifecycle, including online expert live broadcasts, offline clinics, and the provision of call centers and consulting groups, aiming to provide patients with convenient, sustainable and effective treatments, and ultimately to improve the quality of life of our patients.

Additionally, our community investments focus on developing the pharmaceutical and healthcare industries to develop more medical professionals and inherit valuable medical knowledge, skills and experience, which has been reflected in our donations and sponsorships to numerous medical groups and associations and their areas of research and practice. Below is a non-exhaustive list of examples of events that we have supported during the Reporting Period:

PRC	<ul style="list-style-type: none"> Rare Disease Conference of the PRC 2023 held by Alliance for Rare Disease of the PRC (CHARD) * (中國罕見病聯盟) The 1st Symposium on Liver-related Rare Diseases in 2024 held by CHARD and Beijing Rare Disease Diagnosis and Treatment and Protection Society* (北京罕見病診療與保障學會) White Paper Project on the Current Status of Rare Disease Diagnosis Research* (罕見病診斷現狀調研白皮書項目) held by Primary Health Care Foundation of the PRC* (中國初級衛生保健基金會)
Hong Kong	<ul style="list-style-type: none"> Rare Disease Symposium 2024 held by Rare Disease Hong Kong Public Education Programme on Rare Diseases held by Rare Disease Hong Kong
Taiwan	<ul style="list-style-type: none"> 2024 TaiChung International Comprehensive Breast Cancer Symposium held by Taiwan Breast Cancer Society Taiwan Chang Gung Alliance ("TCGA") Medical Summit (ADC and HER2 treatment) The 3rd Quarter Cancer Medical Information Conference in 2024 held by Kaohsiung Cancer Medical Information Society ("KCMIS")

In addition to initiatives at the corporate level, we also support our employees in organizing and participating in various charitable activities, as this is in line with our core values. Our employees are motivated to contribute to charitable causes in both financial and non-financial ways, such as volunteering or making donations. During the Reporting Period, our employees participated in volunteer activities in several cities in the PRC, such as providing free medical consultations for ALGS patients in Hangzhou, as well as sponsoring multiple rare disease patient care and support programs, such as the MPS II Patient Support Programme* (黏多糖貯積症 II 型患者守護項目) and Patient Care and Benefits Programme for Maralixibat-Treated Patients* (針對 Maralixibat 用藥患者關愛福利計劃).

During the Reporting Period, the Company donated approximately RMB102,000 (2023: RMB718,000) across the PRC, Hong Kong and Taiwan, primarily allocated for public research projects in healthcare, academic conferences, free clinics, health education, and patient assistance programs. Although we participated in various free clinic and patient assistance activities during the Reporting Period, we did not maintain a record of specific service hours (2023: 46 hours) for community involvement. Recognizing the value of quantifying social impact, the Company will allocate dedicated resources in the coming year to systematically capture and report such data in future disclosures.

* The English name is for identification only.

APPENDIX: CONTENT INDEX FOR HONG KONG EXCHANGE ESG REPORTING GUIDE

General Disclosures and KPIs

Description

Reference Section

Environmental

Aspect A1: Emissions

General Disclosure

GHG Emissions; Hazardous and Non-hazardous waste; Waste Disposal and Management

KPI A1.1

The types of emissions and respective emissions data.

GHG Emissions

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).

GHG Emissions

KPI A1.3

Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).

Hazardous and Non-hazardous waste; Waste Disposal and Management

KPI A1.4

Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).

Hazardous and Non-hazardous waste; Waste Disposal and Management

KPI A1.5

Description of emissions target(s) set and steps taken to achieve them.

GHG Emissions

KPI A1.6

Description of how hazardous and non-hazardous wastes are handled, a description of reduction target(s) set and steps taken to achieve them.

Hazardous and non-hazardous waste; Waste Disposal and Management

Aspect A2: Use of Resources

General Disclosure

Energy Usage; Water Usage and Other Matters; Packaging Material Usage

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).

Energy Usage

KPI A2.2

Water consumption in total and intensity (e.g. per unit of production volume, per facility).

Water Usage and Other Matters

KPI A2.3

Description of energy use efficiency target(s) set and steps taken to achieve them.

Energy Usage

KPI A2.4

Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.

Water Usage and Other Matters

KPI A2.5

Total packaging material used for finished products and, if applicable, with reference to per unit produced.

Packaging Material Usage

General Disclosures and KPIs

Description

Reference Section

Aspect A3: The Environment and Natural Resources

General Disclosure

Environmental Impacts from
Operations

KPI A3.1

Description of the significant impacts of activities on the environment and natural resources and the action taken to manage them.

Environmental Impacts from
Operations

Aspect A4: Climate Change

General Disclosure

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.

Climate Change

Social

Aspect B1: Employment

General Disclosure

Talent Attraction and
Retention; Compensation
and Employee Benefits;
Career Advancement and
Promotion Opportunities;
Wellbeing and Work Life
Balance; Diversity and Equal
Opportunity

KPI B1.1

Total workforce by gender, employment type (for example, full- or part time), age group and geographical region.

Talent Attraction and
Retention

KPI B1.2

Employee turnover rate by gender, age group and geographical region.

Talent Attraction and
Retention

Aspect B2: Health and Safety

General Disclosure

Workplace and Occupational
Health and Safety

KPI B2.1

Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.

Workplace and Occupational
Health and Safety

KPI B2.2

Lost days due to work injury.

Workplace and Occupational
Health and Safety

KPI B2.3

Description of occupational health and safety measures adopted, and how they are implemented and monitored.

Workplace and Occupational
Health and Safety

General Disclosures and KPIs

Description

Reference Section

Aspect B3: Development and Training

General Disclosure

Staff Training and
Professional Development
Staff Training and
Professional Development
Staff Training and
Professional Development

KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).

KPI B3.2 The average training hours completed per employee by gender and employee category.

Aspect B4: Labour Standards

General Disclosure

Anti-Child and Forced Labor
Anti-Child and Forced Labor

KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.

KPI B4.2 Description of steps taken to eliminate such practices when discovered.

Anti-Child and Forced Labor

Aspect B5: Supply Chain Management

General Disclosure

Responsible Supply Chain
Management; Supplier
Monitoring Regime
Our Suppliers
Supplier Selection Process;
Supplier Monitoring Regime

KPI B5.1 Number of suppliers by geographical region.

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.

KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.

Supplier Selection Process;
Supplier Monitoring Regime

KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.

Supplier Selection Process;
Supplier Monitoring Regime

General Disclosures and KPIs

Description

Reference Section

Aspect B6: Product Responsibility

General Disclosure

Product Safety and Service
Quality

KPI B6.1

Percentage of total products sold or shipped subject to recalls for safety and health reasons.

Product Safety and Service
Quality

KPI B6.2

Number of products and service related complaints received and how they are dealt with.

Product Safety and Service
Quality

KPI B6.3

Description of practices relating to observing and protecting intellectual property rights.

Product Safety and Service
Quality

KPI B6.4

Description of quality assurance process and recall procedures.

Product Safety and Service
Quality

KPI B6.5

Description of consumer data protection and privacy policies, and how they are implemented and monitored.

Data Privacy and Protection

Aspect B7: Anti-corruption

General Disclosure

Anti-corruption and Money
Laundering

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.

Anti-corruption and Money
Laundering

KPI B7.2

Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.

Anti-corruption and Money
Laundering

KPI B7.3

Description of anti-corruption training provided to directors and staff.

Anti-corruption and Money
Laundering

Aspect B8: Community Investment

General Disclosure

Community Investment

KPI B8.1

Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).

Community Investment

KPI B8.2

Resources contributed (e.g. money or time) to the focus area.

Community Investment