



2022

Zhejiang Xianju Pharmaceutical Co., Ltd.

CORPORATE SOCIAL RESPONSIBILITY REPORT IN 2022

Report Guide

Publication Cycle

This Report is an annual report and the second corporate social responsibility report issued by Zhejiang Xianju Pharmaceutical Co., Ltd.

Time Frame

For the period from Saturday, January 1, 2022 to Saturday, December 31, 2022. Some contents will be traced back or extended forward due to considerations of project continuity or material impact.

Reporting Boundaries

The contents of this Report cover Zhejiang Xianju Pharmaceutical Co., Ltd., its wholly-owned subsidiaries and holding subsidiaries, which are consistent with the business coverage area of the Company, including the Company's corporate social responsibility concepts, strategies and specific practices, as well as the business operation status during the reporting period.

Preparation Basis

This Report refers to GRI Standards issued by the Global Sustainability Standards Board (GSSB), the *Basic Framework of China's Corporate Social Responsibility Reporting Guidelines (CASS-ESG5.0)* issued by the Chinese Academy of Social Sciences and *Guidance on Social Responsibility Reporting (GB/T36001-2015)*, and is prepared in accordance with *Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2—Contents and Formats of Annual Reports (2021 Revision)* issued by China Securities Regulatory Commission and *Guidelines for Preparation of Social Responsibility of Listed Companies* issued by the Shenzhen Stock Exchange.

Data Description

For the data quoted in this Report, weights and measures are in the metric system and the monetary unit is RMB, unless otherwise specified. The data quoted in this Report are from the official documents and statistical data of the Company. In case of inconsistency with the financial report, the financial report shall prevail.

Referential Description

For the convenience of presentation and reading, Zhejiang Xianju Pharmaceutical Co., Ltd. is referred to as "Xianju Pharma", "Xianju", the "Company" or "we/us/our" in this Report (unless otherwise specified in the text).

Report Acquisition

This Report is published in electronic form. You can read and download this Report in electronic form on the designated information disclosure website of Shenzhen Stock Exchange (www.cninfo.com.cn) or the official website of the Company (www.xjpharma.com).

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Speech of President



2022 marked the 50th anniversary of Xianju Pharma, a landmark historical moment. Since its inception in 1972, the Company has been adhering to the mission of "producing first-class products and devoting ourselves to human health", upholding the core values of "honesty, hard work, open, learning, responsibility and win-win", and trying our best to fulfill the responsibility as a pharmaceutical enterprise.

"Integrity and hard work" is the most distinct spiritual style of Xianju Pharma. Amid factors such as the complex and changeable international environment, shrinking demand, and centralized drug procurement in 2022, all employees of Xianju Pharma joined hands to overcome difficulties. Against the trend, the Company reached a new high in its

performance, achieving an operating income of 4.38 billion yuan and profits of 872 million yuan. At the same time, the Company continued to build a culture of honest business practice, adhere to compliance operations, timely and accurately disclose relevant information, and effectively protect the rights and interests of investors. The Company's information disclosure continued to receive an excellent annual information disclosure appraisal from the Shenzhen Stock Exchange.

"Open and learning" is the code of conduct that Xianju Pharma has always adhered to. With an open mind, we actively strengthen communication with partners and all sectors of society, learn advanced management experience from our peers, and attract outstanding talents at home and abroad to enhance our core competitiveness. In 2022, the Company has significantly enhanced its product research and development capabilities, continued to achieve breakthroughs in innovative research and development, put new products such as Sugammadex Sodium Injection on the market, continued to carry out the CDMO business; optimized its internal management and markedly improved its operational efficiency.

"Responsibility and win-win" is the unswerving insistence of Xianju Pharma. We actively implement the ESG system, improve corporate governance, advocate green and low carbon, care for employees, actively participate in social welfare undertakings, and strive to achieve mutual benefits among the Company, employees and society. We insist on people-oriented, implement the strategy of "strengthening the Company through talents", and always devote ourselves to creating a sound working and living environment for employees; optimize the salary and welfare system, improve the mechanism of talent retention and development, and continuously increase the sense of employee well-being and gain. We make contributions to national and local economic development with stable operation, actively participate in various public welfare undertakings, help the poor and fulfill corporate social responsibility.

2023 is the beginning year for Xianju Pharma to forge ahead into the second 50 years. To embark on the new journey, we will continue to focus on the field of steroid hormones, continuously improve innovation and profitability by virtue of capacity building and power guarantee, achieve high-quality development, and actively fulfill our responsibilities.

Chairman: Zhang Yusong

About Xianju

Overview

Zhejiang Xianju Pharmaceutical Co., Ltd., formerly known as Xianju Pharmaceutical Factory, was founded in 1972 and is located in Xianju County, Taizhou City, Zhejiang Province. In 2010, the Company's shares were officially listed and traded on Shenzhen Stock Exchange with the stock code of 002332.SZ. With a total share capital of 989,204,866 yuan, the Company has more than 3,300 employees.

The Company, with "our sincerity and responsibility for your health and happiness" as the corporate mission and "becoming one of the top ten steroid drug suppliers in the world and becoming an enterprise favored by customers and employees" as its development vision, focuses on the steroid hormone field. The Company manufactures unique products, adheres to the integrated business model of APIs and preparations, and is mainly engaged in the research, production and sales of steroid APIs and preparations. The Company has built product clusters and service clusters closely around four major therapeutic fields (gynecology, anesthesiology, respiratory and dermatology) in terms of product R&D.

Xianju Pharma is one of the top 100 enterprises in China's pharmaceutical industry and a key high-tech enterprise listed in the National Torch Program. It has Zhejiang Steroid Drug Engineering Technology Research Center, Zhejiang Key Enterprise Research Institute and national postdoctoral program workstation. We have undertaken the National "863" Program project, the National Torch Program project, the National Major New Drug Development project, the

National Key New Product Program project, etc. The Company has established a long-term cooperative relationship with more than 20 famous domestic research institutes (universities) such as Shanghai Institute of Organic Chemistry, Chinese Academy of Sciences, Zhejiang University and China Pharmaceutical University, recruits senior scientific research talents, carefully cultivates young people who are interested in the steroid medicine industry to become the mainstay of Xianju Pharma, encourages technological innovation, respects the development concept of combining personal growth with enterprise development, and gradually integrates with international new drug development. The Company has begun to form a technical architecture system with foreign high-end R&D institutions as the source, Hangzhou and Xianju research institutes as the digestion and absorption entities, and Xianju base as the implementation entity.

Xianju Pharma owns three core manufacturing platforms in China, namely Xianju Yangfu API Production Area, Xianju Yangfu Preparation Production Area and Linhai Chuanlan Production Area, and owns two standardized API plants abroad with Italian subsidiary NewChem as the main body.

Xianju Pharma advocates the culture of "truthfulness, win-win and innovation" and adheres to the core values of "integrity, struggle, open, learning, responsible and win-win". The Company adheres to the strategic concept of achieving mutual benefits in customers, enterprise, employees and society, and advocates the value concept that personal value is reflected in the process of realizing enterprise value and social value. In the future development, the Company will continuously improve its business management level and develop high-tech products, give full play to scale effect to promote its development in a high-quality manner, and contribute to the cause of human health.



Development course

- In 1969, Xianju Chemical Factory set up a pharmaceutical workshop (pharmaceutical company).
- 1970 It produced norethindrone, ethinylestradiol and compound norethindrone tablets, and became one of the six designated oral contraceptive manufacturers in China.
- In 1972, Xianju Pharmaceutical Factory was established to produce prednisone, hydrocortisone and water injection products.
- In 1974, Norethindrone heptanoate and its preparations were officially put into mass production, and won the Science and Technology Award of National Medical Science and Technology Conference and Zhejiang Science and Technology Achievement Award in 1977.
- In 1979, hydrocortisone and prednisolone products began to be exported.
- In 1982, Xianju Pharmaceutical Factory held the First Workers' Congress of the First Session to promote democratic management of staff and workers.
- In 1983, the contraceptive workshop designed according to CGMP standards was completed and put into trial production.
- In 1984, Xianju Pharmaceutical Factory carried out the responsibility system reform and became the pioneer of the reform of state-owned enterprises in Zhejiang Province.
- In 1993, the shareholding transformation was carried out and Zhejiang Xianju Pharmaceutical Co., Ltd. was established.
- In 1996, Xianju Pharmaceutical Group Co., Ltd. was established.
- In 1997, Xianju Pharma, Xinchang Pharma and Zhejiang Pharmaceutical Co., Ltd. joined hands to form Zhejiang Medicine Co., Ltd.
- In 1999, vecuronium passed FDA certification. On October 21, it was listed and traded on Shanghai Stock Exchange.
- In 2000, assets were reorganized and Xianju Pharmaceutical Co., Ltd. was established.
- In 2001, Zhejiang Xianju Pharmaceutical Co., Ltd. was successfully restructured.
- In 2003, Zhejiang Xianju Pharmaceutical Trading Co., Ltd. was established.
- In 2006, Taizhou Xianju Pharmaceutical Co., Ltd. was established.
- In 2010, the Company's shares were officially listed and traded on Shenzhen Stock Exchange.
- In 2011, the Company's provincial R&D center was approved to be upgraded to an enterprise research institute.

- In 2012, Yangfu Preparation New District was officially put into production.
- In 2017, the acquisition of Newchem SPA Company of Italy was completed.
- In 2019, Yangfu API Plant was completed and Hangzhou Pharmaceutical Research and Development Base was under construction through investment.
- International Construction Projects for High-end Preparation in 2020.
- In 2022, the industrialization platform of sterile API was laid out.

Main business

Xianju Pharma is a comprehensive manufacturer of APIs and preparations, and is mainly engaged in the research, production and sales of steroid APIs and preparations. As endogenous drugs in human body, steroids have definite functions in maintaining life, body development, immune regulation, skin disease treatment and birth control, and have strong pharmacological effects of anti-infection, anti-allergy, anti-virus and anti-shock. They are widely used in treating skin diseases such as rheumatoid arthritis, bronchial asthma and eczema, endocrine diseases such as anaphylactic shock and prostatitis, as well as assisted reproduction, contraception, relieving female climacteric symptoms, surgical anesthesia, preventing coronary heart disease and AIDS, and losing weight. There are rich kinds of steroid hormone drugs, mainly including progesterone, estrogen, androgen, glucocorticoid and mineralocorticoid.

Main products

Corticosteroid drugs

Corticosteroid drugs include multiple product series such as dexamethasone, prednisone and triamcinolone series, which are mainly used to treat heart disease, skin diseases, bronchial diseases, etc.



Sex hormone drugs (gynecological and family planning drugs)

Sex hormone drugs include progesterones, androgen and estrogens. The main products include progesterone capsules (Yimaxin), compound norethindrone heptanoate injection, levonorgestrel enteric-coated capsules, mifepristone tablets, etc., which are mainly used for emergency contraception, regulating female menstruation, treating breast cancer, preventing and treating advanced prostate cancer, etc.




Anesthesia and muscle relaxants

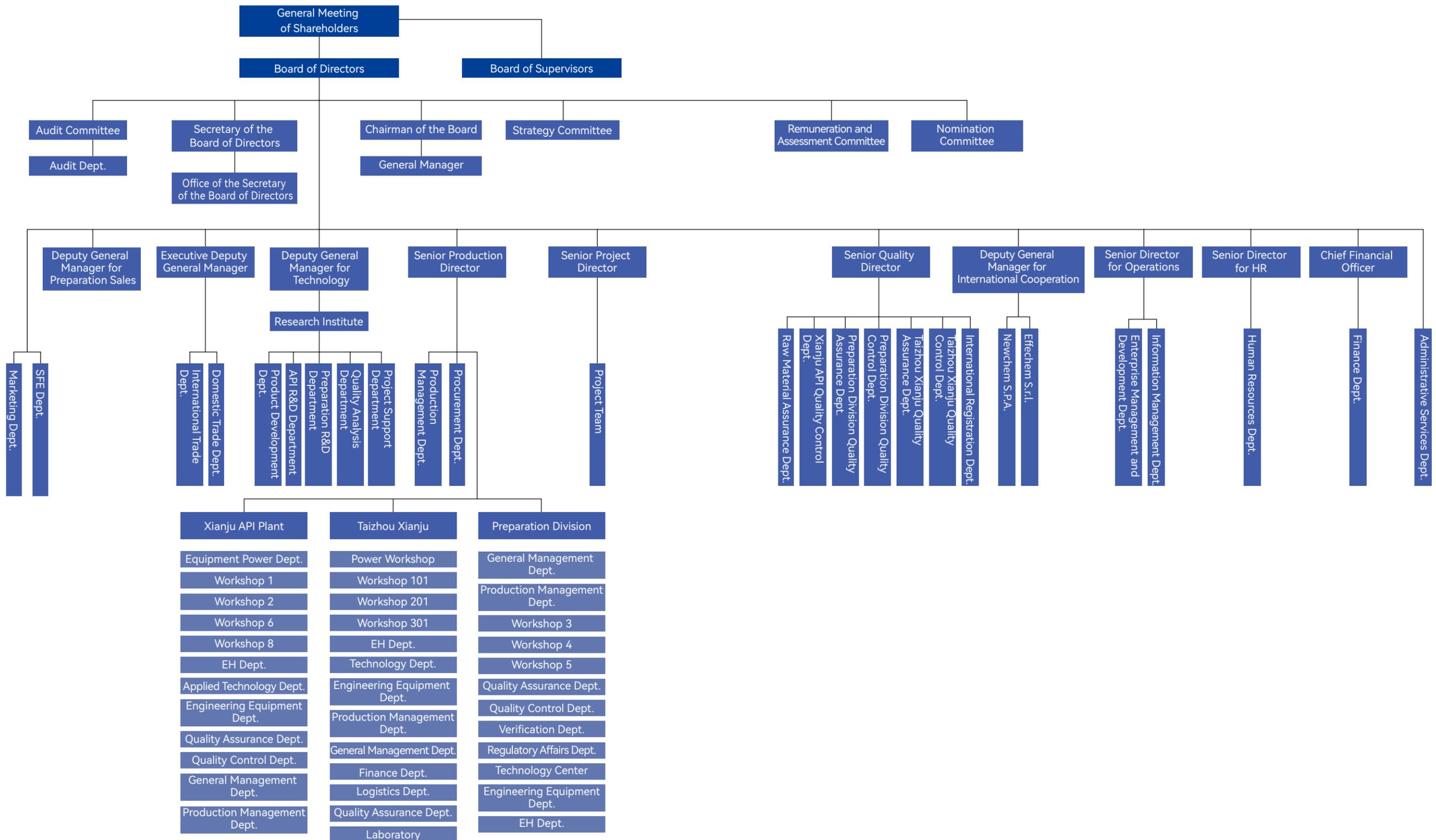
Anesthesia and muscle relaxants include sugammadex sodium injection, cisatracurium besilate for injection, rocuronium bromide injection, vecuronium for injection, ropivacaine mesylate injection, etc., which are mainly used for surgical anesthesia and acute pain control.

Respiratory drugs

The main products of respiratory drugs include mometasone furoate nasal spray, tiotropium bromide inhalation dry powder, ciclesonide inhalation aerosol, which are mainly used for maintenance treatment of seasonal or perennial rhinitis, chronic obstructive pulmonary disease (COPD) and asthma patients.



Organizational structure



Corporate culture



Vision

Become one of the top ten steroid drug suppliers in the world; become an enterprise favored by customers and employees.



Purpose

Produce first-class products and devote ourselves to human health



Mission

Our sincerity and service for your health and happiness



Core values

Integrity, struggle, open, learning, responsible and win-win

Integrity: Adhere to truthfulness, enhance integrity, cultivate honest employees and build an honest enterprise.

Struggle: Never give up and strive for excellence in good times and in bad.

Open: Break the thinking set, accept new things with an open and inclusive attitude, and be brave in change and innovation.

Learning: Strive to build a learning organization, constantly learn from competitors, benchmark enterprises and international leading enterprises, and apply what we have learned into practice

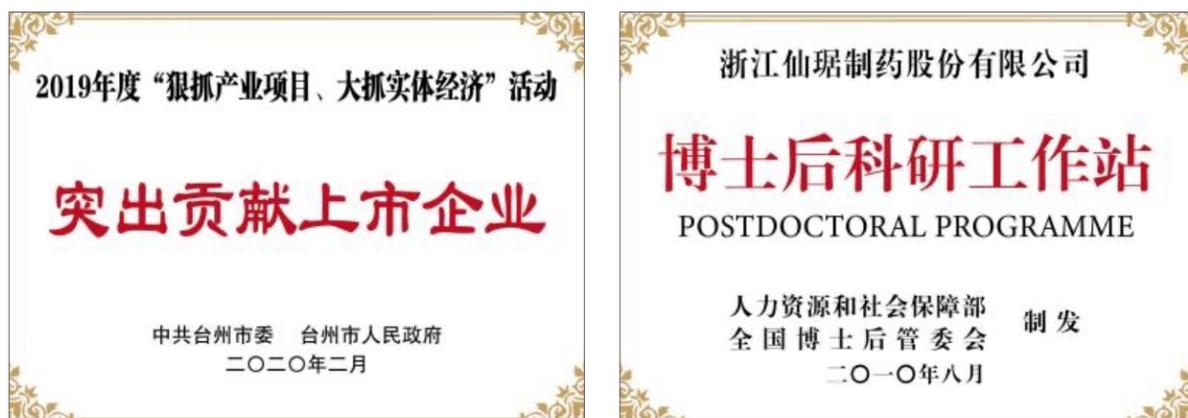
Responsibility: Xianju Pharma is a socially responsible enterprise and a responsible enterprise for shareholders

Win-win: We strive to achieve a win-win situation between the Company and customers, the Company and employees, the Company and society

Awards and honors

Level	Awards and Honors	Issuing Agency
National level	National Green Plant in 2021	General Office of Ministry of Industry and Information Technology
National level	Top 100 Enterprises in China's Pharmaceutical Industry in 2021	2022 (39th) National Pharmaceutical Industry Information Annual Meeting
National level	Top 100 Enterprises of Comprehensive Strength in China's Chemical Pharmaceutical Industry	2020 Annual Summit of China Chemical Pharmaceutical Industry
National level	Obstetrics and gynecology (progesterone capsules), excellent brands of drugs for other departments	2020 Annual Summit of China Chemical Pharmaceutical Industry
National level	Quality Supplier and Partner in the International Market in 2019	China Chamber of Commerce for Import and Export of Medicines and Health Products
National level	TOP 100 Chinese Pharmaceutical Companies in 2019	Expert Committee on TOP 100 Chinese Pharmaceutical Company Rankings
Provincial level	The Third Batch of "Eagle Action" Enterprises	Economy and Information Technology Department of Zhejiang
Provincial level	Dedication and Love Renders Long-last Merit	Red Cross Society of China Zhejiang Branch
Provincial level	The Second Batch of Provincial-level Pilots for the Integration of Advanced Manufacturing and Modern Services	Zhejiang Provincial Reform and Development Commission
Provincial level	Xianju Pharma Steroid Medicine Intelligent Factory	Economy and Information Technology Department of Zhejiang
Provincial level	Best Contribution Award	Industrial and Commercial Bank of China Zhejiang Branch
Provincial level	AAA-level "Enterprise of Observing Contract and Valuing Credit" in Zhejiang Province	Zhejiang Administration for Market Regulation
Provincial level	"Invisible Champion" Enterprise in Zhejiang Province in 2021	Economy and Information Technology Department of Zhejiang
Provincial level	Water-saving Benchmarking Enterprise in 2021	Water Resources Department of Zhejiang Province and six other departments
Provincial level	Top Ten High-tech Enterprises in Zhejiang Province in the Field of Biology and New Medicine Technology in 2020	High-tech Enterprise Association of Zhejiang Province
Provincial level	Top 100 High-tech Enterprises of Innovation Capabilities in Zhejiang Province in 2020	High-tech Enterprise Association of Zhejiang Province
Provincial level	Leading Innovative Enterprise in Zhejiang Province in 2019	Science Technology Department of Zhejiang Province





Enhance industry cooperation

Xianju Pharma actively exerts its technological strengths, participates in industry associations, joins in the formulation of industry standards, strengthens industry cooperation and promotes industry development. In 2022, the Company participated in the drafting and release of group standards *Lithium Carbonate, a By-Product of Steroid Hormone Pharmaceutical* (T/ZJGFTR023-2022), *Calcium Fluoride for Smelting and Slagging* (T/ZJGFTR024-2022) and *Aluminum-plastic Composite Film and Bag for Packaging* (T/SHBX014-2022), which reflected the Company's advanced technology position and active role in promoting technical development in these fields.

Important associations and institutions that Xianju Pharmaceutical joined in

S/N	Name of association	Title
1	China Nonprescription Medicines Association	Governing unit
2	China Pharmaceutical Industry Association	Governing unit
3	Zhejiang Chemical Safety Association	Governing unit
4	Zhejiang Pharmaceutical Association	Vice President
5	Zhejiang Pharmaceutical Association	Standing council member
6	Taizhou Pharmaceutical Chemical Industry Association	Governing Vice President unit
7	Taizhou Import and Export Enterprises Association	Vice President unit

Market performance

In 2022, Xianju Pharma achieved operating income of 4,379,825,700 yuan, a year-on-year increase of 0.52%; operating profit of 871,891,500 yuan, a year-on-year increase of 15.81%; total profit of 871,891,500 yuan, a year-on-year increase of 19.46%; net profit attributable to listed company shareholders of 749,403,800 yuan, a year-on-year increase of 21.67%; earnings per share of 0.76 yuan, a year-on-year increase of 22.19%.

At the end of 2022, the total assets of Xianju Pharma were 6,738,173,300 yuan, a year-on-year decrease of 0.22%; the owner's equity attributable to listed company shareholders was 5,457,448,900 yuan, a year-on-year increase of 12.89%.

Unit: Yuan

Group total	2022	2021	2020
Operating income	4,379,825,695.88	4,337,150,964.75	4,018,872,772.40
Total profit	871,891,507.08	725,885,653.67	621,248,494.85
Net profit	747,385,570.30	617,878,760.05	528,998,565.99
Net profit attributable to parent company	749,403,751.35	615,942,771.05	504,509,427.41
Total assets	6,738,173,286.59	6,723,208,000.32	6,838,231,066.49
Total liabilities	1,230,731,357.94	1,778,315,938.10	2,255,881,487.04
Asset-liability ratio	18.27%	26.45%	32.99%
Total tax payment	429,196,700.96	393,335,635.48	272,345,764.47

Strengthen the foundation and pursue sound development

Intensify the leadership of party building

Established in 1975, Xianju Pharma Party Committee now has 3 general Party branches, 17 Party branches and 334 Party members. The Party Committee of the Company has always adhered to the concept of "enhancing Party Building through development and promoting development through Party building", giving full play to the political core leading role of the Party organization, enterprise production and operation, Party building with personnel training, social responsibility and employee culture, and realizing the integration of the Party and enterprises and promoting development together.

In recent years, the Party Committee has continuously innovated the thinking of party building work, taking the brand of "Xianju Glory" as the starting point, effectively forming a sound pattern in which party building leads industrial construction, party building leads league construction, and industrial construction and league construction promote party building, striving to enhance "strong party building and prosperous development", and has been rated as an excellent unit of ideological and political work in Zhejiang Province.

On June 30, 2022, the Party Committee held a grand meeting to celebrate the 101st anniversary of the founding of the Party and commend it in the hall on the sixth floor of Xianju API Plant. Nearly 300 party members, activists and members of the Youth League Committee of the Company attended the meeting. At the meeting, four party veterans with a party age of 50 years were awarded the medal of "50 Years of Being A Party Member", three advanced party branches and 37 outstanding Communist Party members were commended, and 10 probationary party members took the oath of joining the party. Comrade Dai Jing, the provincial party representative, preached the spirit of the fifteenth provincial party congress; Comrade Zhang Yusong, secretary of the Party Committee, delivered an important speech on behalf of the Party Committee, entitled *Carrying Forward Our Cause and Forging Ahead into the Future*, and gave a wonderful and vivid party class in combination with the spirit of the 15th Provincial Party Congress and the production and operation of the Company.

Xianju Pharma has continuously strengthened party organization construction, improved internal governance system, enhanced risk prevention and control, strictly prevented corruption and unfair competition, standardized information disclosure, protected intellectual property rights and protected information security, laying a solid foundation for the Company's high-quality development.



On July 1, 2022, the Party Committee organized outstanding Party members, Party branch secretaries and backbones of the Youth League Committee to go on a tour to Chun'an, Hangzhou, to learn about Xiajiang culture, appreciate the history of the anti-Japanese vanguard going north, review the oath of joining the Party, and further improve the political consciousness and Party spirit of Party members.



Standardize corporate governance

The Company operates in strict accordance with the requirements of the *Company Law*, *Securities Law* and other laws and regulations and the *Articles of Association*, and has built a modern management system that meets the relevant requirements of the regulatory authorities, including the general meeting of shareholders, the Board of Directors, the Board of Supervisors and the management.

The general meeting of shareholders is the highest authority of Xianju Pharma, which consists of all 39,402 shareholders (as of Saturday, December 31, 2022). The Company regulates the convening, convening and procedure of the shareholders' general meeting in accordance with the requirements of the *Company Law*, the *Articles of Association*, the *Rules of Procedure of the Shareholders' General Meeting* and other relevant regulations. During the reporting period, the Company held two shareholders' meetings, and the convening methods and deliberation procedures of the meetings complied with relevant regulations. At the same time, the Company engaged lawyers to issue legal opinions to the shareholders' meetings to ensure that all shareholders, especially small and medium shareholders, fully enjoyed and exercised their rights and assumed corresponding obligations.



The Board of Directors is the decision-making body of the Company, which is accountable to the general meeting of shareholders and operates in accordance with the *Company Law*, the *Articles of Association* and other relevant provisions, and performs relevant rights and obligations according to law. The Board of Directors of the Company currently has 9 directors, including 3 independent directors. All directors faithfully and diligently perform their duties and are accountable to the Board of Directors and the general meeting of shareholders. During the reporting period,

the Company successfully completed the general election of the Board of Directors. There are four special committees under the Board of Directors, namely: the Strategy Committee, the Audit Committee, the Nomination Committee and Remuneration and the Assessment Committee. The special committees are accountable to the Board of Directors and perform their duties in accordance with the *Articles of Association*.

The Board of Supervisors is the supervisory body of the Company, is accountable to the shareholders' meeting and works in accordance with the *Company Law*, the *Articles of Association* and other relevant provisions. It conscientiously performs its duties, honestly, diligently and dutifully supervises the Company's finance and the legality and compliance of directors and senior management personnel in performing their duties, and safeguards the legitimate rights and interests of the Company and shareholders. The Board of Supervisors of the Company is currently composed of 7 supervisors, of whom 3 are employee supervisors. During the reporting period, the Company successfully completed the general election of the Board of Supervisors.



Senior management personnel of the Company include the general manager, deputy general manager, secretary of the Board of Directors, chief financial officer and other personnel appointed by the Board of Directors. The Company has established a scientific and perfect performance evaluation standard and incentive and restraint mechanism, and conducted a comprehensive assessment of senior management personnel. During the reporting period, the Company's senior management personnel were able to conscientiously perform their duties in accordance with laws and regulations, actively implement the relevant resolutions of the Company's shareholders' meeting and the Board of Directors, and promote the standardized operation and sustainable development of the Company.



In December 2022, the Company successfully completed the general election of the Board of Directors and the Board of Supervisors



Protect the interests of investors

The Company has always attached importance to the protection of investors' rights and interests, especially the protection of the rights and interests of small and medium-sized investors, and fully considers the opinions of independent directors and small and medium-sized investors in the decision-making and demonstration of profit distribution policies. In the case of deliberations for major issues affecting the interests of medium and small investors in the general meeting of shareholders, the votes of medium and small investors are counted separately, and the results of the separate counting are disclosed publicly in a timely manner.

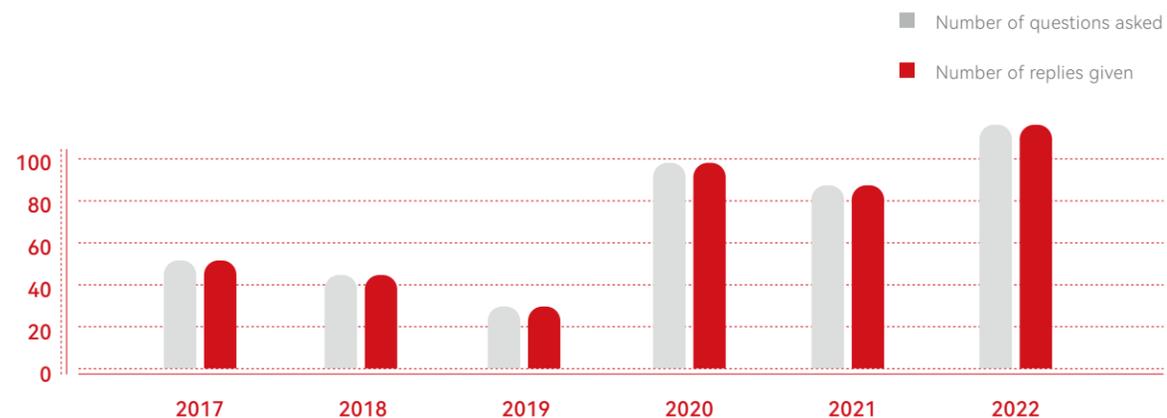
The Company has formulated the *Investor Relations Management System* to strengthen the management of investor relations and safeguard the legitimate rights and interests of investors. The Company insists on the service principles of "receiving investors enthusiastically, listening to their opinions patiently and answering their inquiries carefully", actively carries out investor relations management through various forms such as performance briefings, investor reception days and investor hotline to answer investors' questions and help investors understand the company more deeply and comprehensively; establishes a good way of communication and interaction with investors through one-to-one, one-to-many roadshows and reverse roadshows; sets up an investor relations platform in official website to announce the relevant situation of the company in time and effectively enhance investors' understanding of the company; and uses WeChat official account and other platforms to publicize the protection of investors' rights and interests, prompting investors to establish rational investment concepts.

In 2022, the Company conducted a total of 15 institutional surveys, received more than 450 fund companies and securities companies for surveys in total, responded to 125 inquiries from investors on the interactive platform, and maintained the investor hotline. Moreover, the Company actively participated in institutional strategy meetings.



Survey Site

Statistics of Questions from Investors on Irm.cnInfo.com.cn in Recent Years



Advocate honest business practice

Xianju Pharma advocates a corporate culture of integrity and uprightness, actively creates an anti-fraud corporate culture environment, and establishes a work style of integrity, diligence and dedication. The Company has established and improved the *Anti-fraud Management System* and formulated the *Code of Business Ethics* to regulate the professional conducts of employees and prevent corruption.

Xianju Pharma adopts a zero tolerance policy for corruption, strictly prohibits any form of fraud or corruption by its employees. The Company encourages reporting various dishonest conducts, and opens up various reporting channels such as telephone, e-mail, letter and interview. After receiving the report, the Company will conduct a special investigation, and the investigators will keep the information strictly confidential all the way from the receipt of the report to the closure of the case to ensure the safety of the informer.

The Audit Committee under the Board of Directors of Xianju Pharma is the leading body of the Company's anti-corruption work, which guides and supervises the anti-corruption work of the head office; The Audit Department of the Company is the permanent body against anti-corruption work, and is an independent supervisory body under the leadership of the Chairman of the Board of Directors, which is responsible for the maintenance of the Company's integrity reporting channels and the investigation and handling of reports.

The Company and its subordinate branches and subsidiaries improve the internal control system, conduct regular self-assessment on internal controls, and promptly analyze and raise preventive and control measures for the risk areas and key links that are prone to corruption in the process of operation and management. During the reporting period, there were no corruption-related lawsuits in the Company.

Compliant information disclosure

The Company attaches great importance to information disclosure and has formulated the *Information Disclosure Management System* to standardize the Company's information disclosure behavior and safeguard the legitimate rights and interests of the Company and investors. The Company appoints the Secretary of the Board of Directors and the Securities Affairs Representative to be responsible for information disclosure, receive investors' visits and consultations, and disclose relevant information truthfully, accurately, completely, timely and fairly in strict accordance with relevant regulations. The Company designates *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and *cninf.com.cn* as professional newspapers and websites for information disclosure of the Company to ensure that all shareholders can obtain information with equal opportunities; and stays updated in time through official WeChat account, official website and paper media.

During the reporting period, Xianju Pharma issued a total of 119 information disclosure documents (including 61 announcement documents, 58 published documents and 88 filing documents), all free from errors in information disclosure, and received an "A" in the information disclosure assessment by Shenzhen Stock Exchange.

Protect information security

Xianju Pharma has always attached importance to keeping trade secrets and protecting information security, complied with the laws and regulations of the countries (regions) where it operates on the collection, use and manage of personal information, and devoted itself to the construction of information security.

Xianju Pharma has formulated and implemented relevant systems such as the *Archives Management System*, *Informatization Management System*, *Confidentiality System*, *Information Disclosure Management System*, *Insider Information Confidentiality System* and *Insider Information Registration Management System* to manage data, information, software and hardware and improve the reliability, security and usability of data and information management software and hardware, therefore ensuring that the infrastructure of information security system meets the Company's needs of strategic development.

Xianju Pharma set up a trade secret protection team in December 2016, which classifies and audits the confidential information of the Company, and divides the relevant information into three levels: "top secret", "confidential" and "secret", and has the full-time archive managers responsible for classified management. In addition, Xianju Pharma enters into a non-competition confidentiality contract with relevant personnel to further protect the information security of the Company and customers.

In order to protect intellectual property and trade secrets, Xianju Pharma implements the Computer Document Technology Encryption (DES) project, which automatically encrypts the documents and drawings generated by computers to prevent the contents of documents and drawings from being acquired by third parties after their outbound transmission, thus protecting the legitimate rights and interests of the Company. Based on the theory and technology of digital copyright protection and the principle of 512-bit key multiple encryptions, and in combination with the hardware environment, the system automatically injects key information into the controlled files during the operation process to form encrypted files. Through the implementation of this project, all the internal documents of the Company are automatically encrypted. Unauthorized documents can't be opened once they are out of the network environment of the Company, thus achieving the purpose of preventing breach of confidence.

Upholding an identity-based principle, the Company reshapes the boundary with identity; realizes trusted access through network stealth and dynamic service access; achieves intelligent permission through dynamic permission control and permission baseline tools; realizes quick access through Ding Talk QR code authentication; and renders better security solutions through client-free and permission application services. An access control system based on the concept of zero trust is implemented, so that employees can safely access the internal network of the Company outside.

During the reporting period, there have been no disputes or lawsuits arising from information leakage in Xianju Pharma.

Protect intellectual property

Xianju Pharma regards the respect for intellectual property and the protection of intellectual property from infringement as a long-term important responsibility. The Company strictly complies with intellectual property laws and regulations, respects the intellectual property rights and interests of all parties, and standardizes the management of internal intellectual property exchange and sharing, external intellectual property and enterprise intellectual property assets. The Company's Intellectual Property Protection Office collects and collates intellectual property information through various departments to form a list of intellectual property assets, so as to ensure that patents, copyrights or other intellectual property rights of the Company and individuals are not infringed during operation.

Xianju Pharma establishes intellectual property incentive mechanism, standardizes its intellectual property management, encourages invention and creation, promotes technological innovation and forms its independent intellectual property, thus promoting the progress of production technology, and improving its market competitiveness and economic benefits. The Company has 156 registered trademarks and 54 authorized patents (including 46 invention patents, 4 utility model patents and 4 appearance patents). In 2022, the Company applied for patents such as *An Efficient Method for Producing Androstadiene by Arthrobacter Simplex Fermentation and Preparation Method of 5β-Steroid Structure Compounds*, and was granted the patent authorization of *Preparation Method of Progesterone Vaginal Gel*.

Adhere to fair competition

Xianju Pharma abides by the principle of fair competition, strictly complies with the *Anti-Monopoly of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations, supports open and fair competition, and prohibits direct or indirect contact with suppliers or customers to restrict trade or exclude other competitors from the market in an unfair manner. It forbids the division of markets or customers with competitors, or the boycott of customers or suppliers; and prohibits the improper and discriminatory treatment of comparable and competitive customers in terms of prices, discounts or subsidies. The Company strictly complies with local laws, regulations and business standards, promotes the construction of a free market, sticks with equal treatment for market players, maintains a good competitive order, supports API operators to innovate and develop and enhance their international competitiveness.

Xianju Pharma trains its employees on fair competition awareness to prevent unfair competition. By carrying out risk assessment on unfair competition conducts to identify risks and taking corresponding measures, and by formulating reporting procedures to monitor anti-unfair competition conducts and protect informers, Xianju Pharma has actively created a healthy and transparent business atmosphere and a sound business competition environment.

During the reporting period, there were no legal proceedings related to improper competition in Xianju Pharma.

Social responsibility management

Social responsibility policy

With adherence to the corporate social responsibility concept of "sharing development achievements and building a better life together", Xianju Pharma has always regarded fulfilling social responsibility as its core strategic goal. When formulating development strategy and implementing major decisions, the Company comprehensively analyzes the impact on society and environment, identifies and tracks potential risks and hidden dangers, and plans measures and processes ahead and responds in time. The Company integrates social responsibility management into its daily operations, fully integrates the concept of corporate social responsibility into the whole process of enterprise R&D, procurement, production and sales, and into financial management, human resources management, risk management and other functions and systems, optimizing relevant links and processes and realizing all-round integration in the whole process.

<p>Social responsibility goal</p>	<p>Through the formulation of management procedures and the promotion of management update, improve energy conservation and environmental protection, employee rights protection, consumer rights protection, employment integrity system construction and supply chain social responsibility improvement.</p>
<p>Social responsibility indicators</p>	<p>0 cases of misuse of child labor, 0 cases of forced labor, 100% coverage of social security, 100% conclusion of collective agreements, 100% completion of occupational health examination, and 0 cases of illegitimate interests.</p>

Stakeholders' Communication

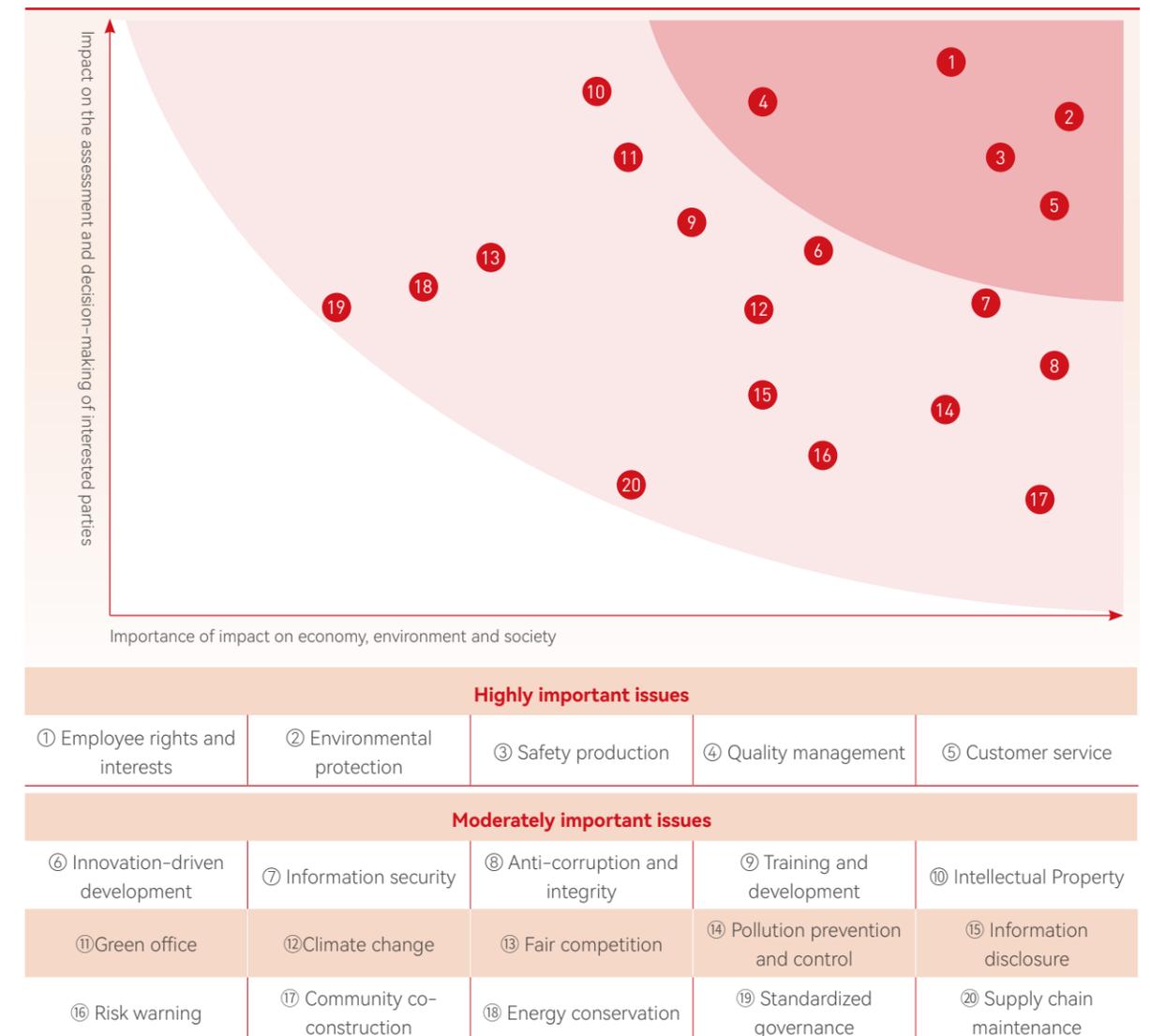
Xianju Pharma regards communication with interested parties as the focus of corporate social responsibility management, attaches great importance to communication with interested parties, accurately identifies interested parties based on issues such as customer needs, investor interests, supply chain management, employee rights and interests, occupational health and safety, community cooperation, regulatory requirements, environmental protection, and corporate image. By means of research and interviews, etc., and through the full participation of interested parties, the Company understands their expectations and demands, and takes measures according to its own production, operation and actual business conditions, and strives to respond to and meet reasonable demands.

Stakeholders	Expectations and Demands	Communication and response
Investors	Standardize Corporate Governance Disclosure of Business Information Sustainable Profitability	Establish and improve the modern corporate governance system Conduct timely and standardized information disclosure Provide Reasonable Return on Investment
Clients	Quality management Suggestion feedback Information security	Construction of quality management system Construction of customer service system Strengthen information security and privacy protection
Regulatory agencies	Standardized corporate governance Disclosure of Business Information	Optimize Internal Compliance Management System Timely and Accurately Disclose Business Information
Suppliers	Long-term cooperation mechanism Improve sustainable development performance Honest trade	Carry out cooperative projects with suppliers Promote sustainable procurement Fair and compliant trade
Staff	Protect Legitimate Rights and Interests of Employees Provide Space for Career Development Salary and Welfare Guarantee Health and Safety Protection	Regulate Employment and Respect Human Rights Innovate Employee Development Channels Guarantee Wages and Benefits According to Law Perfect the occupational health and safety management system
Community	Drive Community Economy Development Carry out Multi-Level and Multi-Faceted Cooperation Community Charity	Provide jobs Support Community Building Carry Out Public Welfare and Volunteer Service Activities
Environment	Energy Saving and Consumption Reduction Reduce Pollution	Use Energy-saving Technologies Reduce Pollutant Emissions
Peers	Technical exchange Collaborative innovation Industry development	Industry conferences Seminars Industry-university-research cooperation
Governments	Pay taxes in full in accordance with the law Lead Technological Innovation Compliance	Initiatively pay taxes Technological Innovation Comply with Laws and Regulations
Media, NGOs, Third-party Organizations	Sustainable development compliance Interview and Communication	Improve the management of sustainable development Visits, meetings, etc.

Analysis of Material Topics

In order to fully understand the concern of interested parties on the social responsibility issues of Xianju Pharma, and make targeted responses to various issues in this Report, the Social Responsibility Report Preparation Team, in accordance with the *Sustainable Development Report Standards* (GRI Standards) issued by the Global Sustainability Standards Board (GSSB), comprehensively identifies issues related to the Company's impact on economy, environment and society and the impact on the assessment and decision-making of interested parties through internal and external questionnaires, meetings, interviews and other research work and with reference to industry characteristics.

By analyzing international and domestic social responsibility standards and the policy requirements of the national and local governments, and combining with the Company's development strategy and planning, Xianju Pharma ranks the substantive issues from two dimensions of "impact on the assessment and decision-making of interested parties" and "importance of impact on economy, environment and society", and forms an importance assessment matrix to guide the social responsibility promotion efforts in a scientific and orderly manner.



Innovation- driven and scientific development

Innovation is a strong driving force for the high-quality development of enterprises. Xianju Pharma insists on thinking innovation and scientific and technological innovation, continuously improves the production, learning and research system according to its strategic planning, initially forms a modern reproductive health drug development technology chain with steroid hormone drugs as the carrier, and builds a technology and quality platform for the development from traditional pharmaceutical factories to modern international pharmaceutical companies.



Innovation system

Xianju Pharma has been focusing on the research and development of steroid drug for many years, and has accumulated remarkable advantages in technological innovation, product research and development, research specifications, scientific research equipment and talent team, etc., and formed R&D innovation and industrialization capabilities in multiple disciplines such as drug synthesis, biotechnology, drug preparation, drug analysis and drug registration. With the increasing pace of enterprise innovation, in addition to the headquarters research institute, the Company has established high-end preparation research and development centers in Hangzhou and other places, laying a solid foundation for the development of new technologies and new products.

Xianju Pharma has been focusing on the field of steroid hormone drugs, taking steroid hormone drugs as the foundation, developing APIs and preparations in parallel with integrated operations, strengthening the development of new technologies and new products, and promoting generic and innovative drugs simultaneously. At the same time of independent research and development, Xianju Pharma will continue to expand the space for scientific research cooperation at home and abroad, absorb advanced innovation achievements, and constantly improve its product lines to provide high-quality services to meet the ever-increasing clinical demands. Xianju Pharma has 18 generic varieties, of which 7 have been declared. The products that have completed the registration of domestic drug production include: methylprednisolone tablets, sugammadex sodium injection, cisatracurium besylate injection, estradiol valerate tablets, drospirenone ethinylestradiol tablets and progesterone vaginal sustained-release gel. As for methylprednisolone tablets, sugammadex sodium injection, benzenesulfonate cisatracurium injection and dexamethasone sodium phosphate injection, the Company has passed the examination and obtained the registration approval documents.

R&D pipelines

Xianju Pharma has been sorting out the existing developed products based on the new changes in the national policy environment, and actively promoting the R&D focus. The Company will, based upon market investigation and positioning, set up product clusters in various therapeutic fields to identify and obtain the potential products required and prepare good product reserves for the sustainable and stable development of the Company in the next 5-10 years. At present, the main products under research take market space and company opportunities as the breakthrough point, and the original research product pipeline with good competition pattern as the standard.

Periconceptual drugs

Xianju Pharma has formed a series of products, mainly including progesterone supplement, estrogen supplement, hormone replacement therapy, emergency contraceptives, oral contraceptives, medium-acting contraceptives, induced labor drugs, gonadotropin regulation and other drugs.

Perioperative drugs

Xianju Pharma has formed a series of products mainly including medium and short-acting muscle relaxants, muscle relaxation blocking, anesthesia, anesthesia induction, anesthesia maintenance, sedation, analgesia and antiemetic drugs.

Respiratory drugs

Taking various corticosteroids, bronchodilator drugs, anti-allergic drugs, etc. as effective ingredients, Xianju Pharma has developed various formulations through advanced drug delivery technology, forming dosage forms for respiratory system administration such as nasal spray, dry powder and aerosol, which are used for the treatment of various rhinitis, obstructive pneumonia, bronchial asthma and other diseases.

Dermatological drugs

Taking various low, medium and high-efficiency corticosteroids and antibacterial drugs as the main components, Xianju Pharma has developed various semi-solid preparations by using advanced semi-solid technology, which are used for the treatment of various dermatological diseases.



Innovation platform

Xianju Pharma owns Zhejiang Key Enterprise Research Institute, Zhejiang Steroid Drug Engineering Research Center and National Postdoctoral Research Center. The Company has established long-term cooperative relations with more than 20 famous domestic scientific research institutions such as Shanghai Institute of Organic Chemistry and China Pharmaceutical University, and gradually connected with international new drug development.

Green chemical synthesis technology platforms

Xianju Pharma has long been committed to the research and development and production of steroid drugs, and has a profound background in the field of steroid drug synthesis and a technical team with considerable technical level and rich practical experience. Xianju Pharma is capable of drug synthesis route innovation, new API product development, process greenization transformation, equipment optimization and upgrading, etc. Xianju Pharma is familiar with the pharmaceutical research and technical specifications and registration regulations at home and abroad. At present, the Company has more than 50 API products approved for domestic registration, 12 products submitted to US-DMF, and 12 products granted with EU CEP certificates.

Biotechnology platforms

Xianju Pharma has more than 40 years of R&D and production experience in the field of steroid microbial transformation, and has accumulated rich experience in strains and fermentation processes related to steroid drug synthesis. It has technical platforms such as microbial strain transformation, fermentation process development, enzyme catalysis technology development, efficient separation technology development and steroid drug resources development, etc.

Preparation R&D platform

Xianju Pharma currently operates more than ten kinds of dosage forms, and has an experienced R&D team, which is capable of developing various oral preparations, injections, external preparations and inhalation preparations, etc. In addition, it is equipped with more than 200 sets of R&D instruments such as fluidized bed, jet mill, particle tester and freeze dryer, offering the capability to provide various new products for the development of the Company.



Special technology platforms

Study on crystallographic form

Xianju Pharma is equipped with crystallization process development and crystallographic form characterization instruments such as powder X-ray diffractometer (XRD), thermogravimetric analyzer (TGA), differential scanning calorimeter (DSC), infrared spectrum (HR), hot stage microscope and infrared spectrometer. Which support pharmaceutical research on crystallographic form screening, drug crystallization process control and crystallographic form stability, etc.

Reaction heat risk assessment

Xianju Pharma is equipped with Mettler RC1e TM automatic laboratory reaction calorimeter and differential scanning calorimeter (DSC), which can be used to carry out comprehensive and quantitative reaction risk research and process risk assessment on drug synthesis process, provide real safety technical data for process design. Conduct safety risk assessment before trial production of new process and existing production process to ensure production safety.



Impurity research

Xianju Pharma is equipped with high-end impurity separation instruments of various specifications, such as DC200 preparative liquid phase, DC600 preparative liquid phase and Waters preparative liquid phase, various high-end analytical instruments (HPLC-TOF, GC-MS, etc.) and high-level technicians and analysts, and is able to carry out impurity preparation (including synthesis and separation), impurity analysis (impurity structure confirmation, content calibration, etc.), genotoxic impurity analysis, detection and assessment, etc.

Semisolid preparation research

Xianju Pharma has an experienced research and development team of semi-solid preparations, is equipped with imported small emulsion tanks, rheometers, hot stage microscopes and other instruments and equipment, which can fully support the development of transdermal and trans-luminal drug delivery preparations, and has many varieties such as vaginal gel preparations and skin topical preparations under research. The platforms are cooperating with foreign high-level preparation R&D companies to develop strategic varieties, which further improves the R&D level of the platforms.

Inhalation preparation research

Xianju Pharma has established research and development platforms for inhalation preparations such as spray, atomizer and dry powder. It has complete supporting R&D and detecting instruments and equipment, such as high performance liquid chromatograph, high-speed disperser, laser particle size analyzer, multi-stage collider (ACI, NGI), spray morphology test system, automatic particle image and chemical composition analyzer and other professional spray instruments and equipment, which can fully support the development of lung administration inhalation preparations. Xianju Pharma is engaged in the development of high-end generic drugs and improved new drug preparations.

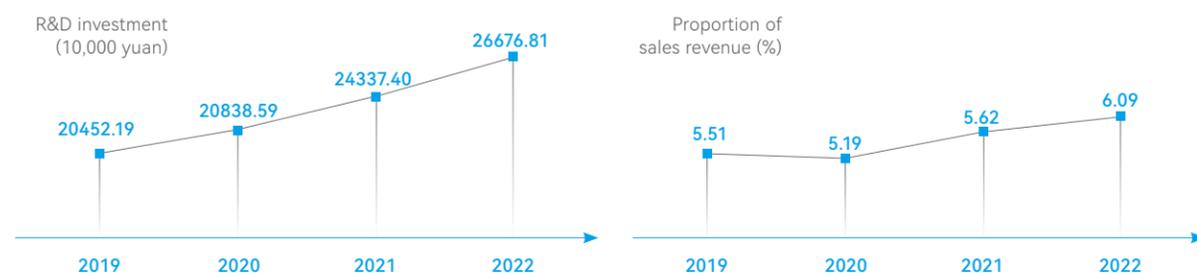
Innovation guarantee

On the basis of technical support from three joint laboratories, technology centers and R&D centers, Xianju Pharma has set up a management office and an expert committee to coordinate the operation and implementation of the enterprise research institute, with divisions focusing on innovative drug synthesis, generic drug synthesis, drug new form research, quality research, process transformation research, information and intelligence, intellectual property research, etc.

Xianju Pharma has a relatively comprehensive talent structure all the way from synthesis, extraction, analysis, preparation to new drug approval, and has a group of pilot-scale technicians with rich production experience, which lays a solid foundation for the large-scale production of new drugs.

In the divisions of the R&D system, including Xianju Research Institute, Hangzhou Xianju Technology Innovation Co., Ltd., Zhejiang Xianju Cuize Pharmaceutical Technology Co., Ltd., Zhejiang Xianju Pharmaceutical Technology Co., Ltd. and Xianju (Jiaxing) Pharmaceutical Technology Co., Ltd., Xianju Pharma invests a lot of money in product development every year. In recent years, the R&D investment accounts for more than 5% of the sales revenue. In 2022, the R&D investment was 266,768,100 yuan, accounting for 6.09% of the sales revenue.

Table of R&D Investment of Xianju Pharma this Year



Industry-university-research combination

In recent years, Xianju Pharma has established long-term collaborations with more than 20 famous domestic scientific research institutions such as Zhejiang University, Shanghai Institute of Organic Chemistry, Chinese Academy of Sciences, China Pharmaceutical University and Dalian University of Technology, engaged relevant experts as consultants, established a comprehensive expert consultation and technical support system, and focused on key project products relying on its strong scientific research force.

Xianju Pharma also has extensive exchanges and has established good collaboration with famous research institutions at home and abroad. It has conducted in-depth cooperation with three foreign laboratories, namely Delim Cosmetics & Pharms.r.l in Italy, Cinfainnova in Spain and Monteresearch in Italy, and established shared databases with domestic and foreign institutions to improve the research level of the Company.

List of shared databases

Name of cooperative organization	Shared database
SCIFINDER	Clinical information database of chemical synthesis, analysis and pharmacology
NEWPORT	Comprehensive information database of generic drug project establishment
PDB	Information database of domestic generic drug sales
DXY Insight	Information database of domestic generic drug registration
PatSnap	Global Patent Information Database
MULTICASE	Genotoxicity database

Innovation performance

In recent years, Xianju Pharma's ropivacaine mesylate and injection projects, rocuronium bromide and its injections, mometasone furoate and its cream, vecuronium bromide and its injections, mifepristone APIs and tablets, prednisolone, etc. have successively won the China High-tech Product Innovation Award by the Ministry of Science and Technology, the Science and Technology Award by the People's Government of Zhejiang Province and the Science and Technology Progress Award by Taizhou Municipal People's Government.

In China, with the progress of consistency evaluation and related assessment of API preparations, APIs with higher quality, more adequate quality research and the capability of providing value-added services such as technical document packages will gradually become an important selection factor for downstream customers. Xianju Pharma has 22 varieties of consistency evaluation, of which 10 have been declared and 8 have been evaluated. Products that have passed evaluation include rocuronium bromide injection, finasteride tablets, misoprostol tablets, ropivacaine hydrochloride injection, flumazenil injection, dexamethasone sodium phosphate injection and prednisolone tablets. The application materials for consistency evaluation of prednisone acetate tablets, mifepristone tablets and vecuronium for injection have been accepted, and the examination and approval are being promoted in an orderly manner.

Honest cooperation and win-win development

Xianju Pharma adheres to an inclusive, open, friendly and cooperative attitude, actively establishes a win-win cooperation model, continuously strengthens quality management, optimizes customer service, improves supplier management, promotes industry development, protects investors' interests, and works with all parties to create a sustainable industrial chain and maintain a good business ecology.



Ensure quality and safety

Quality is the top priority for long-range programs. Xianju Pharma always takes quality management as the foundation of enterprise development, establishes a sound quality management system, and specially sets up a Product Quality Assurance Department and a Quality Control Department to further improve and perfect the quality standards of raw materials, intermediates and products, and ensure the required quality from the source; strengthen process control to ensure process stability; gradually carry out product quality assurance system certification for main raw materials and packaging materials manufacturers.

Quality management policy

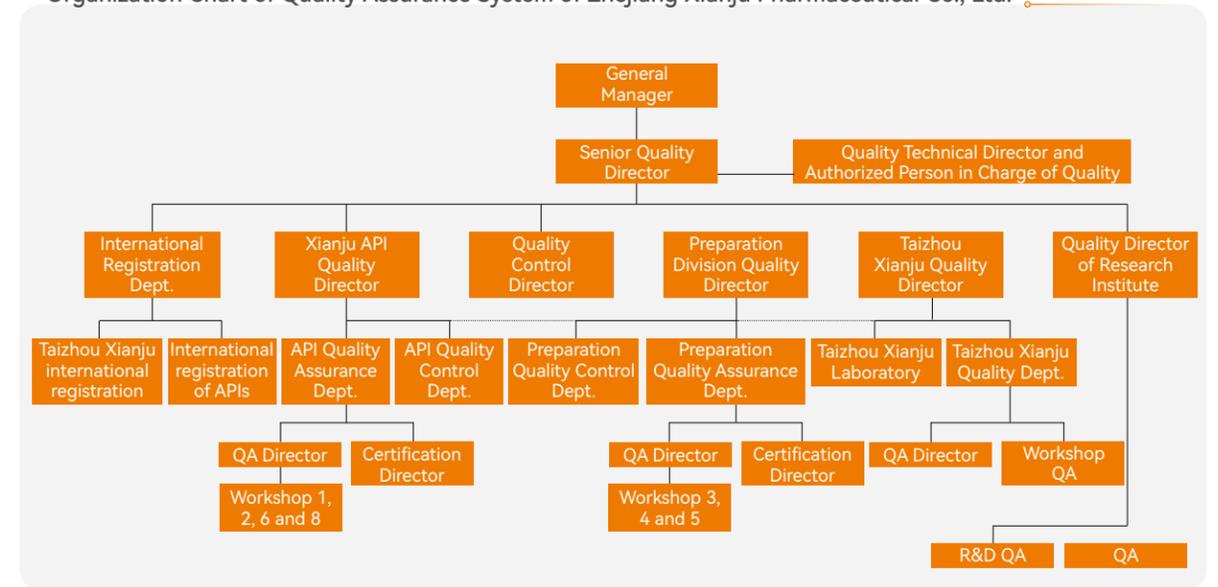
Xianju Pharma pursues the purpose of "producing first-class products and devoting ourselves to human health" and advocates the concept of "quality-oriented, safe and effective". We undertake to:

- Abide by the laws and regulations on drug management to ensure that drugs meet the intended use and registration requirements
- Implement quality management in the whole life cycle of drugs to ensure the safety and effectiveness of drug use
- Establish and promote quality risk management, continuously improve the quality management system, and continuously reduce product quality risks
- Implement effective training and continuously improve quality awareness and level

Quality management system

Xianju Pharma has established a comprehensive quality management system, which is under the direct leadership of General Manager and is independent of the production system, and the senior quality director performs the quality management function on behalf of General Manager. Under the quality management system, the Quality Assurance Department is responsible for all-round and effective monitoring of the whole process related to product quality activities, the Quality Control Department consisting of raw material and finished product laboratories, central control laboratories and central control rooms in preparation workshops, are responsible for effectively monitoring the whole process related to product quality control; the International Registration Department is responsible for organizing foreign registration of products, publicity and implementation of foreign drug administration laws and regulations and technical support for foreign customers; the senior quality director of the Company authorizes the person in charge of the quality of each branch plant to directly control the quality system of each branch plant, and each branch plant has a quality assurance and quality control team. At present, the Company has obtained GMP (Good Manufacturing Practice) management system certification.

Organization Chart of Quality Assurance System of Zhejiang Xianju Pharmaceutical Co., Ltd.



Quality management measures

Xianju Pharma has established a comprehensive quality management system, formulated a series of SOPs and strictly implemented them. All operations are recorded and traceable; Xianju Pharma has established timely and effective procedures for customer quality complaints and product recall. Verification management, change management, deviation management and risk management, etc. are implemented throughout the product life cycle. Over the years, the Company has maintained stable product quality, and the qualified rate of market sampling inspection is 100%, earning a good market reputation for the Company.

Xianju Pharma not only manages the production of products in strict accordance with the relevant SOPs, but also is equipped with advanced detection equipment such as high performance liquid chromatography, gas chromatography and liquid chromatography-mass spectrometry carry out in-factory testing of foreign shopping materials, conduct intermediate control of the pharmaceutical production process and release inspection of finished products. The Company also has a dedicated quality research team to develop and verify detection methods, and carry out quality research work including impurity separation, identification and tracking, etc.

Xianju Pharma adopts the enterprise internal control quality standards more rigorous than the pharmacopoeia standards, and formulates the assessment indicators of the first-pass rate and excellent product rate of product quality; Xianju Pharma organizes production according to GMP standards, follows procedures and takes data as a benchmark, so that every link can be traced, each responsibility is carried out by individuals, and the product quality is strictly controlled.

With adherence to the saying that "Medicinal materials must be authentic and genuine, and drug production must be exquisite and refined", Xianju Pharma has finally achieved gratifying results through unremitting efforts: nearly 30 types of APIs of Xianju Pharma have been registered and approved in Europe, America, Japan and South Korea, and passed official on-site inspections by FDA of the United States, EDQM of the European Union, PMDA of Japan, HC of Canada and MFDS of South Korea, etc. All products of the Company have passed the national GMP certification.

Product Recall

The Company formulates and implements the Product Recall Procedure, so as to timely recover the drugs with quality problems or other potential safety hazards that have been put on the market and ensure the safety of consumers. According to the severity of drug quality problems or other potential safety hazards, the Company adopts three-level recall. Level 1 recall is made within 24 hours, Level 2 recall within 48 hours, and Level 3 recall 72 hours, and the Production Management Department and The Sales Department shall be notified not to deliver goods. For those goods that have been delivered, the Sales Department shall notify the relevant pharmaceutical trading enterprises and users to stop selling and using them by various means of communication. The Company regularly carries out emergency simulation recall of drug safety emergencies, and regularly evaluates the recall system to ensure its effectiveness.

Provide quality services

Xianju Pharma adheres to customer demand as the center, always takes customer satisfaction as the measurement standard, strengthens communication with customers, responds quickly and executes accurately, focuses on safeguarding customer interests, and is committed to providing customers with better service.

Customer training

Upholding the market-oriented principle, Xianju Pharma, with the ultimate goal of meeting customer needs, makes quick response, accurate execution and detailed feedback. Every year, we participate in various industry exhibitions, such as API conferences in China, CPHI conferences in Shanghai and Europe, and industry exhibitions in the United States. At the same time, we will make regular visits to customers at home and abroad, publicize the Company's brands and products, accurately identify customer needs, improve customer service, and continuously deepen customer service relations.



Customer visit



Xianju Pharma actively organizes representatives to participate in product training every year, constantly strengthens professional knowledge, improves professional level, and motivates representatives in their work, so as to be better competent for work.



Xianju Pharma actively expands its academic promotion, continuously promotes and timely adjusts and improves its refined management. By inviting experts and scholars in academic fields to organize online live broadcasts, contacting well-known medical experts to carry out offline free clinics, participating in conference booths to demonstrate the Company's new products and technologies, and other multi-mode professional publicity and education methods for doctors and patients, Xianju Pharma focuses on improving doctors' diagnosis and treatment capacities, while enhancing patients' awareness of diseases. In 2022, the Prescription Drug Marketing Department completed 2,217 3+1 academic promotion activities, which promoted the formation of Consensus of Chinese Experts on Contraceptive Needles represented by heptanoic acid needles.



2022年第7期 全国专家共识宣讲

女性生育力保护直通车

2022.12.22 (周四) 19:00-20:30

大会主席

顾向应 教授
天津医科大学总医院

大会主持

魏正强 编审
《中国实用妇科与产科杂志》

授课专家

崔保霞 教授
山东大学齐鲁医院

何晓英 教授
四川大学华西第一妇婴医院

会议日程

- 19:00-19:05 主持人致辞 魏正强 编审
- 19:05-19:15 大会主席致辞 顾向应 教授
- 19:15-19:55 《避孕针临床应用中国专家共识2022》解读 崔保霞 教授
- 19:55-20:25 《长效避孕针的案例分享》何晓英 教授
- 20:25-20:30 大会总结 魏正强 编审



Optimize services

Xianju Pharma advocates service priority, continuously optimizes customer complaint handling procedures, product recall procedures, product return handling procedures, market customer information feedback and processing management procedures, etc., and constantly makes summaries, optimizations and innovations in practice. Xianju Pharma, through proactive contact, learns customer satisfaction with product use and service provision, and responds accordingly; listens carefully to understand their demands, provides assistance, analysis and troubleshooting; follows up the whole process to ensure the integrity and smoothness of the whole supply chain, timely coordinates issues encountered in various links, and continuously improves the customer experience and satisfaction.

Risk warning

Xianju Pharma keeps an eye out for changes in the whole market environment and the industry dynamics, and timely reminds and informs customers of potential risks (quality risks, drug administration risks, transportation risks, delivery risks, etc.) in the products and services supplied by means of telephone, email and other media.

Implement responsible purchasing

Xianju Pharma not only undertakes corporate social responsibility, but also vigorously advocates the concept of responsible purchasing, actively promotes suppliers to fulfill their social responsibilities and ensures the quality of suppliers. Based on the principle of open, fair and just procurement, the Company actively builds the supplier management system, strictly controls the procurement process, ensures the procurement quality, continuously improves the requirements for suppliers to fulfill their social responsibilities, strengthens communication with suppliers through various forms, jointly establishing a healthy, virtuous and sustainable green supply chain.

To ensure sustainable supply, in 2022, Xianju Pharma introduced a total of 135 suppliers; improved product quality and enhanced supplier quality management, with 22 feedback of quality problems and 54 unqualified materials. To effectively ensure the quality of purchased materials and screen more suitable supplier channels, the Company conducted 33 supplier audits and carried out annual evaluations of suppliers of corresponding materials according to the requirements of regulations to ensure the requirements of "continuity and compliance".



Supplier audit

Supplier Management Table of Xianju Pharma in 2022

Plant	Number of suppliers introduced (number)	Number of complaints handled (times)	Number of quality feedback (times)	Number of on-site audits (times)	Number of video audits (times)	Number of annual assessments (times)
Taizhou Xianju	62	16	16	2	9	33
API	63	2	24	12	0	134
Preparation	10	4	14	8	2	300
Summary	135	22	54	22	11	467

Xianju Pharma conducts training and examination for all procurement personnel so as to standardize suppliers' social responsibility management, supervise suppliers to effectively fulfill their social responsibilities, improve the Company's supply chain social responsibility management, strengthen clean, standardized and compliant procurement, reduce the risk of out-of-stock, protect trade secrets and advocate green environmental protection.

People-oriented and harmonious development

Employees are the foundation of enterprise development and the source of enterprise innovation. Xianju Pharma has continuously optimized and improved the salary system, employment mechanism, corporate culture and development platform, fully protected employees' rights and interests, strived to create a harmonious employment environment, and established a comprehensive and mature talent supply chain system that adapts to its own development, which strongly supported the building and strengthening of the core competence of the Company.



Drive employment

Xianju Pharma pursues the employment concept of fairness, equality and merit-based admission, carries out recruitment activities with equal pay for equal work and no gender discrimination, attaches importance to the diversity of talents, provides fair, open and transparent employment opportunities, and prohibits restrictions on employee recruitment and admission due to factors such as gender, age, race, skin color, religious belief and economic ability.

The Company pays attention to the introduction and training of local talents of all member enterprises. All employees enjoy equal access to talent introduction, training and promotion, regardless of gender, age, race, skin color and religious belief. The Group has established cooperation with many higher technical schools. The head office has teaching practice bases of Lanzhou University of Technology, Zhejiang University of Technology, Zhejiang Pharmaceutical University and Taizhou University, providing nearly 40 internship positions in 2022. In addition, the Company conducts external recruitment online and offline simultaneously, providing no less than 30 categories of job vacancies and the employment demand of approximately 300 people every year, so as to actively promote the bilateral interaction between talent introduction and employment promotion. In order to promote employment, the local government of the Company has provided a variety of supporting policies, including subsidies for settling down, housing purchase, recruitment and application.

In 2022, the Company recruited a total of 383 employees, including 222 males and 161 females; 86 fresh graduates and 6 veterans. Among the new employees, 1 has doctoral degree, 19 have master degree, 170 have bachelor degree and 136 have associate college degree.

Table of Employment Driven by Xianju Pharma in the Past Three Years

Year	Gender		Educational background				Region		Total recruitment	Number of fresh graduates	Number of veterans
	Male	Female	Doctor	Master	Bachelor	Junior College	Within the county	Outside the county			
2022	222	161	1	19	170	136	100	283	383	86	6
2021	200	137	0	8	94	148	94	243	337	64	3
2020	237	150	1	17	123	144	122	265	387	72	4

Unit: person

Staff Composition of Xianju Pharma in 2022

Unit		Zhejiang Xianju Pharmaceutical Co., Ltd.	Taizhou Xianju Pharmaceutical Co., Ltd.	Zhejiang Xianju Pharmaceutical Co., Ltd.	Total
Disabled	Proportion	0.30%	0.16%	0.00%	0.18%
	Number	4	1	0	5
Age	≥ 51	114	54	44	212
	31-50	877	337	672	1886
	≤ 30	353	220	176	749
Region	Outside the county	212	159	585	956
	Within the county	1132	452	307	1891
Educational background	Junior high school and below	43	63	5	111
	High school and technical secondary school	562	274	198	1034
	Junior college	313	135	425	873
	Bachelor	364	124	245	733
	Doctor	55	15	19	89
	Doctor	7	0	0	7
Gender	Female	596	123	433	1152
	Male	748	488	459	1695
Total number		1344	611	892	2847

Unit: person

Xianju Pharma cares about gender equality, resolutely eradicates discrimination against women in employment, provides equal employment opportunities, implements equal pay for equal work for men and women, and prohibits discriminatory treatment in remuneration on grounds of gender. The Board of Directors of the Company consists of 9 directors, including 8 males, accounting for 88.89%; one woman, accounting for 11.11%. The Company has a total of 49 senior management personnel, including 9 females, accounting for 18.39%.

Staff Turnover of Xianju Pharma in Recent Three Years

Year	Gender		Educational background				Region		Total number of employees left	Turnover rate
	Male	Female	Doctor	Master	Bachelor	Junior College	Within the county	Outside the county		
2022	256 persons	190 persons	0 persons	21 persons	131 persons	294 persons	106 persons	340 persons	446 persons	13.52%
2021	259 persons	165 persons	1 persons	11 persons	117 persons	164 persons	112 persons	312 persons	424 persons	12.51%
2020	297 persons	197 persons	0 persons	9 persons	118 persons	192 persons	118 persons	376 persons	494 persons	13.48%

Protection of rights and interests

Xianju Pharma strictly abides by the *Labor Law*, *Labor Contract Law* and other laws and regulations, regulates its employment conducts, builds harmonious labor relations, respects the internationally accepted code of conduct for social responsibility, resolutely eradicates child labor and forced labor, and prohibits discrimination and harassment.

Xianju Pharma follows the principle of distribution according to work, adheres to the concept of "win-win", establishes a compensation structure beneficial to the development of employees based on basic salary and supported by performance and other benefits, and ensures that the compensation standard of our employees is higher than the one of the same industry, and the minimum wage standard is higher than the local minimum wage standard stipulated by the government.

Xianju Pharma strictly implements the national regulations on employee leave, and employees are entitled to rest and vacation according to law, and to marital and bereavement leave, maternity leave and family planning leave according to regulations. Xianju Pharma implements a paid annual leave system, and provides overtime pay or compensatory time off to employees who work overtime on holidays and public holidays due to production and operation requirement in accordance with the Labor Law.

Xianju Pharma enters into labor contracts with its employees according to laws and regulations, and pays five kinds of social insurance and one housing fund for employees. In 2022, the rates of labor contract conclusion and social insurance participation of employees were both 100%.

Democratic management

Xianju Pharma strengthens its democratic management by means of workers' congress, employee democratic management committee, employee directors and employee supervisors, etc. The Company has established a comprehensive communication mechanism through various channels such as plant affairs publicity, democratic consultation and general manager's mailbox. The Company maintains open, frank and effective communication with employees, listens to their opinions and protect their rights and interests. It was rated as a national demonstration unit for open and democratic management of factory affairs.



In 2022, Xianju Pharma held the Third Workers' Congress of the Sixth Session, and the staff representatives put forward 35 suggestions, of which 30 suggestions have been implemented. If the conditions for implementation are not met for the time being, replies will be given to the proposers in time to form a closed loop. Last year, the proposal put forward by employee representatives, "giving gradient benefits in various forms and retaining core backbone employees according to the length of service so as to provide talent support for the sustainable development of the Company", was selected as a proposal of national outstanding employee representatives. In 2022, the Company collected 33 reasonable suggestions from employees through various channels and adopted 25 of them.



Training System

In Xianju Pharma, at the beginning of each year, the Human Resources Department analyzes and interprets the corporate strategy, human resources strategy, annual business plan and business objectives, identifies the priorities and trends of the Company's business development, and determines the key areas and strategies for the investment of training resources in combination with the annual human resources plan. In the meantime, the Human Resources Department organizes the investigation of training needs of relevant departments, and formulates annual company-level and department-level training plans according to training needs.

The course covers professional sales skills, leadership, management skills, GMP, process, EHS, technology research and development, equipment and so on. Training is carried out by combining outsourcing training with internal training. In terms of internal trainings, lecturers will be arranged according to the training plans to carry out various trainings on schedule. In light of the business development and the latest requirements of the industry, corresponding personnel will go out for training. Combined with the latest development trend, the combination of offline training and online training is implemented, and the training management is more systematic and sustainable. At the same time, the network platform such as Ding Talk is used to realize the synchronous training of each plant area.



The Company has experienced lecturers in various professional systems, and has established an internal trainer management system to train internal lecturers, certifying a certain number of lecturers every year, and constantly expanding the lecturer team. Internal training has sound records, and corresponding training effect evaluation is carried out according to the professional requirements of each specialty.



Free group discussion on the Growing Mind and Me class



The teaching assistant answers questions of each group in the peer workshop Reflection class

Training Performance of Xianju Pharma in 2022

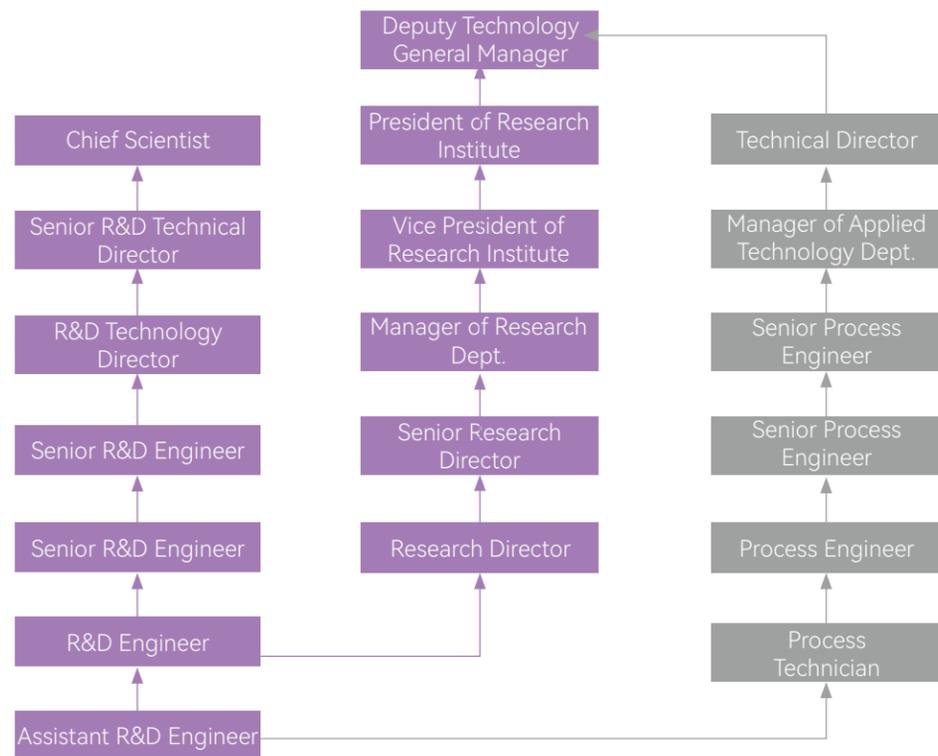
Company	Annual training times (including various trainings)	Training personnel(Σ Number of participants per training)	Training coverage rate (single training coverage rate = number of participants/number of trainees, put the average coverage rate here)	Total annual class hours (Σ number of participants per training * class hours)	Number of class hours per capita (total number of class hours per year/total number of people to be trained per year)
Zhejiang Xianju Pharmaceutical Co., Ltd.	504	21440	100%	68043	50.6
Taizhou Xianju Pharmaceutical Co., Ltd.	273	10669	97%	24090	38.3
Zhejiang Xianju Pharmaceutical Co., Ltd.	113	9993	97%	20519.5	22.1
Total	890	42102	98%	112652.5	37

Career development

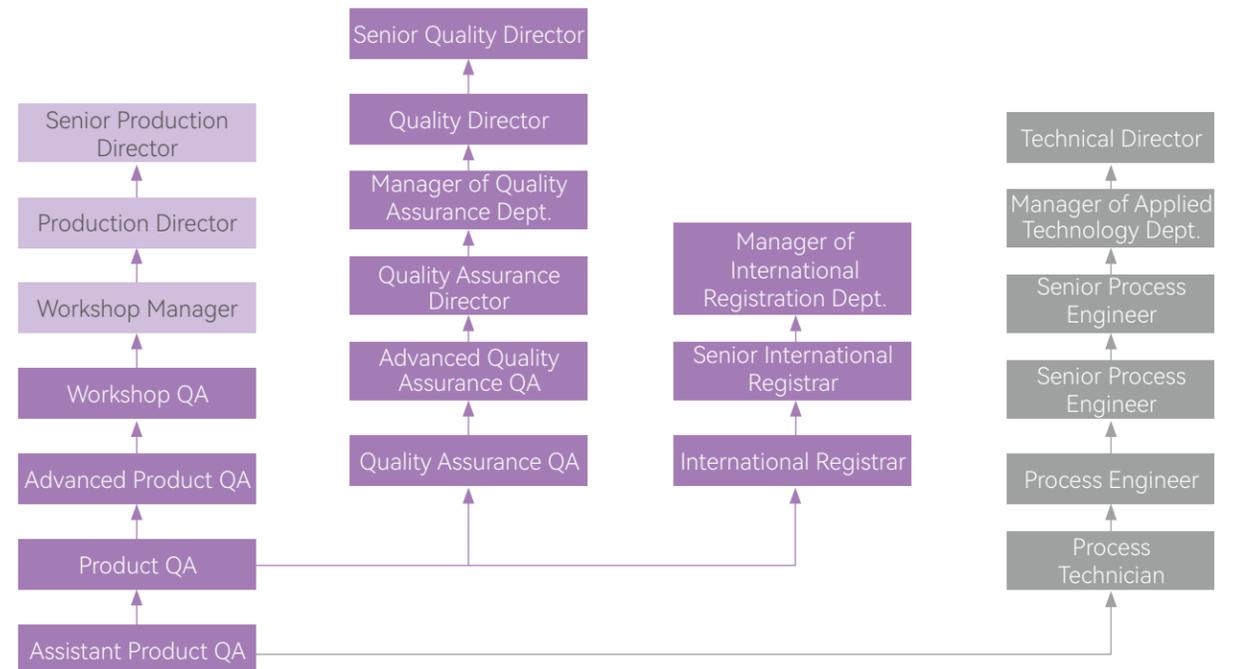
Xianju Pharma pursues excellence, carefully trains young people who are interested in steroid medicine industry to become the mainstay, comprehensively promotes innovation, international talent layout and talent development strategy, continuously strengthens the training and development of talents, and provides diversified career development paths for employees. The Company establishes a dual-channel system of development path with M (management channel) and P (technology channel) as the main line. Each channel is divided into multiple ranks, and each rank into multiple grades. A clear and fixed gap is maintained within ranks, and the gap between ranks is gradually increased to form a stable and rule-based gradient.

In the meantime, employees can develop in multiple directions, including R&D, process, registration, quality and EHS, etc. Employees may choose the appropriate path for in-depth development according to their own development needs, and may also make corresponding shifts in various paths to develop more complex abilities.

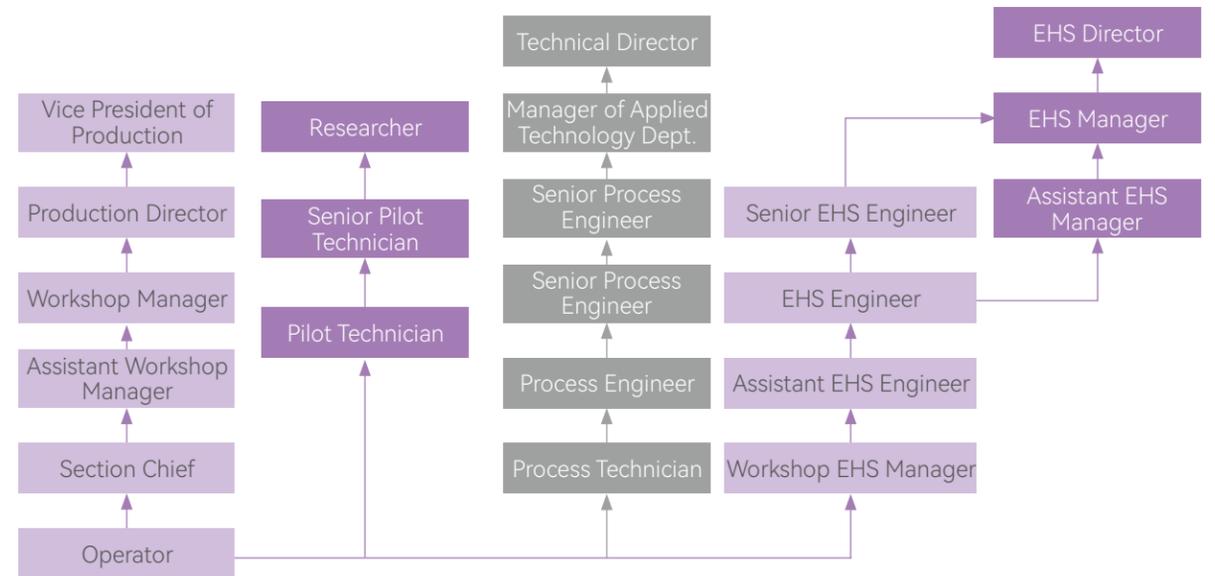
Dual development channels of R&D and process



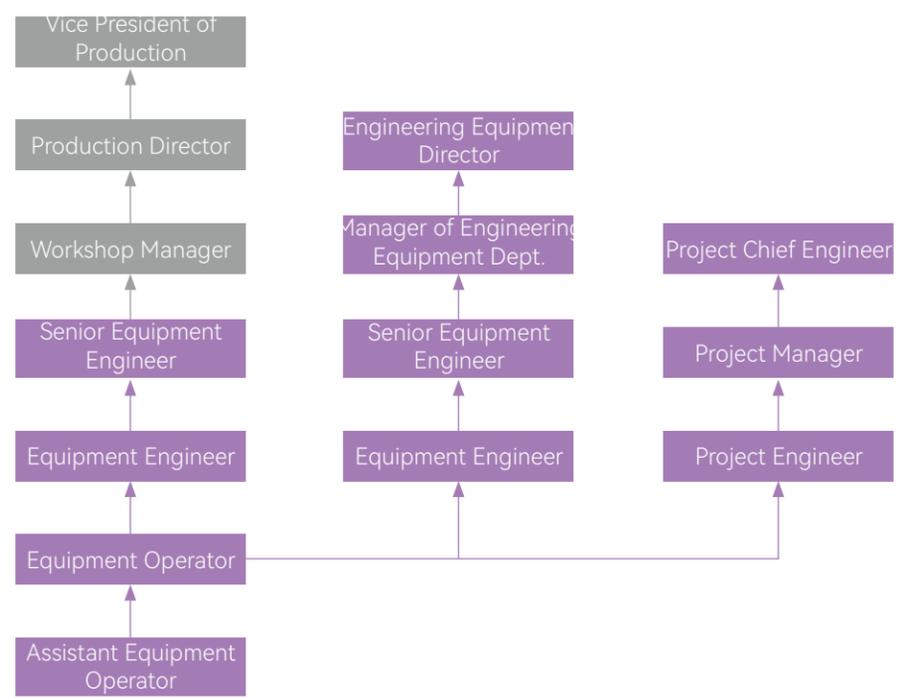
Quality and process development channels



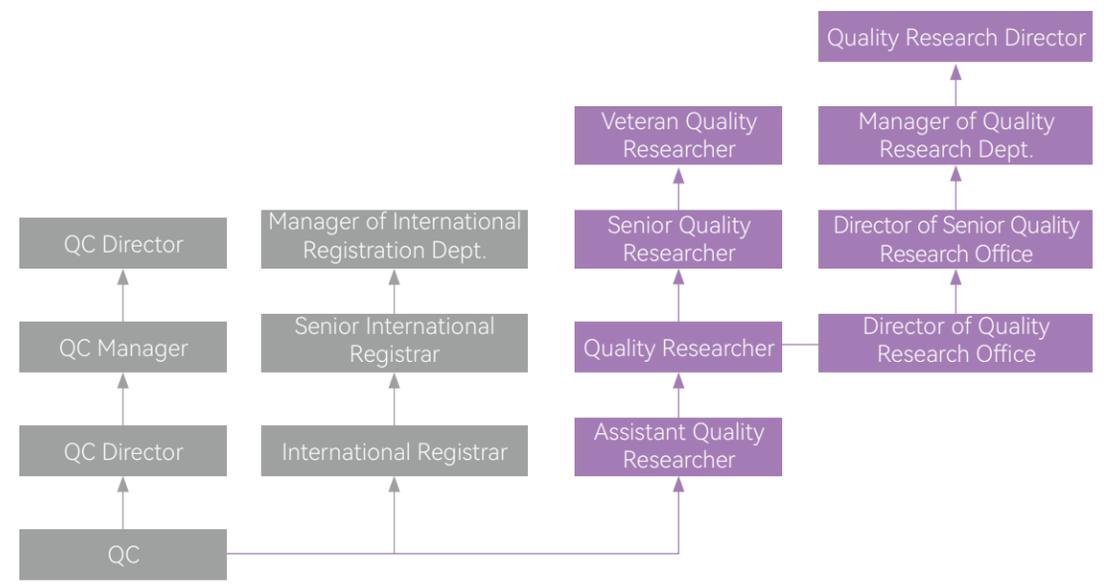
Multiple development channels of production, R&D and EHS



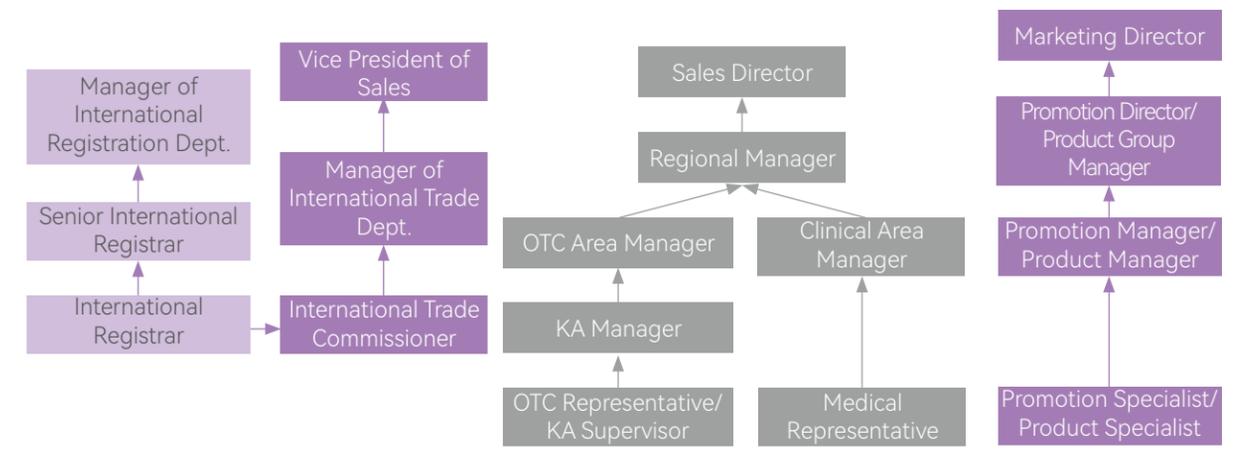
Equipment development channel



QC and QR development channels



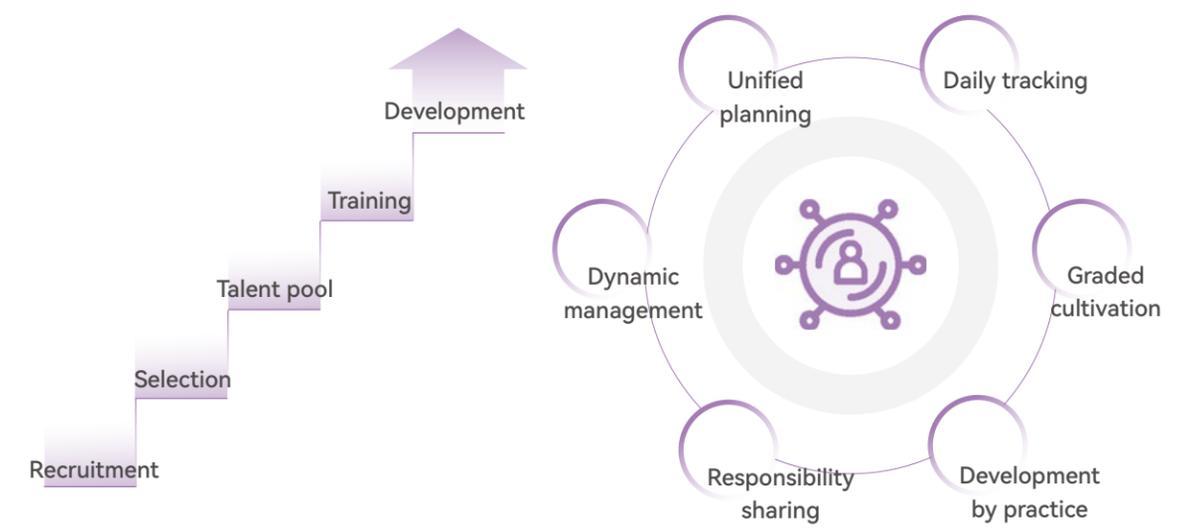
Sales and market development channels



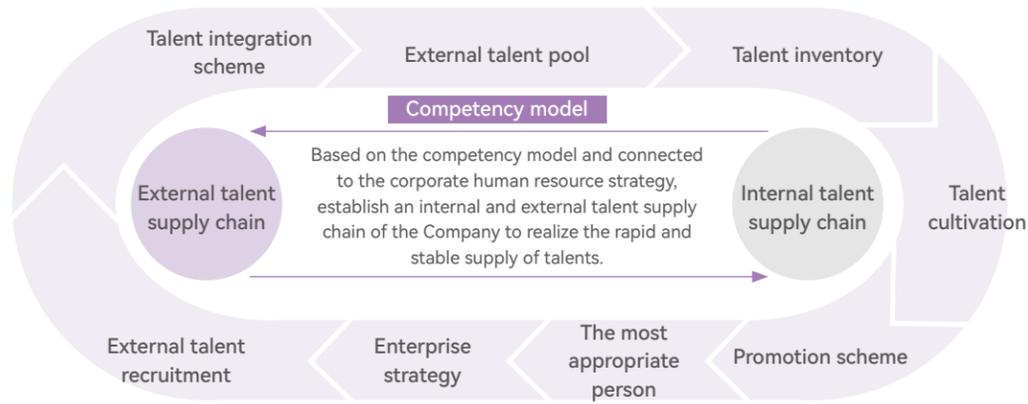
Xianju Pharma has established a comprehensive talent training system, constructed a scientific talent training path, established a talent pool based on quality model, built an internal and external talent supply chain, and achieved rapid and stable talent supply.



Talent training system



Talent pool:



Occupational health

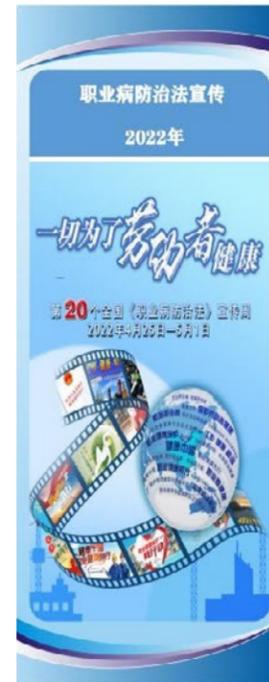
Xianju Pharma always puts the occupational health and safety of its employees in the first place, adheres to the policy of putting prevention first and integrating prevention with control, conscientiously implements the national laws and regulations on the prevention and control of occupational diseases, constantly improves the prevention and control mechanism of occupational diseases, formulates and improves relevant systems such as hazard source identification, employee occupational health management, emergency accident management, and carries out hazard source identification and risk assessment for all operational activities and all personnel activities, and regularly carries out occupational hazard factors detection.

Xianju Pharma cares for its employees, provides them with a safe and healthy working environment, and gradually carries out confinement and automation transformation on critical devices, thus effectively reducing the exposure to active ingredients of drugs and avoiding damage to employees' bodies.

Xianju Pharma has formulated standard operating procedures to standardize its operation processes and established the PPE matrix according to the post hazard factors to analyze the PPE requirements of different posts in the production process. In addition, according to the regulations and requirements of GB39800.1-2020 *Specification for the Provision of Personal Protective Equipment - Part 1: General requirement* and GB/T18664-2002 *Selection, Use and Maintenance of Respiratory Protective Equipment*, Xianju Pharma distributes personal protective equipment meeting the national occupational health and safety protection requirements to employees to avoid occupational injuries in the production process.

Moreover, Xianju Pharma has been continuously improving the confinement, automation and channelization level of its equipment and facilities, improved the working environment through engineering measures (e.g. three-in-one, glove box, flexible isolator, etc.), reduced the exposure to personnel to harmful substances, and reduced occupational health hazards.

Xianju Pharma popularizes occupational health-related knowledge to its employees and regularly organizes relevant trainings to improve their awareness of occupational health.



Xianju Pharma regularly carries out occupational health monitoring, identifies employees suspected of having occupational diseases or occupational contraindications through occupational health examination and occupational health records were both 100%. There were 0 suspected occupational diseases and 0 occupational contraindications.

Physical and mental health

In order to help employees relieve psychological anxiety and mental stress, strengthen team cohesion and shape a positive, healthy and uplifting corporate culture, Xianju Pharma actively organizes diversified employee activities to enrich employees' spiritual and cultural life. In 2022, the Company successfully held the 10th Staff Games, with 856 participants, promoting the team spirit and enhancing the physical fitness of employees. The Company also organized activities such as sending Spring Festival couplets by famous artists, and the tie-dyeing activities of "Xianyaolan" celebrating March 8 were widely reported by media at or above the provincial level. The Company teamed up to participate in the county "Chinese Dream Labor Beauty" staff table tennis competition and won the championship. These activities not only spread the corporate values, corporate philosophy, corporate spirit and corporate ethics, and promoted the construction of corporate culture; but also provided a stage for its employees to show their talents, and as a result enhanced their cohesion.



Tie-dyeing activities for female employees



Tenth Staff Games

Employee Care

Xianju Pharma puts its care for its employees into their work and life. Xianju Pharma has carried out the activity of "deliver coolness in summer" year after year. In 2022, it allocated a special fund of more than 100,000 yuan to provide cold drinks to employees, as well as herbal tea products and cooling medicines to the production line employees free of charge during the high temperature days in summer. We also visited sick employees and expressed sympathy. In 2022, a total of 215 visits were made; expressed Double Ninth Festival and Spring Festival greetings, and visited more than 710 retired employees one by one to show our concern for employees.

2022年

a special fund of more than **100,000** yuan to provide cold drinks to employees

a total of **215** visits were made



Visit retired employees during Spring Festival

When employees or their families suffer from major diseases or distressing family events, Xianju Pharma provides assistance to employees in difficulty and their children in many ways to meet their urgent needs, prevent employees from becoming poor due to illness, prevent employees' children from dropping out of school due to poverty, and help them get out of the woods with the strength of the Company as an organization. In 2022, the Company provides subsidies for 56 employees with difficulties, amounting to 75,000 yuan; and emergency assistance for 7 employees, amounting to 48,000 yuan.

Energy conservation, environmental protection and green development

Xianju Pharma pursues the purpose of "producing first-class products and devoting ourselves to human health", advocates green environmental protection, safety and health, and follows the path of sustainable development. The Company regards low carbon, environmental protection and sustainability as the first responsibility of enterprise development, integrates them into every link and business of the Group's operation, and is committed to building enterprise competitiveness with low carbon and efficient operation mode.



Improve the management system

Xianju Pharma adheres to the concept of green development, constantly standardizes its own environmental and occupational health and safety management, comprehensively realizes pollution prevention, pollution reduction and efficiency improvement, effectively controls and analyzes, reduces accidents and promotes the green development of the Company. In accordance with GB/T24001-2016 and GB/T45001-2020 standards, Xianju Pharma has set up a management representative of environmental and occupational health and safety management system, who is solely responsible for the Company's environmental and occupational health and safety management. Xianju Pharma takes "adhering to green development and promoting civilized production" as its corporate goal, and undertakes to abide by laws and regulations, promote green civilization, realize pollution prevention, accident prevention and continuous improvement, and continuously improve its environmental performance.

The Company is committed to "environmental compliance" and advocates an environmentally friendly development model. In 2003, Xianju Pharma passed ISO14001 environmental management system certification for the first time, and the latest annual supervision audit passed in September 2022.



In April, 2022, Taizhou Xianju Pharmaceutical Co., Ltd. commissioned Taizhou Xuefu Technology Co., Ltd. to prepare an emergency plan for environmental emergencies, identify and evaluate the environmental risks during the operation of enterprises, and put forward corresponding emergency control measures. The Emergency Plan for Environmental Emergencies of Taizhou Xianju Pharmaceutical Co., Ltd. was filed with Linhai Branch of Taizhou Ecological Environment Bureau on May 9, 2022.

Improve emergency response capability

Xianju Pharma adheres to the principle of "putting prevention in the first place, followed by comprehensive treatment". While doing a good job in normal risk management and control, Xianju Pharma continuously prepares for emergency. It has prepared an environmental emergency response program, is equipped with emergency rescue equipment, regularly carries out environmental factor identification to identify the risk of environmental emergencies and potential risk points, and promptly takes corrective and preventive measures.

Xianju Pharma has prepared the *Contingency Plan for Environmental Emergencies*, based on which the Company identifies and evaluates the environmental risks in the process of enterprise operation, and proposes corresponding emergency control measures. The Company has established the *Emergency Preparedness and Response Control Procedures*, which clarifies the responsibilities and processes for internal emergency response of the Company. The Company conducts environmental emergency drills every year to continuously improve the emergency awareness and emergency response level of its employees.

Strengthen publicity and training

Every year, Xianju Pharma conducts environmental protection knowledge training, strengthens environmental protection training and publicity for its employees and personnel on important environmental positions, conducts training and instructions from aspects such as energy conservation and low carbon, green ecological construction, sustainable development, garbage classification, and establishes an environmental protection intelligent supervision system, promotes the construction of zero direct sewage discharge and waste-free factories, so as to continuously improve the employees' environmental protection awareness and environmental protection management level.





Taizhou Xianju Pharmaceutical Co., Ltd. conducts environmental protection knowledge training at least twice a year, focusing on training environmental protection laws and regulations and environmental protection knowledge, so as to enhance employees' awareness of environmental protection and related environmental protection knowledge and ability. After training, it organizes assessment to consolidate and enhance the training effect.

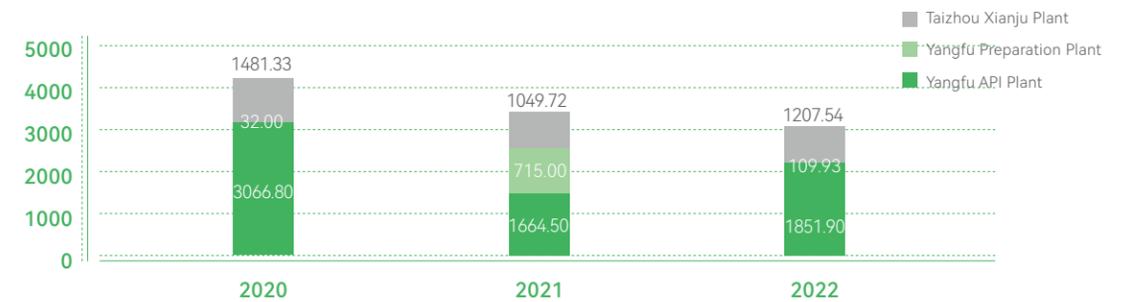
Reduce energy consumption

In order to reduce energy consumption, improve energy utilization efficiency and promote energy conservation management, Xianju Pharma actively carries out cleaner production audits to reduce energy consumption from the source. The Company takes the main energy consumption sources such as chemical reaction heat exchange, material transportation, ventilation and air conditioning system as the key links to improve energy efficiency, and optimizes the technologies such as refrigerant, waste heat utilization, energy-saving equipment, frequency conversion transformation, etc., so as to achieve practical results in energy saving and consumption reduction. According to GB/T23331-2020 *Energy Management Systems - Requirements with Guidance for Use*, we established the company energy management system in 2021, which has passed the energy management system certification and the annual supervision and audit in September 2022.

Xianju Pharma takes "increasing revenue and reducing expenditure, abating emission and reducing consumption, implementing cleaner production and promoting continuously" as its energy policy, constantly innovates, develops and utilizes clean energy while properly utilizing conventional energy, protects the environment and promotes green ecological construction. The Company strives to achieve energy conservation from technical and management aspects, continuously reduces energy consumption, improves energy utilization efficiency, continuously improves its enterprise energy management system, and consolidates the basic efforts of its energy management.



Chart of total investment of Xianju Pharma in environmental protection, energy conservation and consumption reduction in the past three years

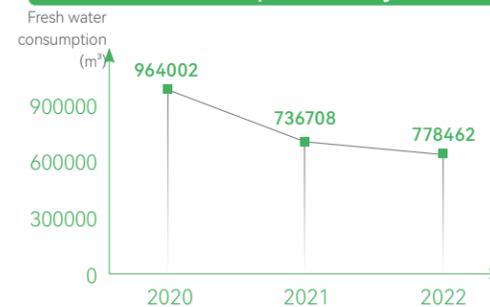


Xianju Pharma has set up an energy conservation management organization and formulated a series of energy management systems from the aspects of energy procurement, measurement, statistics, production process management and quota assessment, which has promoted the effective development of various energy conservation work of the Company, detailed energy consumption indicators to various products and workshops, and achieved preferable effects of energy conservation and consumption reduction for the Company.

According to the requirements of GB50034-2013 *Standard for Lighting Design of Buildings*, Xianju Pharma mainly uses LED energy-saving lamps in each workshop with illumination of 150 - 300Lx; and installs road lamps beside all roads in the plant area, with courtyard lawn lamps in the front area of the plant in match with the green area, and solar road lamps with 8m high poles in the rest of plant areas. The lines are laid by cables buried underground, and the road lamps in the entire plant area are controlled in the guard room. The 10kV and 380/220 V power lines are laid by YJV22 cables buried underground. The lighting control adopts the mode of a combination of centralized control and grouping control, which is convenient for control according to needs. For public places with corridor and stair etc., sound and light control switches are used, which is beneficial to saving electricity.

Xianju Pharma uses water-saving sanitary ware and properly controls the water supply pressure of sanitary ware, which can reduce the flow of sanitary ware by more than 50%, thus reducing the waste of water resources. The Company makes full use of the concentrated water generated in the process of preparing pure water for sanitary cleaning or supplementing circulating cooling water, and recycles the cooling water, thus improving the utilization rate of water resources in the Company.

Fresh water consumption of Xianju Pharma in the past three years



The general equipment of Xianju Pharma includes refrigeration units, screw air compressors, transformers, etc. According to the technical data and nameplate parameters of the equipment, and compared with the corresponding energy consumption limit value and energy efficiency grade standard, the energy efficiency grade of the existing general equipment has reached the corresponding energy efficiency limit value, and the matched motors have reached the energy efficiency above Grade 2. The Company has not used any high energy consumption equipment officially eliminated by China.

Table of energy consumption per unit output value of Xianju Pharma in the past three years

	2022	2021	2020
Total energy consumption (tons of standard coal)	19460.90	20183.55	20246.36
Gross output value (10,000 yuan)	246113	230119	221330
Added value (10,000 yuan)	135522	135490	130950
Energy consumption per unit output value (10,000 yuan/ton standard coal)	0.0791	0.0877	0.0915
Energy consumption per unit added value (10,000 yuan/ton standard coal)	0.1436	0.1490	0.1546

Addressing Climate Change

In active response to international requirements, Xianju Pharma checked its greenhouse gas emissions on an annual basis and formed a greenhouse gas emission report in accordance with GHG Protocol, ISO14064-1 and IPCC Guideline-2006, in order to actively seek approaches and methods to reduce greenhouse gas emissions on the existing basis and thus reducing its adverse impact on climate change.

In accordance with the *Revised Work Plan for Heavy Pollution Weather Warning Grading Standards and Emergency Emission Reduction Measures* (H. B. D. Q. H. [2017] No.86), *Notice on Matters Related to the Preparation of Action Plans for Comprehensive Air Pollution Control in Key Areas in Autumn and Winter in 2018-2019* (H. B. D. Q. H. [2018] No.635), and *Notice on Relevant Matters for Compiling the Comprehensive Treatment Action Plan for Autumn and Winter Air Pollution in 2018-2019* (Z. D. Q. B. H. [2018] No. 5), Taizhou Xianyu Pharmaceutical Co., Ltd. formulated the work plan for peak shift production in heavy pollution weather, and implements peak shift production according to relevant policy requirements.

Statistics of Greenhouse Gas Emissions of Xianju Pharma in Recent Years

Year	Amount of greenhouse gases generated	
	Yangfu API Plant and Yangfu API Plant	Taizhou Xianju Plant
2022 年	43391.50	39044.71
Category I (greenhouse gas emissions from direct combustion of fuels)	635.249	952.17
Category II (greenhouse gas emissions converted from purchased electricity, steam, etc.)	42670.96	38073.97
Category III (greenhouse gas emissions from supply chains)	85.292	18.57
2021 年	45247.74	35344.69
Category I (greenhouse gas emissions from direct combustion of fuels)	389.51	644.28
Category II (greenhouse gas emissions converted from purchased electricity, steam, etc.)	44813.30	34679.04
Category III (greenhouse gas emissions from supply chains)	44.94	21.37
2020 年	82254.4	36699.35
Category I (greenhouse gas emissions from direct combustion of fuels)	991.55	732.10
Category II (greenhouse gas emissions converted from purchased electricity, steam, etc.)	81205.20	35939.26
Category III (greenhouse gas emissions from supply chains)	57.67	27.99

Note: The data in 2022 are calculated by the Company according to relevant specifications and have not been approved by government regulatory authorities.

Strengthen pollution prevention and control

Xianju Pharma strictly implements environmental protection laws and regulations, and discharges pollutants in compliance with standards. In order to further optimize the industrial structure and improve the level of process equipment, pollution prevention and cleaner production, the Company optimizes the existing product structure and upgrades the product grade by replacement of the outdated equipment, further improves the treatment facilities for discharging pollutants to reduce the generation of pollutants.

Wastewater control

Currently, the wastewater of Xianju Pharma mainly comes from production wastewater, cleaning wastewater and waste gas absorption tower wastewater in the production process, as well as domestic sewage and initial rainwater. Each production workshop is equipped with a wastewater collection tank, and the high-salt wastewater and high-concentration wastewater generated in the production process are pretreated by the workshop and then discharged into the sewage station. We inactivate the pharmaceutical active components in wastewater to ensure that there is no impact on the environmental waters. Production wastewater and reaction still cleaning water are collected by workshop pipelines and then sent to the plant sewage station along elevated pipelines. The wastewater is strictly processed and then discharged into the sewage treatment plant of the park after reaching the standard upon online monitoring. Every year, the Company entrusts an independent and qualified third party to supervise and monitor the emission situation.

Statistical Table of Wastewater Discharge of the Company in Recent Years



Exhaust gas control

Xianju Pharma has formulated and implemented *Waste Gas Management Procedures* and *Waste Gas Treatment Operation Rules*, which standardize the processes of waste gas collection, treatment and discharge and matters needing attention in the operation of waste gas treatment facilities, and ensure the effective operation of waste gas treatment facilities according to the principle of classified collection of waste gas, pretreatment by quality and then classified treatment.

Xianju Pharma adopts advanced technology to treat process waste gas. The treatment processes adopted for process waste gas generated in Yangfu API Plant and Taizhou Xianju Plant are: workshop condensation + spray absorption + RTO + terminal secondary alkali absorption; while the treatment processes adopted for dust-containing waste gas generated in Yangfu Preparation Plant are high-efficiency filtration and hydraulic dust removal.

Statistical Table of RTO Emissions of Xianju Pharma in Recent Years



Solid waste prevention and control

In accordance with the *Standard for Pollution Control on the Non-Hazardous Industrial Solid Waste Storage and Landfill* (GB 18599-2020) and the *Standard for Pollution Control on Hazardous Waste Storage* (GB18597-2001), Xianju Pharma has set up storage sites (hazardous waste warehouses), hazardous waste generation sites and stacking sites that meet the standard requirements in the plant area, and stored and processed solid wastes according to the standards.

Hazardous solid wastes generated by Xianju Pharma in the production process include waste solvents, waste residues, waste salt, high-boiling residues, waste liquid, etc. We recover and recycle the solvents used in the production process to the greatest extent, and entrust hazardous wastes to hazardous waste treatment units with disposal qualifications for treatment. At present, we have entrusted Zhejiang Taizhou Dechang Environmental Protection Co., Ltd., Zhejiang Fengdeng Green Energy Environmental Protection Co., Ltd. and other qualified units with such treatment, and we strictly implement systems of hazardous waste declaration and registration, hazardous waste transfer manifests, etc. General solid wastes, including industrial waste, biochemical sludge and corn grits, are entrusted to Yindahai Environmental Protection Technology Co., Ltd. and other related companies for comprehensive utilization.

Hazardous waste discharge of Xianju Pharma in 2020-2022

Plant	Disposal amount in 2022 (tons)	Disposal amount in 2021 (tons)	Disposal amount in 2020 (tons)
Yangfu API Plant	3333.854	4085.918	3399.98
Yangfu Preparation Plant	81.060	73.48	49.96
Taizhou Xianju Plant	11568.993	12351.59	5647.056

Noise control

The main noise sources of Xianju Pharma are motors, freezers, centrifuges, various fans and mechanical rotating equipment in the production process. In the construction of plant buildings, measures such as installing shock absorbers and mufflers for equipment with high noise sources are taken, and sound insulation duty rooms are set in posts with high noise sources. The daytime and nighttime noise values at each plant boundary can meet GB12348-2008 *Emission Standard for Industrial Enterprises Noise at Boundary*.

Implement green design

The design and planning of Xianju Pharma's construction project all meet the national and provincial environmental and architectural quality requirements, the pollutant emission control generated by the project construction is within the compliance indicators stipulated by the national and provincial regulations, and the environmental impact before and after the project construction meets the environmental quality requirements determined by the environmental functional zoning where the construction project is located. The project construction meets the requirements of "ecological protection red line, environmental quality bottom line and resource utilization online and ecological environment access list" control, and the environmental accident risk of the project is controllable. The project construction meets the requirements of national and provincial industrial policies, and meets the requirements of urban master planning and park planning.

The Company's production line adopts vertical flow scheme design, and is constructed according to the general requirements of "automatic production control, closed process flow, pipeline-based material transportation, function-oriented plant layout, system workshop design and integrated plant facilities". Production equipment reach the domestic advanced level, and control rooms are set at key points in the production process for centralized alarm and chain. Professional units are entrusted to design workshops as a whole, give full consideration to circular economy and cleaner production, and minimize the amount of "three wastes" from the source.

Practice green production

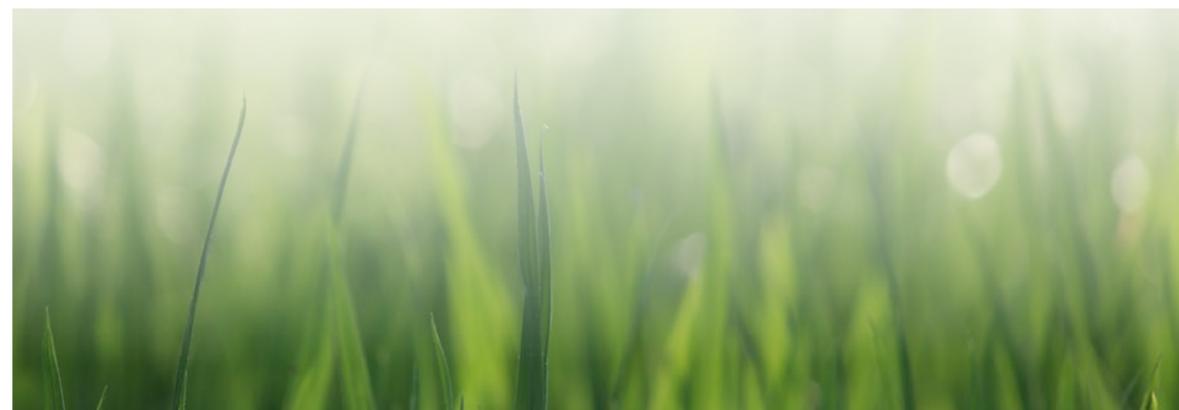
Xianju Pharma adopts green synthesis process in its products. It studies and tackles key problems in key common technologies such as chiral drug innovation technology, biological and new pharmaceutical processes, micronization technology, bioadhesive targeted administration technology, and continuous tube reaction technology, gives priority to environment-friendly solvents (ICH Class 3 solvents) in greener replacement of toxic and harmful raw materials and solvents. For example, for prednisolone, it changes polluting raw materials such as sodium nitrite into enzyme-catalyzed reaction route, which reduces the use of nitrite, a carcinogenic raw material, and greatly reduces the toxicity of raw materials. In addition, the Company originally used active nickel as hydrogenation reagent for progesterone. As a result, in the preparation process of active nickel, a large amount of tap water was used and a large amount of nickel-containing wastewater was generated. The Company now has changed to progesterone palladium-carbon process to optimize the hydrogenation and hydrolysis process in the progesterone production process. It changed the hydrogenation reagent from active nickel to palladium carbon, which optimizes the oxidation reaction time. It also changed the water vapor flushing distillation to vacuum concentration, and reduced the refining times from 3 times to 2 times. Compared with those before improvement, the toxicity of raw materials is lowered, the generation of wastewater is greatly reduced, and the annual expenditure is saved by 2.69 million yuan.

Combining the development direction of "green, confinement, automation, continuity and channelization", Xianju Pharma integrates green synthesis technology, promotes asepsis in the preparation production workshop, promotes 6S management in the clean area of the workshop, completely seals the production workshop, and reduces unorganized discharges. In the design process of the workshop, it follows the concept of "vertical flow", and adopts advanced production equipment and facilities and automatic control devices such as DCS to improve the overall production level. The Company improved the applicable biological method, using hydrocortisone acetate as the starting material, feeding it in aqueous phase, and using dehydrogenase and hydrolase in microbial cells to synergistically catalyze the production of prednisolone. No solvent is used in the fermentation process and the conditions are mild. In addition, the biological refining process adopts T reagent reaction with high impurity removal efficiency, which results in better drug quality and 50% lower solvent consumption per unit than those obtained using chemical double crystallization method.

Promote green office

In the context of low-carbon economy, major industries around the world are seeking energy-saving, environmentally friendly and efficient management modes. Xianju Pharma actively responds to the trend of the times, improves its internal management regulations and advocates green office. The implementation of paperless office and networked office has greatly reduced the use of paper and the office expenses regarding printing and paper are correspondingly reduced. Usually, internal mail is used for document circulation and exchange, and the opening of network interconnection saves postage, travelling expenses, communication expenses and manpower required for sending paper documents, thus effectively improving office efficiency, and saving a great deal of related office expenses.

The Company optimized the lighting system and air conditioning system, uses LED lamps for lighting in the whole plant, and are turned off when people leave. Calculated at the total power of 60kw, the total electricity conservation (calculated at the electricity conservation rate of 50%) is 196,000kwh on an annual basis; the Company has stipulated the conditions for turning on and off the air conditioning system, so as to avoid energy waste while ensuring appropriate working and production temperature conditions. The Company's faucets, urinals and other sanitary ware are all water-saving sanitary ware, saving more than 30% of water, and the annual water saving is about 30,000 tons. During training, the Company sets up branch venues, and video conferences are adopted in the branch venues to reduce employees' travel. The Company's office waste is classified scientifically, and classified garbage bins are set up to put garbage in different categories.



Life first and safe development

Environment, Occupational Health and Safety (EHS) are an integral part of all our operations. Xianju Pharma adheres to the sustainable development strategy, upholds the concept of "life first, safety first", always undertakes corporate social responsibility, increases investment in safety production costs, takes serious measures to the construction of safety management system, strengthens safety emergency management, improves the safety awareness of all employees, and builds a solid network of safety assurance.



Improve safety management

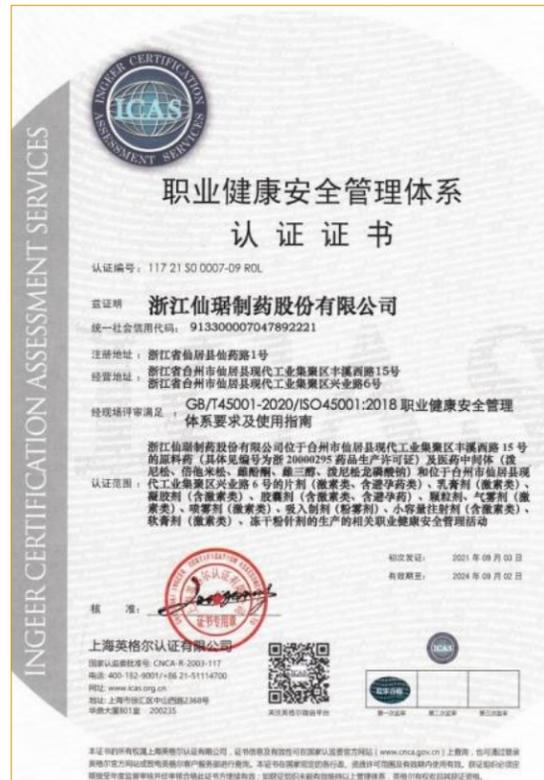
Xianju Pharma has established a perfect EHS management system, which is divided into 11 modules and 59 elements, so as to achieve full life cycle and cross-functional cooperation. The Company regularly carries out risk factor identification and implements relevant safety measures every year, carries out unscheduled inspections on equipment, process, safety, automatic control instruments, fire protection, special operations, hazardous chemicals, etc. (including at the company level, workshop level and team level) every month, and implements corrective measures against hidden dangers identified based on the principle of "five determinations" to complete closed-loop management.

Xianju Pharma signs a safety responsibility letter according to EHS organizational structure every year, linking safety responsibility with every employee. Whether it is grass-roots employees or senior management personnel, the Company clarifies responsibilities and authorities, and incorporates EHS into performance appraisal, so that enhance the safety awareness of each employee. On January 25, 2022, the Company held the summary meeting of EHS Committee in 2021, reviewed the completion of EHS targets in the whole year, analyzed and summarized the operation data of EHS in 2021, arranged the deployment of key work related to EHS in 2022, and presented awards to outstanding individuals and collectives of EHS in 2021.

Xianju Pharma strictly implements national and local laws and regulations, and actively promotes RC and PSCI standards, so as to meet customer needs to the maximum extent on the premise of ensuring that the Company's operations continue to meet policy and legal requirements. In 2009, the Company passed OHSAS18001 certification, and recently passed ISO45001 occupational health and safety management system supervision and audit in September 2022.

Promote process safety

Xianju Pharma believes that the key to its sustainable operation lies in its outstanding risk prevention performance. We strive to implement process safety management (PSM) by insisting that:



Xianju Pharma conducts reaction heat risk test and assessment on all chemical reaction processes in commercial production process, thermal stability test of related raw materials, intermediate products, products and by-products, and risk assessment of unit operations such as distillation, drying and storage. Furthermore, Xianju Pharma applies the test data and assessment results to HAZOP/LOPA analysis, and takes corresponding engineering control and management measures in accordance with the standard requirements, meanwhile the measures are also used as the preconditions of PSSR to ensure that the substantial risks are controllable.

Xianju Pharma entrusts well-known design institutes in the industry to carry out LOPA analysis and SIL grading on hazardous chemical processes and hazardous chemical storage tanks under the Company's key supervision, and implements relevant requirements according to SIL assessment report, and sets up DCS/SIS system.

Xianju Pharma adopts vertical flow design for production equipment, uses weighing module and flowmeter for measurement; protects reaction stills and solvent storage tanks containing flammable and explosive chemicals with nitrogen seal, configures safety discharge system for all reaction stills; and uses TCU for heating and cooling reaction stills.

Xianju Pharma also focuses on the risk control in the process of R&D and testing, and conducts assessment of systems of process safety, health impact of highly active pharmaceutical ingredients and environmental emission risks for R&D, pilot projects and process transfer projects prior to commercial production. In the process of process research and development, the Company has to address how to minimize waste discharge, waste water generation and waste gas emission.

Xianju Pharma strictly registers various solvents recycled in the production process to ensure the controlled management of chemicals.



Consolidate safety emergency

Xianju Pharma has established a safety emergency mechanism to adequately cope with various crises triggered by unexpected events. The Company has set up various accident emergency rescue execution teams for aspects such as emergency response, medical first aid, emergency fire control, site security, investigation and liaison, environmental monitoring, technical disposal, and has clearly assigned the main responsibilities and tasks. Emergency rescue is under the unified command of the emergency rescue headquarters.

Xianju Pharma pays extreme attention to accident prevention, and has gradually improved the emergency plan system including comprehensive plans, special plans and on-site disposal plans, and has established internal and external emergency communication channels and kept them open. In order to effectively coordinate the mutual assistance and mutual aid with surrounding enterprises and give full play to the coordination of emergency resources of enterprises, the Company has entered into a mutual assistance agreement with surrounding enterprises for emergency rescue of production safety accidents, forming a joint force for safety emergency response, effectively coordinating the mutual assistance and mutual aid of surrounding enterprises and giving full play to the coordination of emergency resources of enterprises.

In accordance with GB 30077-2013 *Requirements on Emergency Materials Equipment for Hazardous Chemical Enterprises*, Xianju Pharma has been equipped with corresponding emergency materials and equipment and adhered to the principle of "whoever in charge is responsible" to achieve "professional management, urgent need guaranteed, and special articles for special use".

Summary of emergency drills of Xianju Pharma in 2022

Type of emergency drills

Comprehensive exercise **6** Number of times

Special plan drill **36** Number of times

On-site emergency plan drill **64** Number of times

Total **106** Number of times

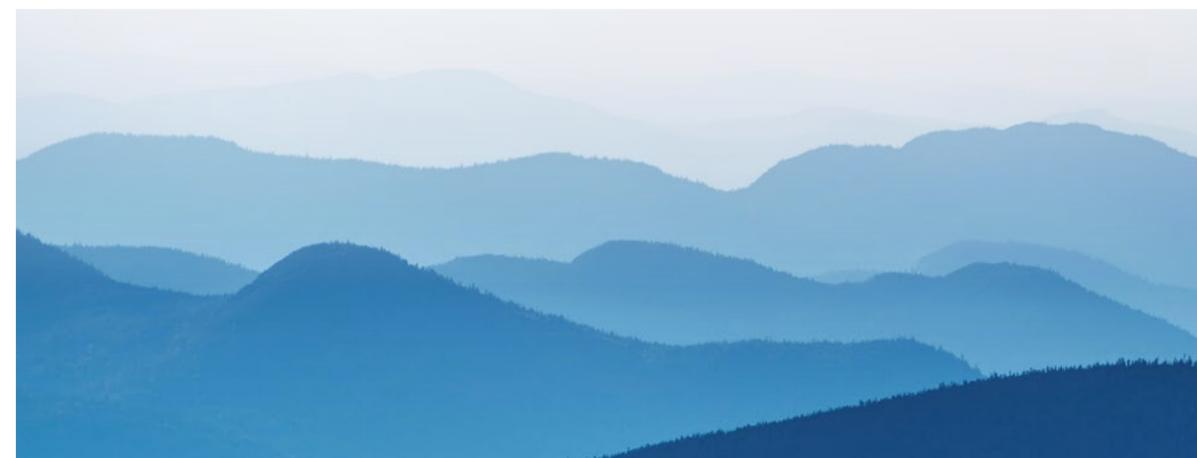
Xianju Pharma organizes various emergency drills from time to time, so that departments and employees at all levels can further familiarize themselves with emergency rescue plans and master emergency response procedures; test the science and operability of the emergency rescue plan for unexpected accidents; improve the practical capability, emergency capability and emergency experience of employees and emergency teams; accumulate practical experience for responding to unexpected accidents quickly, orderly and efficiently, and lay a solid foundation for organizing emergency rescue in time and effectively in case of various safety accidents.



Strengthen safety training

Xianju Pharma advocates the safety culture concept of "full participation, territorial management and professional support", gives full play to the remarkable role played by each employee in EHS management, establishes a systematic and scientific EHS training system, and adopts a combination of offline training and online training to carry out EHS skills upgrading training for employees such as "Millions of Employees Training", "EHS Excellence Class" and "Safety Month Knowledge Competition", strictly implements the "Three-level Safety Education" system, trains employees in various departments and workshops, improves their safety awareness, and enhances their self-safety awareness and protection ability.

In 2022, themed by Strengthening the Concept of Safety Development and Improving the Safety Awareness of All Employees, the Company launched the Safety Production Month, and organized various publicity and training such as special operation training, team safety activities, EHS knowledge examination, air call wearing contest, etc., so as to enhance the legal awareness of safety production of all employees and improve the safety knowledge of safety guardians for special operations.



Conduct good deeds and share common growth

We will not forget our initiative on the way forward and will give back to the society with gratitude. While pursuing continuous development and improvements, Xianju Pharma does not forget to repay the society, dare to take responsibility, strengthen community communication, carry out voluntary service, support charity, actively participate in community construction, and make important contributions to building a harmonious society. In 2022, the volunteer team actively participated in the volunteer service in Xianju Economic Development Zone, with a total of 84 person-times and 478 hours.



Localized employment

Zhejiang Xianju Pharmaceutical Co., Ltd. and Taizhou Xianju Pharmaceutical Co., Ltd. mainly employ local employees. At present, the number of local employees in the places where the Company operates is much higher than that of non-local employees. Since the Company's sales network spread across China, the daily working places of sales staff and sales management staff are also distributed in all provinces, cities and counties in China, as a result, the proportion of employees in Xianju County, where the Company is registered, is lower than that of non-local employees.

As of the end of December 2022, Xianju Pharma headquarters was located in Xianju County, Taizhou City, Zhejiang Province, with 1,132 local employees, accounting for 84.2% of the total employees of the headquarters; Taizhou Xianju Pharmaceutical Co., Ltd. has 452 local employees, accounting for 73.98% of the total number of employees; Zhejiang Xianju Pharmaceutical Co., Ltd. has 307 local employees, accounting for 34.4% of the total number of employees of the sales company.

Local Procurement

Xianju Pharma gives priority to procuring products from suppliers in the place where it locates during its operation. In 2022, the total procurement amount of the Company was 959,957,058.80 yuan, and the local procurement amount in Zhejiang was 484,444,854.38 yuan, with a localized procurement rate of 50.47 (the procurement amount of Taizhou Xianju was added to the total procurement amount, as Taizhou Xianju was not taken as a supplier of the headquarters, i.e., the amount of procurement from Taizhou Xianju has been deducted from the total procurement amount of the headquarters, same hereinafter) Localized procurement in the recent years is as follows:

Duration	Total procurement amount (yuan)	Amount of localized procurement (yuan)	Localized procurement rate (%)
2022	959,957,058.80	484,444,854.38	50.47
2021	1,029,927,729.15	569,701,178.72	55.31
2020	1,400,368,036.25	464,547,250.89	33.17

Support public welfare undertakings

In order to actively respond to the national Healthy China 2030 strategic plan, implement the *Outline for Women's Development in China*, help build a healthy China, improve the protection of women's fertility, ensure a reasonable birth interval and improve women's reproductive health, Xianju Pharma actively participated in the "Through Train for Women's Fertility Protection" project sponsored by the Editorial Board of Chinese Journal of Practical Gynecology and Obstetrics.

The first meeting of the through train for female fertility protection was launched in Nanning on November 12, 2022 (Saturday). The meeting focused on "female fertility protection", discussed hot topics such as new choices and additional benefits of reproductive health and efficient contraception, explored innovative treatment schemes and clinical progress, and built a brand-new public welfare training platform for grassroots doctors to better serve the clinic!



On November 18, 2022, the first public welfare activity of female fertility protection through train was launched in Hengyang Maternal and Child Health Hospital. Professor Cheng Wei from Hunan Maternal and Child Health Hospital was invited to visit the outpatient clinic, and held health education and expert free clinic with local hospitals, so as to better implement the fertility protection policy and provide better life-cycle health services for grassroots women.

中国实用妇科与产科杂志

女性生育力保护直通车

---安全 高效 可控

时间 2022年11月18日08:00-12:00

地点 衡阳市妇幼保健院门诊四楼405诊室

义诊范围

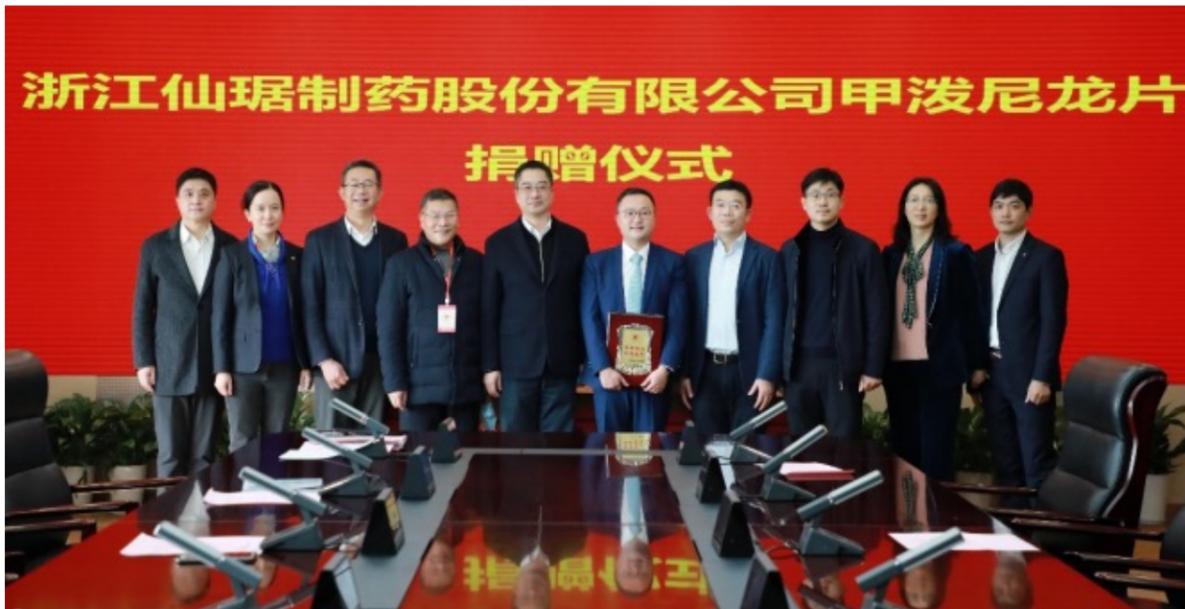
优生优育指导意见、生殖健康咨询服务、不孕不育、妇科肿瘤、妇科炎症、月经失调、子宫内膜异位症、子宫腺肌症、更年期综合症





Facilitate volunteer service

As a pharmaceutical company with a sense of social responsibility, Xianju Pharma responded to the government's call to work overtime to produce urgently needed drugs such as methylprednisolone to ensure timely supply and meet social needs. The Company also donated 203,200 tablets of methylprednisolone to the Red Cross Society of China Zhejiang Branch. The donation ceremony was held in the Economy and Information Technology Department of Zhejiang. Xu Xiaoyue, Party member and deputy director of the Economy and Information Technology Department of Zhejiang, Huang Yuanlong, Party member and Party Secretary of the Red Cross Society of China Zhejiang Branch, Ying Xujie, Party Secretary and Chairman of Intel Group Co., Ltd., Zou Wenhui, Deputy General Manager of Xianju Pharma and other relevant responsible persons attended the donation ceremony. The Red Cross Society of China Zhejiang Branch transferred these drugs to the provincial medical material support group, which distributed them to provincial key medical institutions for rescuing critically ill patients.



Index of reference indicators

GRI 标准	Disclosure items	Chapter
GRI 2: General Disclosures	2-1 Organizational details	Overview
	2-2 Entities included in the organization's sustainability reporting	Reporting Boundaries
	2-3 Reporting period, frequency and contact point	Report Guide
	2-6 Activities, value chain and other business relationships	About Xianju
	2-9 Governance structure and composition	Organizational structure
	2-10 Nomination and selection of the highest governance body	Standardize corporate governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Standardize corporate governance
	2-14 Role of the highest governance body in sustainability reporting	Standardize corporate governance
	2-28 Membership associations	Enhance industry cooperation
	2-29 Approach to stakeholder engagement	Stakeholders' Communication
GRI 3: Material Topics	3-1 Process to determine material topics	Analysis of Material Topics
	3-2 List of material topics	Analysis of Material Topics
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	Market performance
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Innovation-driven and scientific development
GRI204: Procurement Practices	204-1 Proportion of spending on local suppliers	Local Procurement
GRI206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Adhere to fair competition
GRI301: Materials	301-2 Recycled input materials used	Practice green production
GRI 302: Energy	302-1 Energy consumption within the organization	Reduce energy consumption
	302-4 Reduction of energy consumption	Reduce energy consumption
	302-5 Reductions in energy requirements of products and services	Practice green production

GRI	Disclosure items	Chapter
GRI303: Water and Effluents	303-4 Water discharge	Wastewater control
	303-5 Water consumption	Reduce energy consumption
GRI305: Emissions	305-1 Direct (Scope 1) GHG emissions	Addressing Climate Change
	305-2 Energy indirect (Scope 2) GHG emissions	Addressing Climate Change
	305-3 Other indirect (Scope 3) GHG emissions	Addressing Climate Change
GRI306: Waste	306-1 Waste generation and significant waste-related impacts	Strengthen pollution prevention and control
	306-3 Waste generated	Strengthen pollution prevention and control
	306-5 Waste directed to disposal	Solid waste prevention and control
GRI308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Implement responsible purchasing
	308-2 Negative environmental impacts in the supply chain and actions taken	Implement responsible purchasing
GRI 401: Employment	401-1 New employee hires and employee turnover	Drive employment
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Protection of rights and interests
GRI403: Occupational Health and Safety	403-1 Occupational health and safety management system	Occupational health
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational health
	403-3 Occupational health services	Occupational health
	403-5 Worker training on occupational health and safety	Training System
	403-6 Promotion of worker health	Physical and mental health
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health
GRI404: Training and Education	404-1 Average hours of training per year per employee	Training System
	404-2 Programs for upgrading employee skills and transition assistance programs	Career development
GRI405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Drive employment
GRI409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social responsibility policy
GRI416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Quality management measures
GRI418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Protect information security

Reader feedback form

Dear Readers,

Hello!

Thank you very much for reading this Report. We sincerely look forward to your assessment of this Report and your valuable suggestions, so that we can continuously improve our social responsibility efforts and enhance our capability and level of fulfilling our social responsibility work!

Multiple-choice Questions: (Please tick in the corresponding position)

1. With respect to Zhejiang Xianju Pharmaceutical Co., Ltd., you are a/an:

Employee Consumer Supplier Supervisory body Media

其他 (请注明) Other (please specify)

2. Your overall impression of this Report is:

Very good Good Average Bad Very bad

3. In your opinion, the quality of social responsibility information disclosed in this Report is:

Very high High Average Low Very low

4. In your opinion, the structure of this Report is:

Highly reasonable Reasonable Average Bad Very bad

5. In your opinion, the layout and presentation of this Report are:

Very good Good Average Bad Very bad Open Question:

Please kindly put forward your valuable opinions and suggestions on the 2022 Corporate Social Responsibility Report of Zhejiang Xianju Pharmaceutical Co., Ltd.:

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