药明康德
WuXi AppTec

2021 Environmental, Social and Governance Report

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About this report

Overview

This report is the fourth environmental, social and governance report ("CSR report") issued by WuXi AppTec Co., Ltd. ("WuXi AppTec", "the Company", "we") and reflects the performance of the Company and its subsidiaries in environmental, social and governance (hereinafter referred to as "ESG"). This report is an annual report covering the work for the financial year from January 1, 2021 to December 31, 2021 (the "Reporting Period"), with some associated information that may be retroactive outside the Reporting Period.

Report methodology

This report has been prepared in accordance with Appendix 27 of The Listing Rules of The Stock Exchange of Hong Kong Limited, Corporate Governance and ESG (Climate Disclosures) Guidance. At the same time, this report cites some of the indicators of the Global Reporting Initiative Standards (GRI), and also refers to and responds to the concerns of the United Nations Sustainable Development Goals (SDGs), MSCI (Morgan Stanley Capital International) ESG ratings, S&P DJSI (S&P Dow Jones Sustainability Index) and CSA (Corporate Sustainability Assessment). Please see Appendix (page 83) for details. The report is written in combination with the current level of development of the Company and the actual situation of ESG.

Report scope

The policies and data provided in this report covers the Company and its subsidiaries, which is consistent with the annual report. The currency used in the report is CNY. All the information and data disclosed in the report are based on the Company's statistic report and relevant documents. The Board of Directors of the Company is responsible for the accuracy and completeness of the report content and ensure that there is no misrepresentations or misleading statements in the report.

Report language

The report is drafted in Chinese and English. In case of discrepancies between two versions, the English version shall prevail.

Confirmation and Approval

This report was approved by the Board on 23 March 2022, following confirmation by the board of directors.

Message from the Chairman and CEO

> WuXi AppTec's vision that "every drug can be made and every disease can be treated" underpins our commitment to build the world's most comprehensive open access enabling platform. We are determined to help our customers discover and develop new medicines and groundbreaking therapies for patients, and amidst global challenges we remain dedicated to delivering on this vital commitment.

Dear Stakeholders,

It is with pride that I share this year's Environmental, Social and Governance (ESG) Report.

In 2021, we continued to integrate ESG priorities into every aspect of our strategy and operations. We have developed a comprehensive ESG strategy that aligns with the United Nations' Sustainable Development Goals as well as our company's mission and vision. In order to fulfill our many ESG commitments successfully, we significantly enhanced our management system to identify and track hundreds of ESG-related measures across our company's global operations. Our efforts so far have resulted in our first-ever inclusion in the Dow Jones Sustainability Emerging Markets Index as well as an upgrade from BBB ESG rating to an AA ESG rating by MSCI.

Sustainability has been the cornerstone of WuXi AppTec's business since our founding more than two decades ago. We recognize the essential role all businesses play in addressing climate change, and will continue to grow ours in an environmentally sustainable way. To better address the impacts of climate change, we conducted an in-depth risk analysis using methodologies laid out by the Financial Stability Board's Task Force on Climate-related Financial Disclosure (TCFD) and contributed to CDP's annual survey. We have developed an environmental action plan, and for the first time we are announcing specific targets to reduce our environmental impact. Compared to a 2020 baseline, by 2030 we are determined to reduce energy consumption intensity and carbon emission intensity by 25% respectively, and water use intensity by 30%.

Among WuXi AppTec's top priorities is continuing to strengthen our company's commitment to compliance. Our detailed policies, such as our Responsible Marketing Policy and our Code of Business Conduct and Ethics, further strengthen and standardize our compliance efforts across the company. We conduct frequent trainings to reinforce our company's commitments to the highest standards of business ethics. At WuXi AppTec compliance is more than just a series of programs – it is a culture and mindset that our employees embody.

Every day we are proud to partner with customers who are working to develop new and innovative treatments to save and improve lives all over the world. We support their efforts with services that meet the most robust global quality standards. With our Contract Research, Development and Manufacturing Organization (CRDMO) and Contract Testing, Development and Manufacturing Organization (CTDMO) models, we deliver the capability and capacity for end-to-end support. Our comprehensive supplier management system includes annual audits and regular trainings for all key suppliers, ensuring a stable and sustainable supply chain.

Being a good corporate citizen is a responsibility we take seriously – we strive to build a better workplace and a better world. Through our industry forums and rare disease forums in 2021, we not only raised awareness about the world's most pressing healthcare challenges, but also strengthened global collaborations, inspired innovative thinking, and produced real change to help patients worldwide.

We provide fair and equal opportunities to all employees as part of our commitment to build a diverse global workforce. Through our Employee Diversity Policy, training, and multiple employee feedback channels, we are actively building an inclusive culture that welcomes and is responsive to employees' needs and feedback.

WuXi AppTec's vision that "every drug can be made and every disease can be treated" underpins our commitment to build the world's most comprehensive open access enabling platform. We are determined to help our customers discover and develop new medicines and groundbreaking therapies for patients, and amidst global challenges we remain dedicated to delivering on this vital commitment. As we look to the future, we will continue to be laser-focused on always doing the right thing and doing it right. With ESG serving as a cornerstone of our company's development, we are hopeful that together we can build a better, more sustainable WuXi AppTec.

Ge Li, Ph.D.
Chairman and CEO of WuXi AppTec

2021 Performance Highlights

ESG strategy and governance

MSCI rating scored

AA

CDP Climate Change scored

B

First-ever inclusion in

DOW Jones Sustainability Emerging Markets Index

8

members on the ESG committee

21

ESG related priority issues identified and summarized

Financial performance

38.5%

total revenue increased during the Reporting Period

Being a responsible citizen

100%

training coverage for all Board members on business ethics

28

business ethics-related audits conducted

7 main operating sites

have passed **ISO 27001**

Information Security Management System certification

12

information security audits conducted by customers passed

Supporting our customers

92%

customer satisfaction rate achieved

Protecting our planet

25%

carbon emission intensity reduction by 2030 compared to a 2020 baseline

25%

energy consumption intensity reduction by 2030 compared to a 2020 baseline

30%

water consumption intensity reduction by 2030 compared to a 2020 baseline

9 main operating sites obtained

ISO 14001

Environmental Management System certification

Achieve landfill free for all productive wastes by 2030

Disclosed corporate climate-related financial information in accordance with the framework of the Task Force on Climate-Related Financial Disclosures (TCFD)

Empowering our community

34,912

employees in total

54%

female employees

100%

training coverage for all employees

46

training hours per employee

9 main operating sites obtained

ISO 45001 Occupational Health and Safety Management System certification

100%

coverage of EHS training received by employees

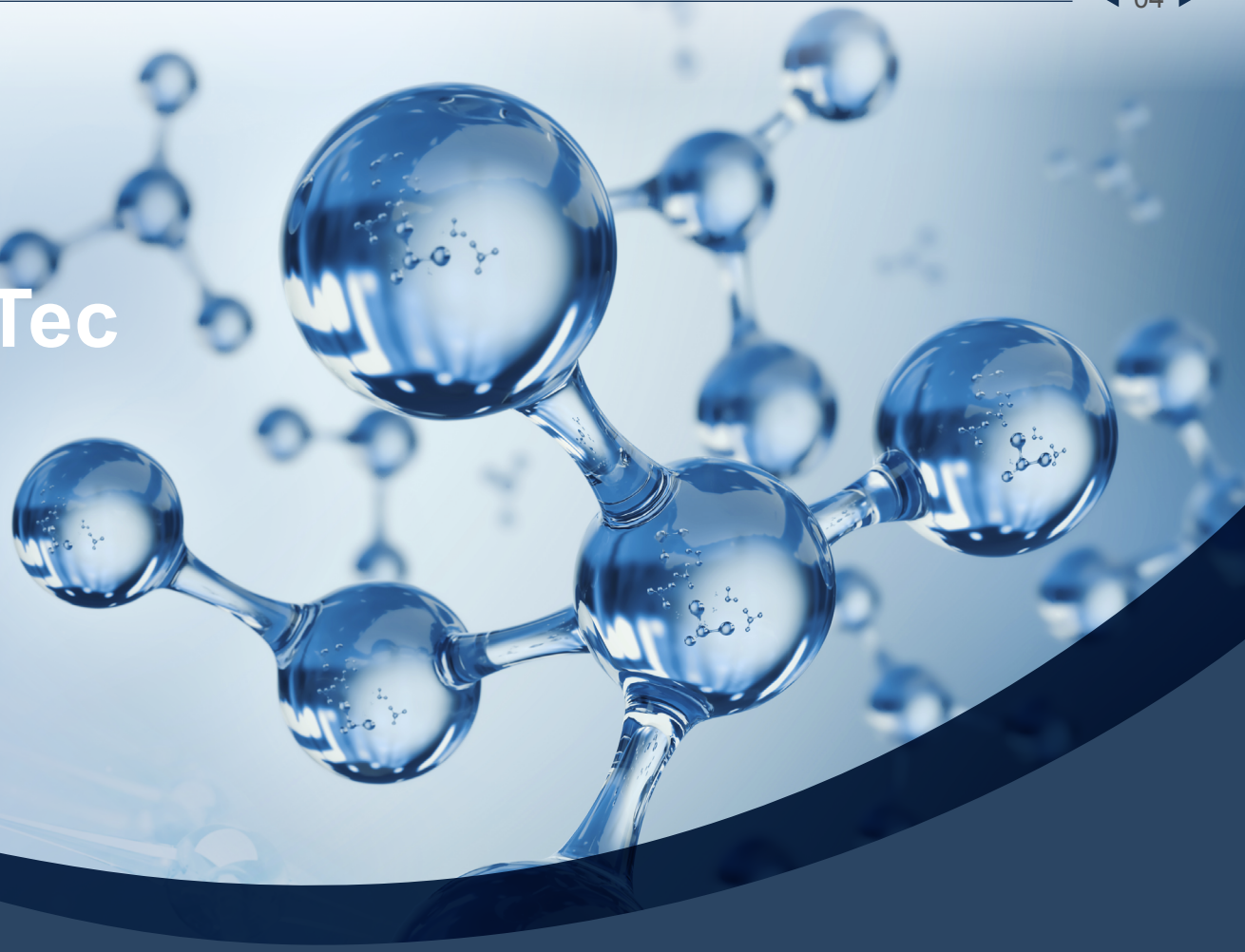
4

virtual WuXi AppTec Rare Disease Series Public Welfare Forums

1

virtual "Rare Disease Awareness Concert"

About WuXi AppTec



Our business
Our governance
Our stakeholders

MSCI rating scored
AA

CDP Climate Change scored
B

First-ever inclusion in
DJSI Index

About WuXi AppTec

As a global company with operations across Asia, Europe, and North America, WuXi AppTec Co., Ltd. (hereinafter referred to as "WuXi AppTec", "the Company", or "we") (Stock code: 603259.SH/2359.HK) provides a broad portfolio of research and development ("R&D") and manufacturing services that enable global pharmaceutical and healthcare industry to advance discoveries and deliver groundbreaking treatments to patients. Through its unique business models, WuXi AppTec's integrated, end-to-end services include chemistry drug CRDMO[1] (Contract Research, Development and Manufacturing Organization), biology discovery, preclinical testing and clinical research services, and cell and gene therapies CTDMO[2] (Contract Testing, Development and Manufacturing Organization), helping customers improve the productivity of advancing healthcare products through cost-effective and efficient solutions. During the Reporting Period, WuXi AppTec has been rated AA level for ESG (Environmental, Social and Governance) by MSCI. At present, the Company's empowerment platform is carrying the R&D and innovation projects of more than 5,700 partners from more than 30 countries around the world. We are committed to bringing new medicines to patients around the world and find success within our vision — "every drug can be made and every disease can be treated."

The Company's empowerment platform is carrying the R&D and innovation projects of more than 5,700 partners from more than 30 countries around the world.

Our business

our total revenue increased by **38.5%**

operating profits grew by **78.13%**

WuXi AppTec offers a diverse array of capabilities and services to customers in the pharmaceutical and healthcare industry, enabling them to develop new medicines and treatments at any phase of R&D. Our business divisions and specialties include WuXi Chemistry, WuXi Biology, WuXi Testing, WuXi Advanced Therapies (WuXi ATU), and WuXi DDSU. This integrated, open-access platform helps our customers by lowering the barriers of R&D and expediting the delivery of new medicines to patients globally.

Our Vision

"Every drug can be made and every disease can be treated" by building an open-access platform with the most comprehensive capabilities and technologies in the global healthcare industry.

Our Mission

Continue building an open-access capability and technology platform to enable anyone and any company to discover and develop pharmaceuticals and healthcare products to benefit patients.

Our Values

Integrity & Dedication;
Working Together & Sharing Success;
Doing the Right Thing;
Doing it Right.

Our Behaviors

Put Customers First;
Demonstrate Integrity;
Strive for Excellence;
Execute for Results;
Pursue Collaboration and Teamwork;
Embrace Change and Innovation.

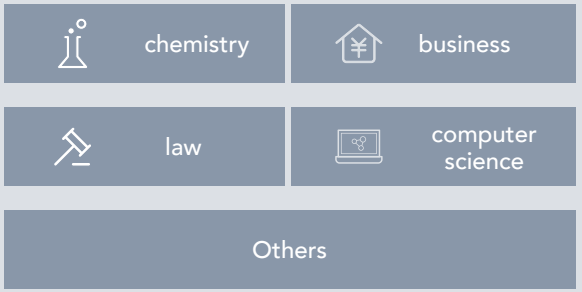
Our governance

We strictly abide by all laws and regulations (see Appendix) in our operations, and in accordance with those in the countries in which we operate, we have clearly defined our corporate governance standards. These sound corporate governance standards serve as the cornerstone of WuXi AppTec and specifically aim to protect the rights and interests of shareholders, enhance corporate value, guide the formulation of business strategies and policies, increase corporate transparency, and provide accountability. We seek to continuously improve our corporate governance structure and continue to oversee our operations and management through the lens of protecting shareholders' rights and interests in the long term.

Board Diversity

Our *Board Diversity Policy* is in conformance with the articles of association of the Company and other relevant regulations. Diversity of background, including gender, race, ethnic or geographic origin, cultural, and experience (business, government, education, healthcare, science, technology, and other areas relevant to the Company's activities), are considerable factors in the selection process. We appropriately balance diverse background, skills, experiences, and viewpoints among members to enhance the effectiveness of the board of directors of the Company (the "Board of Directors"). We firmly believe that a diverse Board of Directors is beneficial to our corporate performance and is essential to achieving our strategic goals in sustainable development.

As of December 31, 2021 (the "Reporting Period"), our Board of Directors consisted of five Executive Directors, two Non-executive Directors, and five Independent Non-executive Directors. Among all Directors, there are two women. The current 12 Directors are experienced professionals specializing in chemistry, business, law, computer science, etc., and half of whom hold a doctoral degree.



Background of the Board

Corporate Governance

We have four committees in our corporate governance structure: the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Strategy Committee – all of which play an important role in overseeing our operations and management from different perspectives. The Board of Directors oversees our management, formulates strategy, and supervises its implementation, inspects the Company's operational and financial performance, and ensures a well-established system of internal controls and risk management. The terms of reference of the Board of Directors are published on the Hong Kong Stock Exchange, and are available to shareholders upon request.

We encourage all Directors to participate in professional development trainings, which include the study of securities market operating norms. At the end of the Reporting Period, the Board of Directors participated in 6 compliance training sessions, which covered various aspects of policies, laws and regulations of the securities market, corporate policies, codes of conduct, etc. In addition, we also provided relevant and updated legal and regulatory documents to the Directors to promote compliance awareness, which is crucial to successfully perform their duties.

Internal controls and risk management

Our Board of Directors established an effective risk management and internal control system, and therefore determines strategic objectives based on the risk assessment. The Audit Committee monitors and manages overall risk in relation to business operations. Relevant departments implement risk management policies and carry out associated practices. We also have a series of internal monitoring policies and procedures, such as the *Internal Audit Policy*. In addition, we carry out risk-oriented internal audits through self-assessments to identify risks and resolve emerging issues promptly. During the Reporting Period, we further developed our internal control management system, refining team management in each business segment. As a result, we were able to identify potential issues at their onset and quickly move forward with mitigation efforts.

Moreover, we authorize third-party consultants specializing in internal risk monitoring to execute internal control procedures. The consultants provide monitoring reports at the group entity level and on various topics, including environmental control, risk assessment, internal supervision, information and communication, anti-fraud, reporting and disclosure, related parties and their transactions, taxation, sales and payment receiving management, purchasing and payment management, inventory management, fixed asset management, personnel and compensation management, capital management, contract management, R&D and intangible asset management, information systems management and insurance.

Our stakeholders

Stakeholder identification

Stakeholder expectations are an important element in formulating our environmental, social and governance ("ESG") strategy and optimizing ESG management. Based on the identification of our businesses and operations, and on industrial experience and practice, we identified our key stakeholders to include members of the Board of Directors, employees, shareholders, and investors, governments and regulators, suppliers, customers, partners, and the public.

Category	Stakeholders	Issues of Concern	Communication Channels
Members of the Board of Directors	Members of the Board of Directors	• ESG governance • Risk management • Product and service quality • Industrial development and win-win cooperation	• The Board of Directors and ESG Committee meetings
Employees	The Company's employees	• Cultivation and retention of talent • Rights and welfare of employees • Occupational health and safety • Diversity and equality	• Policy releases • Management meetings and employee meetings • Internal online communication platform • Employee training • Employee activities • Employee management committee
Shareholders and Investors	Investors and institutions that invest in the Company's equity and debt	• ESG governance • Risk management • Technology and innovation	• Shareholders' meeting • Information disclosure • Roadshows
Government and Regulators	Ministries,local government,CSRC,agencies in market supervision, emergency management,ecological environment,taxation,customs,etc.	• Emission management • Community and public welfare • Business ethics and anti-corruption	• Organization visits • Official document exchange • Policy implementation • Information disclosure
Suppliers	Suppliers of raw materials (such as Experimental reagents) and equipment	• Management in supply chain	• Supplier assessment • Supplier communication and training
Customers	Corporations,start-ups,research institutions,scientists,entrepreneurs, hospitals and doctors in the healthcare industry	• Intellectual property protection • Business information security • Quality of products and services • Business ethics and anti-corruption • Responsible marketing • ESG management in supply chain	• Customer audits • Technology seminars • Customer service hotline • Customer satisfaction surveys
Partners	Industry associations	• Industry development and win-win cooperation	• Routine communication and visits • Industrial forums
Local Communities and the General Public	The community where the operation is located,non-governmental organizations,Social groups, media, etc.	• Community and public engagement	• Volunteer service • Community events • Visits and interviews

Stakeholder engagement

We pride ourselves in maintaining regular communications with our stakeholders. Through our established communication channels, we listen to, communicate, and respond to their needs. During the Reporting Period, we developed and adjusted relevant measures based on frequent communication with stakeholders, including online and offline meetings, face-to-face interactions, interviews, opinion surveys, and organization visits to learn their insights and suggestions.

To better communicate with investors, we regularly update materials, such as quarterly financial reports, and post those updates on our Company website[3] and other official channels. We also developed the *WuXi AppTec Information Disclosure Policy* to set establish a standard process by which investors can access our public information. During the Reporting Period, we organized 533 investor meetings, conference calls, and roadshows. Our investor relations was recognized for its exceptional performance:

ESG recognition and awards

MSCI ESG RATINGS AA
CCC B BB BBB A AA AAA

MSCI rating scored AA

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

First-ever inclusion in DJSI Index

CDP DISCLOSURE INSIGHT ACTION

CDP Climate Change scored B

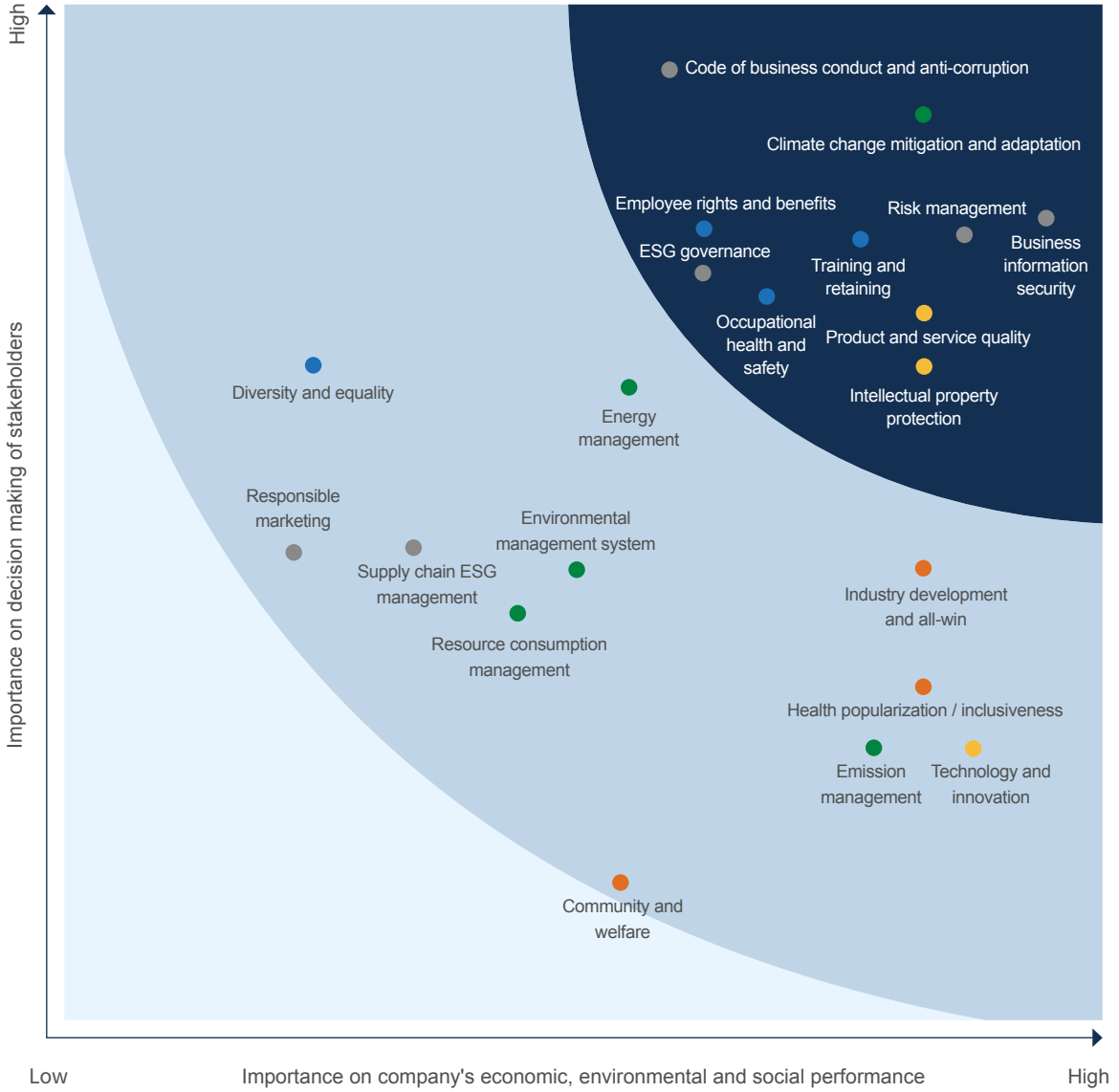
Organization	Award
Securities Times	Best Board of Directors Award
Securities Times	Best Investor Relations Management Award
Securities Times	China Listed Companies by Value Top 100
Snowball	Gold Company in Healthcare Top List

Organization	Award
New Fortune	Best IR Hong Kong Stock Company
China Securities Journal	Golden Bull Most Valuable Investment Award
China Securities Journal	Golden Bull Social Responsibility Award
Investor China	Most Valuable Investment Pharmaceutical and Health Company

Materiality assessment

According to the *Environmental, Social and Governance Reporting Guide* published by the HKEx and informed by the GRI Standards and potential issues raised by internal and external stakeholders, as well as our business service attributes, we identified and prioritized 21 ESG-related issues and formalized a matrix of material issues pertaining to the environmental and social responsibilities of WuXi AppTec. Based on these material issues, we disclose the performance of the Company in environmental, social and governance aspects during the Reporting Period.

- Corporate Governance and Ethical Operation
- Products and Services
- Employee
- Environment
- Society



ESG strategy

Our ESG governance structure

Board of Directors ESG statement

Being a responsible citizen

Supporting our customers

Protecting our planet

Empowering our community

ESG strategy

The challenges of the future – including climate change, biodiversity loss, extreme weather and poverty – are severe. We aim to build the most comprehensive capability and technology enabling platform to lower the barriers of R&D and expedite the discovery and development of new medicines for patients globally. We strive for the sustainable development that our stakeholders, customers, and community expect. Our ESG strategy is therefore aligned with the United Nations' Sustainable Development Goals (SDGs)[4]. Outlined here are the strategic areas of our ESG priorities and commitments.

Our Vision

"Every drug can be made and every disease can be treated" by building an open-access platform with the most comprehensive capabilities and technologies in the global healthcare industry.

Our Mission

Continue building an open-access capability and technology platform to enable anyone and any company to discover and develop pharmaceuticals and healthcare products to benefit patients.

Our ESG Value

Benefiting global patients by building an enabling platform to empower global partners to develop new drugs. Work with all sectors to promote social and environmental sustainability through responsible operations.

Our ESG governance structure

As a crucial part of our business, sustainability is being integrated into our key processes to ensure we move towards fulfilling our ESG commitments. We established an ESG Committee in December 2019 to supervise our strategies, policies, and performance. The committee reports directly to the Board of Directors, and *ESG Committee Charter*[5] to ensure integrity and consistency. The document clarifies the member composition, rules of procedures, responsibilities and permissions, authorization, and rights of our ESG committee. An ESG office implements the committee's plans, supported by departmental working groups to ensure the implementation of our ESG activities. Our ESG management structure and responsibilities are illustrated in the graphic here.

To advance and implement our ESG performance, we organize regular committee meetings covering our ESG priorities and progress. During the Reporting Period, we have organized four ESG committee meetings, during which we identified climate-related risks and developed environmental targets for energy use, carbon emissions, waste, and water respectively. Employee training sessions have been provided for all employees to enhance their understanding of ESG topics and our strategies.

Defined indicators measure the effectiveness of our strategies, which include independent third party ESG rating agencies' rating of our company's ESG practice. Performance indicators have been factored into the compensation of the relevant ESG management team since 2019. Their compensation is based on their contributions towards our ESG commitments and environmental targets, which are assessed annually according to our internal policies.

Board of Directors

ESG Committee

- Supervise the formulation of Company's ESG vision, strategies, and policies;
- Supervise the implementation of Company's ESG vision and strategies;
- Supervise the expenditure on ESG work;
- Supervise ESG extemal communication policies;
- Other responsibilities.

ESG Office and Working Team

- Assist the Board of Directors with formulating Company's ESG vision,strategies,policies and ESG management goals;
- Collect and Disclose ESG performance and indicators;
- Promote the implementation of ESG projects and build the Company's exclusive ESG brand.

Relevant Departments

- Implement ESG-related policies to achieve ESG goals.

Board of Directors ESG statement

Responsibilities of the Board of Directors

The Board of Directors is responsible for monitoring, directing and reviewing WuXi AppTec's environmental, social and governance-related work. WuXi AppTec has established an ESG Committee composed of members through nomination of the Chairman and election by the Board of Directors. ESG Committee meetings are held at least four times a year to monitor and review the ESG vision, objectives, strategy implementation and emerging ESG trends. The ESG Committee is composed of at least four members, including at least one director.

ESG transaction execution

At the executive level, the ESG Committee has established an ESG office and an ESG working group, which includes a number of departments related to environmental, social and governance, and is jointly responsible for the specific implementation of relevant policies and objectives. In the routine operations of the business, the ESG Committee delegates some of its responsibilities to the ESG office and grants the group necessary authority to perform the relevant duties, implement the sustainability strategy in the daily work of each functional department, and improve the ESG performance of the Company. In 2021, the ESG Committee discussed and approved WuXi AppTec's environmental targets.

ESG Risk Management

In order to effectively prevent and control potential risks that may hinder the sustainable development of WuXi AppTec, the Board of Directors leads and guides the management in its daily operations, monitors the operational and financial performance by formulating strategy and regularly monitoring the implementation of the strategy, and ensures that the Company has a sound internal control and risk management system in place to ensure the effective implementation of the sustainable development strategy.

Priority ESG topics

WuXi AppTec identifies, evaluates and follows up on the key ESG focus areas raised by stakeholders. We have close and transparent communication channels and feedback mechanisms with various stakeholders. We authorized an independent third party to conduct a materiality assessment to further understand the common development goals of the stakeholders. Based on the ESG issues that stakeholders are focusing on, the ESG Committee ranked the priority and urgency of the Company's ESG issues through workshops, and finally updated WuXi AppTec's 2021 ESG key issues, environmental objectives, and related content to supervise and manage.

Being a responsible citizen

As a responsible business, we serve the long-term interests of our stakeholders, and act with integrity and ethics. Our business adheres to our company values, regulations, external initiatives, international guidelines, and customer expectations.

Business ethics

Information ethics

Ethics in research and development

28
audits conducted on business and ethics

100%
of employees participated in responsible marketing trainings

3 GOOD HEALTH AND WELL-BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Business ethics

How we promote ethical behavior

WuXi AppTec Business Ethics Management Mode

Top Management

The Chairman and top management serve as a model for the Company, reinforcing high ethical standards and setting a tone of integrity for employees. The internal audit team directly reports to the Chairman and the audit committee.

100% Training and Appraisal

People are the key to ensuring business ethics and compliance. We ensure that all employees and board members are provided with relevant training and appraisal.

Clear Work Structure

A clear work structure ensures the effective implementation of business ethics management. Targeted teams and methods, based on risk levels, ensure the comprehensiveness of our work.

Comprehensive Management System

System guarantee is the foundation of our business ethics. Our compliance is governed by policies, regulations, and internal and external audits.

Top management governance

We believe that it is the responsibility of all leaders in the Company to demonstrate integrity, encourage discussion of the ethical and legal implications of business decisions, and nurture a work environment in which responsible behavior is required and acknowledged. Our business compliance is supervised by the Board of Directors, and the audit committee supports the chairman in monitoring the Company's compliance, which constitutes a strong and effective top management system for business ethics.

99.90%
training coverage on business ethics and anti-corruption

Our trainings

Every staff member at WuXi AppTec must understand and comply with our ethical requirements. Our trainings on these requirements have a full attendance record. Our compliance requirements and training content are role-specific and presented in native languages to ensure employees worldwide fully understand our requirements. We have organized regular trainings on business ethics and employees are required to take the compliance examination each year. During the Reporting Period, we launched special trainings on anti-bribery & anti-corruption in procurement. 1,183 employees involved in the procurement function completed this special training during September and October 2021. Relevant training materials have been shared with our employees internally for further study. We also have targeted training for management that reflects the more complex challenges that leaders face, ensuring that they can deal with different business ethics risks and meet higher compliance requirements. All managers must sign the *Integrity Requirements and Code of Conduct for Managers*.

Our Board members supervise the Company's business activities while ensuring their own compliance. We actively seek training opportunities for Board members to enhance their capabilities in monitoring overall business ethics. For example, in December 2021 we organized an online training session, "2021 Anti-Corruption Compliance Training for Directors," for all Board members. The training covered content on anti-corruption legal supervision system, commercial bribery supervision and law enforcement trends, and the responsibilities of listed company directors.

Our work structures

Ethics and integrity span every part of our business and operations. Various working groups review and supervise compliance in all dimensions, such as financial audit, compliance audit, engineering audit and anti-fraud investigation. A supply chain risk control team strictly manages procurement and suppliers guided by our management systems and documents, such as the *Supplier Code of Conduct*, the *Management Guidelines for Supply Chain Procurement Policy and Procedures* and the *Letter of Commitment on Integrity* and *Compliance by Suppliers*.

Managing supply chain compliance

Internal staff

Procurement System Guarantee

We have a procurement process system and inspections on conflicts of interest. We make sure employees sign our confidentiality and integrity commitment.

Incentives

We provide bonuses for integrity of key procurement positions and impose penalties for misconduct.

Integrity audit

According to Internal Audit Workflow, we conduct regular internal audits and system optimization of purchasing work.

Suppliers

Anti-corruption Management

We have established a sound and complete anti-corruption management procedure and system covering the entire process, including supplier registration for access, qualification certification, classified regulation of qualified suppliers and performance assessment.

Control measure

We blacklist severely problematic suppliers based on audit and investigation results, suspend their tender qualification, and sanction the suppliers based on relevant contract terms, regulations, and policies.

Integrity audit

We regularly supervise suppliers on a daily and annual basis, and conduct field audits based on production plans and supplier assessment results.

Comprehensive management system

Business integrity is derived from our company values and the regulations, external initiatives, and international guidelines to which we are committed. We strictly abide by relevant, applicable laws and regulations in the areas in which we operate, and prohibit corruption, bribery, extortion, fraud, money laundering, monopoly and unfair competition, and insider trading. We established a comprehensive internal management system and polices (including the *Code of Conduct on Business and Ethics*[6]) to manage our business behavior. These policies cover every employee working at WuXi AppTec. Employee compliance with these policies is also reflected in their compensation to ensure the effectiveness of the policies.

Internal audits

To ensure effectiveness and compliance, we actively carry out self-inspections and audits of business ethics and anti-corruption internally each year within all operations. These audits and inspections are built on the evaluation of potential business risks. The relevant findings are used to identify areas for continuous improvements of our management system. During the Reporting Period, we experienced no major lawsuits regarding corruption or unfair competition.

External audit

To ensure the fairness and independence of audits, external audits by third parties are conducted every year to review the Company's business ethics and other aspects in accordance with *The Basic Standard for Enterprise Internal Control*.

System iteration	Continual enhancement of systems and policies, based on audit results. Our chairman supervises these enhancements.
Internal audit and rectification	The Internal Audit Department conducts internal audits and reports the results to superiors.
Self-inspection and reporting	Each department undertakes self-inspection and reports the results.

Internal Audit Workflow

Report mechanism

Our "open door" environment ensures that everyone feels comfortable reporting issues anonymously. Our *Report and Investigation Policy* clearly defines reporting requirements, the reporting scope, the investigation process, and the protection of whistleblowers. Once a concern is raised, senior management leaders take appropriate measures to ensure no one is subject to retaliation such as discrimination, unfair judgement on job performances etc.

Our top management is committed to handling non-compliance cases by:

- taking all reporting seriously;
- investigating the cases efficiently and in a timely manner;
- assessing the facts objectively and impartially; and
- taking adequate corrective measures and imposing sanctions when an allegation is substantiated.

28 audits
conducted on business and ethics

Reporting channels

- Global Reporting Email: InternalAudit@wuxiapptec.com
- Global Reporting Website: jubao.wuxiapptec.com
- Hotline (7*24 hours): 86-400-820-6869; or 1-877-342-0109 (the In Touch Ethics Hotline)

How we market responsibly

Marketing is one way that we connect with our customers and potential future customers, and it determines how our brands and services appear to the public. Therefore, every message undergoes formal review and evaluation. Our marketing strategy strictly complies with legal requirements to ensure ethics, and integrity, and we communicate with customers in a responsible and transparent manner. Our approach to responsible marketing underpins all communications and materials used to promote our brands or products to customers.

Policy compliance

We aim for full compliance with all applicable laws and regulations regarding ethical sales and marketing, as well as all applicable global, regional, and local industry codes. We stay up to date with legal developments in responsible and ethical marketing, and have established internal policies *Responsible Marketing Policy*[7]. To ensure accuracy, transparency, and timeliness, our advertising content and methods undergo internal auditing and control procedures to ensure compliance while protecting our customers' privacy.

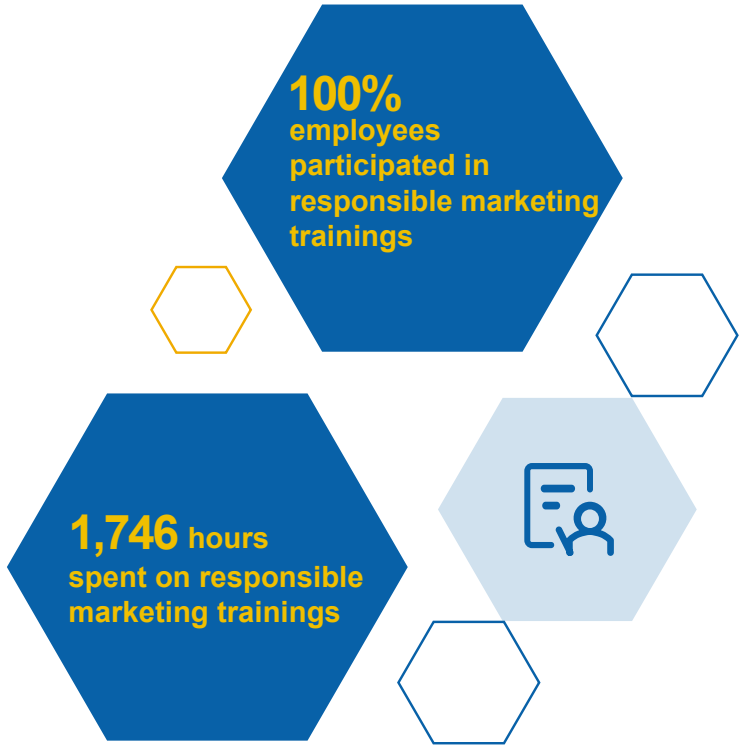
Responsible marketing training

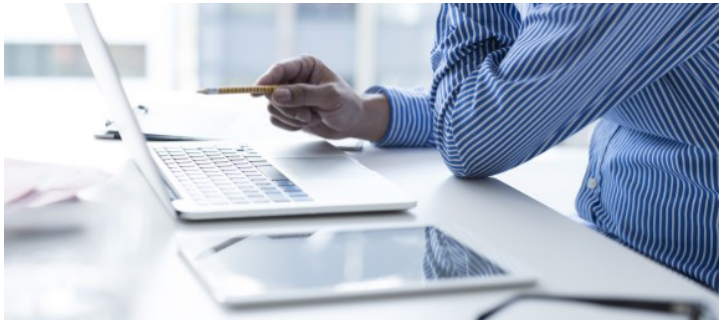
We conduct regular training on responsible marketing for employees and additional targeted trainings for marketing teams to ensure knowledge, competency, and adherence to our policies and to be up to date on recent developments in this area. This training covers ethical and responsible behavior in advertising, marketing, and promotion. It ensures that employees understand our approach, standardizes our communications, and maintains a positive image of our brand.

Reporting and complaint

To promote honesty, fairness, and responsibility, we have established reporting channels, such as a complaint hotline and email, and encourage our employees, customers, suppliers, and third-party organizations to report possible violations of laws and regulations, industry standards, or our responsible marketing policies. All confirmed violations are dealt with strictly, in accordance with our Customer Complaint Management Guidelines and immediate action plans or corrective measures are put in place.

- Hotline:
  +86 21 2066-3734 (Global)
  400-820-0985 (Mainland China)
  857-413-2800 (U.S.)
- Email: wuxiconcierge@wuxiapptec.com (Global)





Information ethics

Data protection

Data security and customer privacy are among our top priorities. We implement strict internal management processes and maintain an exceptional track record of ensuring data and information security, including the protection of confidential trade secrets.

Complying with the relevant laws, regulations and standards of the operation sites, as well as other relevant customer privacy policies, our internal policies (See Appendix) standardize the information security of our global operations. To identify and prevent potential risks, we classify identified risks into five categories and implement preventive measures according to the consequences and impacts. 7 main operating sites have earned the ISO 27001 Information Security Management System certification. During the Reporting Period, we accepted and passed 12 IT audits by our customers, without major findings on network security incidents or business information leakage.

Cyber security management

Multilevel defense protects our network, systems, and assets, and an advanced emergency system responds to potential security incidents. We standardize practices regarding computer and network use, passwords and permissions, and virus prevention, etc. We use the MDM (Mobile Data Management) system[8] to encrypt communications to protect our data on mobile devices and prevent them from being shared or stored on third-party services. To ensure our security, we regularly engage external partners to conduct third-party penetration tests. We also conduct internal audits of our data security, data center management and general control processes.

Physical security management

According to the classified levels of offices and R&D sites, we apportion access, stipulate the scope of visitors' activities and access, and control entry and exit. Detailed regulations also cover the storage and disposal of documents and wastepaper.

Information security training

To raise the information security awareness and capabilities of our employees, we have developed a standardized training system via various channels such as an e-learning platform. Trainings on compliance and information security are held every year, and our employees are required to participate and pass annual compliance and information security exams.

Reporting and supervision

We regularly conduct internal security audits regarding data security, data center management and general control processes at the request of customers, aiming to keep risks manageable. In addition, we have established complaint reporting channels regarding network information security, and employees can report information security matters by telephone or email.

Cloud service supplier selection

Suppliers are required to fill in the *Supplier Information Security Evaluation Form* and submit qualification certificates and certification reports, such as SOC1/SOC2 and ISO 27001 certification. We evaluate suppliers based on the materials they provide and require them to rectify problems that fail to meet our safety standards.

Post-investment information security strategy

All enterprises acquired by WuXi AppTec globally are required to comply with WuXi AppTec's information security system to ensure the comprehensive protection of trade secrets.

Intellectual property

Data security and privacy protection are among our highest priorities. We apply industry best practices to all operational sites worldwide through a comprehensive intellectual property management and infringement liability system that is compliant with global data and privacy standards..

Our management system, standards and guidelines were established with support from our Office of Intellectual Property Rights (OIPR). OIPR coordinates our internal and external intellectual property management, covering our Legal Affairs Department, Government Affairs and Policy Research Department, Internal Audit Department, and ensures our full compliance.

Risk management is key to protecting intellectual property rights. Our early warning mechanism uses regular searches and tracking to identify possible R&D infringements, assess their level of risk, and propose countermeasures or preventive plans.

Externally, we apply controls during procurement and the downloading of software to avoid infringing on the intellectual property rights of others. Through contract management and system constraints, we also ensure that employees respect intellectual property and avoid risks.

In the event of an intellectual property dispute, OIPR provides feedback to the relevant business unit leaders, Legal Affairs Department and other relevant departments for a comprehensive investigation and evaluation. OIPR uses judicial methods to protect intellectual property rights and select appropriate dispute resolution methods to ensure that our interests and those of our customers are not harmed. During the Reporting Period, we were not involved in any major lawsuits regarding intellectual property.

> Our purpose in business is to enable innovation for our global partners, who keep us at the top of their confidence. IP is our shared lifeline. We guard it at WuXi AppTec with our founding principles of integrity, world-class security, zero tolerance policies, and relentless pursuit of justice against any criminal act. This is our highest priority, and we must hold ourselves accountable. We are determined to earn the trust of our partners by committing to success together.

Ge Li, PhD,
Chairman and CEO

Ethics in research and development

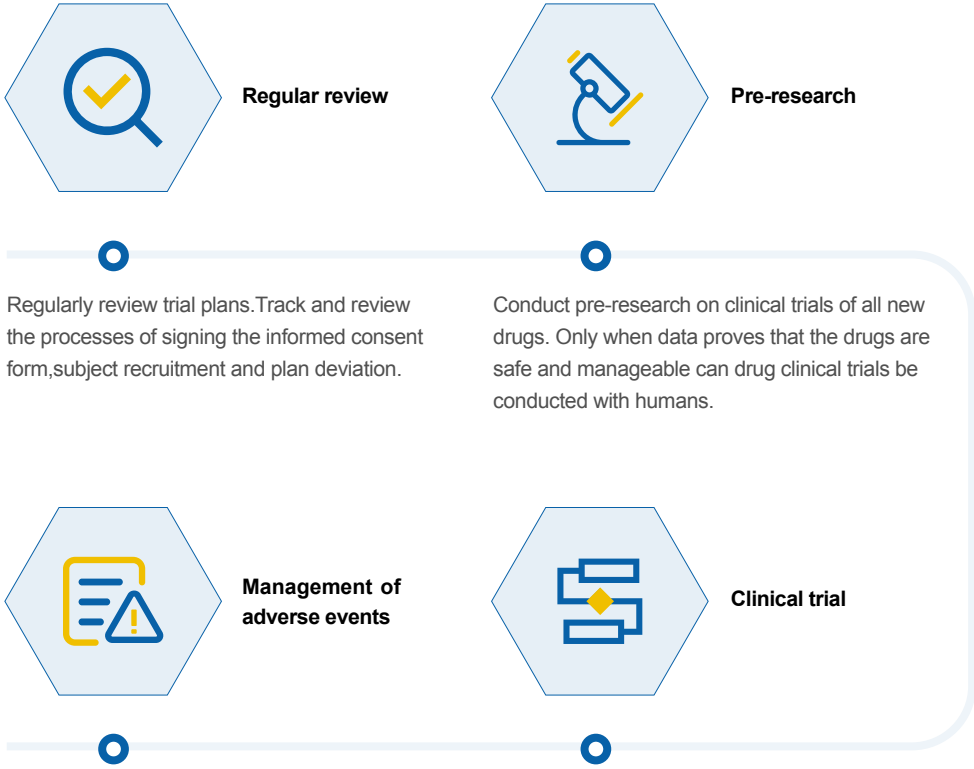
Clinical studies

We support customers across the full spectrum of their drug development efforts to deliver innovative treatments to patients. When conducting clinical studies, we apply the strictest legal, ethical, and scientific standards worldwide, including:

- Helsinki Declaration
- ICH[9] GCP[10] & China Quality Management Practices for Drug Clinical Trials
- Guidelines for the Development of the Ethics Review Committee for Clinical Research Involving Human Beings
- Ethical Examination Measures for Biomedical Research Involving Human Beings
- Guidance for the Ethical Review of Pharmaceutical Clinical Trials

Dedicated departments and standardized procedures are formed to supervise and oversee all our clinical studies. We review the progress of new drug development at defined milestones, and make decisions about the continuation, modification, or discontinuation of development, depending on the results of clinical studies. By following global ethical practices, we ensure every participant understands the characteristics and processes of the clinical trials and make their own decisions. To formalize and regulate the process, we have developed around 200 policies and documents including *Development and Review of Informed Consent Forms, Development and Amendments of Clinical Protocols, Prepare EC submission Package and Support EC submission*, and *Management of Protocol Deviations in Clinical Research.*

Our clinical study procedures are regularly inspected by relevant regulatory authorities and/or customers to verify compliance with applicable laws and guidelines. During the Reporting Period, WuXi Clinical conducted seven internal audits on the compliance, safety, effectiveness, and ethics of its clinical trial system, accepted 13 quality audits at the request of customers, and accepted five audits from the regulatory authority with no major clinical quality issues and no ethical issues identified.



Animal welfare

We are committed to protecting animals and applying the highest ethical and animal welfare standards in our conduct of all animal testing. We hold the necessary licenses for animal testing and maintain certifications from the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC) International and are a U.S. Public Health Service Assured Program (PHS Animal Welfare Assurance) in the United States.

Institutional Official

Accept the responsibility to handle ethical deviation in animal experiments

Institutional Animal Care and Use Committee

Continuously assess and monitor practicesof animal care and use, including post-approval monitoring,and review of animal facilities and use plans

Veterinarian-in-chargethe employee in chargeof animal tests

Operate and managespecific non-clinical animal tests according to relevanttest guidelines andspecifications

Animal Care and Use Plan

By incorporating the "3Rs[11]" principle of animal research, our procedures and practices comply strictly with all applicable laws, regulations, and standards. An Institutional Animal Care and Use Committee (IACUC) manages our practices and improves animal lives and wellness, focusing on:

Stringent policies, standards, and mechanisms:

we have a non-clinical trial policy, animal use management system and compliance review mechanisms. We defined rigorous standards for animal use and built a management information system that collects metrics, alerts us about anomalies, and monitors the process. In addition, we review every step that involves animals at predefined intervals to ensure they comply with regulations. This helps us measure animal use in R&D and provide a foundation for developing alternatives.

Plans to reduce, refine, and replace animal involvement:

we have invested in developing alternatives that can substantially reduce animal use in our work. This 3Rs approach helps us advance the goal of reducing animal use in our R&D processes.

Improve overall awareness of animal care and welfare:

trainings on ethical animal use and regulatory compliance are carried out on a regular basis and are designed to increase overall employee awareness of animal care and welfare.

Supporting our customers

The pharmaceutical industry plays an important role in maintaining global health and saving lives. To meet ever-evolving demands, we are committed to providing high quality services and offering excellent customer experiences.

Quality excellence
Customer experience
Supply chain management

100%
passed authority inspections and clients' audits with no major concerns

92%
customer satisfaction rate

225
key suppliers participated in ESG audits

3 GOOD HEALTH AND WELL-BEING
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
17 PARTNERSHIPS FOR THE GOALS

Quality excellence

Commitment

> We aim to provide quality, reliability, and value in our products and services with a commitment to continual improvement and meeting regulatory requirements and customer expectations.

Ge Li, Ph.D.

Chairman and CEO of WuXi AppTec

Our high-quality services are research-focused and strictly regulated, and lead our development and manufacturing of new medical products and treatments.

100%
passed authority inspections and clients' audits with no major concerns

RELEVANT SDGS

Why it matters?

As a global enabling platform company, we help our customers improve global health and save lives. Medical products and treatments are delivered directly to biological systems. Therefore, the quality of our products or services cannot be compromised. Our R&D and manufacturing services maintain high quality standards to meet the expectations of customers, patients, and caregivers. We use our scientific expertise to guarantee quality at every step of development and manufacturing, and to meet global regulatory requirements.

How do we ensure quality?

Our quality management system (QMS) covers the full drug life cycle from research, testing, and development to manufacturing. It ensures every part of our business strictly follows relevant guidelines and meets regulatory requirements.

QMS includes entire business processes, ensuring we achieve our service and product quality. It defines our way of working, our quality standards for research, testing, development, and manufacturing. Each division and/or subsidiary has a specific QMS that applies to its business, but all embody our four pillars:

Our Quality Management System

Quality review

Quality review is the foundation of an excellent QMS. It is a review mechanism of quality performance of services and products for continuous improvement. At each management review meeting, quality performance is discussed, such as complaints, deviation, etc. In the annual product review and process performance verification, product quality performance (such as purity, assay, non-conformance, deviation, changes, etc.) is trended. Self-inspection and customer audits help us improve our QMS and quality culture, and helps us understand our customers' quality expectations. In the quality review, quality performance is evaluated and any needed actions are taken and are tracked closely. Our quality review system covers every part of our business. The responsible department carries out the regular quality review throughout its business based on its internal quality standards and polices. We take steps to proactively identify quality risks, understand customer quality expectations, take effective measures to improve our quality management system and ensure excellent quality of service and product.

Quality risk management

Quality risk management is a continuous process of minimizing risks to product quality throughout the life cycle. The quality risk management system at WuXi AppTec includes systematic processes designed to coordinate, facilitate, and improve science-based decision making with respect to risk. It is composed of the following major processes:

- Risk assessment: Risk assessment consists of the identification of hazards and the analysis and evaluation of risks associated with exposure to those hazards.
- Risk control: Risk control includes decision making to reduce and/or accept risks. The purpose of risk control is to reduce the risk to an acceptable level. The amount of effort used for risk control should be proportional to the significance of the risk.
- Risk review: The output/results of the risk management process is reviewed and taken into account in future decision making.

Laboratory quality management

During discovery and development phases, a phase-appropriate R&D laboratory quality system is essential for collecting reliable R&D data and designing a robust late-phase process for manufacturing. We apply strict central R&D guidelines and phase-appropriate laboratory quality systems for data management, documentation, personnel training, and qualification, etc.

To ensure our staff has sufficient knowledge and understanding of quality systems, we recruit people with relevant experiences and provide onboarding trainings, regular in-depth trainings, and examinations.

Quality assurance

In pharmaceutical industries, GCP (Good Clinical Practice)[12] , GLP (Good Laboratory Practice)[13] and GMP (Good Manufacturing Practice)[14] are mandatory. Quality assurance as an independent department manages those systems for quality control, process control, supply chain management, complaint, and recall, etc. As we provide an end-to-end service platform from research to manufacturing, from toxicology to clinical study, from drug substance to drug product, we follow global quality standards and industry practices. Under extensive oversight by worldwide health authorities and customers, we maintain a highly sophisticated quality system that passes customer audits and authority inspections.

Raw material quality and supplier qualification play an important role in ensuring product quality and a sustainable drug supply. WuXi AppTec has established a set of standards on supplier qualifications, including supplier selection, evaluation, supply performance review, etc. We conduct regular visits and audits of key suppliers to assess their product quality and the capability of sustainable supply. In the meantime, we proactively communicate with our partners and suppliers to share our quality requirements, social responsibility value, with the aim to maintain a sustainable drug supply.

How is our quality regulated?

Our sector is one of the most highly regulated because human health and life are at stake. As a widely recognized global enabling platform, we apply the strict international GxP system to ensure we meet global regulatory requirements. The resulting framework is comprehensive yet agile enough to respond to change.

Our drug manufacturing facilities are managed strictly under the international cGMP (Good Manufacturing Practice) quality system and have passed over 40 health authority inspections. We have helped our customers launch over 50 new drugs worldwide.

Our non-drug manufacturing facilities are managed under ISO quality standards, such as ISO 13485 for medical devices system, etc.

Customer experience

Our commitment

At WuXi AppTec, our every step is driven by our vision -- to build the most comprehensive capability and technology enabling platform. We focus on providing excellent service for customers and expediting the discovery and development of new medicines for patients around the world. To date, we have supported with more than 5,700 partners worldwide whose mission is to bring better medicines to patients. We will continue to enhance our capacity and capabilities to ensure that customers and partners receive the best service from us.

92% customer satisfaction rate

FROST & SULLIVAN
2021 BEST PRACTICES AWARD
GLOBAL CRDMO CUSTOMER VALUE LEADERSHIP AWARD

Creating an excellent customer experience

We are recognized by customers for our on-time delivery, high-quality service, and prompt responses. Consequently, we maintain long-term customer relationships and provide excellent experiences through our employee code of conduct, integrated platform, stringent management system, high-efficiency operation, and spontaneous feedback model. We make timely adjustments to reflect customers' requirements and feedback and prioritize reliability and punctuality. To help us pinpoint and improve upon our strengths and weaknesses, we have a dedicated department to conduct external outreach to gather customer feedback.

Customer-focused vision

Our customers' experience is core to the success of our company. Listening to, understanding, and responding to customers is incorporated into our code of conduct and performance appraisals. Our policies and guidelines (e.g., *Measures of WuXi AppTec Customer Service*) formalize customer service principles to ensure that we communicate with them in an appropriate way. All staff are trained in customer relationship-building and fundamental customer service guidelines.

Customer satisfaction and feedback

We proactively collect feedback and suggestions to further understand our customers' needs. Each business unit has a specific department to collect, analyze and record customer feedback through regular communications and interactions. Regular customer satisfaction surveys are conducted to ensure we provide our customers with the best service in the future work. The survey contains key metrics in the full cycle of customer service, from early-stage communication to mid-stage reporting and post-stage evaluation. Feedback is analyzed and summarized so that corrective measures can be implemented when necessary. Feedback received in the Reporting Period confirmed that our customers are particularly pleased with the following aspects of our business:

We provide our customers with multiple channels (hotlines and email) for service complaints. All the employees in our dedicated departments are accountable to actively handle customer complaints by following the proper handling procedures. All complaints are recorded in full detail including time, content, dedicated personnel, etc., and are followed by comprehensive analysis, review, and summarization. In addition, post-feedback surveys are conducted to further track our customers' experience, supporting the ongoing enhancement of our services.

"WuXi AppTec's one-of-a-kind business model stands out in the global healthcare industry, with customer-centricity as a fundamental value proposition, WuXi AppTec is delivering high-quality services that lower the barriers to R&D and help advance innovation across different stages of the drug development process."

research analyst at Frost & Sullivan
Ojaswi Rana

- On-time delivery
- High quality of people and service
- Instant feedback
- Efficient interactions

Reporting channel

Phone:

400-820-0985
857-413-2800
+86 (21) 2066-3734
Email: wuxiconcierge@wuxiapptec.com (global)

Supply chain management

Commitment

We provide an integrated and open-access platform to allow customers to develop new medicines at any phase of the R&D value chain. The stability and diversity of our supply chain is a foundation of our excellent service. It is therefore vital for us to build a sustainable supply chain in which our sourcing practices and supplier relations are responsible, transparent, and collaborative. We are committed to working with our suppliers to build a sustainable supply chain.

Improved mechanism	The Company has revised end-to-end process mechanisms.The procurement and risk control departments cooperate to establish operational norms to ensure procuring compliance.
Supplier classification	The Company has formulated a supplier onboarding processes. Suppliers are classified, graded and utilized based on their accreditation in environmental protection and quality Suppliers must submit all the certification materals and ensure their authenticity.
Qualification material review	The Company conducts background checks of the submitted materials with tools such as the National Enterprise Credit Information Publicity System of China. Newly introduced suppliers shall undergo strict review to ensure their quality.

RELEVANT SDGS

Strengthening our supply chain

To manage our suppliers effectively and help them meet our expectations, we have implemented a comprehensive management system, a series of policies and standards, and an internal database. We arrange regular trainings to ensure our procurement team understands our sourcing principles and follows the Company's policies. We conduct self-assessments and corrections to evaluate and monitor their behavior. During the Reporting Period, we undertook self-assessments and self-corrections in areas such as procurement, onboarding of suppliers, and contract-signing. Monthly inspections have led to immediate optimization of identified items.

Ensuring compliance

Full compliance is the basic requirement we have for our suppliers. We conduct due diligence to assess new suppliers – including their quality management and ESG performance – and ensure that the information they provide is valid. The areas we look at including product quality, environmental, social and governance performance, and other relevant qualifications. Suppliers are required to provide supporting documents such as certifications, paperwork, and other relevant documentation. They are classified and scored according to their performance.

Our *Supplier Code of Conduct* mandates that existing suppliers strictly abide by our requirements and meet our expectations. All suppliers are mandated to follow the code of conduct, which details our requirements in areas such as business ethics and anti-corruption, labor rights, health and safety, product safety and quality, and environment, etc. Supplier self-assessments, regular audits and self-corrections enforce these aspects. Audit criteria correspond to our code of conduct and considers the size of the supplier and regional and industry-specific conditions.

To manage and improve our suppliers' environment, social and governance performance, we require the majority of our key suppliers to participate in our annual ESG audit. 225 key suppliers were assessed in the Reporting Period. This year, we have also arranged ESG trainings for majority of the key suppliers to improve their ESG capability.

Ensuring continuity

Identifying supply chain risks and preparing for disruptions are vital elements of business continuity planning. Our internal risk assessments map out our supply chain, review region and sector-specific risks, prioritize related supply chain risks and propose systemic mitigation plans. We have established a procurement strategy to reduce supply chain risk by diversifying our global supplier network. We build long-term strategic partnerships with our key suppliers (i.e., high-priced, exclusive, or limited material suppliers) and establish long-term strategic partnerships. To ensure a steady supply of key raw materials, we developed a '2+X' model (dual sourcing plan) so that we have at least two suppliers for one major supply and a variety of backup suppliers in our supplier pool.

Building capability

We believe in sharing knowledge and good practices, and have delivered trainings, workshops, and conferences for our key suppliers. Our training content is developed in-house and covers topics such as supplier code of conduct, anti-corruption and business ethics, quality management, occupational health and safety, environmental management, and labor practices, etc.

Promoting partnerships

To promote a sustainable supply chain, we work with third parties, organizations, institutions, and industrial associations to promote good practices and embrace innovative knowledge. As a member of the Pharmaceutical Supply Chain Initiative[15] (PSCI) - an association of pharmaceutical, biotech and medical device industries, we aim to establish and promote responsible practices in the pharmaceutical supply chain to improve ethics, labor, health and safety, and environmental performance, and to improve supplier capabilities for members' supply chains.

Protecting our planet

Climate change is the biggest challenge facing our planet today. To address the global threat of climate change and to safeguard our planet, we are dedicated to embracing greener practices and processes, and seeking new strategies to operate more sustainably. By harnessing innovative practices and following our *Environmental Protection Approach*[16], we are making strides towards minimizing our environmental footprint.

- Climate change
- Emissions management
- Resources
- Environmental technology and innovation

25%	25%	30%	Be landfill free for all productive wastes by 2030
carbon emission intensity reduction by 2030 compared to a 2020 baseline	energy consumption intensity reduction by 2030 compared to a 2020 baseline	water consumption intensity reduction by 2030 compared to a 2020 baseline	
GHG reduction target	Energy-saving target	Water-saving target	Waste management target

6 CLEAN WATER AND SANITATION
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Climate change

Our commitments

Executive level:

We are committed to prioritizing actions that address climate change. These include saving energy, reducing greenhouse gas (GHG) emissions and supporting the transition to a cleaner and more sustainable business structure.

Culture:

Energy-efficiency and carbon reduction are crucial parts of our corporate culture, and we reward and recognize innovation and energy conservation. Our employees are encouraged to keep energy savings front of mind during their daily work, and to come up with new ways to improve our practices.

Public engagement:

We recognize the need for transparency and openness, and therefore support the Task Force on Climate-related Financial Disclosure (TCFD) recommendations regarding our climate-related financial information. We have also participated in the Carbon Disclosure Project (CDP).

GHG reduction target:

25%

carbon emission intensity reduction by 2030 compared to a 2020 baseline

Energy-saving target:

25%

energy consumption intensity reduction by 2030 compared to a 2020 baseline

Why it matters

The global climate has changed relative to the pre-industrial period, with direct consequences for the public and private sectors. These changes will be felt even more strongly in the coming years. According to an *IPCC (UN Intergovernmental Panel on Climate Change) report*[17], the impact of global warming of 1.5 degrees centigrade above pre-industrial levels will negatively impact organisms and ecosystems, including people and their wellbeing. To combat climate change, global leaders signed the *Paris Agreement*[18] *in 2015*. This is the foundation of ambitious efforts to keep global temperature increases in this century well below 2 ºC above pre-industrial levels. In 2021, The UN Climate Change Conference in Glasgow (COP26)[19] produced new "building blocks" to advance implementation of the Paris Agreement. Countries and businesses are encouraged to take accelerated actions to achieve net zero emissions. As a responsible business, we must play our part in limiting climate change and reducing our carbon footprint to the level required by the Paris Agreement.

RELEVANT SDGS

What are the risks?

Negative global impacts of climate change include adverse public health outcomes, proliferation of threatening diseases, and the disruption of supply chains and global commerce. To understand the impact of climate change on our business, and examine the risks and opportunities, we align with the Task Force on Climate-related Financial Disclosure (TCFD)[20] framework, follow its methodologies, and conduct risk identification. By evaluating the potential impacts on our financial operations, we have identified strategic opportunities to tackle these risks.

Climate change-related risk (level 1)	Climate change-related risk (level 2)	Climate change-related risk (level 3)	Potential impacts
Transition risks	Policy and Legal Risks	Existing requirements	• Fines, business losses, closure of operations, and negative impacts on brand and reputation
		Litigation risk	• Supply chain disruption/collapse, leading to the inability of companies to fulfill their promises (contracts) to customers and litigation risks
	Technology Risk	Front-end cost of transition to low-carbon technology	• Costs related to research and development of green chemical technologies • Increased operating costs
		Customer preference, demand, and supply	• Loss of orders and revenue if insufficient data is disclosed regarding carbon neutral targets
	Market Risk	Uncertain market demand	• Spread of new diseases or flu due to climate change. Increased demand for medicines and pharmaceutical products
		Rising cost of raw materials	• Reduced quantity and quality of raw materials. A decrease in quantity will increase the cost of raw materials and increase operating costs
	Reputation Risk	Increasing concerns about negative feedback from stakeholders	• Insufficient disclosure regarding sustainable development and climate change issues will damage the Company's reputation among stakeholders, including investors and customers

Climate change-related risk (level 1)	Climate change-related risk (level 2)	Climate change-related risk (level 3)	Potential impacts
Physical risks	Acute Risk	Increased severity of extreme weather events, such as cyclones or floods	• Damage to property and assets, including buildings, infrastructure, engineering, and test equipment • Suppliers may be unable to deliver materials in time, disrupting business • Labor safety, management, and planning will be negatively impacted
	Chronic Risk	Sea level rise	• Damage to facilities • Increased corporate infrastructure costs
		Average temperature rise	• Increased energy consumption and operation costs

Climate-related opportunities		Potential impacts
Resource efficiency	Reduce steam consumption Reduce energy consumption Reduce water consumption	• Reduce business operating costs • Improve company reputation
Products and services	Customer preferences shifting	• Environmental management that is in line with customers' strategies and needs provides competitive advantage • With the intensification of global climate change, consumers are more and more inclined to use environmentally friendly products/ services. The transformation of enterprises in terms of low carbon emissions can provide us with a competitive advantage

How we tackle climate change

Having identified and evaluated climate-related risks and opportunities, we have developed the following strategies to combat our impact on climate change.

Measuring our carbon footprint

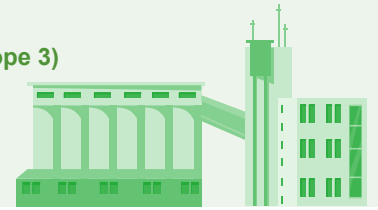
In 2020, we started our journey to fully understand our energy and carbon footprint and ultimately reduce our impact. Our methodology is in line with the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) GHG Protocol Corporate Accounting and Reporting Standard[21]. Each business unit is required to submit its energy consumption data to our ESG office on a regular basis. Our GHG calculations are regulated by internal procedures that are updated to correspond with current calculation methodologies. Energy and emission data is captured in our internal system to ensure validity, consistency, accuracy, and transparency.

During the Reporting Period, we are committed to reducing our GHG emissions intensity by 25% to a 2020 baseline by 2030. Our reduction target was built on understanding our contributions as citizens of the planet, and as a responsible multinational company.

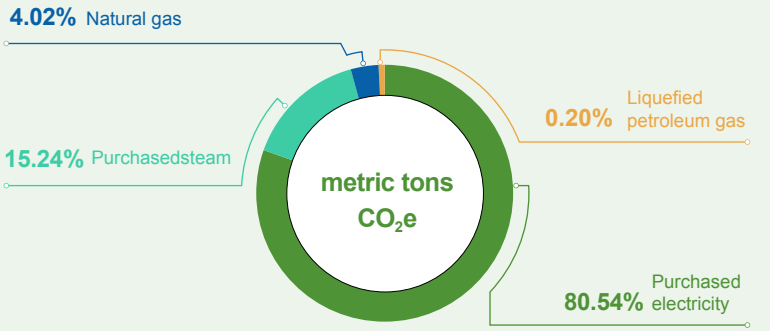
Based on our energy consumption data, electricity is the largest source of energy use in our operations and accounted for more than half of percentage of our total energy usage in the Reporting Period. Our direct emissions (Scope 1) come from sources owned or controlled by WuXi AppTec, including but not limited to our own vehicles, waste incineration plants and production facilities. Our indirect emissions (Scope 2) mostly arise from the procurement of electricity, steam, and cooling energy. We have also started to measure our Scope 3 emissions, such as employee commutes and travel, leased facilities, etc. Moving forward, we plan to work with our suppliers to reduce carbon emissions in our supply chain.

WuXi AppTec Global Emissions 2021 (Scope 3)

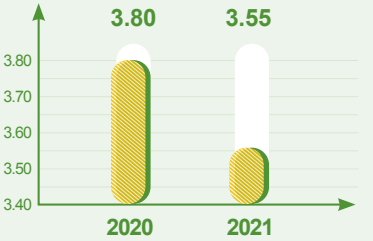
approximately **15,000** tCO_2



WuXi AppTec Global Emissions 2021 (Scope 1+ Scope 2)



Energy consumption intensity reduction
(kgce/1,000 CNY)



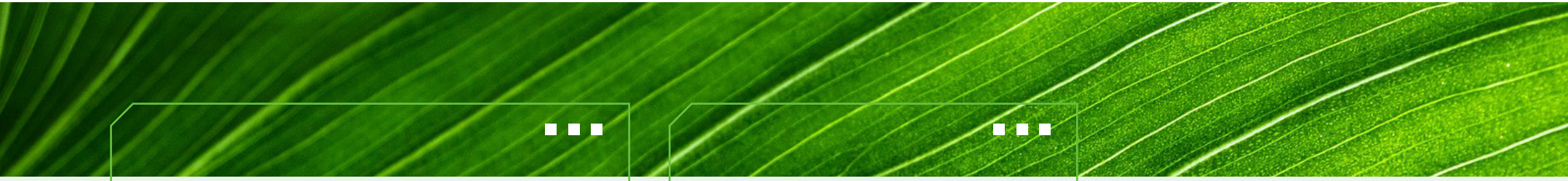
GHG emission intensity reduction
(kg CO_2e/1,000 CNY)

Energy consumption intensity reduced by **6.2%** compared with 2020

GHG emission intensity reduced by **8.7%** compared with 2020

Effective energy management

A bold carbon-reduction ambition requires an accelerated and systemic approach to energy management. During the Reporting Period, we introduced the following systems to support efficient energy management.



Dynamic working mechanism:

Each quarter, WuXi AppTec reports progress against our energy reduction targets, which have been endorsed by our Board. The ESG office oversees the delivery of the targets and reviews our performance. All business units develop their own energy-saving plans, with targets (which contribute to the overall total) calculated according to historical energy data, site functionality, location, and other relevant criteria. All sites report their performance on a quarterly basis, which are monitored by our central ESG functions. If a business unit fails to achieve its assigned target, the ESG committee will take action to ensure that the unit in questions addresses any and all issues and achieves future reduction targets. During the Reporting Period, we achieved our annual energy reduction target.

Proactive internal engagement:

We appreciate the innovative ideas and voluntary measures contributed by our scientists, technicians, and other employees. To inspire innovation and creative thinking for saving energy, utilizing manufacturing, and reducing our carbon footprint, we launched a database to collect employees' ideas. The best ideas are then tested by relevant departments to gauge their feasibility, and successful ideas are promoted across the business by the relevant working group.

External recognition:

To enhance energy and/or environmental management, several sites have obtained internationally recognized certifications, including ISO 50001.

Energy optimization and restructuring

Energy saving and energy efficiency improvement:

Saving energy and improving energy efficiency are embedded into the full cycle of our energy consumption procedures. We prioritize energy-efficient equipment during procurement by considering their Energy Efficiency Index (EEI), and we require our suppliers to disclose EEI in their proposals and quotes. When equipment is put into operation, its energy consumption is monitored in real-time. Adjustments are made when anomalies are identified. Internal and external energy audits were conducted in the Reporting Period to verify our energy consumption.

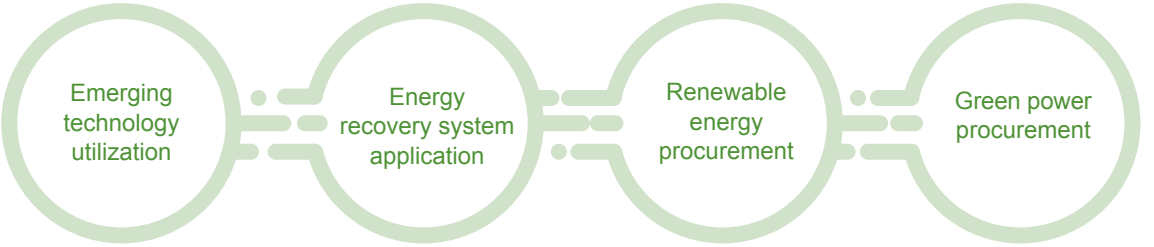
VAR system

In July 2021, one of our manufacturing sites in Changzhou started operating Vapor Absorption Refrigeration (VAR), which is expected to save 118,800 tons of steam per year in 2022 by recycling the steam produced by the VAR system, thereby reducing the use of purchased steam.

Heat Pipe Energy-saving Renovation Project

In June 2021, one of our production sites in Wuxi carried out a heat pipe energy-saving renovation of the clean room air conditioner in the production facility. A heat pipe device was installed in the air conditioning box, which could heat and cool external new air, saving both hot water and cold water. After installation and through the end of 2021, the project has saved 215 tons of steam and 45,479kwh of electricity.

Renewable energy: By leveraging resources and expertise, we promote the use of renewable energy throughout our business. With the consideration of local conditions, we have developed the following strategies:



Currently, some of our sites have solar panels and wind turbines to collect renewable energy and convert it for light, heat, and other forms of electricity.

Low Carbon Manufacturing

The design of our site in Couvet, Switzerland, leverages its local climate and solar power to maximize the effective use of energy. The buildings have double glass façade and automated window blinds to respond to exterior temperatures and the natural solar exposition for heating and cooling. Solar panels, energy-efficient utilities, high yield dry transformers, heating & cooling systems, heat recovery and environmentally friendly materials and chemicals were applied at the site to reduce energy consumption. The net result was a reduction in CO_2 emissions by 70% compared to a standard installation and building construction.

Couvet site, Switzerland

Where are we headed?

Echoing our overall climate ambitions, our key focus areas for 2022 and beyond include:

Focus	Activity
Carbon offset/ credit	• Purchase Renewable Energy Certificate (REC)[22]/i- REC (international REC) • Engage in carbon trading
Carbon reduction in value chain	• Require our suppliers to take climate-related actions • Partner with customers and/or strategic suppliers on carbon reductions

Emissions management

Commitment

Emissions are accumulating at a speed beyond what the Earth and our climate can handle. Action is necessary to help reduce impacts to our environment and human health. We therefore commit to playing our part by strictly following legal discharge requirements and undertaking ongoing efforts to eliminate waste.

Waste management target: be landfill free for all productive wastes by 2030

RELEVANT SDGS

How we manage our emissions

To avoid the potential risks caused by inappropriate emissions management, we have standardized the process of emissions management across the whole company, with polices such as *Protocol of Environment Protection Management Rules* and other related polices. These requirements cover the waste handling from the production, transportation, and disposal of wastes. Our main wastes are wastewater, air emissions, as well as hazardous and non-hazardous wastes. Advanced technologies and equipment have been introduced at our sites to reduce pollution and dispose of discharge.

Discharge of wastewater

Wastewater is mainly produced by our urban sewage, circulated cooling system and R&D and manufacturing processes. We strictly follow all relevant rules and regulations to ensure wastewater is handled in accordance with local standards. Before being discharged to the local wastewater pipeline, wastewater is pretreated through our onsite wastewater treatment plant, in which water quality parameters (such as COD, ammonia nitrogen, and pH, etc.) are monitored and shown on our dashboards. Samples are collected regularly from discharge ports for further testing and monitoring. A third-party agency tests the water quality every year with testing reports generated and archived to ensure wastewater discharge complies with local requirements. Our protocols include:

- Define and implement wastewater management guidance, policies, and processes
- Forbid direct discharge wastewater with high pollutant concentrations
- Adopt emission-friendly ways to discharge treated wastewater
- Monitor and record the water quality parameters at the main wastewater outlet
- Track discharge in order to measure the impact on the environment, address issues, and improve the process on a regular basis

Air emissions

Our air emissions management is strictly guided by local requirements, as well as our *Environmental Protection Policy*. The emissions consist mainly of exhaust gas and evaporation from volatile organic compounds, such as chemical reagents used in laboratories and manufacturing. Appropriate measures are taken to control air emissions, including proper sealing and local exhaust ventilation (LEV) for capturing non-organized waste gas from the source, activated carbon adsorption, scrubber, and regenerative thermal oxidizer (RTO).

Hazardous waste management

Our hazardous waste includes liquid waste from R&D experiments and manufacturing, solid waste, waste-activated carbon, sludge from wastewater treatment, biological waste from research and testing, and medical apparatus and instruments used for medical purposes. To properly manage hazardous waste, we have taken the following measures:

- Apply waste management procedures to treating waste generation, collection, classification, labeling, recording, storage, transportation, and disposal
- Contract with the certified third agency for legal disposal
- Promote internal recycling of waste chemicals, waste liquid, as well as the reuse of chemical solvents, to reduce the generation of hazardous wastes
- Record and analyze hazardous waste data, to facilitate procedural improvements and avoid the generation of hazardous waste

Your Green Credentials

SWS Sustainable Waste Solutions a WM company

Sustainable Waste Solutions

hereby certifies that

药明康德 WuXi AppTec

Has achieved the designation of a

LANDFILL FREE ENTERPRISE

and has implemented an environmental sustainability program with the objective of becoming Landfill Free. Residual and municipal waste from this facility is either reused, recycled or processed as a renewable fuel at an Energy-from-Waste Facility. The US Environmental Protection Agency has stated that Energy-from-Waste is a "clean, reliable, renewable source of energy" that "produces electricity with less environmental impact than almost any other source of electricity."

Precious Metal Recycling Project

In July 2020, we launched a precious metal recycling project. The project collects, records, and tracks the record of buying and using metal catalysts though online platforms. We also developed guidance on recycling and collecting precious metals. All the recycled metals are delivered to third parties for recycling and reproduction. The recovered metals are processed into catalysts and then reused by us. During the Reporting Period, 5.57 kg of various metals were recycled through this project.

ISO 14001

During the Reporting Period, 9 main operating sites obtained ISO 14001 Environmental Management System certification

Non-hazardous waste management

The main non-hazardous wastes produced at our sites are office garbage and industrial solid waste. To achieve desirable results of handling general solid waste, we follow our internal *Waste Management Policy* and apply a strict methodology for regulated supervision and management. This includes:

- Apply waste management procedures to treat waste generation
- Daily collection of office garbage and periodic transportation to sanitation stations
- Regularly clean the temporary storage areas of the non-hazardous wastes

Resources

Water stewardship

As the global population and industrialization grows, water demand gradually exceeds supply. Some areas around the world are facing water scarcity as rivers, lakes, and aquifers dry up or are so extensively contaminated that they are unable to be used. In response, we are committed to protecting water resources and making efforts in reducing water consumption. Meeting these commitments is critical for us to effectively manage our water usage and reduce water consumption.

At WuXi AppTec, water is widely used as an industrial coolant and for washing and cleaning. To reduce water consumption in a consistent manner, we have prioritized areas particularly at risk from water scarcity, based on WRI, and set an intensity target for reducing consumption by 30% by 2030. Each site has undertaken water-saving actions, such as technology upgrades and process optimization, and has a specific target that contributes to our group reduction target. During the Reporting Period, we saved 1 million tons of water.

Water savings target:

30%

water consumption intensity reduction by 2030 compared to a 2020 baseline

Packaging

We work with our clients to reduce unnecessary and excessive packaging by choosing simplified and eco-friendly packaging materials (e.g., recyclable plastic plates) to lessen our environmental footprint while keeping products in good condition and adhering to the requirements of pharmaceutical deliverable packaging.

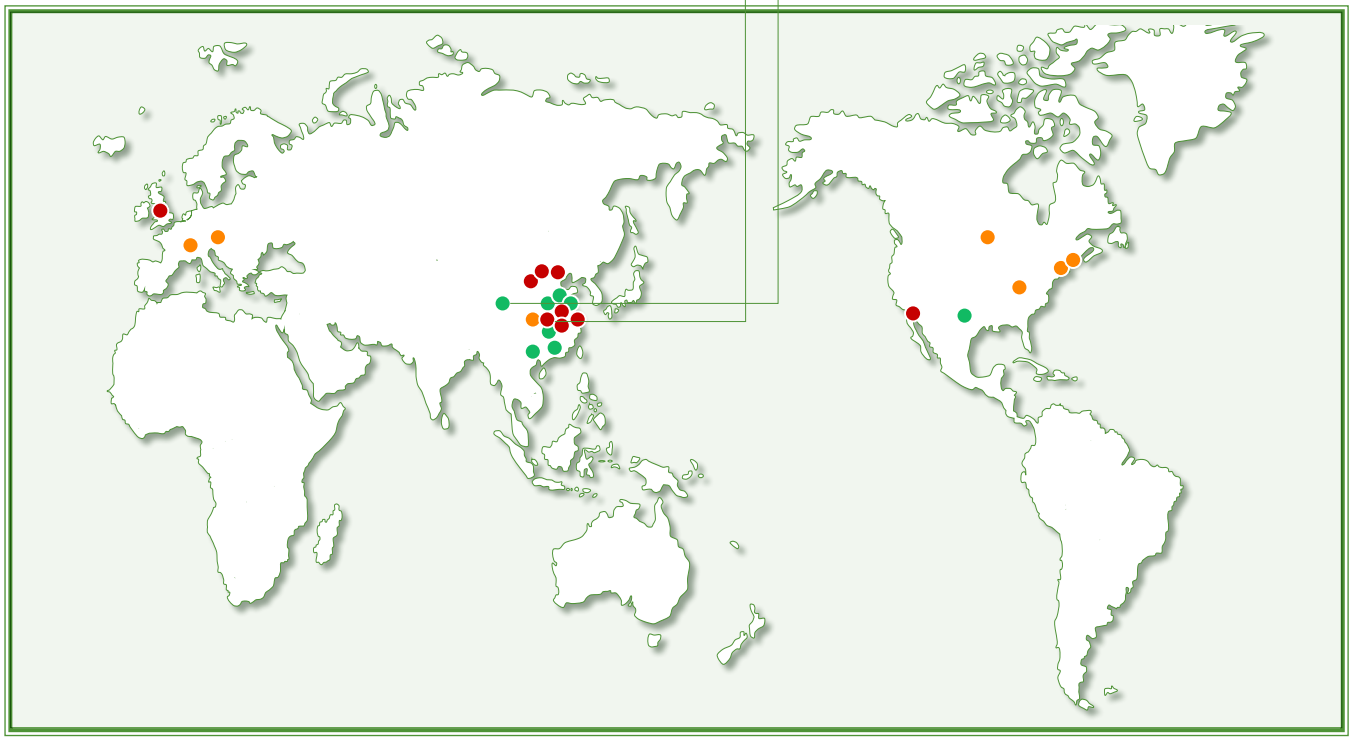
No.	Location	Water Risk Level
1	Shanghai	High
2	Changzhou Jiangsu	High
3	Taixing Jiangsu	Low
4	Wuxi Jiangsu	Low
5	Nantong Jiangsu	Low
6	Changshou Jiangsu	High
7	Nanjing Jiangsu	Low
8	Suzhou Jiangsu	High
9	Chengdu Sichuan	Low
10	Wuhan Hubei	Medium
11	Beijing	High
12	Tianjing	High
13	Shijiazhuang Hebei	High
14	Fangchenggang Guangxi	Low
15	Guangzhou Guangdong	Low
16	Philadelphia,US	Medium
17	Marietta,US	Low
18	Mendota Heights,US	Medium
19	San Diego,US	High
20	Cranbury,US	Medium
21	Plainsboro,US	Medium
22	Planegg,Germany	Medium
23	Oxford,UK	High
24	Couvet,Switzerland	Medium

Water Saving Project

Based on the Company's overall water savings and wastewater target, each workshop has its specific water savings target and water usage limits. We track the water usage of each workshop. If their water consumption exceeds the limit, they will be required to take immediate actions to find out the root causes and take corrective measures. The site has saved roughly 35,000 tons of water in the Reporting Period, which reduced its total water consumption around by 5%.

Cooling Water Recycling Project

To save water resources, we recycled the cooling water generated by the reaction in the synthesis fume hood and use that recycled water in the vacuum pump.



Environmental technology and innovation

Being an innovation-driven and customer-focused company, we strive to create value for our customers and communities while preserving the environment via environmental technology and innovation. One avenue we have been exploring across all our business functions is green chemistry, which is a means of designing chemical products and processes that reduce or eliminate the use or generation of hazardous substances. Our green chemistry efforts include research and development on photochemistry technology, continuous manufacturing and enzymatic catalysis throughout the entire manufacturing process. This helps us reduce the consumption of raw materials, minimize the negative environmental impacts of our business, and help WuXi AppTec advance the green and low-carbon transformation of the industry.

Photochemistry Technology

Photochemistry has been in development for decades, but the technology is rarely used in large-scale production in the pharmaceutical industry because of the technical hurdles related to light sources, photoreactors (e.g., types of light sources, photoreactor design, etc.) and the challenges of certification and standardization in a GMP environment. During the Reporting Period, WuXi AppTec empowered the green bromination process through the combination of photochemistry and continuous manufacturing. In addition to reducing more than 60% waste in the applied project, this breaks through the capacity limit of the photoreaction while achieving safe and green commercial production. This is one of a few successful cases of applying photochemistry technology to commercial production of new small molecule drugs.

Continuous Manufacturing

Continuous manufacturing is a technology in which raw materials (reagents/chemical catalysts, etc.) are continuously delivered to a reactor by a feeding system, such as a pump, and the materials receive light, electrical or thermal energy input from the reactor as they flow and react. The continuous flow of product from the reactor is quenched in-line and then fed into a continuous or batchwise workup and isolation to complete the process. This technology can effectively improve the chemical reaction and streamline all the unit operations in API production. And it ensures the safety, quality, efficiency, and cleanness of the API production. WuXi AppTec has invested in continuous manufacturing since 2014; now our end-to-end platform has 18 reaction categories, and 15+ industry-leading continuous manufacturing lines covering the need from pre-clinical to commercial projects. In 2021 alone, we supported 60+ clients globally applying continuous manufacturing in over 200 projects, which helps reduce a great amount of reagent or chemical catalysts used in production while minimizing the negative environmental impact.

In 2021, we carried out various continuous manufacturing projects. For example:

MPLC separation to replace manual separation: the technology has saved a total 193,618,147 liters of fresh solvent since 2017 and it continues to reduce solvent usage through continuous optimization. In 2021, we completed a total 1,178 kg sample separation, and saved 717,842 liters of fresh solvent.

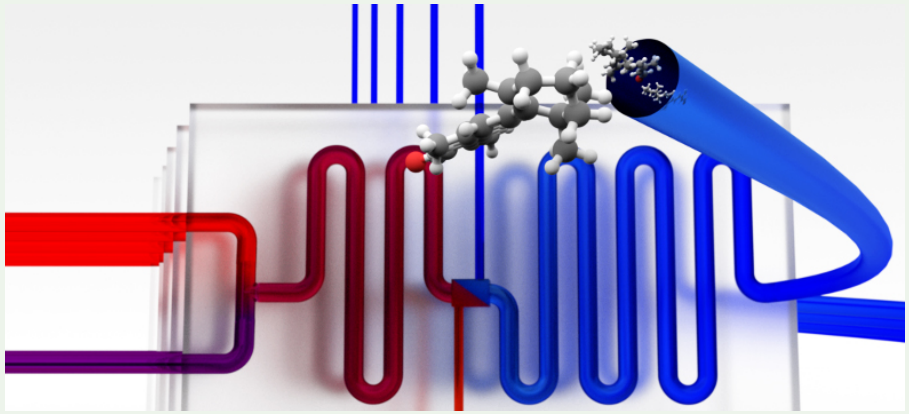
Enzymatic Catalysis

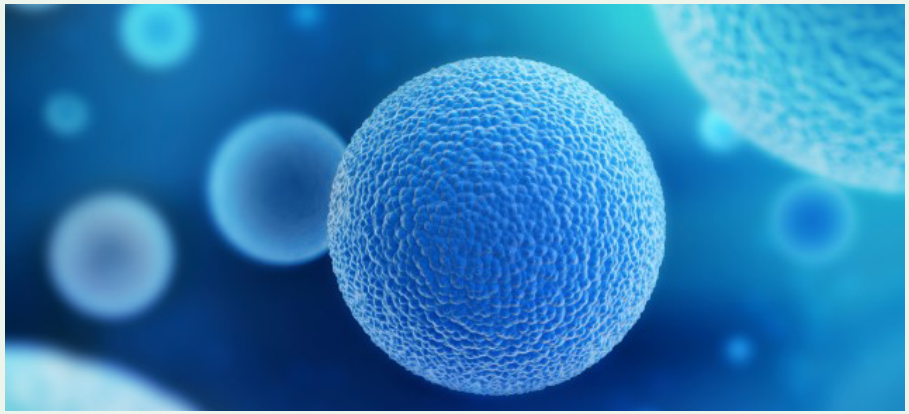
As an effective biocatalyst, enzymes could promote complex chemical reactions with high selectivity in a cost-effective and environmental-friendly way. At WuXi AppTec, we have a comprehensive Biocatalysis platform, which offers a one-stop solution for biocatalysis, including enzyme screening, enzyme evolution, fermentation, process R&D and manufacturing. Our platform has a large in-house library with over 2,000 enzymes and 70,000 mutants, enabling rapid screening, and several 2,000L fermenters to support enzyme production.

In addition, we are expanding new types of enzymatic reaction and developing cascade reactions with multiple enzymes. Our biotransformation platform has a diverse enzyme library, which could be useful for more than 20 different types of reactions. Moreover, we are actively developing cascade reactions with multiple enzymes in one step, simulating biosynthesis technology and replacing more chemical reactions.

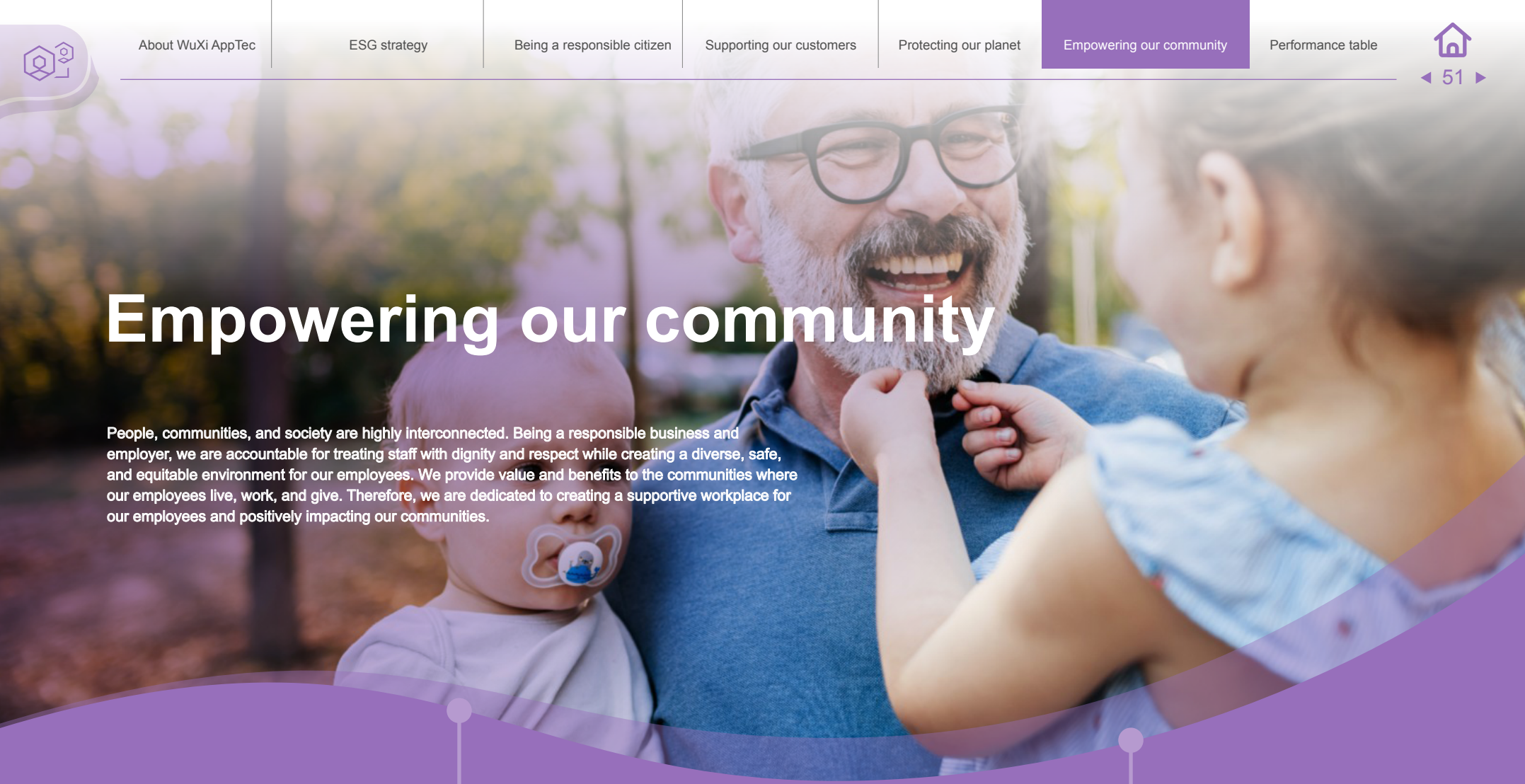
During the Reporting Period, we manufactured about 70 tons of key intermediates via enzymatic processes. This reduced the use of approximately 1,000 tons of organic solvents, resulting in a reduction of waste and minimizing the environmental impact significantly.

We believe our enzyme-catalyzed technology can better help us to develop more and more processes with better selectivity and get to a greener environment in the near future.





Empowering our community



People, communities, and society are highly interconnected. Being a responsible business and employer, we are accountable for treating staff with dignity and respect while creating a diverse, safe, and equitable environment for our employees. We provide value and benefits to the communities where our employees live, work, and give. Therefore, we are dedicated to creating a supportive workplace for our employees and positively impacting our communities.

Our employees
Our workplace
Our community

100%
training coverage for all employees

46
training hours per employee

54%
female employees

Our employees

Commitment

People are our most valuable asset. Our talented and passionate workforce brings our vision to life. As an innovation-driven and customer-focused company, we recruit talent on a global scale. We show our value and respect for every individual by creating a diverse and inclusive work culture, supporting their future growth, and taking care of their wellbeing.

China's Most Attractive Employers 2021

100 Employer Excellence of China

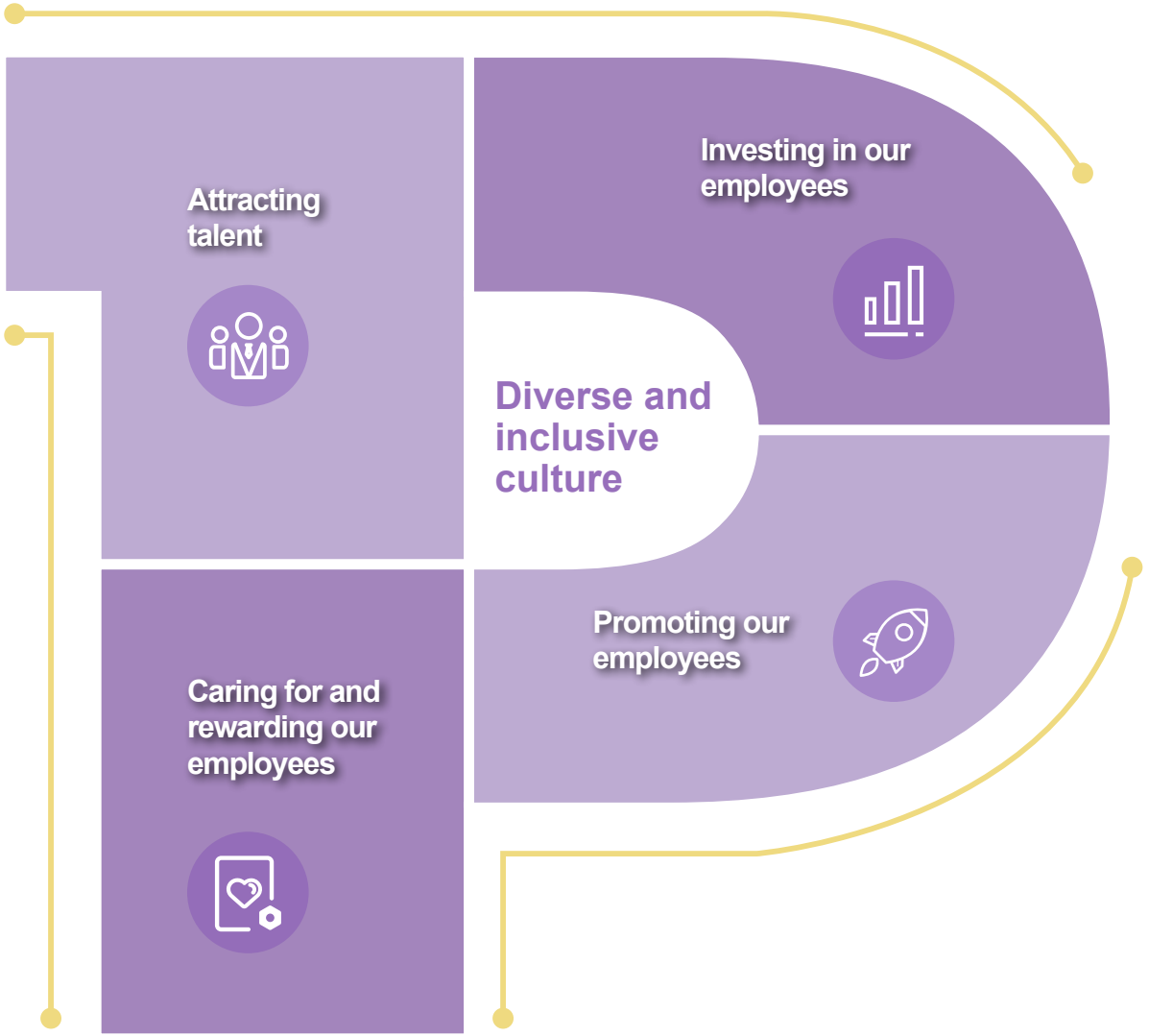
Most Suitable Place to Work in 2021

China Talent Management Technology Model Award 2021

RELEVANT SDGS

How we manage our employees

The core value of our talent management is to enable our employees to have passion, enjoy their work, and build a sustainable career. We acknowledge the importance of building a diverse talent pool where employees with different backgrounds and expertise can bring their unique value to the business. We strive to attract talent who are equipped with relevant skills, knowledge, and qualifications, and invest in them for their further development and promotion. By following the *ILO Declaration on Fundamental Principles and Rights at Work*[23] as well as local regulations, we established a prevention and control system to identify and prevent labor-related risks (such as forced labor and extended working hours) and protect the rights of our employees. Adhering to the principles of fairness, justice, and openness, we aim to create a culture in which our employees feel respected and valued.



Diverse and inclusive culture

WuXi AppTec embraces all people regardless of their religion, nationality, marital status, gender, or sexual orientation, and appreciate the unique qualities that add value to our industry. We provide fair and equal opportunities and foster an inclusive culture that allows employees to feel comfortable to provide feedback on how our management can improve.

Women's leadership events

We have paid increased attention to women's development and their influence within the Company. We are committed to supporting our female employees in their pursuit of successful careers, and regularly host events where our female employees can share their perspectives and experiences.

Empowering our employees and setting them up for success at the Company is of great importance to us.

Raising awareness

Our *Employee Diversity Policy*[24] applies to all staff. It lays out clear standards for hiring, career development, and promotion. We raise awareness via mutual listening and understanding. We have implemented programs and activities to combat prejudice and discrimination and help employees collaborate with each other more effectively. Training programs cover topics such as unconscious bias, cultural diversity, and workplace inclusivity. Furthermore, we ensure wage parity for employees with similar job responsibilities, which is integral to the creation of an equitable working environment. During the Reporting Period, we have no findings of any violations of our internal policies.

Listening to our employees

We constantly strive to listen to and better understand our employees. Regular internal surveys and evaluations gauge employee satisfaction, and multiple channels have been established to enable them to provide feedback and report behavior that violates our policies. We also have chat groups that allow employees to speak up and provide suggestions. There is another chat group for our employees to connect directly with the management team, facilitating the feedback process and strengthening our workplace culture. These measures and approaches are implemented in our operations to monitor and address any behaviors that are against our corporate culture and values and help us further improve the workplace culture.

Attracting talent

We know our employees are one of the Company's most crucial assets and we rely on the value and insights they bring to our customers. At WuXi AppTec, formal talent pipeline development strategies are established to continuously grow and update our talent pool. By including a needs analysis in our hiring plan, we attract talent with relevant expertise and provide them a platform to learn and grow. During the Reporting Period, we provided job positions for over 5,000 fresh graduates through worldwide campus recruitment.

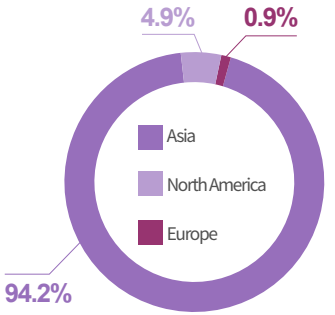
Our recruitment process and standards are in strict compliance with the laws and regulations of the regions in which we operate. We have standard procedures to identify potential labor-related risks. We have established specific preventative and control plans to avoid any non-compliance. Furthermore, an internal system has been established to constantly monitor and audit the compliance of our employment process. When necessary, we enact mitigating measures to reduce or eliminate risks and their consequences. We offer disadvantaged and vulnerable groups fair and equal hiring opportunities.

Child labor and forced labor are strictly prohibited in any form

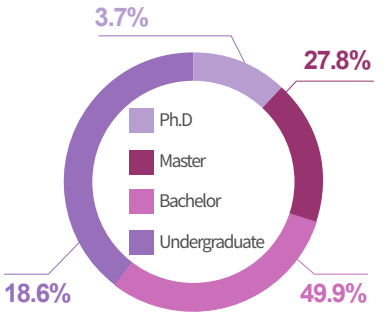
We verify our new employees' identities through various compliant methods, such as document collection and verification. Any situation violating our employee contract will be reported to relevant authorities. We conduct regular audits to guarantee our compliance with the labor laws of the regions in which we operate.

Internal job transfer mechanism

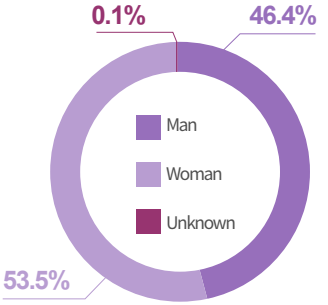
Our internal job transfer mechanism is one of our core strategies for talent employment and management. It is applicable to all employees at WuXi AppTec and is consistent with external recruitment standards. Employees' professional capabilities, work experience and skills are evaluated compared to the available job description. Through this mechanism, we motivate our employees to unleash their potential and actively pursue their career development. It also helps maintain the vitality of our talent pool. During the Reporting Period, 286 employees of WuXi AppTec have been successfully transferred positions within the Company.



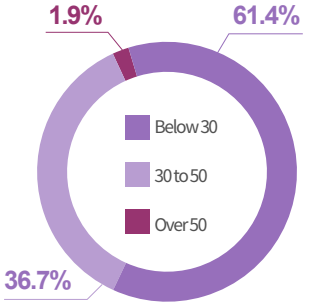
Employees by region



Employees by education degree



Employees by gender



Employees by age

Investing in our employees

We attach great importance to the career development of our employees and continuously invest in them by providing a wide range of training programs and mentoring, networking, and learning opportunities. A 70%-20%-10% development model is leveraged to enhance productivity and the flexibility of our learning process.

70%
of learning consists of job-specific skills and techniques

20%
consists of the best practices of stakeholders and external partners

10%
consists of formal theoretical courses

GLOBAL SCHOLARSHIP PROGRAM
(As of December 31, 2021)

35
winners in total

350,000 CNY
scholarships in total

Employee training

At WuXi AppTec, each employee has a personalized training plan based on their job functions. We encourage all our employees to pursue excellence in their fields and set examples for their peers, leading to constant improvements in their job performance. Job-specific training programs help employees develop their career trajectories and achieve professional proficiency. Our training programs cover a range of topics, including leadership, project management, and product-related knowledge, and are updated based on regular surveys and needs analysis. To help each of our employees excel in their positions, we also offer comprehensive training support to help them obtain their required job certifications. After trainings are completed, follow ups and evaluations are conducted to collect feedback about the training programs for further optimization. We hope to create a supportive learning-focused culture in which our employees can realize their full potential.

We encourage our employees to actively seek continuous feedback. In our regular review sessions, managers provide constructive performance feedback to help our employees meet or exceed their career goals. Staff are also encouraged to share their learning experiences and voice their needs.

Every employee has the opportunity to move up the career ladder and expand their skills and toolbox. For instance, we assist employees in obtaining degrees and certifications in fields such as finance, administration and business services, and information technology. This simultaneously supports their personal and career development and the Company's growth.

We offer merit-based scholarships to employees' children based on evaluations of academic and extracurricular performance. During the Reporting Period, 15 employees' children were offered scholarships worth approximately 150,000 CNY in total.

WuXi Genius Challenge

At WuXi AppTec, we encourage everyone to pursue excellence in their fields. Thus, the "WuXi Genius Challenge" was launched in March 2021 to help our employees discover their potential and encourage them to keep improving their expertise. The "WuXi Genius Challenge" is an internal competition that encouraged our employees to compete with and learn from each other in their respective tracks, and the winners will be named a "genius" and awarded with a bonus. During the Reporting Period, more than 26,000 employees had participated in the "WuXi Genius Challenge," and cumulatively 124 "geniuses" have emerged as champions on their respective tracks. We believe our "genius" culture will keep motivating our workforce to pursue excellence and bring their expertise to our customers and global patients.

Leadership training programs

We offer a variety of elementary and advanced leadership training programs to our employees. We have formed Leaders Development Programs (LDPs) for employees at different career levels to boost their leadership skills. These programs include webinars, self-paced training modules, and external seminars with topics ranging from personal work experiences to market insights. Our elementary leadership programs are available to all employees while advanced programs help mid-level and senior managers gain in-depth skills that enhance the effectiveness of their leadership. Our ongoing feedback model helps us adjust these programs to ensure that they are effective and updated to meet evolving employee needs.

Inspired by the concept of 'leaders who lead leaders' our trainings capitalize on the valuable knowledge and experiences of our management team. During the Reporting Period, 150 leaders participated in one or more development programs.

Mentoring and relationship building

We offer mentoring and coaching for our employees. We also offer graduate training and apprenticeships to engage with recent graduates in the early stages of their careers. Networking, knowledge-sharing, and team-building events are organized to help our employees engage with, collaborate with, and learn from others. These activities enhance employees' relationships and enrich our workplace culture. Staff are encouraged to navigate these events themselves to build bonds and connections.

Team Building Event

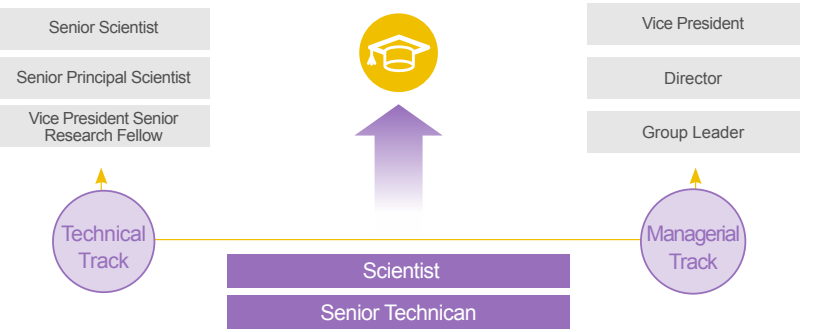
At the end of September 2021, our Couvet team gathered for a team building event with more than 100 participants. They were divided into small groups and interacted with others through various activities. For example, they created the WuXi AppTec logo composed of 40 panels with a total length of 30 feet. In the afternoon, the team sat together, enjoyed a barbecue, and chatted with one another. Everyone got to know more about each other and were welcomed as part of the WuXi AppTec family.

Promoting our employees

Our *Employee Promotion Management Policy* standardizes the promotion path into two tracks: technical and managerial. Each of our positions has a clear description of associated job responsibilities and functions. Based on our employees' regular performance evaluations, including self-evaluations and evaluations from supervisors, we follow internal standards and procedures for promotion to guarantee that each of our employees has access to fair and equal promotion opportunities. Meanwhile, we utilize a continuous feedback model that helps to align the trajectories of our employees' career plans.

Specifically, a 360-degree leadership assessment mechanism, one of the most important means of talent management at WuXi AppTec, is used to obtain multi-dimensional feedback for management from a set of colleagues, including their direct and indirect supervisors, peers, and subordinates. It evaluates leaders' learning, leadership and execution capability, knowledge and experience, and comprehensive strength. Through this mechanism, the assessed individual is provided with comprehensive feedback that could guide them to a more targeted path for improvement.

In addition to the regular promotion mechanism, WuXi AppTec has a parallel mechanism that is flexible, efficient, and customized, spotlighting high-potential employees and offering opportunities to achieve personal growth. After evaluating their performance, we promote such candidates to an appropriate position that allows them to bring their value to their job responsibilities and customers.



The above illustration takes R&D talents as an example, non-R&D talent dual career paths are similar.

Caring for and rewarding our employees

Compensation and benefits

At WuXi AppTec, we recognize and appreciate our employees' efforts by offering a market-competitive compensation and benefits package. We also provide a wide range of benefits that are tailored to specific groups of employees, such as a nursing room. In addition, a company share incentive mechanism further motivates our employees and rewards their efforts.

External recognition

Our long-term investment in our employees and our efforts to improve our talent management mechanism have earned external recognitions. We will continue to empower our employees to maintain their passion and satisfaction with working at WuXi AppTec.

Employee well-being

We encourage our employees to balance life and work by offering sports and cultural activities. We also have a variety of staff clubs to enrich our employees' lives and strengthen their physical and mental health. Based on different job duties, our employees and their supervisors can plan for a flexible work schedule to maximize productivity and personal wellbeing. In addition, resources such as an IT platform are provided for work-from-home arrangements.

We want our employees to be continuously engaged, challenged, and satisfied with their work and personal life, so we strive to identify and address weaknesses in our management and take timely measures to further facilitate the growth of the Company and our employees.

Most Attractive Employer 2021

WuXi AppTec Help Fund

In line with our corporate core values, we have established the WuXi AppTec Help Fund to aid employees in difficult times. Abiding by local laws and regulations, we actively undertake social responsibilities and conduct welfare activities. During the Reporting Period, our Help Fund coordinated five activities and donated more than 550,000 CNY to employees and their families.

Our workplace

We are dedicated to providing a safe and comfortable work environment for our employees. Our management system and Environment, Health and Safety (EHS) polices ensure that our work is carried out safely, and we offer support and resources to maintain and improve health and wellness.

We integrate EHS management systems into how we run our business. Every aspect of our operations complies with local occupational health and safety laws and regulations. We have adopted international standards into our management approach, and several sites are certified by the ISO 45001 Occupation Health and Safety Management System. Responsibilities for EHS matters are governed at both the corporate level and facility level. Our EHS Management Committee consists of one company-level committee and three department-level committees, including chemistry safety, biology safety and radiation safety. This governance structure ensures that risk management and regulatory compliance are implemented universally and overseen at the highest levels of WuXi AppTec.

RELEVANT SDGS

How we ensure a safe work environment

Ensuring a safe work environment

Effectively minimizing occupational health and safety risks begins with knowing what those risks are. Policies (e.g., *Safety Risk Assessment Policy, EHS Training and Evaluation Policy*), safety risk assessments, and other control measures are established to identify and prevent potential safety hazards. Meanwhile, we continually enhance our safety procedures, prevention efforts, and controls to foster a safe work environment in laboratories, production sites, and offices. Our EHS management covers all areas of our workplace, including chemical safety, gas safety, radiation safety, fire safety, special work safety, and process safety. During the Reporting Period, we recorded no violations of occupational health and safety laws and regulations. We also had no work-related fatalities. Our main production sites are certified by international standardization such as ISO 45001.

Preventing occupational disease and illness

Strictly abiding by local laws and regulations related to occupational health and safety, we have developed relevant polices (see Appendix) to define the rules that must be followed by employees. To ensure efficient and effective management, we conduct occupational hazardous pre-evaluation, preventive measures designation and control effectiveness evaluation regularly and receive supervision and inspection from the relevant authorities. Third-party agencies conduct monitoring and assessments at our sites to identify potential occupational health hazards or risks.

An effective reporting and communication mechanism is a significant factor in improving health and safety performance in our workplace. We arrange regular meetings to discuss injury prevention, go over safety protocols and address other related issues, to improve safety awareness for everyone. We also regularly arrange pre-job, on-job, and off-job occupational medical examinations for those employees exposed to occupational health hazards. During the Reporting Period, we continued to apply anti-pandemic measures – including instituting workplace distancing, allowing flexibility for working from home, and offering free personal protective equipment such as masks, portable hand sanitizer, and free COVID-19 test kits – to ensure our employees stay safe and healthy.

ISO 45001

During the Reporting Period, 9 main operating sites obtained ISO 45001 Occupational Health and Safety Management System certification.

Training and raising awareness

Effective EHS management relies on employee participation. Trainings are provided for employees on a regular basis. General EHS trainings are provided when new staff are onboarded, and EHS training is offered annually to existing employees. Emergency drills such as fire drills, laboratory/workshop chemical spill drills, and evacuation drills are also conducted regularly across the Company.

Advanced and specialized EHS training is provided for staff who may be exposed to specific hazards. For example, those who conduct special work are required to take professional safety lessons at a local training center. Only employees who obtain the relevant qualifications are allowed to do the work.

To raise safety awareness and safety skills, we arranged programs and campaigns in 2021 such as Safe Production Month, EHS newsletters, and Occupational Health and Safety Quizs.

754,321 hours

on EHS trainings

New staff safety training

We have a training center and full-time training instructors who are responsible for providing induction training to new employees in the production department. It is a one-month training course that includes one-week of training on production safety basics and three-weeks of operations training. All new employees receive hands-on operations training in a room equipped with reactors, centrifuges, and other production equipment to stimulate the actual workshop. A post-training assessment is conducted for each employee, and only those who pass the assessment can complete onboarding. A dedicated trainer is assigned to help familiarize them with the workshop and production operations.

Our community

Commitment

We are committed to being a good global corporate citizen. We strive to drive the development of new medicines that will improve the lives of patients while managing our behaviors to bring positive benefits to the communities in which we operate. And we empower our communities by leveraging our resources, technologies, and employee expertise.

At WuXi AppTec, part of doing the right thing is giving back and enriching the communities in which we operate.

RELEVANT SDGS

Richard Connell Ph.D.
WuXi AppTec Senior Vice President, U.S. Chief Operating Officer

Principles: Voluntary, Charitable and Non-profit	
Purpose: charitable and non-profit activities	**Recipient**
Disaster relief, poverty relief, assistance to the disabled and other social groups and individuals with special needs	Public welfare and philanthropic groups Public welfare non-profit organizations
Education, science, culture, healthcare, sports	
Environmental protection, social public facility construction	The donation recipient should have certifications related to the use of purpose
Other activities that promote social development	

Donation and Sponsorship Principles

How we contribute to our community

To engage and serve the community in a strategic manner, we follow the Company's *Donation and Sponsorship Policy and Principles* to manage our charitable actions. Our community engagement focuses on four areas where we have the most capabilities and resources and can meaningfully contribute to creating social impacts.

How we contribute to our community

Health and science

Education

Humanitarian aid

Industry-wide collaboration

Health and science

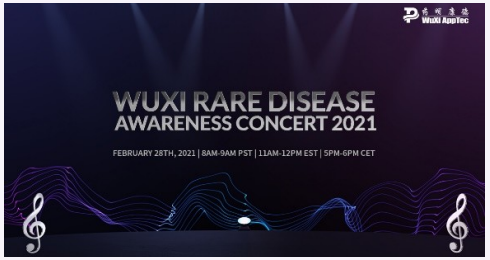
Rare diseases

According to a recent report[25], one out of 15 people worldwide could be affected by a rare ("orphan") disease. Such diseases can be chronic and life-threatening, and only a few are treatable. With the vision that "every drug can be made and every disease can be treated," we are keen to raise awareness and promote rapid innovations in medical products for the treatment of rare diseases. We have organized several online forums and educational programs to promote general knowledge of rare diseases. During the Reporting Period, we have organized four virtual "WuXi AppTec Rare Diseases Forums," promoting collaboration on the development and innovation of rare disease therapies.

WuXi Rare Disease Awareness Concert 2021

On February 28, 2021, WuXi AppTec held the first virtual "Rare Disease Awareness Concert" on Rare Disease Day, inviting rare disease patients, their families, and volunteers around the world. The performances encouraged and inspired people to continue pursuing solutions to these challenges. Additionally, WuXi AppTec organized a series of rare disease forums that focused on patients and convened industry pioneers, well-known scholars, and medical experts to explore cutting-edge treatments for rare diseases.

These events have received over 15,630,000 views and we have more than 5,324 people registered for one single event. WuXi AppTec received an award from its partner, the FRAXA Research Foundation, for providing insights into the dissemination of rare disease knowledge, improving social awareness, enhancing industry collaboration, and facilitating therapeutic R&D and diagnosis and treatment innovations through these forums.



Breast cancer awareness events

There remains no universal cure for cancer. Breast cancer is the world's most prevalent type of cancer. It is important to improve awareness of breast cancer, since early detection through screening can help catch the disease when it is most treatable. We actively participate in breast cancer awareness events and make contributions to combating breast cancer.

Breast cancer fundraiser

WuXi AppTec's Couvet site held a fundraising event to help combat breast cancer in October 2021. More than one-third of the site's employees made personal donations to the Neuchatel Anti-Cancer Alliance to support local patients, improve awareness of breast cancer prevention and support scientific research in the field.

Christiane Kaufmann, Director from the Neuchatel Anti-Cancer Alliance & Fabienne Schlup, General Manager Couvet Site

Education

Education is an important tool in eradicating poverty and hunger and in promoting sustained, inclusive, and equitable economic growth and social development. At WuXi AppTec, we seek to contribute our efforts towards youth education accessibility, quality, and affordability. During the Reporting Period, we organized various educational programs and provided support several communities.

Supporting youth education

On December 14, 2021, WuXi AppTec made a donation to the Boston Pops Orchestra (BPO) to allow high school students from the Boston Arts Academy to attend the concert and dinner. The students represented a diverse set of backgrounds and attended in the event to supplement their art education.

Humanitarian aid

Every year hundreds of millions of people suffer because of natural disasters, crises, or conflicts, which cause hardships for people who cannot overcome them on their own. We provide humanitarian assistance where needed and make contributions to help save lives and alleviate suffering.

Disaster relief donations

In July 2021, a heavy rainfall and floods occurred in Henan province in China. More than 13,660,000 people were affected and countless properties damaged. In response, we organized a donation event for disaster relief, raising 10 million CNY to support the local community and vulnerable populations affected by the floods. The total donation has been used to provide support for post-disaster reconstruction in Henan.

Blood donations

As a corporate citizen, WuXi AppTec is actively involved in public welfare activities globally and is committed to supporting the patients and communities where it operates. We have organized blood donation events every year since our first event in 2009. During the Reporting Period, employees of WuXi AppTec have donated a unit of blood respectively, helping to save lives.

Industry-wide collaboration

Collaboration is at the heart of how we promote the innovation and development of this industry. We proactively seek collaborations with our partners and are making strides to be an innovative enabler, trusted partner, and contributor to the global healthcare industry.

WuXi Healthcare Forum 2021-Partnership for Patients

WuXi Healthcare Forum 2021 was successfully held online from March 15 to 18, 2021. With the theme of "Partnership for Patients," the forum involved more than 70 opinion leaders, 228 emerging companies around the world, and attracted more than 6,000 industry elites from 72 countries and regions. The forum focused on time-sensitive topics through various forms such as plenary sessions, satellite forums by our partners, CEO roundtables and regional tracks about the future of pharmaceutical research and development.

WuXi AppTec's collection of translations

WuXi AppTec has translated a book called "*Anti-Cancer Therapeutics - From Drug Discovery to Clinical Application*." As a new book in the "WuXi AppTec's collection of translations" series, this book is an introductory monograph for young researchers who are interested in the research and development of anti-cancer drugs, motivating them to explore and keep moving forward in this area, and inspiring them to make new drugs to meet the clinical needs of patients globally.

Performance table

Governance KPIs:

	Unit	2020	2021
Business overview			
Year-on-year growth rate of total revenue	%	28.46	38.50
Year-on-year growth rate of total operating profits	%	44.79	78.13
Year-on-year growth rate of total profits	%	44.18	78.54
Business ethics and anti-corruption			
Training on business ethics and anti-corruption			
Percentage of board members covered by anti-corruption training	%	100	100
Number of anti-corruption trainings for board members	/	1	1
Training hours of anti—corruption per board member	Hours	1	1
Percentage of employees trained on business ethics and anti-corruption	%	100	99.90
Training hours per employee on business ethics and anti-corruption	Hours	0.8	0.2
Business ethics and anti-corruption audit			
Number of ethical standard audit	/	59	28
Responsible marketing			
Total training hours on responsible marketing	Hours	442	1,746
Percentage of responsible marketing training	%	/	100
IT security			
Number of IT related audit conducted by customers	/	14	12

Environmental KPIs[26]

	Unit	2020	2021
Energy Type			
Purchased electricity	MWh	337,192.00	439,201.30
Purchased steam	Tons	161,474.37	180,379.00
Gasoline	Liter	138,240.97	133,786.70
Diesel	Liter	112,248.24	163,192.26
Natural gas	Cubic meter	4,855,418.58	7,209,706.04
Purchased green electricity	MWh	/	8,362.00
Solar power	MWh	/	178.00
Energy Consumption[27]			
Direct energy consumption	Tons of standard coal equivalent	6,428.65	9,497.05
Indirect energy consumption	Tons of standard coal equivalent	56,394.89	72,160.82
Total energy consumption	Tons of standard coal equivalent	62,823.54	81,657.87
Intensity of Energy consumption by revenue	Kilograms of standard coal equivalent/1,000 CNY	3.80	3.57
Greenhouse Gas Emissions[28]			

	Unit	2020	2021
Total direct GHG emissions (Scope 1)	Tons of CO_2e	10,488.51	15,310.02
Total indirect GHG emissions (Scope 2)	Tons of CO_2e	276,152.74	347,248.63
Total other indirect GHG emissions (Scope 3)	Tons of CO_2e	/	15,000
Total GHG emissions(Scope 1,Scope 2 and Scope 3)	Tons of CO_2e	286,641.26	377,558.64
Total GHG emissions(Scope 1 and Scope 2)	Tons of CO_2e	286,641.26	362,558.64
Intensity of GHG emissions by revenue (Scope 1 and Scope 2)	Kilograms of CO_2e/1,000 CNY	17.33	15.83
Wastewater Discharged			
Total wastewater discharged	Cubic meter	1,238,933.14	1,904,926.00
COD discharged	Tons	135.58	233.66
NH_3-N discharged	Tons	9.95	11.06
Air Emissions			
Total air emissions	Cubic meter	17,066,674,864.00	21,613,150,263.00
Nonmethane hydrocarbons (NMHC) emissions	Kilograms	76,989.42	108,382.94
Hazardous Waste			
Total hazardous waste	Tons	25,329.81	46,882.66
Intensity of hazardous waste by revenue	Kilograms/1,000 CNY	1.53	2.05
Non-hazardous Waste			

	Unit	2020	2021
Total Non-hazardous waste	Tons	4,097.13	6,674.00
Intensity of non-hazardous waste by revenue	Kilograms/1,000 CNY	0.25	0.29
Water Resource			
Water consumption	Cubic meter	2,647,027.00	3,480,311.00
By water sources: municipal water supply	Cubic meter	2,643,320.00	3,460,306.00
By water sources: Reclaimed water from other enterprises or organizations	Cubic meter	3,707.00	20,005.00
Intensity of water consumption by revenue	Cubic meter / 1,000 CNY	0.160	0.152
Packaging Material			
Total amount of packaging material used for finished product	Tons	2,355.00	6,334.20
Intensity of packaging material used for finished product	Kilograms/1,000 CNY	0.14	0.28

Social KPIs

	Unit	2020	2021
Quality & Service			
Number of products and service related complaints received	/	/	0
Customer satisfaction	%	/	92
Customer complaint handling rate	%	100	100
Supplier			
Number of suppliers by geographical region [29]			
Number of suppliers in Asia	No. of suppliers	/	4,671
Number of suppliers in North America	No. of suppliers	/	1,460
Number of suppliers in Europe	No. of suppliers	/	2,086
Number of suppliers in other areas	No. of suppliers	/	9
Suppliers ESG audit			
Number of suppliers participating in the audit	No. of suppliers	/	225
Supplier training			
Total supplier training hours on ESG (including business ethics)	Hours	/	138
Employee [30]			
Total number of employees	No. of people	26,411	34,912

	Unit	2020	2021
Number of employees by gender			
Men	No. of people	12,330	16,193
Women	No. of people	14,015	18,694
Unknown [31]	No. of people	66	25
Number of employees by age			
Below 30	No. of people	15,359	21,425
30 to 50	No. of people	10,421	12,816
Over 50	No. of people	573	671
Unknown [32]	No. of people	58	/
Number of employees by job position			
Junior level	No. of people	24,896	33,074
Middle level	No. of people	1,186	1,444
Senior level	No. of people	329	394
Number of employees by education degree			
Ph.D	No. of people	1,141	1,302

	Unit	2020	2021
Master	No. of people	7,987	9,699
Bachelor	No. of people	12,857	17,432
Undergraduate	No. of people	4,426	6,479
Number of employees by region[33]			
Asia	No. of people	/	32,868
North America	No. of people	/	1,721
Europe	No. of people	/	323
Number of employees by category[34]			
Full-time	No. of people	/	34,912
Others	No. of people	/	1,718
Employee turnover			
Employee turnover rate	%	13.06	15.35
Voluntary employee turnover rate	%	11.86	14.36
Employee turnover rate by gender			
Men	%	/	14.00
Women	%	/	17.25

	Unit	2020	2021
Employee turnover rate by age			
Younger than 30	%	/	16.08
Age 30 to 50	%	/	13.99
Older than 50	%	/	16.44
Employee turnover rate by region			
Asia	%	/	14.65
North America	%	/	27.23
Europe	%	/	12.23
Employee training – percentage of employees trained			
Percentage of employees trained	%	/	100
Percentage of employees trained by gender			
Men	%	/	46.38
Women	%	/	53.55
Unknown	%	/	0.07
Percentage of employees trained by job position			
Junior employees	%	/	94.73
Middle management	%	/	4.14

	Unit	2020	2021
Senior management	%	/	1.13
Employee training – training hours per employee			
Training hours per employee	Hours	48	46
Training hours per employee by gender			
Men	Hours	39	48
Women	Hours	56	45
Training hours per employee by job position			
Junior employees	Hours	47	46
Middle management	Hours	70	46
Senior management	Hours	10	37
Labor diversity			
Number of senior management - women	No. of people	92	115
Percentage of senior management - women	%	27.96	29.19
Average proportion of women in senior management in last three years	%	26.88	28.48
Number of new employees	No. of people	/	16,554
Number of new employees - women	No. of people	/	8,984

	Unit	2020	2021
Number of ethnic minorities employees working in Mainland China	No. of people	656	1,164
Health and safety			
Work-related fatality and injury[35]			
Number of work-related fatalities	No. of people	0	0
Percentage of work-related fatalities	%	0	0
Lost days due to work injury	Days	569	1,190
Lost time injury rate (LTIR)	Per 200,000 hours worked	/	0.12
EHS training			
Total EHS training hours	Hours	349,971	754,321
EHS training hours per employee	Hours	13.25	21.61
EHS investment			
Employee health and safety investment	1,000 CNY	101,443	137,936
Social investment			
Charity and social welfare investment	1,000 CNY	2,180	10,248

Appendix

Appendix I: Index Table of HKEx ESG Reporting Guide

Subject Areas, Aspects, General Disclosures and KPIs		Chapter
A.Environment		
Aspect A1	Emissions	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. *Note: Air emissions include NOx, Sox, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.*	Protecting our planet: Climate change Protecting our planet: Emissions management
KPI A1.1	The types of emissions and respective emissions data.	Protecting our planet: Emissions management
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting our planet: Climate change
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting our planet: Emissions management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting our planet: Emissions management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Protecting our planet: Climate change Protecting our planet: Emissions management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Protecting our planet: Emissions management

Subject Areas, Aspects, General Disclosures and KPIs		Chapter
Aspect A2	Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. *Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.*	Protecting our planet: Climate change Protecting our planet: Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Protecting our planet: Climate change
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Protecting our planet: Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Protecting our planet: Climate change
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Protecting our planet: Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Protecting our planet: Resources
Aspect A3	The Environment and Natural Resources	
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Protecting our planet: Climate change
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Protecting our planet: Climate change
Aspect A4	Climate Change	
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Protecting our planet: Climate change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Protecting our planet: Climate change

Subject Areas, Aspects, General Disclosures and KPIs		Chapter
B. Social		
Aspect B1	Employment and Labor Practices	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	·Empowering our community: Our employees
KPI B1.1	Total workforce by gender, employment type (for example, full – or part – time), age group and geographical region.	Empowering our community: Our employees
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Empowering our community: Our employees
Aspect B2	Health and Safety	
General Disclosure	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Empowering our community: Our workplace
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Empowering our community: Our workplace
KPI B2.2	Lost days due to work injury.	Empowering our community: Our workplace
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Empowering our community: Our workplace
Aspect B3	Development and Training	
General Disclosure	Policies on improving employees knowledge and skills for discharging duties at work. Description of training activities. *Note: Training refers to vocational training. It may include internal and external courses paid by the employer.*	Empowering our community: Our employees
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Empowering our community: Our employees

Subject Areas, Aspects, General Disclosures and KPIs		Chapter
KPI B3.2	The average training hours completed per employee by gender and employee category.	Empowering our community: Our employees
Aspect B4	Labor Standards	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Empowering our community: Our employees
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Empowering our community: Our employees
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Empowering our community: Our employees
Aspect B5	Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supporting our customers: Supply chain management
KPI B5.1	Number of suppliers by geographical region.	Supporting our customers: Supply chain management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supporting our customers: Supply chain management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supporting our customers: Supply chain management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supporting our customers: Supply chain management
Aspect B6	Product Responsibility	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Supporting our customers: Quality excellence Being a responsible citizen: Business ethics Being a responsible citizen: Information ethics

Subject Areas, Aspects, General Disclosures and KPIs		Chapter
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Supporting our customers: Customer experience
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Being a responsible citizen: Information ethics
KPI B6.4	Description of quality assurance process and recall procedures.	Supporting our customers: Quality excellence
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Being a responsible citizen: Information ethics
Aspect B7	Anti-corruption	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Being a responsible citizen: Business ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Being a responsible citizen: Business ethics
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Being a responsible citizen: Business ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Being a responsible citizen: Business ethics
Aspect B8	Community Investment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Empowering our community: Our community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Empowering our community: Our community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Empowering our community: Our community

Appendix II: Contribution to the United Nations Sustainable Development Goals

WuXi AppTec focuses on the Global Sustainable Development Goals (SDGs), practice social responsibility and layout global industries.

Contribution to SDGs	Action-Involving Chapters
	Being a responsible citizen Supporting our customers Empowering our community
	Empowering our community
	Empowering our community
	Protecting our planet
	Empowering our community

Contribution to SDGs	Action-Involving Chapters
	Empowering our community
	Being a responsible citizen Supporting our customers Protecting our planet
	Protecting our planet
	Supporting our customers Empowering our community

Appendix III: GRI Reference Table

Disclosure of Topics/Items	Description	Chapter
GRI 101 Basis 2016		
GRI 102 General Disclosure 2016		
Group Profile		
102-1	Name of the organization	About This Report
102-2	Activities, brands, products, and services	About WuXi AppTec: Our business
102-3	Location of headquarters	About WuXi AppTec: Our business
102-4	Location of operations	About WuXi AppTec: Our business
102-6	Markets served	About WuXi AppTec: Our business
102-7	Scale of the organization	About WuXi AppTec: Our business
102-8	Information on employees and other workers	Empowering our community: Our employees
102-9	Supply chain	Supporting our customers: Supply chain management
102-10	Significant changes to the organization and its supply chain	Supporting our customers: Supply chain management
102-13	Membership of associations	Supporting our customers: Supply chain management
Strategy		
102-14	Statement from senior decision-maker	Message from the Chairman and CEO

Disclosure of Topics/Items	Description	Chapter
Ethics and Integrity		
102-16	Values, principles, standards and norms of behavior	About WuXi AppTec: Our business
Management		
102-18	Governance structure	About WuXi AppTec: Our governance
Stakeholder Involvement		
102-40	List of stakeholder groups	About WuXi AppTec: Our stakeholders
102-42	Identifying and selecting stakeholders	About WuXi AppTec: Our stakeholders
102-43	Approach to stakeholder engagement	About WuXi AppTec: Our stakeholders
102-44	Key topics and concerns raised	About WuXi AppTec: Our stakeholders
Reporting Practice		
102-45	Entities included in the consolidated financial statements	About this report
102-46	Defining report content and topic Boundaries	About this report
102-47	List of material topics	About WuXi AppTec: Our stakeholders
102-48	Restatements of information	About this report
102-49	Changes in reporting	About this report
102-50	Reporting period	About this report
102-51	Date of the most recent report	About this report

Disclosure of Topics/Items	Description	Chapter
102-52	Reporting cycle	About this report
102-53	Contact point for questions regarding the report	About this report
102-55	GRI Standards	Appendix III: GRI Reference Table
Substantive Issues		
Economics		
GRI 201 Economic Performance of 2016		
201-1	Economic value directly generated and distributed	About WuXi AppTec: Our business
GRI 205 Anti-Corruption 2016		
205-1	Operations assessed for risks related to corruption	Being a responsible citizen: Business ethics
205-2	Communication and training about anti-corruption policies and procedures	Being a responsible citizen: Business ethics
205-3	Confirmed incidents of corruption and actions taken	Being a responsible citizen: Business ethics
GRI 206 Anti-Competitive Behavior of 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Being a responsible citizen: Business ethics
Environment		
GRI 301 Material 2016		
301-1	Materials used by weight or volume	Protecting our planet: Resources
GRI 302 Energy 2016		

Disclosure of Topics/Items	Description	Chapter
302-1	Energy consumption within the organization	Protecting our planet: Climate change
302-3	Energy intensity	Protecting our planet: Climate change
302-4	Reduction of energy consumption	Protecting our planet: Climate change
302-5	Reductions in energy requirements of products and services	Protecting our planet: Climate change
GRI 303 Water 2016		
303-1	Water withdrawal by source	Protecting our planet: Resources
303-3	Water recycling and reuse	Protecting our planet: Resources
GRI 305 Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Protecting our planet: Climate change
305-2	Energy indirect (Scope 2) GHG emissions	Protecting our planet: Climate change
305-4	GHG emission intensity	Protecting our planet: Climate change
GRI 306 Effluents and Waste 2016		
306-1	Water discharge by quality and destination	Protecting our planet: Emissions management
306-2	Waste by type and disposal method	Protecting our planet: Emissions management
GRI 308 Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Supporting our customers: Supply chain management
Society		

Disclosure of Topics/Items	Description	Chapter
GRI 401 Employment 2016		
401-1	New employee hires and employee turnover	Empowering our community: Our employees
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Empowering our community: Our employees
GRI 403 2016 GRI 403 Occupational Health and Safety 2016		
403-1	Types of work-related injuries, rates of work-related injuries, occupational diseases, lost working days, absenteeism, etc	Empowering our community: Our workplace
GRI 404 Training and Education 2016		
404-1	Average hours of training per year per employee	Empowering our community: Our employees
404-2	Programs for upgrading employee skills and transition assistance programs	Empowering our community: Our employees
404-3	Percentage of employees who undergo regular performance and career development reviews	Empowering our community: Our employees
GRI 405 Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Empowering our community: Our employees
GRI 416 Customer Health and Safety 2016		
406-1	Incident of discrimination and corrective action taken	Empowering our community: Our employees
GRI 416 Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Supporting our customers: Quality excellence

Disclosure of Topics/Items	Description	Chapter
GRI 417 Marketing and Logo 2016		
417-1	Requirements for product and service information and labeling	Being a responsible citizen: Business ethics
417-2	Incidents of non-compliance concerning product and service information and labeling	Being a responsible citizen: Business ethics
417-3	Incidents of non-compliance concerning marketing communications	Being a responsible citizen: Business ethics
GRI 418 Customer's Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Being a responsible citizen: Information ethics

Appendix IV: List of Laws and Regulations

Chinese laws and regulations	Chapter
Company Law of the People's Republic of China	About WuXi AppTec: Our Governance
Securities Law of the People's Republic of China	
Criminal Law of the People's Republic of China	
Anti-Unfair Competition Law of the People's Republic of china	Being a responsible citizen: Business ethics
Advertising Law of the People's Republic of China	
China Cybersecurity Law	Being a responsible citizen: Information ethics
Good Clinical Practice	Being a responsible citizen: Ethics in discovery and development
Guidelines for the Development of the Ethics Review Committee for Clinical Research Involving Human Beings	
Ethical Examination Measures for Biomedical Research Involving Human Beings	
Guidelines for the Development of the Ethics Review Committee for Clinical Research Involving Human Beings	
Good Vigilance Practice	
Guidance for Ethical Review Work of Drug Clinical Trials	
Regulations on the Administration of Experimental Animals	
Administration Measures of Experimental Animals in Jiangsu Province	
Shanghai Administrative Measures of Experimental Animals	

Chinese laws and regulations	Chapter
Energy Conservation Law of the People's Republic of China	Protecting our planet: Climate change
Environmental Protection Law of the People's Republic of China	
Law of the People's Republic of China on the Prevention and Control of Water Pollution	Protecting our planet: Emissions management
Law of the People's Republic of China on the Prevention of Air Pollution	
Law of the People's Republic of China on the Prevention and Control of Environmental Pollution of Solid Waste	
Law of the People's Republic of China on the Prevention and Control of Soil Pollution	
Law of the People's Republic of China on the Prevention and Control of Pollution from Environmental Noise	
Shanghai Domestic Waste Management Regulation	
Labor Law of the People's Republic of China	Empowering our community: Our employees
Labor Contract Law of the People's Republic of China	
Employment Promotion Law of the People's Republic of China	
Special Provisions on the Labor Protection of Female Employees	
Law of the People's Republic of China on the Protection of Minors	
Law of the People's Republic of China on Donations for Public Welfare Undertakings	Empowering our community: Our community

List of Laws and Regulations

European and North American laws and regulations	Chapter
Foreign Corrupt Practices Act in the U.S.	Being a responsible citizen: Business ethics
Federal Trade Commission Act in the U.S.	
The Truth in Advertising Act in the U.S.	
The General Data Protection Regulation in the EU	Being a responsible citizen: Information ethics
The Data Protection Act in the US	
The Animal Welfare Act in the U.S.	Being a responsible citizen: Ethics in discovery and development
PHS Policy on Humane Care and Use of Laboratory Animals in the U.S.	
AVMA Guidelines on Euthanasia in the U.S.	
The Energy Policy Act of 2005 in the U.S.	Protecting our planet: Climate change
The Clean Water Act in the U.S.	Protecting our planet: Emissions management
The Clean Air Act in the U.S.	
The Solid Waste Disposal Act in the U.S.	
Uniformed Services Employment and Reemployment Rights Act in the U.S.	Empowering our community: Our employees
Employee Rights for Workers with Disabilities Paid at Special Minimum Wages in the U.S.	
Pay Transparency Nondiscrimination Provision in the U.S.	

Appendix V: List of Internal Polices

Internal polices	Chapter
Articles of Association	About WuXi AppTec: Our Governance
Board Diversity Policy	
WuXi AppTec Information Disclosure Policy	About WuXi AppTec: Our stakeholders
Rules of Procedure of the Environmental, Social and Governance Committee	ESG strategy
Environment, Social and Governance Rules	
WuXi AppTec Reward and Punishment Management Policies	
WuXi AppTec Compliance and Anti-Corruption Incentive Fund Policy	
EHS Reward and Punishment Regulation	
the Code of Business Conduct and Ethics	Being a responsible citizen: Business ethics
Responsible Marketing Policy	
Supplier Code of Conduct	
Management Guidelines for Supply Chain Procurement Policy and Procedures	
WuXi AppTec Employee Information Security Policy	
Procedures and the Letter of Commitment on Integrity and Compliance	
the Basic Norms of Enterprise Internal control	
Internal Audit Policy	

Internal polices	Chapter
the Integrity Requirements and Code of Conduct for Cadres	Being a responsible citizen: Business ethics
WuXi AppTec Anti-Corruption Policy	
WuXi AppTec Report and Investigation Policy	
Compliance Guidelines	
Engineering Audit Policy	
External Communication Policy	
Guidelines on Marketing Activities	
Guidelines on WuXi AppTec Live Studio Management	
Customer Complaint Management Guidelines	
WuXi AppTec Employee Information Security Management Policy	Being a responsible citizen: Information ethics
WuXi AppTec IT Account Authority Policy	
WuXi AppTec IT Office Configuration Service Policy	
Basic Requirements for IT Information Security Management	
IT System Training Management Rules	
Information Security Incident Management Rules	

List of Internal Polices

Internal polices	Chapter
IT Information Security Risk Assessment Management Rules	Being a responsible citizen: Information ethics
Management System of Access Cards and Keys	
Regulations on the Access Control of Personnel and Vehicles in the Company's Parks	
WuXi AppTec Trade Secrets Compliance Management Policy	
Intellectual Property Handbook	
Regulations on Knowledge-related Risk Management and Dispute Settlement	
Quality Manual	Supporting our customers: Quality excellence
Validation Manual	
Product Recall	
Complaints Management Procedure	Supporting our customers: Customer experience
Regulations on Customer Service	
Policy on Customer Satisfaction in Visiting Reception	
Sustainable Supply Chain Policy	Supporting our customers: Supply chain management
Environment Management Manual	Protecting our planet: Climate change
Contingency Plan for Environmental Emergency	

Internal polices	Chapter
Protocol of Environment Protection Management Rules	Protecting our planet: Emissions management
Wastewater Disposing System Operation Management	
Waste Management Policy	
Waste Management Procedure	
Resource Policies	Protecting our planet: Resources
Electricity Device Rules	
Employee and Management Diversity Policy	Empowering our community: Our employees
Employee Diversity Policy	
Measures for the Administration of Employee Recruitment	
WuXi AppTec Employees Manual	
Regulations on the Management of Employee Change and Dismissal	
WuXi AppTec Compensation and Benefits Management Policy	
Measures for the Administration of Attendance and Holiday of Employees	
Employee Performance Management Policy	
WuXi AppTec Employee Promotion Management Policy	

List of Internal Polices

Internal polices	Chapter
EHS Accident or Incident Reporting and Investigation Policy	Empowering our community: Our workplace
EHS Policies, Organizational Structures and Responsibility Policy	
Industrial Health (Occupational Health) Policy	
Occupational Hazard Factor Control Procedures	
Regulations on Occupational Health Monitoring and Protection	
Regulations on Safety Risk Assessment	
EHS Training and Evaluation Policy	
EHS Inspection and Audit Guidelines	
Regulations on EHS Accident Report and Investigation	
Fire Safety Rules	
Chemicals Safety Regulations	
Pandemic Prevention Guide	
Contingency Plan for Fighting Pandemic	
Pandemic Control Guideline	
Donation and Sponsorship Policy of WuXi AppTec	Empowering our community: Our community

Appendix VI: List of Notes

1. CRDMO: Contract Research Development and Manufacturing Organization
2. CTDMO: Contract Testing Development and Manufacturing Organization
3. Company website: https://www.wuxiapptec.com/
4. United Nations' Sustainable Development Goals (SDGs): https://sdgs.un.org/
5. ESG Committee Charter: https://esg.wuxiapptec.com/static/ESG_Committee_English.pdf?v=20210331
6. Code of Conduct on Business Ethics: https://esg.wuxiapptec.com/uploads/files/5382387b62aeec1a3c1fa6fab61188c1.pdf
7. Responsible Marketing Policy: https://esg.wuxiapptec.com/uploads/files/583f203040d088aed6ad54754392b8f0.pdf
8. MDM: Mobile Data Management
9. ICH: International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use
10. GCP: Good Clinical Practice
11. 3Rs principle is a widely accepted balance between animal suffering and research needs. These are reduction, refinement, and replacement. Reduction: experiments should be designed to reduce the number of animals used as much as possible, using single-sex animals and a small number of animals. Refinement: minimize the pain and suffering of the animals as much as possible while meeting the requirements of the experiment. Replacement: the use of other methods to achieve a certain experimental purpose without the use of animals for the experiment or other research topics.
12. GCP (Good Clinical Practice) is the requirement to manage and regulate the clinical trial of drugs.
13. GLP (Good Laboratory Practice) is a basic guideline that must be followed for preclinical studies of drugs.
14. GMP (Good Manufacturing Practice) is a set of mandatory standards for the pharmaceutical and food industries, requiring enterprises to meet health and quality requirements in terms of raw materials, personnel, facilities and equipment, production processes, packaging and transportation, quality control, etc. in accordance with relevant national regulations, forming a set of operational specifications.

15. Pharmaceutical Supply Chain Initiative: https://pscinitiative.org/home

16. Environmental Protection Approach: https://esg.wuxiapptec.com/uploads/files/ee4baa43e1d641b4723553862e982d92.pdf

17. IPCC (UN Intergovernmental Panel on Climate Change) report: https://www.ipcc.ch/sr15/

18. Paris Agreement in 2015: https://www.un.org/en/climatechange/paris-agreement

19. The UN Climate Change Conference in Glasgow (COP26): https://www.un.org/en/climatechange/cop26

20. Task Force on Climate-related Financial Disclosure (TCFD): https://www.fsb-tcfd.org/

21. World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) GHG Protocol Corporate Accounting and Reporting Standard: https://ghgprotocol.org/

22. Green Certificates: are electronic certificates with unique code identification issued by the state for each megawatt-hour of non-water renewable energy feed-in tariff by a power producer, generally issued by an independent third party. The purchaser of a Green Certificate is, in effect, granted the right to declare that it uses green energy.

23. ILO Declaration on Fundamental Principles and Rights at Work: https://www.ilo.org/declaration/lang--en/index.htm

24. Employee Diversity Policy: https://esg.wuxiapptec.com/uploads/files/c493291217c2bf9087be5aa76b3ac16c.pdf

25. World Health Organization, WHO: https://www.who.int/medicines/areas/priority_medicines/Ch6_19Rare.pdf

26. The data scope of environmental KPIs is the same as the annual report.

27. In order to ensure the comparability and traceability of energy consumption targets, the data accounting basis for 2020 has been revised to be consistent with the basis for establishing energy consumption targets and the basis for accounting for energy consumption in 2021. Calculation of energy consumption of operations in China by reference to the General Principles of Comprehensive Energy Consumption Calculation (GB2589-2020) issued by the State Administration for Market Regulation and the Standardization Administration of China. Calculation of energy consumption of operations oversea by reference to U.S. Environmental Protection Agency issued Emission Factors for Greenhouse Gas Inventories – 2021.

28. In order to ensure the comparability and traceability of greenhouse gas emission targets, the basis for data accounting in 2020 has been revised to be consistent with the basis for establishing greenhouse gas emission targets and the basis for accounting for greenhouse gas emissions in 2021. Calculation of greenhouse gas emissions of operations in China by reference to the National Development and Reform Commission of the People's Republic of China issued Industrial Companies in Other *Industries* in Greenhouse Gas Emissions Accounting Methods and Reporting Guidelines. Calculation of greenhouse gas emissions of operations oversea by reference to U.S. Environmental Protection Agency issued Emission Factors for Greenhouse Gas Inventories – 2021 and Intergovernmental Panel on Climate Change (IPCC) released the 2006 IPCC national greenhouse gas inventory guide.

29. The geographical region classification methods have been amended in 2021.
30. The data scope in 2020 and 2021 are the same as the annual reports.
31. Some of employees are not willing to define their gender.
32. Some of employees are not willing to tell their age.
33. The geographical region classification methods have been amended in 2021.
34. The number of employees consistent with the scope of the annual report are full-time employees, and other forms of employment mainly include interns, third-party laborers, and contractors.
35. The number and percentage of work-related fatalities are 0 in the past three years.

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