



2018

Corporate Social
Responsibility Report

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Message from the Chairman

"Our goal is to build a truly enabling platform for our broader ecosystem that empowers anyone and any company to realize their dreams for innovative breakthroughs. Working with our partners, we will continue to improve productivity, and expedite the delivery of innovative medicines to patients. WuXi's dream is for a future where every drug can be made, and every disease can be treated."

Ge Li, Ph.D., Chairman and Chief Executive Officer of WuXi AppTec



Chairman and Chief Executive
Officer of WuXi AppTec



Since 2000 when WuXi AppTec was founded, every step we take has been inspired by our dream that one day, every drug can be made and every disease can be treated.

As we work to tackle human diseases in all their complexity, we are acutely aware of the productivity limitations of traditional R&D models in delivering life-saving new therapies for patients. It has dawned upon us that an open-access enabling platform can significantly lower the barriers of R&D and accelerate development of new healthcare products. That's why at WuXi, we are devoted to this worthy cause and remain acutely aware of the important social responsibility such work entails.

By building the most comprehensive capability and technology platform for the global healthcare industry, we are enabling the global innovators to move forward in their endeavors. It gives us tremendous pride in serving over 3,000 collaborative partners whose mission is to bring better medicines to patients. For us, this has been immensely rewarding.

In 2018, we made significant headway in the delivery of innovative projects, and introduced green manufacturing and operations across all WuXi businesses. The ethical focus in the

way we do business was bolstered by a company-wide culture centering on the creation of a vibrant, employee-friendly workplace, with clear career pathways and work-life balance.

This is our first CSR report after the successful listings of WuXi AppTec on both the A-shares and H-shares markets. This report therefore is a milestone, marking our continued focus on our social responsibilities, a focus that has brought us where we are in our journey, and will continue to guide our future endeavor.

At WuXi, we will relentlessly enhance our enabling platform with the most comprehensive capabilities and the most cutting-edge technologies by working together and enabling others. Our goal is to build the foundations upon which any one, and any company, can be empowered to realize their innovation dreams. In doing so, we can continue to improve productivity, and bring new medicines to patients much faster.

Making a meaningful difference to patients, is our unwavering commitment, and the cornerstone of our social responsibility.

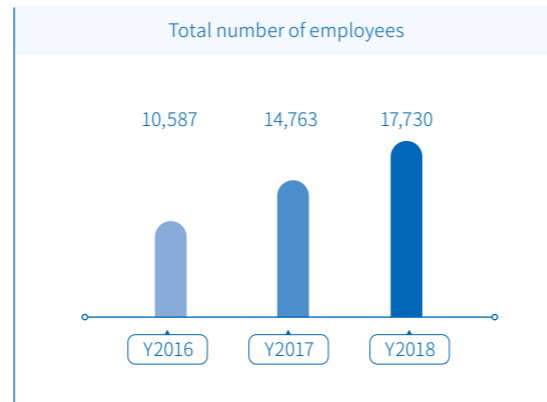
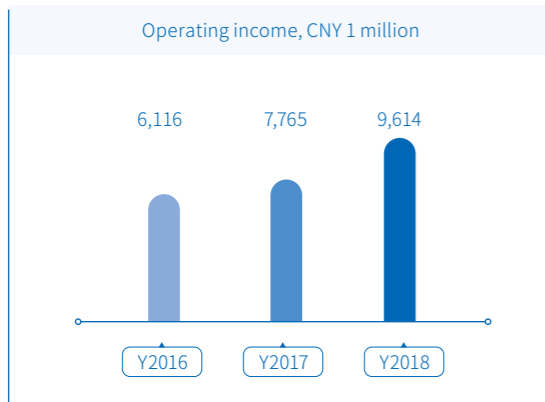
WuXi AppTec at a Glance

About Us

Company Profile



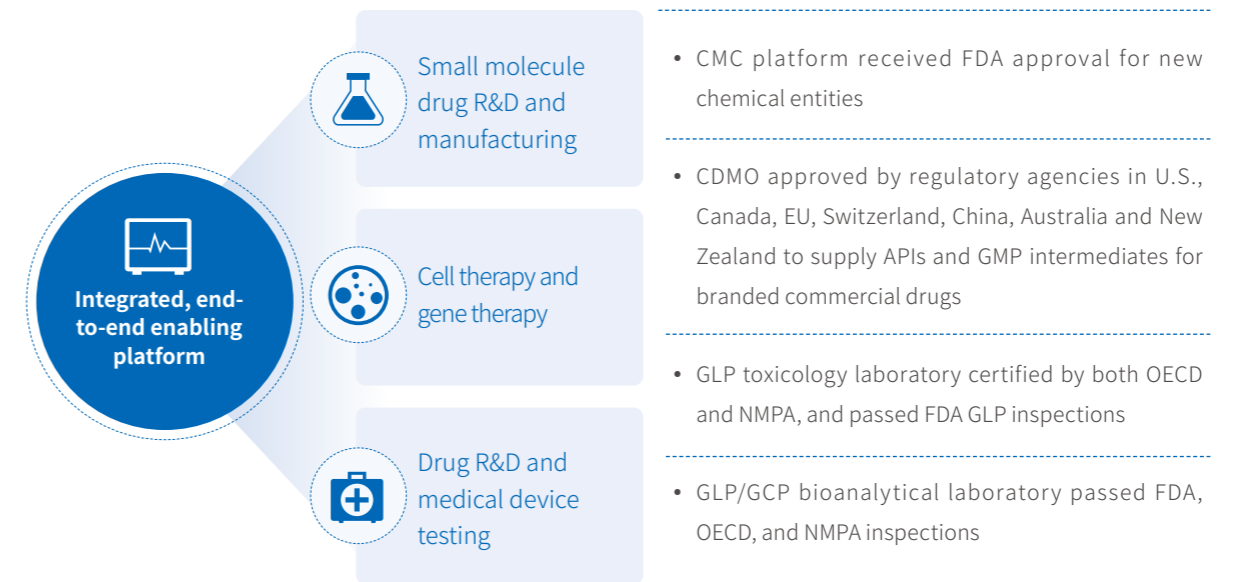
Company name : WuXi AppTec Co., Ltd.
 Stock code: 02359 (H-shares); 603259 (A-shares)
 Establishment: Y2000
 Headquarters: Shanghai, China
 Presence: 64 subsidiaries worldwide



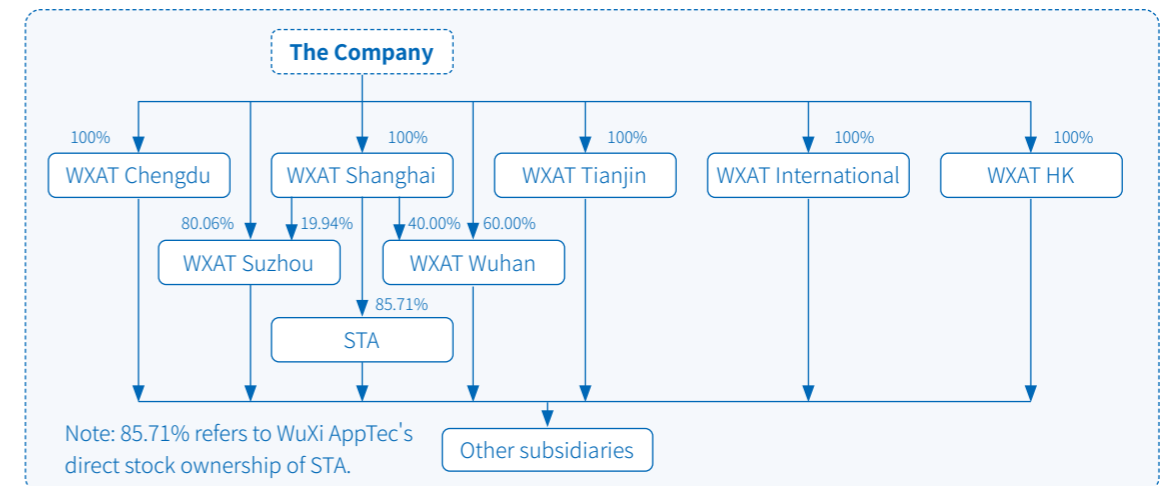
Leading Business

WuXi AppTec is a leading global pharmaceutical, medical device open-access capability and technology platform company with global operations. As an innovation-driven and customer-focused company, WuXi AppTec provides a broad and integrated portfolio of services to help our worldwide customers and partners shorten the discovery and development time and lower the cost of drug and medical device R&D through cost-effective and efficient solutions.

With its industry-leading capabilities in chemical drugs R&D and manufacturing, cell therapy and gene therapy R&D and manufacturing, pharmaceutical discovery services, and medical device testing, WuXi AppTec's platform is enabling more than 3,500 partners from more than 30 countries to bring innovative healthcare products to patients, and to fulfill the Company's dream that "every drug can be made and every disease can be treated."



Organizational Structure



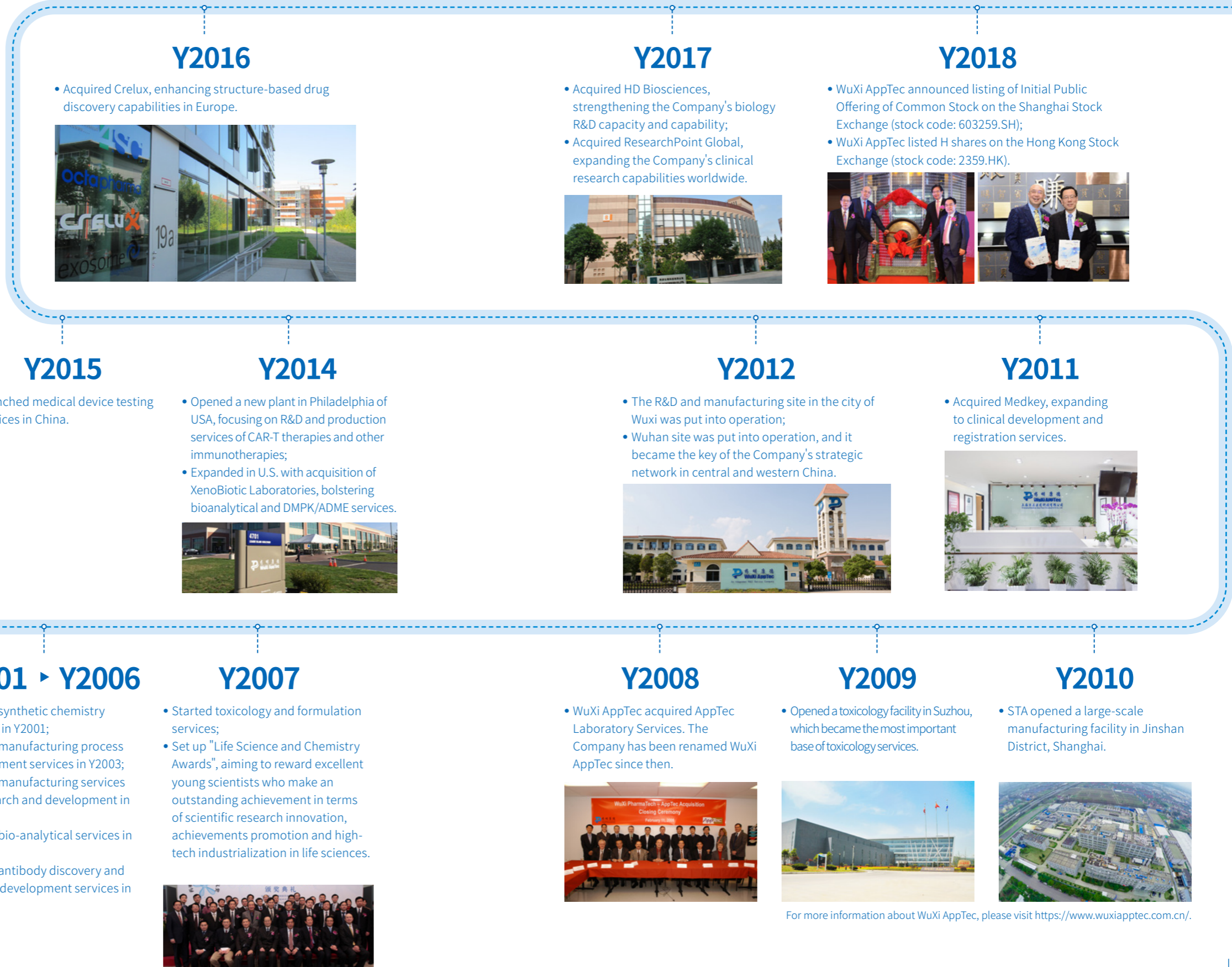
Global Presence

WuXi AppTec boasts 64 subsidiaries globally, including China, the US, the UK and Germany, etc.



Corporate History

WuXi AppTec has evolved from a laboratory of 650 square meters with four founders to an international company with over 18,000 employees. Today, WuXi AppTec is serving over 3,500 partners worldwide, with thousands of R&D and clinical manufacturing programs driven by our platform.



Our CSR Philosophy

CSR philosophy is deeply rooted in the corporate culture of WuXi AppTec. Our vision is that "every drug can be made and every disease can be treated" through building the open-access platform with the most comprehensive capabilities and technologies in the global healthcare industry. This not only reflects our striving for excellence of business, but also demonstrates our great sense of responsibility to serve the healthcare industry, the community and human beings through our expertise.

Vision

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

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.

Values

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

Code of conduct

Put Customers First

Exceed customers' expectations, maximize the value for our customers, and win customers' loyalty with a 100% customer retention rate.

Demonstrate Integrity

Take the initiative to promote a positive work environment where doing the right thing is the standard. Be positive and enthusiastic. Approach challenges with energy and optimism.

Strive for Excellence

Pursue focus and expertise, and optimize processes in order to deliver excellent results. Relentlessly drive learning, accumulation, improvement and innovation.

Execute for Results

Drive effective execution of each project and objective, focusing on solutions and results.

Pursue Collaboration and Teamwork

Engage in collaboration and mutual development with an open and win-win mindset by sharing resources and leveraging the complementary advantages of each.

Embrace Change and Drive Innovation

Demonstrate flexibility and ability to embrace change. Adapt quickly to transformational and innovative conditions with a strong commitment to breakthroughs and development.

CSR Model

Healthcare industry

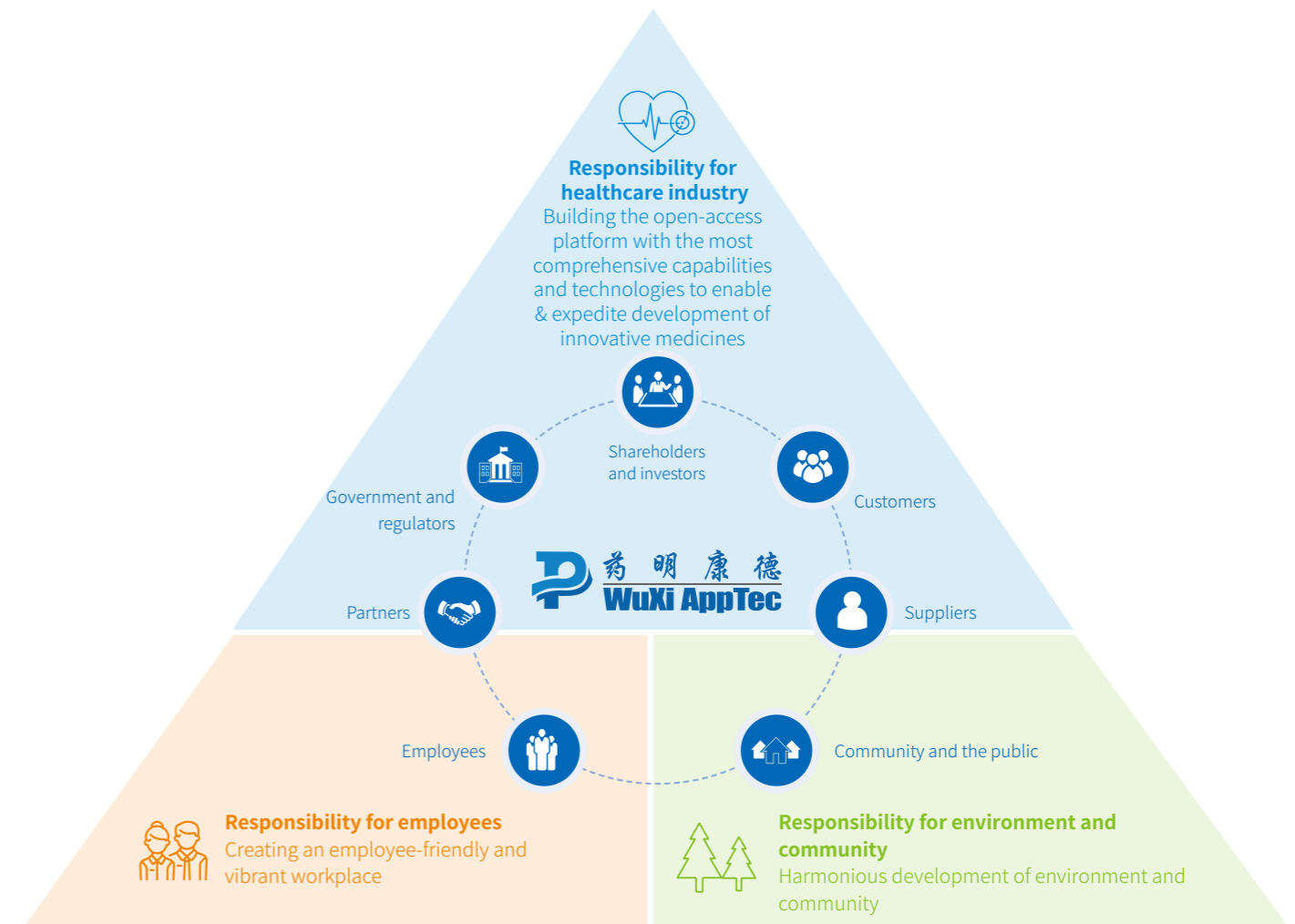
As a pharmaceutical, medical device open-access capability and technology platform company, WuXi AppTec continuously improves capacity and capabilities of the integrated platform to enable more innovators and entrepreneurs to participate in various steps of drug R&D and enable more research institutions, scientists, hospital and doctors to realize their own R&D dreams, thus benefiting more patients. This is an important path of WuXi AppTec to make contributions to the healthcare industry and the community.

Environment & community

WuXi AppTec recognizes that environment & community are the crucial cornerstones of our sustainable development, and our manufacturing and operating activities have certain impact on the natural environment. Therefore, green operation and harmonious development of environment & community are the important aspects of our fulfillment of social responsibility.

Employees





WuXi AppTec strives to create an employee-friendly and vibrant workplace, and the adequate development of employees provides a steady stream of momentum for the integrated platform of the Company.



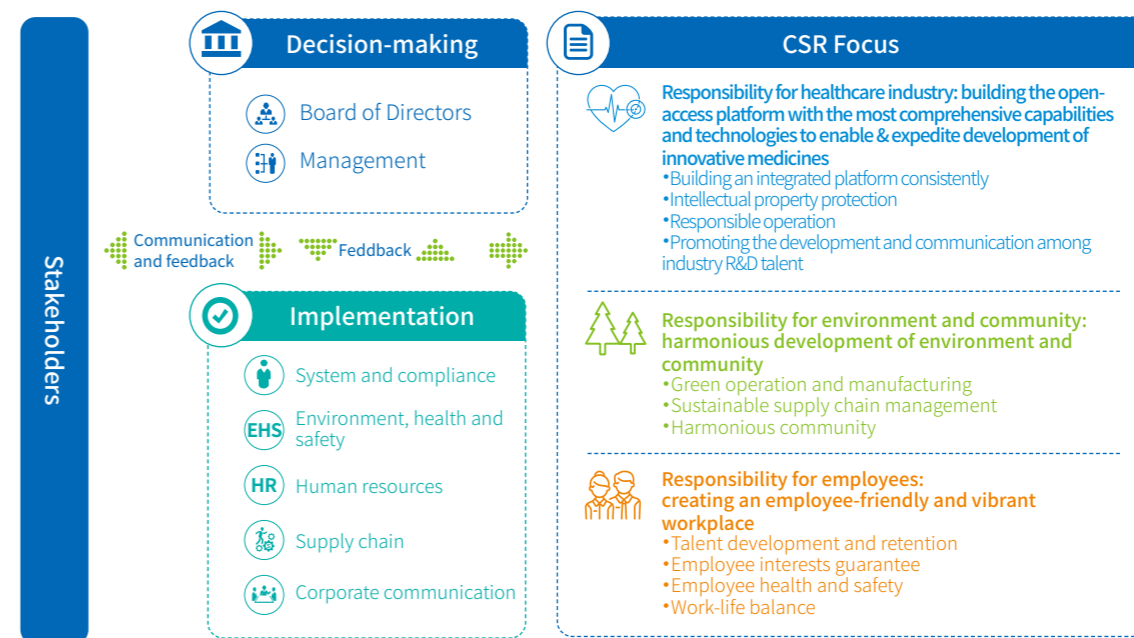
Stakeholder Communication and CSR Management

Based on our own business characteristics and operation characteristics, and with reference to the industry experience and practice worldwide, we have identified the key stakeholders of the Company, consisting of the government and regulators, shareholders and investors, customers, partners, employees, suppliers, and community and the public, and actively respond to their expectations through various channels and means.

Issues of Key Stakeholders and Our Response

Category	Description	Issues of concern	Communication channel	
 Government and regulators	China Securities Regulatory Commission (CSRC)	Compliance	On-site visits Correspondence Policy implementation Information disclosure	
	Hong Kong Securities and Futures Commission (SFC)	Risk management		
	Local governments	Pollution reduction		
	Tax authorities	Energy use		
	Environmental departments	Water use		
	Market regulation, etc.	Climate change		
 Shareholders and investors	Investors making equity/debt investments to the Company	Risk management Economic performance Corporate governance	Shareholders meeting Information disclosure Roadshow	
	 Customers	Start-ups, research institutions, scientists, entrepreneurs, hospitals and doctors, etc.	Intellectual property protection Product and service quality Business ethics	Customer survey Technical seminar Customer service hotline Customer satisfaction survey
 Partners		Industry associations	Industry co-development	Communication and on-site visits Industry forum
		 Employees	Employees	Talent development and retention Employee interests and benefits Occupational health and safety
 Suppliers	Suppliers of raw materials (e.g. experiment reagents, and equipment)		Responsible purchasing	Supplier evaluation Supplier communication and training
	 Community and the public		Community, the public, the media, etc.	Community and social benefits Pollution reduction Green chemistry

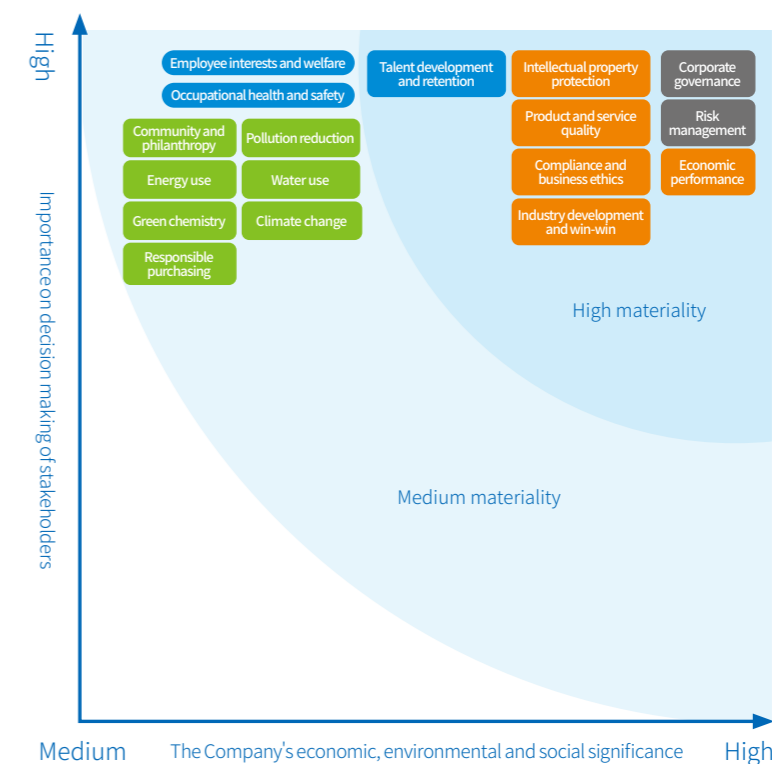
Senior management's attention and total involvement are indispensable for the effective social responsibility management. By integrating our CSR management with the expectations of stakeholders, WuXi AppTec divides the CSR tasks to various departments, which promote the CSR practice, in order to create value for stakeholders while realizing our own development.



Analysis of Material Issues

According to the HKEx ESG Reporting Guide and GRI Standards, we have identified a total of 17 CSR material issues in our operations.

Based on the CSR practice of industry peers, we have taken into consideration the vision and strategic direction of WuXi AppTec, stakeholders concern and expectations, applicable global standards and policies, as well as results from expert consultation, and have sorted the 17 material issues to obtain the matrix of materiality issues. The CSR report provides response to and disclosure of each materiality issue.



● Industry ● Employees ● Environment and community ● Governance

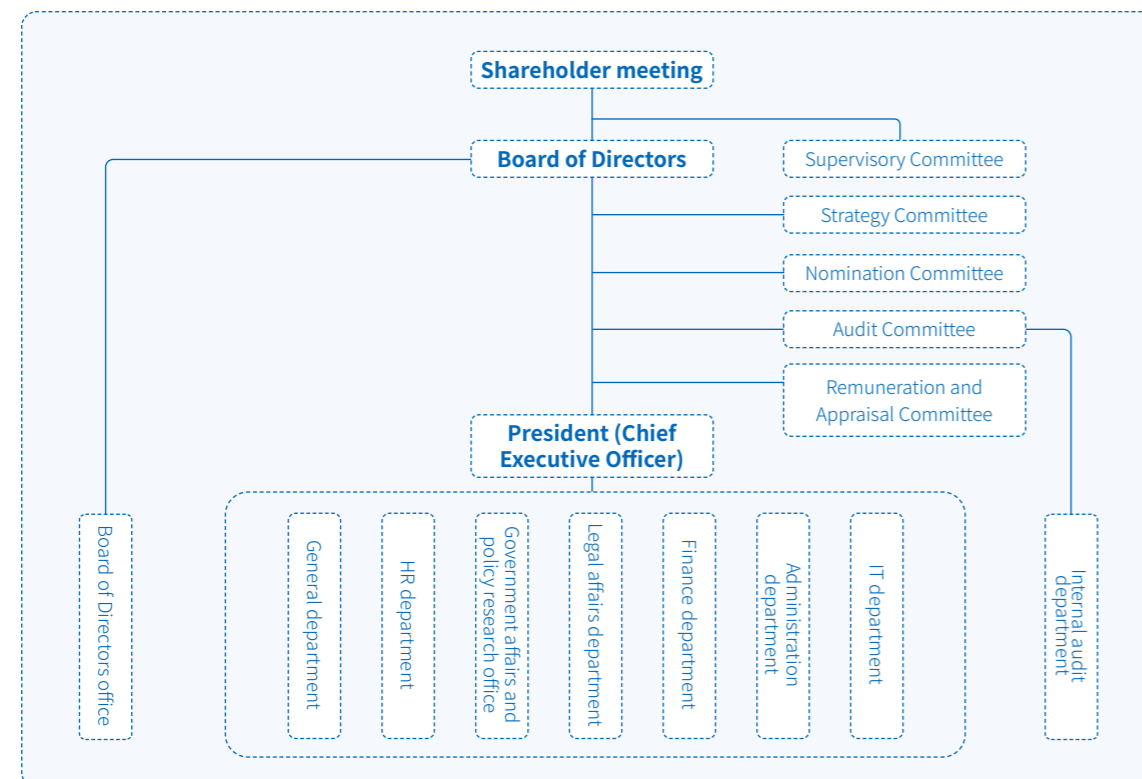
Corporate Governance

The Company carries out standard operation according to the requirements for listed companies, further improves the corporate governance structure, and fully utilizes the role shareholder meetings, the Board of Directors and the Supervisory Committee play in major decisions, business management and supervision. The Company strictly complies with the requirements of Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Code of Corporate Governance for Listed Companies, and other laws, regulations and normative documents. It continuously improves the corporate governance structure, in order to guarantee that shareholders can fully exercise their rights, the Board of Directors can exercise its powers according to laws and regulations and articles of association to make reasonable, rapid and prudent decisions; that independent Directors can earnestly perform their duties to safeguard the overall interests of the Company, particularly the legal interests of minority shareholders; and that the Supervisory Committee can independently and effectively exercise its supervision and inspection rights for Directors, general manager, other executives as well as the corporate finance to provide institutional guarantee for the development of the Company.

Meanwhile, based on the requirements of modern corporate system and the management experience of large-scale peers, WuXi AppTec sets up a management organization steered by the senior executives. The Company's management determines the business objective and development strategy through review of the operations of subsidiaries and divisions, analysis of market trends, and customer requirements.

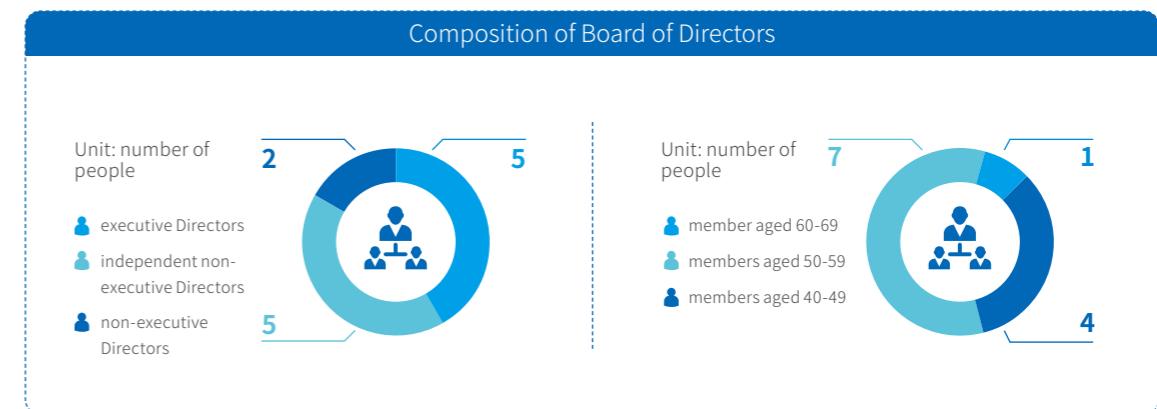
According to the Measures for Management of Subsidiaries, articles of associations of subsidiaries and partnership agreements, the Company exercises its rights of shareholders and partners to nominate and appoint the key management personnel of subsidiaries and divisions; and establishes the functional departments and work objectives of subsidiaries, in order to guarantee the proper implementation of the management decision of the Board of Directors and management of the Company. Each department has clear division of labor and perform their respective duties to guarantee the standard operation of the internal organization.

Organizational Chart



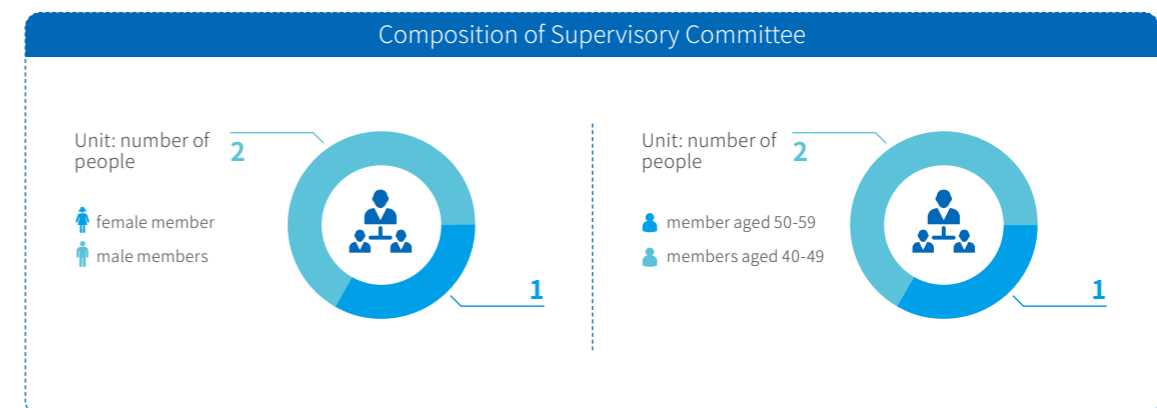
Board of Directors

Our Board consists of 12 Directors (ten males and two females), among whom, five are independent non-executive Directors. The Board is responsible, and has general authority for, the management and operation of our Company. Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office. Additionally, in accordance with relevant local laws, regulations, articles, and the corporate governance practice prescribed in the Hong Kong Listing Rules, we have formed four board committees, namely, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee. The Company convenes Board meetings on a regular basis, in accordance with the rules stipulated in the Company Law of the People's Republic of China.



Supervisory Committee

Our Supervisory Committee consists of three Supervisors, including the chairman of the Supervisory Committee and an employee representative Supervisor. Supervisors serve for a term of three years and shall be subject to re-election upon expiry of the term of office. One member in the Supervisory Committee is female.



Investor Communication

WuXi AppTec carries out investor communication through multiple channels. The year of 2018 marks the symbolic milestone of the Company's successful listing on both the A-shares and H-shares markets, and we carried out public presentations and roadshows to present our quarterly financial data, semi-annual financial data and IPO, which deepened the understanding of global capital market about WuXi AppTec. Moreover, we also carried out communication with minority investors through multiple channels as online roadshow, sns.sseinfo.com, and the Company's website, email and telephone, in order to guarantee their interests.

	Institutional investors	Minority investors
Communication channel	Public presentations, teleconferences, roadshows, broker strategy meetings, etc.	Online roadshow, sns.sseinfo.com, Company's website, email and telephone
Communication frequency	Since the successful listing on the A-shares market in May 2018, the Company has organized one in-person investor communication meeting and over 100 roadshows, participated in nearly 10 investment bank and broker meetings, and received over 60 visits by investors and analysts.	

Internal Control

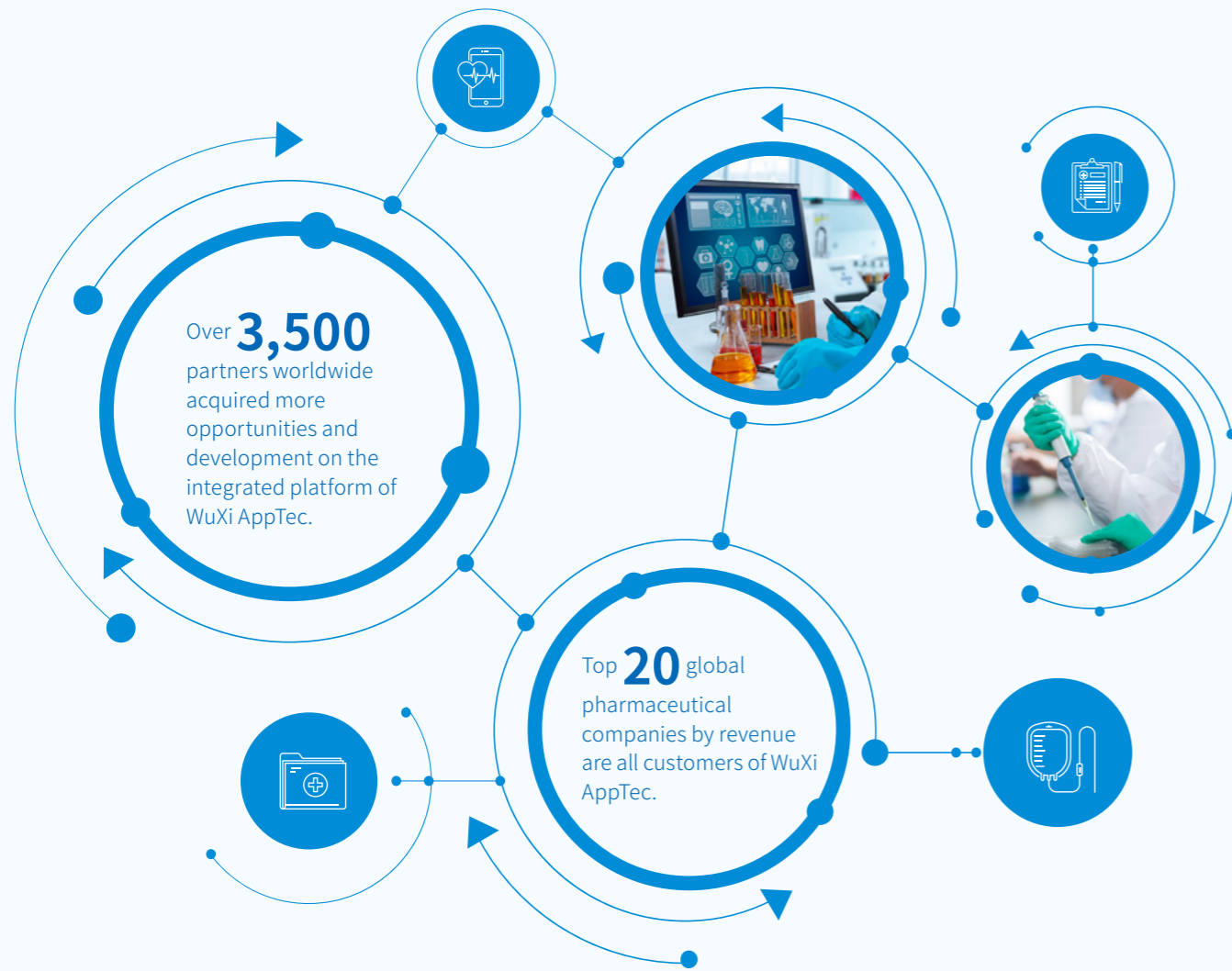
WuXi AppTec has set up the System and Compliance Department, which is responsible for the overall internal control, corporate governance and legal compliance matters of the Company. We have adopted a series of internal control policies, measures and procedures designed to provide reasonable assurance for achieving objectives, including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. During the Track Record Period, we regularly reviewed and enhanced our internal control system. We have engaged an internal control consultant ("Internal Control Consultant") to perform certain agreed upon procedures in connection with the internal control of our Company and our major operating subsidiaries and to report factual findings on the Company's entity-level controls and internal controls of various processes. The Internal Control Consultant performed procedures on August 14, 2018 on the Company's system of internal control. As of the Latest Practicable Date, there was no material issue remaining in relation to the internal controls of the Company.

For more information about the corporate governance, please refer to the Annual Report 2018 of WuXi AppTec Co., Ltd.



In Focus

Enabling More Dreams of Innovative Medicines



The year of 2018 is a remarkable year of the Chinese pharmaceutical industry. With concerted efforts, the number of new medicines approved by FDA hit a record high in 20 years. Breakthroughs and remarkable achievements were made in multiple fields as immunotherapy, new medicines and artificial intelligence. In the golden era for pharmaceutical innovation, WuXi AppTec will further improve its integrated platform to fully release the potential of the platform and improve productivity; continuously enable the healthcare ecosystem to support the success of partners; and enhance the capability of doctors to bring better treatment to patients.

Vision-driven Leading Pharmaceutical R&D Integrated Platform with 18 Years of Unwavering Efforts

For a long time, drug R&D has been challenging and demanding.

Since its establishment in the year of 2000, WuXi AppTec has been adhering to the vision of "every drug can be made and every disease can be treated". After 18 years of unwavering efforts, WuXi AppTec has gradually evolved from a laboratory to a globally recognized leading open-access and integrated pharmaceutical R&D services capability and technology platform. Anyone with an innovative idea, a piece of paper, and a pen can acquire one-stop support from drug R&D till manufacturing on the platform of WuXi AppTec. We will continuously improve capabilities and capacity of the integrated platform to enable more innovators and entrepreneurs to participate in various steps of drug R&D, as well as more research institutions, scientists, and hospitals and doctors to realize their innovation dreams, thus benefiting more patients.

On June 8, 2018, Ganovo® (Danoprevir Sodium Tablets), a new HCV drug developed by Ascleptis Pharma Inc., one of our partners, was approved by the National Medical Products Administration of China (NMPA), bringing an affordable therapy to over 10 million HCV patients in China.

As the first innovative drug for HCV genotype 1 developed by a Chinese enterprise, Ganovo® was thus hailed as the "Chinese force of HCV elimination".

During the R&D of Ganovo®, STA, a subsidiary of WuXi AppTec, took advantage of its industry-leading R&D technology and manufacturing platform to assist Ascleptis in process optimization, process validation and New Drug Application (NDA) submission and approval of active pharmaceutical ingredients (APIs) of Ganovo®, making it the first Contract Development and Manufacturing Organization (CDMO) to support the launch of innovative drugs in China since the implementation of Marketing Authorization Holder (MAH) pilot program.



Taking Advantage of the Favorable Policy to Support the Innovative Force in Drug R&D Field

In June 2016, the General Office of the State Council of People's Republic of China issued the Notice on Issuing Pilot Program of Marketing Authorization Holder (MAH), marking the comprehensive trial implementation of MAH. MAH approves the separation between drug marketing license and manufacturing license, which allows that, in addition to drug manufacturers, R&D institutions and researchers can acquire a drug approval number as MAH and then entrust an eligible drug manufacturer for the manufacturing. The policy has significantly motivated the enthusiasm of R&D institutions and researchers for drug R&D. The year of 2018 marks the third year of the trial implementation of MAH, and the favorable policy expedites the launching of new medicines.

With the favorable policy reform, WuXi AppTec, as an integrated platform, acquires new enabling space in terms of promoting the formation and development of drug R&D service industry and supporting independent innovation capacity. As a pioneering pilot enterprise of MAH, STA, a subsidiary of WuXi AppTec, has enabled multiple customers devoted to new medicines R&D including Ascletics Pharma Inc. and Hutchison MediPharma by providing them with support in terms of pharmaceutical technology optimization, significant decrease of manufacturing cost, risk control and operating efficiency improvement.

Moreover, WuXi AppTec has witnessed the successful marketing of ZEPATIER® in China, which is a innovative drug developed by our partner Merck & Co., Inc. to treat HCV, and approved by NMPA. We are delighted to participate in the expedited R&D of ZEPATIER®. Since the year of 2009, WuXi AppTec has been supporting the R&D of Imbruvica® (ibrutinib capsules), a novel drug for treatment of two hematological neoplasm types. Imbruvica® has been approved for marketing by China Food and Drug Administration (now NMPA) in the year of 2017, and in the year of 2018 included into the catalogue of medical insurance for prescription drugs by National Healthcare Security Administration of China, thus benefiting more patients in need.

On September 6, 2018, Elunate® (fruquintinib capsules), a novel drug for metastatic colorectal cancer developed by Hutchison MediPharma (HMP), one of our partners, was approved for marketing by the National Medical Products Administration of China (NMPA). This is the second innovative drug approval in China supported by STA, a subsidiary of WuXi AppTec, since the implementation of the Marketing Authorization Holder (MAH) pilot program.



"In my opinions, the launch of Marketing Authorization Holder (MAH) is a major progress in policy reform, which is of particular benefit to bio-tech start-ups like us. With it, we can focus more on the pre-clinical and clinical research, and entrust the drug manufacturing to high-quality partners like STA, in order to expedite the marketing of new medicines."

— a partner of WuXi AppTec

Future Drugs Continuously Enabling the Healthcare Ecosystem

In the future, we will continuously expand the platform of WuXi AppTec. We believe that only a platform with adequate capacity and capability can truly release more potential to enable more researchers of innovative medicines. In this regard, we will further strengthen our global presence, add a new momentum to the platform via expanding capacity and capability, and improve our ability to better serve global customers.

In the year of 2018, we planned and built multiple new R&D and manufacturing facilities in Shanghai, Suzhou, Qidong, Shijiazhuang and Chengdu, adding a new momentum to the platform of the Company. In addition, we realized the successful listing on both the A-shares and H-shares markets, building a strong foundation for expanding the innovative healthcare ecosystem. Moreover, we push the boundaries of innovation in pharmaceutical R&D via cross-industry cooperation. And we strive to break down the silos across the healthcare value chain via introduction of emerging technologies such as big data and AI, thus closing healthcare big data loop and laying a solid foundation for simple and efficient drug R&D.

Starting from a great dream, WuXi AppTec has gradually developed into a world-leading open-access capability and technology platform. At the new starting point, WuXi AppTec platform actively collaborates with various partners to build an innovative healthcare ecosystem. With a long journey ahead, WuXi AppTec will remain true to our dream, adhere to the great vision of "every drug can be made and every disease can be treated", and spares no effort to continuously enable more innovators and entrepreneurs in the healthcare industry to realize their own R&D dreams.



Expanding R&D Territories

In April 2018, the testing division in New Jersey (US) was officially put into operation;

In May 2018, the WuXi AppTec Life Science Industry Park settled in Chengdu, marking the prelude of the strategic development of WuXi AppTec in Western China, and relevant work is underway;

In September 2018, WuXi AppTec set up a R&D center in Qidong, Jiangsu;

In December 2018, the expanded R&D site of in California (US) was officially put into operation.

Successful Listing on both the A-shares and H-shares Markets

On May 8, 2018, WuXi AppTec announced the Initial Public Offering of Common Stock on the Shanghai Stock Exchange;

On December 13, 2018, WuXi AppTec listed H shares on the Hong Kong Stock Exchange.

Future Industry Planning

PICA, a healthcare company with WuXi AppTec as the leading incubator and investor, has been devoted to promoting the equal access to healthcare education and resources via technological means. It has enabled over 1.4 million doctors nationwide over the past two years.

In October 2018, WuXi AppTec and China Electronics Data Service Co., Ltd. (a subsidiary of China Electronics Corporation) formed CW Data, a joint venture to offer one-stop healthcare big data solutions, expediting new medicines to the benefit of patients, and providing effective solutions for enabling the healthcare ecosystem.



Responsibility for Healthcare Industry: Building the Open-access Platform with the Most Comprehensive Capabilities and Technologies to Enable & Expedite Development of Innovative Medicines

WuXi AppTec provides a series of comprehensive laboratory R&D, research and manufacturing services for pharmaceutical companies, bio-technology companies and medical device companies worldwide. Our responsibility for the healthcare industry is essentially reflected in the great vision that "every drug can be made and every disease can be treated" through building the open-access platform with the most comprehensive capabilities and technologies in the global healthcare industry.

To realize the great vision, WuXi AppTec has been continuously enhancing the platform capacity and capability, and building an innovative healthcare ecosystem to enable more start-ups, research institutions, scientists, entrepreneurs, hospitals and doctors. Meanwhile, the Company lays a solid foundation for the stable and sustainable operation of the platform through consistent responsible operation practice, including intellectual property protection, compliance management, high quality standards and customers first principles. The Company also supports the development of the healthcare industry through promoting development and communication among industry R&D talent.



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

- Continuously build integrated platform, and establish an innovative healthcare ecosystem
- Responsible operation, including intellectual property protection, compliance culture construction, high-level quality control, customers first principles and R&D ethics compliance
- Promote development and communication among industry R&D talent

- Enabled and served over **3,500** partners worldwide and supported thousands of innovative R&D projects in Y2018
- Won the award of "**Y2018 Company of the Year**" by C&EN magazine of American Chemical Society
- Won Frost & Sullivan "**Global Integrated Drug R&D Services Competitive Strategy Innovation & Leadership Award**"
- Won the BayHelix Group "**Company of the Year**"
- Won the GoldenBee **CSR Award** — "**Growing Enterprise Award**"



// Material Issue - Intellectual Property Protection

"WuXi AppTec is devoted to promoting drug innovation, and cherishes the full trust from customers. Intellectual property is the common lifeline for both WuXi AppTec and our customers. At WuXi AppTec, we adhere to the basic principle of Integrity & Dedication, improve the world-class system of intellectual property protection, and firmly crack down any criminal act infringing upon intellectual property with a zero tolerance policy. We consider this the paramount responsibility, obligation and commitment of WuXi AppTec. Above all, we must live up to the trust of customers worldwide and eliminate any infringement."

—Ge Li, Ph.D., Chairman and Chief Executive Officer of WuXi AppTec

As WuXi AppTec is devoted to providing the global pharmaceutical and medical device sectors with comprehensive and integrated laboratory R&D and manufacturing services ranging from drug discovery, development till commercialization. Its deliverables to customers are mainly various intangible intellectual properties, so it is crucial for the Company to gain customer trust and continuous development through protection of these intellectual properties. In this regard, we have established a multi-layered system of intellectual property protection to protect the intellectual properties of WuXi AppTec and customers from any infringement.

• Intellectual Property Management System

Based on the major strategy of establishing an open-access, comprehensive and integrated pharmaceutical R&D service technology and capability platform, we have established corresponding intellectual property management strategy and system, which focuses on the strict protection of customers' patents, trademarks, brand value, service methods, and trade secret involved in customers' projects.

In the year of 2018, we further optimized the management, established trade secret protection systems, updated the Trade Secret Protection Policy, carried out the first special inspection on business data, and promoted the online training and examination of each policy.

In terms of staffing, we have arranged a total of eight intellectual property personnel for core business departments (one for each department at least), all of whom have received trainings for patent practitioners and patent management engineers. In Y2018, we delivered intellectual property management trainings to 32 personnel at various departments, covering trademarks, patents, software copyright, papers and domain names.

• Intellectual Property Protection Procedures

WuXi AppTec strictly protects the intellectual properties of the Company and its customers, and has established specific procedures for computer information security management, trade secret, document management and waste paper management, etc. For instance, document classification level setting, and disposal and pulping of highly restricted documents by dedicated personnel, etc.

We have also adopted an intellectual property protection process whereby we periodically scan signed and dated notebooks of every scientist and research technician onto diskettes. Notebooks are critical to the pharmaceutical drug discovery and development process, as scientists' and research technicians' notes are often used as original data in support of patent applications and disputes. We are now switching from physical notebooks to electronic notebooks for many of our customers. Our process preserves the documentation necessary to establish intellectual property ownership should any disputes arise in the future. This process not only significantly enhances the protection of key original information, but also increases customers' confidence and trust in our company. In addition, certain customer projects have dedicated laboratory space equipped with key-card access control systems. Furthermore, we have adopted fire wall policies that restrict communications between different project teams and prohibit intermingling information of different customers. Most laboratory computers are not connected to the internet and have restricted data-transfer capabilities.

We have established documentation procedures, powered by the Laboratory Information Management System, or LIMS, licensed by LabWare, to control information access on a need-to-know basis and to restrict system access in connection with our drug discovery and development.

Our employees are bound by confidentiality obligations under their employment contracts and are prohibited from disclosing the intellectual property of ours and our customers.

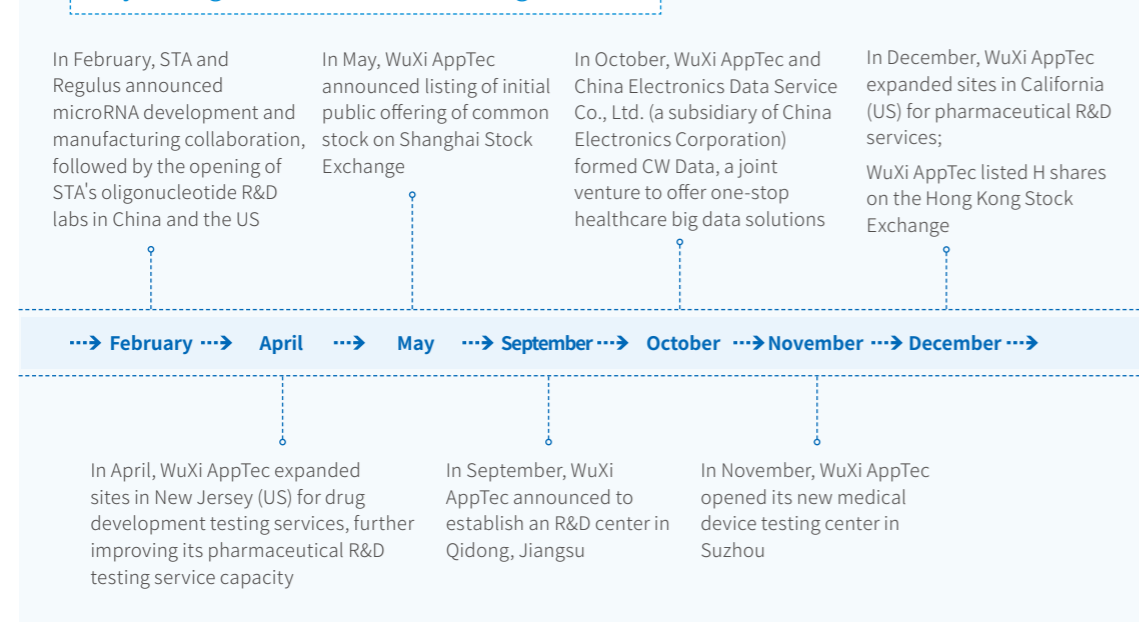
Building an Integrated Platform Consistently

WuXi AppTec strives to build the open-access platform with the most comprehensive capabilities and technologies in the global healthcare industry, and through such a platform to improve productivity. We focus on the capacity and capability construction, create an innovative healthcare ecosystem, and enable more start-ups, research institutions, scientists, entrepreneurs, hospital and doctors, thus benefiting more patients.

Continuously Expanding Platform Capacity

Since its establishment, WuXi AppTec has grown from one platform for small molecule R&D and manufacturing to three platforms for chemical drugs R&D and manufacturing, cell therapy and gene therapy R&D and manufacturing, and medical device testing. We continuously expand the platform of WuXi AppTec, and add a new momentum to the platform with increasing capacity and capability.

Major Progress of Platform Building in Y2018



Ongoing Platform Capability Development

As big data, artificial intelligence (AI) and other technologies are revolutionizing the traditional business model, the traditional pharmaceutical R&D will usher in a new round of innovation peak. WuXi AppTec is devoted to enhancing its own integrated platform, and we are opening a new chapter as a data company through cross-industry cooperation. We collect, analyze and validate data to generate insights, so as to provide better guidance for the future development of the healthcare industry.

In the year of 2018, WuXi AppTec and China Electronics Data Service Co., Ltd. (a subsidiary of China Electronics Corporation) formed CW Data, a joint venture to offer one-stop healthcare big data solutions, which aims to develop healthcare data products and services and provide digital solutions for participants of healthcare ecosystem (including pharmaceuticals distributors and insurance companies). Meanwhile, we increased the investment in new technologies as DNA-Encoded Library (DEL) and AI to better enable our partners.

PICA Enabling Doctors Nationwide

PICA is a healthcare internet company founded in Y2016 with WuXi AppTec as the leading incubator and investor. PICA aims to take advantage of the Internet technology to change the status of healthcare nationwide, and has the vision of providing doctors anywhere and at any level with access to high-quality education and training, and residents anywhere with access to reliable local doctors.

PICA integrates high-quality medical education and technology resources, sets up the healthcare big database, and builds medical education platform focusing on one-stop education, health management and diagnosis and treatment assistance through advanced means as the Internet and mobile terminals. PICA has built a customized platform for fragmented knowledge learning and business improvement targeted at medical workers, helping them realize medical resource sharing and providing all residents with convenient health management tools. Over the past two years, PICA has enabled over 1.4 million doctors nationwide.

WuXi AppTec Launched DNA-Encoded Library (DEL) Screening Platform to Enable Drug R&D

DNA-Encoded Library (DEL) technology can complete the creation and screening of a library with over 100 million molecules in a fast and efficient manner. It has demonstrated remarkable advantages in time and cost during drug discovery, attracting the extensive attention from the pharmaceutical industry.

WuXi AppTec launched the DEL screening platform, which focuses on the attraction of senior experts in the industry and development of frontline technicians. The platform realizes control over full process from manufacturing, screening, analysis till validation, provides standard services, and operates independently or collaboratively with customers to carry out frontier research or problems solving.

With the powerful DEL screening platform, we hope to help all individuals, institutions and enterprises engaged in drug R&D effectively shorten R&D cycle and improve R&D efficiency. We are devoted to making significant investment in the DEL technology to fully release its potential, so as to benefit our customers worldwide.

Responsible Operation

During continuous improvement of platform capacity and capability, and building of an innovative healthcare ecosystem, WuXi AppTec always adheres to responsible operation practices, and lays a solid foundation for the stable and sustainable operation of the platform via compliance management, high-level quality control and customer service.

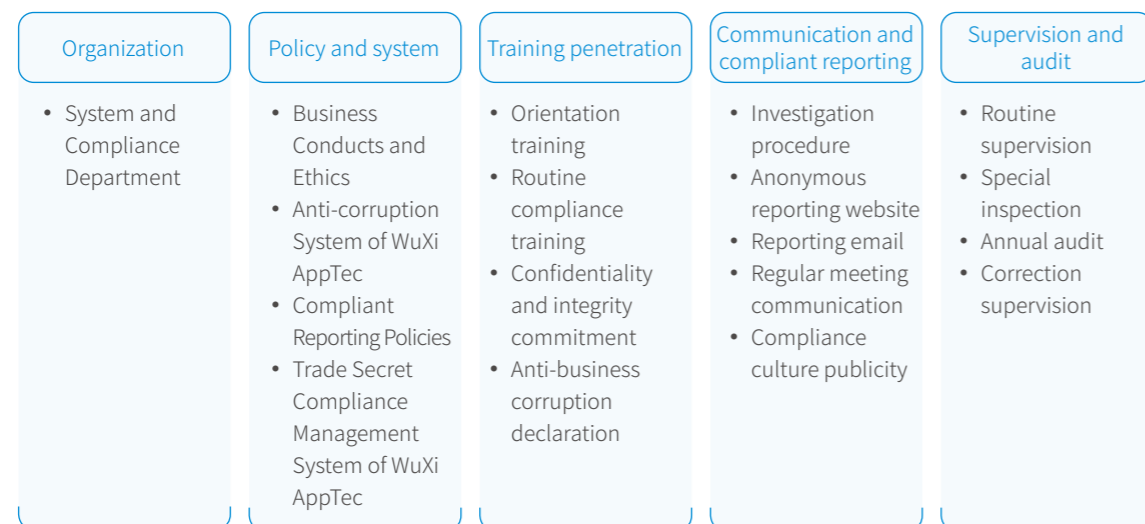
Compliance Culture Construction

WuXi AppTec considers legal compliance as the minimum requirements for our operation and development. We guarantee the compliance and transparency of business and operation activities through carrying out compliance management with high-level business ethics and methods. The Company has set up the System and Compliance Department to safeguard the overall internal control, corporate governance and legal compliance matters. Our Compliance Department organizes monthly/annual inspections on the internal controls of each business department of the Company. We conduct internal control inspections through on-site visit, random sampling and other means. Upon completion of on-site visits, our Compliance Department will deliver to the person-in-charge of the relevant business department information and statistics related to the risks discovered during the visits, the relevant risk type, and any suggested remedial action. The person-in-charge of the relevant business department shall carry out relevant remedies upon receipt of the internal control self-assessment report.

In order to earnestly improve the compliance awareness of the employees, the Company integrates the compliance content into various stages of employee trainings including orientation training and routine training, as an important component of the employee training courses. We strengthen the compliance awareness of the employees through conducting tests for employee training and issuing announcements. In October 2018, we published the Anti-corruption System of WuXi AppTec and included it into the employee training exams, resulting in a participation rate of 99.8%.

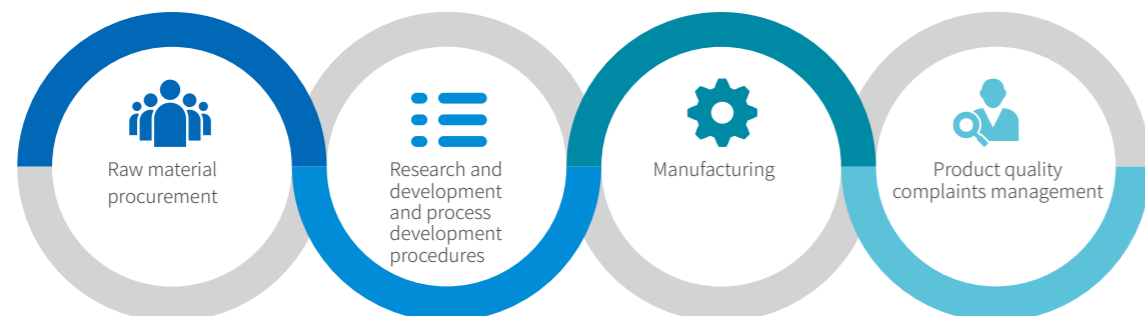
In addition, we have established a compliant reporting mechanism. And we have established Compliant Reporting Policies which regulate the reporting channels, case officers, investigation procedures and results reports..

Compliance Management System



High-level Quality Control

We believe that an effective quality management system for procuring raw materials, R&D and manufacturing is critical to ensuring the quality of our services and maintaining our reputation and success. We seek to ensure that our services consistently meet high industry standards and requirements. We have established an in-house quality management system and have issued standardized operating procedures relating to quality management. We have established a quality assurance department, which is responsible for supervising the implementation of the quality standards. Based on the research and development and specific manufacturing processes of different products, we have established quality control measures for all stages of our operations, covering procurement of raw and auxiliary materials, research and development and process development, manufacturing of advanced intermediates and APIs, and product quality disputes.



In terms of control of procurement, we carefully select our raw material suppliers. Prior to engaging with suppliers, we compile a list of the raw materials required for a given project and conduct a risk assessment for each item, considering the degree of influence that it can have on the final product, defining a safety grade for the materials and then when working with suppliers, examining their product quality and conducting on-site audits of suppliers' facilities. The custodians of our storage and transportation departments are responsible for the acceptance, quantity verification, inspection and distribution and storage management of raw materials procured. Our laboratories are responsible for sampling, quality inspection and inspection reports of raw materials. Packaging material inspectors of quality assurance departments are responsible for the visual inspection of the packaging materials and the quality inspection of other items, and issuing inspection reports of the packaging materials.

In research and development and process development procedures, we have implemented comprehensive standard operating procedures to ensure that the research and development and process development procedures follow the relevant GLP specifications. The quality assurance departments are responsible for reviewing GLP experimental plans and experiment execution process, submitting analysis reports to management, submitting experimental plans and summary reports to the relevant regulatory authority, and participating in management meetings to discuss quality/compliance matters, on a regular basis or as appropriate.

During the manufacturing process, we have also developed standard operating procedures for quality control. Quality assurance departments are responsible for reviewing each batch of products manufactured, in order to ensure that quality standards are maintained during the manufacturing process. Quality supervisors take samples from each batch of products and laboratory technicians carry out quality inspections on each batch of finished products and issue inspection reports based on the results. Samples that fail to pass the inspection are disposed of in accordance with the requirements of the operating procedures for substandard products. In addition, the quality supervisors are also responsible for monitoring workshops to ensure the cleanliness requirements of our facilities, as well as quality supervision and documentation of manufacturing process in a faithful manner to ensure traceability of product quality.

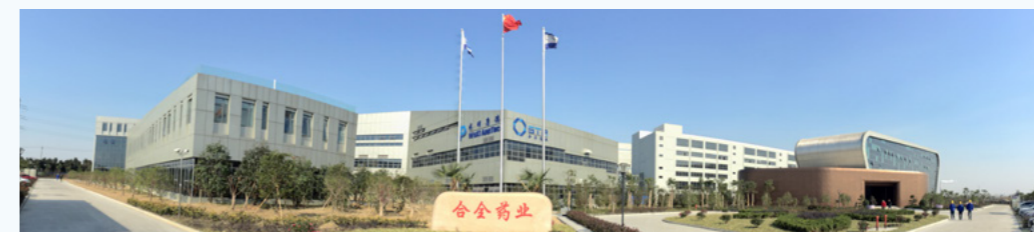
In addition, we have a well-established system in place to handle product quality complaints. The complaints are divided by stage in the production process (i.e. product quality compliance, transportation and packaging). Once a complaint is received, the head of the responsible department is immediately notified. Each complaint results in an investigation with corrective action taken immediately where applicable. Our principal subsidiaries have received numerous international quality management certifications and licenses.

STA Passed the US FDA Audit for Multiple Times

As a global leading Contract Development and Manufacturing Organization (CDMO), STA has long adhered to the highest quality standards worldwide. It has been approved to supply APIs and GMP intermediates for branded commercial drugs by regulatory agencies in the US, EU, Canada, Switzerland, Australia, New Zealand and China. Some of its products have been approved for marketing in over 70 countries globally.

In May 2018, STA's active pharmaceutical ingredient (API) R&D and manufacturing facility located in Changzhou (China) passed Pre-Approval Inspection (PAI) for two APIs from the U.S. Food and Drug Administration (FDA) – with no Form 483s issued. This is the first time that STA's Changzhou facility has been inspected by the FDA.

In July 2018, STA's facility in Jinshan also successfully passed its fourth inspection by the FDA – with no Form 483s issued, once again demonstrating STA's exemplary regulatory record.



Customers First

WuXi AppTec provides services for over 3,500 partners worldwide, including multinational pharmaceutical enterprises, bio-tech companies, venture-capital backed companies, start-ups and virtual companies. To facilitate project management, we have developed an online system allowing a customer's project manager to monitor and report on the progress of its projects through an encrypted website. Additionally, our project team interacts with a customer's project-management team through daily emails, bi-weekly reports and regular conference calls.

We conduct frequent customer satisfaction surveys with certain key customers, and use measurable key performance indicators to improve our planning, execution, evaluation and support. We focus internally on operational improvement and innovation to achieve lower direct costs, better use of assets, faster discovery and development, increased accuracy, greater customization or precision of data, more added value and simplified processes. Dedicated to improving responsiveness to our customers' needs and inquiries, our customer support department focuses on sales support and relationship management with our customers. Feedback from customers are scrutinized for root causes and used to continuously improve operations and services.

R&D Ethics Compliance

During clinical research and animal research, WuXi AppTec promotes responsible clinical practice and scientific progress by continuously complying with and improving the bio-ethics standards. We strictly comply with all the applicable experimental animal management and application guidelines in various countries and regions, including the US Animal Welfare Act (AWA), and medical ethics principles such as Declaration of Helsinki. We undertake to carry out medical research based on global ethics codes, and actively promote the development of human medical research.

Code of conduct and guidelines

- US Animal Welfare Act
- Medical ethics principles including Declaration of Helsinki

Mechanism construction

- Set up Animal Ethics Committee to define guidelines on animal ethics
- Set up an experienced veterinarian team to guarantee animal health and welfare

Promoting the Development and Communication among Industry R&D Talent

The promotion of industry R&D talent development is indispensable for the long-term development of the healthcare industry. As an integrated platform for the industry, WuXi AppTec continuously improves the platform's capacity and capability, and promotes communication and development of the healthcare industry via supporting and motivating excellent industry talent.

Supporting Industry Talent Development

In the year of 2018, WuXi AppTec sponsored the first WuXi AppTec Future Star Campus Challenge open to students of colleges and research institutes from Chinese Mainland, aiming to discover young talent in the fields of life science and pharmaceutical R&D and provide a broad stage for young people interested in life science and pharmaceutical R&D.

Moreover, WuXi AppTec set up the WuXi AppTec Life Science and Chemistry Awards in Y2007, and continuously expands the selection scope and improves awards setting to reward excellent young scientists making outstanding achievements in scientific research innovation, achievements promotion and high-tech industrialization in the field of life science in China.

College-enterprise Cooperation: WuXi AppTec Future Star Campus Challenge

The first Future Star Campus Challenge, sponsored by WuXi AppTec, was open to students of colleges and research institutes from Chinese Mainland, aiming to improve the organic chemistry knowledge and practice level of students at colleges, motivate the enthusiasm of contemporary students for scientific research innovation, attract more young people interested in life science and pharmaceutical R&D into the industry, and encourage them to work with us to make unremitting efforts for the human health and realize the great vision of "every drug can be made and every disease can be treated".

The Challenge lasted for over 100 days and attracted 414 teams. After preliminary contest and intermediary contests, 12 teams stood out to enter the final contest. Through fierce competition, Nankai University, Peking University, East China Normal University and Suzhou University won the gold, silver and bronze awards, and the remaining 8 teams won the honorable mentions. Particularly, the team from Peking University won the Best Presentation Award issued by the jury with its great performance.

WuXi AppTec Life Science and Chemistry Awards

In the year of 2018, the 12th WuXi AppTec Life Science and Chemistry Awards was successfully held, with four participants winning the Outstanding Achievement Award, one winning the Technology Achievement Commercialization Award and 15 winning the Scholar Award.

Since the year of 2007, following closely the cutting-edge trends of life science field, WuXi AppTec Life Science and Chemistry Awards has continuously expanded its selection scope and optimized its awards setting. So far, a total of 205 excellent scientists have won the award, and 15 among them have been elected the academicians of Chinese Academy of Sciences or Chinese Academy of Engineering.



Promoting Industry Communication

WuXi AppTec actively organizes or supports industry communication activities, aiming to promote the communication in the healthcare industry and work with pharmaceutical enterprises, industry associations, research institutes and scientists to guide the development of healthcare industry.

WuXi AppTec Global Forum

In January 2018, the WuXi AppTec Global Forum was officially held in San Francisco (US). Global collaboration was the theme of both the Forum and the bio-pharmaceutical industry nowadays. Over 3,000 experts, joined by more than 20 global industry leaders both online and offline, celebrated global collaboration and enjoyed the trend-setting event. At the Forum, the guests shared their unique insights on topics including the way to discover the most disruptive therapeutic interventions for the industry, understanding the positive role of the NMPA reform policy in promoting the healthcare industry, the R&D and commercialization of innovative X-ray therapy, and the role Artificial Intelligence and in-depth learning play in the healthcare industry.





Responsibility for Environment and Community: Harmonious Development of Environment and Community

As a good corporate citizen, WuXi AppTec not only focuses on the business growth, but also considers harmonious development of the environment and community as one essential component of CSR fulfillment. Therefore, the Company minimizes its operation impact on the environment through improved environmental management system, pollution control and increased resource use efficiency, and reduces supply-chain environmental impact through sustainable supply-chain management, in order to realize harmonious development of the environment and community.



Harmonious development of environment and community

- Green operation and manufacturing
- Sustainable supply-chain management
- Harmonious community

- **100%** of air emissions and effluents in conformity with national standards
- Assessment of **72** suppliers in terms of environmental, labor and ethical performance



// Material Issue - Environmental Impact Management

We recognize that a clean environment is critical to our continuous expansion and success. Companies could minimize its environmental impact and improve the manufacturing efficiency via technological innovation and management enhancement. Therefore, we continuously improve our environmental protection management practice, and take measures to minimize the environmental impact of our operation. Moreover, we strive to promote the environmental management of suppliers to realize better environmental management in both the upstream and downstream of the value chain.

	Major environmental impact	Measures for minimizing environmental impact
Input	<ul style="list-style-type: none"> Electricity, natural gas, steam, and vehicle fuels, etc. Municipal water supply 	Carry out energy saving technological transformation and air conditioning condensate recycling to improve utilization efficiency of energy and water
R&D and manufacturing	<ul style="list-style-type: none"> Chemicals Packaging materials of finished products 	Promote the green chemistry projects and minimize the use of chemicals
Output	<ul style="list-style-type: none"> Non-methane hydrocarbons and volatile organic compounds (VOCs) COD, ammonia nitrogen, BOD₅ and suspended solids (SS) in effluents 	Deploy treatment for air emissions and effluents, as well as monitoring devices to guarantee compliant discharge;
	<ul style="list-style-type: none"> General industry wastes as construction waste, metal scraps, waste cartons Hazardous wastes such as waste organic solvents during drug R&D and experiments, waste activated carbon for treating air emissions, and sludge in sewage plant 	Engage qualified agencies for the treatment of general industry wastes and hazardous wastes;
	<ul style="list-style-type: none"> Daily wastes such as waste office paper, waste cleaning supplies and food waste Greenhouse gas emission (GHG) 	Engage environmental sanitation agency for the regular removal of daily wastes;
		Improve energy use efficiency to reduce GHG emission.

Supplier: Environmental, labor and social management of suppliers

KPI	2018		KPI	2018
Water¹		Product R&D, manufacturing and operation	Air emission²	
Water consumption (m ³)	1,602,517.89		Non-methane hydrocarbons (kg)	1,824.50
By sources: municipal water supply (m ³)	1,593,973.33		Volatile organic compounds (VOCs) (kg)	21,900
By sources: effluents collected from other organizations (m ³)	8,544.56		Effluents²	
Water consumption per unit operating income (m ³ /RMB 1,000)	0.17		Chemical oxygen demand (COD) (ton)	13.75
Energy¹			Biochemical oxygen demand (BOD ₅) (ton)	1.84
Electricity consumption (MWh)	212,904.55		Ammonia nitrogen (NH ₃ -N) (ton)	0.84
Electricity consumption per unit operating income (kWh/RMB 1,000)	22.15		Suspended solids (SS) (ton)	1.54
Natural gas consumption (m ³)	2,876,062.76		Greenhouse gas¹	
Natural gas consumption per unit operating income (m ³ /RMB 1,000)	0.30		GHG emission (tCO ₂ e)	295,874.36
Gasoline consumption of vehicles owned (liter)	147,558.53	GHG emission per unit operating income (tCO ₂ e/RMB 1,000)	0.03	
Diesel consumption of vehicles owned (liter)	6,520.96	Wastes²		
		Total hazardous wastes ³ (ton)	808.63	
		Waste silica gel (ton)	48.8	

Note:

- The statistics of GHG, energy and water cover WuXi AppTec and its subsidiaries in China and the US. As WuXi AppTec shares the office space with other companies of WuXi AppTec Group in Waigaoqiao, Shanghai, the energy and water data include those of the abovementioned companies. It is estimated that WuXi AppTec accounts for the majority of total energy and water consumptions.
- The statistics of air emissions, effluents and wastes cover STA and WXAT Tianjin, both of which are major polluters published by the environmental protection departments in China.
- Hazardous wastes consist of waste organic solvents, waste mercury-containing reagents, waste activated carbon, waste reagents and hazardous waste contaminants.

Green Operation and Manufacturing

Environmental Management System

To guarantee the proper implementation of environmental management work, WuXi AppTec has established an environmental management system based on the requirements of environmental protection laws and regulations in different locations. Under the environmental protection policy of "legal compliance, pollution control, energy saving and consumption reducing, and harmonious development", the Company has developed a series of environmental protection policies such as Environmental Protection Management Policy of WuXi AppTec, covering various aspects as environmental management, training and emergency response, etc. In addition, WuXi AppTec has set up EHS management committees at corporate and department level to oversee the guidance, inspection and supervision of environmental protection at all departments.

Environmental management decision-making	<p>Environmental management objective</p> <p>The environmental protection work of the Company meets the requirements of national and local laws and regulations, various environmental protection facilities function properly, and wastes are treated properly, ensuring zero incident environmental pollution.</p>	<p>Management policies</p> <p>Environmental Protection Management Policy;</p> <p>EHS Training and Assessment Management Policy, etc.</p>		
	<p>Environmental protection policy</p> <p>Legal compliance, pollution control, energy saving and consumption reduction, and harmonious development.</p>			
Environmental management implementation	<p>Management elements</p> <ul style="list-style-type: none"> • Pollutants control • Waste management • Energy management and response to climate change • Use of water • Green chemistry 	<p>Assessment and review</p> <ul style="list-style-type: none"> • Construction projects give priority to cleaner production process with low energy consumption and low pollution, and guarantee simultaneous design, construction and operation of environmental protection facilities; • Regularly carry out analysis and assessment of environmental risks, and develop environmental protection measures. 	<p>Emergency alert and risk management</p> <ul style="list-style-type: none"> • Develop the Environmental Pollution Incident Emergency Response Plan, organize employee education and training, and deploy necessary emergency supplies; • Timely handle environmental pollution incident, conduct analysis and investigation, and develop corresponding improvement measures; • Carry out environmental monitoring, regular sampling, testing and recording of air emissions, effluents and noise. 	<p>Training and assessment</p> <ul style="list-style-type: none"> • Organize employee training at corporate, department and project level, covering interpretation of EHS rules, and environmental protection, etc.; • New employees need to pass EHS exams prior to becoming a regular employee.

Pollutants Control

As a research-centered and customer-oriented company, only a few subsidiaries of WuXi AppTec are engaged in manufacturing business. The air emissions generated during R&D and manufacturing mainly consist of non-methane hydrocarbons, and volatile organic compounds (VOCs), etc. We have installed necessary ventilation facilities at R&D and manufacturing sites, and guarantee that R&D and manufacturing operations involving VOCs are carried out in fume cupboard or exhaust hood with ventilation, and that various containers storing chemicals are sealed properly to minimize emission of VOCs. Effluents consist of daily and R&D and manufacturing effluents. The Company has effluent treatment facilities in place, and discharges R&D and manufacturing effluents into municipal pipeline after proper treatment.

Main Types and Treatment Methods of Air Emissions and Effluents

Types	Major pollutants	Treatment methods
Air emissions	Non-methane hydrocarbons, VOCs, etc.	Condensation, activated carbon adsorption, incineration, acid liquor and alkali liquor washing and ozonation, etc.
Effluents	COD, ammonia nitrogen, BOD ₅ , SS and pH, etc.	Discharge into the municipal pipeline after compliant treatment

WuXi AppTec attaches great importance to the potential environmental risks brought by the operation activities, and regularly carries out monitoring and recording of effluents discharge, noise, and atmospheric pollutants emission to guarantee compliant emission. Meanwhile, according to the requirements of local governments, the Company carries out online monitoring and information networking of effluents discharge, and continuously improves pollution discharge monitoring and information disclosure system. In Y2018, the Company installed COD on-line monitoring system at the sewage plant in Waigaoqiao, Shanghai, to improve the transparency of wastewater discharge information according to the regulatory requirements. As STA (Jinshan facility) and WXAT Tianjin, two subsidiaries of WuXi AppTec, are major polluters published by the local environmental protection departments, we continuously strengthen the reduction and monitoring of their pollutants to guarantee compliant emission.

Facility	Monitored items	Monitored indicators	Frequency of monitoring	Main applicable standards
STA	Effluents	pH, SS, ammonia nitrogen, COD, etc.	Quarterly	<ul style="list-style-type: none"> • GB/T31962-2015 Effluents Quality Standards for Discharge to Municipal Sewers • GB21904-2008 Discharge Standard of Water Pollutants for Chemical Synthesis Products in Pharmaceutical Industry • GB12348-2008 Emission Standard for Industrial Noise • DB31/933-2015 Integrated Emission Standard of Air Pollutants • DB31/1025-2016 Emission Standards for Odor Pollutants
	Air emissions	Methanol, HCL, Non-methane hydrocarbons, VOCs, etc.	Quarterly	
	Noise	Noise from facilities	Semiannually	
WXAT Tianjin	Effluents	COD, ammonia nitrogen, BOD ₅ , SS, pH	Quarterly	
	Air emissions	VOCs	Annually	

Improved Effluent Treatment Process at STA

The Company focuses on the environmental impact of the manufacturing process, and continuously reduces the emission of various pollutants through process improvement. In Y2018, STA improved its aerobic stage process for the effluent treatment, realizing sludge reduced by 50%, power consumption down by 11%, and effluent treatment capacity up by 28.5%. Moreover, we effectively reduced VOCs emission through adding air emission collection before the aerobic stage, with VOCs removal rate increased to 99%.

Waste Management

The wastes generated by the Company consist of wastes from daily office work, general industry solid wastes and hazardous wastes from manufacturing activities. The Company has developed the Requirements for Management of Pretreatment, Classification, Collection and Transport of Wastes of WuXi AppTec to regulate relevant waste management procedures. STA has developed the Waste Management Procedure to regulate the supervision and management of facility wastes generation, collection, classification, labeling, recording, storage, transport and treatment, thus avoiding environmental pollution.

The Company has established the principles of sort management and concentrated treatment for hazardous wastes, and adopts degradable and recyclable materials with no or low harm to reduce the generation of hazardous wastes, thus realizing the reduction, recycling and harmlessness of hazardous wastes. In Y2018, according to the requirements of local environmental protection department, WXAT Wuhan carried out transformation of liquid waste temporary storage room to guarantee the reasonable and safe collection and storage of liquid wastes.

Due to the lack of comparable data, we are unable to track any waste reduction results.

Types and Treatment Methods of Wastes

Types	Wastes generated by the Company	Treatment methods
Daily wastes	Office waste paper, waste cleaning supplies and food waste, etc.	Engage environmental sanitation agencies for regular removal
General industry solid wastes	Construction wastes, metal scraps, waste cartons, etc.	Engage qualified agencies for the treatment of solid wastes
Hazardous wastes	Waste organic solvents during drug R&D and experiments, waste activated carbon for treating air emissions, and sludge in sewage plant, etc.	Engage qualified agencies for the concentrated treatment of hazardous wastes

Energy Management and Response to Climate Change

The Company's energy consumption consists of electricity, natural gas and vehicle fuels. Energy utilization is a major link to generate GHG emission. Therefore, the Company is devoted to taking multiple measures as process optimization and energy-saving transformation to improve energy utilization efficiency, thus realizing cost-effectiveness and reduction of GHG emission from operation activities. Moreover, the Company advocates for the concept of green office at office space and labs, and promotes daily energy-saving and emission reduction among employees, including paper saving, turning off lights and closing doors when leaving, and specifying the air conditioning temperature, etc.

Main Energy Saving Efforts and Results in Y2018

Project	Results
STA's facility at Wuxi transformed the fan motors of AHU in the workshop from power frequency driving to variable frequency driving	The AHU operated for 44 days in Y2018 after transformation, saving 4,281 kWh in electricity
STA's facility at Wuxi transformed the fan motors of air-conditioning system in the warehouse from power frequency driving to variable frequency driving, and from operation of single unit to two units	The two systems operated simultaneously for 120 days after transformation in August 2018, saving 43,776 kWh in electricity
STA's facility at Wuxi transformed part of the chilled water pipeline to provide cooling for the facility in winter, with two process air cooling units replacing water cooling units	The units after transformation save 2,267 kWh in electricity per day, saving 710,000 kWh in electricity for the operation of chilled water pump throughout the year

STA's Facility at Wuxi Transformed the Fan Motors of Air-conditioning System in the Warehouse from Power Frequency Driving to Variable Frequency Driving

The air-conditioning system for CNC corridors and external rooms of manufacturing workshop one and manufacturing workshop two in STA's facility at Wuxi was driven by fixed frequency motor. After nearly one-year operation, multiple shortcomings such as high ventilation rate, obvious zone noise and high-power consumption, etc., were identified. Therefore, the facility transformed the existing motor control system by adding frequency converter to the power frequency motor, thus changing the fan motor from power frequency driving to variable frequency driving. After the transformation, manufacturing workshop one operated for 44 days in Y2018, saving electricity consumption of 4,281 kWh. Manufacturing workshop two has not yet been put into operation.

Measures for Green Office

Adopt LED lights for office space and labs, and replace high-power equipment with low-power one.

Turn off lights after work or in unoccupied rooms to save power.

Adopt intelligent control of the HAVC system in manufacturing workshops based on manufacturing load to reduce energy consumption.



Maintain the comfort air-conditioning system in office space and manufacturing workshop at about 23°C to reduce energy consumption.

Close doors in office space and manufacturing workshops to reduce energy consumption.

Encourage cloud printing and fax for internal communications to reduce paper consumption.



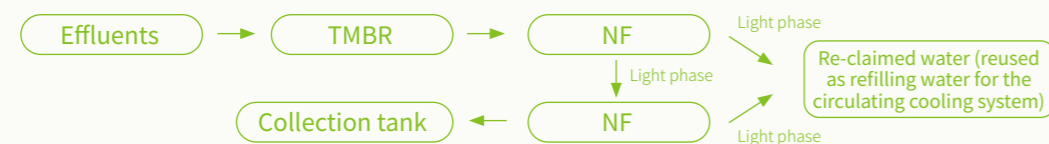
Water Use

The Company mainly uses municipal water, and improves water use efficiency through reuse of air-conditioning condensate, technological improvement and recycling.

In Y2018, WXAT Tianjin reused about 45-ton steam condensate per day for supply to wash bottle rooms, toilets and roof reservoir. Moreover, WXAT Wuhan installed water valves for all the taps to reduce water consumption per unit time.

Reuse of Reclaimed Water of STA

Effluent treatment station of STA's facility at Changzhou is equipped with advanced treatment system, consisting of Membrane Bio-Reactor (TMBR), Nanofiltration (NF), Dynamic Membrane (DM) and other treatment units, and the treated effluents can be reused as refilling water for the circulating cooling system. The pH, COD, NH₃-N, dissolved solids and other pollution factors in the effluents of the station meet the requirements of refilling water for open circulating cooling water system, as stipulated into the Quality Standard of Urban Effluents Recycled for Industrial Uses (GB/T 19923-2005).



Process flow diagram of advanced treatment unit of effluent treatment station

Note: Light phase refers to water phase meeting reclaimed water standard.



Green Chemistry

Chemical leakage may result in incidents as personal injury or environmental pollution (air, soil and water pollution). Therefore, the Company has developed Measures for Management of Chemicals of WuXi AppTec, covering the rules for management of various chemicals and scrap disposal of chemicals, etc. The Company also has Special Emergency Plan for Chemical Leakage of WuXi AppTec in place, covering the basic principles and measures for prevention, warning, response procedure, and emergency disposal of chemical leakage. Moreover, STA only uses refrigerants and chemicals not listed in the catalogue of Ozone Depleting Substances (ODS) to mitigate ozone depletion.

Measures for Chemical Management

Purchase and transport

- Chemical suppliers selected must have corresponding distribution qualification;
- Engage qualified service provider for the transport of highly toxic substances listed in the supervision catalogue of the local government.

Storage

- Store the highly toxic substances listed in the supervision catalogue of the local government in the dedicated warehouse or safety cabinets, with clear signs;
- Managers of warehouse of highly toxic substances must be trained by relevant departments, and work with a license.

Use and disposal

- Apply for approval via the Company's hazardous reaction application system before using highly toxic substances listed in the supervision catalogue of the local government and the Company;
- It is strictly prohibited to abandon the liquid wastes containing highly toxic substances listed in the supervision catalogue of the local government, or directly discharge it into the drainage;
- Liquid wastes containing highly toxic substances listed in the supervision catalogue of the local government or the empty bottles must be returned to the warehouse for collection and disposal of by qualified agencies.



Minimizing the Use of Environmentally Hazardous Solvents

WuXi AppTec is devoted to creating a safe and healthy R&D environment for the employees, and minimizing the use of materials, catalysts, solvents and reagents, and generation of products and by-products hazardous to human health, community security and eco-environment through promoting multiple green chemistry projects.

- As an important organic solvent for the chemical industry, tetrahydrofuran (THF) has such deficiencies as strong irritation to human eyes and respiratory system, and high toxicity to organisms, etc. Therefore, the Company adopts 2-methyltetrahydrofuran to replace THF, reducing both the consumption of solvent and generation of liquid wastes.
- As a kind of controlled precursor chemicals subject to purchase license, acetone is featured by high volatility and relatively high toxicity, etc. Compared with acetone, ethanol is less volatile, recyclable, and less hazardous to both R&D personnel and the environment. The Company adopts dry ice ethanol bath as replacement of dry ice acetone bath, so as to improve lab environment and reduce the generation and emission of wastes.

Sustainable Supply Chain Management

Supply Chain Management

A sustainable supply chain is one of the important strategies for the long-term development of the Company. According to Measures for Management of Suppliers of WuXi AppTec, our suppliers are expected to comply with applicable laws and regulations, follow social morality and business ethics, and bear the liability for the impact of their decisions and activities on the community and environment. The Company has incorporated CSR into new supplier recruitment and assessment, and existing supplier review; and gives priority to those properly fulfilling their responsibility. Moreover, the Company has developed Integrity Agreement, which requires our purchase personnel and suppliers to maintain integrity during purchase, and cracks down purchase corruption.

Supply Chain Overview



Supplier category

Manufacturers: creators of products or branded products

Distributors: entities authorized by manufacturers to distribute products in a given territory

Agents: agents engaged by WuXi AppTec to purchase materials

Traders: suppliers purchasing products of manufacturers through their own channels and re-selling them to customers for profit

Indirect purchase suppliers: suppliers providing services such as events, HR, professional services and administrative services

Supply Chain Evaluation

WuXi AppTec has developed Supplier Basic Information Survey Form and Supplier Evaluation Form, etc. It has a sound assessment system in place for the economic, social and environmental performance of suppliers, urging suppliers to fulfill social responsibility through qualification review, field evaluation and audit, etc.

Our field evaluation and audit of suppliers cover aspects as R&D, manufacturing, quality, customer service, safety, IT, intellectual property, environmental management, and labor and human rights practice, etc. The Company proposes improvement requirements and suggestions for suppliers failing the evaluation, in order to realize co-development with its suppliers.

Promoting the Growth of Suppliers

WuXi AppTec actively supports the growth and development of suppliers, and continuously assists suppliers in improving management and manufacturing capability through communication enhancement and training, etc. In Y2018, the Company organized EHS training for suppliers, covering topics on relevant regulations, and safe transport management of gas cylinders, etc.

Assisting Suppliers in Improving Their Product Warehousing Inspection Criteria

In Y2018, an incident of inconsistent product quality occurred due to labelling management negligence by a supplier. The purchase department of WuXi AppTec proposed correction suggestions for management improvement, including enhancement of product labelling management supervision, warehousing management, awareness enhancement, and reward and punishment mechanisms. Having implemented correction measures, the supplier improved its product warehousing inspection criteria and management capability, thus guaranteeing the quality of products supplied to WuXi AppTec.

Harmonious Community

We continuously integrate ourselves with the community where we operate, consider meeting community requirements and seeking common development as an important aspect of our CSR, and work with the stakeholders to make contributions. Specifically, WuXi AppTec encourages recruiting the physically challenged people at different areas of operation worldwide, providing them with job opportunities and helping them integrate themselves into society.

Moreover, WuXi AppTec organizes charity donations through our Help Fund. During time of major disasters, WuXi AppTec makes contributions for disaster relief in a timely manner. As of the end of Y2018, the Company has donated a total of over RMB2.5 million to disaster-affected areas. Moving forward, WuXi AppTec will continue to convey warmth with most sincere love.



As of the end of Y2018, the Company has donated to disaster-affected areas

RMB 2.5 million



Responsibility for Employees: Creating an Employee-friendly and Vibrant Workplace

The employees are both the valuable assets of the Company and the drivers for establishing the most comprehensive capability and technology platform. We are devoted to creating an employee-friendly and vibrant workplace, improving their occupational training and promotion paths, safeguarding their occupational health and safety, and advocating for work-life balance.



- Talent development and retention
- Employee interests guarantee
- Employee health and safety
- Work-life balance

- Won the award of "China Top 100 Employer Excellence" for four consecutive years and the "Model HR Management Team 2018"



// Material Issue - Talent Development and Retention

As a research-centered and customer-oriented company, WuXi AppTec believes that it is crucial for us to guarantee our high-quality customer services through continuously attracting and retaining experienced experts and outstanding talent in the industry, and offering the employees adequate development support and opportunities, thus realizing our corporate vision. Therefore, we have taken multiple HR measures, including provision of comprehensive technology and management trainings, sufficient and fair promotion opportunities, as well as performance-based competitive compensation and benefits.

With the platform of WuXi AppTec, I can receive more comprehensive trainings, gain the opportunities to put into practice what I have learned, and acquire professional guidance. I have improved my skills rapidly and realized personal growth through continuous learning, practice and experience accumulation.

—Winner of President Award of WuXi AppTec 2018

Employee Training

WuXi AppTec focuses on building high-quality talent and teams, and has established an effective training system, including orientation and ongoing on-the-job training. Our orientation process covers subjects such as corporate culture and policies, work ethics, introduction to the drug development process, quality management, and occupational safety. The ongoing on-the-job training covers leadership development, and EHS management systems and applicable laws and regulations.

Moreover, the WuXi Talent Academy (hereinafter referred to as "WTA") established by the Company has developed the multi-level training system consisting of leadership development training program, professional development and customized training program, new employee orientation and online training platform. We organized specific training programs for first-line leaders, senior leaders and new employees, and developed corresponding training management systems including Measures for Management of Leader Training Ranking, Measures for Management of Leader Training Operation, and Policy on Manager's Participation in WTA Training, etc.

Training Programs and Implementation

Program	Trainee	Objective	Results in Y2018
FLDP First-Line Leaders Development Program	First-line leaders	Define the role of first-line leaders, enhance their management skills and improve team performance.	A total of 10 training sessions, attracting 810 trainees.
SLDP Senior Leadership Development Program	Senior leaders	Enable and develop a number of managers with Chinese market knowledge, international perspective, the sense of mission and entrepreneurship.	A total of 10 training sessions, attracting 402 trainees.
NEO New Employee Orientation	New employees	Assist the new employees in familiarizing with the corporate culture, gaining work skills and rapidly adapting to the work through online and offline learning.	A total of 57 training sessions, attracting 4,364 trainees.
SSO Senior Staff Orientation	New senior leaders	Get familiar with the Company, our businesses, management orientation and system, rapidly give play to their personal value and lead the business growth.	A total of three training sessions, attracting 59 trainees.
RMDP Resource Management Development Program	Macro-chemistry department managers	Set a clear positioning of the macro-chemistry department, form a methodology for the resources management in project management through summarizing relevant experience, enable the managers of chemistry department, and support the growth of our chemistry business.	A total of four training sessions, attracting 136 trainees.

Senior Leadership Development Program (SLDP)

As a program with the characteristics of WuXi AppTec, Senior Leadership Development Program (SLDP) has formed an effective leadership development operation mechanism, which can comprehensively improve the leadership of senior leaders, particularly the new managers above the director level. As a six-day intensive training program (two stages), based on the requirements of senior leaders and the tasks of the trainees, the program sets up a course system suitable for the business scenarios of WuXi AppTec, covering corporate vision, mission and values, efficient decision-making, strategic planning management and business model innovation. The two stages, combined with concurrent on-the-job practice, provide trainees with knowledge on management practice, strategic integration, business model innovation in a progressive manner, and opportunities for them to carry out experience sharing and interaction, thus improving their management practice level and motivating their business acumen and leadership potential.



To further improve the employee training efficiency, the WTA operated and delivered six offline training programs and established an online training platform "E-study Network+" in Y2018, which aims to facilitate the online learning and exams of employees. Officially launched on April 11, 2018, the platform operates both on PC and mobile, providing employees with flexible opportunities for fragmented learning. As of the end of Y2018, the total learning hours spent on the platform by employees reached 107,704 hours, with 5.3 hours per capita.

Science Lectures

To provide employees with more opportunities to have close access to the academic frontier knowledge, the Company keeps close communications with the global academic community, and regularly invites famous professors and experts to deliver lectures at WuXi AppTec. In Y2018, the Company organized a total of over 30 large-scale science lectures open to all our employees.

Talent Development

In order to effectively support the implementation of our development strategy and promote talent development, WuXi AppTec has established dual development paths for technological posts and managerial posts, and the employees can choose a suitable path based on corporate development requirements and their own advantages. Moreover, the Company provides multiple channels for the employees to work in cross-functional teams, extend work scope, undertake key or new projects, and take job rotation, in order to expand the breadth and depth of employee vocational development and improve their skills.

WuXi AppTec has established a mechanism for the identification, development, rapid promotion and appointment of high-potential reserve talent, carries out regular check of managerial posts and the occupants, and gives priority to appropriate reserve talent for critical posts, thus giving full play to their value.

Moreover, WuXi AppTec has formed a series of unique performance-oriented talent promotion systems and incentive plans, provides two promotion appraisal opportunities each year. Employees with remarkable contributions are entitled to skip-level promotion or exceptional promotion. Meanwhile, the Company sets up the President Award, Outstanding Employee Award and other awards to motivate the employees and form a positive incentive mechanism.

A+ Performance Outstanding Employee Award

On August 12, 2018, WuXi AppTec grandly held the "Racing for Excellence: A+ Performance Outstanding Employee Award Ceremony" in the Red Hall of Shanghai Expo Center. Over 1,200 employees with A+ performance and their relatives were invited to the annual event. As an unique talent incentive plan, A+ Performance Outstanding Employee Award aims to recognize outstanding employees carrying out consistent practice of our core values of "Integrity & Dedication; Working Together & Sharing Success; Doing the Right Thing and Doing it Right", creating value for our customers and partners, and spreading the positive energy of WuXi AppTec inside and outside the Company.



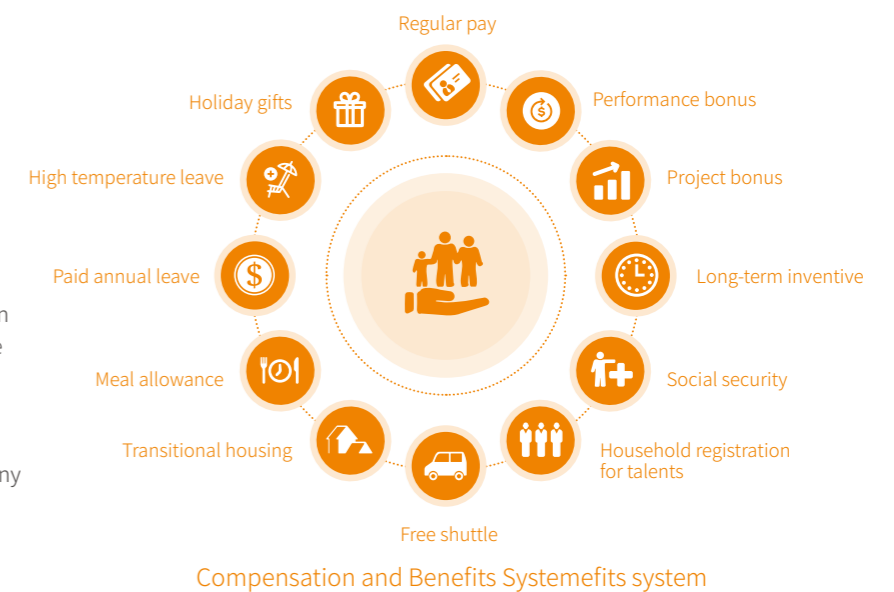
Annual Awards of WuXi AppTec

WuXi AppTec has set up annual awards as President Award, Outstanding Management Award, Outstanding Employee Award and Outstanding Team Award, aiming to recognize and motivate individuals and teams actively carrying out consistent practice of our corporate culture and core values, and making remarkable contributions to the Company. In Y2018, a total of 108 individuals and 67 teams stood out to win the annual awards of WuXi AppTec, receiving applause and congratulations on the stage of the Y2018 Company Gala.



Employee Benefits

The Company has established a sound and competitive compensation and incentive system, continuously optimizes the compensation management system and keeps an eye on the compensation changes in the industry and areas of operation, in order to maintain the competitive compensation of our employees and promote the development and growth of the Company and employees. Moreover, the Company continuously attracts and retains outstanding talent through diversified employee benefits.

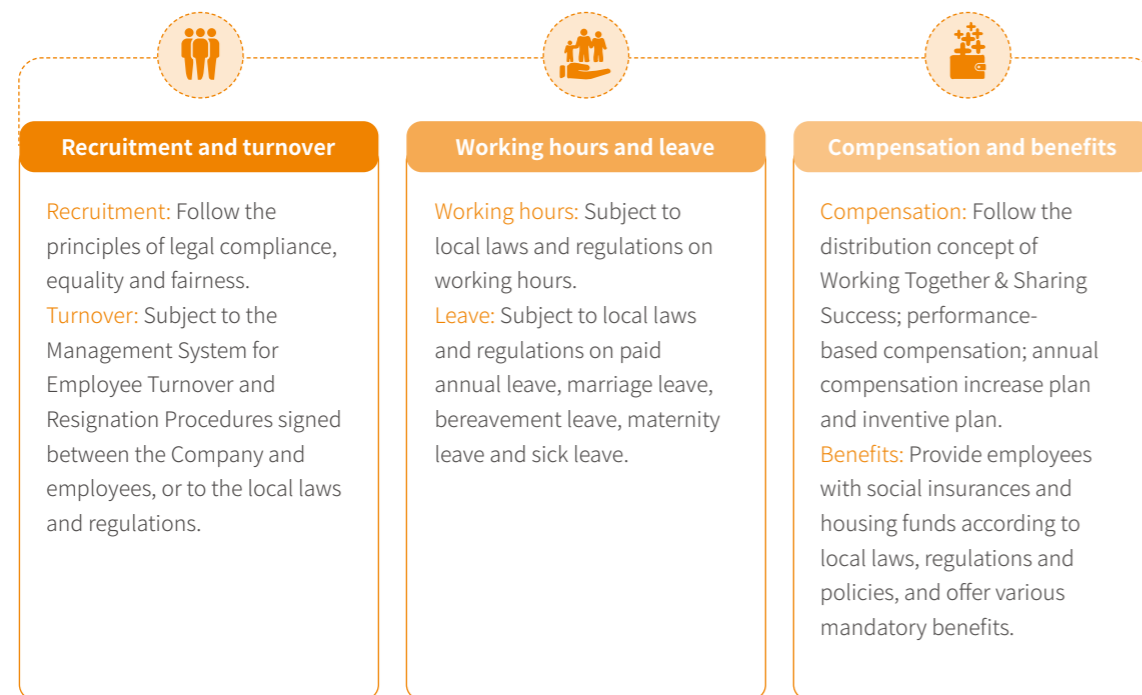


Employee Interests Guarantee

Employee Employment

WuXi AppTec is devoted to guaranteeing the basic interests of the employees. We have established a standard HR management system, covering aspects as compensation and turnover, recruitment and promotion, working hours and leave, guarantee no discrimination against race, religion, sex, age, marital status, disability and nationality; and adhere to legal labor, without the use of child labor or forced labor.

Employee Interests System Overview



Employee Communication

Smooth communication channel and sincere care are essential for creating a harmonious labor relationship. WuXi AppTec advocates for open communications and has established a standard, smooth and comprehensive communication mechanism. Employees may propose their requirements to the management, HR department or employee management committee through email, telephone, online social platforms, DingTalk colleague circle and other channels, and receive feedback from a service platform run by dedicated personnel. The Company organizes regular face-to-face communication meeting between our Chief Executive Officer and employees to guarantee a smooth communication channel.

Moreover, the Company has set up an employee management committee, which adheres to the vision and purpose of "mutual understanding between WuXi AppTec and employees", continuously spreads the positive energy of the Company, serves as a communication bridge between the Company and employees, provides identification and feedback for improvement of our operation process, and organizes the learning and development for employees, thus making the Company operate more efficiently and boosting employees' happiness.

Employee Health and Safety

Occupational Health and Safety Management System

WuXi AppTec follows the guidelines of "prevention first and comprehensive management", complies with local laws and regulations on occupational health and safety, and establishes a sound occupational health and safety management system, in order to eliminate or mitigate various factors hazardous to employee health, minimize the occupational health risks in the workplace, and create a good work environment for the employees. Moreover, the Company has set up a safety committee to carry out occupational health risk assessment and develop correction plan based on the assessment results.

Occupational Health and Safety Management System



Work Safety Actions

The Company is devoted to creating a safe work environment for the employees. Our subsidiaries including WXAT Shanghai, WXAT Tianjin, WXAT Suzhou, WXAT Wuhan and STA have all passed the work safety standardization certification. The Company has developed an emergency plan for safety accidents and organizes annual safety emergency drills.

In terms of the safety culture construction, the Company continuously improves our employee safety training management. All new employees must receive the safety trainings at corporate, departmental and team levels before reporting to work, and pass the safety exams organized by the Company before becoming regular employees. Specifically, STA's facility at Wuxi issued the Employee Safety Norms Notice in Y2018, including specific code of conduct of employees; and STA's facility at Changzhou implemented STOP, which encourages employees to participate in safe behavior observation and timely report irregular behaviors during manufacturing, thus assisting the Company in continuously improving the work safety level and reduce safety incidents.



Employee safety drills

STA Invested in Safety-related Technical Transformation to Reduce Safety Incidents

In the chemical industry, many safety incidents are often caused by human negligence on monitoring of key operations and parameters with high risks. STA's facility at Changzhou invested about RMB1 million to deploy DCS (distributed control systems) and online monitoring and automatic emergency system in its tank area, in order to realize real-time monitoring of the key parameters as liquid level, pressure and temperature of the tanks. Over the years, there has been zero accident in the tank area.

Occupational Health Guarantee

Paying attention to occupational health of employees, WuXi AppTec has established occupational health management system for chemicals, dust, noise, heat and other occupational hazards during manufacturing. It also carries out identification and control of occupational hazards in existing workplaces and new/expanded projects, strengthens management of occupational health protection facilities and guarantees their availability, and continuously improves the provision of personal protective equipment to employees, occupational health examination and training of the employees, etc.

Identification and detection of occupational hazards

- The Company engages qualified third-party evaluation agencies to carry out identification and detection of occupational hazards in various labs and workshops annually.

Occupational health training, inspection and correction

- The Company organizes occupational health training for employees and suppliers with potential exposure to physical, chemical or biological hazards;
- The Company organizes regular occupational health compliance inspection, and requires those violating relevant rules to make timely correction.

Exposure protection and health examination

- The Company adopts equipment/process with zero/low occupational hazard risk, and provides personal protective equipment for employees exposed to hazards;
- The Company organizes health examinations for regular employees and those with hazard exposure, including pre-service, in-service and post-service health examinations.

Occupational health incident handling

- The Company carries out timely diagnosis and treatment of employees with health problems during work, and organizes investigation and reporting of occupational health incidents;
- The Company provides employees affected by health incidents with psychological counseling.



WXAT Shanghai Carried Out Occupational Hazard Status Evaluation

In Y2018, WXAT Shanghai engaged an external agency to carry out detection of occupational hazards during its manufacturing process, covering the nature, sources, concentration and damage of the occupational hazards. The detection results met the limit requirements in the industry standards as GBZ2.1-2007 Occupational Exposure Limits for Hazardous Agents in the Workplace Part I: Chemical Hazardous Agents.

Work-life Balance

Employee Care

WuXi AppTec focuses on the development of all our employees. We not only provide employees with career development platform, but also provide aid to employees in need. For this purpose, the Company has set up a Help Fund, aiming to help colleagues in difficult family conditions. In terms of care for female employees, the Company organizes care activities for all female employees on Women's Day. Moreover, based on the actual needs of female employees, the Company has set up nursing rooms to provide lactating women with a private space.

Help Fund

With the concept of "mutual aid", WuXi AppTec set up the Help Fund in the year of 2006. As of the end of Y2018, the Fund has raised a total of over RMB4 million, helping dozens of colleagues in difficult family conditions.

Employee Recreational Activities

The sense of belonging is an essential component of the corporate culture construction of WuXi AppTec. The Company organizes diversified recreational activities to enhance interaction and communications among employees, and create harmonious and collaborative work relationship. Such activities also promote the work-life balance of employees, improving their physical and psychological health.

WuXi AppTec Y2018 Company Gala "Brilliant Achievements"

On January 26, 2018, WuXi AppTec Y2018 Company Gala "Brilliant Achievements" was officially held in Qizhong Forest Sports City Tennis Center. Featured by future technology and environmental protection, the Conference introduced multiple technical elements as AI host, live streaming, real-time voting of employee programs, electronic tickets and DingTalk Sunlight Award. In addition to the wonderful performance of employees, the Company also presented awards to outstanding employees in Y2018 to promote our corporate culture.



Open Day for Family Members of Employees

In the year of 2018, the Company organized the Open Day for family members of employees, themed "Happy Work and Life with You", attracting nearly 100 employees and their family members. At the activity, the family members of employees visited the work environment of WuXi AppTec and presented a talent show, which not only strengthened the communications between the Company, employees and their family members, but also promoted the fusion of corporate culture and family culture.



Employee Activities

The Company also organized a series of activities to enhance the mutual understanding of employees and fully demonstrate our corporate culture of "have passion, have fun, and have a career in WuXi".



Data

Economy

Indicator	Unit	Y2018
Operating income	RMB1 million	9,613.68
Total profit	RMB1 million	2,580.82
Total tax paid	RMB1 million	240.77
Earnings per share	RMB yuan	2.23
Social contribution value per share ¹	RMB yuan	4.14

Note:

1. Social contribution value per share= (net profit attributed to common shareholders after deducting non-recurring gains and losses + payments to government + employee compensation and benefits + loan interest paid to banks and other creditors + value created for other stakeholders by external donations - other social costs caused by environmental pollution and employee dismissal) / total shares of the Company.

Environment

Indicator	Unit	Y2018
Air emissions ¹		
Non-methane hydrocarbons	kg	1,824.50
Volatile organic compounds (VOCs)	kg	21,900.00
Effluents ¹		
Chemical oxygen demand (COD)	ton	13.75
Biochemical oxygen demand (BOD ₅)	ton	1.84
Ammonia nitrogen (NH ₃ -N)	ton	0.84
Suspended solids (SS)	ton	1.54
Wastes ¹		
Total hazardous wastes ²	ton	808.63
Waste silica gel	ton	48.8

Indicator	Unit	Y2018
Greenhouse gas emission (GHG) ³		
Total GHG emission	tCO ₂ e	295,874.36
Scope I GHG emission	tCO ₂ e	150,936.04
Scope II GHG emission	tCO ₂ e	144,938.32
GHG emission per unit operating income	tCO ₂ e/ RMB 1,000	0.03
Energy ³		
Electricity consumption	kWh	212,904,545.24
Natural gas consumption	m ³	2,876,062.76
Gasoline consumption of vehicles owned	liter	147,558.53
Diesel consumption of vehicles owned	liter	6,520.96
Electricity consumption per unit operating income	kWh/RMB 1,000	22.15
Natural gas consumption per unit operating income	m ³ /RMB 1,000	0.30
Water ³		
Water consumption	m ³	1,602,517.89
By sources: municipal water supply	m ³	1,593,973.33
By sources: effluents collected from other organizations	m ³	8,544.56
Water consumption per unit operating income	m ³ /RMB 1,000	0.17

Notes:

- The statistics of air emissions, effluents and wastes cover STA and WXAT Tianjin, both of which are major polluters published by the environmental protection departments in China.
- Hazardous wastes consist of waste organic solvents, waste mercury-containing reagents, waste activated carbon, waste reagents and hazardous waste contaminants.
- The statistics of GHG, energy and water cover WuXi AppTec and its subsidiaries in China and the US. As WuXi AppTec shares the office space with other companies of WuXi AppTec Group in Waigaoqiao, Shanghai, the energy and water data include those of the abovementioned companies. It is estimated that WuXi AppTec accounts for the majority of total energy and water consumptions.

Employment and labor practice

Indicator	Unit	Y2018
Total employees	No. of people	17,730
Male employees	No. of people	8,747
Female employees	No. of people	8,983
Employees aged >50	No. of people	478
Employees aged 30-50	No. of people	7,194
Employees aged <30	No. of people	10,058
Employees with a doctorate degree	No. of people	949
Employees with a master's degree	No. of people	5,636
Employees with a bachelor's degree	No. of people	8,278
Employees without a bachelor's degree	No. of people	2,867
Employees covered by labor contracts	%	100
Average training hours completed per employee ¹	hour	8.41
Average training hours completed per male employee ¹	hour	8.89
Average training hours completed per female employee ¹	hour	7.95

Note:

1. The statistics cover offline training programs organized by WTA and do not cover others such as those delivered by "E-study Network+" online training

Supply chain management

Indicator	Unit	Y2018
Total suppliers	No. of suppliers	6,514
By geographical region: Mainland China	No. of suppliers	4,235
By geographical region: Hong Kong, Macau, Taiwan and other countries and regions	No. of suppliers	2,279
Suppliers receiving environmental, labor and ethics performance assessment according to the supplier evaluation system of WuXi AppTec ¹	No. of suppliers	72
Suppliers found failing to meet environmental, labor and ethics evaluation criteria ¹	No. of suppliers	0

Note:

1. The statistics cover WuXi AppTec and its subsidiaries in China.

Anti-corruption

Indicator	Unit	Y2018
Number of concluded legal cases regarding corrupt practices brought against the Company or its employees ¹	Case	0
Compliance training participation	No. of attendances	20,564

Note:

1. The statistics cover WuXi AppTec and its subsidiaries in China and the US.

Community

Indicator	Unit	Y2018
Total community philanthropic investment	RMB 1,000 yuan	43
Including: charity donation	RMB 1,000 yuan	30

Compliance

As an entity with global presence, WuXi AppTec keeps an eye on the local laws and regulations applicable to its operations and CSR, and considers legal compliance as the minimum requirements for its operations. In Y2018, there were no recognized legal non-compliance incidents or lawsuits regarding air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste; employment and labor practice; health and safety, advertising, labelling and privacy matters relating to products and services; and bribery, extortion, fraud and money laundering.

Field	Applicable laws and regulations abided by WuXi AppTec
Environmental protection	<p>China: Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on Environmental Impact Assessment, Atmospheric Pollution Prevention and Control Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes, and Water Pollution Prevention and Control Law of the People's Republic of China, etc.</p> <p>The US: Clean Air Act within 40CFR50-59 and within 40CFR100-149, and Resource Conservation and Recovery Act within 40CFR239-299, etc.</p>
Employment and labor	<p>China: Labor Contract Law of the People's Republic of China, Social Insurance Law of the People's Republic of China, Regulation on Work-Related Injury Insurance, and Regulation on the Administration of Housing Funds, etc.</p> <p>Germany: Unfair Dismissal Act (KSchG), and Social Security Statute Books (SGB I-XI), etc.</p>
Occupational health and safety	<p>China: Law on the Prevention and Control of Occupational Diseases of People's Republic of China, Measure of Supervision and Administration of "Three Simultaneities" Facilities for the Prevention and Control of Occupational Diseases at Construction Projects (2017 Amendment), and Measures for the Supervision and Administration of Employers' Occupational Health Surveillance, etc.</p> <p>The US: Protection Against Radiation (10CFR20)</p>
Product and service quality	<p>China: Pharmaceutical Administration Law of the People's Republic of China, Measures for the Supervision over and Administration of Pharmaceutical Production, Measures for the Certification Administration of Good Manufacturing Practices for Pharmaceutical Products, Measures for the Administration of Drug Registration, and Measures for the Administration of Medical Device Registration, etc.</p> <p>The US: Good Laboratory Practice (GLP), Good Clinical Practice (GCP), current Good Manufacturing Practices (cGMP), Animal Welfare Act (AWA), Health Insurance Portability and Accountability Act (HIPAA 1996), etc.</p>
Intellectual property protection	<p>China: Patent Law of the People's Republic of China, and Trademark Law of the People's Republic of China, etc.</p> <p>Germany: German Trademark Law (MarkenG), German Telecommunications Act (TKG), German Telemedia Act (TMG), and General Data Protection Regulation (GDPR), etc.</p>
Anti-corruption	<p>China: Criminal Law of the People's Republic of China, and Company Law of the People's Republic of China, etc.</p> <p>The US: Foreign Corrupt Practices Act (FCPA), etc.</p>

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About this Report

This is the first CSR report ("the Report") published by WuXi AppTec Co., Ltd. ("WuXi AppTec", "the Company" or "We") as an entity listed on both Shanghai Stock Exchange and Hong Kong Exchange. The Report discloses the principles and performance of the Company's CSR fulfillment in Y2018, covering the economic, environmental and social issues concerning key stakeholders.

Basis of Preparation

The Report is prepared based on the Environmental, Social and Governance Reporting Guide published by the Hong Kong Stock Exchange (HKEx ESG Reporting Guide), Notice on Strengthening CSR Work of Listed Companies & Issuing Guidelines on Environmental Information Disclosure of Listed Companies in Shanghai Stock Exchange, and the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards).

Report Scope

Organizational scope: WuXi AppTec Co., Ltd. and its subsidiaries, unless otherwise specified.
 Reporting period: From January 1, 2018 to December 31, 2018.
 Reporting cycle: Annual report.

Data Description

The figures and cases in the Report are derived from original records of the actual operation or financial report of healthcare industry. In case of any discrepancy, the financial report shall prevail.

Company Name and Abbreviation

Full name	Abbreviation in the Report
WuXi AppTec (Shanghai) Co., Ltd.	WXAT Shanghai
WuXi AppTec (Wuhan) Co., Ltd.	WXAT Wuhan
WuXi AppTec (Suzhou) Co., Ltd.	WXAT Suzhou
WuXi AppTec (Tianjin) Co., Ltd.	WXAT Tianjin
Shanghai SynTheAll Pharmaceutical Co., Ltd.	STA

Definitions of Terms

We may use certain terms of WuXi AppTec or terms in the field of CSR to present our economic, social and environmental performance. To assist the readers in reading and understanding the Report, we list the most common terms, organization names and their abbreviations below. Please also refer to the definition section in the Annual Report 2018 of WuXi AppTec for terms not defined herein.

Terms	Definitions
Contract Development and Manufacturing Organization (CDMO)	Contract Development and Manufacturing Organization (CDMO) refers to the provision of process R&D services for the intermediates and APIs of drugs, including process research, optimization, analysis test and preparation research.
CMC (Chemical, Manufacturing and Control)	CMC refers to pharmaceutical research data in drug R&D, including formulation development, process research and quality research.
Declaration of Helsinki	As the abbreviation of WMA Declaration of Helsinki, the Declaration defines the ethical principles and restrictions for human-based biomedical research, and it is the second international document for human subject research.
US Animal Welfare Act	Issued in 1996, AWA consists of guidelines for general animal treatment and special rules for animal exhibition and transportation. More importantly, it is the first and the only act regulating the animal experiment in the history of the animal experiment in the US.
GMP	As a mandatory standard applicable to the pharmaceutical and food industries, Good Manufacturing Practices (GMP) requires the entities to meet legal hygienic quality requirements in terms of materials, personnel, equipment and facilities, manufacturing process, packaging and transport as well as quality control, and form a set of operable manufacturing practices to assist the entities in improving hygienic conditions and timely identifying problems during manufacturing for improvement.
National Medical Products Administration (NMPA)	As a medical products administration set up by the Chinese government, NMPA is responsible for the administration of drugs, medical devices and cosmetics.
Food and Drug Administration (FDA)	Authorized by United States Congress and Federal Government, FDA is the supreme law enforcement agency engaged in administration of food and drugs. Comprising physicians, lawyers, microbiologists, chemists, statistician and other professionals, it is also a health monitoring agency devoted to protecting, promoting and improving national health.
Materiality and material issues	Material issues refer to issues with major economic, environmental and social impacts that should be considered in the sustainable development strategy and report of an organization, or those with major impact on the assessment and decision-making of stakeholders, such as energy and wastes.
Stakeholders	Individuals, groups and organizations that may impact business activities or be impacted by business activities.
UN Sustainable Development Goals (SDGs)	The Sustainable Development Goals (SDGs), otherwise known as the Global Goals, are a collection of 17 global goals set by the United Nations in 2015. Building on the success of the Millennium Development Goals, they are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Website: http://www.undp.org/content/undp/en/home/sustainabledevelopment-goals.html
Global Reporting Initiative (GRI)	An independent international organization that developed the world's first and most widely accepted global standards for sustainability reporting, the GRI Standards. Website: https://www.globalreporting.org .
Organization for Economic Co-operation and Development (OECD)	As an inter-governmental international economic organization comprising 36 countries with market-oriented economy, OECD aims to jointly address the challenges in terms of economic, social and government governance brought by globalization, and seize the opportunities thereof. Website: http://www.oecdchina.org/ .



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