

GL CAPITAL

2023 SUSTAINABILITY REPORT —»

Oct 2024



CONTENTS

01

Introduction

03

Pathways to Sustainability

05

Looking Ahead

02

2023 Sustainability Highlights

04

Our Engagement in Action

01

INTRODUCTION

- Message from our CEO
- About GL Capital



► Message From Our CEO ►►►



Jeffrey Li
CEO
GL Capital

Since our establishment, GL Capital strives to be the partner-of-choice for leading healthcare companies, generate superior returns for our investors and contribute to the sustainable development of China's healthcare industry. Our commitment to these goals was demonstrated by becoming a signatory of the PRI (Principles for Responsible Investment), showcasing our unwavering dedication to advancing technologies and services that promote good health and well-being for humanity in 2023.

Through the improvement of our responsible investment system and the release of our first Sustainability Report last year, we have received significant support and feedback from our investors, portfolio companies, and other stakeholders. It fills us with pride to know that we are on the right path towards enhancing our responsible investment capabilities and performance.

In 2023, we further bolstered our responsible investment approach by conducting ESG assessments for all targets of our USD Fund III and newly established USD Fund IV. We continued to expand and enhance our ESG value creation, monitoring, and engagement initiatives, collaborating closely with our buyout companies.

The sustainability regulatory landscape is evolving rapidly, and we acknowledge that expectations regarding sustainability performance for both ourselves and our portfolio companies will continue to rise. Considering sustainability as an integral part of our nature, we see this as an opportunity to demonstrate our distinctive competitiveness in promoting greater accessibility to healthcare solutions, particularly in areas such as providing quality nutrition and improving elderly care. These achievements will be showcased in the ESG case studies presented in our report.

As a signatory of the PRI, we eagerly anticipate operating, investing, monitoring, and reporting under the PRI framework. We firmly believe that proactive integration of sustainability practices not only benefits companies but also makes a meaningful contribution to our objectives of building better businesses and creating enduring, sustainable value. Looking ahead, we invite all stakeholders to join us on our sustainability journey.



About GL Capital

GL Capital Group (“GL Capital” or “GL”) founded in 2010 by former Country President for Novartis China, Jeffrey Li, is an investment firm that focuses on buyout and growth opportunities in China’s healthcare industry. The firm has over 3.4 billion USD in aggregate AUM across both public and private equity, through USD and RMB-dominated funds.

GL Capital strives to be the partner-of-choice for leading healthcare companies, generate superior returns for our investors, and contribute to the sustainable development of China’s healthcare industry

\$ 3.4 bn
AUM in USD¹

40+
Professionals

4
Operating offices

10
Funds under management²

90+
Investments since founding

9
Buyout projects completed

14
Years of experience



London



Beijing



Guangzhou



Hong Kong

1.As of 30 Sept 2024

2.Number of funds raised or currently under fundraising across multi asset class



02

2023 SUSTAINABILITY HIGHLIGHTS

- Firm Highlights
- Portfolio Highlights





Firm Highlights

Recognition of our performance:



TOP 30

GL Capital was selected as 2023 Top 30 Best Healthcare Institutional Investors

TOP 50

GL Capital was selected as 2023 Top 50 Best PE Funds, ranked 28th

TOP 20

Our Partner, Lin Yi, was selected as 2023 Top 20 Best Healthcare Investors

TOP 20

GL Capital was recognized as the Top 20 Most Popular Direct Investment Fund Institutions for Young Investors in 2024



40U40

Our director, Yang Li, was selected as one of 2024 40 (40U40) Most Promising Young Investors in Direct Investment Funds under the Age of 40



Firm Highlights

Recognition of our performance:



TOP 20



GL Capital was recognized as 2023 Top 20 Best Foreign PE Institutional Investors in China



TOP 20



GL Capital was recognized as 2023 Top 20 Best Institutional Investors focusing on Medical Device and Healthcare Service Sector

TOP 100



Our Partner, Lin Yi, was recognized as 2022-2023 Top 100 Best Private Equity Investors in China



TOP 10

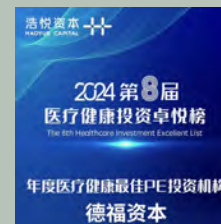


Our invested company, Asia Pacific Medical Group, was recognized as 2022 Top 10 Best Medical Service Investment Cases in China's Medical and Healthcare Service Sector

1
NO.1



Our invested company, Biokin Pharmaceutical, ranked No. 1 in 2023 Top 5 Best Exits in China's Medical and Healthcare Service Sector



GL was recognized as the Best Investment Return Fund of the Year in Healthcare



GL was recognized as the Best PE Investment Institution of the Year in Healthcare



GL was recognized as the Best Investment Institution of the Year in Healthcare Services

Firm Highlights



In 2023, we expand our sustainability monitoring program to our new projects of new USD Fund IV to fulfill our responsible investment obligations and capture value creation opportunities, benchmarking with standards of ILPA, SASB, HKEX ESG Reporting Guide, SFDR, IFC, and United Nations Principles for Responsible Investment (UNPRI).



A simple and comprehensive view of sustainability highlights of our pilot portfolios is shown below:

Environment		Social	Governance	Diversity, Equality and Inclusion
75%	38%	100%	88%	50.7%
Implemented energy-saving policy and actions	Set goals on carbon reduction or neutralization and implemented related actions	Implemented health and safety policy and procedure	Implemented anti-corruption, anti-bribery and fraud prevention policy and procedure	Women in total headcount
100%		88%	100%	20.4%
Assessed scope 1 and scope 2 GHG emissions data management capacity		Implemented product quality assurance and recalls policy and procedure	Offered anti-corruption trainings for employees and the management	Women board members
		63%		
		Implemented annual assessment or survey on employees		

Portfolio Highlights



United Nations-supported Principle for Responsible Investment (UNPRI) stands as the global frontrunner in advocating for responsible investment, spearheading efforts to comprehend the far-reaching effects of environmental, social, and governance (ESG) factors on investments. Its mission is to provide unwavering support to its extensive network of investor signatories in assimilating these crucial considerations into their decision-making processes and ownership strategies.

In a significant stride towards upholding these principles, GL Capital proudly joined PRI in November 2022.

Embarking on our inaugural year as a PRI signatory, we initiated an all-encompassing evaluation of the 2023 reporting framework, while concurrently aligning our investment and ownership approach with fresh mandates. We proactively instituted training programs aimed at enhancing awareness and equipping our entire firm with the necessary skills and expertise. By diligently ensuring that our ESG monitoring KPIs seamlessly harmonized with the ESG Data Convergence Initiative (EDCI), we positioned ourselves to effectively seize stewardship opportunities and fulfill our reporting obligations.

We are committed to open communication on our responsible investment practices and continuously refining our approaches for long-lasting sustainability.



01

We will incorporate ESG issues into investment analysis and decision-making processes.

02

We will be active owners and incorporate ESG issues into our ownership policies and practices.

03

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

04

We will promote acceptance and implementation of the Principles within the investment industry.

05

We will work together to enhance our effectiveness in implementing the Principles.

06

We will each report on our activities and progress towards implementing the Principles.

03

PATHWAYS TO SUSTAINABILITY

- Responsible Investment
- Responsible Operation



Governance and Oversight

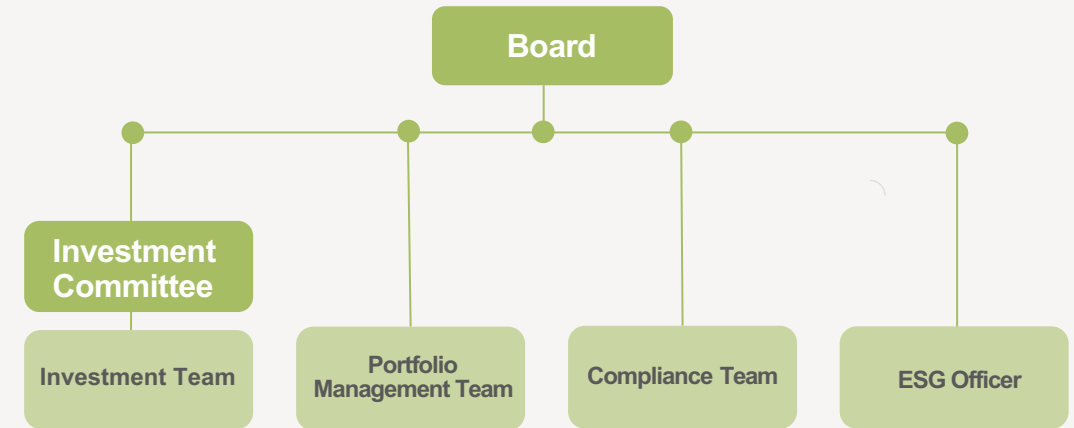


GL Capital has clearly defined ESG managing roles and responsibilities in our governance structure.

The Board of GL assumes the ultimate responsibility for shaping the responsible investment strategy, while our Investment Committee takes charge of final investment decision-making, which is informed by ESG due diligence. Our Investment and Portfolio Management teams work collectively to ensure ESG factors are integrated into the investment process. Compliance oversight from investment and operational aspects is held accountable by our Compliance Team. Coordination of ESG issues and stakeholder communication, both internally and externally, is led by our dedicated ESG Officer.



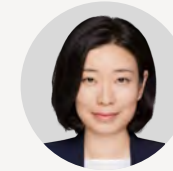
GL Capital's governance structure is demonstrated in the figure below:



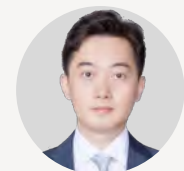
Key accountable professionals work collaboratively to coordinate ESG-related management:



YIFEI WANG
Partner



YICHANG CHEN
Managing Director,
Investor Relations



JERRY ZHU
ESG Officer

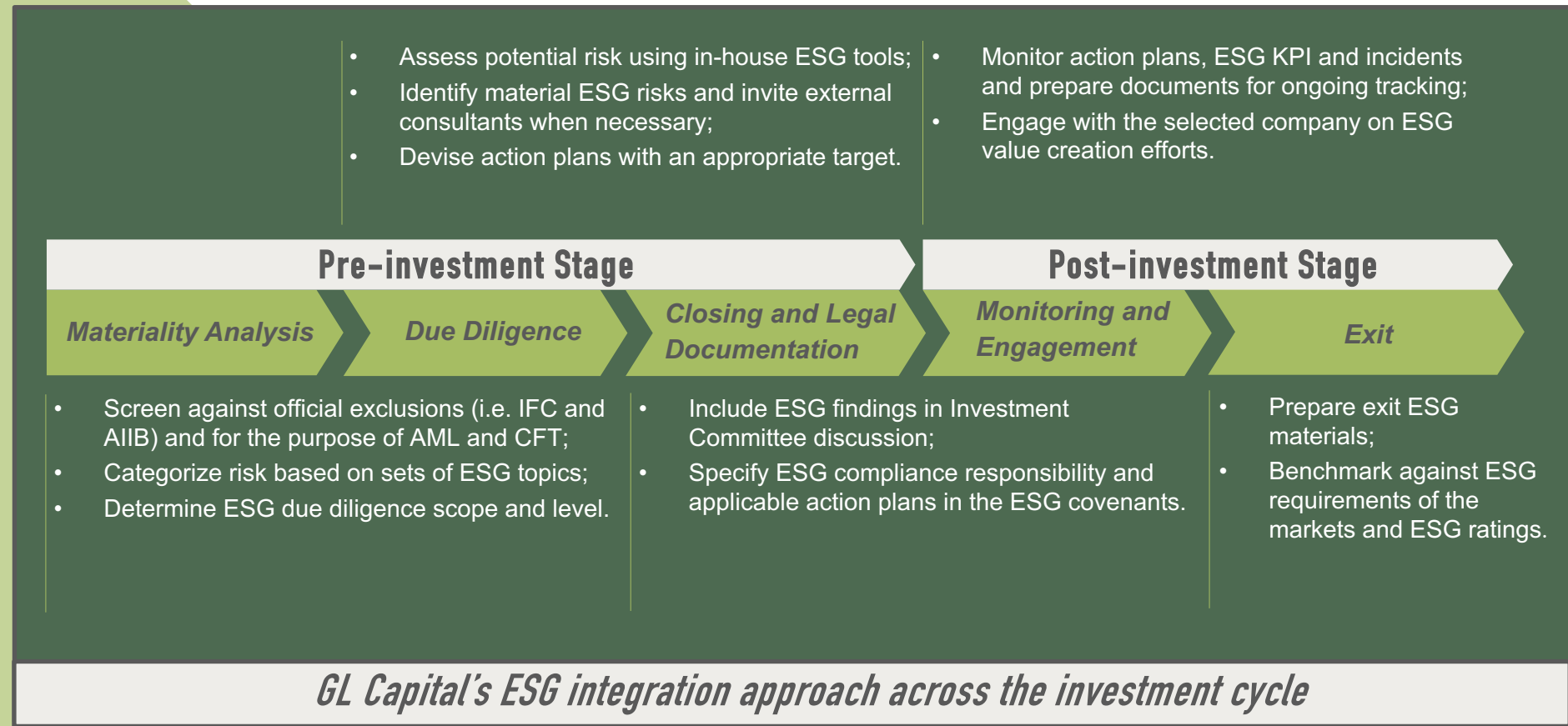
ESG Integration in Investment



We have established a structured ESG integration approach throughout the investment lifecycle. Our commitment to responsible investment is unwavering, and we intend to gradually implement this upgraded approach for all future investments, leveraging internal and external resources.

In 2023, we refined our approach to align with investors' evolving expectations and the sustainability focus of new industries.

The diagram describes our approach across the investment cycle.



ESG Vision and Commitment

Our ESG Vision

GL Capital recognizes ESG's impacts on portfolio performance, acknowledging that companies that proactively manage relevant risks and opportunities will be better positioned in the evolving world. Besides meeting our fiduciary obligations to shareholders, we strive to invest responsibly by integrating ESG factors into our investment process and corporate culture.

Our investment decisions are guided by responsible investment and sustainability criteria. We have taken into account globally recognized sustainability frameworks when shaping our ESG approach.

Our Referred Sustainability Frameworks



Our ESG Commitment

GL Capital is dedicated to driving change across portfolios and creating sustainable returns for investors through responsible investment



Environmental

- Ensure responsible environmental management in business operations.



Social

- Promote employees and contractors' rights to decent working;
- Foster diverse talents with long-term development in mind;
- Educate employees on relevant ESG topics via firmwide trainings;
- Participate in socially responsible activities and build healthy communities.



Governance

- Build strong corporate governance with business integrity and ethics adhered;
- Ensure regulatory compliance and prepared for emerging market requirements;
- Integrate ESG factors into GL's investment and management processes, while exercising active ownership;
- Disclose GL's responsible investment approach and ESG information to investors, etc.;
- Collaborate to advance industry-wide responsible investment efforts.

Contributing to the SDGs

- ▶▶▶ As a value-driven healthcare investor, in alignment with the United Nations Sustainable Development Goals (UN SDGs), we seek to invest in industry-leading companies that contribute to promoting good health and well-being of humanity.
- In addition, we recognized potentials of business-related SDG opportunities and are committed in supporting companies in harness those chances to drive enduring sustainable changes.

Sustainability Aspects	Promote Treatment Accessibility			Invest in Better Prevention and Health Promotion		Create Positive Environmental, Social and Behavioral Impacts																																					
<div><div><div><div>SUSTAINABLE DEVELOPMENT GOALS</div><div>3</div><div>MABUTING KALISUGAN AT MAYOS NA PAMUMUHAY</div><div></div></div><div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div><div><div>15</div><div>LIFE ON LAND</div><div></div></div></div></div> <tr><td colspan="3">Decrease mortality caused by cancer and cardiovascular and respiratory diseases through specialized hospitals</td><td>Larger coverage of essential healthcare with localized primary care services</td><td>Provide greater supply of affordable essential medicines</td><td>Decreased neonatal mortality with experienced licensed health professionals</td><td>Ensure safe delivery with a skilled and stable talent pool</td><td>Retain health talents</td><td>Protect biodiversity from medical pollution</td><td>Improve public awareness of diseases</td></tr> <tr><td rowspan="4"><div></div><div>Healthcare solutions</div></td><td>Severely infectious and communicable treatment</td><td>Specialized surgery/treatment</td><td>Anti-infective and anti-virus research</td><td>Cancer screening</td><td colspan="4">Dietary intervention</td></tr> <tr><td></td><td></td><td>Good nutrition to vulnerable people</td><td>Surgical training service</td><td colspan="4">Expired drugs recycling program</td></tr> <tr><td>Access to rehabilitation and surgical devices</td><td>Children neuroblastoma disease treatment medicine</td><td>Dietary supplements</td><td>Safe childbirth</td><td colspan="4">Animal Welfare</td></tr> <tr><td></td><td></td><td></td><td></td><td colspan="4">Seminar on medication safety</td></tr>	Decrease mortality caused by cancer and cardiovascular and respiratory diseases through specialized hospitals			Larger coverage of essential healthcare with localized primary care services	Provide greater supply of affordable essential medicines	Decreased neonatal mortality with experienced licensed health professionals	Ensure safe delivery with a skilled and stable talent pool	Retain health talents	Protect biodiversity from medical pollution	Improve public awareness of diseases	<div></div> <div>Healthcare solutions</div>	Severely infectious and communicable treatment	Specialized surgery/treatment	Anti-infective and anti-virus research	Cancer screening	Dietary intervention						Good nutrition to vulnerable people	Surgical training service	Expired drugs recycling program				Access to rehabilitation and surgical devices	Children neuroblastoma disease treatment medicine	Dietary supplements	Safe childbirth	Animal Welfare								Seminar on medication safety			
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Responsible Operation



At GL, we recognize that our people are our biggest asset. We are committed to providing every employee with equal working opportunities, and ensuring that they work in a fair, safe and respectful environment. We take the initiative to safeguard the legitimate rights and interests of our employees and ensure that they are fully protected.

Learning and Development

GL has established a comprehensive development plan to safeguard employees' ability from four perspectives: Impact to Community, Leading the Firm, Leading Others and Personal Mastery.

In the mean time, we provided on job training for employees at different levels and functions by implementing a mentor or career development manager system on a graded basis. The new employees are entitled to a six-month mentoring program and feedback mechanism for project review to ensure that they receive adequate guidance and feedback.

In order to provide our employees with fair and equitable career development opportunities, we implement an annual performance appraisal system. We take the results as one of the bases for promotion, bonuses and salary adjustments to ensure each employee's contributions are adequately recognized. With such talent management approach, we achieved zero turnover rate with no employee leaving in 2023.



GL's Employee Development Plans

	Soft Skill Training	Reading	Assessment
Impact to Community	Society influence ESG		
Leading the Firm	Budgeting Strategic thinking Networking Influencing Coaching	Leadership circle No Rules -	TLC-MD level
Leading Others	Leadership 101 Team effectiveness stage Coaching Becoming mentor Performance feedback Influencing skills		Hogen-D level
Personal Mastery	Individual developing plan 7 habits Valuation Analysis skill trainings	Managing oneself emotional attitude - GL Capital Reading list	Strength finder DISC Individual profiles

Responsible Operation ▶▶▶

Cultivate an Inclusive Culture to Enhance Mutual Trust

GL has formulated a specific value framework and behavioral guideline to guide our employees and create an friendly, inclusive and collaborative working culture.

Our human resource policies clearly stated that GL will ensure equal employment opportunities to all employees and strongly opposed to any form of discriminatory behavior. In practice, we actively promote equally treatment and opportunities in recruitment, transfer and promotion process. In 2023, we maintained an almost equal gender ratio at both employee and management levels.



To deepen our employees' understanding and practice of corporate values in daily work, we regularly organized values days, family days and team building activities.

In 2024, we will implement Feedback Week plan to promote direct communication between team members and strengthen team collaboration. In this way, we can build a deep foundation of trust, and further strengthen our corporate culture.



Employee Satisfaction

GL values continuous dialogue with the employees to learn and ensure various needs of our diverse workforce are fully addressed. We regularly conduct employee engagement surveys to gather feedback directly from employees to better understand their needs and how we can best support them.

In 2023, 31 employees participated in the engagement survey, with the average value 3.96 out of 5 and the engagement index 45%. Based on the results, we conducted an in-depth analysis and formulated corresponding action plans to address employees' concerns and to improve employee satisfaction and work motivation.



Responsible Operation

GL makes efforts to contribute to children's health and well-being. Apart from considering the performance of portfolio companies in terms of children's health in our investment decisions, we also encourage our employees to participate in related public service activities in the way of financial contributions or volunteering, working together to create a social atmosphere that cares for children's healthy growth.



一起锻炼，一起做公益

无畏坎坷，无畏奔跑，这是一种生活态度，一起锻炼，一起做公益，一起帮助DMD孩子！

Tencent Charity Fundraising Campaign of the DMD Care Center

Care for Children with Rare Diseases

In 2023, GL was engaged in the Tencent Charity Fundraising Campaign of the DMD Care Center, whose donation will be used for the construction of a Love Hut for DMD (Duchenne Muscular Dystrophy) patients. The Hut will provide off-site medical accommodations for families from abroad for treatment, and rehabilitative psychological care for the DMD children.



Donation of the Free Lunch Program



2024一个鸡蛋的暴走
2024 One Egg's Walk Activity

Protect Children from Hunger

GL has been advocating employees to actively participate in the Free Lunch Program initiated by the China Social Welfare Foundation for many years, to help underage schoolchildren in need avoid hunger during school hours and enjoy a hot free lunch. Up to now, Liu Xinrui has made 13 donations, which is equivalent to 429 lunches for children.

Help Children in Distress

In April 2024, Jerry Zhu sponsored a team to participate in the "2024 One Egg's Walk" charity event initiated by Shanghai United Foundation. Participants were required to walk 50 kilometers in 12 hours to raise money for the well-being of children, so as to help diversified children's welfare programs such as child protection in central and western China and mental health of minors in Shanghai.

Responsible Operation

Internal Control

To standardize and strengthen our internal control of the enterprise and improve the level of our operation and management, GL has formulated the Internal Control Management System, which specifies the responsibilities at all levels. In addition, the internal

control activities cover all business processes, thus ensuring that our operations are in compliance with the internal rules and regulations.

Risk Management

In order to manage the various risks in the operations, GL has constructed a comprehensive risk control system, consisting of the Company's management, the Investment Decision Committee, the Risk Control Department and the Operations Department. By conducting regular risk assessment and evaluation of our business operations, the Risk Control Department submits an annual risk control report to the leaders at the end of April each year, to provide a basis for our decision-making, effectively preventing potential risks.



Business Ethics

GL Capital is committed to fostering a culture of compliance and ethics to meet the expectations of our clients, shareholders and other stakeholders. In accordance with the highest level of ethical business considerations, we have formulated the Code of Ethics Policy that guides ethical conduct in our business activities and interactions. We also comply with applicable anti competition laws to ensure our goods and services are provided on their merits.

Our employees are expected to act ethically and responsibly. Specifically, they should obey all applicable laws and regulations and uphold the highest sense of honesty and integrity, etc. Any observed illegal activity, or suspicious activity, should be reported to our Compliance Officer immediately. In 2023, we had zero business ethics breaches.

Digitalization and Information Security

In order to manage risks more effectively, GL has proactively adopted an integrated digital platform to enhance risk control and data management. With these tools, we can better collect and analyze large amounts of data to help management make decisions. In addition, we

attach importance to protecting data privacy and security, with forbidding employees to exploit the confidential data for personal gain and setting related penalties to any non-compliant behaviors.

04

OUR ENGAGEMENT IN ACTION

- Featured Story

Invest to promote quality and accessibility of healthcare solutions

With the concept of integrating social responsibility into business development, GL Capital not only focuses on the companies' economic benefits, but attaches great importance to promoting the development of global health. Through our partnerships with companies such as Sangon Biotech, SciClone Pharmaceuticals and Foryou Medical, we are committed to revolutionizing the healthcare industry and providing high-quality and accessible medical solutions to bring better services to patients.

Our investment strategy aligns with the United Nations' Sustainable Development Goals 3 (Good Health and Well-being) and 9 (Industry, Innovation and Infrastructure), demonstrating our commitment to global social responsibility and a deep concern for human health and well-being. Through these investments, we aim to support advances in medical technology, improve access to health care to contribute to a healthier and more sustainable world.

Sangon Biotech

Industry: Medical Equipment & Supplies
Investment Year: 2023

生工® Sangon Biotech

► Overview

Sangon Biotech (Shanghai) Co., Ltd. (hereinafter, Sangon Biotech), established in 1995, is dedicated to providing products and services to the life science research field, as well as providing upstream raw materials such as primer probes, reagents and consumables for industrial customers. Sangon Biotech is a well-known suppliers with comprehensive coverage in the life science industry and a large global manufacturer of customized products for DNA synthesis. In 2023, Sangon Biotech was honored with the “10th Quality Gold Award in Songjiang District”.

► GL’s Involvement

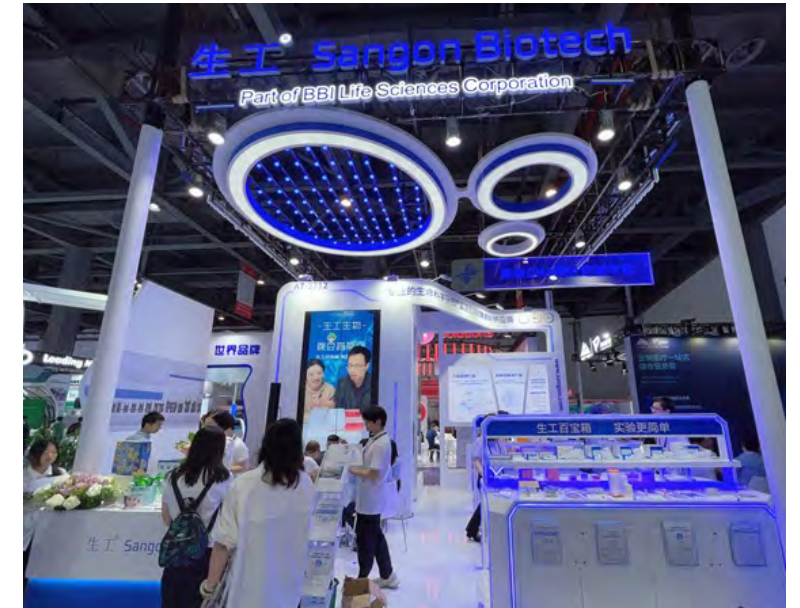
GL Capital invested in Sangon Biotech in 2023. As Sangon Biotech currently has a certified Environmental Management System, H&S and Quality Management System, GL will help Sangon Biotech to improve its ESG management system. And with GL’s investment, Sangon Biotech will continue to improve its scientific and technological innovation, and accelerate its high-quality and sustainable development in the life science field.

► Participate in Exhibitions to Increase Product Accessibility

As one of the global top DNA synthesis manufacturers, Sangon Biotech’s business covers more than 200 countries. In order to further improve product accessibility, Sangon Biotech actively participates in domestic and international industry exhibitions.

In May 2023, Sangon Biotech participated in the CACLP (China Association of Clinical Laboratory Practice Expo). As an exhibitor, Sangon Biotech not only actively interacted with other exhibitors, but also displayed its various products such as reagents, synthetic raw materials and proteins. During the three-day exhibition, Sangon Biotech received more than 1,500 attendees. In addition, Sangon Biotech conducted 4 live broadcasts combining online and offline forms, attracting 12,000 people to watch online.

By the end of 2023, Sangon Biotech has participated in a total of 24 academic conferences and industry exhibitions to continuously promote and popularize its products and technologies, thereby increasing products’ exposure and accessibility.



Sangon Biotech’s Exhibition Site

Sangon Biotech

Industry: Medical Equipment & Supplies
Investment Year: 2023

生工® Sangon Biotech

Intelligent Manufacturing Enables Mechanized and Automated Production of Independent Products

Sangon Biotech has achieved mechanization, automation, or intelligence in various production line processes through independent research and development or outsourcing design. Most of these designs are original creations of Sangon Biotech and have been patented. By April 2020, the degree of automation in the production process has reached over 80%.

Sangon Biotech has consistently adhered to the independent manufacturing of its main products. With large-scale production workshops, it actively promotes production automation. For instance, in DNA synthesis and gene synthesis, it utilizes large automatic synthesizers, automatic nucleic acid extractors, automatic pipetting workstations, and integrated automatic dispensing/ coding/labeling instruments. In its laboratory consumable injection workshop, all operations are conducted by mechanical arms.

The daily output of primer synthesis reaches 90,000 strips, and the daily output of consumables reaches 2 million units.

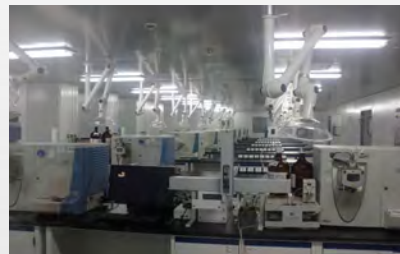
Workshop



Primer Synthesis Workshop



Consumable Production Workshop



Synthesis and Purification Workshop

Automation facility

Split equipment for NGS connectors



Effectively prevent cross-contamination of joints

Automatic packaging of tube-packed primers



The speed can reach 3,000 EP tubes/hour

Automatic distribution equipment



The speed can reach 768 EP tubes/hour

Automatic Sorting of Tube-Packed Primers



The speed can reach 1,000 EP tubes/hour

Sangon Biotech

Industry: Medical Equipment & Supplies
Investment Year: 2023

生工® Sangon Biotech

► Industry-University Cooperation to Enhance Product and Technology Innovation

While providing the universities with research-related products, Sangon Biotech also attaches great importance to the cooperation with them to promote the integration of industry, academia and research.

In May 2023, Donghua University - Sangon Biotech Joint Innovation Center was inaugurated in Shanghai. The Joint Innovation Center aims at strengthening the cooperation in product research and development, industrialization and application and talent development between the two parties. Sangon Biotech will leverage the microbiology laboratory (P2 level) and other R&D resources of Donghua University as well as its experience in nucleic acid design to continuously promote Sangon Biotech's important technological R&D, providing better and high-quality products for clients.



The Inauguration Ceremony of Joint Innovation Center

► Business Cooperation to Empower the Development of Life Science Field

Sangon Biotech actively cooperates with leading companies to improve its R&D capabilities and to promote innovation in the field of life science.

In August 2023, Sangon Biotech and Thermo Fisher entered into a strategic cooperation to establish the "Thermo Fisher-Sangon Biotech Genetic Science Joint Demonstration Laboratory", which is positioned as a "genetic science platform + technology service" in the life science industry. Combining Thermo Fisher's leading platform technology and Sangon Biotech's application technology experience and localization advantages on the service side, the two parties will work together to enhance the service capacity of genetic science platforms in terms of sharing laboratory platforms, developing sequencing applications, and technical training and exchanges.



The Opening Ceremony of Genetic Science Joint Demonstration Laboratory

SciClone Pharmaceuticals

Industry: Biotechnology & Pharmaceuticals
Investment Year: 2012 & 2017



Overview

SciClone Pharmaceuticals is a China-focused specialty pharmaceutical company, which was listed on the Hong Kong Stock Exchange (HKSE: 6600) in March 2021. Staying true to the Group's original aspiration of "SciClone gives life hope", SciClone is dedicated to improving patients' health by providing top-tier healthcare products and services with global standards of care.



SciClone Pharmaceuticals' Office

GL's Involvement

GL Capital invested in SciClone Pharmaceuticals in 2012 and led a consortium to acquire SciClone in 2017. GL Capital continues to provide SciClone with value-added services. With GL's support in R&D and digital technology, SciClone expanded its collaboration channels and established strategic partnerships with leading companies and organizations in the industry.

Products



Zadaxin

SciClone Pharmaceuticals Sustainability Snapshot

2023



0.09

GHG emission intensity in 2023 (tCO2e per capita)



170.7

R&D expenses (million RMB)



66.7%

% of female employees



17.1%

Annual turnover rate



18,400

Total training hours

SciClone Pharmaceuticals

Industry: Biotechnology & Pharmaceuticals
Investment Year: 2012 & 2017



Invest in Digital Platform to Enhance Accessibility to Medicines

SciClone Pharmaceuticals takes the initiative to develop online platforms to reach a wider range of stakeholders, customers and patients in a more efficient way.

In 2023, SciClone upgraded the GTP model to improve experience and efficiency of patients' visits. Under the current GTP model, patients can access product details and services through the Hi-Doctor Platform. Once registered on the Platform, patients can upload prescriptions online, with the subsequent option of direct home delivery or collection at designated locations such as DTP pharmacies. GTP model enabled SciClone to expand its sales channels from hospitals to pharmacies, effectively improving the accessibility to medicines.

Moreover, SciClone Pharmaceuticals and Gaoji Health entered into a strategic partnership to jointly explore a new digital model of whole-course management for oncology patients, so that more patients can benefit from higher-quality and more efficient medical products and services.



SciClone Pharmaceuticals and Gaoji Health Signing Ceremony



Specialized Fund Establishment and Donation Ceremony

Participating in Community Charity Activities to Care for Patients' Health

In the second half of 2023, SciClone Pharmaceuticals jointly established and sponsored "Beijing New Sunlight Charity Funding + Neuroblastoma Care Specialized Fund" aiming to provide economic support, medical help, patient education and caring for the patients who suffered from high risk neuroblastoma. In December 2023, the first "Neuroblastoma Care Day" was held in Shanghai, calling for more attention to the rare disease of neuroblastoma. Children's families from all over the country gathered at the Affiliated Pediatric Hospital of Fudan University to learn about disease popularization and listen to patient experience sharing.

Foryou Medical

Industry: Medical Equipment and Supplies
Investment Year: 2023

FORYOU
华阳医疗

Overview

Huizhou Foryou Medical Devices Co., Ltd (hereinafter, Foryou Medical), an advanced wound care CDMO (contract development and manufacturing organization) founded in 2005, specializes in R&D, manufacturing and commercialization of advanced wound care dressings, polymeric hemostatic products and absorbable bio materials.

Foryou's Office



GL's Involvement

In March 2023, GL Capital's Fund IV closed the investment in Foryou Medical. GL put forward higher requirements on Foryou Medical's operation and management, as well as assisted Forto set challengeable medium-term goals. As a partner, GL utilized its insight ability and resource advantages to provide strong support for Foryou Medical in domestic and international market expansion, brand building, academic exchanges, etc., so as to help Foryou Medical to improve its governance capability, and empower its R&D strength and achieve high-quality development.

Foryou Medical Sustainability Snapshot



12 external academic exchanges in 2023



0% of products sold were subjected to recalls for safety and health reasons



100% employees trained in 2023



12 training hours per full-time employee in 2023

Foryou Medical

Industry: Medical Equipment and Supplies
Investment Year: 2023

FORYOU
华阳医疗

Focus on R&D to Improve the Quality and Competitiveness of Products

Since established, Foryou Medical has created a R&D center and implemented a R&D reserve system to guarantee the investment of R&D expenses. In 2023, Foryou Medical invested approximately \$16.84 million in R&D.

Foryou Medical continues to strengthen the R&D team. In 2023, 19 new full-time R&D personnel were introduced, including 8 master's degree graduates. And a number of systems as formulated to clarify the performance appraisal and incentive scheme for R&D personnel, stimulating the innovation vitality of talents.

In 2023, the research department organized 34 R&D projects, with 10 projects completed. In the next five years, Foryou Medical will still focus on high-end wound care products as the main direction of attack by carrying out related R&D projects to master core technologies and improve its core competitiveness.



A Case on Proper Use of dressings

Publish Scientific Articles to Popularize the Correct Use of Products

In 2023, Foryou Medical published a total of 13 articles on the application of its products and wound care on its Wechat Official Accounts Platform. Foryou Medical attached great importance to geriatric care by

publishing a series of articles aimed at pressure injury care for the elderly, in order to guide the family members to correctly use dressings and to help with the health of the elderly and cope with the problem of aging.

Extending Product Accessibility by Participating Global Conferences

Foryou Medical participated in more than 10 domestic and international exhibitions in 2023, spanning countries such as the UAE, Japan, Germany, Brazil and Chile, which strengthened mutual trust with existing customers and explored potential business opportunities by gaining more market insights.

In March 2023, Foryou Medical participated in the 14th Abu Dhabi Wound Care Conference (ADWCC). Foryou Medical exhibited the LUOFUCON® series of medical functional dressings to the medical professionals, shared a number of clinical cases and discussed the curative effect of its dressings products.



The Exhibition Site

Stride to build sustainable supply chain

GL Capital is committed to promoting the sustainable development of the healthcare industry. We worked with companies such as Zhe Jiang Peptides Biotech and Jin Kang Pu Nutrition to jointly build a stable and sustainable supply chain system, which is helpful to ensure the sustainable development of the healthcare industry and ensure the adequacy of supply in the face of growing market demand and industry challenges.

Through these investments, we can optimize and enhance the operation of the supply chain of the healthcare industry, improve the quality and efficiency of medical products and services, and bring safer and more reliable medical options to consumers, reflecting our relentless pursuit of improving global health.

Zhe Jiang Peptides Biotech

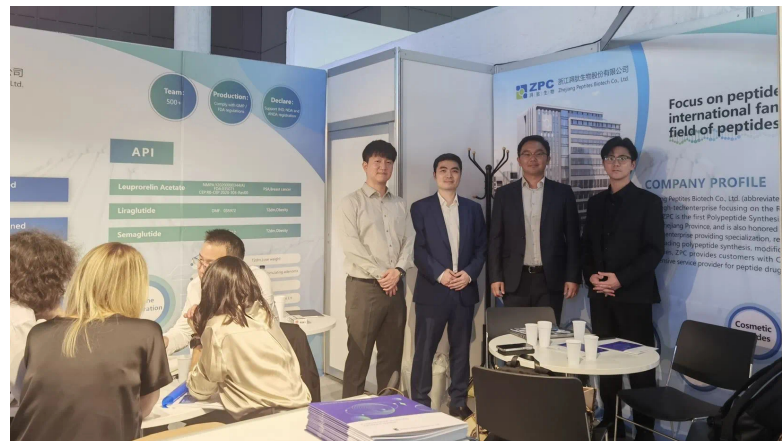
Industry: Biotechnology & Pharmaceuticals
Investment Year: 2022



Zhejiang Peptide Biological's New Office Building

Overview

Zhe Jiang Peptides Biotech Co., Ltd. (hereinafter, ZPC) was founded in 2015, mainly engaged in the research and development, production, sales and related services of peptide products. Taking human health and beauty as its business purpose and relying on the industry-leading core technology advantage of peptide synthesis and modification, ZPC supplies peptide cosmetic raw materials and peptide pharmaceutical products for downstream customers.



Zhejiang Peptide Biological's Exhibition in Spain

Zhe Jiang Peptides Biotech Sustainability Snapshot 2023



0

Incidents of corruption and bribery (case)



0

Legal cases involving false marketing claims (case)



0

Legal cases involving invasion of client privacy (case)



120

Average training hours per employees (hrs)

GL's Involvement

In 2021, GL Capital Fund III invested in ZPC, marking a milestone for the company's sustainable development. With GL's support, ZPC joined UNGC to promote sustainable development and achieve the SDGs. Realizing that anti-corruption and low carbon are important issues of ESG, ZPC established corresponding policies and targets so as to safeguard the sustainability and ethicality of its corporate operations.

Zhe Jiang Peptides Biotech

Industry: Biotechnology & Pharmaceuticals
Investment Year: 2022



► Join the UNGC to Promote Sustainable Development

On July 31st, 2023, ZPC joined the UNGC as its member. ZPC will implement Ten Principles of the UNGC and actively fulfill responsible practices to achieve the Sustainable Development Goals. In response to UNGC requirements, ZPC has established environmental protection procedures, actively conducted carbon inventory, promoted anti-corruption and anti-bribery efforts, and boosted sustainable procurement.

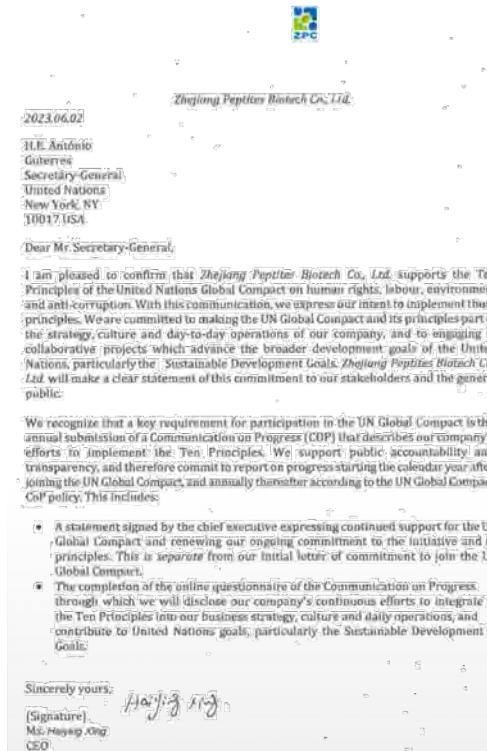
► Set Carbon Peaking and Carbon Neutrality Goals

China has committed to striving to achieve peak carbon dioxide emissions before 2030 and carbon neutrality by 2060. As an industry leader, ZPC actively responds to the goals and takes the lead in releasing its own “Carbon Peaking and Carbon Neutrality” goals in 2023:

- Achieve carbon peaking by 2030;
- Achieve carbon neutrality of operational emissions from 2045 (Scope 1 and Scope 2);
- Achieve net-zero emissions by 2050 (Scope 1, Scope 2 and Scope 3).

ZPC will also disclose the progress of carbon neutrality on a regular basis. In 2023, ZPC initiated carbon neutral action by organizing an internal professional team to verify its greenhouse gas emissions. ZPC will consciously undertake its corporate responsibility to contribute to the cause of green and sustainable development in China.

► Develop System to Enhance Business Ethics



In accordance with the UNGC principles, ZPC developed a comprehensive business ethics management system to ethically address issues related to the environment, society, corporate governance, health and safety, and management systems. Among them, ZPC attached great importance to anti-corruption, separately signing the Call to Action: Anti-Corruption and the Global Development Agenda and established its own UNGC Anti-Corruption Management System to prevent and combat corruption. To enhance the transparency, ZPC set up a grievance mechanism for monitoring the operation of the business ethics mechanism and collecting feedback. To create ethical culture, all employees participated in anti-corruption training and signed anti-corruption pledges to make their own commitments. In the mean time, ZPC also conducts social responsibility audits to ensure the effective operation of the management system. With the effective management measures, ZPC had no incidents of corruption and bribery in 2023.

Jin Kang Pu Nutrition

Industry: Premix Products and Medical Nutrition
Investment Year: 2021



Overview

In 2021, GL Capital's Fund III invested in Jin Kang Pu Nutrition (JKP), a leading Chinese company specializing in premix products and medical nutrition. As a responsible investor, GL is committed to ensuring responsible environmental management while supporting low-carbon strategies.

Driving Next Stage of ESG Enhancement

We collaborated with JKP to develop a phase-based ESG enhancement approach to help the company navigate its sustainable journey. Under the phase-based ESG enhancement approach, JKP will focus on clarifying ESG responsibility and enhancing ESG data management capacity in the short term. In the long run, JKP will benchmark with industry-best practices to formulate its own ESG value creation strategy and operate the business in a sustainable manner.

In 2023, JKP established the preliminary ESG management structure, with the Integrated Management Department as the core, coordinating other departments to implement corresponding ESG-related work.



Jin Kang Pu's Factory

Jin Kang Pu Nutrition Sustainability Snapshot 2023



3,501

Installed rooftop solar panels at the production site in Zhejiang Province (m²)



561

Installed capacity of grid-connected photovoltaic power plant (kWp)



85.35

Employees' satisfaction index



7.33%

Annual worker turnover rate



106,538.6

Donation (RMB)

Jin Kang Pu Nutrition

Industry: Premix Products and Medical Nutrition
Investment Year: 2021



► Adopting Green Electricity in Production Site

As a premix products and medical nutrition products manufacturing company, JKP actively promotes green production and adopts renewable energy as much as possible. JKP built a 561kWp rooftop solar panels and solar carport at its production site in Zhejiang Province, and the electricity generated is directly used for JKP's production and operation.

The project will be fully completed in the first half of 2024 and will be able to provide green electricity of 501,300 kWh per year.



► Collaborating to Improve the Quality of the Diets of Those Most Vulnerable to Malnutrition

Committed to contributing to the improvement of nutrition in communities across the globe, JKP applied to become an official supplier of The Global Alliance for Improved Nutrition (GAIN, a foundation launched at the United Nations in 2002) in 2015 and passed the application in 2018, becoming the only Chinese company to obtain the nutrient production license of the Alliance.

Since 2018, JKP has compounded more than 2,000 kilograms of nutrients for GAIN programmes with sales of \$21,000, touching numerous communities in countries such as Pakistan, Côte d'Ivoire, Niger, Morocco, Malawi and Central Africa Republic.

Wecare Probiotics

Industry: Biotechnology & Pharmaceuticals
Investment Year: 2024



Overview

Wecare Probiotics Co., Ltd. (hereinafter, Wecare), established in 2013, is a pioneering national high-tech enterprise dedicated to the research and development, production and application of probiotic strains. Wecare specializes in offering a comprehensive range of probiotic powder, fermented food strains, probiotic preparations, and application solutions tailored for diverse industries such as food, dairy products, health foods, precision medicine, cosmetics and agricultural microecology.

GL's Involvement

In 2023, GL Capital invested in Wecare. With GL's support, Wecare has established ESG-related policies and procedures. Moving forward, GL will provide Wecare with strategic guidance and technical support to assist it in integrating corporate social responsibility into its sustainable development strategy, so as to improve public health and promote social well-being.

Put Product Quality First

Wecare has established a quality management system. Adhering to stringent international standards, Wecare has been certified by GMP, NOP and ISO 22000, etc. To further improve production efficiency and product quality, Wecare has planned and built five world-class probiotic strain intelligent manufacturing plants. Wecare is committed to provide consumers with high-quality probiotic powder by constantly innovating and optimizing the production process.



Automated Production Workshop Wecare



Interaction with the Participants in Marathon

Improve Public Health

In April 2024, Wecare sponsored Suzhou East Lake Tai Half Marathon and set up a display booth, attracting numerous participants to explore our probiotic products. The staff not only actively introduced to the participants in detail the importance of probiotics to human health, but conveyed the concept of healthy living, helping to cultivate healthy living habits.

Sainte Nutritional Food

Industry: Biotechnology & Pharmaceuticals
Investment Year: 2023

Overview

Sainte Nutritional Food Co., Ltd. (hereinafter, Sainte), was established in 2019, specializing in the R&D and production of foods for special medical purposes. Adhering to the concept of “precise nutrition and professional care”, Sainte strives to provide professional, safe and nutritious food for infants and vulnerable groups with special nutritional needs, helping them live in a healthy life.

GL's Involvement

In 2023, GL Capital Fund IV invested in Sainte. GL will assist Sainte to strengthen technical cooperation with international enterprises to develop more and higher-quality special medical foods for infants and vulnerable groups, ensuring their health.

Contribute to SDG Goals

Sainte always concerns about infant and children with rare diseases, contributing to the SDGs in improving nutrition, and ensuring good health and well-being. Sainte has developed 3 kinds of special medical food for infants with metabolic disorders of amino acids, and has donated these products to infants and children with rare diseases since 2020, so that they can receive the necessary nutritional support.



Special Medical Food of Infant Nutritional Supplements



Special Medical Food for Infants with Metabolic Disorders of Amino Acids

Products



Sainte's Factory

Caring for Infant Health

On March 21, 2023, Sainte launched the “321 Love You” Sainte Festival, which is the fourth consecutive annual event held since 2020. By organizing industry forums, salon gatherings, offline clinics and other forms of activities, Sainte is committed to raising public awareness of food for special medical purposes and conveying scientific parenting knowledge, so as to take care of infant health and growth.



2023 "321 Love You" Sainte Festival

Create enduring sustainable impacts for the community



GL Capital aims to invest in leading companies whose financial performance and positive social impact are aligned. To accomplish this, we invested in Baiyunshan and Challenge Animal Health, which not only pay attention to human and animal health, but actively interact with community so as to create sustainable impact to it.

Our investment not only provided financial support for our portfolio companies, but also provided them with strategic guidance and resource integration to help them better serve communities, thereby creating a positive impact on the communities and promoting their prosperity and stability. With such investment actions, we are becoming a leader in the sustainable development of the community and contributing to the construction of a better society.

Guangzhou Baiyunshan Hutchison Whampoa Chinese Medicine

Industry: Biotechnology & Pharmaceuticals
Investment Year: 2021



► Overview

Guangzhou Baiyunshan Hutchison Whampoa Chinese Medicine Company Limited (hereinafter referred to as “Baiyunshan”) was established in May 2005 as a joint venture between Guangzhou Baiyunshan Pharmaceutical Co. and Hutchison Whampoa (China) Limited. Baiyunshan is a top-tier OTC player with well-known respiratory medicines, including “Ban Lan Gen” and “Gan Mao Ling.”

With “Education, Love, Technology, Innovation, and Responsibility” as corporate guideline, Baiyunshan is fully committed to fulfilling corporate social responsibility and considering business-related ESG factors into the corporate strategy to deliver long-term value.

► GL’s Involvement

In September 2021, GL Capital’s Fund III invested in Baiyunshan. Following GL’s proprietary value creation approach, we leveraged our extensive resources to appoint c-suite members and worked with Baiyunshan to address UN SDGs as part of their business model. ESG factors were also embedded into every step of the product’s lifecycle to mitigate adverse impacts on the environment and biodiversity, in order to implement an effective product responsibility management system and to fulfil corporate social responsibility.



Baiyunshan’s Office Building

► Sustainability Snapshot



Implementing reclaimed water recycling in Shennong Herbal Garden, saving water of 0.95 million m³ per year



Reducing prices by 15% of three types of drugs for inclusion in the collection and procurement, saving about 18,475,800 RMB for patients



Conducted 114 public service events and 975 community events, and donated approximately 3 million RMB in public service

Guangzhou Baiyunshan Hutchison Whampoa Chinese Medicine

Industry: Biotechnology & Pharmaceuticals
Investment Year: 2021



Pioneer in Recycling Expired Drug in China to Promote Customer Well-being

To further advocate the safe use of drugs and promote the standardized recycling of expired household drugs, Baiyunshan has been providing consumers with free recycling services for expired drugs since 2004 by placing expired drug collection boxes in drugstores and organizing volunteers for door-to-door service.

In 2023, Baiyunshan conducted 107 expired drug recycling activities nationwide, reaching approximately 40 million people and collecting 100 tons of expired drugs.



Expired Drug Recycling Activities

Spring Festival "Bring Drugs Back to the Village" Campaign

The "Bring Drugs Back to the Village" campaign was first launched at Guangzhou South Railway Station during the Spring Festival in 2023, with a large number of drugs being brought back to the medical rooms in the rural villages by the returning travelers. During the 2024 Spring Festival, Baiyunshan participated in the campaign again. In this cold and flu season, Baiyunshan donated Ban Lan Gen and other drugs, which were brought back by volunteers to their hometowns, helping thousands of rural families to resist the viruses.

The total number of bags of drugs distributed under this program exceeded 60,000, covering nearly 6,300 families in 1,879 villages within 13 provinces.



Spring Festival "Bring Drugs Back to the Village" Campaign

Improving Material Efficiency through Sustainable Packaging

Baiyunshan is committed to optimizing the management of packaging materials to achieve both environmental and economic benefits. In 2023, Baiyunshan adopted several sustainable packaging measures:

- Optimizing packaging structure to reduce the quantity of package material used.
- Printing product instructions on the packaging box instead of using a separate product manual.
- Reducing the use of ink by choosing plain colors for outer packing.



Challenge Animal Health

Industry: Biotechnology & Pharmaceuticals
Investment Year: 2023



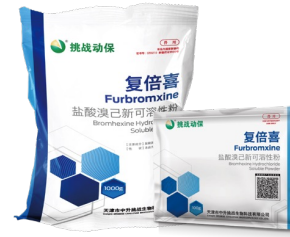
Overview

Tianjin Speerise Challenge Biotechnology Co., Ltd. (hereinafter, Challenge Animal Health), established in 2002, takes the development and production of new and special veterinary drug products with high-tech content as its responsibility, and fully serves the national breeding industry. With “Caring for Animal Health & Contributing to Food Safety” as corporate mission, Challenge Animal Health is fully committed to protecting animal welfare and fulfilling corporate social responsibility.

Products



Ethanamizuril Solution



Bromhexine Hydrochloride Soluble Powder



Altrenogest Oral Solution

Challenge Animal Health Sustainability Snapshot 2023



38.56

R&D expenses (million RMB)



0

Major customer complaint cases



10%

Annual worker turnover rate



500,000

Donation (RMB)

GL's Involvement

GL Capital invested in Challenge Animal Health in 2023. In the future, GL will help Challenge Animal Health to identify the ESG strengths in its business operations and embed ESG concepts into its strategy, thereby contributing to broader social impact on animal welfare and food safety and ensuring the company's progress towards sustainable development.



Challenge Animal Health

Industry: Biotechnology & Pharmaceuticals
Investment Year: 2023



Develop Veterinary Drugs to Protect Animal Health

Challenge Animal Health has developed differentiated products for different animal species (e.g. livestock, poultry, pets and aqua animals) to realize precise drug delivery. Moreover, it also actively researches how to reduce the usage of antibiotics to protect animal health.

Challenge Animal Health pioneered in promoting antibiotics injections to replace their oral formulations, so as to reduce the volume of antibiotic usage and slow down the risk of AMR. Antibiotic injections can rapidly enter the blood and quickly reach the site of infection, improving the efficiency of antibiotic absorption and reducing the chances of survival and reproduction of drug-resistant bacteria.

Challenge Animal Health has established strong business relationships with leading husbandry centers and accounts for over 40% of the animal health industry.

Contribute to Food Safety

Food safety concerns the whole society. To ensure food safety, Challenge Animal Health popularizes the knowledge of food safety of animal origin, builds GMP-compliant production lines, and develops rapid detection technology.

Challenge Animal Health currently has 13 GMP-compliant production lines and plans to build another 32 in the new production base. GMP-compliant production lines enables it to provide breeding farms with high-quality and green veterinary products, which help the farms to cultivate healthy livestock and poultry so that consumers can enjoy safe products.

Challenge Animal Health has transformed over 40 kinds of biological rapid detection / diagnosis products. The rapid detection reagents can effectively detect veterinary drug residues, animal disease and feed toxins, thus preventing undesirable animal-origin food from entering the market to and ensuring the safety of livestock and poultry products.

Conduct Technical Seminars to Help Healthy Breeding

Challenge Animal Health is committed to exploring green and healthy breeding. In 2023, Challenge Animal Health organized three seminars on the prevention and control of animal disease. During the seminars, farming enterprises had in-depth exchanges with experts to learn about disease prevention and control techniques, so as to enhance the ability to resist risk.



Re-inspection for the Entire Line of Animal Protection Companies



Seminar on Coccidiosis Prevention and Control

05

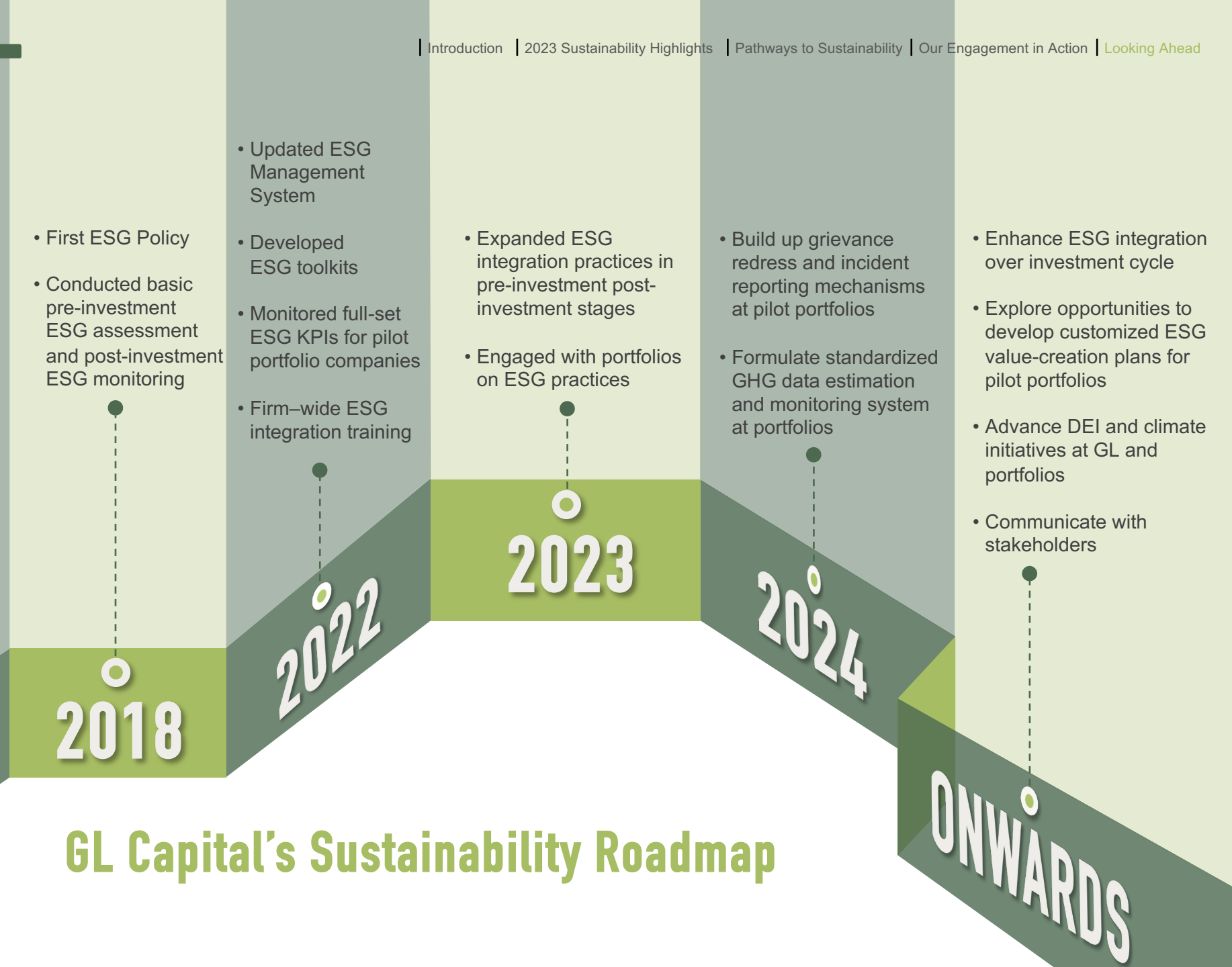
LOOKING AHEAD

- Looking Ahead

Looking Ahead



In 2023, we embarked on a groundbreaking journey by implementing an enhanced responsible investment framework. During this year, we actively engaged with stakeholders and sought their valuable feedback, fostering open communication and collaboration. As we move forward, our commitment remains unwavering. We are determined to pursue cutting-edge opportunities as responsible investors, constantly pushing boundaries and seeking innovative approaches. Our ultimate goal is to build a robust and sustainable portfolio, demonstrating our dedication to stewardship and long-term sustainability.



GL Capital's Sustainability Roadmap



GL Capital Group
德福资本



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