亞 盛 醫 藥
Ascentage Pharma

Ascentage Pharma Group International
亞盛醫藥集團

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 6855

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2019

2019 Environmental, Social and Governance Report

CONTENT

2019 Environmental, Social and Governance Report

ABOUT THIS REPORT

Reporting Guidelines

This Environmental, Social and Governance Report (hereinafter the "ESG Report" or the "Report") aims to present the environmental, social and governance (hereinafter "ESG") performance of Ascentage Pharma Group International (亞盛醫藥集團) (hereinafter the "Company") and its subsidiaries (collectively "Ascentage Pharma" or "we" or "us") during the year of 2019. The Report has been prepared by the Company in accordance with the Environmental, Social and Governance Reporting Guide (hereinafter the "ESG Guide") as contained in Appendix 27 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter the "Listing Rules") issued by The Stock Exchange of Hong Kong Limited (hereinafter the "Stock Exchange"). Ascentage Pharma's approaches and strategies on environment and social management will be disclosed in the respective sections of the Report. The Report should be read in conjunction with the "Corporate Governance Report" section of the 2019 annual report of the company, so that all major stakeholders can have a more comprehensive understanding of Ascentage Pharma's environmental, social and governance-related concepts, measures and performance.

Scope of Report

The content of the Report mainly covers Ascentage Pharma's business on the research and development (R&D) of medicines conducted in China. Unless otherwise stated, the Report covers the period from January 1, 2019 to December 31, 2019 (hereinafter the "Reporting Period"). To enhance the timeliness of the information disclosure of Ascentage Pharma in relation to the prevention and control of the novel coronavirus epidemic, the scope of disclosure of such contents shall be extended as appropriate.

Endorsement and Approval

This report is prepared in accordance with a systematic mechanism, which includes procedures such as identification of sustainability issues, materiality analysis, information collection, data calculation and report compilation. The Report has complied with all "comply or explain" provisions under the ESG Guide and is prepared in accordance with the reporting principles of the ESG Guide: materiality, quantitative and balance. The board of directors of the Company has approved the disclosures in the Report and accepts overall responsibility for the Company's environmental, social and governance performance.

Response to the Report

We attach great importance to your opinions and suggestions regarding the Report and the sustainable development of Ascentage Pharma. You are welcomed to contact us via the following ways:

IR Contact: IR@ascentagepharma.com

Address: Level 1/2, Building 5, No. 338 Jialilue Road, Pudong New District, Shanghai

Phone Number: 86–21–61951088

GLOSSARY OF TECHNICAL TERMS

"APG-115"	our novel, orally active small molecule MDM2-p53 inhibitor
"APG-1252"	our novel, highly potent, small molecule drug designed to restore apoptosis, or programmed cell death, through selective inhibition of the Bcl-2/Bcl-xL proteins
"APG-1387"	our novel, small molecule inhibitor of IAP
"APG-2449"	our third-generation inhibitor of the FAK, ROS1 and ALK kinases
"APG-2575"	our novel, orally administered Bcl-2 inhibitor
"apoptosis"	a form of cell death in which a programmed sequence of events leads to the elimination of cells without releasing harmful substances into the surrounding area
"AT-101"	a pan-Bcl-2 inhibitor which blocks Bcl-2, Bcl-xL, Bcl-w and MCL-1 proteins
"Bcl-2"	B-cell lymphoma 2
"Category 1 classification"	innovative drugs that contain new chemical entities with clinical value and have never been marketed in China
"cGMP"	Current Good Manufacturing Practice
"CMC"	chemistry, manufacturing and controls
"CMO"	a contract manufacturing organization, which provides support to the pharmaceutical industry in the form of manufacturing services outsourced on a contract basis
"EHS"	environment, health and safety
"GMP"	Good Manufacturing Practice
"HQP1351"	formerly known as D824, or GZD824; our third-generation BCR-ABL inhibitor, which was designed to overcome drug resistance caused by BCR-ABL kinase mutants such as T315I mutants
"HQP8361"	formerly known as MK-8033; our c-Met inhibitor
"IAP"	the inhibitors of apoptosis proteins, a family of proteins that blocks apoptosis and regulates various cellular processes
"MDM2-p53"	tumor-suppressor pathway that is often disrupted in cancer
"NDA"	New Drug Application
"PD-1"	programmed cell death protein 1, a cell surface receptor that belongs to the immunoglobulin superfamily and is expressed on T cells and pro-B cells
"PPI"	protein-protein interaction
"QA"	quality assurance
"small molecule"	a kind of drug that is a low molecular weight organic compound with a size in the order of 10^{-9} m, which helps regulate a biological process. Such drug candidates may disrupt complex and difficult-to-target protein-protein interactions, or PPIs

MESSAGE FROM MANAGEMENT

After nearly a decade of development, Ascentage Pharma was successfully listed on the Stock Exchange in October 2019 as the first R&D company focusing on innovative small molecule drugs, and set the highest record of over-subscriptions of Hong Kong pharmaceutical stocks in 2019. Standing at this new starting point, Ascentage Pharma will uphold its goal for sustainable development and strive to develop innovative drugs and novel therapies with better efficacy and affordability in the therapeutic areas such as cancers, hepatitis B virus (HBV) and age-related diseases, so as to improve the health of patients and achieve the social values and commercial goals of Ascentage Pharma.

Strengthen innovation and cooperation to meet patients' needs. Ascentage Pharma has been committed to improving its innovative R&D capabilities, accelerating the advancement of eight drug candidates in our highly differentiated novel clinical pipeline, and applying for NDA globally to meet patients' clinical needs. As of December 31, 2019, we have been conducting more than 30 Phase I or II clinical trials in the United States, Australia and China. During the Reporting Period, we not only continued to increase investment in R&D, but also proactively sought opportunities for global cooperation and innovation. For example, in April 2019, we entered into a clinical collaboration with Junshi Biosciences to explore the combination of our IAP inhibitor, APG-1387, and anti-PD-1 mAb. In November 2019, we entered into a collaboration with Shanghai Henlius (as defined below) to explore the efficacy of our APG-2575 and Rituximab Injection in combination for treating chronic lymphocytic leukemia (CLL). In addition, Ascentage Pharma has strategically developed a global intellectual property portfolio. As of December 31, 2019, we have 80 issued patents and more than 200 patent applications globally, among which, 67 patents have been issued overseas.

Adhere to the people-oriented principle and improve corporate governance. Corporate employees are the greatest wealth for the sustainable development of Ascentage Pharma. Adhering to our people-oriented principle, we are committed to creating a good working environment, protecting and securing the rights and interests of employees, formulating a reasonable performance and remuneration management system with effective incentive scheme, continuously strengthening team building and cooperation, and continuously carrying out various forms of vocational training, which allow Ascentage employees to raise employees' value and self-development, strengthening talent reserve for the further development of the Company. As of the end of the Reporting Period, we had 410 full-time employees, among which, 115 employees possess degrees in Doctor of Medicine (MD) or Ph.D. Staff retention rate exceeded 90%. At the same time, we also insist on continuous communication with investors to ensure timely and transparent information disclosure. We consistently enhance and improve our corporate organizational structure and management, strengthen corporate governance, and promote the long-term development of the Company.

Promote environmental protection and implement green operation. In terms of EHS, we uphold the concept of sustainable development and are committed to integrating the concept of EHS into all aspects of research, design, development and production. We also provide a safe workplace for our employees. At the same time, we continuously strengthen the control and treatment of various emissions from clinical trials and production activities, protect the natural environment, conserve resources, and strive to create value for internal and external stakeholders. We also reduce the emissions and pollutions to air, soil and water by constantly improving process and implementing management and operation responsibility system, so as to minimize the impact on the environment. In addition, we adhere to the concept of "green operation" in our daily operations, promote energy conservation and emission reduction, and continuously improve our performance on EHS management and sustainable development.

Proactively combat the epidemic and fulfill social responsibility. In the process of corporate development, we never forget to fulfill our social responsibility and give back to the society. Facing the severe novel coronavirus epidemic, Ascentage Pharma proactively fulfilled its social responsibility by donating RMB500,000 to two medical institutions, namely Wuhan Union Hospital (武漢協和醫院) and Wuhan Tongji Hospital (武漢同濟醫院), for their procurement of relevant protective equipment and other urgently needed medical supplies to combat the epidemic. Meanwhile, Ascentage Pharma also took the initiative to organize procurement of supplies, spending a total amount of RMB500,000 to purchase urgently needed medical supplies, including N95 masks, protective clothing, safety goggles and other medical supplies, from the United States, which were delivered to various hospitals in Wuhan. We also encouraged all employees to make voluntary donations to purchase and donate 400 medical disposable protective clothing to Peking University People's Hospital (北京大學人民醫院).

Looking forward, Ascentage Pharma will continue to adhere to the principle of sustainable development, enhance its innovative R&D capabilities and strengthen global cooperation to address the currently unmet clinical needs. We will continue to be people-oriented by consistently improving corporate governance. Ascentage Pharma will promote environmental and resources protection and adhere to green operation. We will continue to strengthen our communication and cooperation with stakeholders and make unceasing efforts to better fulfill our corporate social responsibility.

ABOUT ASCENTAGE PHARMA

Ascentage Pharma is a global biotechnology company based in China, engaging in the development of innovative drugs in clinical stages for therapeutic areas such as cancers, HBV and age-related diseases. Ascentage Pharma has a self-developed PPI-targeting drug design platform. On October 28, 2019, Ascentage Pharma was successfully listed on the Main Board of the Stock Exchange.

Ascentage Pharma's product pipeline mainly focuses on the R&D of inhibitors for apoptosis pathways of key protein and restores the apoptosis process of tumor cells by inhibiting pathways such as Bcl-2, IAP or MDM2-p53. It also focuses on the R&D of second and third generation inhibitors for kinase mutants in cancer treatment. Ascentage Pharma's 8 new drugs in Category 1 have entered the stage of clinical development, for which more than 30 Phase I/II clinical trials are being conducted in China, the United States and Australia.

Major Events in 2019

1. April 2019 — We entered into a clinical cooperation with Shanghai Junshi Biosciences Co., Ltd. (上海君實生物醫藥科技股份有限公司) to explore the combination application of our IAP inhibitor, APG-1387, and anti-PD-1 mAb (Toripalimab) for treating solid tumors and hematological tumors.

2. July 2019 — APG-2575 was administered to the first patient and completed its Phase I clinical trials in China. It was the first domestic Bcl-2 selective inhibitor to enter clinical trials.

3. July 2019 — the U.S. Food and Drug Administration (FDA) approved the application for a Phase Ib clinical trial of HQP1351 for treating TKI resistant chronic myeloid leukemia (CML).

4. September 2019 — Patient enrollment for the two pivotal Phase II trials of HQP1351 was completed.

5. September 20, 2019 — We co-organized the "2019 Seminar on Medical Innovation and Investment Opportunities in the Future under the New Rules (2019新法規下的醫藥創新與投資機會展望研討會)" with Yuanming Capital (元明資本), SIP Oriza Seed Fund Management Co., Ltd. (元禾原點創業投資管理有限公司) and Shenzhen Qianhai Efung Taihe Equity Investment Fund Enterprise (Limited Partnership) (深圳市倚鋒投資管理企業(有限合夥)).

6. October 28, 2019 — Ascentage Pharma was successfully listed on the Stock Exchange.

7. November 20, 2019 — The groundbreaking ceremony of Ascentage Pharma's global headquarters, R&D center and industrial base was held in Suzhou.

8. November 2019 — We entered into a cooperation with Shanghai Henlius Biotech Inc. (上海複宏漢霖生物技術股份有限公司) (hereinafter "Shanghai Henlius"), and jointly explored the combination therapy of APG-2575, our inhibitor under research, and Shanghai Henlius's product 漢利康® (Rituximab Injection) for the treatment of CLL.

9. 2019 American Society of Hematology (ASH) Annual Meeting — An oral report on the topline tolerability and efficacy data of the Phase I trial of HQP1351 was given at the meeting, which was nominated as "Best of ASH" research.

Seminar on Medical Innovation and Investment Opportunities in the Future under the New Rules

Successfully listed on the Main Board of the Stock Exchange

The groundbreaking ceremony of Ascentage Pharma's global headquarters, R&D center and industrial base

Attending the American Society of Hematology (ASH) Annual Meeting

Awards of the Year

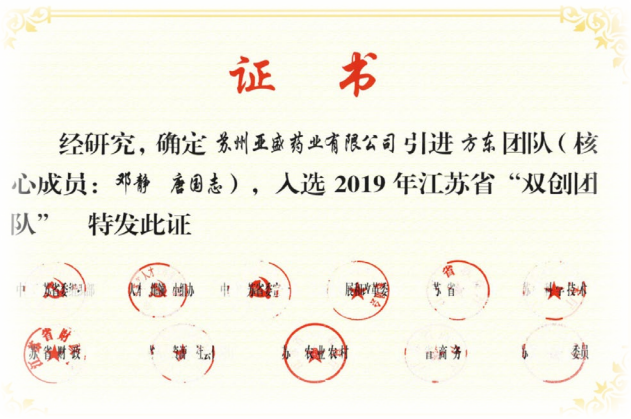
1. July 2019 — Innovative Team in Jiangsu Province (江蘇省雙創團隊)

2. August 2019 — "The Most Innovative Pharmaceutical Enterprise in the Asia-Pacific Region" in 2019 (2019年度「亞太地區最具創新力製藥企業」)

3. September 2019 — "Suzhou Biomedical Industrial Park EHS Best Practice Enterprise" in 2019 (2019年度「蘇州生物醫藥產業園EHS最佳實踐企業」) awarded by Suzhou Biomedical Industrial Park (蘇州生物醫藥產業園)

4. October 2019 — "Celebrating 70th Birthday of the Country and Building a New Era of Prosperity", Outstanding Enterprise in the Pharmaceutical Industry in the 70th anniversary of the establishment of the New China (「壯麗70年，奮鬥新時代」新中國成立70周年醫藥產業驕子企業)

5. December 2019 — "New Wisdom Forum • 2019 Annual Value Pioneer Chart in Pharmaceutical Industry" — Most Valuable Growing Enterprise in Pharmaceutical Industry (「新智匯 • 2019醫藥行業年度價值先鋒榜」— 醫藥行業最具價值成長企業) awarded by Sina Pharmaceutical News (新浪醫藥新聞)


证　书

经研究，确定 苏州亚盛药业有限公司 引进 方东 团队（核心成员：邓静　唐国志），入选 2019 年江苏省"双创团队"　特发此证

Innovative Team in Jiangsu Province

The Most Innovative Pharmaceutical Enterprise in the Asia-Pacific Region

“Celebrating 70th Birthday of the Country and Building a New Era of Prosperity”, Outstanding Enterprise in the Pharmaceutical Industry in the 70th anniversary of the establishment of the New China

“New Wisdom Forum • 2019 Annual Value Pioneer Chart in Pharmaceutical Industry” – Most Valuable Growing Enterprise in Pharmaceutical Industry

EHS Best Practice Enterprise

STRATEGY AND GOVERNANCE

Strategies for Sustainable Development

To address unmet medical needs across the globe, Ascentage Pharma is dedicated to the discovery and development of first-and best-in class innovative therapies for diseases in similar categories with cancers, HBV and age-related diseases, aiming to providing patients with more treatment opportunities with better efficacy. To fulfill this mission, Ascentage Pharma has formulated a long-term sustainable development strategy and planned to focus on the following aspects:

- Rapidly advance our current drug candidates;
- Continue to build a highly differentiated novel clinical pipeline by targeting key apoptosis pathways and addressing unmet medical needs;
- Increase our global presence and bring innovative medicines to global markets;
- Expand and strengthen the comprehensive intellectual property portfolio of Ascentage Pharma;
- Establish a fully integrated biotechnology company with a global reach through organic growth and partnership;
- Continue to attract, retain and incentivize quality talent; and
- Focus on the establishment of the EHS management system, provide a safe workplace for employees, protect the environment, conserve resources and undertake environmental responsibilities in the communities where we operate.

Materiality Assessment

Ascentage Pharma attaches great importance to the opinions of our stakeholders. We understand the expectations and comments of various stakeholders through diversified communication channels, which help Ascentage Pharma objectively review and plan its own sustainable development work.

Ascentage Pharma expects that this report can serve as a communication channel with different stakeholders and respond to the concerns of different parties by reporting on Ascentage Pharma's management strategies and annual performance in fulfilling its responsibilities in environment, social. and governance aspects. During the Reporting Period, Ascentage Pharma carried out a materiality assessment of ESG issues by means of a questionnaire survey for the first time and incorporated the concerns of different stakeholders into our ESG reporting work. Opinions obtained from stakeholders via the questionnaires would also be considered in the sustainable development plan of Ascentage Pharma.

1. Identification of stakeholders

In terms of influence, Ascentage Pharma identified major stakeholders that are closely related to its business operations and invited them to participate in the materiality assessment for the year.

Major stakeholders	Communication channels
Shareholders/investors	Shareholders' general meetings, road shows, information disclosures, etc.
Clinical patients and clinicians	Clinical trial process
Suppliers	Suppliers' review procedures
	Supply process
Government/regulatory authorities	Information reporting
Employees	Internal communication platform and employees' performance appraisals
Local communities	Community activities
Professional associations and industry bodies	Industry forums
Media and members of the public	Information disclosures

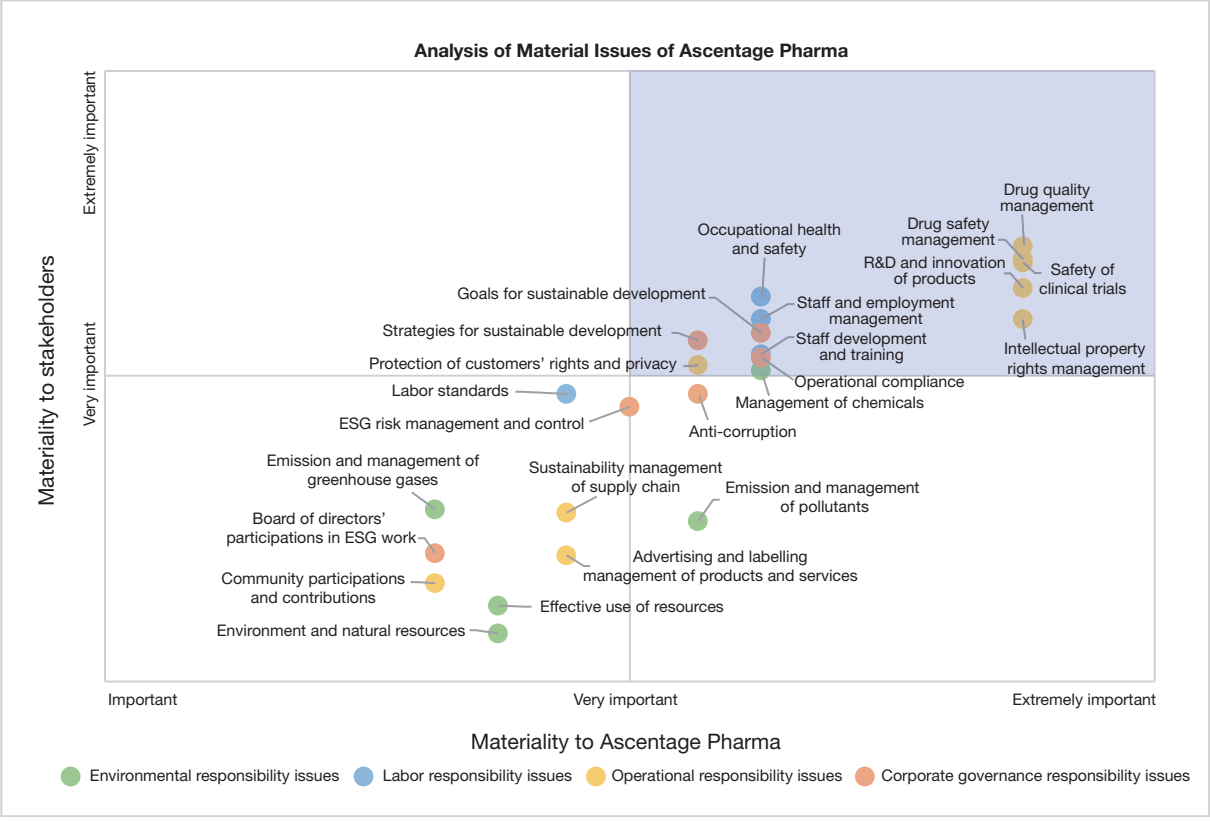
2. *Questionnaire survey*

With reference to the ESG Guide, Ascentage Pharma identified 24 potential material ESG issues in relation to Ascentage Pharma based on the development trend and general concerns of biotechnology and pharmaceutical industries, and understood the level of concerns and other valuable opinions of stakeholders on each potential material issue via the questionnaire survey.

3. *Analysis and verification of results*

According to the results of the questionnaire survey, Ascentage Pharma performed a matrix analysis from the two dimensions of "materiality to stakeholders" and "materiality to Ascentage Pharma" to rank the importance of each potential material issue. Subsequently, the ranking results were verified by the management of Ascentage Pharma to ensure that the results were in line with the actual situation.

Ascentage Pharma believes that environmental responsibility, labor responsibility, operational responsibility and corporate governance responsibility are the integral parts of our sustainability strategy management. As such, we identified potential material issues from various responsibility aspects, and discovered the issues that we need the most attention and response after investigation. Set out below is a matrix diagram showing the materiality analysis of the ESG issues of Ascentage Pharma.



After the materiality assessment, Ascentage Pharma identified 13 ESG issues, which had been ranked very important or above by both the stakeholders and the senior management of Ascentage Pharma, as "material issues". We will focus on the relevant contents of such "material issues" in various sections of the Report. In the future, we will also refer to the results of this materiality assessment in Ascentage Pharma's risk management and sustainability planning.

Importance (from high to low)	Material issues	Corresponding sections in the Report
1	Drug quality management	Drug Quality and Safety Management
2	Drug safety management	Drug Quality and Safety Management
3	Safety of clinical trials	Safety of Clinical Trials
4	R&D and innovation of products	Innovation and R&D
5	Intellectual property rights management (patents, trademarks, etc.)	Protection of Intellectual Property Rights
6	Occupational health and safety	Occupational Health and Safety
7	Staff and employment management (remunerations, recruitments, equal opportunities, benefit system, etc.)	Gathering Talents
8	Goals for sustainable development	Strategies for Sustainable Development
9	Staff development and training	Nurturing Talents
10	Operational compliance	Various sections in the Report
11	Chemical management	Occupational Health and Safety and Environmental Management
12	Strategies for sustainable development	Various sections in the Report
13	Protection of customers' rights and privacy	Protection of Patients' Rights and Privacy

Environmental responsibility	Labor responsibility	Operational responsibility	Corporate governance responsibility

Risk Management and Control

As a global clinical-stage biotechnology group, Ascentage Pharma's operational management has been focusing on recruiting talents, business planning, fund-raising, building intellectual property portfolio, as well as conducting pre-clinical studies and clinical trials of current drug candidates. To ensure the smooth development of our business, we conduct regular risk assessments and establish appropriate and effective risk management and internal control systems. We will also gradually integrate ESG factors into our risk management system to better address risk challenges and capture potential opportunities to ensure the sound operation and sustainable growth of Ascentage Pharma.

The audit committee of Ascentage Pharma is responsible for monitoring and managing the overall risks in relation to business operations. Duties of the audit committee mainly include:

- Review and approve risk management policies to ensure that they are aligned with the objectives of Ascentage Pharma;
- Review and approve the Company's risk tolerance ability;
- Monitor the most significant risks in relation to business operations and management's handling of such risks;
- Review risks for the Company based on its risk tolerance ability; and
- Oversee and ensure that the risk management framework is properly adopted within Ascentage Pharma.

Under Ascentage Pharma's risk management framework, the audit committee and senior management jointly supervise the implementation of risk management policies to ensure the effective and adequate implementation of such policies. During the Reporting Period, Ascentage Pharma implemented comprehensive risk management policies at the business operation level to systematically manage various ESG risks. For more details of our risk management, please refer to our prospectus and the 2019 annual report of the Company.

Information system risk management

- Implement relevant internal procedures and control to provide sufficient maintenance, storage and protection of users' information, including those of clinical patients, and other related information;
- Formulate a series of information back-up management procedures;
- Provide information security training to our employees and conduct ongoing trainings and discuss any relevant issues or necessary updates from time to time;
- Set up an emergency response mechanism to evaluate critical risks, formulate disaster response plans and perform emergency drills on a regular basis.

Internal control risk management

- Design and adopt strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations;
- Ascentage Pharma's internal audit team works closely with its business units to (i) perform risk assessments and give advice on risk management strategies, (ii) improve business process efficiency and monitor internal control effectiveness, and (iii) promote risk awareness throughout Ascentage Pharma;
- All relevant departments of Ascentage Pharma work closely to review products and services according to their functions so as to comply with regulatory requirements in the full process of providing products and services and ensure compliant operations;
- For intellectual property-related issues, professional external intellectual property legal advisors are engaged to assist us with intellectual property management work such as the registration, application and review of patent and trademark rights, so as to protect the intellectual property rights of Ascentage Pharma.

Human resources risk management

- Formulate an employee handbook and a code of conduct approved by the management, with a variety of internal rules and guidelines listed in such employee handbook, and provide regular trainings and extensive resources for employees;
- Formulate recruitment plan for the upcoming year based on each year's turnover rate and future business plan, and constantly improve our recruitment process with the aid of information technology. A rigorous background check process is set up for our incoming employees;
- Provide regular and specialized training tailored to the needs of our employees in different departments, and provide conditions to equip employees with the latest skills;
- Establish an Anti-Corruption Policy to safeguard against corruption; set up an internal reporting channel that is open and available for employees to report any suspected non-compliance.

EHS risk management

- Conduct environmental evaluation on our R&D business and regularly monitor the emissions generated during the R&D process to ensure compliance with the emission requirements;
- Consistently pay attention to the updates on EHS-related national laws and regulations to ensure that business operation complies with the relevant requirements;
- Focus on effective new energy technologies and the treatment technologies for the "three wastes" (exhaust gases, solid wastes and wastewater), and seek solutions to effectively enhance environmental management performance;
- Review suppliers' EHS management performance, such as assessing their EHS compliance;
- Identify alternative hazardous waste contractors to ensure hazardous waste are properly disposed of;
- Be familiar with the environmental protection tax system and strive for tax reduction and exemption;
- Provide employees with work-related injury insurance.

R&D SYSTEM

The R&D in drugs is the driving force for Ascentage Pharma as an innovative drug R&D enterprise. We continuously invest resources and promote the progress of R&D of various product pipelines. With the support and cooperation of our outstanding scientific research team and partners, we have deployed in various pharmaceutical and healthcare R&D areas.

Innovation and R&D

R&D system

Ascentage Pharma employs a market-driven approach to our R&D efforts by identifying, developing and commercializing biotechnology product candidates with significant market potential. At present, our R&D of products primarily focuses on those in our core therapeutic areas, including cancers, HBV and age-related diseases. We plan to continue to expand the diversity of our product pipeline through both in-house R&D and collaboration with biotechnology and pharmaceutical companies, as well as academic institutions.

Ascentage Pharma has an experienced scientific advisory board, chaired by Dr. WANG Shaomeng, our co-founder. Members of the scientific advisory board, consisting of renowned scientists in the field of oncology, provide professional support to our R&D work.

In addition, our experienced R&D team identifies innovative product candidates with significant market potentials, conducts discovery, pre-clinical development and clinical trials. Each of our product development projects must be reviewed by our project committee before its launch. Our project committee consists of researchers and executives from the departments of R&D, manufacturing, regulatory affairs, clinical and business development. If a development project is approved, we will appoint a project management team to supervise the technical progress and the budget of the project.

As of the end of the Reporting Period, Ascentage Pharma has 327 R&D personnel[1], 98 and more than 103 of which are holders of Ph.D. or master's degrees, respectively. Many of them have working experience in research institutions and hospitals and in the FDA drug approval process.

Number of R&D personnel in 2019	Investment in R&D in 2019
327	RMB463.9 million

Achievements and performance in R&D

With the technical expertise and research spirit of our R&D team, Ascentage Pharma has developed a diverse pipeline of drug candidates. As of the end of the Reporting Period, we have eight drug candidates in clinical stage. We are conducting more than 30 Phase I or II clinical trials to evaluate our eight drug candidates in the United States, Australia and China. Meanwhile, we have 21 ongoing investigational new drugs (INDs) filed globally. We reported topline tolerability and efficacy data of the Phase I trial of HQP1351 at the annual meeting of the American Society of Hematology (ASH) in December 2019 and was nominated as "Best of ASH" research.

[1] Including domestic and foreign R&D personnel of Ascentage Pharma

Candidate	Mechanism	Lead Indications	Pre-clinical	Ph I	Ph II	Countries
HQP1351	BCR-ABL mutant	Resistant CML			pivotal phase II	China
	KIT	GIST				China
APG-2575	Bcl-2 selective inhibitor	CLL/SLL				China, U.S. & Australia
		WM				U.S. & Australia
		AML				China
APG-1252	Bcl-2/Bcl-xL	SCLC/NSCLC				China, U.S. & Australia
		SCLC (Combo)				China
APG-115	MDM2-p53	Solid tumors (IO combo)				China & U.S.
		AML				China & U.S.
APG-1387	IAP Dimer	Solid tumors (IO combo)				China & U.S.
		Hepatitis B				China
AT-101	Bcl-2/Bcl-xL/Mcl-1	CLL				China & U.S.
APG-2449	FAK/ALK/ROS1	NSCLC				China
HQP8361	c-Met selective	Cancer (c-Met+)				China
Bcl-2 related	Strategic relationship with Unity to develop senolytic drugs.					U.S.

Clinical Trial Progress of Drug Candidates

In China, we have multiple drug candidates that have each received recognitions from the Chinese government, laying a solid foundation for our product launch and medical market access. For example, our APG-1387, APG-1252, APG-115 and HQP1351 have each been approved as "National Science and Technology Major Projects" (「國家科技重大專項」) for "Innovative Drug Development" (「創新藥物開發」) by the National Health Commission (國家衛生健康委員會).

R&D capability

In order to protect the legitimate rights and interests of Ascentage Pharma and inventors, encourage employees to invent and innovate, and enhance the overall innovation capability of Ascentage Pharma, we have formulated the "Incentive System for Employees' Invention" in accordance with the relevant provisions of the PRC Patent Law (《中華人民共和國專利法》) and the Implementation Rules of the PRC Patent Law (《中華人民共和國專利法實施細則》). Ascentage Pharma offers incentives to employees with patents to inventions according to the incentive standards in such system, publishes the list of inventors receiving incentives and arranges distribution of incentives on a regular basis every year to further stimulate the work enthusiasm of the R&D team.

Protection of Intellectual Property Rights

Intellectual property rights are fundamental to the business development of Ascentage Pharma. We strictly abide by laws and regulations such as the PRC Patent Law (《中華人民共和國專利法》) and the PRC Trademark Law (《中華人民共和國商標法》) and protect our intellectual property rights in China. Through our robust R&D platform and research collaborations, Ascentage Pharma has strategically developed a global intellectual property portfolio with exclusive licenses to issued patents or patent applications worldwide with respect to our product candidates APG-1252, APG-2575, AT-101, APG-1387, APG-115 and APG-2449. For the HQP8361 program, we have an exclusive license to issued patents and patent applications in Australia, Japan, and the PRC. For the HQP1351 program, Guangzhou Healthquest Pharma Co., Ltd. (廣州順健生物醫藥科技有限公司), a subsidiary of Ascentage Pharma, acquired certain relevant patents from Guangzhou Institutes of Biomedicine and Health, Chinese Academy of Sciences (中國科學院廣州生物醫藥與健康研究院). Our comprehensive and growing intellectual property portfolio positions us to capture market potential globally.

Patents issued globally in 2019	Trademarks registered in 2019
4 patents	38 trademarks

Total patents issued globally	Total patents issued overseas
80 patents	67 patents

QUALITY AND ASSURANCE

The quality and safety assurance of products and services have always been the core task of Ascentage Pharma. We adhere to the international and national regulations and standards on drug quality and clinical trials, improve the quality management system of our own drugs and clinical trials, and assure the safe use of our clinical drug candidates.

Drug Quality and Safety Management

Ascentage Pharma strictly abides by the The PRC Drug Administration Law (《中華人民共和國藥品管理法》), the Implementing Regulations of the PRC Drug Administration Law (《中華人民共和國藥品管理法實施條例》), GMP, cGMP and other Chinese and international laws and regulations, and implements good production and quality management of drugs.

During the Reporting Period, Ascentage Pharma leased manufacturing facilities for R&D purposes and produced a portion of drug candidates. We manage our pharmaceutical manufacturing activities in strict compliance with the requirements of GMP and cGMP and have formulated and implemented a series of quality management procedures. For example, we comprehensively manage, regulate and monitor medical raw materials, personnel, facilities and equipment, production process, hygiene conditions, quality control, production records and the handling of customer complaints and adverse events reports to ensure that the drugs used in clinical trials meet the quality requirements.

Ascentage Pharma also has a number of drug candidates that are manufactured or processed by contract manufacturers. We exercise strict control over our contract manufacturers and conduct regulatory inspections of their production facilities, procedures and quality systems before they start to produce our drug candidates. Contract manufacturers' drug manufacturing facilities are also subject to ongoing inspections by the relevant regulatory authorities, such as FDA, National Medical Products Administration or European Medicines Agency, to ensure compliance with the cGMP requirements.

Ascentage Pharma adopts strict control over the labelling of drugs for clinical trials. We have formulated the Labelling Control Procedures for Drug for Trial Use (《試驗用藥品標籤控制規程》) to regulate the entire procedure management from drafting quality standards to issuing and using labels, and ensure that the drug labels for trial use comply with regulations and clinical requirements to avoid errors and confusion. Our labelling management procedures include the drafting and maintenance of labelling quality standards, the issuance, review and filing of labelling confirmation document numbers, the inspection and issuance of labels, the review before the issued labels are labelled and the supervision of the destruction of unqualified labels. The supply chain management department shall be responsible for checking the inventory labels. If the labels fail to meet the current requirements, they will be destroyed under the supervision of the QA personnel, and the causes of destruction shall be registered in the GMP Material Storage Card to ensure the safe and effective use of the trial use drug labels in inventory.

After our pharmaceutical products are launched to the market in the future, they will be managed in strict compliance with the requirements of the Provisions on the Administration of Pharmaceutical Directions and Labels (Order No. 24) (《藥品說明書和標籤管理規定》(局令第24號)) issued by the China Food and Drug Administration. In addition, as all of Ascentage Pharma's current drug candidates are in clinical trials, we are not involved in any demand on advertising for our products and services, and therefore the relevant content will not be disclosed in the Report.

Safety of Clinical Trials

The successful commencement of clinical trials is crucial to our business operations. We strictly abide by relevant laws and regulations such as the Good Clinical Practice Norms (《藥物臨床試驗質量管理規範》) (GCP) and GMP, and have formulated and implemented a series of policies, such as the Product Complaint Handling and Technical Investigation (《產品投訴處理和技術調查》) and the Clinical Trial Drug Recall Procedures (《臨床試驗藥物召回工作程序》), to ensure the safety of clinical trials. In the course of clinical trials, we continue to strictly monitor the possibility for adverse events or quality issues, and follow up and adjust the trials in a timely manner in the event of such circumstances, so as to ensure the safety of clinical patients.

Ascentage Pharma has established procedures for receiving and handling complaints in relation to drugs in clinical trials, which comply with the requirements of regulatory authorities, and has standardized the investigation methods for customer complaints and drug quality defects. The QA department is mainly responsible for handling and investigating complaints on products, with its key management processes as follows:

Receipt and recording of complaints	➢ Upon receiving complaints from external parties such as doctors and patients, the QA personnel will record the complaint information in the Product Complaint Form (《產品投訴表》).
Technical investigations on products being complained	➢ If new, unexpected, serious adverse event on drugs and/or suspected quality defects are included in the product complaint information, the QA department will conduct technical investigation on the product being complained; ➢ During the investigation, if adverse drug events or quality defects are identified, appropriate measures will be taken in a timely manner to mitigate possible risks, including assessing the necessity of product recalls; ➢ Investigate the causes for quality defects; ➢ For quality defects, corrective and preventive measures are formulated, and the effectiveness of such measures are monitored and evaluated. Those corrective and preventive measures are being tracked; ➢ Extended investigations on other batches of drugs or other products will be conducted, when necessary.
Closure of complaint procedures	➢ Upon completion of all regulatory notifications and investigations, QA personnel will communicate with the complaining party on the investigation results and relevant information; ➢ Investigation will be completed within the time set by the regulatory authorities, and the results shall be reported to the regulatory authorities; ➢ Regular review and trend analysis, including regular quality management review and annual product review, shall be performed on the complaint records.

During the Reporting Period, we received a total of 8 complaints about the suspicious number of bottles of our products. Upon receipt of each complaint, the QA Department will organize relevant departments and/or CMO to conduct technical investigation and assessment in accordance with the complaint handling procedures, identify the causes of potential hazards, formulate and implement corresponding corrective and preventive measures.

Ascentage Pharma's sources of information on drug safety hazards consist of both internal and external channels. Internal channels include potential safety hazards identified during the production or quality inspection of drugs; external channels include the suspension of clinical trials due to quality issues of drug under trial, potential safety hazards discovered in the complaint management procedures, notices on defects from material suppliers, and regulatory authorities' requirements on drug recalls and inquiries of drug quality by other authoritative institutions. Upon investigation and evaluation of drug safety hazards, if a drug in clinical trials is found to have potential safety hazards, we will immediately initiate the drug recall procedures and promptly recall products in accordance with the Clinical Trial Drug Recall Procedures (《臨床試驗藥物召回工作程序》). In case of unfortunate adverse impact on patients participating in clinical trials, we will provide appropriate treatment and compensation.

Ascentage Pharma's drug recall procedures and the relevant responsible departments:

CMC Quality Department	➢ Confirm the Investigation and Evaluation Form for Drug Safety Hazards in Clinical Trials (《臨床試驗藥物安全隱患調查評估表》), report the investigation information to the general manager and form an evaluation team; ➢ Organize a meeting for evaluation of drug safety hazards and provide recall number.
Supply Chain Management Department	➢ The affected batches of drugs will not be distributed, and the person-in-charge for the recall will be informed of the statistics about the volume of drugs being recalled; ➢ According to Clinical Trial Drug Recall Program (《臨床試驗藥物召回計劃》) and distribution records, the logistics service provider involved in the present recall will be informed of the volume of drugs to be recalled by way of telephone and written notice.
Clinical Development Department	➢ Upon notification from CMC Quality Department, those affected batches of drugs will cease to be used immediately and the statistics about the usage of the recalled drugs will be sent to the person-in-charge; ➢ According to Clinical Trial Drug Recall Program and the records of drug distribution, the statistics of recalled drugs and the usage will be sent to the relevant research center; ➢ Participate in the assessment of potential hazards, facilitate recalls of drugs, investigation and evaluation of safety hazards, review the Clinical Trial Drug Recall Program and review the Clinical Trial Drug Recall Summary Report (《臨床試驗藥物召回總結報告》).
Recall personnel	➢ Responsible for the draft of Clinical Trial Drug Recall Program and the Clinical Trial Drug Recall Summary Report, and report to the supervisory department.
Drug Preparation Department and analysis center	➢ Participate in the meeting for safety hazard assessment and review the Clinical Trial Drug Recall Program and the Clinical Trial Drug Recall Summary Report.
Regulatory Affairs Department	➢ Participate in the assessment of safety hazards according to drug recall information providing by CMC quality department, and timely provide relevant documents containing details of drugs to be recalled as requested by the supervisory department.
General manager	➢ Participate in the meeting for safety hazard assessment and review the Clinical Trial Drug Recall Program and the Clinical Trial Drug Recall Summary Report.

Protection of Patients' Rights and Privacy

Ascentage Pharma strictly adheres to the ethics for medicine R&D and always regard patient rights as the top priority in our projects of clinical trials. Ascentage Pharma strictly obeys law and regulations related to the operation of clinical trial business and the protection of participants' rights such as Drug Administration Law of the PRC (《中華人民共和國藥品管理法》), Regulations for the Implementation of the Drug Administration Law of the PRC (《中華人民共和國藥品管理法實施條例》), Norms on the Quality Management for the Clinical Trials of Medicine (《藥物臨床試驗質量管理規範》), General Provisions of the Civil Law of the PRC (《中華人民共和國民法總則》), Tort Liability Law of the PRC (《中華人民共和國侵權責任法》), to ensure the right to choose, the right to be informed and the privacy rights of persons who participate in clinical trials.

Before joining clinical trials, we require our patients to sign a Consent Letter of Participants in Clinical Trials (《受試者知情同意書》) which clearly provides the right to be informed and the right to choose for them and protects their privacy and other rights.

Right to be informed	➢ Thoroughly explain the background and objectives of the research to patients to ensure that they clearly understand the content and risks involved in clinical trials; ➢ In the event that there is new information relating to our drugs which may affect patients' decision of whether or not to remain in the research, we will inform them timely; ➢ In the event that there are changes relating to our research solutions, scope and content, we need to obtain participants' consent and signature again.
Right to choose	➢ Whether or not our patients join clinical trials, they will not be treated differently; ➢ Ensure that patients join clinical trials voluntarily; ➢ Ensure that participants can retire from our clinical research at any time and their exit will not affect their subsequent treatment.
Privacy rights	➢ Keep the identity and medical information of participants under strict confidence; ➢ Encrypt the research data obtained from participants by way of codes, and the research doctors who keep the passcodes will strictly monitor and store such data.
Protection of other rights	➢ In the event that participants suffer any harm relating to our research, such as injuries or diseases arising from research drugs, research-related assessments or operations, we will provide them with suitable treatments; ➢ Insure against risks of clinical research.

EHS MANAGEMENT

EHS Management Objectives

Ascentage Pharma is engaged in the development of the EHS management system and consistently endeavors to provide staff with a safe workplace, protect our environment, save resources and fulfill our safety and environmental responsibilities in the communities in which we operate. Ascentage Pharma has established an EHS department, which is responsible for monitoring the implementation of EHS measures and procedures and ensuring that we abide by applicable laws and regulations relating to environment, health and safety so that the health and safety of our staff as well as contractors are safeguarded.

Ascentage Pharma undertakes the following matters:

- ✓ Through our strict internal management, we implement domestic laws and regulations, internal and external policies and standards comprehensively to improve our environment, health and safety indicators, and to handle ad-hoc incidents timely and entirely;
- ✓ We will endeavor to protect natural resources, and mitigate adverse effects relating to environment, health and safety which arise from our products, services and operation. We will also work hard to create values for both our internal and external stakeholders;
- ✓ We will provide our staff and contractors with a harmless working environment and keep them away from harm and diseases. We advocate healthy lifestyles and environmental protection. We assure that our staff have the awareness, skills and knowledge to implement such an objective;
- ✓ We will develop safe, reliable and ecologically efficient products and manufacturing skills and integrate concepts of environment, health and safety into research, design, development and production;
- ✓ We will promote sustainable economic development. Through consistent improvement in industrial workflow and the implementation of management accountability, we reduce emissions of pollutants to atmosphere, soil and waters so that environmental implications can be minimized;
- ✓ We will share our best management experience as well as the standards for EHS operation with our suppliers, customers and the public;
- ✓ We will actively participate in EHS and sustainable development activities of the community and those organized by the government.

Ascentage Pharma undertakes to continuously improve our performance in terms of EHS and sustainable development. In the future, we will set such relevant objectives, and report the progress in achieving such objectives and the outcomes to interested parties.

Occupational Health and Safety

Management System

According to national laws and regulations relevant to occupational health and safety, we have established a management system of occupational health and safety and we conduct periodic assessments and evaluations on the performance of the management system for continuous improvement.

Laws and regulations related to occupational health and safety abided by Ascentage Pharma (including but not limited to)	Internal policies of Ascentage Pharma (including but not limited to)
➢ Law of the PRC on the Prevention and Treatment of Occupational Diseases (《中華人民共和國職業病防治法》) ➢ Provisions on the Supervision and Administration of Occupational Health at Work Sites (《工作場所職業衛生監督管理規定》) ➢ Regulation on the Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》) ➢ Measures for the Administration of Occupational Health Examination (《職業健康檢查管理辦法》)	➢ Handbook for the Management System of Occupational Health and Safety (《職業健康與安全管理體系手冊》) ➢ Management System for Occupational Health (《職業健康管理制度》) ➢ EHS Training and Management System (《EHS培訓管理制度》)

The ultimate goal of Ascentage Pharma's management system for occupational health and safety is to eliminate or minimize the hazards generated in the course of the operation, activities and production, and it also controls the risks of occupational health and safety faced by our staff and other interested parties in the course of our business operation. Under the Management System for Occupational Health, we have formulated various policies for each of the stages of our operation and have made specific provisions for the management work of occupational health and safety:

- ➢ Accountability System for the Prevention and Control of Occupational Diseases (《職業病危害防治責任制度》);
- ➢ Assessment of Occupational Hazards of Different Job Positions (《職業危害崗位評估》);
- ➢ Warning and Notification System for Occupational Diseases (《職業病危害警示與告知制度》);
- ➢ Reporting of Occupational Diseases (《職業病危害項目申報》);
- ➢ Promotion, Education and Training System for Occupational Diseases (《職業病防治宣傳教育培訓制度》);
- ➢ Maintenance and Repair System on Facilities for the Prevention of Occupational Diseases (《職業病防護設施維護檢修制度》);
- ➢ Management System for Protective Equipment Used in the Prevention of Occupational Diseases (《職業病防護用品管理制度》);
- ➢ Management System for the Supervision and Assessment of Hazards of Occupational Diseases (《職業病危害監測及評價管理制度》);
- ➢ The "Three Simultaneous" Management System of Occupational Hygiene for Construction Projects (《建設項目職業衛生「三同時」管理制度》);
- ➢ Supervision of Occupational Hygiene and its File Management System (《職業衛生監護及其檔案管理制度》);
- ➢ Handling of Occupational Diseases and Hazardous Incidents and the Reporting System (《職業病危害事故處置與報告制度》);
- ➢ Emergency Rescue and Management System for Occupational Diseases and Hazardous Incidents (《職業病危害事故應急救援與管理制度》).

In order to maintain the effective operation of the management system for occupational health and safety, Ascentage Pharma provides sufficient resources and defines clearly the duties and responsibilities assumed by staff at different levels so that each occupational health and safety policies can be effectively implemented.

EHS department	➢ Assess and identify positions which may face occupational diseases and hazards potentially; ➢ Provide relevant staff with necessary training; ➢ Monitor industrial hygiene situation and maintain such records; ➢ Coordinate and arrange staff for physical examination against occupational diseases; ➢ Properly conduct the file management for occupational health supervision; ➢ Supervise the management procedures for occupational health for its smooth implementation; ➢ Regularly review and update "Management system for occupational health".
Human resource department	➢ Assist in arranging the training for relevant staff; ➢ Arrange corresponding body checks for staff who work in positions with risks of occupational diseases when they report duty and resign from their position; ➢ File the notification letters of occupational diseases sent to staff who work in positions with risks of occupational diseases; ➢ Assist in extracting relevant information for inspection upon requests from the government and third parties.
Management personnel	➢ Ensure that subordinate staff strictly adhere to all relevant procedures in the management system for occupational health and safety and ensure that the management procedures are effectively implemented.
Other staff	➢ Actively engaged in training for occupational health and safety; ➢ For staff who work in positions which involve risks of occupational hazards, they have to pass a physical examination and sign a notification of occupational hazards relating to their position, before they can be assigned to such positions. This ensures that they understand the risks of occupational hazards they face in their positions; ➢ Obtain and properly use personal protection equipment (PPE); ➢ If any occupational health and safety hazards are identified, they should be reported to supervisors as well as EHS department.

During the Reporting Period, Ascentage Pharma's management system for occupational health and safety has operated effectively and there have not been any significant safety incidents leading to personal injuries or deaths at work.

Training for Occupational Health and Safety

Ascentage Pharma has established the EHS Training and Management System (《EHS培訓管理制度》), which provides sufficient resources for providing training related to occupational health and safety for our staff. We formulate our training program annually to commence our promotion, education and training for occupational health, and we have also kept proper records of the relevant training.

The content of our safety training mainly includes four aspects, namely, skills for safety, knowledge for safety, laws and regulations about safety, as well as thought and behavior for safety. Through a variety of training channels such as morning assembly, sharing of safety techniques, safety meetings, safety months and safety holidays, we strive to ensure the health and safety of our staff.

Through occupational health and safety training, we mainly train the safety awareness of our staff in the following areas:

- ➢ Objectives and goals for occupational health and safety;
- ➢ Benefits of improving performance of occupational health and safety;
- ➢ The impacts and potential consequences of incompliance with the management system for occupational health and safety;
- ➢ Specific control measures for sources of hazards and risks of occupational health and safety;
- ➢ Allow our staff to leave where they believe there will be immediate and serious dangers to their lives or health and protect them from assuming consequences that they do not deserve.

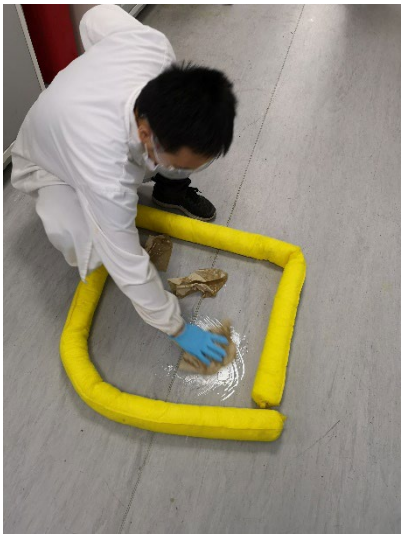
To ensure that our staff who attend training accurately understand the contents of our safety education, we have established an integrated system of training, assessment and remuneration. We have set corresponding job requirements. No untrained staff shall be allowed to report duty, even if they possess a certificate for work. For staff who fail to receive training as required, we will impose punishment on them. We continuously improve and amend our EHS training management requirements to enhance the supervision of our training work.

Case: Emergency evacuation exercise

In June 2019, Ascentage Pharma organized a fire drill in its base in Suzhou to improve the skills of staff in handling safety risks or disasters and their awareness of prevention. During the training, we arranged training for evacuation and knowledge for emergency handling to make sure our staff can master the knowledge for self-help and be familiar with the emergency response procedures.

Case: A drill for chemical leakage

In June 2019, Ascentage Pharma organized a drill for leakage, which was joined by EHS staff, EHS coordination and management staff of each laboratory and some laboratory staff. The drill simulated what a laboratory staff should do in case of chemical leakage and the reporting process.



Environmental Management

Ascentage Pharma always advocates the protection of natural resources and is running on a sustainable mode of development to minimize the environmental impact brought by its business operation. Currently, Ascentage Pharma's principal business is medicine development. The principal places of our operation are laboratories and offices. The main environmental factors include air pollutants, waste water, harmful or harmless waste and noise which are emitted in our research, development and operation, and the usage of energy, water and chemicals. In view of such major environmental factors, we have commenced an assessment of risks and opportunities and have formulated a series of management procedures to minimize the environmental impacts and continuously supervise the implementation of such management procedures so that Ascentage Pharma's performance in environmental management can keep improving.

The operation of the business and the facilities of Ascentage Pharma strictly adheres to the relevant laws and regulations about environmental protection, to ensure that our environmental impacts are kept in compliance with the laws and regulations. Meanwhile, we continuously improve our management measures along with our business development and actively realize our promise of environmental protection.

Laws and regulations related to environmental protection abided by Ascentage Pharma (including but not limited to)	Internal policies of Ascentage Pharma (including but not limited to)
Overall environment management ➢ Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) ➢ Law of the PRC on Appraising of Environment Impacts (《中華人民共和國環境影響評價法》) ***Energy management*** ➢ Energy Conservation Law of the PRC (《中華人民共和國節約能源法》) ***Water resource management*** ➢ Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》) ***Emission of air pollutant management*** ➢ Integrated Emission Standard of Air Pollutants (《大氣污染物綜合排放標準》) ***Waste management*** ➢ Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) ***Noise management*** ➢ Law of the PRC on Prevention and Control of Pollution From Environmental Noise (《中華人民共和國環境噪聲污染防治法》) ***Chemical management*** ➢ Regulation on the Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》)	➢ Handbook for the Environment Management System (《環境管理體系手冊》) ➢ EHS Supervision and Assessment Procedures for Targets and Performance (《EHS目標績效監督與測量程序》) ➢ Waste Management System (《廢棄物管理制度》)

The EHS department of Ascentage Pharma is responsible for monitoring the implementation of the management procedures for environmental protection, ensuring that we can effectively control each of the significant environmental factors in our business operation.

Supervision and assessment of environmental performance	➢ All outlets must comply with the requirements and clearly marked as such; ➢ Set the frequency for monitoring indicators and complete the plan as scheduled in respect of all environmental factors. In case of exceeding the standards, we shall find out the reasons immediately and take remedial and preventive measures; ➢ Every kind of waste is to be handled by licensed contractors and dangerous wastes are recorded in the database of movement of dangerous wastes.
Supervision and assessment of energy consumption	➢ Regularly review the level of energy consumption of our base sites and report to our management.
Review of environmental performance	➢ Monitor and assess environment performance and keep such records; ➢ Set annual targets and plans according to material environmental factors; ➢ Review the progress of environmental plans monthly; ➢ Report our environmental performance monthly to the management.
Others	➢ Adjust the equipment used in environment performance supervision and assessment according to the requirements of quantitative management.

We adopt management methods corresponding to different environment factors which are material, and we endeavor to minimize negative environmental impacts.

Treatment of Air Pollutants

Air pollutants produced in the process of drug R&D can be classified into two types, namely, organized emission and unorganized emission. As to organized emission, we have installed ventilation pipelines on the hood of our project laboratory which are connected to air outlets. Waste gas collected and stored in the hood will be directed to waste gas treating devices through emission pipelines, ensuring that such waste gas can meet the emission requirements after treatment.

Unorganized emissions produced in the process of drug R&D mainly consist of gases which cannot be collected by waste gas facilities and the amount is not significant. As to emissions of unorganized gases, the major measures that we adopt include:

- ✓ Inspect and repair equipment, pipelines and valves frequently and ensure the air tightness is maintained at a satisfactory level;
- ✓ Enhance management and conduct pre-determined procedures strictly for all operations;
- ✓ Enhance maintenance and management of the waste gas collection system to increase the effective rate of waste gas collection and minimize emissions of unorganized gases, ensuring that there is no strange smell near the factories;
- ✓ Enhance ventilation in workplaces.

Case: R&D waste gas treatment facilities
As to our waste gas treatment facilities, we have not simply adopted active carbon for treatment, because hazardous wastes may be produced when active carbon treatment devices are replaced in the middle or later stage and it will also consume additional resources. We adopt catalytic oxidation technology and recycle raw materials regularly. We can also meet the requirements for waste gas treatment. It can be seen as a knowhow for recycling.

Energy management

Currently, Ascentage Pharma's consumption of energy is mainly for laboratories and office use. The consumption is relatively small. We have set regular requirements as to energy saving. For example, we require our staff to turn off lights and electronic appliances before they leave. We also centralize our purchases and choose energy-efficient appliances. In addition, we also regularly record our energy consumption, including the consumption of electricity and automobile fuel, to effectively monitor the use of energy and control the consumption.

Water resources management and waste water management

Ascentage Pharma's water resources come from urban pipeline network, and there is no difficulty in obtaining sources for water. In terms of water usage, we encourage our staff to have an awareness of saving water. The waste water that we produced in the course of our operation is mainly domestic waste water and only a small portion of it comes from laboratories. Waste water is directly emitted to industrial park's waste water pipeline network through urban pipeline network for centralized disposal. After treatment, such wastewater can meet the emission standards.

Wastes disposal

The main types of wastes produced by Ascentage Pharma in the course of its operation include laboratory wastes (such as dusters, gloves and masks), medical wastes and domestic wastes. We have formulated an internal policy called "Waste Management System" to regulate the management of waste collection, classification, storage, transfer and disposal so that such wastes can meet the relevant national laws and regulations.

EHS department passes information about waste classification to all staff of the Company and further classify wastes into types and link up their collection and disposal stages. We also have training programs for our staff about waste disposal.

Classification and management of domestic wastes	➢ Each department is responsible for collecting and storing the wastes in their respective regions according to the classification standards; ➢ Recyclable materials are placed in the warehouse, and they will be sent to entities which have corresponding qualifications for disposal eventually; ➢ Food wastes are stored in restaurant to avoid them mixing with tableware, plastic, beverage bottles and paper waste which are not good for subsequent handling, and they will be processed by suppliers approved by the government; ➢ Each department places containers for litters according to the classification. All staff are required to abide by the classification when littering; ➢ Domestic wastes are cleared by environment and hygiene department.
Management of solid and hazardous wastes	➢ Strictly control and monitor solid wastes which are listed in the National Hazardous Waste Catalogue (《國家危險廢物名錄》); ➢ Set up storage premises and facilities for disposal according to the types of solid hazardous wastes and show warnings for identification; ➢ Keep record of hazardous wastes in production plants, R&D laboratories and storage premises which accurately records the production, storage and transfer of hazardous wastes; ➢ Implement a registration system which accurately reports the types, output, outgoing, storage and disposal of wastes to the administrative department, which is in charge of the domestic environmental protection; ➢ Engage professional waste disposal companies to manage the disposal of hazardous and biologically dangerous wastes.

Chemical management

The chemicals used in the process of drug R&D may be inflammable, explosive and poisonous. Improper handling of such chemicals may give rise to serious impact to the environment and natural resources. Ascentage Pharma adopts strict control over the storage, use, transportation and disposal of such chemicals and conducts risk assessment for them. A number of risk prevention measures have been adopted. Such hazardous chemicals present risk of leakage to the environment and they may also leak due to traffic accidents. Such risks may also cause air pollutants, fire and explosion, endangering the surrounding environment. Against such risks, we have adopted the following risk prevention and management measures (including but not limited to):

- ✓ Ensure that the storage premise for chemicals can meet the safety requirements as to fire, leakage, anti-corrosion, anti-static, fences, ventilation and sun block, and maintenance and repairs are carried out in accordance with national standards and relevant requirements;
- ✓ Show warning labels and set up relevant communication and warning devices;
- ✓ Staff of each department and region must collect hazardous chemical wastes according to the requirements and mark them for identification. Relevant records must also be made. Such chemicals must also be stored in an warehouse of hazardous chemical and be recorded in a database for not less than 5 years;
- ✓ Strictly implement the requirements under Regulations on the Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》) and formulate the safety procedures for handling hazardous chemicals. Operating staff must work strictly in accordance with the procedures;
- ✓ Chemicals should be purchased from proper and licensed enterprises and requests should be made to the suppliers for technical manuals and relevant technical information;
- ✓ In laboratory, the storing, handling, usage and disposal of chemicals must meet satisfactory standards of a chemical laboratory.

Noise management

The noise produced in the course of R&D mainly comes from the operation of laboratory equipment such as centrifuge, cell crusher and shaking table. Against such noise-causing devices, we mainly adopt the following measures for noise reduction:

- ✓ Preference to purchase equipment which is a low noise model;
- ✓ Installing cushion on the connecting edges according to industrial standards for equipment installation;
- ✓ Having a reasonable layout of workplace by placing production equipment inside production workplace and making use of walls, windows, doors and distance to reduce noise;
- ✓ Planting more trees and grass near the factories' boundary and making use of such plants to reduce noise.

TALENT MANAGEMENT

Ascentage Pharma firmly believes that talent is the most important driving force for product innovation and the cornerstone for the long-term development of an enterprise. Through long-term sedimentation and accumulation, we have achieved a number of breakthroughs in work with all employees. We are looking forward to continuously recruiting talents and embarking on a journey to achieve sustainable development together.

Gathering Talents

Ascentage Pharma strictly abides by a number of employment-related laws and regulations, adopts a proactive human resources policy, attracts and retains outstanding talents at home and abroad, and ensures the establishment of an excellent talent team.

Laws and regulations related to employment abided by Ascentage Pharma (including but not limited to)	Internal policies of Ascentage Pharma (including but not limited to)
Labor regulations ➢ Labor Law of the PRC (《中華人民共和國勞動法》) ➢ Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) ➢ Interim Provisions on Wages and Payments (《工資與支付暫行規定》) ***Labor protection*** ➢ Special Rules on the Labor Protection of Female Employees (《女職工勞動保護特別規定》) ➢ Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》) ***Working hours*** ➢ Regulations of the State Council on Working Hours of Employees (《國務院關於職工工作時間的規定》) ➢ Regulations on Paid Annual Leave for Employees (《職工帶薪年休假條例》) ***Social security and welfare*** ➢ Regulations on Work-related Injury Insurance (《工傷保險條例》) ➢ Measures for the Supervision and Inspection of the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳監督檢查辦法》)	➢ Employee Handbook (《員工手冊》) ➢ Remuneration Management System (《薪酬管理制度》) ➢ Regulations on Performance Management (《績效管理規程》) ➢ Education Subsidy Policy (《教育資助政策》) ➢ Leave Management System (《休假管理制度》) ➢ Management system for Probation Period (《試用期管理制度》) ➢ Staff Referral System (《員工推薦制度》)

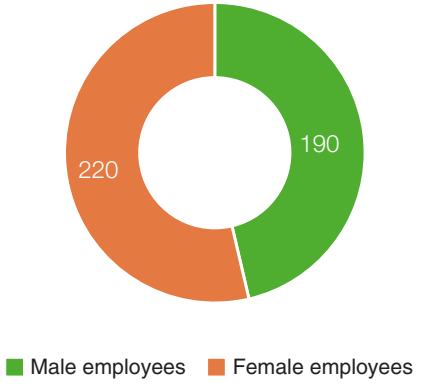
Taking into account the employment-related laws and regulations that Ascentage Pharma complies with and the actual operational needs, we have formulated the following employment management system:

Employment	➢ Recruitment: Ascentage Pharma insists on hiring qualified personnel and fully considers the principle of "equal opportunities for employment", and we are willing to provide equal opportunities regardless of nationality, race, age, gender, religious belief or physical defect. Within one month from the date of joining the Company, we sign a written labor contract with the employee to indicate the establishment of a formal labor relationship. Relevant confidentiality provisions, intellectual property rights and non-competition restrictions are included in the employment contracts signed by employees. At the same time, Ascentage Pharma strictly abides by the Provisions on the Prohibition of Using Child Labor. During the recruitment and employment process, personal identification documents of job seekers are checked to prevent the employment of child labor. ➢ Dismissal: We will terminate the labor contract with an employee in any of the following circumstances: • Failure to meet the conditions for employment during the probation period; • Serious violation of the rules and regulations of Ascentage Pharma; • Serious dereliction of duty and malpractice which may cause material damage to Ascentage Pharma; • Employee also establishes labor relationship with other enterprises, which seriously affects the completion of their duties; • Held criminal liabilities imposed by law.
Remuneration	➢ Remuneration: The remuneration policy of Ascentage Pharma is formulated based on employees' individual competence, work performance, job responsibilities and market conditions. The remuneration offered by us includes fixed remuneration and variable remuneration. We also provide various subsidies and bonuses in addition to the basic salary to give full play to the incentive role. The following sets forth some of our bonus types: • Annual Mission/Target Achievement Award • Annual Contributions Award • Technological Breakthrough Award • Invention Award • Chairman's Special Award We conduct regular performance appraisals for our employees, and the results of which are hooked with employees' salary adjustment and bonus granted. For employees with outstanding performance, we provide significant salary increment to reward their efforts and contributions.

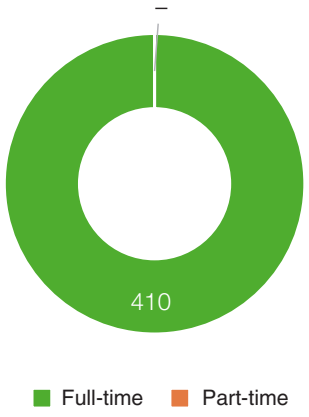
Working hours and leaves	➢ Working hours: The regular working hours are 8 hours per day and 5 days per week from Monday to Friday. To ensure that all employees have appropriate working hours and adequate rest, we do not encourage employees to work overtime. All overtime work must be strictly based on actual needs and the completion of an Overtime Application Form (《加班申請表》), while prior approval from immediate supervisor is required to eliminate the possibility of forced labor. ➢ Leaves: We ensure that employees are entitled to statutory holidays and various types of leaves, including annual leave, sick leave, work injury leave, marriage leave, maternity leave and nursing leave, etc., to protect employees' interests, as well as their rights to have private time after work.
Employees' development	➢ Promotion: Employees are assessed regularly every year, and those who exceed expectations or above are entitled to promotion opportunities. In general, employees are required to work in the same position for more than one year in order to obtain promotion opportunities. Special promotion opportunities may be granted to employees with outstanding contributions, including meeting the following conditions: • Continuously improves business level and obtains a bachelor's degree or above in relation to his/her scope of work or a pharmaceutical-related professional and technical certificate recognized by other countries during the term of office; • Proactively present reasonable proposals, which were adopted by us and proved to be effective; • Maintains the interests of Ascentage Pharma, prevents or remediates accidents and economic losses; • Reports and reveals acts that infringe the interests of Ascentage Pharma which are verified to be genuine; • Prominent signs of thrift and frugality; • Brings significant benefits to Ascentage Pharma; and • Develops new products or invents new technologies, which lead to significant benefits to Ascentage Pharma, etc.

Ascentage Pharma treats every employee in a fair and equitable manner, and attaches importance to gender equality. As of the end of the Reporting Period, Ascentage Pharma had a total of 410 employees. The number of employees by gender, employment types, age groups and work regions is shown as below:

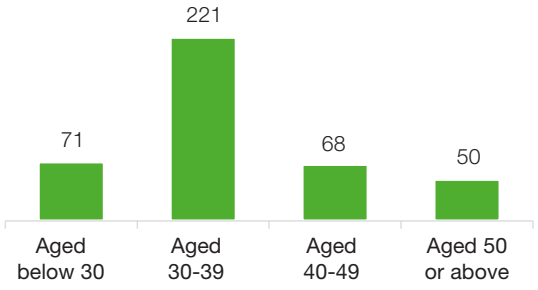
Number of employees (by gender)



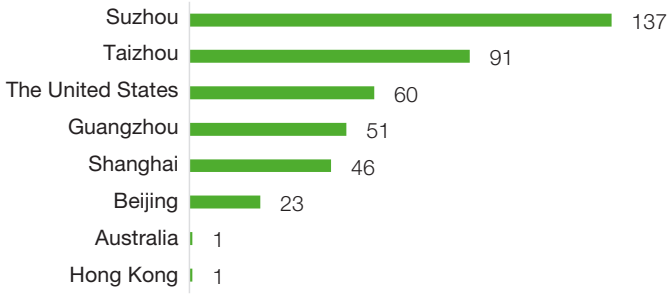
Number of employees (by employment types)



Number of employees (by age groups)



Number of employees (by regions)



Nurturing Talents

Ascentage Pharma recognizes the importance of continuously improving the skills and expertise of its employees. We provide each employee with on-the-job training and external professional training opportunities to keep them abreast of new technologies, new programs and new developments in the industry, so as to ensure high performance and high productivity. In 2019, we formulated corresponding training plans to provide various types of training for employees. On average, each of our employees participated in approximately 18 hours of training throughout the year, including approximately 4 hours of administrative compliance or inter-departmental training and approximately 14 hours of departmental professional training. Training hours for male and female employees are the same.

Case: Training for Clinical Trial Project Manager

In May 2019, we organized a clinical trial project manager training activity for 21 employees, providing project managers involved in clinical trial management with framework knowledge of project management and explanation of project management plans, from which each project manager can understand work arrangements and execution practices. We also elaborated on communication management about the establishment of an effective communication model in the course of our clinical trials, which allows our projects to proceed smoothly.

Work-Life Balance

Ascentage Pharma cares for the physical and mental health of employees and wants to create a friendly working environment for employees and establish a corporate culture of work-life balance. During the Reporting Period, we organized a number of employee welfare activities and team building projects, such as employee birthday parties, festival celebrations, sports competitions, etc., to relieve employees' work pressures.

“Ascentage's Mini Marathon in Suzhou” (「蘇州亞盛迷你馬拉松」) activity held in May 2019

“Birthday Party and Mid-Autumn Festival Celebration” (「生日會及慶中秋」) activity held in September 2019

"When Birthday meets Christmas..." (「當生日遇上聖誕」) activity held in December 2019

"Dear New Moms" (「親愛的新手媽媽」) activity held in December 2019

OPERATIONAL RESPONSIBILITIES

Ascentage Pharma's business development relies on the cooperation of service contractors, raw material suppliers and partners to maintain the sustainability of the supply chain. We manage all aspects of the supply chain and create an honest business environment to ensure compliant business operations.

Sustainable Supply Chain

Ascentage Pharma conducts business activities in a responsible and ethical manner in order to achieve a sustainable business model that respects the needs of individuals, the society and the environment. We advocate the implementation of the industry principle of responsible supply chain management, and have formulated the supply chain management policies and relevant contract execution documents such as the Procurement and Supply Management Regulations (《採購供應管理規程》) and the GMP Materials Procurement Management (《GMP物料採購管理》), which regulate the corresponding environmental and social risk management policies and supplier engagement standards.

Ascentage Pharma standardizes the environmental and social risk management policies in the corresponding key procurement framework agreements on supply chain, including management of quality control of product procurement, insurance, EHS, intellectual property rights and confidentiality, etc., so as to protect the mutual interests of Ascentage Pharma and the suppliers.

Quality control of product procurement	➢ We make sure that the products provided by the suppliers according to the agreement will not be adulterated, counterfeited, banned or dangerous. Also, the production, quality, packaging and labeling of the products shall be in compliance with all applicable laws and regulations or any other provisions of the state, and relevant evidential documents shall be provided; ➢ If the products purchased pursuant to the agreement become prohibited or dangerous items, or if quality problems appear in use, the supplier shall recall all existing inventories and immediately compensate as required by the contract in relation to those returned items.
Insurance	➢ If the production of products is involved, suppliers shall guarantee to purchase insurance for a series of matters such as plant, machinery, materials, accidents, fire and employee safety involved in the production of products in the factory at their own costs; ➢ Suppliers shall purchase transportation insurance for the products under each order, covering damages, losses and delays in transportation process.
EHS	➢ The procurement framework agreement expressly stated that all claims, liabilities, demands, proceedings, confiscation, fines, judgments and related costs and expenses which may be borne or paid by Ascentage Pharma thereafter due to any person's death or personal injury, or damage to or destruction of any property, pollution or adverse impact on the environment and the related clean-up costs as a result of suppliers' fault shall be protected and indemnified by the suppliers from and against us.
Intellectual property rights	➢ Except with the prior written consent of Ascentage Pharma, suppliers can only use the trademarks, trade names, logos, patents or copyrights related to Ascentage Pharma within the scope of the agreement under our express authorization; ➢ Suppliers shall indemnify and hold Ascentage Pharma harmless from and against any claims, actions, liabilities, losses, damages, expenses and payments arising out of or in connection with the use of any (registered or unregistered) trademarks, trade names, logos, patents or copyrights outside the scope of the agreement; ➢ Suppliers shall notify Ascentage Pharma in writing and destroy the excess materials produced during the production process if they bear the trademarks, trade names and logos of Ascentage Pharma, which shall not be given to any other third party.
Confidentiality	➢ The ownership of confidential information provided by Ascentage Pharma to suppliers shall be owned by us or our related parties. Except as required by law or with the prior written consent of Ascentage Pharma, suppliers must keep confidential of any confidential information provided to them by Ascentage Pharma.

In addition, Ascentage Pharma implemented the environmental and social risk management and control policies on supply chain in a comprehensive and detailed manner under the standard operating procedures relating to procurement management, including but not limited to the following procedures:

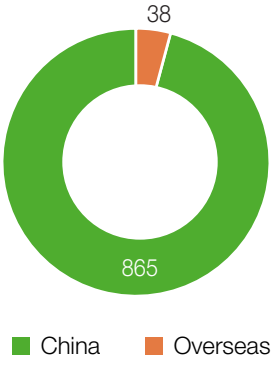
- ✓ The GMP Materials Procurement Management Regulations stipulate that procurement personnel are responsible for obtaining applicable and required information and documents from suppliers to support initial procurement, the establishment of supplier folders or the confirmation of suppliers;
- ✓ For materials imported from foreign suppliers, the procurement department is responsible for all customs declaration documents and their accuracy to ensure compliance with the relevant international and Chinese laws and regulations;
- ✓ The Procurement and Supply Management Regulations specify the code of conduct for personnel involved in procurement business, such as integrity, safeguarding the interests of Ascentage Pharma, compliance with laws and regulations and strict confidentiality of confidential information, etc.

Ascentage Pharma selects suppliers in a fair manner, taking all major factors into account objectively and fairly. Supplier selection is a collective decision-making process for us, and no special treatment is given to any supplier. The basic principles of our supplier selection include:

Principle of resources sharing	➢ The procurement system implements internal information sharing, strengthens inventory rationalization management, establishes reasonable and safe inventory for regular materials such as solvents, agents and R&D and production consumables, and implements resource integration for materials and services of the same specifications or the same supply pipelines; ➢ Centralized procurement is adopted to minimize procurement costs, where each laboratory has established a material catalogue to ensure resources sharing.
Principle of integrated evaluation for procurement	➢ Procurement evaluation includes various factors such as commodity price, quality, suppliers' credit status, payment cycle, after-sales service and delivery period, etc. is used for seeking the value-added services of suppliers based on the best price.
Principle of planned procurement	➢ Procurement applications are encouraged to follow the principle of preparing reasonable proposals in advance, and preparation for procurement should be made properly as planned.

Ascentage Pharma continuously monitors and improves our supply chain in accordance with the above policies and procedures and proposes compliance requirements to our business partners to promote recognized sustainable development standards. As of the end of the Reporting Period, Ascentage Pharma had a total of 903 suppliers in its supplier base. We implemented the above supplier selection and review policies for all suppliers of GMP procurement categories and major procurement categories, including key materials and consumables for R&D, professional technical services and fixed assets, during the Reporting Period, with a total of approximately 300 suppliers.

Number of suppliers (by locations)



Integrity Management

Ascentage Pharma attaches great importance to brand reputation, strictly abides by the Criminal Law of the PRC (《中華人民共和國刑法》), the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), the Anti-Money Laundering Law of the PRC (《中華人民共和國反洗錢法》) and other laws and regulations related to anti-corruption, strictly prohibits and monitors illegal acts such as bribery, extortion, fraud and money laundering, and requires employees to strictly abide by the professional ethics of integrity, so as to avoid adverse impact on our business, financial conditions and operating results. We provide guidance on employees' professional conduct in the Employee Handbook to prevent corruption. We also have an internal reporting channel for employees to report any suspected corruption, and employees can also provide anonymous reports to the internal anti-corruption department. If any corruption or fraud is found, it shall be deemed as a serious violation, and we shall take corresponding disciplinary actions against the relevant employees. Such employees shall be dismissed in serious cases.

During the Reporting Period, Ascentage Pharma has complied with the relevant laws and regulations relating to bribery, extortion, fraud and money laundering, and was not involved in any corruption-related cases.

Give Back to the Society

Facing the severe novel coronavirus epidemic, Ascentage Pharma pays close attention to the situation of the epidemic, and took action promptly to provide assistance in various ways.

Ascentage Pharma donated RMB500,000 in January 2020 to support two medical institutions, namely Wuhan Union Hospital and Wuhan Tongji Hospital, for purchasing urgently needed medical supplies such as the relevant protective equipment to combat the epidemic. At the same time, Ascentage Pharma also actively organized the procurement of supplies by purchasing urgently needed medical supplies, including N95 masks, protective clothing and safety goggles, etc. with a total amount of RMB500,000 from the United States, and delivered them to various hospitals in Wuhan, Hubei Province, China.

On 4 March 2020, the second batch of medical supplies donated by Ascentage Pharma was successfully delivered to the medical team of Southern Hospital (南方醫院) under the Division of Epidemic Prevention of Honghu City, Hubei Province, China (中國湖北省洪湖市防疫指揮部). Among which, 230 pieces of protective clothing, costing RMB50,000, were directly delivered to the frontline staff. At the same time, Ascentage Pharma encouraged all employees to make voluntary donations to contribute to the hospitals and doctors without sufficient protective supplies. Through our connection with various parties, we made use of the voluntary donation of RMB100,000 from our employees to purchase medical disposable protective clothing. We successfully purchased 400 protective clothing, which was delivered directly to Peking University People's Hospital on 9 March 2020 to help combat the epidemic.

In such difficult times, we shall all work together. As a domestic innovative pharmaceutical enterprise in China, Ascentage Pharma will stand by all front-line medical staff and make every effort to contribute to the community.

Protective clothing delivered to the medical team of Guangdong Southern Hospital (廣東南方醫院)

Protective clothing delivered to Peking University People's Hospital

APPENDICES

Appendix I: Overview on Environmental Performance

	Data in 2019[1]	Unit of Measurement
Consumption of resources		
Total electricity consumption	1,282,133.47	kWh
Intensity of electricity consumption	884.23	kWh/RMB0'000 revenue[2]
Total gasoline consumption (vehicles)	2,765.00	liter
Gasoline consumption intensity (vehicles)	921.67	liter/gasoline vehicle[3]
Total water consumption	4,431.94	m^3
Intensity of total water consumption	3.06	m^3/RMB0'000 revenue
Air pollutant emissions from vehicles		
CO emissions	18.80	kilogram
NO_x emissions	0.88	kilogram
SO_x emissions	0.04	kilogram
PM_{10} emissions	0.08	kilogram
Greenhouse gas emissions (scope 1 and scope 2)		
Emissions from vehicles (scope 1)	6.38	ton of CO_2 equivalent
Emissions from electricity consumption (scope 2)	900.91	ton of CO_2
Total greenhouse gases emissions	907.28	ton of CO_2 equivalent
Intensity of total greenhouse gases emissions	0.63	ton of CO_2 equivalent/ RMB0'000 revenue
Wastewater discharge (treated)		
Laboratory wastewater	372.00	ton
Domestic wastewater	3,988.80	ton
Total wastewater discharge	4,360.80	ton
Intensity of total wastewater discharge	3.01	ton/RMB0'000 revenue
Non-hazardous wastes produced		
—Domestic wastes		
Production volume	12,120.00	kilogram
Production intensity	8.36	kilogram/RMB0'000 revenue
Recycled volume	240.00	kilogram
—Paper wastes		
Production volume	192.00	kilogram
Production intensity	0.13	kilogram/RMB0'000 revenue

	Data in 2019[1]	Unit of Measurement
Recycled volume	192.00	kilogram
—Plastic wastes		
Production volume	7,980.00	kilogram
Production intensity	5.50	kilogram/RMB0'000 revenue
Recycled volume	5,340.00	kilogram
—Packaging materials wastes		
Production volume	1,080.00	kilogram
Production intensity	0.74	kilogram/RMB0'000 revenue
Recycled volume	1,080.00	kilogram
Hazardous wastes produced		
—Medical wastes		
Production volume	161.70	kilogram
Production intensity	0.11	kilogram/RMB0'000 revenue
Recycled volume	161.70	kilogram
—Organic solution wastes		
Production volume	28,180.30	kilogram
Production intensity	19.43	kilogram/RMB0'000 revenue
Recycled volume	28,180.30	kilogram
—Other laboratory wastes		
Production volume	7,754.50	kilogram
Production intensity	5.35	kilogram/RMB0'000 revenue
Recycled volume	7,754.50	kilogram
—Fluorescent tube wastes		
Production volume	9.30	kilogram
Production intensity	0.01	kilogram/RMB0'000 revenue
Recycled volume	9.30	kilogram

[1] The Reporting Period is the first time for Ascentage Pharma to disclose environmental data, the scope of which covers our pharmaceutical and research and development business in China. In the future, we will consider comparing the annual environmental data between various years to quantify our emission reduction achievements (in terms of air pollutants, wastewater and solid waste) and energy and water conservation achievements.

[2] During the Reporting Period, the revenue of Ascentage Pharma was approximately RMB14,500,000.

[3] During the Reporting Period, Ascentage Pharma had 3 gasoline vehicles in total.

Appendix II: Environmental, Social and Governance Reporting Guide Content Index

A. Environmental			
Item		**Description**	**Reference Chapter And Explanation**
Aspect A1: Emissions			
General Disclosures		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Management
Key Performance Indicator	A1.1	The types of emissions and respective emissions data.	Appendix I: Overview on Environmental Performance
	A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	Appendix I: Overview on Environmental Performance
	A1.3	Total hazardous waste produced and, where appropriate, intensity	Appendix I: Overview on Environmental Performance
	A1.4	Total non-hazardous waste produced and, where appropriate, intensity	Appendix I: Overview on Environmental Performance
	A1.5	Description of measures to mitigate emissions and results achieved.	Appendix I: Overview on Environmental Performance
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Appendix I: Overview on Environmental Performance

A. Environmental			
Item		**Description**	**Reference Chapter And Explanation**
Aspect A2: Use of Resources			
General Disclosure		Policies on the efficient use of resources	Environmental Management
Key Performance Indicator	A2.1	Direct and/or indirect energy consumption by type in total and intensity	Appendix I: Overview on Environmental Performance
	A2.2	Water consumption in total and intensity	Appendix I: Overview on Environmental Performance
	A2.3	Description of energy use efficiency initiatives and results achieved.	Appendix I: Overview on Environmental Performance
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Appendix I: Overview on Environmental Performance
	A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Not involved in the Group's business
Aspect A3: The Environment and Natural Resources			
General Disclosure		Policies on minimizing the issuer's significant impact on the environment and natural resources.	Environmental Management
Key Performance Indicator	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management

B. Social			
Item		**Description**	**Reference Chapter And Explanation**
Aspect B1: Employment			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Gathering Talents
Recommended Disclosures	B1.1	Total workforce by gender, employment type, age group and geographical region.	Gathering Talents
	B1.2	Employee turnover rate by gender, age group and geographical region.	/
Aspect B2: Health and Safety			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety
Recommended Disclosures	B2.1	Number and rate of work-related fatalities.	Occupational Health and Safety
	B2.2	Lost days due to work injury.	Occupational Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Health and Safety
Aspect B3: Development and Training			
General Disclosure		Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Nurturing Talents
Recommended Disclosures	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	/
	B3.2	The average training hours completed per employee by gender and employee category.	Nurturing Talents

B. Social			
Item		**Description**	**Reference Chapter And Explanation**
Aspect B4: Labor Standards			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labor.	Gathering Talents
Recommended Disclosures	B4.1	Description of measures to review employment practices to avoid child and forced labor.	Gathering Talents
	B4.2	Description of steps taken to eliminate such practices when discovered.	No Relevant Situation
Aspect B5: Supply Chain Management			
General Disclosure		Policies on managing environmental and social risks of the supply chain.	Sustainable Supply Chain
Recommended Disclosures	B5.1	Number of suppliers by geographical region.	Sustainable Supply Chain
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Sustainable Supply Chain
Aspect B6: Product Responsibility			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Drug Quality and Safety Management Safety of Clinical Trials Protection of Patients' Rights and Privacy
Recommended Disclosures	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	/
	B6.2	Number of products and service related complaints received and how they are dealt with.	Safety of Clinical Trials
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protection of Intellectual Property Rights
	B6.4	Description of quality assurance process and recall procedures.	Drug Quality and Safety Management Safety of Clinical Trials
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Protection of Patients' Rights and Privacy

B. Social			
Item		**Description**	**Reference Chapter And Explanation**
Aspect B7: Anticorruption			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Integrity Management
Recommended Disclosures	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Integrity Management
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Integrity Management
Aspect B8: Community Investment			
General Disclosure		Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Give Back to the Society
Recommended Disclosures	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Give Back to the Society
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Give Back to the Society