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
2020

2020 Environmental, Social and Governance Report

CONTENT

ABOUT THIS REPORT 2
HIGHLIGHTS AND PERFORMANCE 3
MESSAGE FROM MANAGEMENT 4
CORPORATE GOVERNANCE AND LONG-TERM DEVELOPMENT 5
1.1 About Ascentage 5
1.2 ESG Governance 9
1.3 Material Issues 10
1.4 Business Ethics 12
R&D DRIVEN AND PROTECTING INTERESTS 14
2.1 R&D Capabilities and Achievements 14
2.2 Protection of Intellectual Property Rights 18
2.3 R&D Ethics 20
QUALITY ASSURANCE AND STABLE SUPPLY 21
3.1 Quality and Safety 21
3.2 Customer Service 22
3.3 Supply Chain Management 23
GREEN OPERATION, SAFETY AND HEALTH 25
4.1 Environmental Management 25
4.2 Occupational Health and Safety 29
DYNAMIC TEAM AND HARMONIOUS SOCIETY 32
5.1 Employee Recruitment 32
5.3 Caring Employee 35
5.4 Harmonious Community 36
APPENDICES 38
Appendix I ESG Key Performance Indicators 38
Appendix II ESG Related Laws and Regulations 42
Appendix III Hong Kong Stock Exchange Environmental, Social and Governance Reporting Guide Content Index 44

2020 Environmental, Social and Governance Report

ABOUT THIS REPORT

Report Overview

This Report is the second Environmental, Social and Governance (hereinafter "ESG") Report published by Ascentage Pharma Group International (hereinafter the "Company") and its subsidiaries (hereinafter "Ascentage Pharma" or "Ascentage" or "we" or "us").

Reporting Guidelines

The Report has been prepared in accordance with the amended Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited (hereinafter the "Hong Kong Stock Exchange") in December 2015.

Scope of Report

Timeframe: The Report covers the period between January 1, 2020 to December 31, 2020 (hereinafter the "Reporting Period" or the "Year" or "2020"). To enhance the completeness of the Report, certain content would be in a retrospective or prospective basis (as appropriate).

Scope of report: The content of the Report covers Ascentage Pharma and its subsidiaries, including Ascentage Pharma (HK), Ascentage Jiangsu, Ascentage Suzhou, Ascentage Shanghai, Healthquest Pharma, Ascentage US, Ascentage Australia, Ascentage International and Ascentage Investment.

Data Source and Description

The information and data used in this Report are collected from the official documents and statistical reports of the Group, which have been reviewed by relevant departments. Unless otherwise specified, the currency in this Report is Renminbi (RMB).

Reliability Assurance and Approval

The Group has not found any false record, misleading statement or material omission in this Report. This Report complies with all the "comply or explain" provisions in the ESG Reporting Guide and prepared according to the reporting principles of materiality, quantitative and balance in the ESG Reporting Guide. This Report has been approved by the Board of Directors on 21 June 2021.

Access and Response to the Report

This Report is available in Traditional Chinese and English for readers' reference. This Report can be found within the category of Financial Statements/ESG Information, on the HKEX news website or the official website of Ascentage Pharma (https://www.ascentagepharma.com).

We greatly value opinions from stakeholders, and welcome your feedback via the following contact channels. Your opinion will facilitate us in further improving the Report and enhance the Group's overall ESG performance.

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HIGHLIGHTS AND PERFORMANCE

Innovation and R&D

Annual R&D investment amounted to RMB**564.6** million

As of the end of the Reporting Period, we had a total of **361** R&D personnel around the globe, including **53** with a doctorate degree and over **156** with a master degree

As of the end of the Reporting Period, we owned **110** issued patents and more than **450** patent applications globally, among which, around **90** patents have been issued overseas

Quality and Safety

Received and handled **5** complains on products and services, and experienced **zero** recall of default medicine

Environment and Health

Zero environmental accidents and incompliance

Zero occupational fatality and injury

Employee and Community

Zero incompliance in terms of recruitment

Total training hours amounted to **7,013.5** hours, with an average training time of **16.2** hours/person

Investment in charity amounted to RMB**1.164** million

2020 Environmental, Social and Governance Report

MESSAGE FROM MANAGEMENT

2020 is an extraordinary year to the world, to China and to Ascentage Pharma. The COVID-19 pandemic dealt a strong blow to the global economy, while also brought historical opportunities and challenges to the pharmaceutical industry. Since its listing in Hong Kong in October 2019, Ascentage Pharma has been in a rapid corporate development spurt. We always uphold the principles for sustainable development and strive to develop innovative drugs in the therapeutic areas such as cancers, hepatitis B virus (HBV) and age-related diseases, so as to repay patients, shareholders, employees and other stakeholders, and achieve the unification of commercial and social values of Ascentage Pharma.

Innovation and R&D are the primary drive of corporate development. As an enterprise committed to the development of innovative new drugs, we adhere to the global innovation strategy and own the only clinical product pipeline that covers the three main pathways of apoptosis, as well as 110 issued patents, while also continuously expand our product portfolio. In 2020, we had greater progress on clinical development, external cooperation, patent portfolio and other aspects, and submitted the first New Drug Application of the Company (HQP1351), which was granted a priority review designation and Breakthrough Therapy Designation, representing an important milestone of progressing from R&D to production.

We deeply understand that patient's health and safety is the top priority. We place high emphasis on product quality and safety. By formulating the GMP Quality Manual of Ascentage Pharma and the System of Quality Policy, Quality Goal and Quality Planning, we ensure our drugs meet the quality standard for their intended use through quality control during the organized activities and regulated product R&D. We respect our customers' rights and interests, and established an optimized product tracing system to fully protect patients' health.

We proactively commence green operation to fulfill our environmental undertaking. We always operate on the basis of protecting natural resources and under a sustainable economic development model, striving to minimize the impact of our business operation to the surrounding environment. Meanwhile, we also seek to pass on our green and environmentally friendly philosophy to our employees, raising their environmental protection awareness through adding environmental signs and encouraging a green lifestyle, in order to build a green home.

Sustainable development of enterprise depends on sustainable competitiveness of talent. We adhere to a human-oriented philosophy, where we proactively communicate with employees, comprehensively formulate and optimize the remuneration and benefit system of employees, and attract and cultivate sufficient talents. We pay attention to employees' occupational health, establish corresponding EHS management system and mechanics, and organize employees to participate in regular health checks, in order to prevent occupational diseases and safeguard the business development of the enterprise.

Our steady development depends on the cooperation and support of different stakeholders. We strictly regulate the corporate and social responsibility management of our suppliers to create a responsible value chain. We proactively devote ourselves in industrial communication and exchange, participating in R&D cooperation projects and formulating industrial standards. With our partners in the charity field, we place emphasis on human health and create value for the society.

Operating overseas in a decade, as a pioneer of the biological innovation field, Ascentage Pharma has grown from a team with less than 40 members at its establishment to a listed company with over 400 employees through over a decade worth of trials and hardships. As the Company develops, we still uphold to our philosophy of "based in China and embraces the global market", addressing unmet medical needs globally by global innovative standards. Looking forward, we will not forget our original intention, and will continuously enhance our sustainable competitiveness to drive the R&D process of drug candidates and other innovative drugs, while at the same time proactively fulfill our environmental and social responsibilities, providing health to our patients, a platform for our employees, value for our shareholders and contributions for the society. Together, we can create a harmonious ecosystem for the drug innovation industry.

Dr. Yang Dajun
Chairman

CORPORATE GOVERNANCE AND LONG-TERM DEVELOPMENT

1.1 About Ascentage

Introduction of the Company

As a global biotechnology company, Ascentage Pharma had more than 20 years of experience in the development of drugs related to apoptosis. Ascentage established subsidiaries in Beijing, Shanghai, Guangzhou, Taizhou, Jiangsu, Suzhou, China, and Rockville, US, with an aim to create a leading top tier enterprise with innovative drug in both China and the world. We always insist on innovation and originality, striving to treat diseases with high unmet medical needs in China and worldwide, while also continuously realize our corporate value of patient first, innovation driven and technological foundation.

Through years of refinement and accumulation, Ascentage gained multiple research achievements, obtained 110 issued patents, published over 100 papers, owned 12 novel drugs and 33 clinical trial approvals.

Ascentage Pharma is committed to achieve results in terms of pharmaceutical research. Based in China and embracing the global market, we design, research and develop high-end novel drugs with the potential to become either the "first-in-class" or "best-in-class", so as to become a top innovative drug research and development enterprise among the world. As a leader in the protein-protein interaction (PPI), we are the only company with innovative drug research and development pipeline that covers all three key apoptosis pathways: Bcl-2, IAP and MDM2-p53. Meanwhile, we also improve the life of cancer patients, hepatitis B patients and other patients of related diseases through clinical trials. During the Reporting Period, we established a product pipeline featuring 12 drug candidates, while also conducted multiple clinical trials in China, the US, Australia and Europe.

Communication with Investors

We established a sound investor communication mechanism to ensure effective communication with investors and quick response from each other, which allow for timely disclosure of important information like information related to the Company and strategic goals. We value and uphold the legal rights of investors and continuously strengthen the ESG governance of the Company. Through multiple channels, we guarantee the transparent information disclosure, and conduct ongoing optimization to respond to relevant inquiries from investors using such method.

During the Reporting Period, through participating in one-on-one or group investor meetings organized by investment banks, industrial submits, strategy conferences of security dealers and other online and offline meetings, Ascentage Pharma communicated 66 times with investors in the market. To strengthen communication and exchange with the market, the Company successfully held an investor day in December 2020.

Actively participate in investor communication activities

Awards

Name of award	Certification or trophy
Best Listed Companies of Greater China-Most Innovative IPO of the Year	
2020 Innovative Pharmaceutical Enterprise of China	

Name of award	Certification or trophy
2020 Top 100 Innovative Pharmaceutical Enterprise of China	
Donating Entities for the Prevention and Control of COVID-19 Pandemic (Individuals)	

1.2 ESG Governance

Improvement in ESG performance of an enterprise relies on a sound ESG governance system as foundation. Ascentage Pharma is committed to standardized and scientific ESG governance, where we continuously improve and enhance our ESG governance and innovative development philosophy, in order to reach a new level for our governance, new frontier for environmental development, new measures for safety and precautions, and new breakthroughs in team management.

Corporate Governance

Ascentage Pharma has never slack off in terms of developing its corporate governance and enhancing its corporate management, and has placed great emphasis and made continuous refinement on these aspects.

We established the Board of Directors, the Audit Committee, the Remuneration Committee and the Nomination Committee, which constitute the governance structure of the Company. Through this structure, we can enhance our decision-making ability and efficiency. When facing different risks, each committee would exercise their respective functions for risk control, so as to minimize their effect. We deeply understand the requirements of ESG management, which requires us to integrate ESG management into the work of the Audit Committee and exercise our ESG management functions. Meanwhile, in terms of drug research and development, we have a scientific advisory board composes of well-known individuals in the global pharmaceutical industry.

ESG Responsibility of the Audit Committee

Advise on the ESG strategies of the Company and identify material ESG risks and opportunities

- Identify material ESG issues, and determine the risks and opportunities brought by such material ESG issues to the Company
- Advise on and regularly review the ESG strategies of the Company for the Board of Directors' approval
- Formulate goals based on the corresponding strategies and regularly review such goals

Approve and review ESG related policies

- Review ESG related policies
- Review and supervise the policies related to material ESG issues and ensure such policies are suitable to the Company

Review the annual ESG public report of the Company, including but not limited to annual ESG report, to ensure that ESG report has made sufficient disclosure on the ESG risks of the Company, measures adopted and progress toward goals, as well as whether such reports meet the relevant disclosure requirements, comply to related listing rules and other applicable laws and regulations, and recommend the Board of Directors to approve ESG policies

We always uphold the principle of legal governance, make sufficient improvement to the internal management structure of the enterprise, ensure standardized operation of the Board of Directors, strengthen cooperation in good faith, establish and optimize risk management strategic framework and response to the nation's call for anti-corruption and encouraging integrity, allowing the enterprise to achieve stable development.

We strictly comply with national laws and regulations, ensuring the compliant operation of the enterprise. Internally, we formulate related mechanism to conduct optimization from the inside out, safeguard the enterprise, lay the groundwork for compliance, comprehensively improve the legal governance capability of the enterprise and facilitate sustainable and healthy development. As of the Reporting Period, Ascentage Pharma was not involved in any legal disputes as a result of illegal operation.

1.3 Material Issues

Ascentage Pharma highly values the opinions and demands of stakeholders. Through various channels, we collect and learn about the demands and suggestions of different stakeholders to formulate more accurate related strategies and make effective decisions or improvement according to different demands.

Communication with Stakeholders

Sustainable development of Ascentage Pharma is dependent on the support of various stakeholders. We have always adopted effective methods or mechanism to maintain close relationship with stakeholders, while also communicate and interact with stakeholders through information disclosure and other methods. Based on the principle of transparency and standardization, we accurately and deeply understand each other's needs, collect opinions from each of the stakeholders and proactively respond to relevant demands with action, which in turn allow the enterprise to achieve comprehensive sustainable development. In terms of influence, we identified the major stakeholders related to our business operation, and invited them to participate in the materiality assessment for the Year.

Major stakeholders	Communication channel
Shareholders/investors	General meeting, 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, employees' performance appraisals
Local communities	Community activities
Professional associations and industry bodies	Industry forums
Media and members of the public	Information disclosures

Questionnaire survey

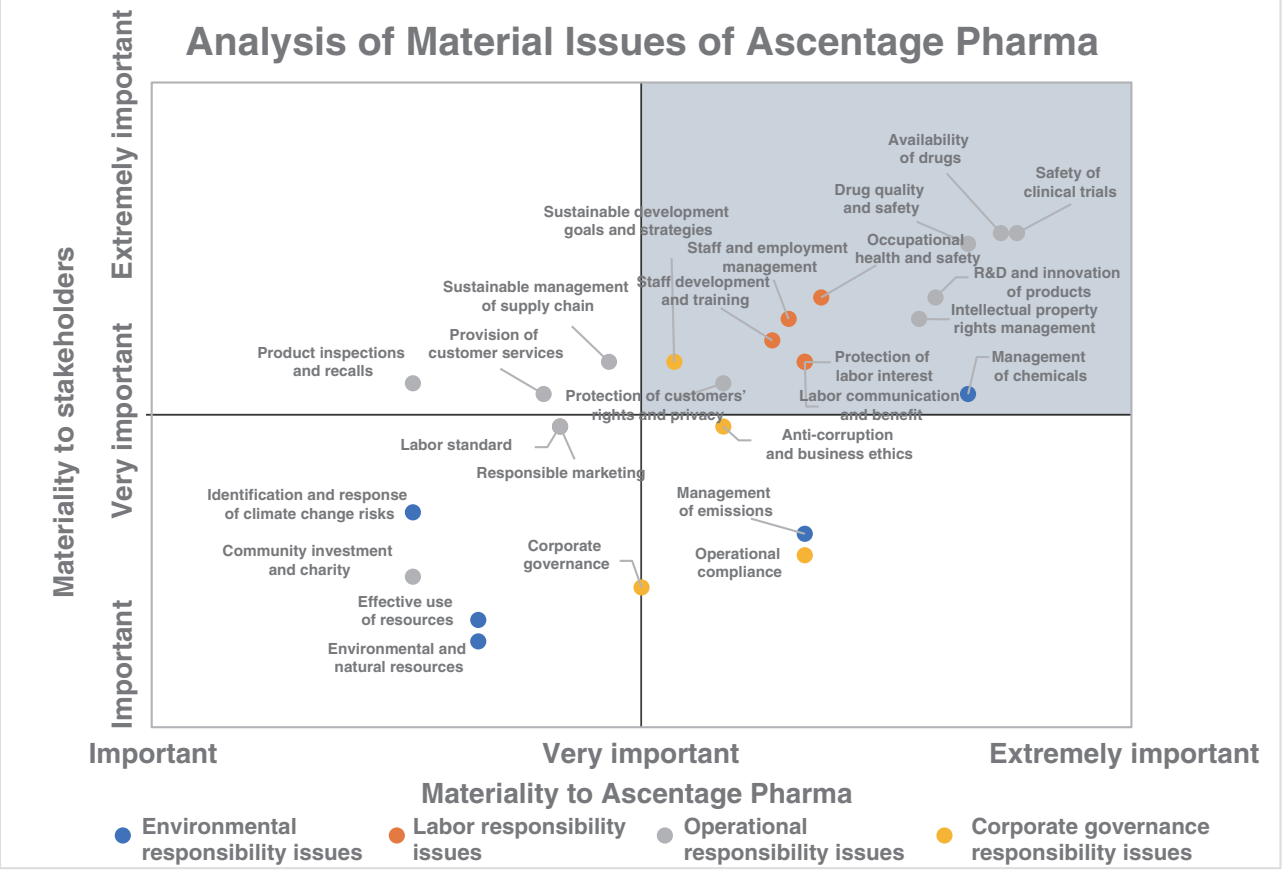
With reference to ESG, Ascentage Pharma identified potential material ESG issues in relation to Ascentage Pharma based on the development trend and general concerns of biotechnology and pharmaceutical industries. Meanwhile, Ascentage Pharma learnt about the level of concerns and other valuable opinions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

Analysis and verification of results

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. In the meantime, Ascentage Pharma reported the details of material issues in the different sections of the Report. We would make use of the result as an important reference for assessing the sustainability and risk management of the enterprise.

In 2020, Ascentage Pharma conducted a questionnaire survey with stakeholders and received over 20 questionnaires. Based on the results of the questionnaire survey, Ascentage Pharma analyzed the potential material issues based on various aspects and arranged them in order of priority.

Set out below is materiality matrix of the material issues of Ascentage Pharma:



Material issues	Corresponding sections
Environmental responsibility issues	
Management of chemicals	4.1 Environmental Management
Management of emission	4.1 Environmental Management
Effective use of resources	4.1 Environmental Management
Environmental and natural resources	4.1 Environmental Management
Identification and response of climate change risks	4.1 Environmental Management
Labor responsibility issues	
Occupational health and safety	4.2 Occupational Health and Safety
Staff and employment management	5.1 Employee Recruitment
Staff development and training	5.1 Employee Recruitment
Labor standards	5.1 Employee Recruitment
Protection of labor interest	5.1 Employee Recruitment
Labor communication and benefit	5.1 Employee Recruitment

Material issues	Corresponding sections
Operational responsibility issues	
Drug quality and safety	3.1 Quality and Safety
Safety of clinical trials	3.1 Quality and Safety
Availability of drugs	3.2 Customer Service
Intellectual property rights management	2.2 Protection of Intellectual Property Rights
R&D and innovation of products	2.1 R&D Capabilities and Achievements
Protection of customers' rights and privacy	3.2 Customer Services
Sustainable management of supply chain	3.3 Supply Chain Management
Responsible marketing	3.2 Customer Services
Community investment and charity	5.4 Harmonious Community
Provision of customer services	3.2 Customer Services
Product inspections and recalls	3.2 Customer Services
Corporate governance responsibility issues	
Sustainable development goals and strategies	1.1 About Ascentage
Corporate governance	1.2 ESG Governance
Operational compliance	1.2 ESG Governance
Anti-corruption and business ethics	1.4 Business Ethics

1.4 Business Ethics

Business ethics is one of the important factors for sound development. Ascentage Pharma promotes the cultivation of business ethics, sound practice, and compliance of bottom lines and principles. With law as the core, we continuously enhance our corporate ethics to ensure our healthy, positive and sustainable development.

Compliant production

Ascentage Pharma always upholds and promotes high level of business ethics and compliance in its operation. As a pharmaceutical enterprise, we stringently comply with the Biosecurity Law of the PRC (《中華人民共和國生物安全法》), Regulation of the PRC on the Administration of Human Genetic Resources (《人類遺傳資源管理條例》), Amendment (XI) to the Criminal Law (《刑法修正案十一》), Norms on the Quality Management for the Clinical Trials of Medical Devices (2020 GCP) (《藥物臨床試驗質量管理規範》(2020年版 GCP)) and other laws and regulations, in order to strictly control product quality and engage in drug R&D and clinical trials as required by laws.

Integrity cultivation

Internally, Ascentage Pharma insists on anti-corruption and promoting integrity, making a strong stand against corruption to ensure the integrity of all employees. Ascentage stringently complies with 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 regulation, while also sets strict integrity requirements for all employees, which forbid all forms of bribery, extortion, fraud, money laundering and other illegal actions. We also launch comprehensive supervision to ensure smooth product R&D, sales and future production and operation. During the Reporting Period, we exerted more effort on education for integrous operation, dealt with illegal actions and violations in a serious manner and strictly forbade any business frauds, so as to create a righteous and integrous working atmosphere.

- We have dedicated email and phone number for whistleblower, which facilitate any whistleblowing of employees concerning internal corruption.
- We encourage employees to report anonymously, which addresses any concern whistleblowers might have.
- We discipline related employees in strict accordance with internal disciplinary mechanism, and for serious cases, such employees will be dismissed.
- Ascentage Pharma provides whistleblowing channel for all employees and protects information of the whistleblowers. We pay close attention and attach great importance to any corruptions.

Ascentage Pharma regularly holds anti-corruption trainings to strengthen the self-discipline of employees and lay a sound foundation for integrity cultivation.

Ascentage Pharma promotes integrity education
To strengthen the integrity education of employees, Ascentage Pharma made a lot of publicity efforts in the Employee Manual and other documents. In 2020, Ascentage organized 4 legal trainings related to protection of trade secret for new employees. Meanwhile, we utilized WeChat Work and other platforms and means to timely relay new information on laws and regulations and integrity concerns to all employees.

During the Reporting Period, the Company and its employees were not involved in any material corruption incidents or any concluded legal cases regarding corrupt practices.

R&D DRIVEN AND PROTECTING INTERESTS

As an innovative drug R&D enterprise that is based in China and embraces the global market, Ascentage Pharma undertakes the mission of "fulfilling the unmet clinical demands of patients in China and the world". We strengthen our R&D capability, focus on intellectual property protection and observe R&D ethics, allowing us to become a leading worldwide responsible innovative drug enterprise in China.

2.1 R&D Capabilities and Achievements

R&D capabilities, as the driver of Ascentage Pharma, support the Company in continuously developing innovative drugs in therapeutic areas such as cancers, HBV and age-related diseases and improve patients' life. By expanding and optimizing our team, we further enrich our product portfolio. We engage in in-depth medical research and extend our cooperation within the industry, while also explore pharmacology, precision treatment and combination therapy to raise the success rate of our clinical drug development. In the future, we will also establish global production base according to the international standard of Current Good Manufacture Practices (cGMP), in order to lay the groundwork for entering the global pharmaceutical market.

Ascentage Pharma continuously strengthens the R&D management capability. During the Reporting Period, we optimized the operation practice of equipment for R&D and experiment and regulated the use of equipment for R&D and experiment in laboratories, which in turn ensured the proper operation of R&D equipment and enhance R&D efficiency. Moreover, we established a market-oriented R&D control mechanism, where the R&D team, project committee and project management team would fulfill their respective roles to achieve comprehensive management of R&D projects.

Through over a decade of work, the Company accumulated rich R&D experience and a strong R&D team for innovative drug development. Dr. WANG Shaomeng, the co-founder of Ascentage Pharma, established the scientific advisory board and served as its chairman. The board composes of famous scientists in the field of oncology, providing professional support for our R&D work. During the Reporting Period, Ascentage Pharma's annual R&D investment amounted to RMB564.6 million. As of the end of the Reporting Period, Ascentage Pharma had 361 R&D personnel, among which 53 were holders of doctorate degree and over 165 were holders of master's degree. Most of the R&D personnel have working experience in research institutions, hospitals and in the FDA drug approval process.

During the Reporting Period, Dr. YANG Dajun, the chairman of Ascentage Pharma, was elected as the chairman of the Third Session of the Drug R&D Specialty Committee under the China Pharmaceutical Innovation and Research Development Association. This established a channel for exchanging ideas with peers in the industry, which further enhances our drug R&D capabilities and industrial competitiveness.

Dr. YANG Dajun was elected as the chairman of the Third Session of the Drug R&D Specialty Committee under the China Pharmaceutical Innovation and Research Development Association.

Moreover, the Company also entered into global clinical collaborations with the Acerta Pharma of AstraZeneca and MSD, respectively, which represents a milestone in our inter-company cooperation.

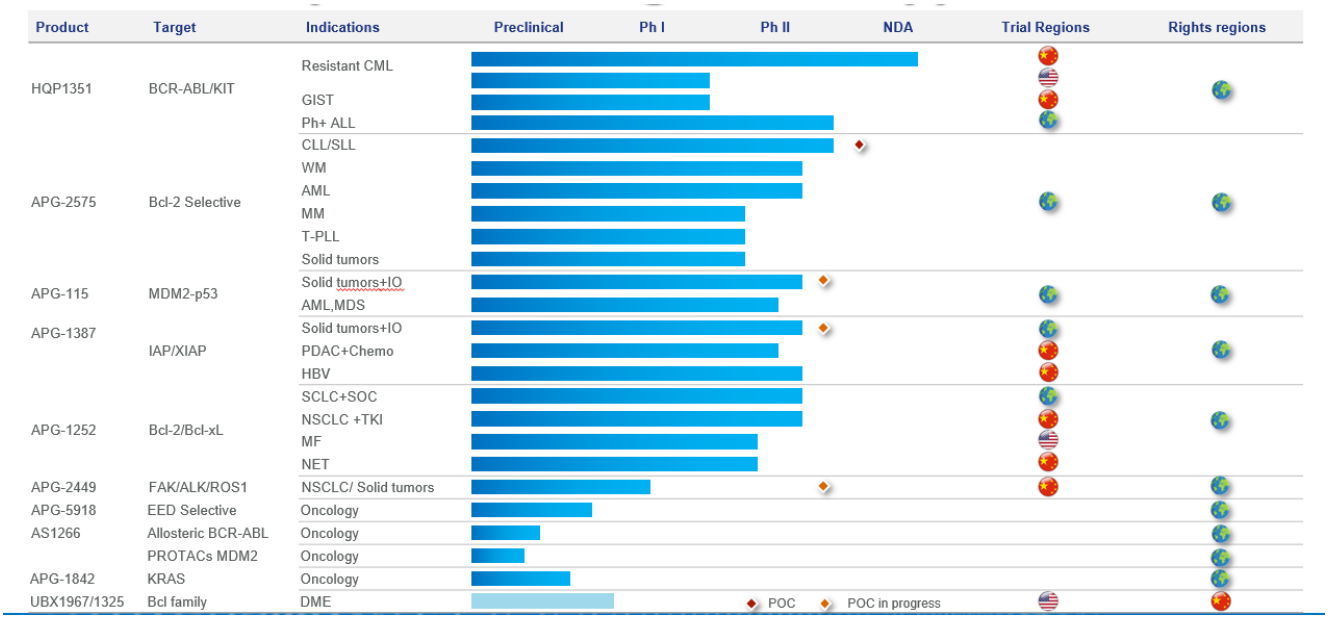
Clinical collaboration with the Acerta Pharma of AstraZeneca

On June 22, 2020, Ascentage entered into clinical collaboration with the Acerta Pharma of AstraZeneca. This collaboration is important to the research and development of APG-2575[2], an innovative Bcl-2[1] selective inhibitor with new target and a drug candidate of the Company. In this collaboration, we evaluate the safety, tolerance and efficacy of APG-2575 monotherapy for Chronic lymphocytic leukemia (CLL) and Small Lymphocytic Lymphoma (SLL). The drug was administered to the first patient in the US for the trial. In the future, it is planned to hold trials in multiple locations, including the US, Europe and Australia.

Clinical research collaboration with MSD

In July 2020, Ascentage Pharma entered into a clinical research collaboration with MSD to evaluate the combination therapy with APG-115 and MSD's anti-PD-1, KEYTRUDA® (pembrolizumab), for patients with advanced solid tumors. In December 2020, UBX1325, a drug for age-related diseases treatment from the global strategic cooperation partner of the Company, UNITY, was first administered to patients. We received milestone payment for this progress. These strategic collaborations and partners facilitate us in rapidly pursue the research and development process of drug candidates within our clinical product portfolio, allowing us to secure more commercialization opportunities in the future.

Ascentage Pharma has established a rich product pipeline that consists of 12 small molecule drug candidates in clinical stage. We are conducting over 40 Phase I or II clinical trials in the US, Australia and China.



Clinical trial progress of our drug candidates

[1] Bcl-2: B-cell lymphoma 2
[2] APG-2575: the Company's novel, orally administered Bcl-2 inhibitor

As of December 31, 2020, we conducted over 40 Phase I or II clinical trials in the US, Australia and China to evaluate our 12 drug candidates. Moreover, we developed and implemented biomarker strategies in our drug discovery with the goal of improving the success rates of our clinical trials.

During the Reporting Period, not only did we submit the NDA for the first "third generation Imatinib", HQP1351[3], in China, which was granted with "Priority Review" status and Breakthrough Therapy Designation, we were also granted a total of 11 Orphan Drug[4] Designation by FDA for our innovative drugs.

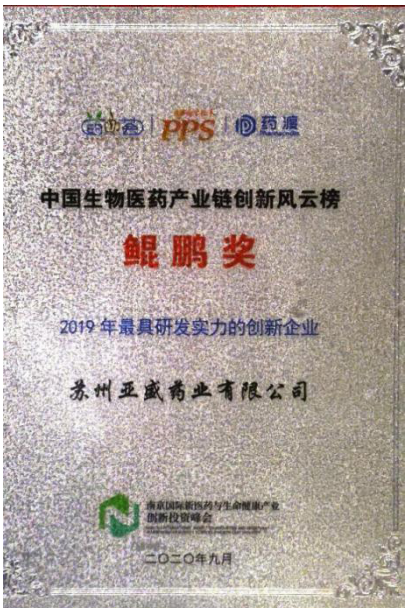
Given our proactive exploration in R&D and innovation, Ascentage Pharma was praised and recognized by authoritative members of the industry and other institutions, awards among which are:

In a biopharmaceutical conference in Suzhou, Ascentage Pharma was included in the first batch of companies for the Potential Landmark Enterprise in the Biopharmaceutical Industry of Suzhou.

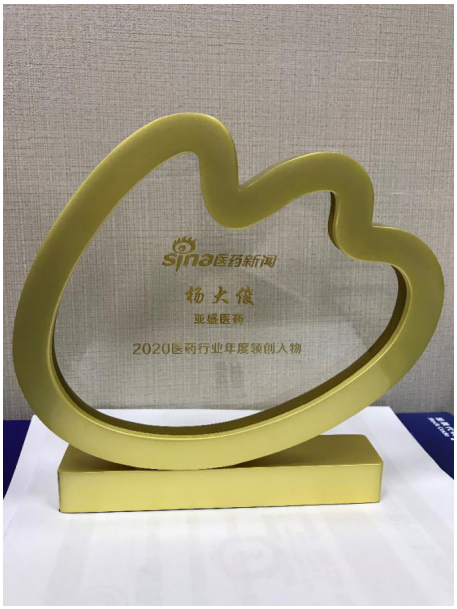
Ascentage Pharma was selected as the "2019 Unicorn Enterprise of Suzhou"

Dr. ZHAI Yifan was included in Forbes China's "Top Chinese Women in Tech 2020"

Ascentage Pharma was recognized as the "2019 Innovative Enterprise with the Best R&D Capabilities" in the "Nanjing International Innovation and Investment Submit of the Novel Pharmaceutical and Life and Healthcare Industry 2020"

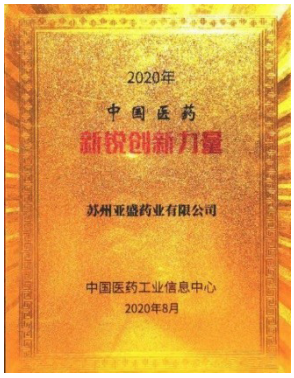


Dr. YANG Dajun was recognized as the "Innovative Leader of the Year of the Pharmaceutical Industry 2020" in the Annual Pharmaceutical Ranking of Sina Corp



[3] 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

[4] Orphan drug: drugs for treatment of rare diseases



"2020 Innovative Pharmaceutical Enterprise of China " awarded by the China Pharmaceutical Industry Information Center

"Best Listed Companies of Greater China 2020: Most Innovative IPO" of Gelonghui

"2020 Top 100 Innovative Pharmaceutical Enterprise of China" of Pharmaceutical Economic News

2.2 Protection of Intellectual Property Rights

The intellectual property right is an important factor for Ascentage Pharma to maintain its competitiveness. We strictly abide by the Patent Law of the People's Republic of China (《中華人民共和國專利法》) and the Rules for Implementation of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》), while also proactively introduce intellectual property rights management system. Meanwhile, we combine the requirements of different laws, regulations and management systems to continuously optimize the Incentive System for Employees' Invention, which can fully realize the role of an intellectual property right system as a driver of the Company's development, facilitate independent innovations that would give rise to self-owned intellectual property rights, and promote the effective development, protection and operation of intellectual property rights. During the Reporting Period, Suzhou Yasheng Pharmaceutical Co., Ltd. (hereinafter "Ascentage Suzhou"), a subsidiary of Ascentage Pharma, was granted the National Intellectual Property Right Management System Certificate.

Suzhou Yasheng Pharmaceutical Co., Ltd. was granted the National Intellectual Property Right Management System Certificate

During the Reporting Period, we continuously enhanced the intellectual property management capability of the Company. By relying on the development plan of the Company, we built our team, strengthened the layout, formulated standardized management and raised awareness to establish an industrial benchmark for intellectual property protection in all aspects.

- Further develop the intellectual property right team of Ascentage Pharma, which is now at a considerable scale
- Strengthen the global layout of intellectual property rights and conduct intellectual property right research and analysis, tracing and early warning
- Implement the Incentive System for Employees' Invention and information disclosure for intellectual property right approval
- Conduct internal intellectual property right training and enhance the employees' awareness in protecting trade secret

Internal intellectual property right training of Ascentage Pharma

While focusing on maintaining its intellectual property rights, Ascentage Pharma also protects its R&D interest in the supply chain through entering into contracts to secure ownership and other methods. We respect the intellectual property rights of suppliers, with an aim to achieve mutual benefit and joint development.

During the Reporting Period, we continued to develop our global intellectual property right portfolio, which include exclusive licenses to issued patents or patent applications worldwide with respect to our product candidates. Ascentage Pharma was not involved in the litigation or subject to administrative penalties related to intellectual property rights. As of December 31, 2020, we had 110 issued patents and more than 450 patent applications globally, among of which, about 90 patents had been issued overseas.

Patents issued globally in 2020	Trademark registered in 2020
9 patents	55 patents
Total patents issued globally	**Total patents issued overseas**
110 patents	90 patents

2.3 R&D Ethics

Ascentage Pharma complies with the Drug Administration Law of the People's Republic of China (《中華人民共和國藥品管理法》), the Implementing Regulations of the Drug Administration Law of the People's Republic of China (《中華人民共和國藥品管理法實施條例》), Good Clinical Practice Norms (《藥物臨床試驗品質管制規範》) and other relevant laws and regulations. We emphasize compliance management for clinical trials and protection of participants' interest. Before participants join the clinical trials, we require our test subjects to sign a Consent Letter of Participants in Clinical Trials (《受試者知情同意書》) which clearly provides and protects their rights to be informed, their rights to choose and their privacy rights. In the meantime, we require our personnel who participates in the trial to protect the test subjects privacy, keep the identity and medical information of participants under strict confidence, encrypt the research data by way of codes and maintain strict control and security for such data, so as to ensure the privacy rights of the test subjects.

While we are concerned with the patents' interest and privacy protection, we also place emphasis on the ethics in animal experimentation.

Improve the living environment of mice for test
In September 2020, after considering factors such as light, energy consumption, humidity, temperature and sterility, Ascentage Pharma selected a type of suitable cage with good ventilation for the mice for experiment use that lives in the animal room. The cage consumes little power, could last a long time between replacement and has high space utilization rate. The mice cages are now changed once in 14 days instead of the original once in 7 days, which largely relieve the discomfort mice might feel after changing their cages.

QUALITY ASSURANCE AND STABLE SUPPLY

High product quality is the necessary prerequisite for Ascentage Pharma to fulfill the clinical demands of patients from China and the globe. We are committed to our quality and safety management policies, which require us to proactively enhance our customer service capabilities, accept negative opinions and take responsibility in addressing issues. Meanwhile, we strengthen our supplier management to create a stable and sustainable supply chain, in order to maintain quality and stable supply through multiple aspects.

3.1 Quality and Safety

Ascentage Pharma insists on the quality policy of "utilize quality management at international level for the efficient R&D and reliable production of innovative drugs, in order to consistently meet the medical demands of patients". We made continuous optimization on the quality system to achieve effective quality management and business operation. Meanwhile, we also emphasize drug safety, ensure safety of clinical trials and facilitate smooth business operation.

Quality management

Ascentage Pharma abide by the Drug Administration Law of the People's Republic of China (《中華人民共和國藥品管理法》), the Implementing Regulations of the Drug Administration Law of the People's Republic of China (《中華人民共和國藥品管理法實施條例》), GMP[5], cGMP[6] and other Chinese and international laws and regulations, and implements drug quality management system in accordance with laws and regulations. During the Reporting Period, we established the GMP Quality Manual of Ascentage Pharma (《亞盛醫藥集團GMP品質手冊》) and the Quality Policies, Quality Goals and Quality Planning System (《品質方針、品質目標和品質計劃制度》) to formulate the quality policies and goals, as well as the relevant quality planning and management procedures, which allow for securing the formulation and implementation of quality policies, goals and plans. This ensures that our drugs quality meet their intended use control during the organized activities and guarantees consistent and stable production of drugs that meet the requirements of their intended use and registration. Furthermore, the management system establishes the quality goals, plans and management procedures, specifies the responsibility of each department and ensure the commencement and implementation of quality related operation management.

Furthermore, Ascentage Pharma formulated the Management of Change (《變更管理》) system to exert full control on changes of quality related process and raw and auxiliary materials. During the Reporting Period, following the requirements of the Management of Change, Ascentage Pharma timely adjusted the quality management documents in accordance with business development. As of the end of the Reporting Period, Ascentage Pharma had 890 new GMP documents in effect, representing a 72% increase as compared to 2019. We have also completed the review on 149 existing standard operation procedures and made amendments and optimization on 143 of them, with an amendment ratio of 96%.

Information system facilitates the enhancement of quality
To improve our document management, the Company introduced a digital document control system which perform digitalized management for GMP documents. GM document control system launched in June 2020. Not only did it ensure the compliance of document management and increase working efficiency, but also enhance the accuracy and traceability of quality document management for Ascentage Pharma.

Commence annual GMP training
In March 2021, Ascentage Pharma held annual GMP training on drug record and data management requirements for employees from the Analysis Center, Quality Department, Integrated Operation Department, Pharmacy Department, Product Development and Production Department, and other departments. All participants passed a written test after training, and were able to apply the training content onto actual work, which facilitated the quality improvement of various procedures during the business operation.

[5] GMP: Good Manufacturing Practices
[6] cGMP: Current Good Manufacture Practice

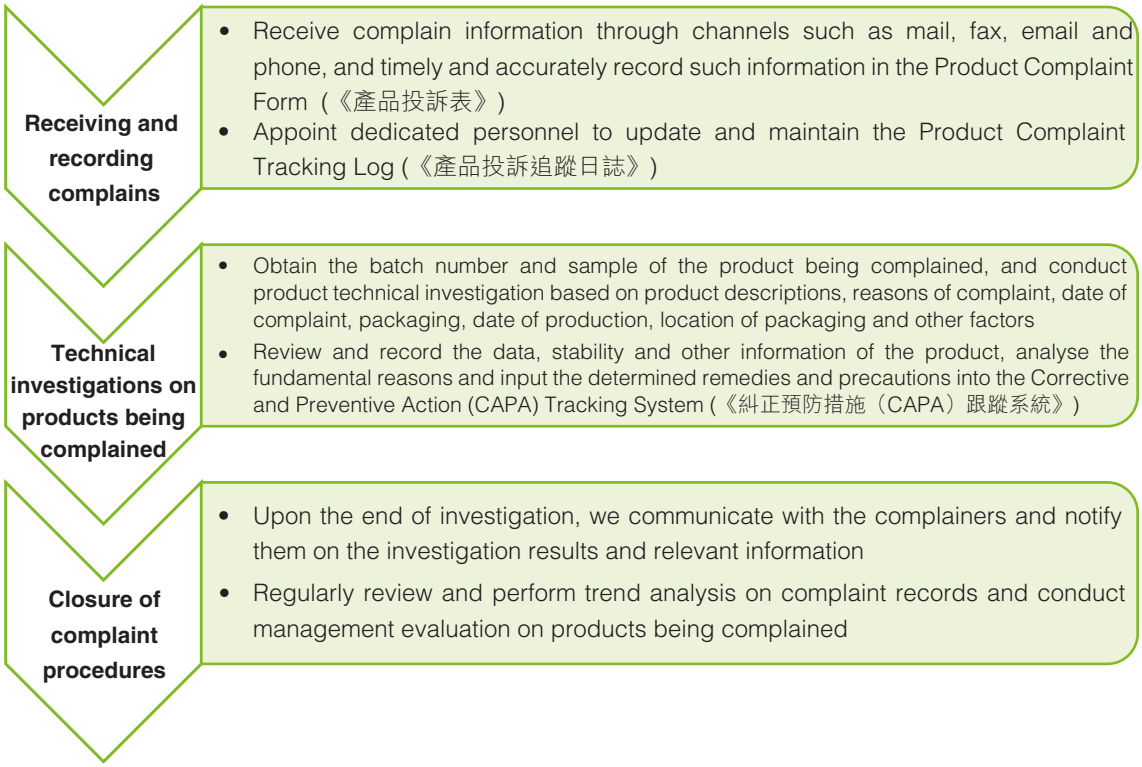
Drug safety

Ascentage Pharma strictly abides by laws and regulations related to drug development. Based on the Norms on the Quality Management for the Clinical Trials of Medicine (《藥物臨床試驗品質管制規範》), the Provisions on the Administration of Pharmaceutical Directions and Labels (《藥品説明書和標籤管理規定》), GMP and other relevant laws and regulations, Ascentage Pharma formulated the Labelling Control Procedures for Drug for Trial Use (《試驗用藥品標籤控制規程》to regulate the management of relevant drug labeling procedures from drafting quality standards to approving labels, and ensure that the drug labels for trial use comply with regulations and clinical requirements to avoid errors and confusion and assure safety of clinical trials.

3.2 Customer Service

Providing high quality services to customers is the manifestation of the "Patient First" value of Ascentage Pharma. We strictly abide by requirements on compliant marketing, and are committed to providing products with reasonable prices to customers. The Company formulated internal management system 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》), which regulate our recall procedure of drugs for clinical trials and ensure that recalls can commence and rapidly launch at any time. This also guarantees that all product complaints will be accepted and addressed according to relevant regulatory regulations.

Concerning the complaints received, we perform technical investigations on products being complained, and determine the remedies and precautions according to the reasons of complaint found in such investigation. We also communicate with the complainers and notify them on any result or relevant information on any investigation, and will close the case within required term.



During the Reporting Period, Ascentage Pharma received and addressed 5 complaints on its products and services, and there were no recalls of defective drugs.

The Company places much emphasis on the stable operation of the product tracing system. To ensure the smooth operation of the product recall system, we conducted a tracing drill in December 2020. During this drill, we successfully traced all products and materials as required by the standard of the drill, which demonstrates the sound operation of the tracing system of Ascentage Pharma.

3.3 Supply Chain Management

The stable and sustainable development of supply chain is key to Ascentage Pharma. Our business development is dependent on the service contractors, raw material suppliers and partners. The Company facilitates the harmonious upstream and downstream development of the industry through strengthening management on procurement, enhance supply chain stability and other measures.

Management of procurement and supplier

Ascentage Pharma formulated management systems 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 clarify the division of labor and responsibilities of departments and personnel that are involved in the procurement process, regulate the procurement process of material and services, and explain the specific details on supplier selection, supplier management and other procedures. During the Reporting Period, we optimized the GMP Supplier Management Regulations (《GMP供應商管理規程》), which clarified the definition and scope of GMP supplier and standardized the management of GMP suppliers. We also conducted trainings on this system and timely promoted our supplier management philosophy to enhance the compliance of our procurement.

We make reasonable use of resources following the procurement and supply principles of resources sharing, integrated evaluation for procurement and planned procurement, in order to enhance our procurement efficiency.

Principle of resources sharing	Principle of integrated evaluation for procurement	Principle of planned procurement
• Internal information sharing to strengthen the reasonable management of inventory • Implement resources consolidation and centralized procurement for materials and services with the same specifications or from the same supply channel • Establish material catalogue for each laboratory to ensure resources sharing	• Procurement evaluation includes various factors such as commodity price, quality, suppliers' credit status, payment cycle, after-sales service and delivery period	• It is encouraged to follow the principle of preparing reasonable proposals in advance, and preparation for procurement should be made properly as planned

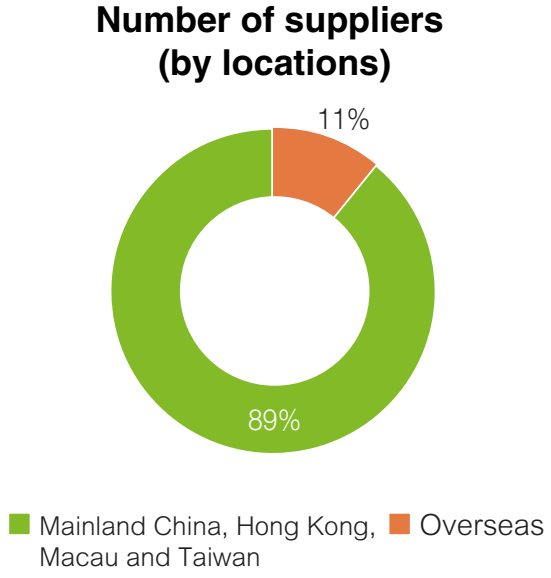
Furthermore, in terms of compliance control of procurement projects, we investigate and confirm the operation qualification, criminal procedures and other information of the suppliers to ensure the compliance of the procurement and supply procedure and reduce potential risks in the tendering and implementation process of the project.

Apart from stringent control on the qualification of suppliers, Ascentage Pharma also proactively shoulders the responsibility of supporting suppliers by facilitating them in improving their supply quality and capability.

Support suppliers in improving their supply capability

In November 2020, Ascentage Pharma helped its packaging material supplier, Sanner Medical Packaging Material (Kunshan) Company Limited (塞納醫藥包裝材料 (昆山) 有限公司) (hereinafter "Sanner"), to prepare a Certificate of Analysis (COA) that complied with European Pharmacopoeia (EP) on a high-density polyethylene bottle for oral solid drugs and a polypropylene bottle cap for drug, and engaged SGS[7] to conduct tests according to the standard of European Pharmacopoeia (EP). We helped Sanner understand the applicable standard for the quality of its products and supported them by providing technology that met the relevant quality standard of European Pharmacopoeia (EP), in order to extend the application of its products, and as a result, facilitate them in engaging related pharmaceutical customers in the future.

Ascentage Pharma expects its business partners and suppliers to be diverse in terms of region, in order to ensure equal opportunities. During the Reporting Period, we had 275 suppliers, among which 246 located in Mainland China, Hong Kong, Macau and Taiwan, while 29 were from overseas.



Sustainable supply chain

Ascentage Pharma strives to establish a mutually beneficial upstream and downstream relationship to facilitate the sustainable development of the industry. We standardize the environmental and social risks in the supply chain with the corresponding key procurement framework agreements on supply chain, which include requiring suppliers to maintain insurance for their employees and product transportation entirely at their own expense, as well as giving full consideration to any pollutions or adverse impact on the environment caused by the products provided by the suppliers.

Meanwhile, we focus on the risk management of supply chain to enhance its stability. During the pandemic, cold chain transportation bore relatively high risks and was more severely affected. Ascentage Pharma conducted statistical survey on its internal material demand and timely replaced suppliers with risks on international cold chain and domestic logistics and transportation, which ensured the stable supply of key materials necessary for business operation.

[7] SGS: Société Générale de Surveillance, which is the largest and oldest international civil third party company of the world that engages in product quality control and technical verification.

GREEN OPERATION, SAFETY AND HEALTH

Green operation, safety and health are the focus of the society and the key to corporate development. Ascentage Pharma sees environment, health and safety as the priority in management, and continues to improve its operation. Ascentage Pharma strictly abides by laws and regulations related to environmental protection in its business operation and facilities operation. We make sure to control the effect on environment within legal requirements. Meanwhile, as our business develops, we will continue to improve our management measures, proactively fulfilling our promise of protecting the environment and the health and safety of our employees in practice.

4.1 Environmental Management

Ascentage Pharma strictly abides by the requirements under the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Law of the People's Republic of China on Appraising of Environment Impacts (《中華人民共和國環境影響評價法》, the Law of the People's Republic of China 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》and other laws and regulations, and formulated the Handbook for the Environment Management System (《環境管理體系手冊》), the Handbook for the Safety Management System (《安全管理體系手冊》) and other documents on management system, in order to establish and continuously improve a complete environmental management system and achieve comprehensive control to sewage, exhaust gas, waste and noise.

Ascentage Pharma is fully committed to the implementation of sustainable development strategies. We exert extra effort on improving production and R&D process, ensure the operation of management accountability system and set our foot on long-term development strategies, with a focus on the future. In our new base, we constructed a sewage treatment plant that will commence operation in the future. We also introduced energy-saving labels in offices to bring green production to practice.

Environmental management system

Ascentage Pharma is always based on protecting natural resources and implementing a sustainable economic development model, striving to minimize the effect of our business operation to the surrounding environment. Drug R&D is the major business of Ascentage Pharma. The main operation premises are laboratories and offices, where main environmental factors include the generation of air pollutants, sewage, hazardous or non-hazardous waste, noise, use of energy and water resources and use of chemicals during R&D and office work. Based on the above impact on environment and the various main environmental factors, we conduct risk evaluations, while also formulate a series of management procedures and supervise the implementation of such management procedures, so as to continuously enhance the environmental management performance of Ascentage Pharma.

The business operation and facility operation of Ascentage Pharma strictly comply with laws and regulations related to environmental protection, allowing for compliant control of environmental effect, while also proactively promote green development philosophy and infuse such philosophy into the whole R&D process of our products. Meanwhile, as our business develop, we continue to improve our management measures, proactively fulfilling our promise of protecting the environment in practice. Steady operation of the environmental management system is based on improving our employees' capability. We also seek to pass on our green and environmental protection philosophy to our employees through various means, strengthen their awareness on environmental protection and emphasize on the importance of starting with oneself for environmental protection. During the Reporting Period, Ascentage Pharma experienced no environmental accidents or incompliance.

Sewage management

In recent years, Ascentage Pharma continuously improve and optimize its related treatment equipment. By applying the most advanced and sophisticated technology, we enhanced our sewage treatment capacity and improved the effect of treatment, so that all indicators meet the discharge standard. Ascentage Pharma's sewage are mainly domestic sewage and sewage from laboratories. Through sewage pipelines, such sewage is centralized in the municipal pipeline network and released into the sewage treatment network of the park. Upon meeting the national and local sewage discharge standard through treatment, sewage would be discharged. In terms of sewage generated by laboratories, we monitor the consumption of water resources, and would take measures to remedy any abnormalities upon discovery. Throughout the operation process, we strictly abide by the standard operation procedures and requirements from the standpoint of water resources usage and sewage generated upon water usage, this could fundamentally benefit the ecology and environment and protect water resources.

In terms of domestic sewage, the fundamental measure is to reduce its generation. Main sources of domestic sewage include restaurants and bathrooms. This is why Ascentage Pharma is committed to encourage its employees in saving water resources from an individual level, reducing the generation of domestic sewage through truly effective means.

Waste gas management

Waste gas management mainly involves treatment of waste gas generated, such as dust and particles, fume and smoke, odorous gas, toxic and harmful gas. Waste gas emitted during the business operation of Ascentage mainly includes gas generated during drug R&D and vehicle exhaust, which contains nonmethane hydrocarbon, nitrogen oxides, sulfur dioxide, carbon dioxide, particulates, etc.. In terms of treatment of waste gas from laboratories, Ascentage Pharma installed ventilated cabinet in project laboratories and directly connected the ventilation pipelines with the vent, in order to centralize waste gas collected to the waste gas processing device for further treatment. Waste gas will only be released once it meets the emission standard. We also regularly perform inspection and maintenance for the ventilated cabinets in laboratories. Ascentage Pharma increased its investment in waste gas treatment devices to improve air pollution treatment and minimize the effect on the environment. On top of that, we implemented more measures to control unorganized emission, which include enhancing inspection on equipment, pipelines and valves to prevent leak of waste gas; adopting more strict operation procedures to prevent the generation of additional waste gas due to operation error; upgrading waste gas collection device to improve waste gas collection, which allow for organized discharge of waste gas as far as possible and eliminate odor within the factory; ensuring the ventilation quality in plants, and other methods, in order to improve the management of waste gas.

Solid waste management

Solid waste is divided into general solid waste and hazardous waste. Ascentage Pharma formulated corresponding system based on the waste generated, which require departments to install corresponding containers according to waste classification to achieve waste segregation and maintain designated storage location. Meanwhile, Ascentage expressly provided that all employees have to put waste into corresponding garbage bins according to classification. Waste is then processed by qualified suppliers in accordance with waste classification, allowing for recycle and reuse in the end.

Hazardous waste produced by Ascentage Pharma mainly include medical waste, waste organic solution, waste fluorescent tubes, etc.. We have corresponding measures for the management of hazardous waste. We formulated a uniform hazardous waste disposal standard to prevent any disposal of hazardous waste as general waste due to inconsistent standard. We put hazardous waste identification labels on the container and packaging of hazardous waste, while also install corresponding labels, warning signs and identification plates for hazardous waste at their storage locations. We ensure that there are no damage of hazard waste container, seal or other potential risks that could cause any leakage of waste.

When selecting disposal service providers for hazardous waste, we verify their qualifications and capabilities, and identify the category and amount of hazardous waste such contractors are approved to dispose. While entering into disposal contracts with disposal service providers, we specify the type, amount, price, form, packaging and transportation mode for the hazardous waste intended to be disposed. While ensuring our compliance, we also minimize the environmental impact of waste.

Chemical management

Ascentage Pharma adopts strict control on chemicals used during the R&D of drugs to minimize any chemical risks. In the meantime, we implement measures to enhance our chemical related emergency response capabilities to minimize the impact of chemicals on the environment.

Whether it is the storage, use or transportation of chemicals, we conduct risk assessment based on the two aspects of magnitude and possibility for chemical risks, while also have sufficient understanding of the risk characteristics of the chemicals. When the risk is unacceptably high, we lower such risk through improvement works, administrative measures, personal protections and other measures.

Chemical risk is a material potential danger to the environment. In terms of the control of chemical spillage, we focus on improving our emergency response capabilities. Through formulating contingency plans, specifying contingency procedures for chemical spillage and organizing contingency trainings and drills on a regular basis, we enhance the emergency response capabilities of our contingency team, so that they could rapidly respond to any chemical spillage.

Drill: Discover exposure>Alert>PPE>Absorption>Cleanup
Chemical spillage contingency drill

Noise management

The noise produced in the course of Ascentage Pharma's R&D process 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;
- Setting 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.

Energy saving and emission reduction

Ascentage Pharma continuously improves its energy management, formulates energy related assessment standards, optimizes its management procedures and indirectly encourages the technical development and application of green environment energy, putting great effort on promoting green cycles, facilitating sustainable development and lowering our impact on the environment. We encourage energy saving, emission reduction, environmental protection and low carbon during our production and operation. We proactively response to climate change related issues while shouldering the responsibility for sustainable development, so as to take the initiative in furthering the energy saving and emission reduction related work and consistently practice green operation. The measures adopted for energy saving and emission reduction include:

- Include energy saving labels in the induction trainings for new employees;
- Conduct non-periodical energy saving and emission reduction promotion in the Company;
- Consider corresponding energy saving and emission reduction features for new projects, such as construction materials and equipment model;
- Prepare energy evaluation reports for new production base.

Green laboratory

Ascentage Pharma highly values the continuous investment in ESG, while also actively striving to infuse such philosophy in the operation and project development of the Company. Among this, the pre-clinical development of drug, as the core R&D department of the Company, puts this into effective practice in strict accordance with our ESG philosophy in terms of the design, renovation, device procurement and installation for its R&D laboratories.

Firstly, in terms of the design of the laboratory, based on the design concept of emission reduction, environmental protection and sustainable operation, we select laboratory designs that consume less energy and produce less emission. We sacrifice part of the usable space to install deodorizing and filtering system, sewage treatment system and energy saving equipment that far exceed the national standard. During refurbishment, we make extensive use of green and environmentally friendly materials, providing a more comfortable and safer working environment for our employees while ensuring its environmental friendliness.

When procuring for laboratory equipment, we formulate model selection requirements, such as strict requirements on energy consumption, control of pollutants and long-terms operation stability, to purchase international leading housing and management equipment for laboratory animals.

R&D laboratories make use of equipment that produces high volume of noises. We pick equipment with better noise control capabilities among its kind. Selection of central air conditioning, air compressors, bedding dispensing system, biological safety cabins, RO water devices, pulsating vacuum autoclave and other equipment undergoes strict control, in order to limit the occurrence of such risk. For some equipment, we allocate dedicated partition or room for their use, and select sound absorption material for walls and installation shock reduction and noise reduction pads to minimize noise pollution.

4.2 Occupational Health and Safety

Occupational health management system

Ascentage Pharma combines the national laws and regulations on occupational health and safety to establish its occupational health management system, where it conducts regular review and evaluations on the operation performance of the management system, and through this, seek to make continuous improvement. The final goal of such system is to remove or reduce the source of danger in Ascentage Pharma's operation, activity and product production, while controls possible occupational health and safety risk that employees and other stakeholders could face in its business operation. For the stable and effective operation of the system, Ascentage Pharma provides sufficient resources and specifies the different responsibilities of employees at all levels, so as to effectively implement the various occupational health and safety policies. These include:

EHS department

- Assess positions which may face occupational hazards
- Provide relevant staff with necessary training
- Monitor industrial hygiene situation
- Arrange staff for physical examination against occupational diseases
- Supervise the smooth implementation of occupational health management
- Regularly review and update the "Management System for Occupational Health"

Human resource department

- Assist in arranging trainings for relevant staff
- Arrange corresponding health checks for staff who work in positions with risks of occupational diseases when they report duty and resign from their position
- Assist in extracting relevant information for inspection upon requests from the government and third parties

Management department

- 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 engage in trainings for occupational health and safety
- Obtain and properly use personal protection equipment (PPE)

In 2020, Ascentage Pharma added or optimized a number of EHS related constitutional documents, including the EHS Expense Guarantee Management (《EHS費用保障管理》), EHS Goal Performance Supervision and Evaluation (《EHS目標績效監督與測量》), EHS Change Management《EHS變更管理》and other documents. In 2020, highlights of Ascentage Pharma's work on occupational health are as follow:

During the Reporting Period, there were no work-related fatalities or injuries.

Occupational health and safety training

Ascentage Pharma established the internal EHS Training and Management System (《EHS培訓管理制度》) to provide sufficient resources for providing training related to occupational health and safety to our staff. Training contents mainly consist of the four aspects of skills for safety, knowledge for safety, laws and regulations on safety and thoughts and behavior for safety. Trainings are conducted in various ways, such as morning assembly and safety months. We also keep proper records to ensure the health and safety of employees. Ascentage Pharma also has clear EHS requirements for its contractors, including no safety incidents, no environmental incident and no incompliance with government approvals. Management measures include:

- Establish EHS management rules for contractors to specify the related requirements
- Establish special approval system for high risk work, such as use of fire, work at height, hoisting and work in confined space
- Clarify the corresponding responsibilities of the person in charge for projects from Ascentage, ensuring that they would facilitate contractors in performing such management
- Conduct regular EHS trainings with the responsible person of the project, the responsible person of the contractors and employees from the contractors to ensure satisfactory performance of SOP requirements

- Send corresponding safety management staff for supervision when contractors conduct construction. When any incompliance is discovered, remedies will be implemented immediately before further construction can begin.

Meanwhile, to ensure the thorough understanding on safety education and knowledge of our staff, we also formulated a system combined with safety education related trainings and tests, with an aim to consolidate the safety education and knowledge of our staff and reflect our emphasis on EHS. On top of that, we also conduct unscheduled EHS related contingency drills with our staff, such as fire evacuation drills, spillage cleanup for environmental protection, use of specialty equipment and others.

Employees participating in fire evacuation drills

2020苏州亚盛特种设备危害事件应急演练（桌面演练）

根据法规的要求，确保对有特种设备方面的事件相应的应急处理计划，针对有代表性的设备每年进行一次演习。

演习地点：临床前部门灭菌锅处

演习时间：2020-06-19，演习时间段 10:30~10:40， 演习持续时间10min.

参与人员：EHS人员，各实验室EHS协调管理人员，部分实验室人员

救援器械：防化手套，防护眼镜等。

演习内容（模拟）：

✓ 根据本公司灭菌锅的种类、危险性质以及可能引起危害事故的特点，确定临床前灭菌锅为特种设备事故应急救援重点目标，而灭菌锅为主要危险因素。实验室人员在使用灭菌锅时发现锅盖无法打开导致危险事件发生。

特种设备危害事故措施

1、定期对灭菌锅进行年审。2、对灭菌锅定期检查，发现问题及时采取措施。

3、加强设备维修，确保灭菌锅设备正常运行。

应急救援预案

1.发生急性反应，按停止按钮；

2.若停止按钮失效，立即拔掉电源，防止温度升高、压力升高；

3.若人员涉及到受伤，立即120，并送至医院。

Details and contents of the drills on specialty equipment hazards of Ascentage Suzhou in 2020

DYNAMIC TEAM AND HARMONIOUS SOCIETY

Ascentage Pharma respects and equally treats all our employees, striving to create a favorable working environment for its employees. Employees are the building block and the foundation of an enterprise. Only when the interests of employees are protected can an enterprise achieve better development, which in turn contribute to the creation of a harmonious society.

5.1 Employee Recruitment

Ascentage Pharma strictly abides by the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Labor Dispute Mediation and Arbitration Law of the People's Republic of China (《中華人民共和國勞動爭議調解仲裁法》) and other relevant laws and regulations. We follow the principle of equal opportunities during recruitment, treating everyone as equal in our policies with no discrimination in terms of country, gender, race and other aspects. We continuously optimize our relevant system and mechanics related to employee management to ensure that there will be no infringement of any legal interests of our employees. The workhour of our employees strictly complies with the requirements of relevant national laws and regulations. We strive to eliminate any forced labor, while also strictly control the age of our employees, forbidding any use of child labor or forced labor. In 2020, Ascentage Pharma experienced no incompliance in terms of employee recruitment.

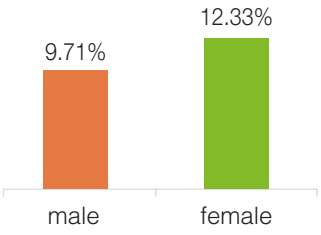
The feeling of our employees is our utmost concern. We attach great importance on employees' interest, comprehensively formulating and optimizing the remuneration and benefit system of employees while attracting and cultivating sufficient amount of talents. We are concerned about the occupational health of our employees. As such, we introduce supervision and management system and organize regular health checks for employees to prevent occupational diseases. Through strengthening systematic management, optimizing and reforming the system, we are able to focus on development and achieve great result. We pay attention to employees' development. By gradually establish and continuously improving the occupational development path for employees, we built a complete occupational development system, which provide our employees with an occupational development platform and facilitate them in sustainable occupational development.

We enter into employment contract with all our employees to establish a formal employment relationship. In the event of any incompliance of the employees, we will adopt certain measures based on the magnitude of the incompliance. For the following incompliance, we reserve our rights of dismissal to ensure the effective operation of the organization:

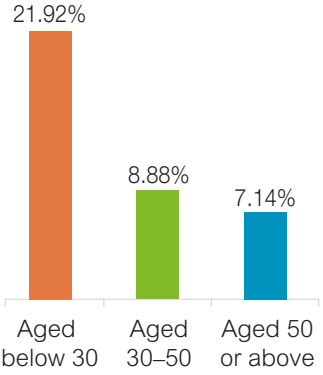
- Failure to meet the conditions for employment during the probation period;
- Serious violation of the rules and regulations of Ascentage Pharma;
- Serious dereliction of duty and malpractice which may cause material damage to Ascentage Pharma;
- Employee also establishes labor relationship with other enterprises, which seriously affects the completion of their duties.

Ascentage Pharma recruits talents through various channels to expand its talent team. As of the end of the Reporting Period, Ascentage Pharma had a total of 433 employees. During the Reporting Period, Ascentage's total employee turnover rate was 9.12%. Our employee turnover rate by employees' gender, age and region are as follows:

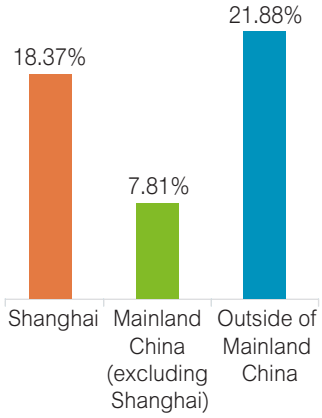
Employee turnover rate by gender of employee



Employee turnover rate by age group



Employee turnover rate by region



During the Reporting Report, Ascentage Pharma unified the performance assessment policies in the US and the China, and promoted the OKR employee management tool within the Company. The main goal of OKR is to complete goals in a more efficient manner, and evaluation is performed based on the progress of project, which allows for continuous enhancement of employees' ability. Performance assessment is based on the corporate annual goal, department annual performance goal and individual annual performance goal, and adopts a 5-point scale, namely unacceptable, improvement required, satisfactory, exceeded expectation, and distinguished. The final performance assessment result applies to year-end reward, remuneration adjustment and promotion, and such application could change depending on the group assessed.

Ascentage Pharma attaches great importance on talent cultivation. By improving our employee training management, we strive to create a talent cultivation system that covers all our employees. We also established multiple channels for talent supply, providing a wide platform for employees to improve their own skills, enrich their knowledge and take one step ahead in achieving their own ambitions. Meanwhile, Ascentage encourages its employees to pursue lifelong learning and enhance their knowledge, skills or management capabilities within their expertise. Ascentage Pharma provides educational support for employees that meet certain criteria, which consist of special financial support for upgrading their academic qualification or continuing education.

During the Reporting Period, under the pandemic, Ascentage Pharma made full use of the e-learning system for online training. The "Ascentage Online Academy" platform is provided by our supplier, Jiangsu Yunxuetang Network Technology Co., Ltd. (江蘇雲學堂網路科技有限公司). Our Company launched the system in 2017 and guided its use, which is mainly for online education of our employees. As of May 12, 2021, a total of 506 people participated in online training (including employees of Ascentage Pharma and contract personnel authorized to conduct relevant business by Ascentage Pharma). In 2020, our employees conducted approximately 1,558 hours of online training. Training content includes relevant laws and regulations, corporate policies, standard operation procedures and operation instruction for business of each department, knowledge on diseases, product related information, soft skill training for simultaneous project proceeding, important academic conferences, induction trainings, IT system trainings and others. Meanwhile, we also encourage our employees to share their knowledge within the Company, analyzing problems they might face in work with case studies. For example, in the clinical department, professional question sharing sections are held 1–2 times every month.

Based on different requirements, Ascentage Pharma formulated different training plans to suit the needs of employees from different levels. During the Reporting Period, the total training hours of all employees in Ascentage amounted to approximately 7,013.5 hours, with an average training hours of 16.2 hours.

To continuously highlight the importance of employees' skill and professional technology, Ascentage Pharma provides on-job training and external professional training for every employee, so that employees could have a grasp on the new technology, new procedures and new development with the industry, and as a result, ensure high efficiency and output in work.

Training for Ascentage's management in 2020

Interaction with students during training

Group discussion on relevant issues

Training for Ascentage's management

Management training

During the Reporting Period, Ascentage Pharma held a CPM training. Not only does it widen the employees' horizon, it also improves the leadership of our employees, which further enhances the work efficiency of our team.

Group photo of participants of the CPM project management training

5.3 Caring Employee

Ascentage emphasizes the physical and mental health development of our employees. In response to the corporate culture of work-life balance, we focus on raising the sense of belonging of our employees and proactively create a more pleasant working environment for our employees, such that they will be more driven in work. During the Reporting Period, Ascentage Pharma's subsidiaries in different areas of China organized multiple team-building and welfare activities.

Skiing and team-building event for employees from the Beijing subsidiary of Ascentage Pharma

In December 2020, employees from the Beijing subsidiary challenged themselves by joining a skiing and team-building event despite the severe cold. Participants learnt the precautions in use of skiing equipment and basic skiing techniques from the coach. They overcame the mental and physical fear during the learning process, taking one step forward in surpassing oneself.

Mid-Autumn Festival celebration for employees from the Guangzhou subsidiary of Ascentage Pharma

In September 2020, employees from the Guangzhou subsidiary participated in Mid-Autumn Festival celebration. They made snow skin mooncakes by themselves, experiencing the joy of cooperation between parents and kids, which created a good atmosphere.

"Stand together for Innovation and Prosperity" (你我同心, 創新致盛) for employees from the Shanghai subsidiary of Ascentage Pharma

During the Reporting Period, employees from the Shanghai subsidiary of Ascentage Pharma organized a team-building event called "Stand together for Innovation and Prosperity". In this event, employees were able to relax despite the tense work, while also knew more about each other, which raised both the dedication and responsibility of employees.

Badminton competition 2020 for employees from the Suzhou subsidiary of Ascentage Pharma

In July 2020, from the Suzhou subsidiary of Ascentage Pharma organized a badminton competition. In this event, not only could employees develop their physical strength while relax, but could also strengthen the cooperation between each other.

5.4 Harmonious Community

Ascentage Pharma proactively undertook social responsibilities, improving its sustainable development management to provide advices for addressing issues concerning global unmet medical demands and contribute its strength towards "Healthy China". By participating global pharmaceutical organizations, we cooperate with other pharmaceutical companies through promoting existing drug candidates and providing new drugs to the global market, facilitating our development as well as the advancement of the global pharmaceutical industry. Facing the severe pandemic, we have never stayed idle. All of our employees are eager to donate materials to the infected area or anti-pandemic organizations, and we received commendation in letter. We continuously optimize our social responsibility management system to prompt our employees to put sustainable development in practice. We also pay close attention to the international and domestic ESG development trend and disclosure requirements, in order to grasp hot topic on ESG as soon as possible.

Ascentage Pharma actively participates in charity works to give back to the society and demonstrate our sense of social responsibility. We keep our mission of "giving back to the society" in mind at all times, paying close attention to the demands of patients and conducting practical actions in fulfilling corporate social responsibilities, spreading our care around the society. We mainly implement our sustainable development philosophy in charity through offline channels. Meanwhile, we closely follow social demands, striving to contribute our strength in creating a sustainable society. With the outbreak of COVID-19, Ascentage Pharma made full use of its industrial resources advantage to keep a close eye to the development of the pandemic and provided support as soon as possible.

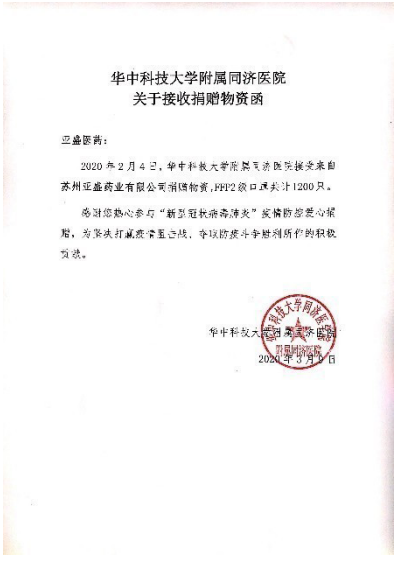
During the Reporting Period, Ascentage Pharma invested RMB1.164 million on charity.

Ascentage Pharma's donation to Hubei

In the beginning of the pandemic, when facing such severe situation, Ascentage Pharma immediately announced that it would donate RMB500,000 to the Red Cross Society of Hubei. The donation would be used for funding Wuhan Union Hospital and Wuhan Tongji Hospital in procuring relevant protection equipment and other urgently needed medical supplies, representing our dedication to fight against the pandemic together. Meanwhile, Ascentage Pharma also proactively organized supply procurement, purchasing medical supplies in shortage, including N95 masks, protective cloth and protective googles, amounted to RMB500,000 from overseas, and delivered such supplies as soon as possible to multiple hospitals in Wuhan.

Ascentage Pharma's employees donated cash and protective gears to the infected area

Ascentage organized its internal employees to donate to the infected region. During the Reporting Period, Ascentage donated a total of over RMB110,000, which was used for purchasing and delivering protective and sterilization gears to hospitals in various regions, such as the People's Hospital of Honghu and Peking University People's Hospital, allowing us to contribute our own strength to the control and prevention of the pandemic.

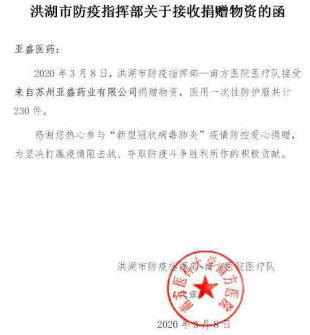

华中科技大学附属同济医院
关于接收捐赠物资函

亚盛医药：

2020年2月4日，华中科技大学附属同济医院接受来自苏州亚盛药业有限公司捐赠物资，FFP2级口罩共计1200只。

感谢您热心参与“新型冠状病毒肺炎”疫情防控爱心捐赠，为坚决打赢疫情阻击战，夺取防疫斗争胜利所作的积极贡献。

2020年3月4日


洪湖市防疫指挥部关于接收捐赠物资的函

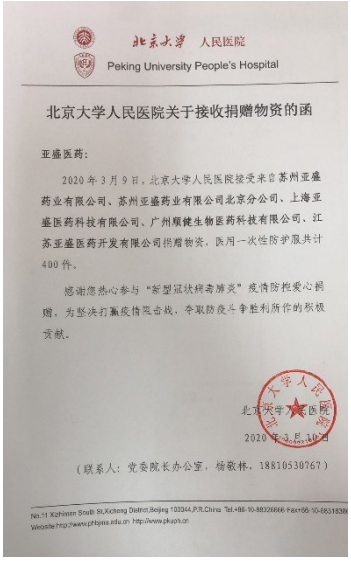
亚盛医药：

2020年3月8日，洪湖市防疫指挥部一南方医院医疗队接受来自苏州亚盛药业有限公司捐赠物资，医用一次性防护服共计230件。

感谢您热心参与“新型冠状病毒肺炎”疫情防控爱心捐赠，为坚决打赢疫情阻击战、夺取防疫斗争胜利所作的积极贡献。

洪湖市防疫指挥部南方医院医疗队

2020年3月8日


北京大学 人民医院
Peking University People's Hospital

北京大学人民医院关于接收捐赠物资的函

亚盛医药：

2020年3月9日，北京大学人民医院接受来自苏州亚盛药业有限公司、苏州亚盛药业有限公司北京分公司、上海亚盛医药科技有限公司、广州顺健生物医药科技有限公司、江苏亚盛医药开发有限公司捐赠物资，医用一次性防护服共计400件。

感谢您热心参与“新型冠状病毒肺炎”疫情防控爱心捐赠，为坚决打赢疫情阻击战，夺取防疫斗争胜利所作的积极贡献。

北京大学人民医院

2020年3月10日

（联系人：党委院长办公室，杨敬林，18810530767）

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Offering our love to raise an immense hope

When our colleagues pass away, members of the Ascentage family offer a helping hand and care to raise an education fund for their children. As of now, the Company received donations to those children from over 240 caring individuals. The total amount of donation was RMB377,341.94. The China branch of Ascentage received 149 donations amounted to RMB117,472, while the US branch of Ascentage received 94 donations amounted to USD36,621 (equivalent to approximately RMB259,869.94).

APPENDICES

Appendix I ESG Key Performance Indicators

Environmental performance			
	Data in 2019	**Data in 2020**	**Unit of measurement**
Consumption of resources			
Total electricity consumption	1,282,133.47	1,351,715	kWh
Intensity of electricity consumption[1]	884.23	1,085.71	kWh/RMB0'000 revenue
Total gasoline consumption (vehicles)	2,765.00	3,570.00	liter
Gasoline consumption intensity (vehicles)[2]	921.67	1,190.00	liter/gasoline vehicle
Total water consumption	4,431.94	4,325.70	m^3
Intensity of total water consumption	3.06	3.47	m^3/RMB0'000 revenue
Air pollutants emissions from vehicles			
CO emissions	18.80	35.70	kilogram
NO_X emissions	0.88	2.67	kilogram
SO_X emissions	0.04	0.05	kilogram
PM_{10} emissions	0.08	0.20	kilogram
Greenhouse gas emissions (scope 1 and scope 2)			
Emissions from vehicles (scope 1)	6.38	9.67	ton of CO_2 equivalent
Emissions from electricity consumption (scope 2)	900.91	949.60	ton of CO_2
Total greenhouse gases emissions	907.28	959.27	ton of CO_2 equivalent
Intensity of total greenhouse gases emissions	0.63	0.77	ton of CO_2 equivalent/ RMB0'000 revenue
Wastewater discharge (treated)			
Laboratory wastewater	372.00	1,462.00	ton
Domestic wastewater	3,988.80	2,863.70	ton
Total wastewater discharge	4,360,80	4,325.70	ton
Intensity of total wastewater discharge	3.01	3.47	ton/RMB0'000 revenue

Environmental performance			
	Data in 2019	Data in 2020	Unit of measurement
Non-hazardous waste produced			
— Domestic wastes			
Production volume	12,120.00	13,300.00	kilogram
Production intensity	8.36	10.68	kilogram/RMB0'000 revenue
— Paper waste			
Production volume	192.00	860.00	kilogram
Production intensity	0.13	0.69	kilogram/RMB0'000 revenue
Recycled volume	192.00	860.00	kilogram
— Plastic waste			
Production volume	7,980.00	8,650.00	kilogram
Production intensity	5.50	6.95	kilogram/RMB0'000 revenue
Recycled volume	5,340.00	6,980.00	kilogram
Hazardous waste produced			
— Medical wastes			
Production volume	161.70	0	kilogram
Production intensity	0.11	0	kilogram/RMB0'000 revenue
— Organic solution waste			
Production volume	28,180.30	25,580.00	kilogram
Production intensity	19.43	20.55	kilogram/RMB0'000 revenue
— Other laboratory waste			
Production volume	7,754.50	7,250.00	kilogram
Production intensity	5.35	5.82	kilogram/RMB0'000 revenue
— Fluorescent tube waste			
Production volume	9.30	3.90	kilogram
Production intensity	0.01	3.13	kilogram/RMB0'000 revenue
— Active carbon waste			
Production volume	/	1,410.00	kilogram
Production intensity	/	1.13	kilogram/RMB0'000 revenue

Social performance			
		Data in 2020	**Unit**
Number of suppliers by region	Overseas	29	unit
	Mainland China, Hong Kong, Macau and Taiwan	246	unit
Number of patent applications		450	piece
Issued patents	Global	110	piece
	Overseas	90	piece
Total number of employees		433	person
— By gender			
Male		206	person
Female		227	person
— By age group			
Aged below 30		73	person
Aged 30–50		304	person
Aged 50 or above		56	person
— By region			
Local province/city (Shanghai)		49	person
Other provinces/cities (Mainland China (excluding Shanghai))		320	person
Overseas (outside Mainland China)		64	person
— By education			
Doctorate		53	person
Master		156	person
Bachelor		204	person
Below undergraduate		20	person
Total number of new employees		54	person
— By gender			
Male		27	person
Female		27	person
— By age group			
Aged below 30		12	person
Aged 30–50		41	person
Aged 50 or above		1	person
— By region			
Local province/city (Shanghai)		10	person
Other provinces/cities (Mainland China (excluding Shanghai))		41	person
Overseas (outside Mainland China)		3	person

Social performance		
	Data in 2020	**Unit**
— By education		
Doctorate	4	person
Master	20	person
Bachelor	30	person
Below undergraduate	0	person
Total loss of employees	48	person
— By gender		
Male	20	person
Female	28	person
— By age group		
Aged below 30	16	person
Aged 30–50	27	person
Aged 50 or above	4	person
— By region		
Local province/city (Shanghai)	9	person
Other provinces/cities (Mainland China (excluding Shanghai))	25	person
Overseas (outside Mainland China)	14	person
— By education		
Doctorate	5	person
Master	18	person
Bachelor	21	person
Below undergraduate	4	person
Work-related fatalities	0	person
Ratio of work-related fatalities	0	%
Workdays lost due to work-related injuries	0	day
Amount donated to the community	1,163,816.14	RMB

Note:

1. During the Reporting Period, the revenue of Ascentage Pharma amounted to approximately RMB12.45 million;

2. During the Reporting Period, Ascentage Pharma owned three vehicles on gasoline.

Appendix II ESG Related Laws and Regulations

Categories of laws and regulations	Name of policy
Environmental protection	Environmental Protection Law of the People's Republic of China
	Water Law of the People's Republic of China
	Water Pollution Prevention and Control Law of the People's Republic of China
	Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise
	Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution
	Law on the Prevention and Control of Environmental Pollution Caused by Solid Waste
	Law of the People's Republic of China on Environmental Impact Assessment
	National Hazardous Waste Catalogue
	Regulations on Medical Wastes Management
	Integrated Wastewater Discharge Standard
Animal interest	Regulation on the Administration of Laboratory Animals
	Measures for Authorization Management of Experimental Animals (Interim)
Labor	Labor Law of the People's Republic of China
	Labor Contract Law of the People's Republic of China
	Law of the People's Republic of China on Labor Dispute Mediation and Arbitration
	Law of the People's Republic of China on the Protection of Rights and Interests of Women
	Law on the Protection of Minors of the People's Republic of China
	Special Rules on the Labor Protection of Female Employees
	Social Insurance Law of the People's Republic of China
	Employment Promotion Law of the People's Republic of China
	Trade Union Law of the People's Republic of China
	Law on the Protection of Disabled Persons of the People's Republic of China
	Regulations on Unemployment Insurance
	Regulations on Work-related Injury Insurance
	Regulation on Public Holidays for National Annual Festivals and Memorial Days
	Provisions on the Prohibition of Using Child Labor

Categories of laws and regulations	Name of policy
Product responsibility and service	Biosecurity Law of the People's Republic of China
	Norms on the Quality Management for the Clinical Trials of Medicine
	Drug Administration Law of the People's Republic of China
	Regulations for the Implementation of the Drug Administration Law of the People's Republic of China
	Regulations on Quality Responsibility for Industrial Products
	Several Provisions on Prohibiting Infringements upon Trade Secrets
Anti-business bribery laws	Anti-Unfair Competition Law of the People's Republic of China
	Criminal Law of the People's Republic of China
Anti-monopolization and corporation	Anti-Monopoly Law of the People's Republic of China
	Company Law of the People's Republic of China
	Basic Internal Control Norms for Enterprises
	Interim Provisions on Prohibition of Commercial Bribery
Information safety	Cybersecurity Law of the People's Republic of China
	Regulation on the Administration of Human Genetic Resources of the People's Republic of China
	Law on Protection of Consumer Rights and Interests of the People's Republic of China
	Tort Liability Law of the People's Republic of China
Intellectual property right	Patent Law of the People's Republic of China
	Guidelines for Patent Examination
	Trademark Law of the People's Republic of China
	Implementation Rules of the Patent Law of the People's Republic of China
Health and safety	Production Safety Law of the People's Republic of China
	Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases

Appendix III Hong Kong Stock Exchange Environmental, Social and Governance Reporting Guide Content Index

Subject Areas, Aspects, General Disclosures and KPIs			ESG Report 2020
A. Environmental			
Aspect A1 Emissions			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on us relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Operation, Safety and Health-Environmental Management
KPI	A1.1	The types of emissions and respective emissions data.	Appendix I ESG Key Performance Indicators
	A1.2	Greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I ESG Key Performance Indicators
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I ESG Key Performance Indicators
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I ESG Key Performance Indicators
	A1.5	Description of measures to mitigate emissions and results achieved.	Green Operation, Safety and Health-Environmental Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Green Operation, Safety and Health-Environmental Management
Aspect A2 Use of Resources			
General Disclosure		Policies on efficient use of resources (including energy, water and other raw material). Resources can be used for production, storage, transportation, building, electronic devices, etc..	Green Operation, Safety and Health-Environmental Management
KPI	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Appendix I ESG Key Performance Indicators
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix I ESG Key Performance Indicators
	A2.3	Description of energy use efficiency initiatives and results achieved.	Green Operation, Safety and Health-Environmental Management
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Business operation of the Company only utilizes tap water, and does not involve sourcing water
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	There is no production, nor any relevant indicators for the packaging of products
Aspect A3 The Environment and Natural Resources			
General Disclosure		policies on minimising our significant impact on the environment and natural resources.	Green Operation, Safety and Health-Environmental Management
KPI	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operation, Safety and Health-Environmental Management

Subject Areas, Aspects, General Disclosures and KPIs			ESG Report 2020
B. Social			
Aspect B1 Employment			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on us relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Dynamic Team and Harmonious Society-Employee Recruitment
KPI	B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix I ESG Key Performance Indicators
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I ESG Key Performance Indicators
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 us relating to providing a safe working environment and protecting employees from occupational hazards.	Green Operation, Safety and Health-Occupational Health and Safety
KPI	B2.1	Number and rate of work-related fatalities.	Green Operation, Safety and Health-Occupational Health and Safety
	B2.2	Lost days due to work injury.	Green Operation, Safety and Health-Occupational Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Green Operation, Safety and Health-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. Training means occupational trainings, including internal and external trainings at the expense of the employer.	Dynamic Team and Harmonious Society-Employee Recruitment
KPI	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Dynamic Team and Harmonious Society-Employee Recruitment
	B3.2	The average training hours completed per employee by gender and employee category.	Appendix I ESG Key Performance Indicators
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 us relating to preventing child and forced labor.	Dynamic Team and Harmonious Society-Employee Recruitment
KPI	B4.1	Description of measures to review employment practices to avoid child and forced labor.	Dynamic Team and Harmonious Society-Employee Recruitment
	B4.2	Description of steps taken to eliminate such practices when discovered.	Dynamic Team and Harmonious Society-Employee Recruitment

Subject Areas, Aspects, General Disclosures and KPIs			ESG Report 2020
Aspect B5 Supply Chain Management			
General Disclosure		Policies on managing environmental and social risks of the supply chain.	Quality Assurance and Stable Supply-Supply Chain Management
KPI	B5.1	Number of suppliers by geographical region.	Quality Assurance and Stable Supply-Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Quality Assurance and Stable Supply-Supply Chain Management
Aspect B6 Product Responsibility			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on us relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality Assurance and Stable Supply-Quality and Safety
KPI	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality Assurance and Stable Supply-Customer Service
	B6.2	Number of products and service related complaints received and how they are dealt with.	Quality Assurance and Stable Supply-Customer Service
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	R&D Driven and Protecting Interests-Protection of Intellectual Property Rights
	B6.4	Description of quality assurance process and recall procedures.	Quality Assurance and Stable Supply-Customer Service
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	R&D Driven and Protecting Interests-R&D Ethics
Aspect B7 Anticorruption			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on us relating to preventing bribery, extortion, fraud and money laundering.	Corporate Governance and Long-Term Development-Business Ethics
KPI	B7.1	Number of concluded legal cases regarding corrupt practices brought against us or its employees during the reporting period and the outcomes of the cases.	Corporate Governance and Long-Term Development-Business Ethics
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Corporate Governance and Long-Term Development-Business Ethics
Aspect B8 Community Investment			
General Disclosure		Policies on community engagement to understand the needs of the communities where we operate and to ensure our activities take into consideration the communities' interests.	Dynamic Team and Harmonious Society-Harmonious Community
KPI	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Dynamic Team and Harmonious Society-Harmonious Community
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Dynamic Team and Harmonious Society-Harmonious Community