



Lee's Pharmaceutical Holdings Limited
李氏大藥廠控股有限公司*

(incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)
(Stock Code 股份代號:950)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2021

環境、社會及管治報告



* For identification purpose only
僅供識別

Environmental, Social and Governance Report 2021

二零二一年環境、社會及管治報告

ABOUT THE REPORT

Lee's Pharmaceutical Holdings Limited (the "Company", together with its subsidiaries, the "Group", Hong Kong Stock Code: 950) is committed to the long-term sustainability of its businesses and the communities with which it engages. The Group pursues this business approach by managing its businesses prudently and executing management decisions with due care and attention. In addition, the Group is committed to improving its environmental, social and governance ("ESG") performance by upholding good corporate governance standards, protecting the environment, engaging the community and promoting social integration.

Scope of the ESG Report

This ESG report (the "ESG Report") discloses the Group's ESG management approach and performance during the financial year from 1 January 2021 to 31 December 2021 (the "Reporting Period") and explains how the Group complies with the "comply or explain" provisions of the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") in Appendix 27 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Group's environmental performance cover data of companies: i) controlled by Lee's Pharm (i.e. holding over 50% of equity); ii) that are manufacturing enterprises; and iii) that have been in operation for 2 or more consecutive calendar years.

Reporting Principles

- **Materiality** – Materiality assessment was conducted to diagnose material issues during the Reporting Period. Materiality of issues was reviewed by the board of directors ("Board" or "Board of Directors") of the Company and senior management of the Group.
- **Quantitative** – The standards and methodologies used in the calculation of relevant data, as well as the assumptions used were disclosed in this ESG Report.
- **Consistency** – The preparation of this ESG Report was substantially consistent with the previous year. Explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies.
- **Balance** – This ESG Report aims to disclose data in an objective way, which aims to provide stakeholders with a balance overview of the Group's overall ESG performance.

關於本報告

李氏大藥廠控股有限公司(「本公司」，連同其附屬公司，統稱「本集團」，香港股份代號：950)致力於業務及業務經營所在社區的長遠可持續發展。本集團所追求的經營方針是審慎管理業務，並盡責專注地執行管理決策。此外，本集團亦致力遵守良好的企業管治標準、保護環境、促進社區參與及宣揚社會融合，從而改善其環境、社會及管治績效。

環境、社會及管治報告範圍

本環境、社會及管治報告(「本ESG報告」)披露本集團於二零二一年一月一日至二零二一年十二月三十一日財政年度(「報告期間」)的環境、社會及管治管理方針及績效，以及闡釋本集團如何遵守香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄二十七《環境、社會及管治報告指引》(「ESG報告指引」)所載的「不遵守就解釋」條文。本集團的環境績效涵蓋以下公司的數據：i)由李氏大藥廠控制(即持有股權超過50%)；ii)屬於生產企業；及iii)連續營運兩個曆年或以上。

報告原則

- **重要性** — 重要性評估旨在識別於報告期間內的重要事項。事項的重要性經由本公司董事會(「董事會」)及本集團高級管理層審閱。
- **定量** — 於本環境、社會及管治報告內披露計算相關數據時使用的準則及方法，以及所用的假設。
- **一致性** — 本環境、社會及管治報告的編製大致與上一年度一致。關於披露範圍及計算方法變動所涉數據均作解釋。
- **平衡** — 本ESG報告旨在以客觀方式披露數據，以期為持份者提供本集團整體環境、社會及管治績效的平衡概覽。

BUSINESS OVERVIEW

The Group is a research-driven and market-oriented biopharmaceutical company with more than 25 years of operation in the pharmaceutical industry in the People's Republic of China (the "PRC" or "China").

The Group is fully integrated with solid infrastructures in drug development, clinical development, regulatory, manufacturing, sales and marketing based in Mainland China with global perspectives. The Group has established extensive partnerships with over 20 international companies and currently markets over 25 proprietaries, generic and licensed-in pharmaceutical products in Mainland China, Hong Kong, Macau and Taiwan.

The Group focuses on several key disease areas such as cardiovascular, woman health, pediatrics, rare diseases, oncology, dermatology and obstetrics. It has more than 40 products under different development stages stemming from both internal research and development as well as from the licensing of development, commercialisation, and manufacturing rights from various United States, European and Japanese companies.

The Group carries out its sales and distribution activities in Hong Kong, Macau, Taiwan and Mainland China through Hong Kong and Taiwan offices and branch offices in Guangzhou, Shanghai and Beijing with direct and channel sales network covering most of the provinces and cities in Mainland China, marketing both domestic self-developed and generic products and overseas licensed-in products. Zhaoke Pharmaceutical (Hefei) Co. Limited, a subsidiary of the Group, is currently operating the manufacturing plant of the Group located in Hefei, Anhui Province of the PRC, comprising four GMP-compliant workshops for the production of topical gel, lyophilised powder for injection, small volume parenteral solutions and eye gel. Zhaoke Pharmaceutical (Guangzhou) Limited, a subsidiary of the Group, is currently operating the new manufacturing site in Nansha District, Guangzhou of the PRC which include a complete range of solid dosage production lines for the development and manufacturing of tablets and capsules.

業務概覽

本集團是一間結合研究主導及市場導向的生物醫藥公司，已於中華人民共和國（「中國」）醫藥行業經營逾二十五年。

本集團放眼國際並與在中國內地建立的藥品發展、臨床發展、規管、製造、銷售及市場推廣的穩固基礎建設緊密結合。本集團已與逾二十家國際公司建立廣泛合作關係，且目前於中國內地、香港、澳門及台灣推廣超過二十五種專利、仿製及引進醫藥產品。

本集團致力於心血管、女性健康、兒科、罕見病、腫瘤科、皮膚科及產科等多個重要疾病領域，處於不同開發階段的產品有超過四十種，來自內部研究及開發以及自美國、歐洲及日本公司引進的開發、商品化及生產權。

本集團於香港、澳門、台灣及中國內地透過香港及台灣辦事處以及廣州市、上海市及北京市分公司，覆蓋中國內地大部分省市的直銷及管道銷售網絡進行銷售及分銷活動，推廣國內自行研發和仿製的產品及海外引進的產品。本集團附屬公司兆科藥業(合肥)有限公司現時營運本集團位於中國安徽省合肥市的生產廠房，該廠房設有四間符合GMP的工場，負責生產凝膠劑、注射用凍乾粉針劑、小容量注射劑及眼凝膠。本集團附屬公司兆科藥業(廣州)有限公司現正在中國廣州市南沙區營運新藥廠（包括開發及生產藥片及膠囊的全套固體制劑生產線）。

BOARD STATEMENT ON ESG GOVERNANCE

The Company is committed to maintain a high standard of corporate governance to protect the interest of the shareholders of the Company. The Company has complied with all the then-applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2021, with deviations from provision A.5 of the CG Code.

Under provision A.5 of the CG Code, a nomination committee should be established to make recommendations to the Board on the appointment and re-appointment of directors of the Company ("Directors"). The Board as a whole is responsible for the appointment of its own members. The Board did not establish a nomination committee in view of the small size of the Board. The Chairman of the Board was responsible for identifying appropriate candidate and proposing qualified candidate to the Board for consideration. The Board would review profiles of the candidates recommended by the Chairman and make recommendation for the appointment, re-election and retirement of the Directors. Candidates were appointed to the Board on the basis of their skill, competence, experience and diversity of perspectives that they can contribute to the Company.

A new CG Code came into effect on 1 January 2022. A Nomination Committee of the Company comprising two independent executive Directors and one executive Director has been established by the Board with written terms of reference with effect from 2 January 2022. Since then, the Company has complied with code provision A.5 of the CG Code (which has been renumbered as code provision B.3 with effect from 1 January 2022).

The Company has established the Audit Committee, the Remuneration Committee and the Management Committee under the Board. Each committee is required to plan, manage and make decisions on significant matters and report to the Board on a regular basis.

有關環境、社會及管治的董事會陳述

本公司致力於維持高水平之企業管治，以保障本公司股東之利益。除偏離上市規則附錄十四所載之企業管治守則（「企管守則」）條文A.5外，本公司於截至二零二一年十二月三十一日止年度一直遵守企管守則所有當時適用之守則條文。

根據企管守則條文A.5，應設立提名委員會，以就本公司董事（「董事」）委任及重新委任向董事會提出建議。董事會作為整體負責委任其本身成員。過往，鑒於董事會規模小，董事會並無成立提名委員會。董事會主席負責物色適當人選，並向董事會建議合資格人選以供考慮。董事會將審閱主席所建議的人選，並就董事的委任、重選及退任提出建議。候選人根據彼等可為本公司貢獻的技能、能力、經驗及觀點的多樣性獲委任加入董事會。

新企管守則於二零二二年一月一日生效。董事會已成立本公司之提名委員會，委員會由兩名獨立非執行董事及一名執行董事組成，訂有書面職權範圍，由二零二二年一月二日起生效。自此，本公司已遵守企管守則之守則條文A.5（由二零二二年一月一日起，編號重訂為守則條文B.3）。

本公司已成立董事會轄下的審核委員會、薪酬委員會及管理委員會。各個委員會須規劃、管理及作出重大事宜的決定，以及定期向董事會匯報。

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Audit Committee

The primary duties of the Audit Committee are to review and supervise the financial reporting process, internal control and risks management system of the Group. The Audit Committee also assist the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. As at the end of 2021, the Audit Committee comprised three independent non-executive Directors. During the Reporting Period, the Audit Committee held four meetings in total to perform the above duties.

Remuneration Committee

The primary duties of the Remuneration Committee is to (1) establish and apply a formal and transparent procedure for setting policy on remuneration for executive directors of the Company and senior management, and for fixing the remuneration packages for all directors of the Company and senior management; and (2) ensure that procedures and principles for fixing packages of all directors and senior management are proper so that the levels of remuneration of directors commensurate with their qualifications and competencies, and that such remuneration is sufficient to attract and retain the directors and senior management but not excessive. As at the end of 2021, the Remuneration Committee comprised two independent non-executive Directors and one executive Director. During the Reporting Period, the Remuneration Committee held three meetings in total to perform the above duties.

Nomination Committee

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board at least annually, identify individuals suitably qualified to become Board members, assess the independence of independent non-executive directors, make recommendations to the Board on appointment or re-appointment of directors, review the policy on Board diversity.

Management Committee

The primary purpose of establishing the Management Committee is for effective and timely management of the day-to-day activities and business dealings of the Group, as well as implementation of all policies and decisions approved by the Board and assisting the Board in implementing the strategic plans of the Group. As at the end of 2021, the Management Committee comprised two executive Directors and several key management personnel of the Group in respect of research and development, manufacturing, sales and marketing and finance. During the Reporting Period, the Management Committee held two meetings in total to perform the above duties.

審核委員會

審核委員會的主要職責為檢討及監督本集團的財務申報程序、內部監控及風險管理系統。審核委員會亦為協助董事會獨立檢討本集團財務報告過程、內部監控及風險管理制度的成效、監管審核過程及履行董事會不時指派的其他職責及責任。於二零二一年末，審核委員會由三名獨立非執行董事組成。於報告期間，審核委員會合共舉行了四次會議，以履行上述職責。

薪酬委員會

薪酬委員會的主要職責為(1)建立及應用正式透明程序以設定有關本公司執行董事及高級管理人員的酬金的政策，並釐定所有本公司董事及高級管理人員的薪酬待遇；及(2)確保釐定所有董事及高級管理人員的程序及原則均為正確，以致董事酬金水平與彼等的資格及能力相稱，及有關薪酬足以吸引及挽留董事及高級管理人員，但不過多。於二零二一年末，薪酬委員會由兩名獨立非執行董事及一名執行董事組成。於報告期間，薪酬委員會合共舉行了三次會議，以履行上述職責。

提名委員會

提名委員會的主要職責為至少每年檢討董事會之架構、人數及組成、物色具備合適資格可擔任董事會成員之人士、評核獨立非執行董事之獨立性、就董事委任或重新委任向董事會提出建議、檢討董事會之多元化政策。

管理委員會

成立管理委員會主要旨在有效及迅速地管理本集團的日常事務及業務運作，並執行所有經董事會批准的政策和決定，以及協助董事會實行本集團的戰略計劃。於二零二一年末，管理委員會由兩名執行董事以及本集團在研究及開發、製造、銷售及營銷以及財務等範疇的若干主要管理人員組成。於報告期間，管理委員會合共舉行了兩次會議，以履行上述職責。

STAKEHOLDERS' ENGAGEMENT

In order to define the current and future sustainability strategies, it is important to understand stakeholders' perspectives and expectations on the development and success of the Group and help assess the potential impacts of the future business activities.

The Group will continue to establish effective communication with the major stakeholders in various ways in order to deal with their concerns and provide feedback in a timely manner. It is believed that it is necessary to consider the needs of all stakeholders, which is conducive to maintaining a long-term friendly relationship with shareholders and investors, employees, customers and public bodies. The areas of expectations considered by the stakeholders are listed below:

持份者參與

為釐定當前及未來可持續發展政策，了解持份者對本集團發展及成功的觀點及預期，以及協助評估未來業務活動的潛在影響至關重要。

本集團將繼續循不同渠道與主要持份者建立有效溝通，以適時處理彼等的關注事項及給予反饋。本集團相信有必要顧及所有持份者的需要，有利維持與股東及投資者、僱員、客戶及公共團體的長期友好關係。持份者考慮的期望範疇載列如下：

| Major Stakeholder 主要持份者 | Expectations 期望 | Communication and Feedback 溝通及反饋 |
|------------------------------------|---|---|
| 1. Government 政府 | <ul style="list-style-type: none"> Compliant operation 業務合規 Anti-corruption 反貪污 | <ul style="list-style-type: none"> On-site inspection and work reports 實地調查及工作報告 Government visits and guidance 政府視察及指引 Industry collaboration 行業協作 |
| 2. Regulators 監管人 | <ul style="list-style-type: none"> Compliant operation 業務合規 | <ul style="list-style-type: none"> Consultation and information disclosure 諮詢及資訊披露 |
| 3. Employees 僱員 | <ul style="list-style-type: none"> Employee health and safety 僱員健康與安全 Career development and training 事業發展及培訓 Equity and inclusion 平等共融 | <ul style="list-style-type: none"> Training 培訓 Cultural and sports activities 文化及體育活動 Periodic communication between management and employees 管理層與僱員定期溝通 Health examination 身體檢查 |
| 4. Customers 客戶 | <ul style="list-style-type: none"> Quality of product and services 產品及服務質素 Customer rights and privacy protection 客戶權利及私隱保護 | <ul style="list-style-type: none"> Regular visits 定期視察 New product launch conferences 新產品發佈會 Customer services 客戶服務 Academic seminars 學術座談會 Complaint handling 投訴處理 |
| 5. Investors 投資者 | <ul style="list-style-type: none"> Compliant operation 業務合規 Risk management 風險管理 Economic performance 經濟表現 | <ul style="list-style-type: none"> General meetings 股東大會 Investor information sessions 投資者資訊發佈會 Regular information disclosure 定期資訊披露 Telephone and email enquiries 電話及電郵查詢 |
| 6. Suppliers 供應商 | <ul style="list-style-type: none"> Supply chain management 供應鏈管理 Quality of product and services 產品及服務質素 | <ul style="list-style-type: none"> Tender meetings 招標會議 Annual supplier feedback and evaluation system 年度供應商反饋及評價系統 |
| 7. Community organizations 社區組織 | <ul style="list-style-type: none"> Social and public welfare 社會及公共福利 Energy saving 節省能源 | <ul style="list-style-type: none"> Community activities 社區活動 |

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During the Reporting Period, through various communication channels, the Group has learnt the concerns from the major stakeholders, including environmental and energy saving measures, compliant operation, information disclosure, privacy protection and community involvement.

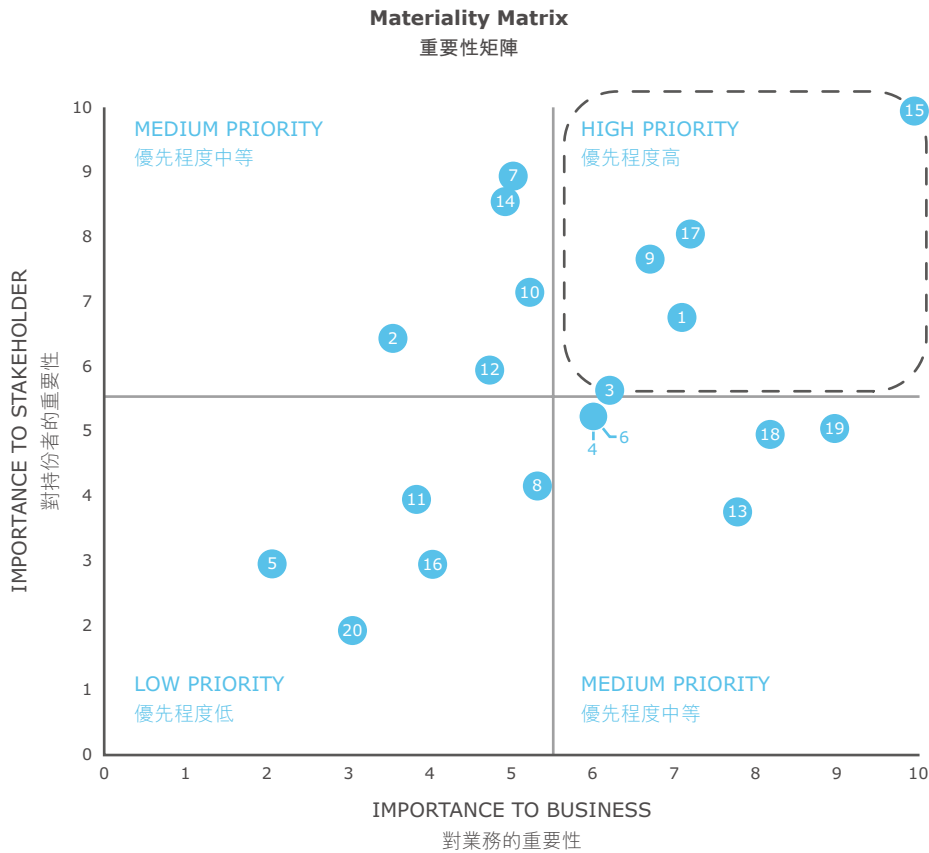
於報告期間，本集團透過不同溝通渠道了解主要持份者的關注事項，包括環境及節能措施、經營合規、資訊披露、私隱保護及社區參與。

MATERIALITY ASSESSMENT

The management and staff of the Group have participated in the preparation of this ESG Report to assist the Group in reviewing the operations and identifying relevant ESG issues. Materiality assessment has been conducted to assess the importance of related matters to the businesses and stakeholders. To identify potential material topics for disclosure in this ESG Report, we adopted the disclosure topics of the ESG Reporting Guide. Based on the assessed significant ESG issues, information was collected from relevant departments of the Group and approved by the Board. The Group strives to review these issues from time to time to achieve continuous improvement and sustainable business development. The main concerns and material issues are listed below:

重要性評估

本集團的管理層及員工一直參與編製本ESG報告，協助本集團檢討營運及識別相關環境、社會及管治事項。重要性評估一直評估相關事宜對業務及持份者的重要性。為識別於本ESG報告披露的潛在重要議題，我們已採納《環境、社會及管治報告指引》的披露議題。根據經評估的重要環境、社會及管治事項，資料乃從本集團的相關部門蒐集，並已經由董事會審批。本集團致力不時檢討該等事項，精益求精及實現可持續業務發展。主要關注事項及重要事項載列如下：



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| Number 編號 | List of Material Topics 重要議題列表 |
|--------------|---|
| 1 | Management of Air Pollutants/Greenhouse Gas ("GHG") Emissions 管理空氣污染物／溫室氣體排放 |
| 2 | Energy-saving/Energy-efficiency Improvements 節能／能源效益提升 |
| 3 | Management of Sewage and Water Use 管理污水及用水 |
| 4 | Management of Hazardous Waste 管理有害廢棄物 |
| 5 | Management of Non-hazardous Waste 管理無害廢棄物 |
| 6 | Management of the Impacts of Operations on the Environment and Natural Resources 管理營運對環境及天然資源的影響 |
| 7 | Establishment of Comprehensive Employment Management System 建立全面僱傭管理系統 |
| 8 | Equal, Diversified and Discrimination-free Employment Conditions 平等、多元及無歧視的僱傭條件 |
| 9 | Healthy and Safe Workplace 健康與安全的工作場所 |
| 10 | Training and Development 培訓及發展 |
| 11 | Measures to Prevent Child and Forced Labour 防止童工及強制勞工措施 |
| 12 | Evaluation and Management of Environmental and Social Risks of Supply Chain 評估及管理供應鏈的環境及社會風險 |
| 13 | Protection of Customers' Information and Privacy 保護客戶資料及私隱 |
| 14 | Improvement of Product Quality Management 提高產品質素管理 |
| 15 | Protection of Customers' Health and Safety 保護客戶健康與安全 |
| 16 | Compliance with Regulations Governing Advertising and Sale 遵守規管廣告及銷售的規例 |
| 17 | Protection of Intellectual Properties 保護知識產權 |
| 18 | Prevention of Bribery, Extortion, Fraud and Money-laundering 防止賄賂、勒索、欺詐及洗黑錢 |
| 19 | Ensuring Business Activities Take into Account Community Needs and Benefits 確保業務活動考慮社會需要及福利 |
| 20 | Investment of Resources in Community Development 投資資源於社區發展 |

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The Group built a two-dimensional materiality analysis matrix and prioritised the 20 issues accordingly. With respect to this ESG Report, the Group identified quality of work environment and product and service responsibility as issues of the highest importance to its stakeholders and the Group. This review has helped the Group to prioritise its corresponding sustainability issues and highlight the material and relevant aspects so as to align them with stakeholders' expectations.

COMMENTS AND FEEDBACK

This ESG Report is available and can be downloaded from the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.leespharm.com). In the meantime, your feedback regarding the review and its overall sustainability practices is welcomed. The Company's contact details are as follows:

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本集團已建立二維重要性分析矩陣，將20個事項排序。就本ESG報告而言，本集團已識別工作環境的質素以及產品及服務責任為對其持份者及本集團最為重要事項。此審閱有助本集團將其相應的可持續發展事項排序及指出重要及相關層面，以符合持份者的期望。

意見及反饋

本ESG報告可於聯交所網站(www.hkexnews.hk)及本公司網站(www.leespharm.com)查閱及下載。本集團亦歡迎閣下對回顧檢討及本集團整體可持續發展常規提出意見。本公司的聯絡資料詳列如下：

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二零二一年環境、社會及管治報告

(A) ENVIRONMENTAL

A.1 Emissions

Emissions produced by the Group in the course of production and operation mainly include exhaust gas, GHG emissions, hazardous wastes and non-hazardous wastes, and the emissions have been summarised in the following table.

| Types of Emissions 排放種類 | Unit 單位 | 2021 二零二一年 | | 2020 二零二零年 | | |
|-------------------------------|--|-------------------------------------|---|---------------|---|---------|
| | | Amount 數量 | Intensity* (Unit/ million HK\$) 密度* (單位/ 百萬港元) | Amount 數量 | Intensity* (Unit/ million HK\$) 密度* (單位/ 百萬港元) | |
| Exhaust gas 廢氣 | Sulphur oxide (SO _x) 硫氧化物 (SO _x) | Kg 千克 | 1 | 0.0005 | 1 | 0.0006 |
| | Nitrogen oxide (NO _x) 氮氧化物 (NO _x) | Kg 千克 | 287 | 0.2270 | 692 | 0.5689 |
| | Particulate matter (PM) 顆粒物 (PM) | Kg 千克 | 27 | 0.0212 | 36 | 0.0297 |
| GHG emissions 溫室氣體排放 | Direct emissions (Scope 1) 直接排放(範圍1) | Tonnes CO ₂ e 噸二氧化碳當量 | 113 | 0.0894 | 125 | 0.1032 |
| | Energy indirect emissions (Scope 2) 能源間接排放(範圍2) | Tonnes CO ₂ e 噸二氧化碳當量 | 6,560 | 5.1810 | 5,402 | 4.4421 |
| | Other indirect emissions (Scope 3) 其他間接排放(範圍3) | Tonnes CO ₂ e 噸二氧化碳當量 | 810 | 0.6397 | 615 | 0.5057 |
| Hazardous wastes 有害廢棄物 | Wastewater 廢水 | Tonnes 噸 | 40 | 0.0320 | 60 | 0.0497 |
| | Solid waste 固體廢物 | Tonnes 噸 | 40 | 0.0315 | 26 | 0.0210 |
| Non-hazardous wastes 無害廢棄物 | Wastewater 廢水 | Tonnes 噸 | 46,788 | 36.9525 | 84,275 | 69.3051 |
| | Solid waste 固體廢物 | Tonnes 噸 | 86 | 0.0679 | 31 | 0.0253 |

* The calculation for intensity is the emissions amount divided by revenue in the Group's Reporting Period.

* 密度是按排放量除以本集團於報告期間內的收益計算。

(A) 環境

A.1 排放物

本集團在生產及營運過程中產生的排放物主要包括廢氣、溫室氣體排放、有害廢棄物及無害廢棄物，而有關排放情況概列於下表。

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The Group has established and implemented corresponding procedures and guidelines to pursue its objectives to reduce emissions, and to ensure the full compliance with relevant laws and regulations such as the Environmental Protection Law of the People's Republic of China.

In addition, the Group regularly circulates environmental protection news, such as energy saving tips, via email to raise awareness of employees and encourages them to save electricity, water and paper. The Group believes that due performance of environmental responsibility will improve the utilisation of resources and will enhance the efficiency of the Group.

Exhaust gas and GHG emissions

It is the Group's environmental policy to reduce the impact of exhaust gas and GHG emissions on the environment through measures such as controlling the Group's energy consumption. The Group was not subject to any major penalties or non-monetary sanctions for non-compliance therewith relating to emissions during the Reporting Period.

The Group's objective is to achieve a 10% reduction of emission per production unit by 2026 from the base year of 2021 (scope 1, 2 & 3).

Solid wastes

The hazardous solid waste generated is mainly the medical waste produced during the production process. The Group has hired professional environmental protection companies for the collection and disposal of medical waste. The non-hazardous solid waste generated includes non-hazardous industrial solid wastes and domestic solid wastes and will be treated in an environmentally responsible manner. The non-hazardous solid wastes will be collected and categorised, and recyclable solid waste will be sold to the recycling station. The remaining non-recyclable non-hazardous solid waste will be handled by local sanitation department for disposal at landfill or at incinerator.

The Group's objective is to achieve a 10% reduction of non-hazardous wastes per production unit by 2026 from the base year of 2021.

本集團已制定及推行相應程序及指引以達致減排的目標，並確保全面遵守相關法律法規，如《中華人民共和國環境保護法》。

本集團亦定期透過電郵傳閱有關環保的新聞資訊（例如節能小知識），藉以提高僱員的環保意識，並鼓勵僱員節省用電、用水及用紙。本集團相信，妥善履行環境責任將更有效善用資源，並提升本集團的效率。

廢氣和溫室氣體排放

本集團的環境政策是通過控制本集團能耗等措施，減少廢氣和溫室氣體排放對環境的影響。於報告期間內，本集團並無因為排放方面不合規而被處以任何重大懲罰或非金錢制裁。

以二零二一年為基準，本集團的目標是於二零二六年或之前令每生產單位排放減少10%（範圍1、2及3）。

固體廢物

生產過程中產生的有害固體廢物主要是醫療廢物。本集團已聘用專業環保公司收集及處置醫療廢物。所產生的無害固體廢物包括無害的工業固體廢物和生活固體廢物，並將以環保的方式處理。無害固體廢物會經收集和分類，可回收固體廢物將出售予回收站。餘下的不可回收無害固體廢物將由地方衛生部門運往堆填區或焚化爐處理。

以二零二一年為基準，本集團的目標是於二零二六年或之前令每生產單位無害廢棄物減少10%。

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A2: Use of Resources

Resources used by the Group in the course of production and operation mainly include energy, water, paper and packaging materials, and the consumptions have been summarised in the following table.

A2: 資源使用

本集團在生產及營運過程中使用的資源主要包括能源、水、紙張及包裝材料，而有關消耗情況概列於下表。

| | | | 2021 二零二一年 | | 2020 二零二零年 | |
|----------------------------|--------------------|-----------------------|---|---|---|---|
| Types of Resources 資源種類 | Unit 單位 | Amount 數量 | Intensity* (Unit/ million HK\$) 密度* (單位/ 百萬港元) | | Intensity* (Unit/ million HK\$) 密度* (單位/ 百萬港元) | |
| | | | Amount 數量 | Intensity* (Unit/ million HK\$) 密度* (單位/ 百萬港元) | Amount 數量 | Intensity* (Unit/ million HK\$) 密度* (單位/ 百萬港元) |
| Energy 能源 | Electricity 電力 | kWh 千瓦時 | 10,795,833 | 8,256.4568 | 8,902,858 | 7,321.4293 |
| | Gasoline 汽油 | Litres 升 | 16,927 | 13.3692 | 13,925 | 11.4512 |
| | Diesel 柴油 | Litres 升 | 25,772 | 20.3546 | 32,416 | 26.6577 |
| | Natural gas 天然氣 | M ³ 立方米 | 495,888 | 391.6481 | 305,601 | 251.3165 |
| Water 水 | Water 水 | Tonnes 噸 | 46,828 | 36.9845 | 84,335 | 69.3548 |
| Paper 紙張 | Paper 紙張 | Tonnes 噸 | 11 | 0.0084 | 14 | 0.0116 |
| Packaging material 包裝材料 | By plastic 塑料 | Tonnes 噸 | 6 | 0.0050 | 12 | 0.0095 |
| | By glass 玻璃 | Tonnes 噸 | 41 | 0.0323 | 82 | 0.0672 |
| | By metal 金屬 | Tonnes 噸 | 27 | 0.0213 | 21 | 0.0176 |
| | By paper 紙張 | Tonnes 噸 | 127 | 0.1003 | 109 | 0.0899 |

* The calculation for intensity is the resources consumption amount divided by revenue in the Group's Reporting Period.

* 密度是按資源消耗量除以本集團於報告期間內的收益計算。

Energy Use Efficiency Initiatives

The Group has established relevant guidelines to improve the efficiency in energy, water and other raw materials consumption. In the production sites, the Group strives to lower the energy cost and improve the throughput yield by enhancing the efficiency of its manufacturing facilities via various measures such as the conducting routine maintenance. In the daily operations, the Group adopted various measures to improve the conservation of electricity and water, the consumption of paper, and encourage energy savings, such as encouraging the concept of paperless office, choosing double-sided printing and reusing used-paper; minimising electricity consumption in the office area by turning off electronic equipment instead of standby mode; placing "saving water resource" signs in prominent places; conducting regular maintenance on the water supply system; and maximising the use of telephone and video conferences system to reduce staff's business trips.

In 2021, the Group consumed an equivalent of 10,795,833 kWh energy (2020: 8,902,858 kWh energy), with an intensity of 8,256.46 kWh/million HK\$. The Group planned to achieve 10% electricity reduction in energy consumption by year 2026 from a base year of 2021.

Water Consumption

The Group's manufacturing facilities have installed a wastewater treatment system and wastewater will be treated to meet discharge standard before being discharged to the sewage network.

During the Reporting Period, the total water consumption was approximately 46,828 tonnes. There is no issue in sourcing water, and the Group planned to achieve 10% water reduction in water consumption by year 2026 from a base year of 2021.

能源使用效益倡議

本集團已制定相關指引以提升能源、水及其他原材料的消耗效益。本集團透過不同措施，例如例行維修，提升製造設施的效能，致力降低生產基地的能源成本及提高產出量。本集團在日常運作中已採納多項措施，以促進節約用電、用水及用紙並鼓勵節能，例如提倡無紙辦公室概念、選擇雙面列印及重用紙張；關掉電子設備而非選擇待機模式以盡量節省辦公室用電；在當眼位置張貼「節約水資源」的標示；定期維護供水系統；以及盡量使用電話及視像會議系統以減少員工出差次數。

於二零二一年，本集團耗用10,795,833千瓦時能源(二零二零年：8,902,858千瓦時能源)當量，密度為8,256.46千瓦時／百萬港元。以二零二一年為基準，本集團計劃於二零二六年或之前減少10%的電力能耗。

耗水

本集團的生產設施已安裝廢水處理系統，廢水先經處理至符合排放標準後，才會排放至污水網絡。

於報告期間內，總耗水量約為46,828噸。取水並無問題，而以二零二一年為基準，本集團計劃於二零二六年或之前減少10%的耗水量。

A3: The Environment and Natural Resources

The main environmental impacts of the Group's production and operation are the direct and indirect GHG emissions from the production line and the use of electricity. The implementation of environmental protection procedures is in line with the Group's objectives as the savings in energy, water and other raw materials are not just environmentally friendly but also bring in cost-savings. The Group firmly believes that these will facilitate the sustainability of both environment and the business of the Group. Save as otherwise disclosed in this ESG Report, the Group's operating activities have no significant impact on the environment and natural resources.

A4: Climate Change

Global warming has been one of the utmost concerned issues in recent years, which might induce extreme weather conditions such as storms, flooding and earthquakes, etc. During the Reporting Period, the Group has not been seriously affected by the extreme weather conditions. Even though the Group expected that potential extreme weather condition and the sustained high temperature do not have a material impact on its operations, the Group will continue to monitor the climate-related risks and implement relevant measures to minimise the potential impact of climate change.

Our operating networks are not immune to climate-induced extreme weather events like typhoons and rainstorms. These impact our business whether through business interruption or by even putting the safety of our staff and customers at risk. Through our clear work arrangement policies and constant communication with our people, we are better prepared than ever to respond to these emergency situations.

A3: 環境及天然資源

本集團生產及營運的主要環境影響為來自生產線及用電的直接及間接溫室氣體排放。實行環保程序切合本集團的目標，原因是節約能源、用水及其他原材料不僅環保，亦能減省成本。本集團深信此等舉措將有助環境及本集團業務共同可持續發展。除本ESG報告另行披露者外，本集團的營運活動對環境及天然資源並無造成嚴重影響。

A4: 氣候變化

近年，全球暖化已成為最受關注的議題之一，可能引致風暴、水災及地震等極端天氣狀況。於報告期間內，本集團未曾受到極端天氣狀況的嚴重影響。儘管本集團預期潛在極端天氣狀況及持續高溫不會對其營運造成重大影響，惟將繼續監察氣候相關風險，並實施相關措施盡量減低氣候變化的潛在影響。

面對颱風及暴風雨等由氣候引致的極端天氣事態，我們的營運網絡不能獨善其身，業務可能被中斷，甚或危及旗下員工及客戶的安全。通過清晰的工作安排政策及與員工保持溝通，我們已做好最佳準備應對此等緊急情況。

(B) SOCIAL

B1: Employment

The Group's emolument policies are formulated on the performance of individual employees and on the basis of the trends of salaries in various regions, which will be reviewed regularly. Apart from provident fund scheme, retirement benefits scheme and medical insurance, share options and bonus may also award to employees according to the assessment of individual performance. The Group reviews the working hours, paid annual leaves and paid sick leaves, and other employment practices on a regular basis to ensure the compliance with up-to-date labour laws and regulations.

People with different genders, races or disabilities shall have equal opportunities. The Group adopts non-discriminatory hiring and employment practices and strictly prohibits discrimination of any kind. All employees with fixed working hours are eligible for the compensation leave for overtime work on Sundays and Public Holidays provide that overtime work must be approved by respective department head.

The Group actively complied with laws and regulations, such as the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Regulations on Work-related Injury Insurances and Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The Group has accordingly formulated a series of relevant personnel management policies to provide employees with a healthy, positive and motivative working atmosphere, and guides employees to actively integrate personal pursuits into the long-term development of the Group.

During the Reporting Period, the Group was not aware of any material non-compliance of laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.

(B) 社會

B1: 僱傭

本集團的酬金政策是按個別僱員的表現及基於不同地區的薪金趨勢而定，並會作定期檢討。除公積金計劃、退休福利計劃及醫療保險外，本集團亦會根據個人表現評估向僱員授出購股權及花紅。本集團會定期檢討工時、有薪年假、有薪病假及其他僱傭常規，確保遵守最新勞工法律法規。

不同性別和種族的人士及殘疾人士均應享有平等機會。本集團在招聘及僱傭方面採用不歧視常規，並嚴禁任何形式的歧視行為。所有固定工時僱員均合資格就於星期日及公眾假期超時工作享有補假，惟超時工作須經相關部門主管批准。

本集團主動遵守法律法規，例如《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《工傷保險條例》及香港法例第57章《僱傭條例》。本集團據此制訂一系列相關人員管理政策，為僱員提供健康而積極奮發的工作環境，指導僱員積極地將個人目標融入本集團的長遠發展。

於報告期間內，本集團並無發現嚴重違反任何涉及補償及解僱、招聘及晉升、工時、假期、平等機會、多元化、反歧視以及其他待遇及福利的法律法規的情況。

Manpower Requisition

When the department heads identifies a need for new hiring, they are required to submit the Manpower Requisition Form and attach with job description to the Human Resources Department (“HR”). HR will communicate with department heads in order to get the job duties, requirements of the vacancy and respective reporting line.

Job Advertising/Recruitment Agency Usage

HR will post the job advertisement through appropriate channels. For any recruitment agency service, prior approval from Directors is required.

Screening and Interview Arrangement

HR will conduct initial curriculum vitae screening and refer those qualified candidates for department head’s consideration. Department heads should select from the pool and inform HR to arrange interviews. First interview is conducted by HR and department head conducts the second interview. Department heads pass the completed Interview Assessment Form to HR and confirm the final candidate to be offered.

Employment Offer Confirmation and Approval

HR will prepare the Recommendation for Employment Form for Director’s approval and negotiate the terms of employment with the selected candidate.

人手要求

當部門主管認為有需要增聘人手時，需要向人力資源部提交增聘人手表格連同職位概述。人力資源部將與部門主管溝通，以取得職位職責、空缺要求及對應上級。

招聘廣告／僱用獵頭公司

人力資源部將透過合適渠道刊登招聘廣告。如需僱用獵頭公司，需要事先取得董事批准。

篩選及面試安排

人力資源部將進行初步履歷篩選，並轉介合資格人選以供部門主管考慮。部門主管應從中挑選應徵者，通知人力資源部安排面試。首輪面試由人力資源部進行，而部門主管則進行次輪面試。部門主管將已填妥的面試評核表格交予人力資源部，確認最終人選。

聘用意向確認及批准

人力資源部將編製僱用表格建議以供董事審批，並與中選者磋商聘用條款。

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Employment and Labour Practices

As at 31 December 2021, the Group had 1,321 employees working in Hong Kong, Taiwan and mainland China. The employee compositions by gender, age group and geographical region were as follows:

僱傭及勞工常規

於二零二一年十二月三十一日，本集團於香港、台灣及中國內地的僱員人數為1,321人。僱員組成按性別、年齡組別及地區劃分如下：

| Summary of Employee Data 僱員數據概要 | | Number of employees as at 31 December 2021 於二零二一年十二月三十一日的僱員人數 | Percentage of employees as at 31 December 2021 於二零二一年十二月三十一日的僱員百分比 |
|------------------------------------|---------------------------------|--|---|
| By gender 按性別劃分 | Male 男性 | 595 | 45.0% |
| | Female 女性 | 726 | 55.0% |
| By age 按年齡劃分 | Aged 18–30 18–30歲 | 440 | 33.3% |
| | Aged 31–40 31–40歲 | 602 | 45.6% |
| | Aged 41–60 41–60歲 | 271 | 20.5% |
| | Aged over 60 60歲以上 | 8 | 0.6% |
| By geographical region 按地區劃分 | Hong Kong 香港 | 53 | 4.0% |
| | Taiwan 台灣 | 8 | 0.6% |
| | China 中國 | 1,260 | 95.4% |
| By employee category 按僱員類別 | General staff 一般員工 | 1,205 | 91.2% |
| | Middle management 中層管理人員 | 92 | 7.0% |
| | Senior management 高層管理人員 | 20 | 1.5% |
| | Contract or short term 約聘或短期 | 4 | 0.3% |

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Turnover

流失率

The following table sets for the turnover rates of the Group's employees for the Reporting Period:

下表載列本集團僱員於報告期間內的流失率：

| Summary of Employee Data 僱員數據概要 | | Number of Employees Resigned in Year 2021 二零二一年度辭職僱員人數 | Turnover Rates 流失率 |
|------------------------------------|-----------------------|---|-----------------------|
| By gender 按性別劃分 | Male 男性 | 199 | 32.6% |
| | Female 女性 | 191 | 27.6% |
| By age 按年齡劃分 | Aged 18–30 18–30歲 | 156 | 34.1% |
| | Aged 31–40 31–40歲 | 194 | 32.0% |
| | Aged 41–60 41–60歲 | 40 | 17.4% |
| | Aged over 60 60歲以上 | 0 | N/A 不適用 |
| By geographical region 按地區劃分 | Hong Kong 香港 | 6 | 11.3% |
| | Taiwan 台灣 | 1 | 12.5% |
| | China 中國 | 383 | 30.9% |

The Group was not aware of any material breach of labour laws and regulations during the Reporting Period.

於報告期間內，本集團並無發現嚴重違反任何勞工法律法規的情況。

B2: Health and Safety

The Group devotes to create a safe and healthy workplace for its employees to protect them from work-related accidents and injuries. We enforce relevant laws and regulations such as the Labour Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and Fire Protection Law of the People's Republic of China, etc.

The Group pledges full compliance with relevant occupational health and safety legislations of Hong Kong and mainland China. Suitable insurance schemes which cover medical treatments and accidents have been provided to its staff members. Depending on the job nature, for example, we will arrange biological and chemical safety courses to our laboratory staff according to laboratory safety requirements.

As employees' health and safety are of paramount importance to the operation of the Group, the Group has accordingly formulated a series of relevant personnel management policy to provide employees with a healthy, positive and motivative working atmosphere. Additionally, the Group provides induction programs and safety training programs to new employees such that they can be familiar with the corporate policies in relation to health and safety matters upon joining our Group.

| Work-related Fatality/Injuries 因工亡故/工傷 | Year 2021 二零二一年度 | Year 2020 二零二零年度 | Year 2019 二零一九年度 |
|--|---------------------|---------------------|---------------------|
| Work-related injuries (less than 3 days) 工傷(少於三天) | 1 | 2 | 1 |
| Work-related injuries (3 days or more) 工傷(三天或以上) | 2 | 1 | 1 |
| Lost days due to work injury 因工傷損失工作日數 | 63 | 6.5 | 4.5 |

During the past three years, the Group did not record fatality of employees; during the Reporting Period, the Group was not aware of any material non-compliance of applicable occupational health and safety laws and regulations. During the Reporting Period, the Group was not aware of any material non-compliance with Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

B2: 健康與安全

本集團致力為僱員提供安全健康的工作場所，避免因工發生意外及受傷。我們落實相關法律法規，例如《中華人民共和國勞動法》、《中華人民共和國職業病防治法》及《中華人民共和國消防法》等。

本集團承諾全面遵守香港及中國內地的相關職業健康與安全法例。本集團亦已為員工投購涵蓋醫療及意外的合適保險計劃。考慮員工的工作性質，例如按照實驗室安全規定為實驗室員工安排生物及化學安全課程。

由於僱員健康與安全對本集團營運而言為重中之重，因此，本集團已制訂一系列相關人員管理政策，為僱員提供健康而積極奮發的工作環境。此外，本集團為新入職僱員提供入職培訓及安全訓練課程，以便彼等於加入本集團時能夠熟悉有關健康與安全的公司政策。

於過去三年內，本集團並無僱員死亡記錄；於報告期間內，本集團並無發現嚴重違反任何適用職業健康與安全法律法規的情況。於報告期間內，本集團並無發現嚴重違反涉及提供安全工作環境及保障僱員免受職業危害而對本集團有重大影響的香港法例第509章《職業安全及健康條例》的情況。

B3: Development and Training

The Group regularly updates the Directors on the latest development regarding the Listing Rules and other applicable legal and regulatory requirements regarding subjects necessary in discharging their duties. The Group provides staff orientation to all new joined staff.

The Group has actively encouraged professional staff to participate in continuous professional development to maintain and improve their work skills and knowledge. Staff can apply training and study subsidy for job related courses or seminars according to the training policy. A total of 6,016.8 training hours were conducted in the Reporting period, and training hours (categorised by gender and employee category) are shown below:

B3: 發展及培訓

本集團定期向董事提供最新資訊，告知彼等上市規則的最新發展以及與履行職務所需事項有關的其他適用法律及監管規定。本集團為所有新入職員工提供入職培訓。

本集團積極鼓勵專業人員參與持續專業發展，以維持及增進其工作技能及知識。員工可按照培訓政策就工作相關課程或研討會申請培訓及進修補貼。於報告期間內，已進行培訓合共6,016.8小時，培訓時數(按性別及僱員類別劃分)列示如下：

| Occupational Training Data | | Year 2021 |
|--|-----------------------------|-----------|
| 職業培訓數據 | | 二零二一年度 |
| The percentage of employee trained by gender 按性別劃分的受訓僱員百分比 | Male 男性 | 44.8% |
| | Female 女性 | 55.2% |
| The percentage of employee trained by employment category 按僱員類別劃分的受訓僱員百分比 | General staff 一般員工 | 93.9% |
| | Middle management 中層管理人員 | 4.5% |
| | Senior management 高層管理人員 | 1.6% |
| Average training hours of employees by gender 按性別劃分的僱員完成受訓平均時數 | Male 男性 | 10.0 |
| | Female 女性 | 9.9 |
| Average training hours of employees by category 按僱員類別劃分的僱員完成受訓平均時數 | General staff 一般員工 | 9.8 |
| | Middle management 中層管理人員 | 10.7 |
| | Senior management 高層管理人員 | 13.7 |

B4: Labour Standards

The Group implements its labour standards as well as the recruitment processes in strict compliance with relevant legal and regulatory requirements in respective territories, and strictly prohibits child labour or forced labour for any position of the Group. The Group has complied with applicable law relating to preventing child and forced labour, including the Convention on the Abolition of Forced Labour in respect of employment of labour, the Labour Law of the People's Republic of China in respect of employing child labour under 16 and their legal rights, and the Provisions on Prohibition of Using Child Labour.

Discretionary Bonus

Discretionary bonus will be paid yearly subject to the profitability of the Group and performance and contribution of each employee which is at full discretion of the Group.

Insurance and Retirement Benefits

Staff is eligible for employee's compensation insurance and group medical insurance after probationary period. Travel insurance will be provided to those staff who is required to have business trip to other countries/cities.

All staff also have insurance coverage as required by law and the Group complies with all the labour regulations and procedures, including Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, Social Insurance Law of the People's Republic of China, Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), and Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong).

Vacation

Annual leave entitlements are subject to staff grades and years of service.

B4: 勞工準則

本集團實施本身的勞工準則及招聘程序，嚴格遵守有關地區的相關法律及監管規定，而本集團的所有職位亦嚴禁僱用童工或強制勞工。本集團已遵守涉及防止童工及強制勞工的適用法例，包括有關勞工僱傭的《廢止強迫勞動公約》、有關僱用16歲以下童工及其合法權利的《中華人民共和國勞動法》及《禁止使用童工規定》。

酌情花紅

本集團因應其盈利以及各僱員表現及貢獻，全權酌情派發年終酌情花紅。

保險及退休福利

員工於試用期後合資格享有僱員補償保險及團體醫療及牙科保險。員工如需前往其他國家／城市公幹，將享有旅遊保險。

本集團依照法律規定為所有僱員購買保險，亦遵守所有勞工法規及程序，當中包括《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國社會保險法》、香港法例第608章《最低工資條例》和香港法例第485章《強制性公積金計劃條例》。

假期

員工可視乎職級及年資享有年假。

Wages and benefits

Remuneration including basic salary and fixed allowance should be set for each post taking into account level of responsibilities, qualifications, skills and experience required of the post, prevailing salary trends and financial resources of the Group. The basic salary range for each post is determined and approved by Board of Directors. Salary is payable from the date of commencement and is paid monthly, in arrears, directly to a bank account nominated by the staff. Salary will be reviewed through annual salary exercise subject to individual performance and profitability of the Group.

In case any irregularities in ages, identities and/or validities of employment status were found, employment will be terminated immediately and the Group will report the incident to relevant authorities. The Group has complied with all applicable laws and regulations in relation to employment matters during the Reporting Period.

工資及福利

薪酬包括基本薪金及定額津貼，於考慮職位的職責、所需資格、技能及經驗、當前薪金趨勢及本集團的財務資源後，按職位設定。各職位的基本薪金範圍由董事會釐定及批准。薪金由開始僱傭日期起於每月月底支付，直接存入員工指定的銀行賬戶。薪金將視乎個人表現及本集團盈利於每年薪金調整時審視。

如有發現年齡、身份及／或僱傭狀況效力方面的違規情況，僱傭關係即告終止，而本集團將向有關當局上報。於報告期內，本集團已遵守有關僱傭事宜的所有適用法律法規。

B5: Supply Chain Management

Pharmaceutical industry is a highly regulated business and the procurement of each of the licensed-in pharmaceutical products or each of the key raw materials for proprietary and generic products manufacturing are unique and may not have alternative suppliers, as a result, the Group implements stringent due diligence measures during business partners screening process. Cost is one of the key parts in the selection processes but, nevertheless, the Group also considers other factors such as quality control, compliance of local laws, rules and regulations, as well as their performance on corporate social responsibility.

The Group has established a series of approval procedures to manage potential conflicts of interest in procurement. Before establishing any business relationship with a new supplier, the Group conducts due diligence to grasp the background and the relationship of the suppliers with the Group. The Group expects suppliers to meet our standards in terms of environment, quality, society, corporate governance, business ethics, etc.

B5: 供應鏈管理

醫藥行業是受到嚴格規管的業務，且各種引進藥品或製造專利及仿製產品所用的各種主要原材料的採購渠道均是獨一無二，未必存在替代供應商。因此，本集團於篩選業務合作夥伴時會採取嚴格的盡職調查措施。成本是遴選過程中的重要環節之一，但本集團亦會考慮其他因素，例如質量控制、有否遵守當地法律、規則及法規，以及候選業務合作夥伴在企業社會責任方面的績效。

本集團已制訂一系列審批程序，管理採購過程中可能出現的利益衝突。本集團與新供應商建立任何業務關係之前，會進行盡職調查，以掌握供應商的背景及其與本集團的關係。本集團期望供應商能夠符合我們在環境、品質、社會、企業管治、商業道德等方面的標準。

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Suppliers are regularly audited by the audit team, which is composed of multiple departments of the Company, to examine whether the major suppliers are in compliance with relevant laws and regulations. The Group also updates the professional and industry standards and qualifications regularly and evaluates the suppliers annually according to the materials supplied.

During the Reporting Period, the Group sourced 64, 1,617 and 26 of suppliers in Hong Kong, China and other countries respectively. During the Reporting Period, the Group was not aware that any key suppliers had or significant actual and potential negative impact on business ethics, environmental protection, human rights and labour practices, nor any of them had any non-compliance incident in respect of human rights issues. Overall, the Group aims to maintain long-term cooperative relationships with its suppliers, service providers and business partners, and encourages them to maintain a high standard of business ethics and conduct.

B6: Product Responsibility

The Group has maintained a comprehensive quality management system, from drug development, clinical trial, drug production to product commercialisation. The Group strictly complies the laws, rules and regulations of relevant territories related to quality assurance and product safety such as the Drug Administration Law of the People's Republic of China and Good Manufacturing Practice of National Medical Products Administration.

The Group requests the suppliers to provide relevant intellectual property ownership certificates before consumption. In addition, the supplier needs to provide the factory inspection report for the equipment and medicaments, and strictly follows the Standard Operation Procedure "SOP" in cargo transaction, to make sure the product meets the quality requirements. The Group demands the labelling of the products and the content of all publicity means must reflect the actual conditions of the products. The Group respects and safeguards data privacy, both personal and business, of its employees, suppliers, business partners and customers. The Group has maintained complete record on the purchasing and selling of drugs and the traceability of drugs has established an effective recall mechanism therefor when needed.

During the Reporting Period, there were no material recalls, significant complaints against the products, or any material amount of sales return for safety and health reasons.

由本公司多個部門組成的審核團隊會定期審核供應商，以審視主要供應商是否符合相關法律法規。本集團亦會定期更新專業及行業標準及資格，並按照所供應物料每年對供應商進行評估。

於報告期間內，本集團於香港、中國及其他國家分別有64名、1,617名及26名供應商。於報告期間內，本集團並無發現任何主要供應商在商業道德、環保、人權及勞工常規方面造成任何實質及潛在負面影響，或涉及有關人權問題的不合規事件。整體而言，本集團期望與供應商、服務供應商及業務合作夥伴維持長期合作關係，並鼓勵彼等維持高水平的商業道德和操守。

B6: 產品責任

本集團設有全面的質量管理系統，涵蓋藥品開發、臨床測試、藥品生產以至產品商業化多個環節。本集團嚴格遵守有關地區的質量保證及產品安全法律、規則及法規，如《中華人民共和國藥品管理法》及國家藥品監督管理局良好生產規範。

本集團會於購買前要求供應商提供相關知識產權所有權證明書。此外，供應商需要就設備及藥物提供驗廠報告，並就貨櫃交易嚴格遵守標準操作程序，以確保產品符合品質要求。本集團要求產品標籤及所有宣傳品的內容均須反映產品的實際情況。本集團尊重並保障僱員、供應商、業務合作夥伴及客戶的個人及商業資料私隱。本集團已就買賣藥品保存完整紀錄，並為藥品追蹤建立有效的召回機制，以備不時之需。

於報告期間內，並無涉及安全及健康理由的重大產品收回、嚴重投訴或大額退貨。

B7: Anti-corruption

The Group highly values honesty and integrity. All employees, including the management, are required to strictly adhere to the internal policy, rules and regulations on anti-corruption. The Group requires all of its distributors to sign anti-bribery agreements when they enter into distributor agreements therewith. In addition, the Group also requests its suppliers and business partners to observe the same ethical standards to minimise the possibility of bribery, extortion, fraud and money-laundering. The contravened parties will be terminated in case of any breach of policy, rules and regulations identified with solid evidence.

The Group observed the related laws and regulations that have significant impact on the Group relating to bribery, extortion, fraud and money-laundering, such as the Prevention of Bribery Ordinance of Hong Kong (Chapter 201 of the Laws of Hong Kong), and the Anti-corruption Act of the PRC. During the Reporting Period, the Group complied with the relevant laws and regulations relating to bribery, extortion, fraud and money-laundering mentioned above. A whistleblowing policy is in place to facilitate reporting of employees' misconduct. Staff or non-staff can communicate with the audit committee members via email for the matters relating to inappropriate and unlawful behaviour or organisational malpractice on confidential and anonymous bases.

The Group was not aware of any material breach of laws and regulations pertaining to the prevention of bribery, extortion, fraud and money-laundering during the Reporting Period.

B8: Community Investment

The Group believes that corporate responsibility is a fundamental part of the business and the needs of the communities should be taken into account. During the Reporting Period, the Group made charitable donations of approximately HK\$7,462,000 to support the community in area of education & health. The Group cares about the community and encourages its employees to participate in charity events to help people in need.

B7: 反貪污

本集團非常重視誠信和廉潔。包括管理層在內的所有僱員均須恪守有關反貪污的內部政策、規則及規例。本集團要求所有分銷商於與本集團訂立分銷商協議時簽署反賄賂協議。此外，本集團亦要求供應商及業務合作夥伴遵守同一道德標準，從而盡量減低發生賄賂、勒索、欺詐及洗黑錢的可能。倘被發現違反任何政策、規則及規例並有確實證據，違規一方將被終止協議。

本集團已遵守涉及賄賂、勒索、欺詐及洗黑錢而對本集團有重大影響的相關法律法規，例如香港法例第201章《香港防止賄賂條例》及中國《反貪污法》。於報告期間內，本集團已遵守上述涉及賄賂、勒索、欺詐及洗黑錢的相關法律法規。本集團訂有舉報政策以便舉報僱員的不當行為。員工及非員工均可透過電郵以保密及匿名方式，就涉及不當及非法行為或有組織舞弊行為的事宜與審核委員會成員溝通。

於報告期間內，本集團並無發現嚴重違反任何與防止賄賂、勒索、欺詐及洗黑錢有關的法律法規的情況。

B8: 社區投資

本集團相信，企業責任是業務的根基，應顧及社區需要。於報告期間內，本集團作出慈善捐贈約7,462,000港元，於教育與健康範疇支持社區。本集團關心社區，鼓勵僱員參與慈善活動，幫助有需要人士。

