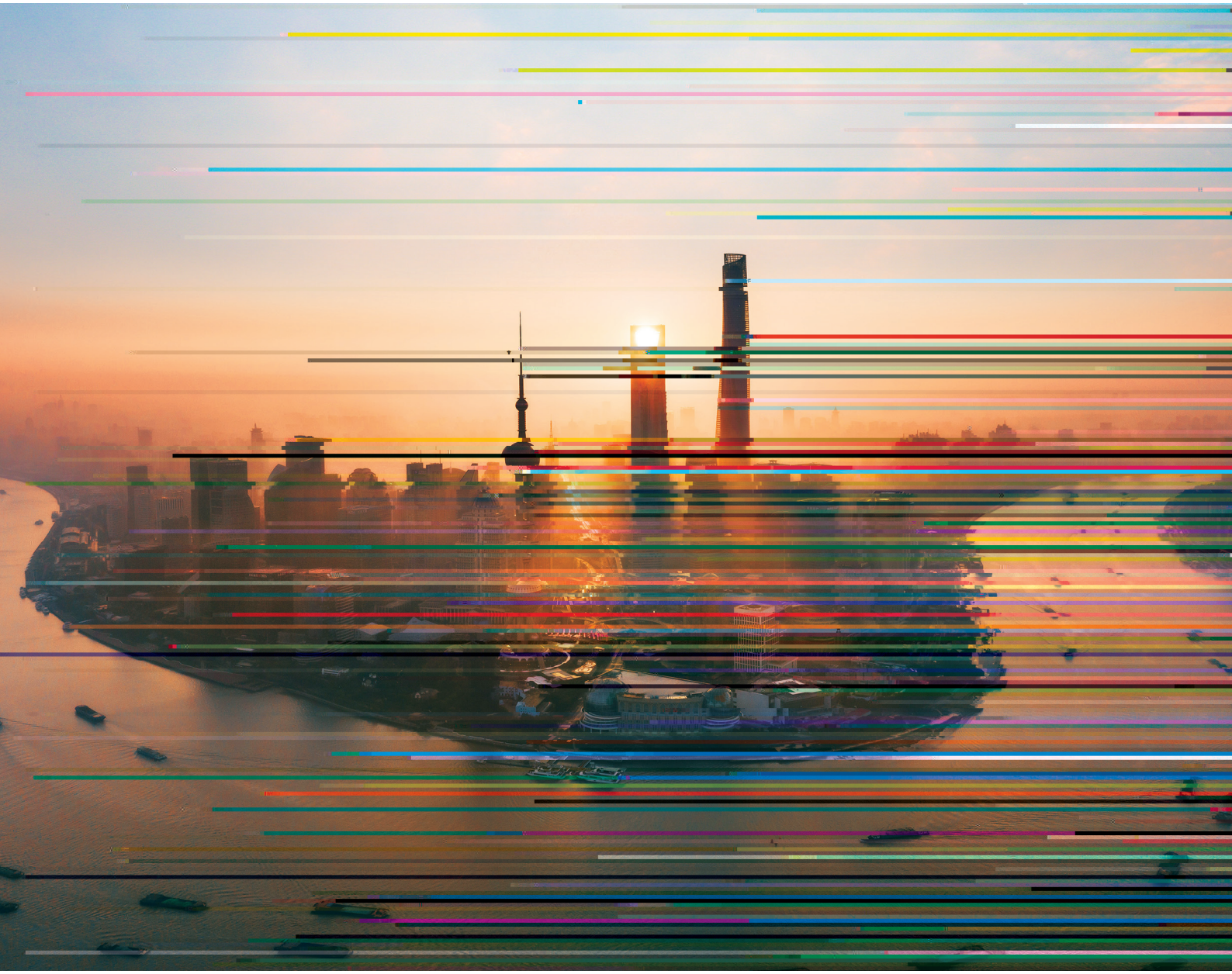
(Incorporated in the Cayman Islands with limited liability)
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ABOUT THE REPORT

Hua Medicine (the "Company" or together with its subsidiaries, the "Group" or "We") hereby presents the Environmental, Social and Governance report ("ESG report" or the "Report") to the public for the year of 2020. This report aims to present the ESG policies and performance during the year.

Compilation Reference

This report discloses or explains the Group's sustainable business as of December 31, 2020 and is prepared in accordance with the requirements set out in the "ESG Guide" in Appendix 27 to the Main Board Listing Rules published by the Hong Kong Stock Exchange and Clearing Limited ("HKEX"), with the Group's own situation considered as well.

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ABOUT US

Message from CEO

2020 was the third consecutive year for Hua Medicine to publish the environmental, social and governance report. We hope to use this communication channel to demonstrate to our equity holders our efforts and achievements in fulfilling our environmental, social and governance responsibilities, as well as our outlook and commitment to take on more responsibilities in the future.



CEO, Dr. Li CHEN

2020 was a special year. The sudden outbreak of Covid-19 brought great changes to people's lives and posed challenges to the Group. In addition to actively responding and promptly implementing strategic decisions related to the prevention and control of the epidemic, we continue to promote initiatives related to environmental protection and implement the concept of green operations and sustainable development; adhere to the people-oriented approach, create a good office environment for employees and continue to provide various forms of vocational training to help employees achieve value enhancement and self-development; adhere to the "high standards and high quality to create high value" management principle, insist on the highest standard of pharmaceutical research and development; uphold the highest quality of pharmaceutical manufacturing standards, and strive to create new miracles in pharmaceutical development.

2020 was the tenth year of Hua Medicine's establishment. In this year, Hua Medicine accomplished significant milestones in its clinical development program, and received care, recognition, and support from all sectors of society. A number of clinical studies achieved fruitful results, and the Group obtained the Drug Manufacturing Permit for dorzagliatin in the second half of 2020 and completed the core work of commercial production preparation, laying a solid foundation for the commercial production supply of post-marketing drugs and the gradual increase of production capacity in the future. At the same time, the Group has established a strategic partnership with Bayer in China in the field of diabetes. By leveraging Bayer's leading edge in the field of diabetes management in China and Hua Medicine's innovative capabilities, the Group will provide a new choice of treatment options for Chinese diabetes patients. Looking into the future, Hua Medicine will continue to set sail on the long voyage and explore the future by adhering to the tenet of "For Patient, Global Innovation, Effective Medicine".

Business Overview

Hua Medicine is a leading, clinical-stage innovative drug development company in China focused on developing novel therapies for the treatment of diabetes. Founded by an experienced group of entrepreneurs and international investment firms, Hua Medicine advanced a first-in-class oral drug for the treatment of Type 2 diabetes into NDA-enabling stage. Hua Medicine successfully completed two Phase III registration trials in 2020. In preparation for our eventual new drug application (NDA) submission for dorzagliatin with the National Medical Products Administration (NMPA), we completed the required active pharmaceutical ingredient commercial manufacturing process validation. In 2020, we obtained the Drug Manufacturing Permit and established a solid foundation for the successful launch of future products under development.

Innovative R&D Model

In the drug development phase, we adopted "RPP" Model: Regulation + Policy + Practice, and throughout the drug's full life cycle, our team has always placed an emphasis on management of "Q" (Quality). Hua Medicine has established the Drug Safety Management Committee and the Quality Risk Management Committee, which focus on drug safety and quality issues within our clinical trials, manufacturing and sales, to ensure that the trial design, research execution, and operations can all be implem

Awards & Recognitions in 2020

Hua Medicine was recognized as a high-growth headquarters in Pudong New Area by Shanghai Pudong New Area Municipal Commission of Commerce in 2020

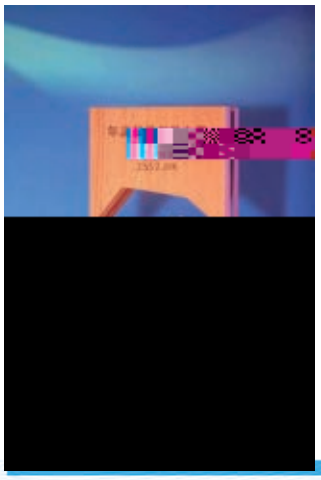


Hua Medicine received Certificate of Multinational R&D Center from Shanghai Municipal Commission of Commerce in 2020

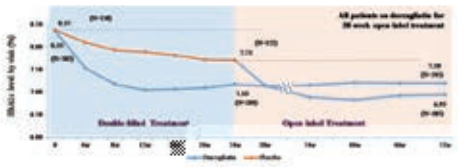




Hua Medicine receives the 2020 Gelonghui Most Innovative Award



Highlights of 2020



2020/6/18

Hua Medicine Successfully Completes SEED (HMM0301), Dorzagliatin's Phase III Monotherapy Trial



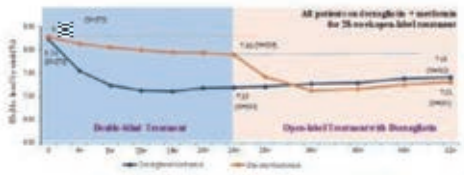
2020/8/17

Hua Medicine announces strategic collaboration with Bayer in the field of diabetes



2020/10/14

Hua Medicine announces the Drug Manufacturing Permit granted for dorzagliatin



2020/12/18

Hua Medicine Successfully Completes Its Registration Phase III Trials; Announces 52-Week Results for DAWN (HMM0302), Dorzagliatin's Phase III Combination with Metformin Trial



2020/12/30

Hua Medicine Global Operation Headquarters and R&D Center officially established

RESPONSIBILITY MANAGEMENT

Sustainability Strategy

Our Mission

To focus on innovative, first-in-class medicines that address unmet medicine needs globally.

Our Core Values



For Patients

Focus on patients' needs to provide truly valuable products.

Global Innovation

Utilize "innovative ideas" to promote "innovative technology", utilize "innovative models" to produce new drug and develop "innovative talent", and create "innovative environment" altogether.

Effective Medicines

Emphasis on quality management to continuously enhance ability on quality and risk control.

Our core ESG strategy is reflected in our mission and values. As we continue to deliver innovation and address global needs of diabetes patients, we remain committed to improving the Company's sustainability. We work hard to integrate ESG concept into our sustainability strategy, which guides our everyday decisions and actions, so that we can improve corporate management and create sustainable values for all stakeholders.

Stakeholder Communication

We believe understanding stakeholder expectations is a vital element in sustainability strategy. Through actively creating innovative channels to strengthen communications with stakeholders, the Group continuously revises and optimizes its environmental and corporate social responsibility initiatives.

Stakeholder	Expectations	Communication Channels
 **Government/Regulatory Agencies**	• Compliance with the Law • Promote industry innovation	• Work report • Government-Enterprise meetings • Policy consultation
 **Shareholders/Investors**	• Protect shareholders' rights and interests • Satisfactory investment return • Compliance management	• Timely information disclosure • Shareholder meetings • Sound legal risk control system
 **Employees**	• Protect employees' rights and interests • Democratic and empathetic management • Focus on health and safety • Provide trainings and career development channels	• Performance evaluation mechanism • Periodic safety drill • Labor union and employee caring activities • Professional trainings
 **Medical Community**	• Provide safe and high-quality drug • Protect safety of patients • Protect privacy of patients • Listen to feedbacks from patients	• Innovative drug research • Product quality control • Personal data protection • Effective helplines, complaint filling channels
 **Suppliers/Partners**	• Fulfill contracts • Ensure open and transparent cooperation • Create a win-win situation	• Long-term strategic cooperation • Procurement guidance • Management visits • Consistent communication
 **Community/Public**	• Create environmental-friendly workplace • Hold community charity events	• Resource saving promotion • Industry forum • Public speeches • Social media

Board Statement

Since its establishment, Hua Medicine has been committed to the "Patients First, Global Innovation, Effective Medicines" philosophy. In order to deliver high value products to future patients, the Group has been very focused on ensuring that its clinical trials, manufacturing, and corporate development has been conducted with the highest quality. As Hua Medicine approaches potential commercial launch of its first drug, dorzagliatin, it is of the utmost importance that this adherence to high quality continues to be maintained during the new drug application process, and manufacturing and commercialization of dorzagliatin.

With reference to environmental, social and governance reporting guidelines, based on communication and exchanges with various stakeholders, and taking into account the development trend and general concerns of the biotechnology and pharmaceutical industry, Hua Medicine ranked the importance of each potential issue and confirmed the following as the Group's key areas of concern.

Category	Issues
Environmental	Pollutants emission management
	Efficient use of resources
	Greenhouse gas emission and management
Social and governance	Quality management
	Intellectual property management
	Supply chain management
	Staff safety and health
	Staff development and training
	Anti-corruption
	Public welfare

Regarding the key areas of concern under the environmental category, as the Group approaches the potential commercial launch of dorzagliatin, the environmental impact from its business becomes increasingly significant, especially with regards to the manufacturing process of the drug. Hua Medicine will extend its commitment to green and sustainable practices to our expansion of manufacturing processes and scale-up of other commercialization related processes.

Regarding key areas of concern under the social and governance categories, these have been the Group's top priorities since establishment. As a China-based global biotechnology company, quality and IP management are critical to ensure the future of Hua Medicine's business. The Group's current operations are also heavily reliant on its staff, as well as its supply chain of outside vendors who support Hua Medicine in running clinical trials, and manufacturing and commercializing dorzagliatin, etc.

The Group's Board of Directors meets regularly to hear the progress of each division responsible for the aforementioned issues for the current period, and to discuss the need for additions, deletions and modifications to key areas based on the status of achievement and the core business model and operational processes.

Business Ethics

Hua Medicine has formulated *Fraud Policy Statement* and *Whistleblower Policy* in accordance with the laws and regulations of *PRC Criminal Law* and *PRC Company Law*. *Fraud Policy Statement* stipulates the definition of fraud, the investigation of fraud, and the handling procedures, etc. In 2020, the Group updated the *Whistleblower Policy* to improve the whistleblowing system and to ensure that improper conduct disclosure handling process complies with the objectives of management, the audit committee, and the internal audit department. *Whistleblower Policy* clearly stipulates the methods and forms of reporting improper conduct, the acceptance and investigation of disclosures, and the recording and reporting. All employees have access to this policy and are provided with training about this policy and their rights and obligations under it. At the same time, Hua Medicine has clearly explained the penalties for employees' corrupt behavior in the *Employee Handbook*.

In the updated physical procurement contract and service procurement contract templates in 2020, Hua Medicine states that the partner shall comply with all relevant Chinese laws, rules and regulations as well as the use of other national laws and regulations used in the contract, especially all applicable laws related to anti-bribery, anti-corruption, anti-money laundering, bookkeeping and internal control, including the U.S. Foreign Corrupt Practices Act and the International Anti-Corruption Law. If the partner finds any misconduct of Hua Medicine or its employees, affiliates, subcontractors, or representatives in the performance of this contract that violates the laws, rules or regulations related to anti-bribery, anti-corruption, bookkeeping and internal control, the partner can report via whistleblow@huamedicine.com. In 2020, no major corruption cases involving bribery or money laundering were found in the Group.

CARING FOR ECOLOGY & BUILDING A BEAUTIFUL ENVIRONMENT

Pollution Prevention

The Group upholds the concept of green development and strictly follow *Environmental Protection Law of the People's Republic of China* ("the PRC"), the *Law of the PRC on the Prevention and Control of Water Pollution,* and the *Law of the PRC on the Prevention and Control of Atmospheric Pollution*, etc. We have also formulated and implemented relevant internal policies such as the *Hua Medicine Pharmaceutical R&D Center Contingency Plan for Environment Emergencies* and *Chemicals Safety Management*. With our environmental protection management, we aim to maximize resource utilization efficiency and minimize impact on the environment, and to practically assume our corporate social responsibility. In 2020, the Group abided by all applicable laws and regulations which have major impact on us. No major environment pollution incident was reported, and no complaint was received resulting from environment pollution or non-compliance with environmental laws and regulations.

Hua Medicine's R&D model enables us to work closely with multiple third parties in both drug development and drug manufacturing phases. When we choose our partners, we not only have strict requirements on the quality of their services, but also scrutinize their environment and social awareness, to ensure our partners have well-established pollution prevention standards for green emissions. In daily operations, we mainly consume electricity provided by the State Grid, through which we discharge little greenhouse gas indirectly.

Within the reporting period, two laboratories were put into operation in Shanghai Zhangjiang Hi-tech Park, mainly for biology and pharmacology experiments, sample analysis and product formulation study. Upon project completion, according to requirements set out in state regulations including *Regulations on the Environmental Protection for Construction Projects* and *Interim Measures for the Acceptance of Environmental Protection on the Completion of Construction Projects*, we organized a team to perform inspection on environment protection measures implemented in the laboratories. Hence, we ensured that all pollutants are to be properly treated, minimizing the adverse impact on environment.

Emission	Source	Treatment
Wastewater	Laboratory wastewater and domestic sewage	Wastewater is pretreated and discharged into the municipal sewage network, then into sewage treatment plant; Wastewater meets relevant effluent standards.
Air Emission	Laboratory exhaust gas	Exhaust gas collected from fume hood is discharged after purification by active carbon absorber.
Noise	Laboratory equipment noise	Use low-noise advanced equipment, or high-noise equipment with vibration-isolated foundation, sound cushion, etc.
Solid Waste	Hazardous waste (laboratory waste, liquid waste, etc.) Household garbage	The waste is sorted and processed by qualified third party/ property after chemical ablation. The garbage is sorted and disposed in waste container, then collected and recycled by sanitation department.

Over the reporting period, a total of 15 kg of experimental hazardous waste and a total of 3 tons of other non-hazardous waste such as domestic waste were disposed by qualified third party on behalf of the Group.

Utilization of Energy and Resource

In daily operations, the Group mainly consumes water, electricity, and a small quantity of gasoline, all from procurement. We actively respond to the environmental protection and resource conservation measures implemented by the government to utilize current resources fully, reasonably, and efficiently, and at the same time reducing operation costs.

Over the reporting period, resource and energy consumption of Hua Medicine is as follow:

Resource	Data
Executive Water Consumption	1,066 Ton
Water Consumption Per Capita	6.6 Ton
Executive Electricity Consumption	349,128 kWh
Electricity Consumption Per Capita	2,155 kWh
Executive Gasoline Consumption	9,600 Liter
Gasoline Consumption Per Capita	59 Liter

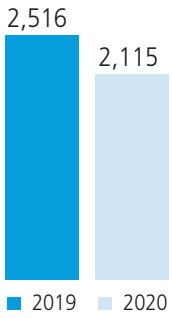
Through calculation, 245,045 kg of greenhouse gas (CO_2) was generated by the Group indirectly through electricity and gasoline usage, which converts to 1,512 kg per capita emission.

Low-Carbon Workstyles

In recent years, climate change, mainly characterized by the greenhouse effect, has occurred frequently around the world, bringing impacts on the sustainable development of human economy and society. To cope with the adverse effects and adapt to climate change, we have actively taken measures to gradually reduce and minimize greenhouse gas emissions and prepare contingency plans for emergencies caused by climate change.

We integrate our green development concept into each aspect of our daily operation. We proactively advocate that we handle business with minimal impact on environment and encourage our employees to start from details such as saving every piece of paper, every drop of water, and enhancing the conservation awareness within the Group. We require that all high-power appliances in office buildings use products that meet requirements of Level 1 Energy Efficiency Index. We continue to promote digitalization and paperless office to save energy and resources, and to improve work efficiency. We prepared the emergency plan to prevent the possible impact of extreme weather emergencies in advance. Through our process improvement and optimized administrative policies, the consumption per capita of electricity, gasoline, and greenhouse gas all decreased compared to the previous reporting period:

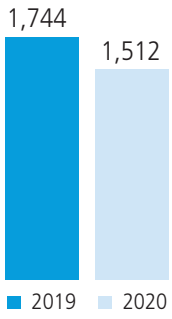
Electricity Consumption Per Capita (kWh)



Gasoline Consumption Per Capita (Liter)



Greenhouse Gas Emission Per Capita (kg)

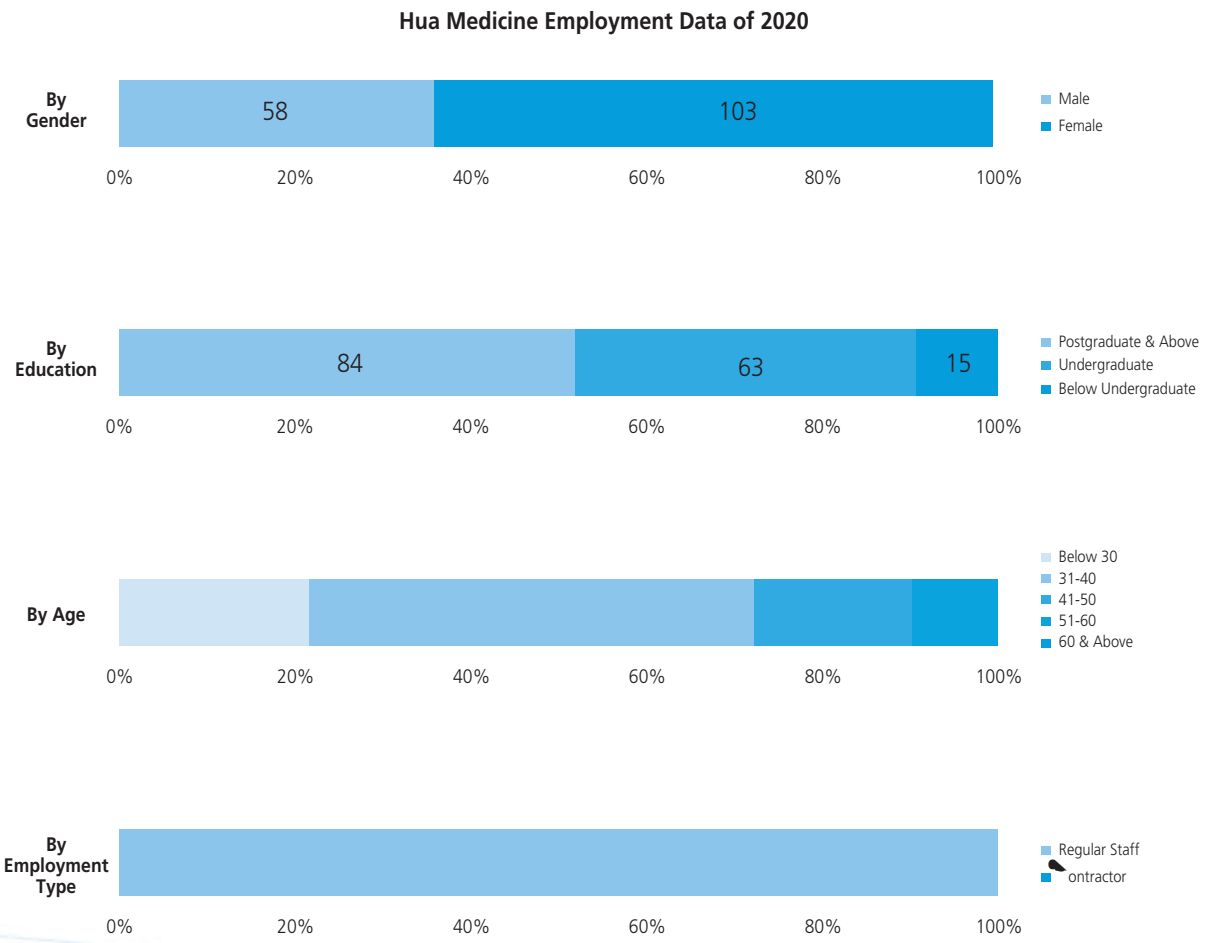


CARING FOR EMPLOYEES & CREATING A BETTER LIFE

Employment Management

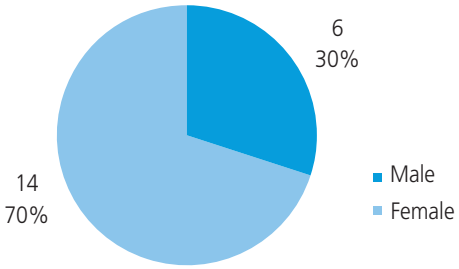
Talent Acquisition

The Group strictly abides by laws and regulations such as the *Labor Law of the PRC*, the *Labor Contract Law of the PRC*, and the *Regulations for the Implementation of the Labor Contract Law of the PRC*. Based on the regulations of open and non-discriminative recruitment, we hire talents that are competitive and meet the needs of the company, and clearly state that the age must be at least 18 years old. As at the end of 2020, there were 162 talents in the Group.

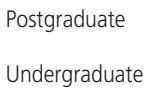


Hua Medicine Turnover Data of 2020

By Gender

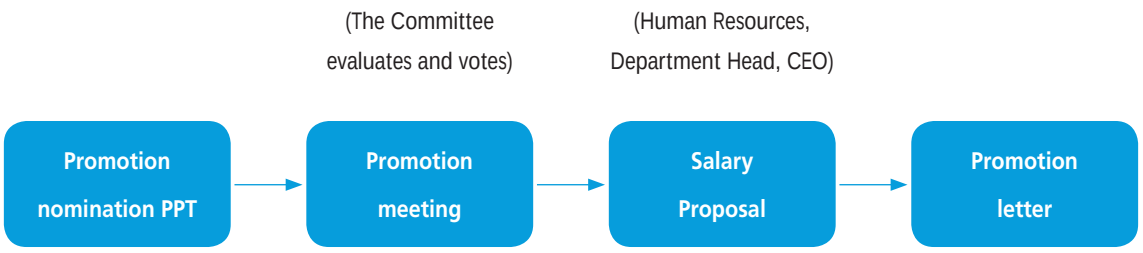


By Education



Promotion Process

The Group has developed a comprehensive compensation system and promotion process. The Human Resources Department organizes promotion meetings where members of the promotion committee objectively discuss, evaluate, and finally confirm the employees' capabilities in all aspects. The aim is to ensure that employees can make full use of their skills in appropriate positions and encourage employees to make continuous improvement.



Hua Medicine Promotion process flow

KPI

The Group sets milestone awards for employees. The Group sets overall quarterly and annual goals based on each employeeorganizes p-8.rageals(

Fire Drill

In accordance with national laws related to fire protection and safety in production, the Group invited Mr. Gaofeng Yang of Shanghai Vision Fire School to conduct fire safety training for all the employees on October 16, 2020.



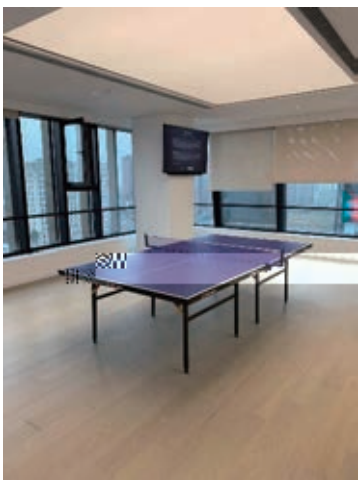
Fire prevention seminar

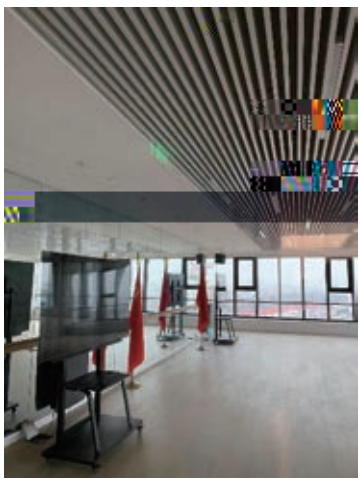


Practice of fire extinguisher by employees

Health Guarantee

The Group arranges physical examination for employees once a year and provides each employee with personal accident insurance and commercial medical insurance. In addition, the Group has purchased gym annual cards and badminton membership cards for all employees and established the employee activity center in the office building, in order to encourage them to exercise and maintain a healthy lifestyle in their spare time.





Employee Activity Center

In 2020, due to the impact of the epidemic, the organization of offline trainings encountered some challenges, but Hua Medicine actively adopted online training in addition to offline training and organized a total of 26 training sessions (excluding professional training organized by departments). The total trained employees were 61, with a total of 2,454 training hours. Relevant data and photos of 2020 trainings are as follow.

	Male Staff	Female Staff
Percentage of Trained Employees	29.3%	70.7%
Average Training Hours	29.5	30.1

	Department Head	Other Employees
Percentage of Trained Employees	4.9%	95.1%
Average Training Hours	18.0	30.5



Hua Medicine – The first onboarding training for new employees in 2020

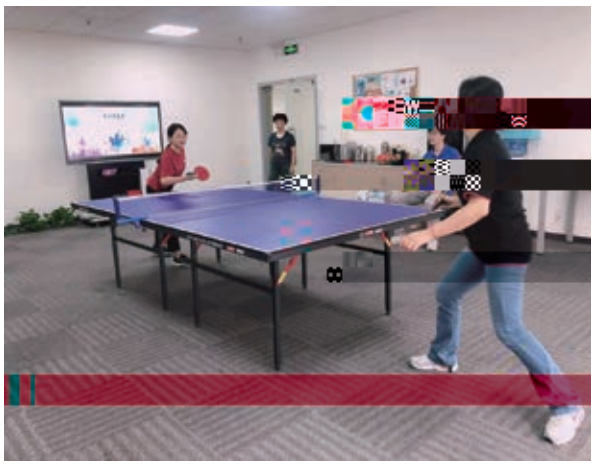
Activities & Care

In addition to focusing on the professional development of employees, HUA Medicine is also committed to fostering a warm working environment comprised of employees that care and support each other.

Under the premise of ensuring good safety and protection, the Labor Union of Hua Medicine organized a series of cultural and sports activities in 2020, such as table tennis competition, birthday party for employees, and honoring the elderly on Chung Yeung Festival, which increased the communication among employees and enhanced the cohesion within the Group.



Hua Medicine – Honoring the elderly on 2020 Chung Yeung Festival



Hua Medicine – Table tennis competition in August 2020



HUA Medicine – Birthday party for employees in October 2020



Hua Medicine – Birthday party for employees in November 2020

CARING FOR QUALITY & CREATING A SECURE INDUSTRY

On October 14, 2020, Hua Medicine announced that, after review and on-site verification under the Marketing Authorization Holder ("MAH") system, Hua Medicine has obtained the Drug Manufacturing Permit for dorzagliatin, its investigational first-in-class drug, issued by the Shanghai Municipal Drug Administrative Bureau. This is a milestone step for Hua Medicine, as the grant of the Drug Manufacturing Permit will further accelerate the dorzagliatin New Drug Application (NDA) process, facilitate the commercial production and supply of the drug upon the product launch and lay a solid foundation for the expected increase of production capacity in the future.


药品
企业名称
社会信用代
注册地址
法定代表人
企业负责人
质量负责人
许可证编号
类别
投诉举报电话
发证机关
签发人
生产地址和生产范围：
有效期至

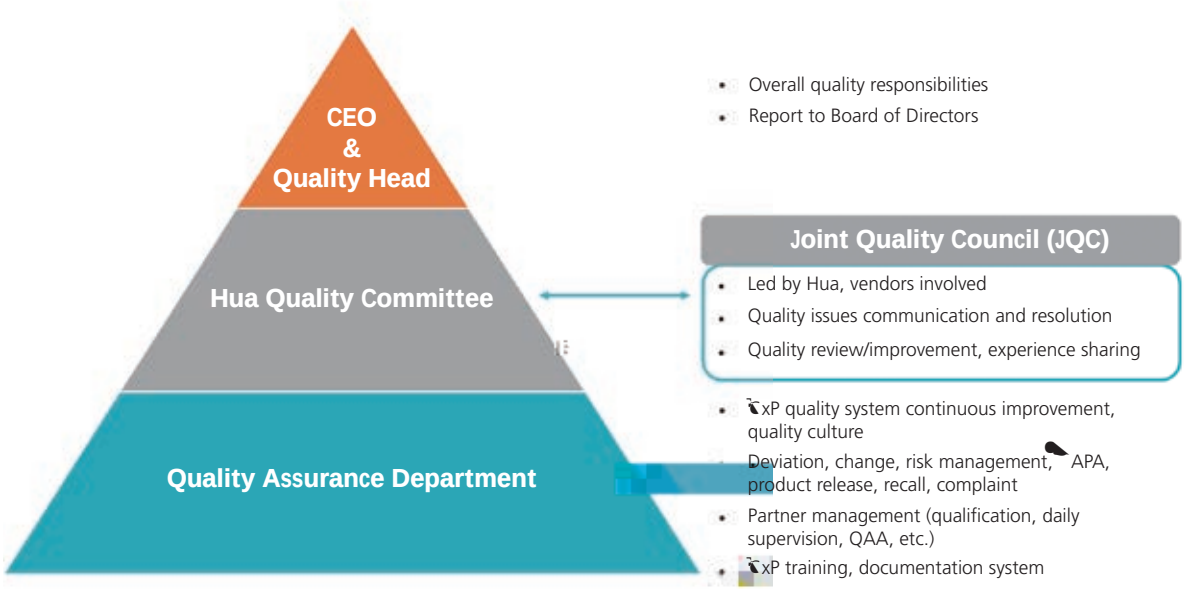
Hua Medicine – The Drug Manufacturing Permit obtained in 2020

As one of the first batch of MAH enterprises in China, Hua Medicine always upholds the quality vision of "Lead our partners

Quality Management

Quality Management Model

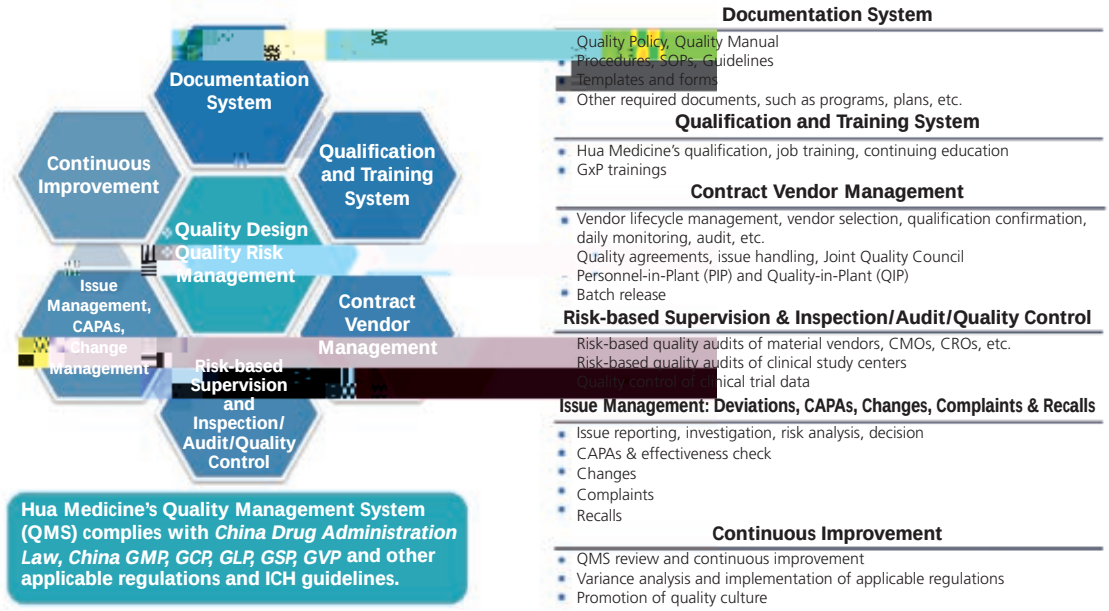
Hua Medicine, as a MAH, both CEO and Quality Head take overall quality responsibilities, and report to Board of Directors. Hua Medicine has implemented its total quality management through the establishment of independent quality department, quality committee (QC), and set quality management function in functional department and project.



Hua Medicine – Quality Management Model

Quality Management System (QMS)

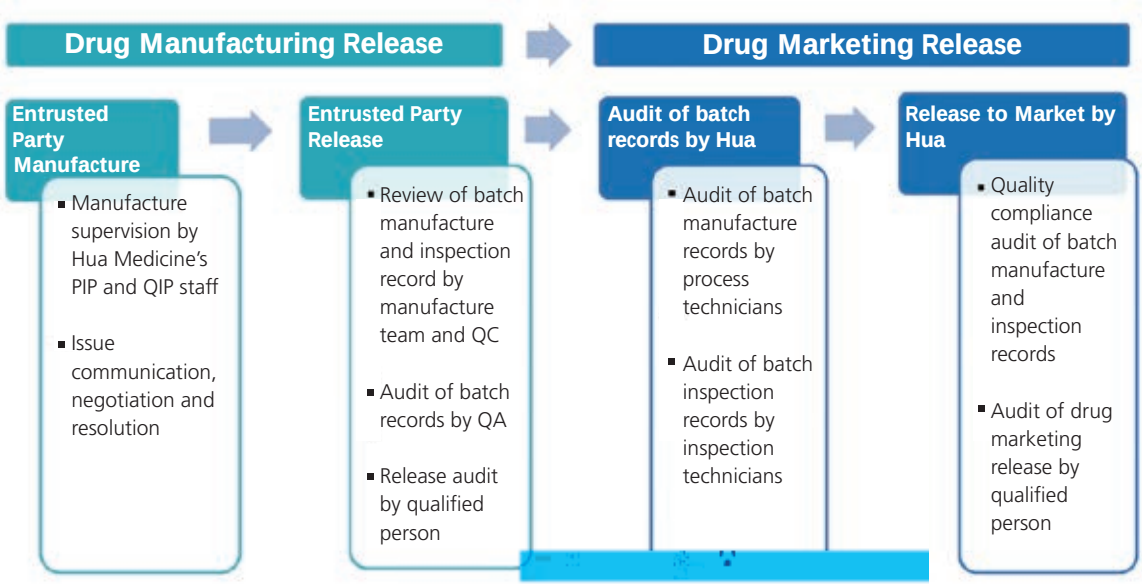
A well-designed system is the basis for excellent quality management. In 2020, Hua Medicine further reviewed its QMS and updated more than 20 quality assurance Standard Operating Procedures (SOPs) to ensure that the Group's internal policies are more in line with the provisions of *the PRC Drug Administration Law, the Drug Manufacturing Supervision and Administration Measures, the Drug Registration Management Measures* and other relevant national laws and regulations. Hua Medicine's QMS can be summarized into the six modules in the figure below, which are interlinked and complementary to each other to achieve the monitoring and improvement of the whole cycle of quality.



Hua Medicine – Quality Management System

Drug Release

As a MAH, Hua Medicine fulfills its responsibility for the release of drugs to market and updated SOPs such as *Premarketing Formulation Finished Product Release Procedures* and *Listed Formulation Finished Product Release Procedures* in 2020 to take responsibility for the overall quality of drugs and ensure the safety, efficiency, and quality control of drugs during their life cycle.



Quality Culture

Hua Medicine's emphasis on quality is also reflected in the daily promotion of quality culture awareness and quality system training for employees. Every year, Hua Medicine will make GxP training plan for the year and conduct thematic training and promotion from time to time according to new laws and regulations. In 2020, Hua Medicine organized more than ten quality-related trainings, some of which such as "GVP laws and regulations training" and "How quality can guarantee Value" are for all employees.

As Hua Medicine has not initiated sales, there were no consumer complaints or product recall related cases received in 2020. In 2019, Hua Medicine has refined the *Product Quality Complaint Handling Procedures* to ensure that all customer complaints can be dealt with in a timely and effective manner.

Supply Chain Management

Vendors form an integral component of the business strategy of Hua Medicine, and the appropriate selection, oversight and governance of vendors is important to ensure that Hua Medicine can verify ongoing compliance and contractual obligations. In 2020, the Group updated and published *Vendor Qualification and Monitor Process* which provides standardized guidelines on the process of vendor selection, qualification, approval and monitor for Hua Medicine as a MAH.

By the end of 2020, Hua Medicine had a total of 120 administrative-related vendors including cleaning, travel and decoration vendors, and a total of 42 manufacturing and R&D vendors, including CMO, CRO, raw material and package vendors, R&D instrument and equipment vendors, technical service providers, etc. Among the 42 manufacturing and R&D vendors, 33 are in East China, 7 are in North China and 2 are in other regions of China.

Vendor Selection

In terms of vendor selection, Hua Medicine adopts vendor grading strategy, selects preferred vendors through market research and follows the Group's vendor acceptance process. In terms of supply chain risk management, the Group takes various external and interior risks into consideration when selecting vendors and diversifies supply chain risks by increasing alternative vendors and diversifying vendor backgrounds.

For the vendors that the Group decide to work with, Hua Medicine ensures that the vendors have been qualified according to the defined processes to perform the tasks that are outsourced to them, that the expectations for the quality of tasks and deliverables are mutually agreed between Hua Medicine and the vendor via the contractual framework, like via specific Quality Assurance Agreement (QAA), and that appropriate governance processes are in place, based on risk based criteria, to ensure that risk can be proactively identified and managed.

In 2020, Hua Medicine signed an agreement with ZKH Industrial Supply Co., Ltd. and Shanghai Titan Scientific Co., Ltd. to build a one-stop procurement platform for the Group's researchers to save the time and economic cost of procurement.

Vendor Monitor and Performance Assessment

To timely detect and address critical issues or risks that may arise during the cooperation between the Group and vendors, a Joint Quality Council (JQC) is established by the Group and its major vendors. The JQC will be composed of representatives from Hua Medicine's quality department and vendor's quality department, as well as personnel from the operational functions of both parties.

The JQC will drive and govern quality, compliance, continuous quality improvement, and quality risk management across the partnership through the review and assessment of quality metrics, provision of expert guidance and advice, and strategic planning and execution of oversight and verification activities, including but not limited to, internal audits, inspection readiness activities, regulatory authority inspections, and the efficient investigation and management of incidents of potential or actual noncompliance.

Hua Medicine's vendor performance management mainly includes vendor performance target setting, performance standard setting, performance data management, performance improvement. The Group will classify vendors into high-performance vendors and low-performance vendors to adjust the follow-up cooperation strategy with them.

In 2020, Hua Medicine completed 9 GMP vendor audits and signed 8 quality agreements and completed 7 GCP/GLP vendor audits and signed 4 quality agreements in total. Due to the impact of the epidemic, for the vendors that Hua Medicine could not conduct on-site audits, the Group conducted remote audits by reviewing documents and issuing questionnaires. Each Hua Medicine audit was documented in *Vendor/Contractor Audit Report* and signed by the auditors for confirmation.

Green Supply Chain

The environmental performance of vendors is also an important aspect that is taken into consideration when Hua Medicine choosing vendors. When contracting with manufacturing partners, Hua Medicine clearly states the environmental management responsibilities of the partner in the contract to ensure that the health, safety, and environmental issues involved have been adequately considered to meet relevant regulations of Chinese regulatory authorities and Hua Medicine's own requirements.

Intellectual Property Management

Adhering to the approach of "Patients First, Global Innovation, Effective Medicines", Hua Medicine strives to achieve continuous innovation in research and development, share R&D achievements, and at the same time attach great importance to the application and protection of intellectual property rights.

In 2020, Hua Medicine further builds a more comprehensive intellectual property management system, and *Patent Application Process*, *Trademark Registration Process* and *Copyright Registration Process* took effective in January 2020. In the updated physical procurement contract and service procurement contract templates in 2020, Hua Medicine has clearly stated the responsibilities related to intellectual property rights of both parties.

During the reporting period, Hua Medicine was not involved in any litigation regarding violations of intellectual property rights. As of December 31, 2020, the distribution of Hua Medicine patents is as follows.

Patent Type	Patent Coverage	Application Status
Invention Patent	HMS5552 Compound	Received 11 patents in 12 countries and regions
Invention Patent	HMS5552 Process	Received all patents in 15 countries and regions
Invention Patent	HMS5552 Formulation	Received 3 patents in 21 countries and regions
Invention Patent	(HMS5552 + biguanide) Compound Formulation	16 applications are in progress
Invention Patent	(HMS5552 + K-ATP channel blockers) Compound Formulation	Received 1 patents in 16 countries and regions
Invention Patent	(HMS5552 + SGLT-2 inhibitors) Compound Formulation	16 applications are in progress
Invention Patent	(HMS5552 + DPP-IV inhibitors) Compound Formulation	16 applications are in progress
Invention Patent	(HMS5552 + AGI) Compound Formulation	16 applications are in progress
Invention Patent	(HMS5552 + PPAR) Compound Formulation	16 applications are in progress
Invention Patent	HMS5552 New Usage Method	2 applications are in progress
Design Patent	HMS5552 Tablet Appearance Design	16 applications are in progress
Invention Patent	mGluR 3rd generation Compounds	Received 5 patents in 16 countries and regions
Invention Patent	mGluR 2nd generation Compounds-Pyrazole derivatives	2 applications are in progress
Invention Patent	mGluR 2nd generation Compounds-Pyrrole derivatives	Received 1 patents in 2 countries and regions
Invention Patent	mGluR 1st generation Compounds	Received 1 patent in 1 country



Hua Medicine's select newly granted patents in 2020

CARING FOR COMMUNITY & SHARING A WARM HOME

As a leading, clinical-stage innovative drug development company in China, Hua Medicine is committed to advancing diabetes care solutions for patients worldwide. At the same time, the Group takes advantage of its own advantages in the pharmaceutical industry to actively undertake social responsibilities, care for community and care for the society.

On November 12, 2020, Dr. Li Chen, CEO of Hua Medicine, was invited to attend the Celebration of the 30th Anniversary of the Development and Opening-up of Pudong, and was invited to be a part of a photo with Chinese President Jinping Xi as a representative of Chinese biotech companies.



30th Anniversary Celebration of Pudong Development and Opening Up

In addition, the management of Hua Medicine has participated in many industry forums and seminars in 2020 to discuss future opportunities and challenges and to contribute to the industry development.



The first Hongqiao Drug Administration Autumn Salon in 2020



Shanghai Pudong Biomedical Innovation Forum in December 2020 – "Biomedical Industry Development and Policy Seminar under COVID-19"

APPENDIX: ESG GUIDELINE CONTENT INDEX

Item	Descriptions		Hua Medicine Related sections/Claims

Item	Descriptions		Hua Medicine Related sections/Claims
B. Social			
B1. Employment	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer	Caring for Employees & Creating a Better Life – Employment Management Caring for Employees & Creating a Better Life – Activities & Care
	B1.1	Total workforce by gender, employment type, age group and geographical region	Caring for Employees & Creating a Better Life – Employment Management
	B1.2	Employee turnover rate by gender, age group and geographical region	Caring for Employees & Creating a Better Life – Employment Management
B2. Health and Safety	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer	Caring for Employees & Creating a Better Life – Employee Safety & Health
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Caring for Employees & Creating a Better Life – Employee Safety & Health
	B2.2	Lost days due to work injury	Caring for Employees & Creating a Better Life – Employee Safety & Health
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Caring for Employees & Creating a Better Life – Employee Safety & Health
B3. Development and Training	General Disclosure	Policies on enhancing the knowledge and skills of employees to perform duties. Describe training activities	Caring for Employees & Creating a Better Life – Training & Development
	B3.1	The percentage of employees trained by gender and employment type	Caring for Employees & Creating a Better Life – Training & Development
	B3.2	The average training hours completed per employee by gender and employment category	Caring for Employees & Creating a Better Life – Training & Development
B4. Labor Standards	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to prevention of child labor or forced labor	Caring for Employees & Creating a Better Life – Employment Management
	B4.1	Description of measures to review employment practices to avoid child and forced labor	Caring for Employees & Creating a Better Life – Employment Management
	B4.2	Description of steps taken to eliminate such practices when discovered	Caring for Employees & Creating a Better Life – Employment Management

Item	Descriptions		Hua Medicine Related sections/Claims
B. Social			
B5. Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain	Caring for Quality & Creating a Secure Industry – Supply Chain Management
	B5.1	Number of suppliers by geographical region	Caring for Quality & Creating a Secure Industry – 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	Caring for Quality & Creating a Secure Industry – Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Caring for Quality & Creating a Secure Industry – Supply Chain Management
nelaevant law ond	B5.4	Description of practices used to promot pamdustry – Supply Chain Management traoductsand soervces monitored	Caring for Quality & Creating a Secure
B563	Descripin of pacicsenla0.5(ti)0.5(cg)4.5(t)0.5(o p)0.5(nb)0.5(a)0.5(d)0.5(u)0.5(c)0.5(e	Caring for Quality & Creating a Secure Industry – Suality &anagement	
B563 D		Caring for Quality & Creating a Secure Industry – Suality &anagement	
D			

Item	Descriptions		Hua Medicine Related sections/Claims
B. Social			
B7. Anti-corruption	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer	Responsibility Management – Business Ethics
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Responsibility Management – Business Ethics
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Responsibility Management – Business Ethics
	B7.3	Description of anti-corruption training provided to directors and staff	Responsibility Management – Business Ethics
B8. Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Caring for Community & Sharing a Warm Home
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	Caring for Community & Sharing a Warm Home
	B8.2	Resources (e.g. money or time) contributed to the focus area	Caring for Community & Sharing a Warm Home