HUTCHMED

2020 SUSTAINABILITY REPORT

HUTCHMED (CHINA) LIMITED
和黃醫藥（中國）有限公司
(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)
HKEX: 13 | NASDAQ: HCM | AIM: HCM

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ABOUT THIS REPORT

This is the first standalone sustainability report published by HUTCHMED (China) Limited ("HUTCHMED" or the "Company"). It was prepared on an entirely voluntary basis and showcases our commitment to sustainable development and highlights our environmental, social and governance ("ESG") management approaches over material topics relating to the operations of our two segments: (1) Oncology/Immunology and (2) Other Ventures. The report does not include details of our corporate governance principles, which are contained in the Corporate Governance Report within our 2020 Annual Report .

Reporting methodologies

In the preparation of the report, stakeholders, including employees, business partners and investors were engaged to prioritize ESG risks and opportunities material to them and to the Company. The materiality analysis was conducted based on results of stakeholder engagement and peer benchmarking exercises, which defined the content and topic boundaries for this report.

HUTCHMED's material topics

- Business ethics, including staff and partner awareness
- Drug research-related topics, including animal welfare and intellectual property
- Drug development-related topics, including clinical trial safety and personal data privacy and security
- Commercial operations responsibilities, including quality, safety and traceability; patient monitoring and reporting; responsible marketing; and fair access of drugs
- Environmental topics including waste and emissions
- Management of our people, including talent acquisition, retention, development and engagement; occupational health and safety; and community investment.

Reporting cycle and period

Our sustainability report will be published annually. Unless specified, this report covers the year from January 1, 2020 to December 31, 2020.

Scope

This report covers the Company's material subsidiaries, including those under our Oncology/Immunology segment and Hutchison Whampoa Sinopharm Pharmaceuticals (Shanghai) Company Limited ("Hutchison Sinopharm"), and the non-consolidated joint venture Shanghai Hutchison Pharmaceuticals Limited ("Shanghai Hutchison Pharmaceuticals" or "SHPL"), which are collectively referred to as "the Group" in this report.

Governance Structure

This report was reviewed and approved by the Board of Directors of HUTCHMED (the "Board") with the recommendation of the Sustainability Committee, which was formed on July 28, 2021.

The Committee's objective is to oversee management and advise the Board on the development and implementation of the corporate social responsibility and sustainability initiatives of the Company and its subsidiaries, including reviewing the related policies and practices, and assessing and making recommendations on matters concerning sustainability

development and risks. It is appointed by the Board and comprises four Directors, of whom one is an Independent Non-executive Director. Further details are available on the Corporate Governance section of the HUTCHMED website.

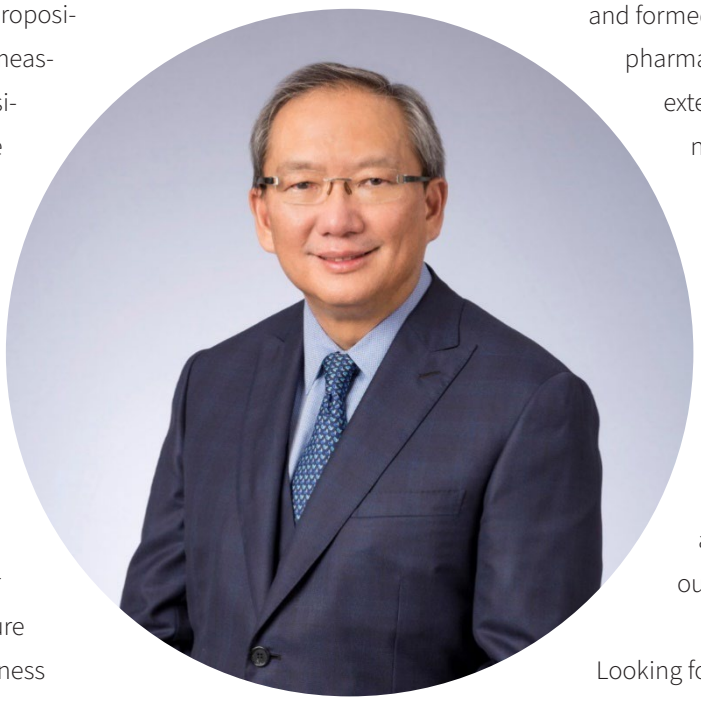
Feedback

We value the opinions of our stakeholders and welcome comments on our sustainability performance and strategies via email: info@hutch-med.com .

CHAIRMAN'S MESSAGE

As a responsible and reputable biopharmaceutical company committed to sustainable business and social development, we are proud to publish our first sustainability report.

Sustainability is at the core of how we operate, and we believe the right sustainable proposition will create better value. Any measurement of the success of our business should encompass the value created for our key stakeholders.



Through engaging our key stakeholders, including shareholders, customers, suppliers and employees, we strive to understand their expectations of us in relation to the sustainability risks and opportunities material to our long-term success. Given the nature of our business, we consider business ethics, the discovery and development of drugs, responsible commercialization, talent management and environmental protection as particularly relevant and important to us. These matters have formed the basis for this report.

We work and collaborate with our stakeholders on an ongoing basis. For example, our Clinical Development teams work closely with our business partners to ensure the safety and ethical conduct of our clinical trials. Our laboratories have earned accreditation from the Association for Assessment and Accreditation of Laboratory Animal Care for their conscientious handling of animals. To promote access to our drugs, we have built an in-house oncology sales and marketing team and formed partnerships with other pharmaceutical companies to build an extensive, shared distribution network across China.

The Board is committed to sustainability and has taken an active role in overseeing sustainability issues that are relevant to our business. We acknowledge the importance of managing sustainability risks and opportunities as we scale up our core businesses.

Looking forward, we will step up efforts to facilitate management discussions regarding relevant material sustainability risks and opportunities, thereby devising a comprehensive strategy that could create far-reaching benefits for our business, our valued stakeholders, the industry, as well as the wider society.

Simon To
Chairman

ABOUT HUTCHMED

Our business model and market

HUTCHMED is an innovative, commercial-stage, biopharmaceutical company. We are committed to the discovery and global development and commercialization of targeted therapies and immunotherapies for the treatment of cancer and immunological diseases.

HUTCHMED has two business segments:

- The Oncology/Immunology segment has been driving the creation, development and production of our portfolio of targeted therapeutics and immunotherapy drug candidates since the early 2000s. Since 2020, this segment has also been driving the marketing and distribution of our oncology drugs. This segment had over 1,000 staff at year end and has continued to grow significantly in 2021.

  Within Oncology/Immunology, our R&D operations employed over 600 scientists and staff at year end, primarily in Shanghai, China and in Florham Park, New Jersey, USA. Currently, eleven cancer drug candidates discovered by us have entered clinical trials, of which six are in global clinical development.

  In China, our strategy is to leverage the marketing and selling experience, hospital access and best practices of our Other Ventures as we grow our dedicated oncology-focused commercial team, enabling the launch of our in-house discovered, innovative oncology products. Within Oncology/Immunology, our commercial operations employed almost 400 staff at the end of 2020. In January and July 2021, our second and third oncology drugs were launched in China.

- The Other Ventures segment is a profitable platform that manufactures, markets and distributes prescription drugs and consumer health products in China. The prescription drugs business is conducted through our joint ventures Shanghai Hutchison Pharmaceuticals and Hutchison Sinopharm. In both of these ventures, we nominate the management and run the day-to-day operations. Together they form a network of about 2,200 medical sales representatives that cover more than 23,000 hospitals in about 320 cities and towns in China.

The success of both segments relies on the support of our business partners. These include suppliers, vendors, agents, contractors, joint venture partners and representatives. The quality, delivery and responsiveness of our business partners is extremely important. They are also our partners in promoting social responsibility and ethical business conduct throughout our operations.

Our future markets

Beyond China, HUTCHMED plans to market our products – if approved – in the United States, Europe and other major markets, by expanding our operations or forming partnerships with leading biopharmaceutical companies.

BUSINESS ETHICS

High ethical standards lay the foundation for our business, our success and creating value for shareholders and other stakeholders. Led by the Board, we are committed to a culture of integrity, transparency and compliance with all applicable anti-corruption laws and regulations in the locations where we operate which guides our conduct, transactions and dealings.

Our actions support the following United Nations Sustainable Development Goals (SDGs):

Anti-corruption

Our staff members correspond with government officials during normal course of business and are aware of the risk of unlawful business conduct. To avoid damaging our reputation and relationships with business partners, we strictly enforce a Group-wide Anti-bribery and Anti-corruption ("ABAC") Policy.

Our ABAC Policy clearly defines which actions constitute bribery and corruption and are prohibited. It provides our members with important guidance regarding political and charitable contributions, facilitation payments, gifts, hospitality, employment and procurement.

In conjunction with our ABAC Policy, we maintain a Code of Ethics. These guiding principles inform directors and employees of our Group and customers, investors, governmental authorities and the general public about our expectations regarding conflicts of interest, fair dealing and integrity, discrimination and harassment, bribery and confidentiality, and other issues.

Employee and supply chain awareness

We ensure all employees are aware of their responsibilities and duties by making the ABAC Policy and Code of Ethics available to them and requiring an annual declaration of adherence. We also provide regular online training for all staff, refreshing them on our ABAC commitment and keeping them updated with bribery and corruption risks, laws, regulations and standards.

In 2020, we provided around 10,000 hours of training to directors and employees, on our Code of Ethics and ABAC Policy.

We expect our business partners, including but not limited to suppliers, vendors, customers, agents, contractors, joint venture partners and representatives, who work with us to work to the same high standards and have published on our website a Code of Ethics for Business Partners with which we expect our business partners to comply. We ensure suppliers' compliance through regular engagement, ethical audits and improvement programs. Only suppliers whose ethics are consistent with our standards are considered for any new or continued partnerships. In 2020, we had 939 suppliers to these key subsidiaries and joint ventures, including 894 in mainland China, 42 in Hong Kong, and one in each of France, Germany and the U.S.

Our compliance teams monitor adherence to our ABAC Policy and Code of Ethics. Breaches and cases of non-compliance are handled seriously and may ultimately result in termination of employment or contract.

Whistleblowing

We maintain clear Complaints Procedures.

Employees or business partners are able to report any potential non-compliance with our codes, policies, relevant laws and regulations through the complaints procedure published on our website.

The receipt, retention, and treatment of complaints and concerns filed are kept confidential. We protect employees who raise such an issue against any forms of retaliatory actions.

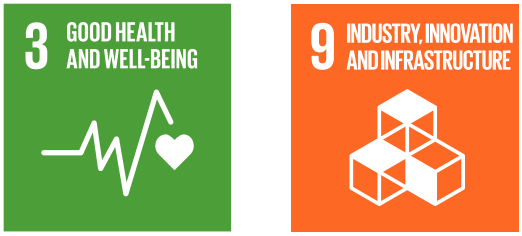
Upon receipt of complaints or concerns, we investigate and take appropriate corrective steps to promptly resolve the matter with the Audit Committee and other internal and external resources as appropriate.

Thanks to our ongoing commitment to business ethics, we are not aware of any cases of non-compliance with our codes and policies, or of any violations of applicable laws and regulations in 2020.

RESEARCH AND DEVELOPMENT

R&D is at the core of our Oncology/Immunology operations. We recognize the immense social responsibility associated with the development of novel drugs and spare no effort in preserving the reliability and safety of these operations.

Our actions support the following Sustainable Development Goals:



Safety of clinical trials

All clinical trials under our control are conducted in accordance with regulatory requirements, including but not limited to Good Clinical Practice, as well as the protocols and trial design specifications submitted to and agreed upon by the China National Medical Products Administration (NMPA), the European Medicines Agency (EMA), the U.K. Medicines and Healthcare Products Regulatory Agency (MHRA), and the U.S. Food and Drug Administration (FDA). Product liability insurance safeguards the patients involved.

We select clinical research organizations in accordance with our standard operating procedures. Our requirements include regulatory compliance, professional qualifications and established patient groups, as well as indications, pharmacology and other specifications of the drugs to be tested. This ensures that we only select research partners who meet every safety standard.

Working with our selected partners, our Clinical and Regulatory Department monitors and reviews experiments undertaken by the research organizations. The department gathers and manages clinical data, analyzing the information and generating reports in all cases.

Additionally, the Clinical and Regulatory Department develops a safety, efficacy and tolerability profile for each drug, monitoring their effectiveness and any adverse events or toxicity. We are in ongoing discussions with our business partners, allowing for prompt inspections and rectifications if concerns are raised or abnormalities are observed. Audits by relevant regulatory authorities are always welcome.

We adhere to the applicable national requirements governing the reporting of ongoing clinical trials and the submission of results to public registries in China, Europe and the U.S., amongst others. Irrespective of the location of the trial, reports and results are submitted to the U.S. National Institutes of Health for public disclosure on clinicaltrials.gov.

Progress reports on ongoing clinical trials must be submitted at least annually to the relevant regulatory authority and more frequently if serious adverse events are detected. Our Operating Procedures on the Management of Serious Adverse Event Reports in Clinical Trials provide guidance for the collection, processing, evaluation and submission of these reports. Criteria for valid cases, timeframes, roles and responsibilities, investigations, reporting processes and follow-up actions are

clearly defined. All clinical trials sponsored by us adhere to the same standards. Procedures are regularly reviewed and updated to reflect evolving safety standards and to safeguard trial participants.

Intellectual property

The discovery and development of drugs involves significant investment of resources and time. Our success is largely dependent on our ability to protect our drug candidates from competition by establishing and enforcing intellectual property rights. We identify and take action against any unauthorized use or infringement of our rights. Conversely, we respect the intellectual property rights of others.

We consult with legal experts to guide our protection strategy, including confidentiality and non-competition agreements, registration of intellectual property rights, and defense of claims.

As of December 31, 2020, we had 235 issued patents, including 19 Chinese patents, 22 U.S. patents, 13 European patents, 155 patent applications pending in the above major market jurisdictions, and six pending Patent Cooperation Treaty (PCT) patent applications relating to the drug candidates of our Oncology/Immunology operations. Additionally, our Other Ventures collectively had 138 issued patents and 48 patent applications in China, two PCT patents and one in Australia.

Data privacy and security

Our business relies significantly on the secure storage of financial and clinical data. To protect the privacy of our stakeholders - including clinical trial patients, customers, suppliers, employees and shareholders - we actively monitor and maintain high standards of IT and data security as laid out in our Information Security Policy. We adhere strictly to applicable laws and regulations of the country, region and local areas in which we conduct our business.

To prevent data leaks, we undertake regular internal and external reviews of our information technology systems. Hardware and software are maintained and upgraded where necessary. We also adhere to best-practice cybersecurity guidelines published by the National Institute of Standards and Technology. In the reporting year, no significant data leak was observed or recorded.

Animal welfare

Our pre-clinical testing involves the use of laboratory animals (primarily rodents). We observe all relevant regulations regarding the protection, welfare and treatment of these animals, including but not limited to Good Laboratory Practice, Measures of Shanghai Province on Administration of Affairs Concerning Experimental Animals, and the National Guidance for the Use of Experimental Animals. We follow the Three Rs (Replacement, Reduction and Refinement) principles and other best-in-class practices for more ethical use of animals.

Our Laboratory Animal Use and Management Committee – comprised of nine senior management and department representatives – oversees our relevant procedures. These include feeding, bedding, living environment, transportation, euthanasia, surgery, cleaning and sanitation, material disposal, noise control and fire evacuation within the animal facilities. These procedures are reviewed periodically and updated as necessary.

We have earned accreditation from the Association for Assessment and Accreditation of Laboratory Animal Care. This global association evaluates an organization's use of animals and promotion of animal care. Through a series of evaluation exercises, including peer reviews, facility walk-throughs, and meetings with animal care and research staff and representatives from oversight committees and the Association, we were recognized for our conscientious treatment of animals.

To embed respect for laboratory animals in our Company, we provide relevant new employees with training on animal welfare. They are also required to retake training every year. In the reporting year, a total of 26 hours of training on animal welfare and the use of laboratory animals was delivered to employees of Shanghai Hutchison Pharmaceuticals, while all new employees of our Laboratory Animal Center were provided with a one-hour training session on animal welfare during their orientation.

RESPONSIBLE COMMERCIALIZATION

Our business focuses on serving the medical needs of the public and distributing our drugs to those in need. With the launch of ELUNATE® in 2018 and SULANDA® and ORPATHYS® in 2021 in China, as well as potentially applicable products globally, we have committed that the products are marketed and manufactured to a high standard of quality, safety, traceability and affordability.

Our actions support the following Sustainable Development Goals:

Product quality and safety

Ensuring quality and safety throughout the product lifecycle is of paramount importance to us. The attainment of this objective is the responsibility of senior management and requires the participation and commitment by staff at all levels within our Company, by our suppliers and by our distributors. To achieve this reliably a comprehensive Quality Management System has been properly designed and correctly implemented by incorporating Good Manufacturing Practice, Good Distribution Practice, Good Pharmacovigilance Practices, and Quality Risk Management.

All parts of the Quality Management System are adequately resourced with competent personnel, and suitable and sufficient premises, equipment and facilities. Responsible personnel are trained in the standard operating procedure and the quality department oversees and monitors the associated operations.

All approved suppliers and manufacturers must acknowledge and sign agreements that clearly define our quality requirements and are properly inspected and monitored to ensure that they fulfill these agreements. Our drugs are produced and tested according to approved instructions to ensure that they are fit for their intended use, comply with the requirements of the marketing authorization, and do not place patients at risk due to inadequate safety, quality or efficacy.

Any substandard or inappropriate behavior is subject to prompt investigation and corrective action and preventive action (CAPA). We also incorporate continual improvement programs to strengthen our Quality Management System.

Adverse events

After our drugs are launched, we monitor patient and market feedback with vigilance. In reaction to any reported serious adverse reactions or other adverse effects resulting from use or misuse of our products, we promptly form working groups to investigate the severity of the issues and their root causes.

All cases are quickly reported to relevant regulatory bodies, such as the EMA, FDA, MHRA and NMPA, and CAPA plans are devised. Products might be recalled and those that do not meet the required standards will be disposed of in the appropriate manner.

To ensure this customer protection mechanism is effective, we conduct mock recalls biennially. If any deficiency is observed, a CAPA plan is prepared to improve the procedure.

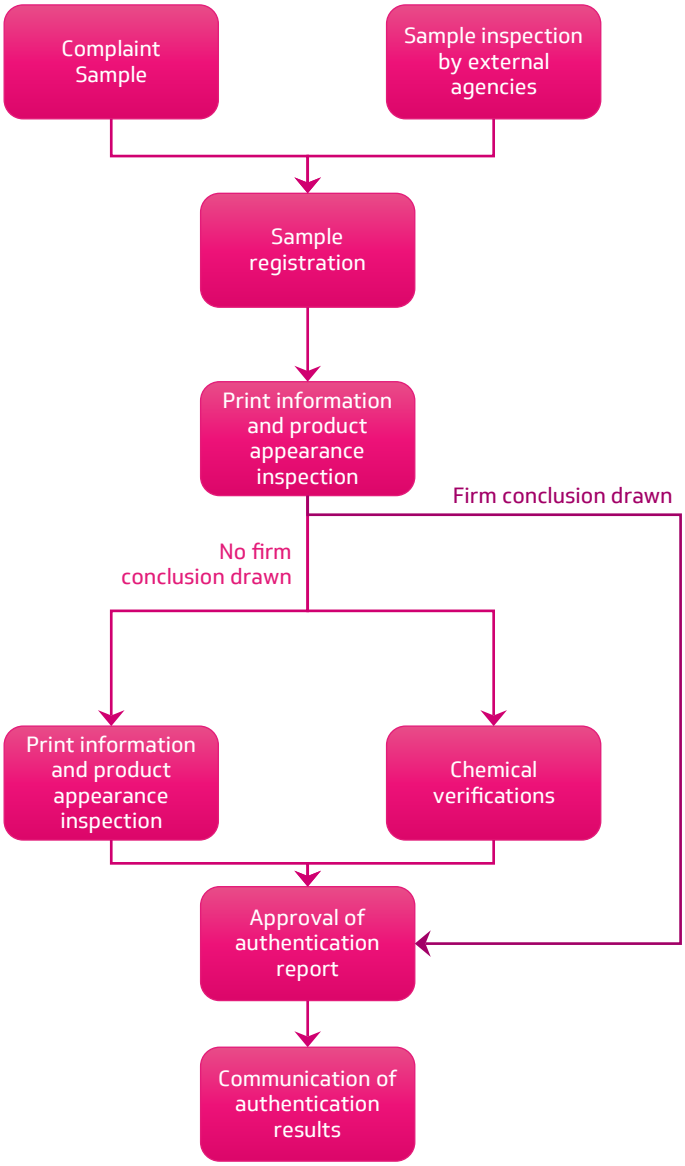
There were no product recalls in 2020 due to material adverse events.

Anti-counterfeiting and product traceability

Abiding by our promise to improve public health, we are committed to combating substandard and counterfeit drugs. The quality management and drug management systems of Group regulates the production, storage, sale and distribution of our products, ensuring they are handled and traceable in accordance with internal procedures. We remain vigilant and monitor the market for counterfeit drugs and have introduced anti-counterfeiting package designs to lower the risk of counterfeits.

To enhance traceability, we have implemented an authentication management program, which incorporates a drug product authentication process to perform anti-counterfeiting verifications of the labels and chemicals of suspicious products. Trained and qualified experts from our Quality Control and Quality Assurance departments are responsible for performing these processes.

Product authentication process for suspicious packaging and drug products



Responsible marketing

All our marketing and promotional activities are conducted in compliance with applicable laws and regulations and industry codes. Policies and procedures governing compliant conduct have been put in place and are regularly updated to ensure relevant risks are sufficiently addressed and mitigated appropriately with particular emphasis on our interactions with healthcare professionals (“HCP”) and healthcare organizations (“HCO”).

With the launch of ELUNATE® and SULANDA® in China, we have developed a specialized, oncology-focused sales and marketing team. All our marketing activities are intended to enhance the practice of medicine for the purpose of patient benefit. We focus on informing HCPs/HCOs about medicines, providing scientific and educational information and supporting medical research and education. The engagement with HCPs/HCOs must not interfere with their independence or be perceived as an inducement or reward for prescribing, recommending, purchasing, supplying or administering our products.

We have established a compliance committee, consisting of the most senior executives of our Company, to oversee and monitor these activities, including our interactions with HCOs/HCPs, to ensure the compliance and integrity of our business. We also have standard operating procedures regarding promotional materials to ensure such materials are clear, legible, accurate, balanced, fair, and sufficiently complete.

In addition to policies and procedures to ensure the compliant conduct of our employees, we place great emphasis on building a culture of compliance and high ethical standards and as part of this we provide regular and detailed training to all our staff members involved in these areas. In the reporting year, over 2,400 hours of related training were provided.

ORPATHYS® was approved in China in 2021 and is marketed by our collaboration partner AstraZeneca.

Availability and fair access of drugs

It is critical for us to support healthy market competition and ensure adequate, fair access to our drug products. As such, we are building an extensive prescription drug distribution network across China. We also collaborate with our partners to improve drug accessibility for the benefit of patients.

To make health products largely affordable and accessible for the public in mainland China, we carefully negotiate fair and reasonable prices with relevant government bodies. ELUNATE® was included on the National Reimbursement Drug List in 2020 and is now available at a reduced price, enhancing advanced colorectal cancer patients' access to the drug.

In addition, wherever we can we offer patient support programs in accordance with applicable laws and regulations. For example, we collaborate with China Primary Health Care Foundation to develop a patient assistance program to provide surufatinib (SULANDA®) to patients who meet certain medical criteria and economic criteria. This program aims to provide eligible patients with improved access to medical treatment and reduce economic burdens, as well as to improve treatment compliance. We believe patient support is part of our social responsibility and we aim to continuously offer support to patients via various channels and programs, such as charitable foundations, industry associations and hospitals, for the ultimate purpose of patient benefit.

Shanghai Hutchison Pharmaceuticals also had their drugs registered and listed on the national medicine lists, namely the National Essential Medicines List and the Low Price Drug List, with average prices of under RMB5 per day.

RESPONSIBLE COMMERCIALIZATION

THE ENVIRONMENT

We recognize the importance of environmental sustainability. We abide by relevant national and regional environmental laws and regulations in China, Hong Kong and other locations in which we operate. We closely monitor and manage our environmental performance to ensure required standards are met and strive to minimize our impact to protect the nearby natural habitats and communities.

Policies and internal guidelines are in place to construct a culture of environmental management within the head office and subsidiary levels, and our joint venture Shanghai Hutchison Pharmaceuticals has earned ISO 14001 certification (environmental management) and ISO 50001 certification (energy management), illustrating our commitment to environmental protection.

Our actions support the following Sustainable Development Goals:

Note: The following quantitative data covers the Group's operations in China, as this is where all production, selling and marketing are conducted.

Hazardous waste management

Our research and manufacturing involve the use of hazardous and flammable materials and chemicals. It is our responsibility to handle and dispose of these substances with the utmost care.

Stringent laws and regulations dictate the handling, use, storage, treatment and disposal of hazardous materials and waste. Qualified external contractors are appointed to collect, treat and dispose of our waste. Hazardous material awaiting collection is temporarily stored in rainproof, leak-proof containers with detailed labelling in accordance with relevant regulations.

Our waste facilities and treatment area are subject to scheduled and surprise inspections. Processes performed by contractors are regularly reviewed to ensure compliance. The EHS unit records the details of our hazardous waste and – as per local regulations – reports relevant statistics to the authorities.

In the reporting year, 4,119 tonnes of non-hazardous wastes and 39 tonnes of hazardous wastes were disposed, at an intensity of 0.018 and 0.0002 tonne per US$ '000 revenue respectively. Among the hazardous waste disposed, around 47% was medical waste from our laboratories. In addition, 334,411 m^3 of wastewater was discharged.

To ensure our preparedness and resilience in the event of an environmental incident or emergency, such as fire or leakage of hazardous waste, we have developed an Emergency Plan for Environmental Incidents. Guided by a third-party consultant, the Plan was developed to cover risks analysis, internal warning mechanisms, and emergency plans and responses. This enables relief work and contingency arrangements to be made efficiently and effectively.

We strive to reduce waste in the long run. As some of our products are not yet commercialized, a fair amount of materials from production inevitably goes to waste. When the commercialization of our products matures, we will explore for a long-term, quantifiable reduction.

Climate change and low-carbon operations

Climate change poses significant risks to all businesses, including HUTCHMED. Extreme weather events such as floods and typhoons could leave us vulnerable to power loss or communication failures that affect operations – of our manufacturing sites in particular. We have two primary manufacturing sites – our formulation facility in Suzhou that produces our innovative oncology drugs ELUNATE® and SULANDA®, and the Shanghai Hutchison Pharmaceuticals production facility in Shanghai that primarily produces She Xian Bao Xin pill. ORPATHYS®, which was launched in mid-2021, is produced by Wuxi STA, a subsidiary of Wuxi AppTec Co. Ltd.

To mitigate the impacts of such risks, we actively explore options for greener manufacturing and operations. We are committed to reducing our energy and water consumption, and carbon emissions, via novel or unexplored measures, strategies and technologies.

Our manufacturing facility in Suzhou features cutting-edge equipment and technology including purified air conditioning, purified water production, compressed air and environmental monitoring system. It also makes use of variable-frequency motors in the air-conditioning system which help to enhance energy efficiency; and airtightness and insulation are tested to minimize heat dissipation. By leveraging technology, we closely monitors our environmental performance and carefully manages the environmental impact of our operations.

A new management strategy, named 'the three parallels', has been adopted by the Company. This means that when facilities or installations are planned, measures to prevent pollution and emissions must be included in the (i) design, (ii) construction, and (iii) operation phases in tandem with the principal project.

By leveraging new technologies and adopting new strategies, we hope to minimize our carbon footprint and help combat climate change in perpetuity.

Energy and greenhouse gas emissions

	Unit	2020
Direct emissions (Scope 1)	tCO_2e	6,040
Indirect emissions (Scope 2)	tCO_2e	15,906
Energy consumption intensity	GJ per US$ '000 revenue	0.390
Greenhouse gas emission intensity (Scope 1 & 2)	tCO_2e per US$ '000 revenue	0.046
	tCO_2e per employee	5.3

tCO_2e = tonnes (metric tons, t) of carbon dioxide (CO_2) equivalent (e).
GJ = Giga Joule (GJ), which is equal to 1×10^9 joule (J).

Our innovative business model involves pursuing significant research and development projects that could have substantial potential sales several years later, and the cost of these operations is materially higher than the revenue earned in 2020. Only a portion of sales of ELUNATE® are accounted for as revenue, owing to our relationship with Eli Lilly and Company. Moreover, in 2020 a portion of production was in preparation for the approval and launch of two new products in the first half of 2021. As such, 2020 revenue is not entirely representative of energy consumption and greenhouse gas emission activities.

HUMAN CAPITAL MANAGEMENT

Great skill and technical talent are required to bring innovative drugs to market. We prioritize employees' health and wellbeing to achieve the best outcomes at work, and to nurture a creative, skillful and diverse workforce. The acquisition, retention, development and engagement of talent is vital for the success and sustainability of the Company.

Our actions support the following Sustainable Development Goals:

Talent acquisition and retention

To better manage our people, our Human Resources Department develops, reinforces and reviews related human resources policies and programs.

We are committed to protecting employees from discrimination on the basis of age, sex, gender, religion or national origin, which is reaffirmed in our Code of Ethics. Standards and expectations for fair employment opportunities are also detailed in the Staff/Employee Handbooks and our joint ventures. At the end of 2020, we had 4,075 full-time employees and 46 outsourced part-timers, with the overall male-to-female distribution at a balanced ratio of 52:48.

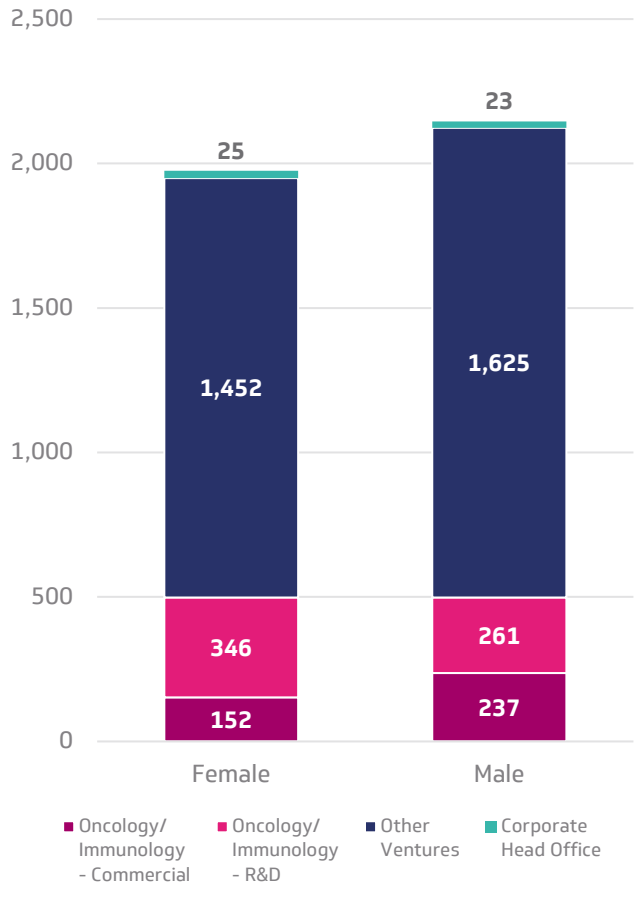
Meanwhile, a Board Diversity Policy is in place to emphasize the value of skills, experience, expertise, independence and diversity when appointing directors.

Team Overview

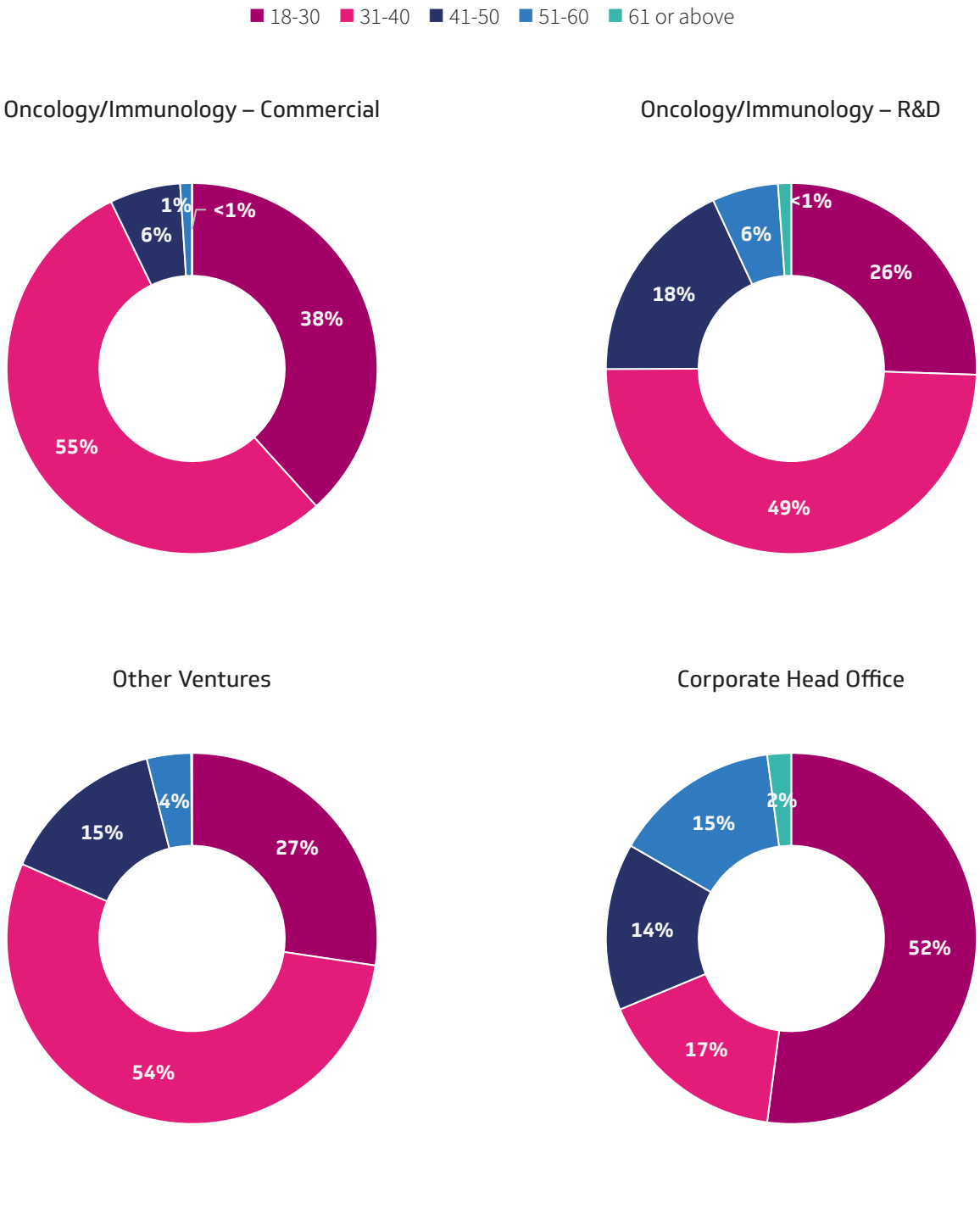
4,121

Workforce as of December 31, 2020

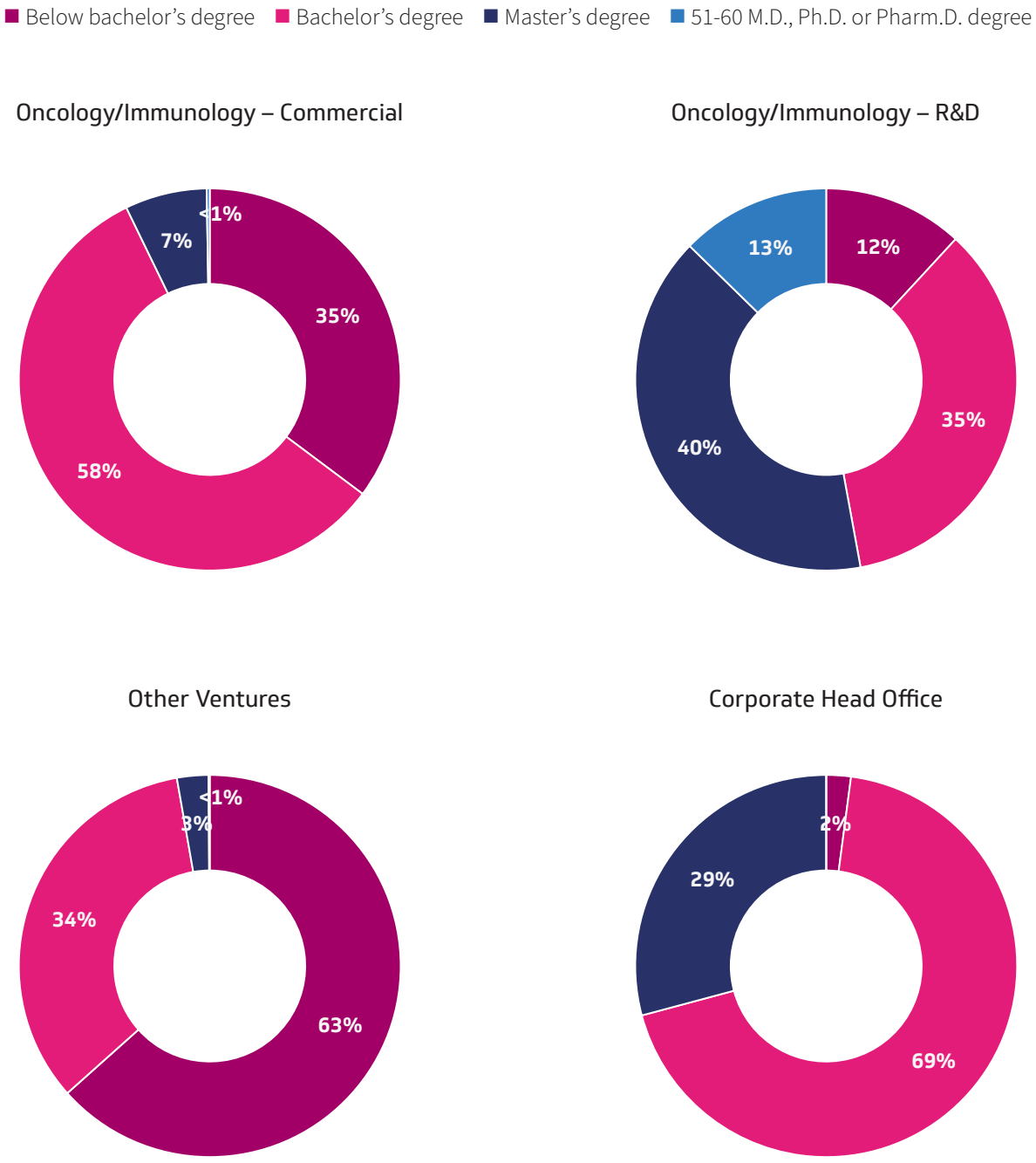
Workforce by gender



Workforce by age



Workforce by education



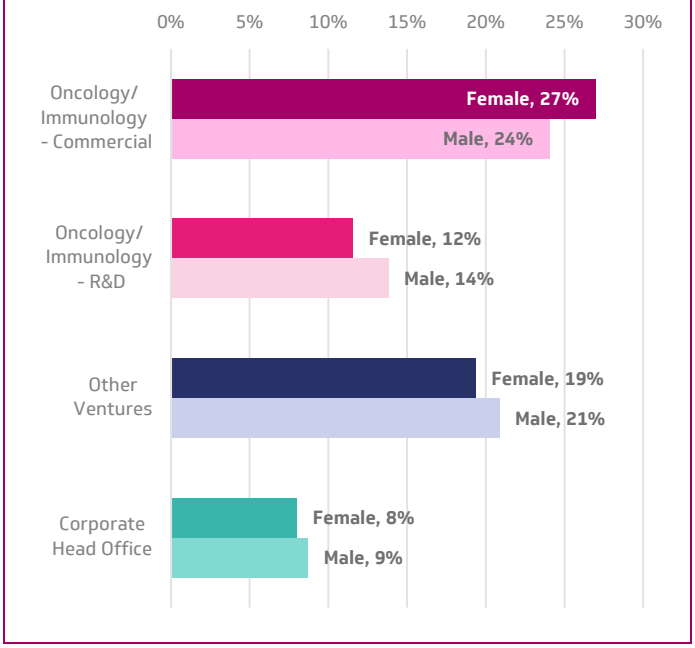
We offer competitive packages to create, retain and steadily develop our talent pool by conducting annual compensation benchmark against China and U.S. oncology company peer groups that is similar to our scale and operation landscape. Our Pay Philosophy is to provide our professionals with a total compensation at or above market median levels.

Our employees enjoy medical and social insurance, personal time off and local holidays in accordance with national and local laws and regulations. Following our Employee Engagement Survey in 2020 (see "*Talent development and engagement*" below), in 2021 we also conducted an Employee Benefits Benchmark analysis with our employees in mainland China, which led to upgrades to seven key benefit items ranging from life insurance, annual leave optimization, medical coverage and others, ensuring that our employees enjoy benefit coverage comparable to the market. Moreover, we make mandated minimum contributions to Hong Kong Mandatory Provident Fund schemes, U.S. 401(k) plans, and other retirement benefit plans of all employees in proportion to their salaries.

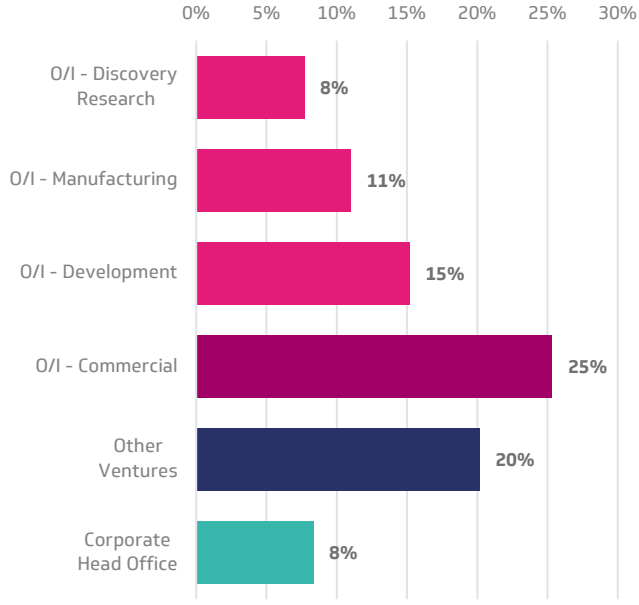
Employees' efforts and contributions are rewarded based on the results of performance appraisals. We also provide reward and recognition opportunities, including a long service award and the Long Term Incentive Plan. Our joint ventures offer year-end bonuses to sales representatives subject to their performance during the year.

Employee turnover in 2020: 798

Turnover rate (%) by gender



Turnover rate (%) by department



O/I = Oncology/Immunology

Talent development and engagement

We have multiple platforms and channels to foster development and communication among employees. Before beginning work, new hires undertake on-the-job and/or external training aligned with their respective job functionality.

To educate employees on the latest regulatory requirements and industry best practices, over 10,000 training courses are available on our e-learning platform for employees' self-learning purposes. We formally launched the HUTCHMED e-learning platform in October 2020 and, in the 12 months from September 30, 2020 to September 30, 2021, we achieved an 84% activation rate, which is 15% above the industry norm provided by our service provider, LinkedIn Learning. Our employees completed 2,370 online learning courses with 57,851 videos watched to completion within this first year since launch, equating to 5 hours 6 mins per viewer. The most popular courses related to Personal & Professional Development, Interpersonal Communication, Teamwork, Leadership, Life Skills, Time Management & Accountability, Project Management, Performance Management, and Team Leadership.

Total training hours in 2020: 71,238 hours

	Unit	Male	Female
Average training hours	**hours**	**18.0**	**17.0**
Senior management	hours	10.6	
Middle management	hours	18.7	
General employees	hours	17.5	
Trained employees	**%**	**96**	**92**
Senior management	%	89	
Middle management	%	93	
General employees	%	95	

To encourage participation, interaction and communication, we launched our share option scheme in 2005 to engage and boost a sense of responsibility and ownership in our employees.

In addition, we organize various employee engagement activities. These include town hall meetings, team building and community development, HUTCHMED Family Day, rewards, recognitions and learning and development. Furthermore, our joint ventures hold meetings with labor unions to ensure that staff voices are heard.

In 2020, we appointed a professional consulting firm to conduct our first group-wide Employee Engagement Survey. This survey measured satisfaction and engagement levels while gathering written feedback regarding our key dimensions: Leadership, Purpose, Teamwork, Feedback, Prospects, Growth, Belonging, Culture, Empowerment, Excellence, Communication, Collaboration, Career, Workload, Rewards, Benefits, and Challenging the Status Quo. 96% of employees responded to the survey with 1,598 written comments. HUTCHMED's overall Employee Engagement score was 81, which is 11% above the Global Pharmaceutical & Healthcare benchmark for this type of survey.

Our top performing dimensions were Role Clarity (83), Prospects (83), Feedback (83), Teamwork (82), Purpose (82), and Leadership (81). Key dimensions that we have been working to improve further included Workload (74), Rewards (72), Benefits (72), Challenging the Status Quo (71), and Involvement (70).

As previously stated, we have taken several actions in responding to our employees' input including but not limited to upgrading of our employee benefits scheme in mainland China (see previously under "*Talent acquisition and retention*"), extending our equity share ownership scheme (the Long Term Incentive Plan, or "LTIP") to a broader group of employees, and granting greater delegation of authority, further empowering and involving our employees in key decision making.

Town hall meetings were arranged for employees from various functions and departments.

Cross functional team building, and community services were held to engage employees in charity and sports activities.

Occupational health and safety

We protect the occupational health and safety (OHS) of our employees at work, especially in laboratories and facilities where most of our occupational hazard lies. Our Environment, Health and Safety (EHS) unit offers regular OHS training, ensures that we communicate and engage with employees on related issues, and reviews and improves our safety measures, facilities, equipment and overall infrastructure. it is our aim to achieve zero occupational accidents. In the reporting year, we had zero work related incident reports.

We have ISO 45001-certified OHS management systems at sites of HUTCHMED China Oncology/Immunology and Shanghai Hutchison Pharmaceuticals, which include regular supervisions and inspections. We carry out daily, monthly and surprise inspections of our laboratories and their safety measures. Any hazards identified are reported immediately for prompt rectification. In parallel, we arrange third-party inspections to ensure that no personnel who have yet to undergo occupational health examinations are working in areas with potential occupational hazards.

We regularly update and maintain protective hardware in our laboratories and facilities. These facilities are tested against local and international standards and requirements by a qualified occupational health agency prior to use and are checked by specialized personnel once a month. Relevant treatment measures are proposed when necessary. The latest round of checking showed our facilities being in compliance with all relevant safety regulatory requirements.

To continually improve awareness of OHS, safety training and education is tailored and provided for all personnel. Before beginning their roles, new hires are required to attend workshop-level and on-the-job safety training. In particular, personnel handling hazardous chemicals must receive appropriate training and pass assessments specific to those tasks. Every year, they are trained again to update their OHS qualifications. Besides, our laboratories publish information on safety, environmental protection, regulations and policies from time to time to maintain a high level of awareness among frontline personnel.

In case of an event with potential health and safety impact, our emergency plans and the accident handling and reporting system are in place to implement contingency control measures. We provide prompt treatments, health inspections and medical observations for employees affected by acute OHS-related conditions. We have zero tolerance for the concealment, false reporting, omission or late reporting of OHS incidents. An accident investigation team is formed as soon as a report is received. The team issues a report that summarizes the effects and possible causes of the incident, as well as the steps that will be taken to prevent recurrence of similar incidents.

In response to COVID-19, we adapted quickly and was able to minimize the effect across the businesses. We will continue to closely monitor the evolving situation and continue to keep our work environment safe.

Occupational health and safety statistics

	Unit	Full-time	Part-time
Work-related fatalities	no.	0	0
Lost days rate	days per 200,000 hours worked	6.28	0
Total training hours for health & safety	hours	1,341	

Community investment

We feel strongly that enterprises should give back to society and bear social responsibility. The Board encourages our business units to contribute to the welfare of the communities in which we operate.

In response to the outbreak of COVID-19, particularly in China, we leveraged our resources and expertise to support epidemic prevention and medical treatments of patients in need. The

following activities are some of our contributions to the community in these challenging times.

HUTCHMED China Oncology/Immunology and Shanghai Hutchison Pharmaceuticals jointly donated RMB 3.5 million to the Shanghai Charity Foundation to support frontline work towards COVID-19 prevention and control in Hubei Province, particularly in Wuhan. The funds also went towards the purchase of protective clothing, surgical gowns and urgently needed medical supplies such as goggles, masks, and disinfectants.

¥3.5M

240 thermometers

Shanghai Hutchison Pharmaceuticals donated an additional 240 imported infrared ear thermometers and 500 silver mercury thermometers to Fengxian District, Shanghai, to support local COVID-19 prevention work.

36,000 boxes

Shanghai Hutchison Pharmaceuticals' Shengmai Injection was recommended in the "Diagnosis and Treatment Protocol for Novel Coronavirus Pneumonia" jointly issued by the National Health Commission and the National Administration of Traditional Chinese Medicine.

In response, Shanghai Hutchison Pharmaceuticals immediately allocated stock and donated more than 36,000 boxes of Shengmai Injection to the Red Cross Society and hospitals in 13 provinces and cities including Hubei, Anhui, Inner Mongolia and Tianjin, with a total estimated value of around RMB 1.8 million.

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volunteering activities organized by SHPL employees to give back to society

In particular, we paid visits to 23 schools under the Shanghai Hutchison Pharmaceuticals School Bookroom project - a national public welfare project launched in 2010 with a theme of "passing knowledge and lighting hope," by which we aim to support the learning and development of primary and secondary school children living in remote areas, ethnic minority areas and rural areas. As of the date of this report, we have built 75 book rooms in 18 provinces or cities, encouraging children's comprehension of books and exploration of knowledge.

Noticing some of the schools had encountered difficulties in sourcing sufficient protective materials in the early stage of the COVID-19 outbreak, Shanghai Hutchison Pharmaceuticals prepared and donated "anti-COVID-19 care boxes" containing materials such as surgical masks and electronic thermometers. This enabled students to resume schooling and studies in safe conditions.

REPORTING INDEX

The report has been prepared with reference to metrics and indicators of the ESG reporting guidelines published by Nasdaq, Inc., Hong Kong Exchanges and Clearing Limited (HKEX), as well as the FTSE Russell quantitative ESG data points as referenced in the London Stock Exchange Group's ESG Reporting Guidance.

The table below summarizes where relevant disclosures could be found throughout this report.

HKEX ESG Reporting Guide		Nasdaq ESG Reporting Guide	FTSE Russell quantitative ESG data points	
Aspect and KPI		*ESG metric*	*Indicator sub code*	*Section / Remark*
Emissions				
A1	General disclosure			The Environment
KPI A1.1	The types of emissions and respective emissions data	E2, E2.2		*This is not identified as material to the nature of our business operations.*
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity	E1, E1.1-1.2, E2, E2.1	ECC14	Climate change and low-carbon operations
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity		EPR24	Hazardous waste management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity			Hazardous waste management
KPI A1.5	Description of emission target(s) set, and steps taken to achieve them			*We will continue to reduce our carbon footprint through exploring greener options for manufacturing and operations. We review the progress and performance regularly.*
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set, and steps taken to achieve them			Hazardous waste management
Use of Resources				
A2	General disclosure			Climate change and low-carbon operations
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity	E3, E3.1-3.2, E4	ECC15	Climate change and low-carbon operations
KPI A2.2	Water consumption in total and intensity	E6, E6.1	EWT11	Hazardous waste management

REPORTING INDEX

HKEX ESG Reporting Guide		Nasdaq ESG Reporting Guide	FTSE Russell quantitative ESG data points	
Aspect and KPI		*ESG metric*	*Indicator sub code*	*Section / Remark*
KPI A2.3	Description of energy use efficiency target(s) set, and steps taken to achieve them			*We will continue to reduce our carbon footprint through exploring greener options for manufacturing and operations. We review the progress and performance regularly.*
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set, and steps taken to achieve them			*This is not identified as material to the nature of our business operations.*
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced			*This is not identified as material to the nature of our business operations.*
The Environment and Natural Resources				
A3	General disclosure			The Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	E7, E7.1-7.3	EPR28	The Environment
Climate Change				
A4	General disclosure			Climate change and low-carbon operations
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	E10		Climate change and low-carbon operations
Employment				
B1	General disclosure			Talent acquisition and retention
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	S4.1, S5.1	SLS25	Talent acquisition and retention
KPI B1.2	Employee turnover rate by gender, age group and geographical region	S3, S3.1-S3.2	SLS24	Talent acquisition and retention
Health and Safety				
B2	General disclosure	S8	SHS12	Occupational health and safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year		SHS38	Occupational health and safety *We report on work-related fatalities starting from this reporting year.*
KPI B2.2	Lost days due to work injury	S7	SHS15	Occupational health and safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored		SHS13	Occupational health and safety
Development and Training				
B3	General disclosure			Talent development and engagement
KPI B3.1	The percentage of employees trained by gender and employee category			Talent development and engagement
KPI B3.2	The average training hours completed per employee by gender and employee category		SLS26	Talent development and engagement

HKEX ESG Reporting Guide		Nasdaq ESG Reporting Guide	FTSE Russell quantitative ESG data points	
Aspect and KPI		*ESG metric*	*Indicator sub code*	*Section / Remark*
Labor Standards				
B4	General disclosure	S9.1, S10.1		*This is not identified as material to the nature of our business operations.*
Supply Chain Management				
B5	General disclosure			Business Ethics, Responsible Commercialization
KPI B5.1	Number of suppliers by geographical region			Employee and supply chain awareness
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	G5.1		Employee and supply chain awareness, Product quality and safety
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	G5.2		Employee and supply chain awareness, Product quality and safety
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored			Product quality and safety
Product Responsibility				
B6	General disclosure			Research and Development, Responsible Commercialization
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons			Adverse events
KPI B6.2	Number of products and service-related complaints received and how they are dealt with			Whistleblowing
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights			Intellectual property
KPI B6.4	Description of quality assurance process and recall procedures			Research and Development, Responsible Commercialization
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	G7.1		Data privacy and security
Anti-corruption				
B7	General disclosure	G6.1		Business Ethics
KPI 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	G6.2	GAC13, GAC14	Whistleblowing
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored			Whistleblowing
KPI B7.3	Description of anti-corruption training provided to directors and staff			Employee and supply chain awareness
Community Investment				
B8	General disclosure			Community investment
KPI B8.1	Focus areas of contribution			Community investment
KPI B8.2	Resources contributed to the focus area		SHR17	Community investment

HUTCHMED