



Hansoh Pharmaceutical Group Company Limited

翰森製藥集團有限公司

(the “Company”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3692)

Terms of Reference of the Environmental, Social and Governance Committee of the Board

(Adopted by the Company pursuant to the Board resolution passed on June 28, 2021)

1. Constitution

- 1.1 The board of directors of the Company (the “**Board**”) hereby constitutes and establishes an environmental, social and governance (“**ESG**”) committee (the “**ESG Committee**”) with authority, responsibility, and specific duties as summarized below.
- 1.2 The goal of the ESG Committee is to promote the continuous improvement of the Group’s ESG management and performance, enhance the recognition of capital market for the Group’s ESG work, and establish a sustainable enterprise.

2. Membership

- 2.1 The ESG Committee shall be appointed by the Board and shall consist of no less than three (3) members, and one of them shall be the chairman (the “**Chairman**”).
- 2.2 The quorum for a meeting of the ESG Committee shall be two (2) members. A duly convened meeting of the ESG Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the ESG Committee. Members of the ESG Committee shall attend the meeting in person or through electronic communications of, including but not limited to, telephone or video conference.
- 2.3 The ESG Committee may establish a working group as an executive body to fully implement the ESG strategy and related specific work.

3. Secretary

The company secretary of the Company or his/her nominee shall be the secretary of the ESG Committee.

4. Authority

- 4.1 The ESG Committee is authorized by the Board to act within these terms of reference. The ESG Committee is authorized to seek any information it requires from any employee of the Company, and all employees are directed to cooperate upon any request made by the ESG Committee.
- 4.2 The ESG Committee is authorized by the Board, at the Company's expense but subject to prior discussion with the Board on costs, to obtain external legal or other independent professional advice if it considers necessary.
- 4.3 The ESG Committee shall be provided with sufficient resources to perform its duties.

5. Duties

The duties of the ESG Committee include:

- 5.1 guiding and formulating the Group's ESG vision, objectives, strategies and structure to ensure that they are in line with the needs of the Group and comply with applicable laws, regulations, regulatory requirements and international standards;
- 5.2 monitoring the development and implementation of the Group's ESG vision, strategies and structure, including: establishing the Group's ESG management performance objectives, reviewing the progress of the objectives, and providing suggestions on the actions to be taken to improve performance;
- 5.3 guiding and reviewing the identification and ranking of important ESG issues of the Group;
- 5.4 reviewing the key ESG trends and related risks and opportunities, and assessing the adequacy and effectiveness of the Group's ESG structure accordingly;
- 5.5 monitoring the channels and means of communication with the Group's stakeholders and ensure that relevant policies are in place to effectively promote the relationship between the Group and its stakeholders and protect the Group's reputation;
- 5.6 reviewing the Company's ESG report and other ESG related disclosures, and making recommendations to the Board in order to maintain the integrity of the ESG report and other ESG related disclosure; and
- 5.7 considering all other matters as defined to the ESG Committee by the Board.

6. Reporting Procedures

- 6.1 The working group under the ESG Committee shall regularly report to the ESG Committee.
- 6.2 The ESG Committee shall report to the Board the findings and recommendations after each meeting of the ESG Committee, unless there are legal or regulatory restrictions on its ability to do so.
- 6.3 On an annual basis, the ESG Committee shall evaluate and assess the effectiveness of the ESG Committee and the adequacy of the terms of reference of the ESG Committee and if necessary, recommend any proposed changes to the Board.

7. Notice of Meetings

- 7.1 A meeting of the ESG Committee may be convened by any of its members through the company secretary of the Company.
- 7.2 The agenda and relevant documents for regular meetings should be sent to all members of the ESG Committee in a timely manner and at least three (3) days before the date of the meeting (or such other period as the members may agree), and as far as practicable, all other meetings shall also adopt the above arrangement.

8. Frequency and Proceedings of Meetings

- 8.1 The ESG Committee may hold meetings as and when necessary, but at least once annually or at such frequency as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) or other regulatory requirements applicable to the Company from time to time.
- 8.2 The Chairman may convene additional meetings at his/her discretion.
- 8.3 The Chairman (or in his/her absence, a member designated by the Chairman) shall preside at all meetings of the ESG Committee. The Chairman shall be responsible for leading the ESG Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.
- 8.4 As necessary or desirable, the Chairman may request that members of management and/or members of the Board be present at the meeting of the ESG Committee.

9. Minutes of Meetings

- 9.1 Minutes of ESG Committee meetings should be kept by a duly appointed secretary of the meeting and should be open for inspection at any reasonable time on reasonable notice by any director.
- 9.2 Minutes of ESG Committee meetings shall record in sufficient details the matters considered by the ESG Committee members and decisions reached, including any concerns raised by the ESG Committee members and dissenting views expressed. Draft and final versions of minutes of meeting of the ESG Committee shall be sent to all members of the ESG Committee, respectively, in both cases within a reasonable time after the meeting.

10. General

- 10.1 These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements, including those under the Listing Rules.

– End –

(Should there be any inconsistency between the English and the Chinese versions of these terms of reference, the English version shall prevail.)