

INNOVATIVE PHARMACEUTICAL BIOTECH LIMITED

領航醫藥及生物科技有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code : 399)

2017/18

Environmental, Social and
Governance Report

Introduction, Environmental, Social and Governance Policies

Innovative Pharmaceutical Biotech Limited (the “Company”, together with its subsidiaries, “the Group” or “we”) is a medical and biotechnology Hong Kong investment holding company operating in three major segments. The segment of the trading of beauty equipment and products focusing on the sales of related products in Hong Kong; the securities investment segment investing on the securities in Hong Kong and overseas markets; and the research and development segment involving in the research and development projects and commercialization of an oral insulin product that the Group is developing.

This Environmental, Social and Governance Report (the “ESG Report”) summarizes the environmental, social and governance (“ESG”) initiatives, plans and performances of the Group and demonstrates its commitment to sustainability development.

The Group adheres to the management policies of sustainable development on the ESG aspects. We are also committed to handling the Group’s ESG affairs effectively and responsibly, which is integrated as one of the core components of our business strategy as we believe this is the key to our continuous success in the future.

THE ESG GOVERNANCE STRUCTURE

The Group has established the ESG Taskforce (the “Taskforce”). The Taskforce comprises core members from different departments and is responsible for collecting relevant information on our ESG aspects for preparing the ESG Report. The Taskforce reports to the Board of Directors (the “Board”), assists in identifying and evaluating the Group’s ESG risks and the effectiveness of the internal control mechanisms. The Taskforce also examines and evaluates our performances in different aspects such as environment, health and safety, labour standards and product responsibilities in the ESG aspects. The Board sets up a main direction for the Group’s ESG strategies, ensuring the effectiveness in the control of ESG risks and internal control mechanisms.



SCOPE OF REPORTING

Unless specified otherwise, the ESG Report covers the Group's three operating segments, which are also reported in the Group's Annual Report 2018, including the beauty equipment and product trading segment, securities investment segment and research and development segment. The ESG report covers the Group's policies, compliance issues in two subject areas, namely, Environmental and Social, as well as environmental key performance indicators ("KPIs") of the above segments under the Group's operation from 1 April 2017 to 31 March 2018. We will continue to expand the scope of disclosure in the future after the Group's data collection system is more matured and the sustainable development work is enhanced.

REPORTING FRAMEWORK

The ESG Report has prepared in compliance with all applicable provisions set out in the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") contained in Appendix 27 of the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited.

For the Group's corporate governance practices, please refer to P.19 to P.29 for the section "Corporate Governance Report" contained in the Group's Annual Report 2018.

REPORTING PERIOD

The ESG Report describes the ESG activities, challenges and measures taken by the Group during the year ended 31 March 2018 (the "Reporting Period").

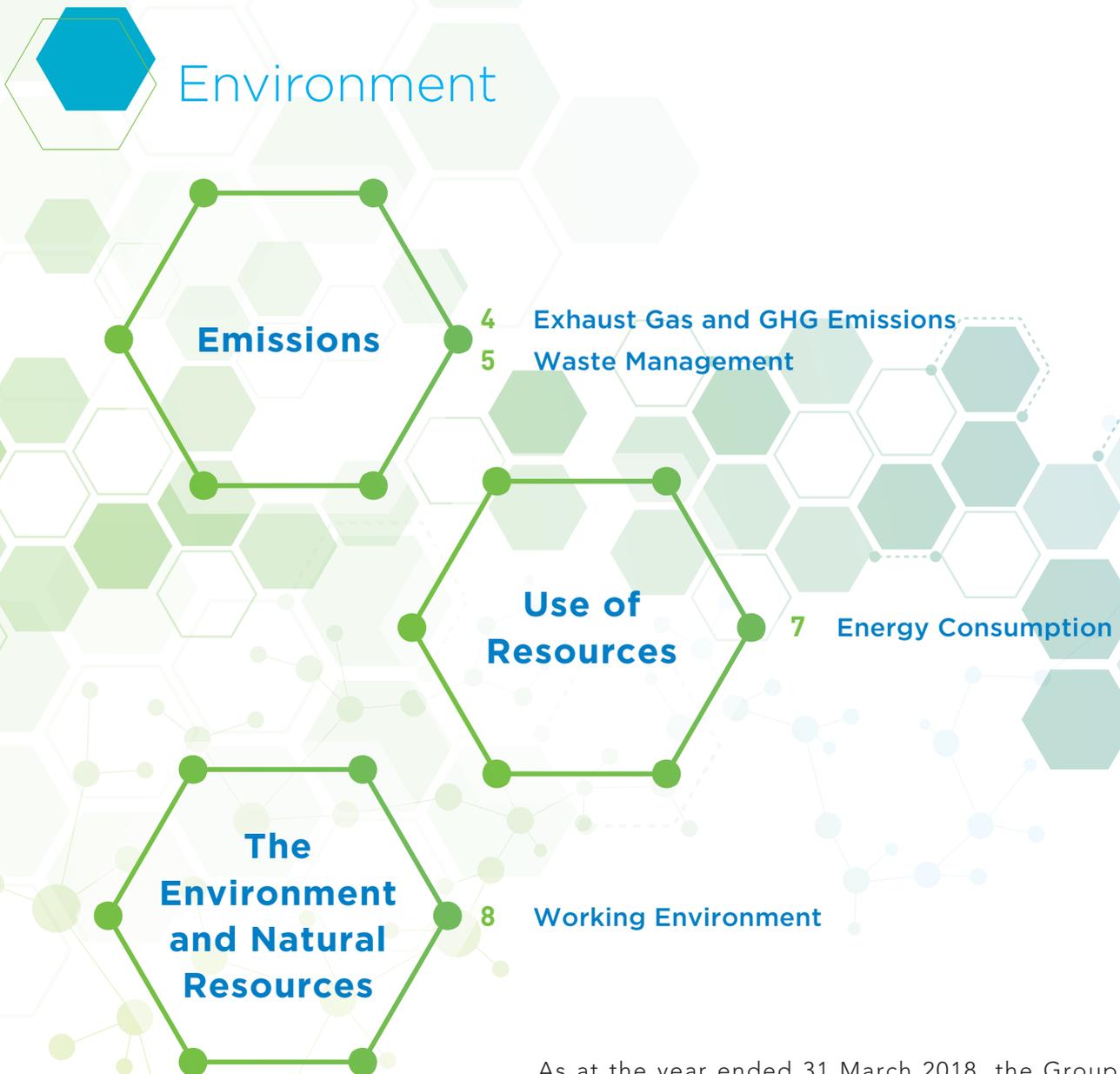
STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their views related to its business and ESG issues. In order to understand and address stakeholders' concerns, we communicate with our key stakeholders, including but not limited to employees, investors, customers, suppliers, government bodies and communities through different channels such as conferences and electronic platforms. In formulating operational strategies and ESG measures, we take into account stakeholders' expectations and strives to improve our performance through mutual cooperation to create greater value for the society.

Materiality Assessment

The management and staff of the Group's respective major operations have participated in the preparation of the ESG Report to assist the Group in reviewing our operations and identifying relevant ESG issues and assess the importance of related matters to our businesses and stakeholders. Based on the assessed significant ESG issues, a data collection questionnaire was prepared to collect information from relevant departments and business units of the Group.

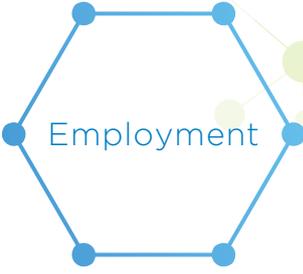
The following diagrams represented is a summary of the Group's material ESG issues included in this report:



As at the year ended 31 March 2018, the Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide.



Social



Employment

- 9 Compensation and Benefits
- 10 Employment, Promotion and Dismissal
- 10 Equal Opportunities



Health and Safety

- 10 Internal Health and Safety Management and System
- 11 Fire Safety



Development and Training

- 11 Training Management



Labour Standards

- 11 Prevention of Child and Forced Labour



Supply Chain Management

- 12 Suppliers Assessment
- 12 Fair and Open Procurement



Product Responsibility

- 13 Protection of Intellectual Property Rights
- 13 Customer Services
- 13 Protection of Privacy



Community Investment

- 14 Corporate Social Responsibility



Anti-corruption

- 13 Anti-corruption

Contact Us

We welcome stakeholders to provide their opinions and suggestions. You can provide valuable advices in respect of the ESG report or our performances in sustainable development via email to info@ipb.asia.

Environmental

EMISSIONS

General Disclosure and KPIs

The Group adheres to the strategy of sustainable development in our operation. With the aim to reduce energy consumption and greenhouse gas emissions, the Group has always been exploring protection operating models of less impact to the environment, recognizing the importance of environmental management, and striving to protect the environment in order to fulfil the Group's commitment on social responsibility.

The Group closely follows the latest national and regional environmental protection laws and regulations, thereby focusing on strengthening environmental protection measures to comply with related local laws and regulations and fully implement environmental policies. The Group complies with applicable laws and regulations, including "Environmental Protection Law of the People's Republic of China", "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution", "Water Pollution Prevention and Control Law of the People's Republic of China", "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste", Hong Kong "Waste Disposal Ordinance", etc.

The responsible persons in charge of the Group's environmental affairs supervise the implementation of the above measures and related environmental protection policies. Under the stringent supervision and guidance, various departments endeavour to implement the Group's environmental protection policies and ensure all operation processes have complied with the legal requirements. The responsible persons of environmental protection review the Group's policies and implementation procedures continuously, and report to the management appropriately. Recommendations would be made if necessary.

During the Reporting Period, the Group did not have any violation of relevant local environmental laws and regulations in relation to exhaust gas and GHG emissions, water and land discharge, and the generation of hazardous and non-hazardous wastes that have a significant impact on the Group.

Exhaust Gas and GHG Emissions

Exhaust Gas Emission

Due to our business nature, the Group does not generate significant amount of exhaust gas emissions directly during its operations.

GHG Emissions

The major sources of the Group's GHG emissions is emissions from purchased energy.

The Group actively adopts electricity conservation and energy saving measures to reduce GHG emission, including:

- Adopts environmental conservation and energy saving measures. Relevant measures are described under "Energy Consumption" in Section A2;
- Reduces the number of business trips through utilizing electronic communication such as video conferences and online meetings.

The employee's awareness of reducing GHG emissions has been increased through these GHG mitigation measures.

The summary of GHG emissions performances:

Indicator ¹	Total emissions (calculated in tonnes)	Intensity – Total GHG emissions per employee (tonnes/employee) ²
Total GHG emissions	16	0.71

Note:

1. GHG emission data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, the latest released emission factors of China's regional power grid basis, and the Sustainability Report 2017 issued by HK Electric Investment.
2. As at 31 March 2018, the Group had 22 full-time employees in total. The data is also used for calculating other intensity data.

Domestic Sewage

The Group also discharges domestic sewage during daily operation, which is discharged into the urban sewerage pipe network after purification in the subsurface sewage treatment system.

Due to its business nature, the Group does not have any industrial facilities. Therefore, during the Reporting Period, the Group did not generate significant amount of sewage discharge.

Waste Management

The Group adheres to the waste management principles and strive to properly manage and dispose all wastes produced in our business activities. Our waste management practice has been complied with related environmental protection laws and regulations. The non-hazardous wastes generated by the Group's business activities mainly consist of paper. After

collection and sorting by the Group, such wastes will eventually be collected and processed by general waste service providers. Recyclables will be recycled.

We regularly monitor the consumption of paper and implement various reduction measures. The Group's offices have provided suitable facilities and encouraged employees to sort waste at source and recycle to achieve the objectives in waste reduction, reuse and recycle in its operations. The Group maintains a high standard in waste reduction, educates employees about the importance of sustainable development and provides relevant supports in order to enhance their skills and knowledge in sustainability.

Environmental

The summary of major non-hazardous wastes discharge performance:

Category of waste	Total discharge	Intensity – Total non-hazardous wastes discharge per employee (unit/employee)
Paper	40,000 pages	1,818.18

As the Group's research and development and clinical trial processes are performed by contract research organizations and hospitals, the Group does not directly produce hazardous wastes (such as medical wastes) during our operation.

Office Automation

The Group is committed to establishing an electronic automated office. The offices fully utilize online system, while general business notices and data transmission are conducted through the Internet system, and has established electronic workflows. Printing and copying are minimized to the largest extent to reduce paper usage, while double-sided printing; old envelopes utilization; reuse of papers, cartons, envelopes and folders are encouraged in the office. The office supervises the use of papers, while waste papers are collected and recycled by the administrative department and the office. Reusable paper products, such as briefcases, envelopes, etc. are collected and reused while the use of disposable paper products, such as paper cups and paper towels, are minimized. In addition, the Group also places "Green Message" reminders on office equipment to further increase employee's environmental awareness. Through these waste management measures, the employees' waste management awareness are greatly enhanced.

USE OF RESOURCES

General Disclosure and KPIs

The Group upholds and promotes the principle of effective use of resources. We have immediate monitoring on potential environmental impacts in our business operations. Through the 4Rs principles, namely, "reduce, reuse, recycle and replace", we promote green office and operation environment, and minimize the environmental impacts of the Group and its subsidiaries.

As mentioned in Section A1, the Group has set out related environmental management policies and procedures on resource usages such as water and electricity. Monthly usage statistics are used for focused management of the main energy consumption equipment and regulation of equipment operation for effective resource usage.

The Group strictly complies with the "Water Law of the People's Republic of China", "Electric Power Law of the People's Republic of China", "Law of the People's Republic of China on Conserving Energy", and other relevant laws and regulations. During the Reporting Period, the Group was not aware of any material non-compliance of the above laws and regulations.

Energy Consumption

The major energy consumption of the Group in daily operation is electricity consumption in the operation.

The Group has formulated rules and regulations to achieve the goal of electricity saving and efficient consumption. The relevant specific measures are as follows:

- Selects energy-efficient equipment and electrical appliances for production, office and domestic electricity use;
- Forbids the use of large-power electrical appliances such as heaters, kettles, refrigerators, etc., to avoid electricity overload. Employees should turn off all electrical appliances that come with them when they leave office;
- Turns off all unnecessary lights, air conditioners, computers and other office equipment in office areas, conference rooms and corridors when they are not in use to avoid waste of electricity;
- Uses LED lamps instead of traditional lamps;
- Regulates the use of air conditioners strictly to prevent waste of electricity;
- Turns off computers (host/monitor) when employees go out for a long time, and switch computers to standby or sleep mode when employees go out for lunch; and
- Enhances the maintenance and overhaul of equipment, maintain the best condition of all electronic equipment for effective use of electricity.

As a result, the employees' awareness of energy conservation has been enhanced through these energy-saving measures.

During the Reporting Period, the energy consumption of the Group and its intensity were as follows:

Type of energy	Energy consumption	Intensity – Total energy consumption per employee (unit/employee)
Electricity	19,827kWh	901.23

Water Consumption

The Group's major water consumption is from the office's fresh-water consumption. We encourage all employees and customers to develop the habit of conscious water conservation. We have been enhancing our water conservation promotion. Environmental messages are posted on pantry and washrooms to remind employees to save water. The employees' water conservation awareness has been increased with the above water-saving measures.

Due to our business nature and our operation are mainly in the cities, while research and development and clinical trial processes are performed by subcontracted research organizations and hospitals, the issue in sourcing water is not relevant to the Group.

Due to our business nature, the Group does not have any industrial facilities. Therefore, during the Reporting Period, the Group did not consume significant water in its operation process.

Environmental

Use of Packaging Material

Due to our business nature, the Group does not produce any final products nor does it have any industrial facilities. Therefore, it does not use significant amount of packaging materials during its daily operations.

THE ENVIRONMENT AND NATURAL RESOURCES

General Disclosure and KPIs

The Group focuses on its business impacts brought to the environmental and natural resources and pursues the best practice for environmental protection. In addition to complying with related environmental laws and regulations and international standards for proper natural environment preservation, we have integrated the concept of environmental protection and natural resource conservation into its internal management and daily operations in order to achieve the aim of environmental sustainability.

Working Environment

The Group strives to provide employees with a comfortable working environment to enhance working efficiency. We maintain office discipline and environmental sanitation, and ensure personal office area and common areas are neat and tidy. Our staff monitor the conditions of the community and workplace from time to time, set up emergency plans in advance for risk mitigation, adopt preventive and control measures for problem and risk identification, and deal with the identified problems and potential risks in time to maintain a sound working environment.

On the other hand, the Group regularly monitors and measures indoor air quality of the workplace. We maintain indoor air quality and filters pollutants and dust via air purification equipment and regular cleansing of the air conditioning system.

Social

EMPLOYMENT

General Disclosure

Employees are the greatest and most valuable asset of the Group and our core competitive advantage. Therefore, our success highly depends on the ability to attract, cultivate and retain employees. We adheres to a people-oriented approach, standardizes labour employment management to respect and protect the legitimate interests of every employee. At the same time, we strive to ensure our employees' occupational health and safety for protecting labour rights, stimulating employee's enthusiasm, initiatives and creativity to build a harmonious staff relationship.

The Group actively complied with labour laws and regulations, including but not limited to, the "Labour Law of the People's Republic of China", "Labour Contract Law of the People's Republic of China", "Regulation on Work-Related Injury Insurances" and "Employment Ordinance" of Hong Kong. The Group has accordingly formulated a series of related personnel management policy to guide employees to actively integrate personal pursuits into the long-term of the Group.

During the Reporting Period, the Group did not aware of any material non-compliance of laws and regulations in respect of human resources.

Compensation and Benefits

The Group has established a fair, reasonable and competitive remuneration system for salary payments to employees based on fairness, competitiveness, incentives, reasonableness, and legality. Our employees' remuneration comprises of basic salary, performance bonus, overtime payment, position subsidy and related subsidies and other various bonuses. In addition, we conduct annual assessments in accordance to the changes in macroeconomic factors (e.g. national policies and price levels), industry and regional remuneration levels, changes in the Group's development strategy and overall effectiveness of the Group, and makes corresponding adjustments to our staff remuneration.

The Group have signed and executed the labour contracts with employees in accordance with the "Labour Contract Law of the People's Republic of China". The signing rate of labour contracts is 100%. In accordance with the law, the Group pays "five social insurance and one housing fund" for its employees, namely, endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance and housing provident fund, to ensure employees are covered by social insurance.

The Group earnestly safeguards the legitimate interests of labour in accordance with the requirement of the national and local laws and regulations (e.g. the "Labour Law of the People's Republic of China"). We respect the rights of employees to rest and leave, regulate their working hours and their rights for various types of rest times and holidays. Following the "Regulation on Paid Annual Leave for Employees" and other relevant regulations, we implement the paid annual leave policies and pay overtime wages for employees that exceed their statutory working hours. Furthermore, employees are allowed to apply for flexible working schedule based on their working conditions.

Social

Employment, Promotion and Dismissal

The Group has continuously established and improved its recruitment system. In the requirement process, we have standardized the hiring procedures and recruitment principles, adhering to the hiring principles of morality, knowledge, ability and experience applicable to the job positions. In such ways to continuously attract talents by upholding principles of justice, fairness, equality and openness.

The Group specifies the basis and procedures for staff promotion, transfer and demotion management, and regulates departure process to protect the interests of both employees and the Group.

The Group has implemented a fair and open assessment system to evaluate employees' working performance and internal assessment results, so as to create opportunities for their promotion and development to explore their potential at work.

Equal Opportunities

The Group strictly complies with national and local standards by adopting a fair, equitable and open requirement process and develop relevant policy documents to eliminate discrimination in the recruitment processes. Employees face no discrimination regardless of race, sex, colour, age, family background, family background, ethnic tradition, religion, physical fitness and nationality and thus allowing them to enjoy fair treatment in every aspect including recruitment, salary, training and promotion. In the Group, both male and female employees receive the same remuneration with the same job duties. Through the above measures, we are able to attract professionals with diverse background to join us.

HEALTH AND SAFETY

General Disclosure

The Group highly recognizes the importance of health and safety of our employees. We commit to provide employees with a healthy, safe and comfortable working environment and strive to eliminate potential health and safety hazards at the workplace. We strictly enforce relevant laws and regulations such as the "Labor Law of the People's Republic of China", "Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases" and "Fire Protection Law of the People's Republic of China", "Occupational Safety and Health Ordinance" of Hong Kong, etc.

During the Reporting Period, the Group did not record any accidents that resulted in death or serious physical injury and no claims or compensation were paid to our employees due to such events. No material non-compliance of laws and regulations relevant to health and safety of employees were found.

Internal Health and Safety Management and System

The Group maintains an internal audit and inspection system to ensure the health and safety of customers and employees during its operation. The review processes are designed to ensure the workplace is under constant monitoring, identify and correct the deficiencies that do not meet the standards. We regularly inspect and review the safety issues of offices and actively encourage employees to report health and safety incidents and risks.

On the other hand, we provide staff with health and safety notifications to provide related information and increase their awareness. We also arrange body checks for employee, particular pay attention to those who have abnormal examination result and provide treatment advice.

Fire Safety

The Group has also formulated fire safety system in accordance with the "Fire Protection Law of the People's Republic of China" and "Provisions on the Supervision and Administration of Fire Protection of Construction Projects". Fire drills are conducted to raise employees' fire prevention awareness, staff are instructed to the correct use of fire extinguishers and our fire evacuation plans are improved. In response to emergencies, different places of our workplace are also equipped and clearly located with first aid kits and fire extinguishers.

DEVELOPMENT AND TRAINING

General Disclosure

Training Management

The Group focuses on the establishment of internal management training and development system. Employees at all levels can satisfy their needs through diverse training courses to enhance their skill sets. Through these training courses, not only do they boost the sustainable development of the Group, but also facilitate employees' personal growth and development.

The management formulates the Group's annual training proposal. Regular reviews on the effectiveness of the training courses are conducted by the management to improve the quality of our training system. We provide relevant on-the-job training for each employee to facilitate their business abilities. Through various trainings, employees are able to strengthen related business professional knowledge, professions and management skills. We also provide subsidies, remuneration and promotion incentives to encourage employees to participate in external training courses.

The Group also recognizes the importance of occupational safety training to ensure employees' personal safety. The relevant policies have been described in details in section B2 "Fire Safety".

LABOUR STANDARDS

General Disclosure

Prevention of Child and Forced Labour

The Group complies with the "Labour Law of the People's Republic of China", Hong Kong's "Employment Ordinance" and "Provisions on the Prohibition of Using Child Labor" in mainland China promulgated on and effective from 1 December 2002 with respect to the employment of youths under 16 years of age and their legal rights.

The Group strictly prohibits the use of any child and forced labour by our China and Hong Kong operations. We demand all new employees to provide true and accurate personal information when they join the Group for recruitment staff to stringently verify their information, including among other things, body check results, academic certificates, identity card and hometown information. Regular reviews and checking are conducted to guard against child or forced labour in our operation.

Furthermore, employees of the Group work overtime on a voluntary basis to prevent any breach of labour standards. We also prohibit any punishments, management methods and behaviours involving verbal abuse, physical punishment, physical abuse, oppression, sexual harassment, etc. against its employees for any reason.

At the same time, the Group also avoids using the administrative supplies and services from those vendors and contractors with records of using child or forced labour is known.

During the Reporting Period, the Group was not aware of any material non-compliance with any laws and regulations in relation to the prevention of child or forced labour.

Social

SUPPLY CHAIN MANAGEMENT

General Disclosure

The Group highly values the importance of potential environmental and social risks management in its supply chain. For the effective monitoring of procurement procedures and cost control, increasing management transparency in procurement, we have established a stringent and standardized procurement system and a systematic selection process for suppliers, contract research organizations and hospitals. At the same time, we have imposed environmental and social risk control requirements on suppliers, contract research organizations and hospitals.

Suppliers Assessment

The Group expects suppliers, contract research organizations and hospitals to fulfil the standards of the terms of environment, quality, society, corporate governance and commercial ethnics. We require our suppliers, contract research organizations and hospitals to create positive influences on environmental and social matters, the scopes of which mainly includes operational compliance, employees' security and health, social responsibility, business ethnics and environmental protection. We terminate contracts with those suppliers, research organizations or hospitals who may cause severe contamination or seriously social harms or have caused material environmental or social accidents. With the above assessment processes, we are able to minimize potential environmental and social risks of supply chain.

Fair and Open Procurement

The Group's procurement procedures strictly abide by the "Bidding Law of the People's Republic of China" and related regulations. We make procurement on an open, fair and impartial basis without any discrimination against any particular supplier, contract research organizations or hospitals, nor corruption and bribery. Employees and any party related to the relevant supplier or contract research organizations or hospitals are forbidden to take part in the procurement process. The Group stressed the integrity of its suppliers, contract research organizations and hospitals. We only select those with good business track records, which have no material non-compliance cases or unethical behaviours.

PRODUCT RESPONSIBILITY

General Disclosure

We actively safeguard the quality of our products with our internal control process. We also maintain on-going communication with our customers to ensure understanding and satisfaction of their demands and expectations, and to improve our service quality by learning their satisfactory rates. We earnestly complies with laws and regulations in relation to consumers' rights such as the "Law of the People's Republic of China on Protection of Consumer Rights and Interests", "Advertising Law of the People's Republic of China", "Patent Law of the People's Republic of China", and Hong Kong's "Personal Data (Privacy) Ordinance" and "Trade Descriptions Ordinance".

During the Reporting Period, the Group was not aware of any material non-compliance with any laws and regulations in relation to privacy issues and compensation regarding health and safety, advertisement, labelling, and products and service provided.

Protection of Intellectual Property Rights

The Group focuses on pioneer innovation in its own research and development. We have sufficient and all-rounded management system for intellectual properties. We continuously strengthen the management of patent rights, non-patent technology, trade secrets and various confidential drawings, procedures, and materials in the research and development processes. Borrowing and using of these information are under strict regulations. Unrelated personnel is prohibited from accessing research results. For new employees, we focus on training their awareness of conserving trade secrets. Our confidentiality-related policies and systems require employees to maintain a high degree of confidentiality and to use and carefully handle trade secret data.

Customer Services

The Group reviews all complaints from customers, suppliers and partners in accordance with internal procedures and guidelines. Appropriate follow-up measures will be taken. If applicable, we will conduct relevant investigations to resolve complaints and make improvements accordingly. We believe that complaints are good opportunities to get feedback from the community and customers, so as to assure the necessity of improving our services and policies.

Protection of Privacy

We recognize the protection of customers' and partners' privacy is the key for our success. Therefore, protecting and maintaining customers' privacy always remain in the first priority of the Group. We have established security measures to provide adequate protection and encryption for all data and information upon operation. At the same time, we have established strict policies for the collection and use of personal data.

ANTI-CORRUPTION

General Disclosure

The Group believes that a clean corporate culture is the key to our continuous success. Therefore, we stressed on anti-corruption work and system building, devoted in creating a clean and transparent corporate culture. We have already developed adequate codes to ensure all employees, including directors, adhere to the highest standards of business, professional and ethnical practices. We strictly comply with the requirements under laws and regulations such as the "Company Law of the People's Republic of China", "Bidding Law of the People's Republic of China", "Interim Provisions on Banning Commercial Bribery", and Hong Kong's "Prevention of Bribery Ordinance".

The Group has formulated such policies on the control and prevention of bribery, extortion, fraud and money laundering between shareholders and related parties in each business operation and trade activity.

During the Reporting Period, the Group did not notify any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering.

Anti-corruption

Internal Control System

The Group has an anti-bribery function, which is responsible for developing the overall framework of anti-bribery, fraud and corruption policies and procedures. It also guides and monitors the implementation of such policies and procedures in different aspects of the Group's operation. Each of the Group's subsidiaries will immediately report any suspected bribery, fraud and corruption to the person in charge of the Group's internal control. The responsible persons of internal control will then conduct further investigation and determine the appropriate course of action if necessary.

Social

The Group fully complies with all relevant anti-money laundering laws. We minimize the risk of establishing relationships with individuals or organizations involved in money laundering or terrorist activities through "Know Your Customer" and assessment procedures.

The Group pays great attention on the potential bribery and corruption during the procurement processes. Therefore we have established relevant management protocols and systems, which are described in the section headed "Fair and Open Procurement" under Aspect B5.

Whistle-blowing System

The Group has also established a whistle-blowing system, whistle-blower protection policies and designated reporting hotlines, which stipulate the provision of whistle-blowing processes and standard treatment time. The whistle-blowing system allows all employees and independent third parties (including customers, and suppliers) who are in contact with the staff to report negligence, corruption, bribery and other misconduct to the management via anonymous phone call and email. The management will process the reports promptly, fairly and confidentially. On the other hand, the whistle-blowing system also ensures that whistle-blowers will not be treated unfairly because of reports and will not face unfair dismissal, unwarranted disciplinary actions, etc.

COMMUNITY INVESTMENT

General Disclosure

Corporate Social Responsibility

The Group believes in shouldering the responsibility of contributing society. As a responsible corporate citizen, we have fulfilled our social responsibilities, being committed to supporting various charitable and community activities. We hope to foster employees' sense of social responsibility, thus encouraging them to participate in charitable activities during their work and spare time to make greater contributions to the community. We have also encouraged our employees to participate in environmental and charitable activities, make donations to assist underprivileged students and engage in social services. We believe that the participation in activities that repay society can increase our employees' civic awareness and establish correct values. We will seek opportunities to identify suitable projects and contribute to the community and environment to bring positive progress to society.

The ESG Reporting Guide Content Index of the Stock Exchange of Hong Kong Limited

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to Exhaust Gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1 ("comply or explain")	The types of emissions and respective emissions data.	Emissions – Exhaust Gas and GHG Emissions, Domestic Sewage
KPI A1.2 ("comply or explain")	GHG emissions in total (in tonnes) and intensity.	Emissions – Exhaust Gas and GHG Emissions
KPI A1.3 ("comply or explain")	Total hazardous waste produced (in tonnes) and intensity.	Not applicable – Explained
KPI A1.4 ("comply or explain")	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions – Waste Management
KPI A1.5 ("comply or explain")	Description of reduction initiatives and results achieved.	Emissions – Exhaust Gas and GHG Emissions
KPI A1.6 ("comply or explain")	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Emissions – Waste Management

The ESG Reporting Guide Content Index of the Stock Exchange of Hong Kong Limited

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1 ("comply or explain")	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources – Energy Consumption
KPI A2.2 ("comply or explain")	Water consumption in total and intensity.	Use of Resources – Water Consumption
KPI A2.3 ("comply or explain")	Description of energy use efficiency initiatives and results achieved.	Use of Resources – Energy Consumption
KPI A2.4 ("comply or explain")	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Use of Resources – Water Consumption
KPI A2.5 ("comply or explain")	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Not applicable – Explained
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1 ("comply or explain")	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources – Working Environment

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards

The ESG Reporting Guide Content Index of the Stock Exchange of Hong Kong Limited

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
Aspect 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.	Community Investment



INNOVATIVE PHARMACEUTICAL BIOTECH LIMITED

領航醫藥及生物科技有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code : 399)