



Innovent
信达生物制药

Environmental, Social and Governance Report

環境、社會及
管治報告 2019

信達生物製藥
Innovent Biologics, Inc.

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號:1801

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About the Report

- Reporting period

This Environmental, Social and Governance Report (the “Report”) covers the period from January 1, 2019 to December 31, 2019.

- Scope of entities

Entities covered in the Report are Innovent Biologics, Inc.; Innovent Biologics (HK) Limited; Innovent Biologics (Suzhou) Co. Ltd.; Suzhou Innovent Biotechnology Co. Ltd.; Innovent Biotechnology Co., Ltd; Shanghai Xinsheng Biotechnology Branch of Innovent Biologics (Suzhou) Co. Ltd.; Beijing Biotechnology Branch of Innovent Biologics (Suzhou) Co. Ltd. and Innovent Biologics (USA), Inc.

- Basis of preparation

The Report is prepared based on Appendix 27 Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and a summary of the major revision.

- Selection of indicators

The indicators in the Report were selected and elaborated following the principles of materiality, quantitative, balance, and consistency to disclose the performances in major issues. We will make continuous adjustments and optimization to the disclosure indicators in subsequent reports.

- Sources of information

All qualitative and quantitative information contained in the Report comes from public information, internal documents and relevant statistics of Innovent Biologics, Inc.

- Company name in short

Innovent Biologics, Inc. is also referred to as “Innovent”, “The Company” or “We” for convenience.

- Form of release

The online version of the Report will be published on the official web sites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk/>) and Innovent (<http://innoventbio.com/#/>) for reading and downloading.

Chairman's Statement

2019 was an important year for the commercial transformation of Innovent and the first year for implementing our mission. Innovent is committed to developing, manufacturing and commercializing innovative drugs for the treatment of diseases including oncology, metabolic diseases and autoimmune, etc.. In the profound transformation of the pharmaceutical industry, we adhere to the principle of “taking patients as the center and innovation and quality as the basic point”. We take precautions, break new ground, proactively seize opportunities and cope with various challenges.

In 2019, Tyvyt® (sintilimab injection), the first product launched by the Company, has officially entered the market, bringing new hopes for countless patients in desperation. Even more exciting is that Tyvyt® was successfully included in China's latest National Reimbursement Drug List (“NRDL”) as the first and the only PD-1 inhibitor. Its annual treatment cost was reduced to less than RMB100,000, allowing more patients to benefit from our high-quality anti-cancer drugs. In addition, due to its significant clinical results, Tyvyt® was included in the 2019 Guidelines of the Chinese Society of Clinical Oncology (“CSCO”) for Lymphoid Malignancies and its clinical results as a Chinese immunotherapeutic product were published in *The Lancet Haematology*. We are immensely proud to have started fulfilling our mission, with every possible effort to make our innovative high-quality therapies accessible and affordable to ordinary people. In addition to the first approved indication for r/r cHL, we continue to execute a variety of clinical development programs for Tyvyt® to broaden its approved applications and further unleash its clinical and commercial potential.

In addition, we have continued to advance the research & development (“R&D”) for the rest of our pipeline assets. At present, leveraging our fully-integrated multi-functional platform and strategic partners' collaborations, we now have a product portfolio of 23 innovative assets, covering a variety of novel and validated therapeutic targets and drug modalities (including monoclonal antibodies, bispecific antibodies, fusion proteins, CAR-T and small molecules), which promise great potential as mono-therapies or combo-therapies. Among the portfolio, there are 2 commercialized asset (BYVASDA® (bevacizumab biosimilar) and Tyvyt® (sintilimab biosimilar)), 2 assets (IBI-303 (adalimumab biosimilar) and IBI-301 (rituximab biosimilar)) are under New Drug Application (“NDA”) review with priority review status by the National Medical Products Administration (“NMPA”), 5 assets in Phase 3 or pivotal clinical trials, and a total of 18 assets in more than 50 ongoing clinical trials. We expect to advance 17 pivotal registration trials in 2020.

In this year, in anticipation of increasing production needs from commercial launches and clinical trials, we completed Good Manufacturing Practice (“GMP”) commissioning and process validation of our second phase manufacturing facility, housing six 3,000L stainless steel bioreactors, which has already commenced GMP production. This facility expansion and bioreactor upgrade marked a milestone in our manufacturing history, and increased our total manufacturing capacity to 23,000L, which stands as one of the largest among China's biopharmaceutical companies.

In 2019, our stock was included in both the Morgan Stanley Capital International China Index and the Hang Seng Hong Kong-Listed Biotech Index, and we were awarded a number of honor such as the “Magnificent 70 Years, Striving for a New Era” the Backbone Enterprise of Pharmaceutical Industry in the 70th Anniversary of the Founding in the PRC (‘壯麗70年，奮鬥新時代’ 新中國成立70周年醫藥產業驕子企業) and the “Most Innovative Hong Kong Listed Company” (最具創新力港股上市公司) by Gelonghui, which reflected the capital market's recognition about the Company's outstanding performance in commercialization and business operations.

Chairman's Statement

Adhering to responsible corporate governance. In 2019, Innovent adhered to the concept of sustainable development and strengthened its business governance. We insisted on anti-corruption and anti-bribery, ensuring the transparency of information disclosure and protecting trade secrets. Meantime, we continued to strengthen supply chain management and established a responsible procurement model. We integrated the opinion from stakeholders into our strategic decision-making and optimization of management measures through smooth communication channels with stakeholders.

Ensuring high-quality pharmaceutical development. In 2019, Innovent continued to strive for the vision of “becoming China’s best and world-class high-end biologics company”. In line with the principle of “taking patients as the center and innovation and quality as the basic point”, we continued to create innovative R&D ecology, protect intellectual property (“IP”) rights, ensure the quality of our medicines and improve customer services. While enhancing our own competitiveness, we also actively sought for domestic and international strategic cooperations and participated in the formulation of industry standards to promote joint progress with peer companies.

Striving to become a caring corporate citizen. We firmly believe that talents are the cornerstone of Innovent’s development. In 2019, we protected the legitimate rights and interests of every employee and their health and safety. Based on the concept of “Let fighters become winners”, we promoted talent development and achieved the mutual progress of the Company and employees. In order to enhance our caring for employees, we created positive working environment for our employees and created rich and colorful cultural life, so as to enhance their senses of belonging, happiness and achievement. In addition to promoting the inclusion of Tyvyt® into the NRDL, we also launched the “Tyvyt® Health and Poverty Alleviation Program” with Cancer Foundation of China, which will provide free Tyvyt® to low-income patients for 2 years. We promoted the expansion of high-quality medical resources to lower-level cities and enhanced the medical services in poor areas, contributing our part for the harmonious development of society. In early 2020, when COVID-19 spread throughout China, we remained true to the original aspiration. We have adopted a number of measures to protect the safety of employees and their families, and resumed work and production in an orderly manner to reduce the impact of medicines on cancer patients.

Building a sustainable and green operation ecology. As a modern biologics company, while building a first-class industrialization technology platform and manufacture base of biologics, we adhere to the concept of green management, and attach great importance to the impact of the Company’s manufacture and operation on the ecological environment. We actively strengthen environmental management to reduce the impact of emissions, and actively cope with climate change in line with the green and low-carbon concept, so as to effectively achieve the win-win development of ecological, economic and social benefits.

Looking ahead, we will continue to insist on our mission, and contribute to the realization of a healthy China and the progress of the pharmaceutical industry. We will live up to expectations of stakeholders through creating a harmonious, progressive and innovative atmosphere. With the commitment to developing high quality biopharmaceuticals affordable to ordinary people, we will continue to explore and work hard on the basis of innovation to enhance core competitiveness and deepen international cooperation by adhering to global standards. We are well positioned to create constant value for our patients, employees, shareholders and the society, and achieve sustainable and rapid growth of the Company.

About the Company

1. Company Profile

Established in 2011, Innovent is committed to developing, manufacturing and commercializing high quality innovative medicines for the treatment of major diseases such as cancer. On October 31, 2018, Innovent was listed on the Main Board of the Stock Exchange with the stock code: 01801.HK.

Since it was founded, Innovent has distinguished itself among many biologics companies with its innovative achievements and leading operation models, and has now built up a robust pipeline of 23 innovative assets in the fields of oncology, metabolic diseases and autoimmune. Of which, 18 have entered into clinical trials, 5 have entered Phase 3 or pivotal clinical trials, 2 monoclonal antibodies have their NDAs under review and have been granted with priority review status by the NMPA. 2 products, Tyvyt® (sintilimab injection) and BYVASDA® (bevacizumab injection) are now approved for sales by NMPA. Tyvyt® was successfully included in China's new NRDL as the only PD-1 inhibitor in November 2019.

Innovent has built high-end biopharmaceutical production facilities that operate in compliance with the GMP standards of NMPA, Food and Drug Administration ("FDA") and European Medicines Agency ("EMA"). The existing production lines have already passed GMP audits by the industrial production requirements of international pharmaceutical company. At the same time, Innovent has built an international team of advanced talents in high-end biological drug development and commercialization, and has reached strategic cooperation with excellent international companies such as Eli Lilly, Adimab, Incyte, Alektor and MD Anderson Cancer Center in the United States and Hanmi in South Korea.

Inspired by the spirit of "Start with Integrity, Succeed through Action", Innovent's mission is to develop and commercialize high quality biopharmaceutical products that are affordable to ordinary people.

2. 2019 Memorabilia

- January: Key clinical results of Tyvyt® (sintilimab injection) for lymphomas were published in *The Lancet Haematology* and featured as a cover story
- January: NMPA has accepted Innovent's NDA for IBI-305 (bevacizumab injection biosimilar) and granted priority review status
- June: NMPA has accepted Innovent's NDA for IBI-301 (rituximab injection biosimilar) and granted priority review status
- August: Innovent and Eli Lilly has reached a licensing contract for the development and commercialization of new diabetes drugs in China
- August: The key clinical results from a Phase 3 trial of IBI-303 (adalimumab biosimilar) in ankylosing spondylitis were published in the inaugural issue of *The Lancet Rheumatology* and featured as a cover story
- November: Tyvyt® (sintilimab injection), an innovative PD-1 inhibitor jointly developed by Innovent and Eli Lilly, was successfully included in China's new NRDL

I. Compliant Operation: Responsible Corporate Governance

As a responsible modern enterprise, Innovent always adheres to compliant operation and integrates compliance culture into all aspects of the Company's operation and development. We emphasize openness and transparency of information disclosure, and strengthen communication and exchanges with various stakeholders, so as to promote the mutual growth of the Company and stakeholders and achieve sustainable development of the Company.

1. Corporate Governance

Under the guidance of its mission and vision, Innovent adheres to the concept of sustainable development and high-level corporate governance, so as to build a modern enterprise with clear responsibilities, science and efficiency, and coordinated operation. We have established an integrated management structure to continuously improve its operational efficiency and corporate competitiveness, and strive to protect the legitimate rights and interests of various stakeholders, thus shaping a responsible and sound corporate citizen.

Functions of the Board

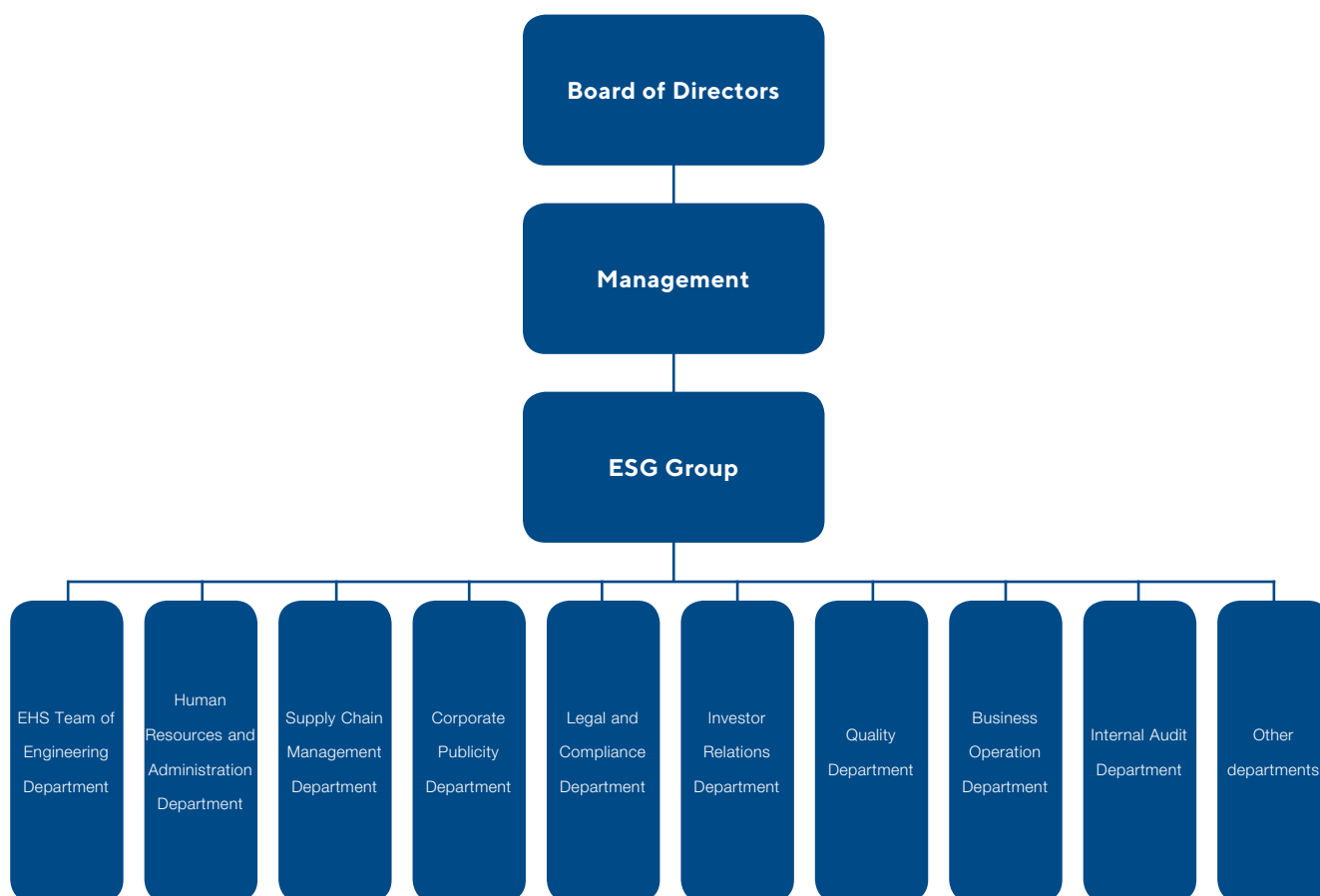
In strict compliance with relevant laws and regulations including the Corporate Governance Code set out in Appendix 14 of the Listing Rules, Innovent determines the board of directors as the Company's main decision-making organization, which is responsible for leading and supervising the Company's business and strategy and protecting the long-term interests of the Company and its shareholders. The Board has established four committees, namely the audit committee, the remuneration committee, the nomination committee and the strategy committee, for overseeing and guiding particular aspects of the Company's affairs. The Company firmly believes that diversified board members are constructive to maintaining competitive advantages of the Company. Our diversified board members are based on (including but not limited to) gender, age, culture and educational background, professional qualifications, skills, knowledge and industry and regional experience. During the Reporting Period, the Board consists of 6 members, including 2 executive directors, 1 non-executive director and 3 independent non-executive directors, which has complied with the relevant requirements of the Listing Rules relating to appointment of at least three independent non-executive directors representing one-third of the board.

Governance on Environmental, Social and Governance ("ESG")

With development of high quality biopharmaceuticals affordable to ordinary people as our mission, we have a deep understanding of the concept of ESG, and continuously optimize the organizational structure of ESG governance. We implement the concept of sustainable development in the development of the Company, customer rights, environmental protection, employee care, shareholders' rights and social contribution. We will improve business execution and regulatory procedures, and make regular review, summary and improvement to better fulfill the Company's responsibilities to our shareholders, employees, clients, society and other stakeholders.

I. Compliant Operation: Responsible Corporate Governance

The Company has determined that the board of directors is responsible for leading and supervising the ESG strategy, governance and performance of the Company. The board of directors regularly assess ESG-related risks, and review the ESG report. The management of the Company regularly checks the effectiveness of the internal control system and reports to the board of directors. In addition, Innovent also set up an Environmental, Social and Governance Working Group ("ESG Group") internally so as to escort its ESG management. The ESG Group covers key functional departments such as EHS (Environment, Health and Safety) Team of Engineering Department, Human Resources and Administration Department as well as Supply Chain Management Department, Investor Relations Department, Corporate Publicity Department, Legal and Compliance Department, Internal Audit Department, Quality Department and Business Operation Department. The ESG Group guides and practices social responsibility affairs to ensure the further implementation of protecting social responsibility by improving assessment indicators in daily operation. In daily work implementation, the ESG group communicates with stakeholders through meetings, interviews, questionnaires and other forms to evaluate ESG-related risks and requirements, and respond thereto, and regularly report the progress and achievements of ESG governance to the management, so as to improve the work according to feedbacks.



ESG governance structure of Innovent

I. Compliant Operation: Responsible Corporate Governance

2. Compliant Operation

Innovent firmly believes that compliant operation is the cornerstone of the Company's stable development. With commitment to creating a compliant corporate operation environment, the Company strictly abides by relevant laws and regulations such as the PRC Securities Law, prohibits corruption, adheres to transparent information disclosure, and protects business secrets, so as to maintain stable and sustainable corporate development.

Anti-corruption

In the process of development, Innovent strictly observes business ethics and relevant laws and regulations such as the Supervision Law of the PRC, the Company Law of the PRC, the Anti-Unfair Competition Law of the PRC, and the Opinions on Issues concerning the Application of Law in the Handling of Criminal Cases of Commercial Briberies, and maintains zero tolerance for corruption or bribery, extortion, fraud and money laundering. We continue to improve the anti-corruption management system, and formulate the General Rules for Compliance, which are applicable to all employees. The General Rules for Compliance regulates the code of conduct in daily business operations, and clearly stipulates that various forms of corruption and bribery must be avoided in daily operation. All employees must comply with legal and ethical standards and shall not take any improper means when interacting with various stakeholders.

Innovent has established a variety of internal communication and feedback channels to encourage employees to actively report bribery, corruption and other violations of laws and regulations. Employees may choose to report anonymously. The Company shall have the responsibility and obligation to ensure the transmission and use of reported information provided by whistleblowers and endeavor to keep them strictly confidential and free from any retaliation. Our leaders at all levels of the Company will supervise the employees' behaviours and provide counselling if necessary. For employees who violate the rules, the Company will punish them according to the seriousness of the case. In addition, in order to ensure that compliance work is carried out according to regulations, the Company has set up an internal audit department to conduct post-audit and investigations of corruption and other violations. In 2019, there was no corruption case occurred or received by the Company.

In order to further promote the compliance culture and deepen the anti-corruption awareness of employees and partners, Innovent has conducted a series of anti-corruption and compliance training for all employees and suppliers, and provided special trainings for employees bearing important compliance responsibilities to regulate their compliance behavior in ordinary business operation. At the same time, we arrange management to share compliance experience in compliance trainings to assist employees and suppliers' understanding of relevant policies of the Company, and the completion of such compliance trainings will affect the exercise of employee functions and suppliers' business cooperation with the Company. In addition, each new employees shall complete the compliance training for new employees and sign the "Entry Commitment Letter". In 2019, Innovent has organized a total of 33 online and offline compliance trainings, including 4 anti-corruption trainings for the management. The number of training participants amounted to 2,999 with 0.52 hours of training per employee.

I. Compliant Operation: Responsible Corporate Governance

Transparency of information disclosure

Innovent always insists on transparency of information disclosure, and strictly abides by Listing Rules published by the Stock Exchange on “information disclosure” and “general disclosure responsibility” to ensure the reliability, transparency and timeliness of information disclosure and protect investors’ rights and interests.

In order to continuously improve the information disclosure policy system, the Company has formulated Management of Information Disclosure, which clearly stipulates the definition, procedures and scope of information disclosure, so as to ensure that the information can be identified and evaluated quickly and be disclosed in a timely manner within the prescribed time. For related party transactions to be disclosed, the Company shall submit them to the Stock Exchange for approval in accordance with the management rules, and information can be published after approval. At the same time, we have standardized the contents, disclosure requirements, procedure and precautions of inside information to ensure that it is disclosed to the public within reasonable and practical limits, and we clearly prohibit insider trading.

In order to ensure full and transparent communication, the Company has actively communicated with domestic and overseas analysts, shareholders, potential investors and media through various effective channels. According to the relevant listing rules and regulations, Innovent timely announces its major business progress through announcements and press releases, analyst meetings, road shows, investor conferences and industry conferences BBS, investor visits and receptions, information disclosure on the Group’s website and media reports and interviews.

During the Reporting Period, the Company actively communicated with investors and analysts to fully strengthen their understanding of the Company. Innovent conducted multiple meetings or teleconference with investors, including the 2019 Annual General Meeting, the 2018 Annual Results Conference, the 2019 Interim Results Conference, and the first Innovent Open Day for Investors in 2019. We organized roadshows in Europe, America and Asia and also participated in investment summits organized by financial institutions in Europe, America and Asia, including “JPMorgan Chase 37th Annual Medical Summit”, “Morgan Stanley 17th Annual Global Medical Summit”, “Morgan Stanley 18th Asia-Pacific Summit”, “Goldman Sachs Asia-Pacific Medical Forum in 2019” and “Goldman Sachs Medical Enterprise Day in 2019”. In addition, the Company also received hundreds of investors to visit our plant facilities and laboratory. Our innovation ability, quality control system and platform construction have been consistently praised by investors and analysts.

I. Compliant Operation: Responsible Corporate Governance

Case: “Journey to Excellence” – the first Innovent Open Day for Investors in 2019

On September 23, 2019, Innovent organized the first Open Day for Investors in Suzhou office with a unique theme of “Journey to Excellence”, attracting more than 200 domestic and foreign investors and analysts. At the meeting, our management made theme reports on industry trends and development strategies of Innovent as well as R&D, industrialization, commercialization and finance of Innovent. Industry experts were invited to make theme reports on the industry, and analysts from JPMorgan Chase, Morgan Stanley and Goldman Sachs led three panel discussions on topics concerned by investors. Investors conducted active on-site interaction with our management in a lively atmosphere. After the meeting, the Company also organized a visit to our M1b production plant and research and development laboratory.

Investors were deeply impressed by the visual presentation of the meeting, theme reports, panel discussions and the on-site visit. Investors believed that Innovent is pragmatically fulfilling its mission and has become an excellent platform company based the principle of “taking patients as the center and innovation and quality as the basic point”.



Trade secret protection

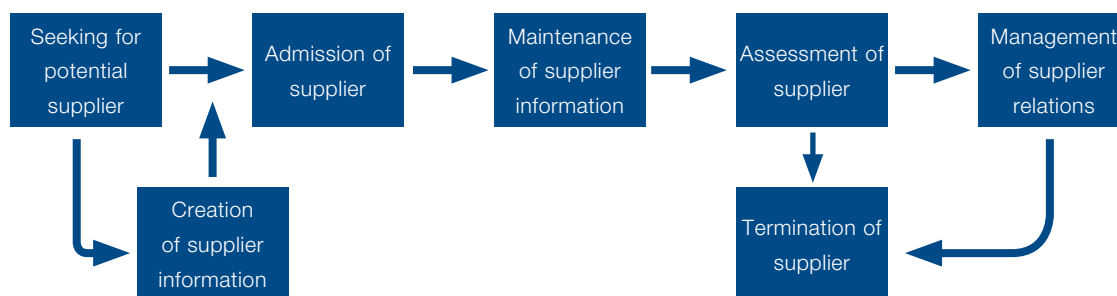
In order to avoid the loss of the Company’s sustainable operation and reputation as well as the interests of its partners caused by disclosure of business secrets, the Company has formulated Confidentiality Management Regulations, Confidentiality Code of Innovent people and other systems to provide specific and clear confidentiality guidelines to all employees. We actively promote the publicity of confidentiality and improve employees’ awareness of practising confidentiality in daily work. We require that employees should observe and execute confidentiality, and employees are forbidden to disclose the Company’s trade secrets in any form. In case of any leakage or infringement of trade secrets, relevant business departments and legal department of the Company will immediately follow up and deal with the case so as to reduce adverse losses or scope of influence.

I. Compliant Operation: Responsible Corporate Governance

3. Supply Chain Management

Innovent attaches great importance to supply chain management, adheres to a compliant and efficient procurement model, and continues to optimize and improve its supplier management system, with the aim to avoid quality risks caused by the supply chain and suppliers. We also actively communicate with suppliers and conduct exchanges and cooperation to jointly realize the responsible and sustainable development of the Company.

Innovent has formulated policy documents such as the Procurement Management Procedures, the Supplier Management Policies and Procedures as well as the Materials Procurement Management Procedures to strictly regulate the procurement process of the Company, standards of supplier management, the admission and evaluation of suppliers and performance management. We adopt strict criteria for admission and selection of suppliers to ensure procurement compliance and that products procured meet quality standards and fulfil the requirements for product quality and safety while conducting full life cycle management of suppliers.



Procedure for full life cycle management of suppliers

During the supplier admission stage, we conduct background check on suppliers. Only suppliers who meet the requirements for procurement quality, after-sales and delivery date, no violation record or dishonesty and having a good reputation in the industry may be included in the selection list. After comparing three suppliers of similar suppliers' price or technical standards and business bidding, the cooperative suppliers are determined. For potential new suppliers, we require them to provide a third-party diligence questionnaire and registration certificates, and sign the Integrity Commitment Letter and confidentiality agreements, while the internal supervision department of the Company will conduct on-site audits of raw material suppliers. In the selection of suppliers, we will take into consideration the ESG performance and ESG risk management capabilities of the suppliers, and give priority to suppliers who have obtained ISO 9000 and ISO 140001 certification.

In order to better manage suppliers, Innovent regularly conducts evaluation on supplier performance, and sets up evaluation indicators including quality, cost, delivery, service, technology and other aspects. The Company conducts performance communication and feedback to suppliers, then timely adjusts suppliers' strategies and plans based on the feedback results. For suppliers who fail to meet the performance evaluation standards, the Company will communicate with such suppliers in a timely manner to urge them make rectifications as soon as possible. For suppliers with serious business ethics deficiencies and violations of laws and regulations, we will put them on the blacklist and permanently stop cooperating with them.

As of December 31, 2019, the Company had 642 suppliers of which 25 suppliers are located overseas and in Hong Kong, Macao and Taiwan regions.

Supplier Distribution of Innovent

Region	Mainland	Overseas and Hong Kong, Macao and Taiwan regions
Number	617	25

I. Compliant Operation: Responsible Corporate Governance

4. Communication with Stakeholders

Smooth communication channels with stakeholders are important to ensure the sustainable development of the Company. We attach great importance to the communication with stakeholders and integrate the opinions of stakeholders into our strategic decision-making and optimization of management measures.

In 2019, the Company continued to optimize its communication methods to maintain normal communication with various stakeholders, and constantly improved the management mechanism of stakeholders to enhance operation level of the Company.

Stakeholders	Concerned substantive issues	Methods of communication and response
Shareholder	Compliant operation Improving corporate governance Transparency of information disclosure International strategic cooperation	Implement relevant policies Strengthen anti-corruption Efficient operation system Strengthen corporate governance Hold general meetings Strengthen communication with investors Periodic information disclosure Optimize cooperation platform
Client	Product quality control Innovative R&D platform Customer service IP rights protection International strategic cooperation	Establish sound quality management system Improve production capacity Enhance R&D and innovation capacity Driven by customer benefit Conduct customer satisfaction surveys Strictly protect IP rights Optimize cooperation platform

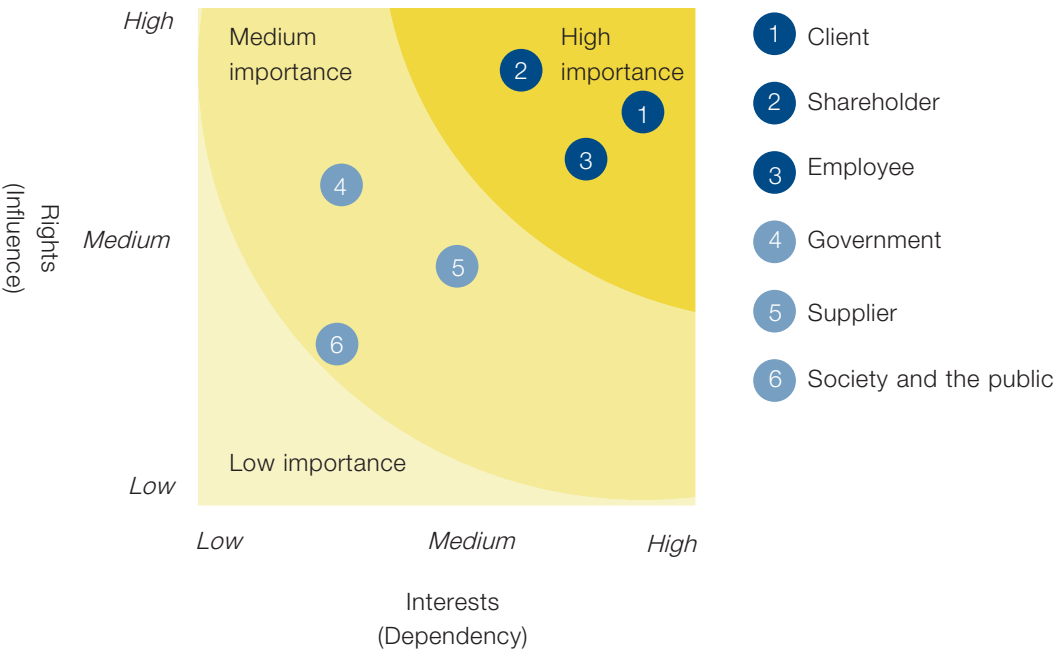
I. Compliant Operation: Responsible Corporate Governance

Stakeholders	Concerned substantive issues	Methods of communication and response
Employee	Employee care Occupational health and safety Employee capability development Employment policy Compensation and benefits	Corporate culture construction Establish employee communication mechanism Enhance employee welfare Employee equity incentive Ensure health and safety of employees Staff training Fair recruitment Provide a reasonable salary system Provide reasonable promotion path
Government	Compliant operation Transparency of information disclosure Environmental protection Emissions management Energy saving	Implement relevant policies Strengthen anti-corruption Periodic information disclosure Comply with environmental laws and regulations Reduce emissions Save resources
Supplier	Procurement management Compliant operation	Strengthen procurement management Implement relevant policies Strengthen anti-corruption
Community and the public	Promote local employment Social charity Environmental protection Emissions management Energy saving	University-enterprise cooperation Public welfare activities Comply with environmental laws and regulations Reduce emissions Save resources

I. Compliant Operation: Responsible Corporate Governance

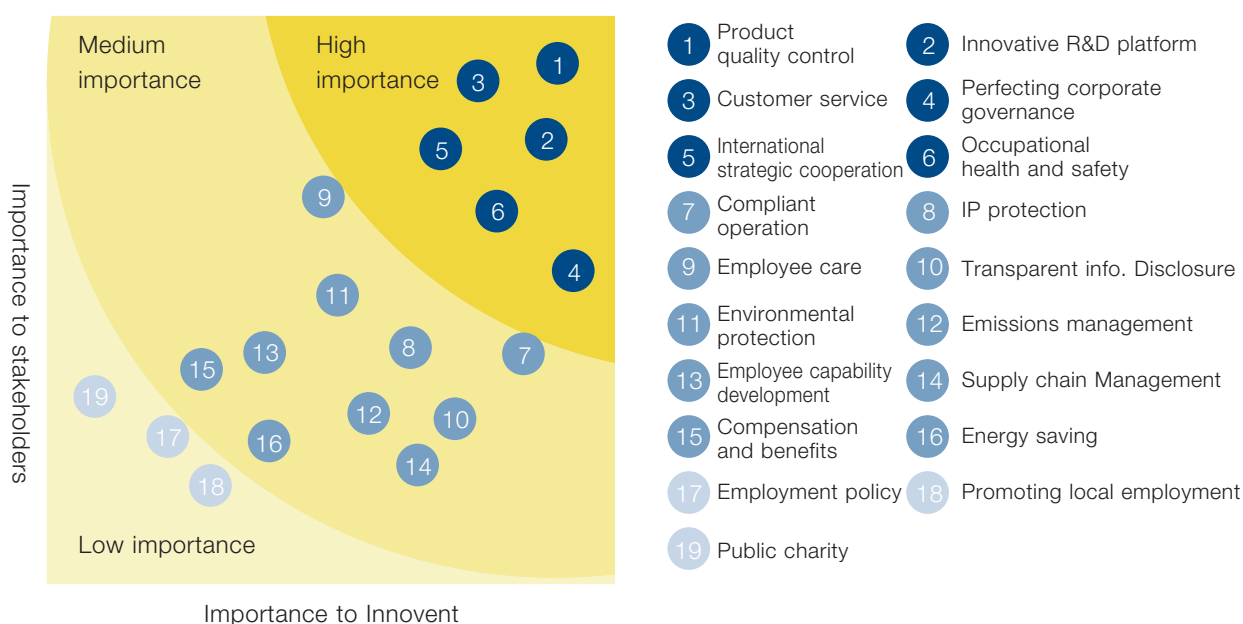
5. Determination of Substantive Issues

Innovent regards the expectations and requirements of stakeholders as an important factor for enterprises to formulate ESG governance. We use the rights-interests model to evaluate the importance of stakeholders, so as to identify the more important part of the Company’s important stakeholders.



I. Compliant Operation: Responsible Corporate Governance

In 2019, according to requirements of the Hong Kong Stock Exchange, on the basis of questionnaires and assessment of substantive issues in 2018, the Company has conducted interaction and communication with various stakeholders through various forms, made comparative analysis of issues disclosed in sustainability reports of companies in the same industry, and searched and analyzed keywords on the Company in public media reports in 2019. From the two dimensions of “importance to stakeholders” and “importance to Innovent”, we identified and determined 19 substantive issues in the year covering governance, operation, environment and society. It provides an important basis and guidance for the sustainable development and management of the Group in future.



II. Commitment to Innovation: High-quality Pharmaceutical Development

Innovent has been committing to the ambition and mission to “develop high quality biopharmaceuticals affordable to ordinary people”. We remained true to the original aspiration and empowered ourselves with innovative R&D. We continued to improve scientific research platforms and capacity building, protect IP rights, ensure quality of our drugs, enhance customer services and actively seek strategic cooperation opportunities, thus continuously contributing to the medical and health cause.

1. Innovative R&D ecology

Innovent regards innovative R&D as an important driving force for the sustainable development of the Company. While strengthening its scientific research and innovation platform and actively promoting its R&D of new drugs, we help to formulate industry standards to promote joint development in the industry. In addition, the Company strictly abides by the ethics of R&D and the ethics policies on animals, and strives to consistently provide high-standard ethical practices and scientific behaviors in all trials to promote the research practices and scientific progress in a responsible manner. The Company also has a mature project management system under which the project management department can complete arduous projects beyond expectations and ahead of schedule.

Building of R&D Capacities

We continue to improve our innovative R&D capabilities based on the needs of patients. Through continuous improvement of platform construction and talent development, we continue to enhance our independent R&D capabilities, and accelerate the progress of clinical trials, thereby benefiting more patients.

Construction of R&D Platform for New Drugs. Innovent has established a comprehensive R&D system for therapeutic monoclonal antibodies, including a discovery platform for antibodies, covering hybridomas, phage display and yeast display, etc.; an antibody optimization platform, covering antibody humanization, affinity maturation and Fc transformation, etc.; an antibody evaluation platform, covering in vitro potency analysis, in vivo pharmacodynamics analysis, evaluation of in vivo pharmacodynamics and drugability analysis, etc. The Company has also established its own platforms for novel antibodies such as bi-specific antibodies and nanobodies, and we are gradually establishing a R&D pipeline for novel antibodies to provide new drugs for disease treatment. While expanding the New Drug Research Department, we also established the “Innovent Academy” in 2019. Driven by science and innovation, our research platform focuses on discovering new drugs and developing innovative technologies and the world’s first drugs, so as to continuously launch innovative products for Innovent.

Construction of Clinical Development Platform. Innovent has built a comprehensive clinical trial operating platform for developing innovative drugs, covering the full process for all study stages from Phase 1 through Phase 3, and also being ready to support Phase 4 post-marketing clinical trials. It has also established essential functions including clinical medical functions, clinical pharmacology, clinical trial management, data management and statistical analysis, PV, clinical operation and registration and declaration affairs. Meantime, the Company has also started upgrading its end-to-end electronic management systems, which will ensure that the R&D team performs at the global standards of quality and efficiency.

Introduction of Innovative Talents. Innovent has established a team of high-end biopharmaceutical R&D, industrialization and marketing talents with international advanced level. The number of employees reaches over 2,000, among which over 600 employees have work experience in renowned overseas pharmaceutical companies and overseas experience, and over one third of employees have master degree or above. The Company holds weekly activities on platform construction or technical exchanges and quarterly special exchange meetings on special information report. We also provide comprehensive incentive system for scientific research to encourage scientific researchers to industrialize scientific research achievements.

Construction of Fully Integrated Platform. To capitalise on the tremendous market opportunities both in China and beyond, we have developed a fully-integrated platform consisting of advanced research, discovery, development, manufacturing and commercialisation capabilities, enabling us to boast innovative and commercially promising pipeline assets in the fields of oncology, metabolic diseases and autoimmune, etc. The full integration of our platform enables smooth collaboration between different functional groups at key points in the lifecycle of a drug candidate with the aim of increasing both the speed of development and the likelihood of success while at the same time reducing the cost of development.

II. Commitment to Innovation: High-quality Pharmaceutical Development

Actively Developing New Drugs

New drug R&D is the strategic highlight of international scientific and economic competition. As a leading biologics company, Innovent insists on “taking patients as the center and innovation and quality as the basic point” to continuously promote new drug R&D. At present, Innovent has established a pipeline of 23 innovative assets. Of which, 6 have been included in major national drug innovation projects, 18 have entered into clinical development, 5 have entered Phase 3 or pivotal clinical trials, and 2 monoclonal antibodies have their NDAs under review and have been granted with priority review status by NMPA. 2 products, Tyvyt® (sintilimab injection) and BYVASDA® (bevacizumab biosimilar) are now approved for sales by NMPA. Tyvyt® was successfully included in China’s new NRDL as the only PD-1 inhibitor in November 2019. Innovent also covers the fields of biological drugs, small molecule drugs and CAR-T, as well as the three major diseases including oncology, metabolic diseases and autoimmune, etc, which has formed a new drug listing echelon.

The development of cancer immunology drugs based on double-antibody technology is a pioneering work in cancer treatment. In 2019, Innovent continued to enhance its innovative R&D capabilities based on the needs of patients, and further enhanced the research on and mechanism of cancer immunology to promote the construction and development of the double-antibody platform. Currently, the following bispecific drugs developed by Innovent have entered clinical trials: IBI-302 (anti-VEGF/complement bispecific fusion protein), IBI-318 (anti-PD-1/PD-L1 bispecific antibody), IBI-315 (anti-PD-1/Her2 bispecific antibody) and IBI-322 (anti-PD-1/CD47 bispecific antibody).

Case: Key clinical results of Tyvyt® (sintilimab injection) for lymphomas were published in *The Lancet Haematology* and featured as a cover story

In January 2019, the key clinical results of Tyvyt® (sintilimab injection) for lymphomas, which was researched and developed by Innovent, were published as a cover story in *The Lancet Haematology*, an internationally renowned journal, and was reviewed and recommended by its editor Professor Stephen M Ansell. The review mentioned that Tyvyt® has provided an innovative and highly effective treatment model for cancer patients, which improve accessibility to patients, and thereby improving outcomes of treatment. People’s Daily, Xinhua News Agency, CCTV and other mainstream media also appraised Innovent for its commitment to original aspiration and providing innovative drugs for the public.

Case: Tyvyt®, an innovative PD-1 inhibitor, has officially entered the domestic market

In February 2019, the press conference on sharing results of the National Science and Technology Major Project “Innovative Drug Research & Development”, co-hosted by Innovent and the Innovation Promotion Committee of China Association of Productivity Science, and the launch of Tyvyt® (sintilimab injection) was successfully held in Beijing. The “CSCO-Innovent Cancer Immunotherapy Research Fund”, co-sponsored by CSCO Clinical Oncology Research Foundation and Innovent, was also officially launched. The Fund is designed to support and encourage Chinese clinicians to carry out basic research and translational research related to cancer treatment, thus improving the level of diagnosis and providing better services for various patients. As a representative of Chinese biologics companies, Innovent has shared its innovative achievements and discussed the current opportunities and challenges of domestic innovative biological drugs.

Case: Innovent launched the Special Poverty Alleviation Program with Cancer Foundation of China to provide eligible cancer patients with free drugs for up to 2 years

On August 24, 2019, Cancer Foundation of China and Innovent launched the “Tyvyt® Health and Poverty Alleviation Program” in Suzhou, Jiangsu Province. The Program will provide free Tyvyt® (sintilimab injection) to r/r cHL patients who enjoy the subsistence allowance and are from registered low-income household for 2 years, so as to help patients treat diseases and reduce their financial burden.

II. Commitment to Innovation: High-quality Pharmaceutical Development

Assisting in setting industry standards

The innovation and development of any industry cannot be separated from the intrinsic drive of the main enterprises. While continuously improving its core competitiveness, Innovent also actively participated in the formulation of industry standards to promote joint progress with its peers.

As of December 31, 2019, Innovent has participated in formulating national policies and regulations for many times, including promoting the publishing of domestic biosimilar drug policies, and participating in the revision seminar of the Drug Administration Law and the Drug Registration Regulations at the invitation from national authorities. We are also invited by Center for drug Evaluation (“CDE”) of MPA to participate in seminars covering topics such as the standards and procedures for initiating inspections and verifications, the technical guidelines for research on Chemistry, Manufacturing and Controls (“CMC”) changes after marketing of biological products, and the requirements for registration classification and filing materials. We were a member of the work group for the construction of eCTD (electronic Common Technical Document) system of CDE, and provided constructive opinions on several guidelines for regulations covering the related reviews of AEP¹, the conditional approval of the marketing of urgently-needed clinical drugs, the centralized acceptance of reviews, the regulations on management of on-site verification for drug registration, generic names for biosimilar drugs and the protection of testing data. We have contributed to the improvement of an innovative environment for Chinese medicine.

Abiding by ethics of research and development

The Company strictly abides by ethics of R&D as well as relevant regulations on management of animals for trials in China and Jiangsu Province, and conducts and regulates animal experiments according to international norms.

Innovent has SPF (Specific-Pathogen-Free) level center for laboratory animals. In 2019, the Company expanded the experimental center, which has passed the field evaluation of third-party experts and obtained the License for Use of Laboratory Animals from Jiangsu Province Science & Technology Department. The Company has specially set up a supervisor for animal management, veterinarians and 3 technicians in the center for laboratory animals, who are responsible for the ordinary operations of the animal center including feeding mouse and disinfection. According to the guiding opinions of the Regulation on the Administration of Laboratory Animals, the Measures of Jiangsu Province on the Administration of Laboratory Animals and the Regulations on the Welfare and Ethical Work of Laboratory Animals, the Company revised the Regulations of Innovent Biologics (Suzhou) Co., Ltd. on the Management of Laboratory Animals, and established a management committee for the management of laboratory animals and an ethics committee. In order to strengthen the management of laboratory animals and protect the ethical welfare of laboratory animals in the pharmacological experiments to promote the development of innovative drugs, we also formulated supporting system documents and management measures including the Regulations on the Work of Innovent Ethics Committee for Laboratory Animals and the Rules on the Use of SPF Animal Houses, thus regulating the management of laboratory animals and the ethical review and supervision.

¹ AEP refers to APIs, pharmaceutical excipients and packaging materials.

II. Commitment to Innovation: High-quality Pharmaceutical Development

2. Intellectual property protection

Innovent continues to deepen the protection and management of IP rights to escort innovative development and to ensure that the R&D results can be effectively and efficiently converted into practical value. While protecting our own IP rights, we will not infringe upon the IP rights of others.

The Company strictly complies with Trademark Law of the PRC and its implementing regulations, Patent Law of the PRC and its implementing regulations, and other IP related laws and regulations, and internally formulates policy documents and management measures including the Intellectual Property Management Handbook, the Trademark Management System, the Patent Application Maintenance Control Procedures, and the Intellectual Property Award Measures. We have clearly defined the IP protection policies, management objectives, and IP management responsibilities at all levels, which will be updated annually to promote the standardization, streamlining and regularization of IP protection. In addition, Innovent has set up an IP management department and a special IP rights management system, which shall be responsible for the application, acquisition, usage and daily management of IP rights, so as to ensure the implementation of IP rights management.

While protecting our own IP rights, we also respect the achievement of others. The Company regularly conducts the investigation of IP rights by novelty-checking and retrieving, and issues the analysis report. Therefore, we can prevent the infringement of others' IP rights.

In 2019, Innovent's patent on PD-1 antibody won the first prize of the Suzhou Excellent Patent Award issued by the Suzhou Market Supervision Administration, and the patent of IBI-303 preparation was awarded the 11th Jiangsu Excellent Patent Project Award issued by the Intellectual Property Rights Office of Jiangsu Province as well as the 21st Excellent Patent Award of China issued by the National Intellectual Property Administration.

As of December 31, 2019, the Company has filed:

223 patent applications

454 trademark registrations

7 copyright registrations

16 domain name registrations

In 2019, the Company did not have any litigation or disputes caused by infringement of others' intellectual property rights.

II. Commitment to Innovation: High-quality Pharmaceutical Development

3. Ensuring the quality of drugs

Based on the concept of Quality by Design (QbD), Innovent has established a comprehensive, product-oriented platform that facilitates product candidates' drugability assessment, high expression antibody production cell line development, cell culture, purification, formulation and fill/finish process development and scale-up, analytical development, technology transfer, commercial manufacturing and quality system.

In terms of quality research, Innovent strictly follows relevant laws and regulations, including the Drug Administration Law of the People's Republic of China, the Drug Registration Regulations, the Measures for the Supervision and Administration of Drug Production and the Good Manufacturing Practices for Pharmaceutical Products. Innovent has established a comprehensive and full-cycle quality system in accordance with the domestic and international standards, covering quality control, quality assurance and validation, which has been systematically implemented to support the manufacture, quality control, sales, storage and transportation of pharmaceutical products. We have also established a quality indicator system suitable for commercial operation to monitor the Company's performance in quality control. In addition, the Company has also formulated system documents related to the quality control system, such as the Quality Manual, the Master Document for Plants and the Management Policy on Quality Risks, which will be continuously updated in the operation process. In 2019, the Company has added the Document on the Quality Control of M1b Plants, the Regulations on Maintenance of M1b DCS System and the Management Regulations on M1b Access Control System.

In order to ensure that Innovent always operates under a high standard quality system and that sintilimab is inspected and approved for clinical or commercial use, we conduct quarterly JMQC quality meetings with Eli Lilly. At the meeting, we will review and summarize the production, quality, engineering, data reliability, third-party certification, training and other aspects of the cooperative products in the previous quarter, and analyze the problems that occurred in the previous quarter and propose improvements. In addition, a long-term plan and direction for commercial operations will be made and tracked on a regular basis.

In 2019, our M1b production line which meets international standards completed GMP validation and commissioning. The M1b production line covers a floor area of approximately 3,100 square meters and is equipped with six world-leading 3,000L stainless steel bioreactors and purification equipment, etc.

Case: The Third Culture Event on Quality

Innovent holds cultural activities on quality every year. In September 2019, in order to create a sound atmosphere where all employees value quality, Innovent held the Third Culture Event on Quality. Through knowledge competition, it enhanced the quality awareness of employees and increased the enthusiasm of employees to participate in the construction of quality culture, thus making every employee an initiator, proponent and supervisor of quality and continuously improving quality control standards of the Company.

II. Commitment to Innovation: High-quality Pharmaceutical Development

4. Improving customer service

Innovent always upholds the concept of serving customers, and deeply understands customer needs with focus on patients. We will improve customer service mechanisms and pay attention to customer privacy protection to meet customer expectations with more efficient and better services.

- Commercial sales platform

As a high-end biotech company driven by innovative drug development, Innovent has established a comprehensive commercial platform that focuses on areas including marketing, sales, access, channel management, and medical affairs, etc. Our mission is to commercialize high quality biopharmaceuticals and benefit more patients.

- Customer private information protection

Innovent focuses on the protection of customer private information and has clearly defined the same in the Compliance General Rules. The Company clearly stipulates that business personnel must collect and use the personal information of patients, medical personnel or employees in the business activities legally and reasonably, at the same time, informing them the purpose and specific content of the information collection, and retain their rights to refuse providing personal information. In addition to the reasonable use of private information, the Company shall adopt well means to protect information security, and ensure that only necessary colleagues related to business are authorized to access personal information, and shall not spread it in any form, so as to ensure the effective protection of privacy information.

- Impeccable after-sales service

The Company has established system documents such as Product Complaint Management Regulations, Recall Management Regulations and Return Management Regulations. It has clearly regulated the Company's product quality complaint process, product recall process, as well as the evaluation and processing of product return, so as to reduce product quality problems.

The Company stipulates complaint channels (including hotlines and mailboxes) that discover drug quality defects on the drug packaging, and any form of product complaints (including incoming calls, letters, faxes, visits, etc.) related to the quality of the listed products must be strictly handled in accordance with the Company's management procedures. The Company has set up a professional team to conduct preliminary assessment of drug complaints, and investigate quality complaints and adverse reactions. We would like to communicate with the customers about the process result. All Company's complaints will be recorded and saved, and annual reviews and analyses will be carried out.

The Company has established product recall procedures and standards for recalling potentially unsafe medicines from the market. Within the Company, a recall team and professional team are set up to formulate the recall preparation plan. The Company clearly stipulates that problems founded such as quality complaints and adverse reactions originating from the market, and deviations in the production and shipping process of the Company, etc., must consider its defect of patients and degree of hazards to take necessary recall measures to minimize the impact on patients. Innovent will no longer sell and ship products returned due to quality, and proceed destruction treatment. All returned product information will be recorded in detail to ensure the traceability of evaluation process of returned product. During the recall process, the Company will communicate with the regulatory authorities and regularly report the recall status. In 2019, the Company continued to optimize its commercial recall management procedure, expanded the scope of comparable recalls, and jointly implemented comparable recalls to ensure the effective implementation of the procedure with partner, Eli Lilly.

During the Reporting Period, there was no product recall, return or complaint. In the following development, the Company will continue to improve its product quality, operation management, service system, and strictly and actively protect customer information, so as to provide customers with the highest standard of service quality.

II. Commitment to Innovation: High-quality Pharmaceutical Development

5. Deepening strategic cooperation

Since it was founded, Innovent has distinguished itself among many biologics companies with its innovative achievements and international operation models. With outstanding innovation ability, Innovent has established a team of international standard. On the basis, using international capital, we have built a world-class technology platform and continued to develop products for the international market. Innovent pays great attention to cooperating with the world's top pharmaceutical companies. Our Company has already reached strategic cooperations with international pharmaceutical companies such as Eli Lilly, Adimab, Incyte and MD Anderson Cancer Center in the United States and Hanmi in South Korea. The Company and Eli Lilly have reached two comprehensive cooperation with a total amount of more than US\$1.5 billion, creating a number of "China first". As a fast-growing and innovative pharmaceutical company with mature sintilimab R&D and commercialization platform, Innovent is capable to assist foreign partners to explore the Chinese market of great value and help partners accelerate clinical projects, so as to jointly explore the international market through close cooperation.

Case: Innovent continued to deepen strategic cooperation with Eli Lilly

In August 2019, Innovent expanded its international presence and deepened strategic cooperation with Eli Lilly. We will jointly promote the development and potential commercialisation in China of an oxyntomodulin analog (OXM3), a potentially best-in-class clinical-stage novel diabetic therapy. The cooperation of the potentially best-in-class clinical-stage drug will further strengthen our product pipelines and expand our disease treatment to the field of diabetic therapy.

Since its founding in 2011, Innovent has successfully entered into industry-academia-research cooperation with many renowned universities in China and abroad, including Sichuan University, Sun Yat-Sen University, Hanyang University of Korea and Institute Pasteur of Shanghai under the Chinese Academy of Sciences, etc. The Suzhou Antibody New Drug Development and Industrialization Engineering Technical Research Center and the Innovent-Sichuan University Biotechnology Drug Research and Development Center have also been set up to promote the coordinated development of industry-academia-research integration and boost the development and upgrading of enterprises. Such cooperation is in line with the urgent need of the government and enterprises to carry out scientific and technological innovation and industry-academia-research cooperation under the background of innovation-driven strategies. It is an effective practice for deepening industry academia-research cooperation such as industry- academia-research cooperation between schools and enterprises and exploring the establishment of a long-term mechanism, which can facilitate the relevant universities and institutes to continue to vigorously support scientific and technological innovation, and promote the accumulation of various types of innovative resources in Suzhou and Jiangsu.

III. People-oriented: A Caring Corporate Citizen

Talents are the cornerstone of Innovent's development and a key factor for the sustainable development of the Company. Innovent always adheres to the core values of "Integrity, Learning, Hardworking and Cooperation" and implements the talent development concept of "Let fighters become winners" and "people-oriented and more pay for more work". We effectively protect the legitimate rights and interests of employees, ensure their occupational health and safety, and focus on talent training and employee caring, so as to provide employees with a healthy, safe and comfortable work environment and create a harmonious and warm work atmosphere.

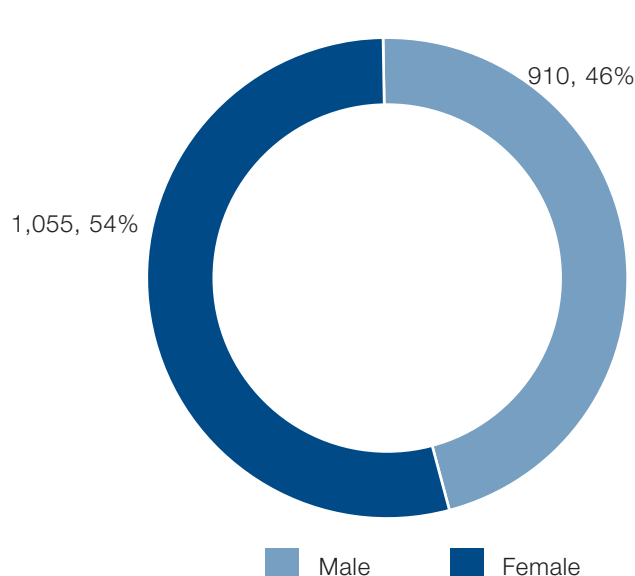
1. Protecting the rights and interests of employees

Talents are the cornerstone of Innovent's development and a key factor for the sustainable development of the Company. The Company is committed to protecting and promoting equal and diversified employment, and comprehensively protects the legitimate rights and interests of employees in terms of employment, salary and benefits and career development based on the interests of employees.

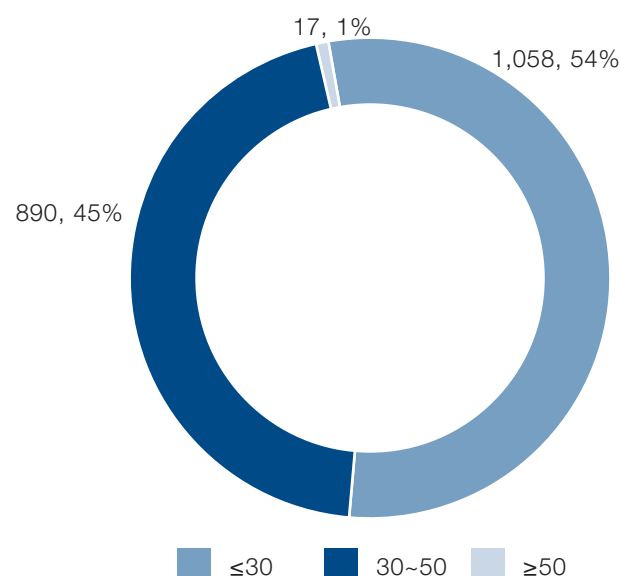
1.1 Compliant employment

In line with the principle of equal and diversified employment, Innovent strictly abides by the relevant provisions of the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and the Employment Promotion Law of the People's Republic of China, and has formulated the Employee Handbook and other internal policies in light of actual needs of the Company to hire employees in a legal and compliant manner. The Company prohibits the use of forced, debt-paying or contractual labour and strictly avoids child labour. In the recruitment process, we do not discriminate against factors such as gender, age, nationality, race, religious belief, marital status and disability, so as to ensure every employee who joins our Company will be treated equally and fairly. In 2019, the Company did not have any incidents involving any child labour or forced labour or any discrimination.

In the recruitment process, Innovent signs labor contracts with employees according to law to fully protect employees' rights and interests. In 2019, Innovent has signed a labor contract with all 1,965 employees and achieved equal pay for equal work.

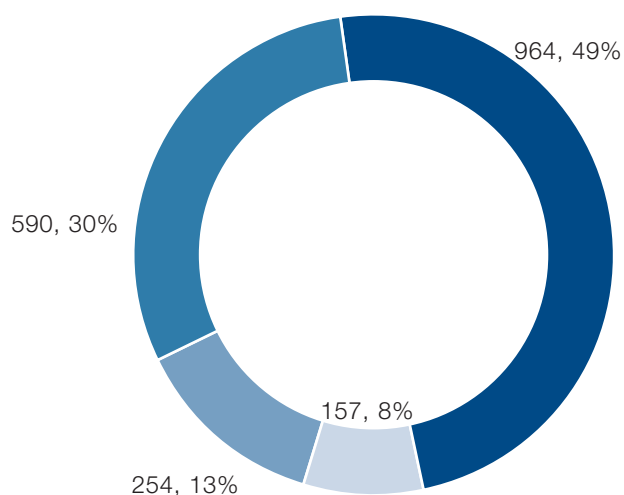


Total number of employees by gender (person)



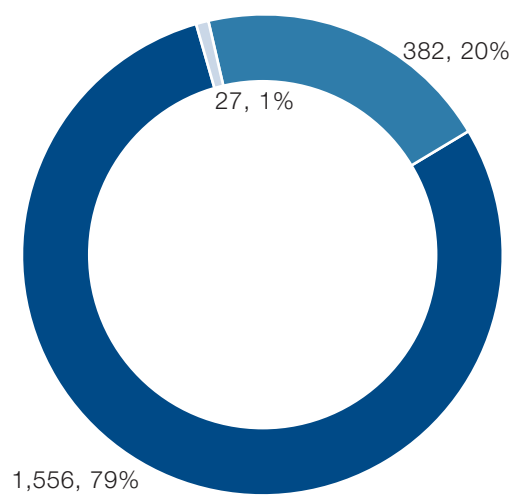
Total number of employees by age (person)

III. People-oriented: A Caring Corporate Citizen



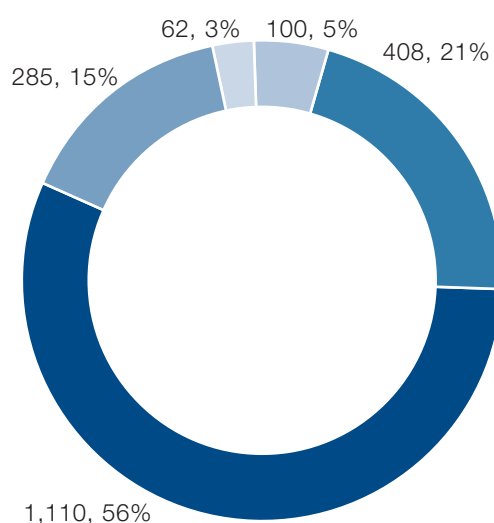
■ Suzhou ■ Beijing ■ Shanghai ■ Others

Total number of employees by region (person)



■ Senior management ■ Middle management ■ General staff

Total number of employees by rank (person)



■ Doctor ■ Master ■ Bachelor ■ College ■ Below College

Total number of employees by education level (person)

III. People-oriented: A Caring Corporate Citizen

1.2 Compensation and benefits

A reasonable compensation and welfare system is an integral part of employee incentives. Based on the principles of “Let fighters become winners” and “people-oriented and more pay for more work”, Innovent always protects and ensures the legitimate rights and interests of employees in accordance with the law.

The Company has established a fair, just, reasonable and market-competitive compensation management system. We strictly abide by the local government’s minimum wage management regulations to ensure that the basic wages of all types of employees are not lower than the requirements of laws and regulations, and provide market-competitive compensation for our employees. At the same time, we will review the existing compensation and welfare system from time to time, and adjust the compensation level on an annual basis. We will grant corresponding bonus and performance rewards at the end of the year based on annual performance of employees. We will reward employees who make contribution to the Company’s business and meet core values of the Company.

In terms of welfare, Innovent fulfils its responsibilities and obligations according to the relevant law and pays all social insurance and housing provident on time. We pay housing provident funds at the highest local payment rate. In addition, the Company buys supplementary commercial medical insurance and accident insurance for employees. The Company provides an annual physical examination for employees who have served for a full year. Our employees enjoy relatively flexible working hours, as well as rest days, holidays, paid annual vacations, Innovent welfare leaves and other kinds of holidays stipulated by the state laws and the Company system. At the same time, we provide transportation allowance, communication allowance and meal allowance for our employees. Our employees can also enjoy three meals a day in the Company canteen. The Company respects diversified cultures, and provides various food for employees to choose considering the nationality and birthplace of employees. The Company will provide gifts for employees on their birthdays and other important holidays. The Company’s gym will also be put into use. In order to build a welfare platform, the Company cooperates with major e-commerce platforms to distribute reward points through the welfare platform as ordinary benefits, which can be used to freely purchase what employees need. In terms of caring for female employees, we implement the policy of equal pay for equal work, set up breastfeeding rooms, and distribute benefits on Women’s Day.

On this basis, to better retain and reward talents and showcase the Company’s appreciation and recognition of employees, the Company has established a pre-IPO share award plan, a post-IPO employee stock ownership plan and a restricted share plan to grant a certain percentage to qualified employees annually.

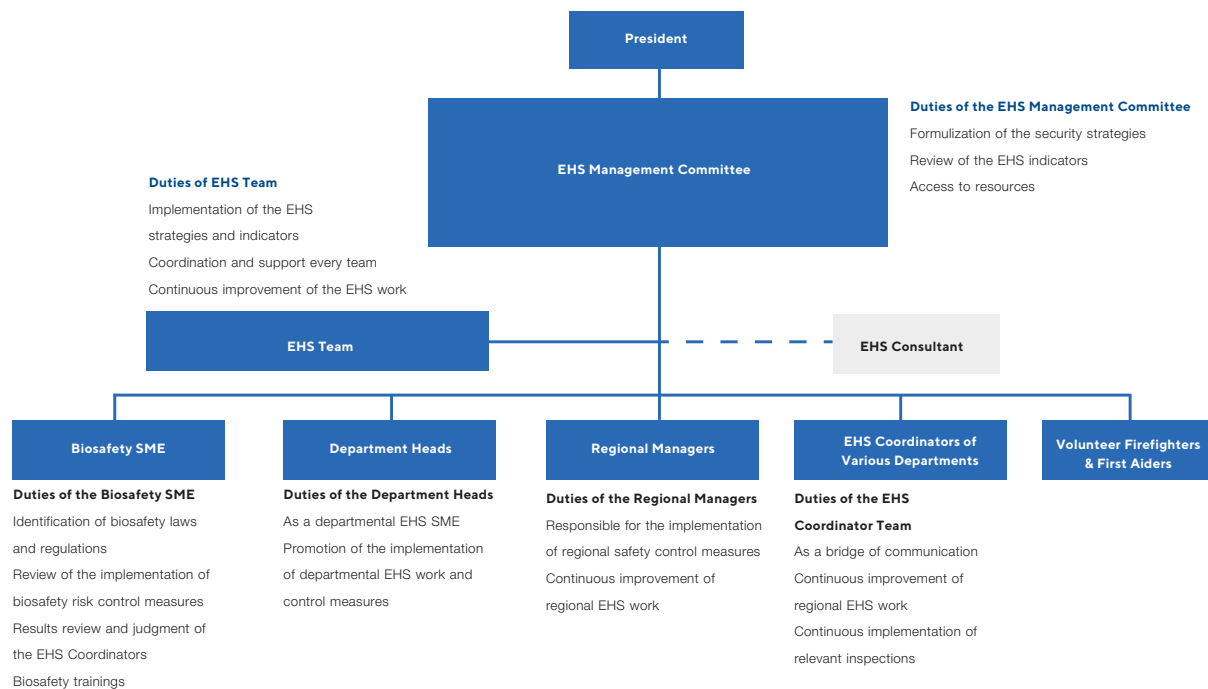
III. People-oriented: A Caring Corporate Citizen

2. Ensuring health and safety

Innovent attaches great importance to the health and safety of employees, and strictly abides by relevant laws and regulations including the Production Safety Law of the People’s Republic of China, Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases and the Basic Standards for Standardization of Safety Production of Enterprises, and management measures including the Measures for the Supervision and Administration of “Three Simultaneities” for Safety Facilities of Construction Projects and the Administrative Regulations on the Work Safety of Construction Projects. We formulated the Manual of Environmental, Safety and Occupational Health Management to clarify various management rules. In 2019, the Company formulated internal management measures including the Management Regulations on Pipeline Identification (SOP200044), the Management Regulations on Investigation and Report of Safety (Work-related Injury) Incidents (IBEHS-017 V1.0) and the Management Regulations on Hazardous Chemicals (SMP00188) to further ensure production safety and employee health.

2.1 Structure and mechanism of health and safety management

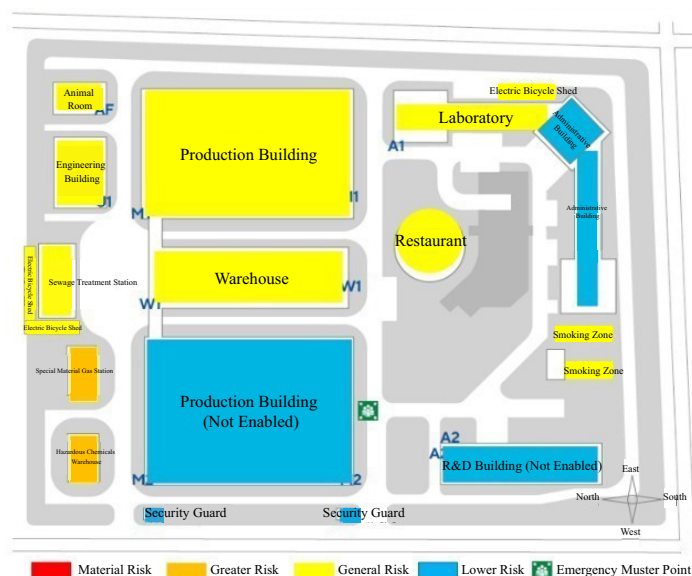
In order to strengthen health and safety management, the Company has established an EHS Management Committee whose major responsibilities are to define safety principles, review EHS indicators and ensure the use of related resources. The Committee has set up an EHS work team and employs relevant experts as consultants. The committee establishes an EHS management system with “planning, implementation, inspection, and review” as the operating mode, and has currently passed the certification of the ISO45001:2018 Occupational Health and Safety Management System and the three-level enterprise evaluation of production safety standardization. Through the implementation of the “planning, implementation, inspection, and review” cycle process, the Company’s occupational health management is continuously improved, and the appropriateness of the system is consistently maintained.



Structure and Functions of EHS Management Committee and EHS Group

III. People-oriented: A Caring Corporate Citizen

In order to promote the in-depth expansion of the safety management system, Innovent has established a dual prevention and control mechanism to identify the level of risks in office and plant area, and will take corresponding control measures based on characteristics of various risks, so as to establish a long-term management mechanism for the continuous improvement of production safety through various measures.

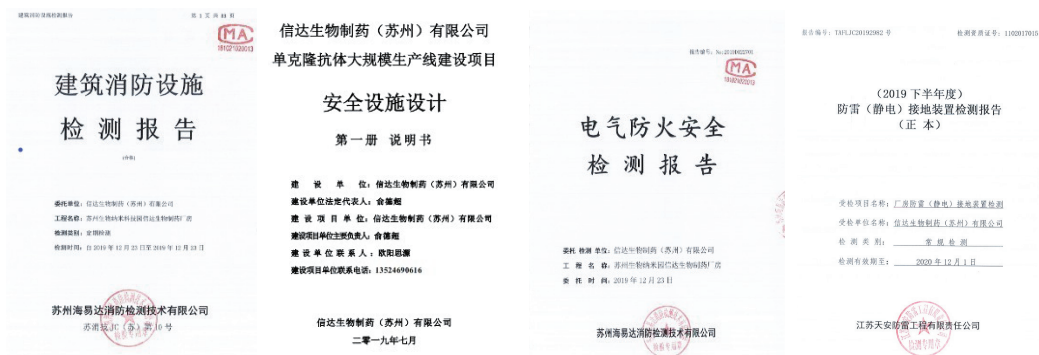


2.2 Management measures on health and safety

In order to meet requirements of safe production, we have carried out a full-range safety management work from multiple perspectives including safety analysis, prevention of occupational diseases, management of special equipment, chemical management, management of highly toxic products and fire safety management, so as to minimize or avoid occupational hazards, and ensure the occupational health and safety of every employee. In 2019, there was no work-related injury or death in Innovent.

- Work safety analysis

We conduct hazard identification and risk assessment of work processes, including analysis of new and modified processes prior to launch, and regular review of existing processes to control risks to an acceptable level. In addition, we identify and control relevant factors according to the evaluation of occupational hazards, and monitor posts with such hazard factors. The Company informs and warns employees who are at risk of occupational diseases, and regularly organizes occupational trainings.



Detection of safety hazards

III. People-oriented: A Caring Corporate Citizen

Case: Innovent Biologics, Inc. completed the compliant disposal of 180-ton solid waste in 2019

According to the Environmental Protection Law of the PRC and the requirements of the Land and Resources and Environmental Protection Bureau of the Suzhou Industrial Park, Innovent has completed the compliant disposal of the total of 180-ton solid waste through 55 disposal plans for hazardous waste in 2019. We have not caused any pollution or damage to the external environment.

- Prevention of occupational diseases

In order to provide employees with a healthy and safe work environment, Innovent has formulated the Regulations for the Management of Labour Protection Goods to regulate its management of labor protection supplies. For the personal protection of employees, we inject vaccines for R&D personnel of new drugs, formulate a list of protective products according to the type of operation, and provide employees in production lines with qualified personal protective equipment for preventing occupational diseases, including safety helmets, protective screens, air respirators, gas masks and cold protective clothing. In addition, the EHS department is responsible for organizing trainings on basic operation of labor supplies, so that employees can improve their capabilities to protect themselves and others and take actions in emergency situations, and have a better understanding of how to choose protective equipment according to their own protection needs.

At the same time, we formulated the Regulations on Management of Physical Examination of Employees in Direct Contact with Drug Production, and regularly arrange relevant personnel for physical examination, so as to prevent sick employees from entering the production plant and actively take various measures to protect the health of employees. In 2019, a total of 142 employees participated in physical examinations.

- Management of special equipment

In order to ensure that the use of special equipment¹ and special operations are always in a safe and controlled state, the Company formulates and follows the Special Equipment/Special Operations Management Regulations to ensure the safety of employees. The Regulations set out the responsibilities and management contents of each department, and requires strict management of equipment procurement, installation and acceptance, registration, annual inspection, maintenance and scrapping. The production and installation manufacturers of special equipment shall have corresponding qualifications and complete registration in accordance with relevant regulations. Personnel for special operations shall participate in training, assessment, certification and annual inspection, and obtain relevant certification before taking up their posts.

¹ Special equipment mainly refers to boilers, pressure vessels (including gas cylinders), pressure pipes, lifting equipment, transformer and distribution facilities, which are dangerous.

III. People-oriented: A Caring Corporate Citizen

- Chemical management

In order to regulate the procurement, storage, usage and destruction process of chemicals, Innovent formulated the Hazardous Chemicals Management Regulations and built a special chemical warehouse which is designed according to Class A standards, covering chemicals that are easy to make poisons, explosions, acids, alkalis, organic solvents and so on. In addition, the Company stipulates that our chemicals-related staff must have the “Chemical Operation” job certificate, and pass the corresponding training and assessment. The Company has posted MSDS, notification cards and management system in the storage area to alert our staff, and is regularly checked by government authorities. We also provide relevant personal protective equipment for relevant personnel.



Filing certificate for Biosafe laboratory

- Management of highly toxic products

To ensure the health of operators and avoid safety accidents, Innovent formulates and follows the Regulations for the Administration of Highly Toxic Products and the QC Highly Toxic Products Management Regulation to strengthen the safety management of the highly toxic products by QC departments and the management of incoming and outgoing materials. Meantime, personnel engaged in the storage, operation and emergency treatment of highly toxic chemicals must be trained in relevant laws, regulations and safety knowledge, professional technology and emergency rescue knowledge. Only after passing the examination can they take up their posts.



Proper placement of highly toxic products in laboratory

III. People-oriented: A Caring Corporate Citizen

- Administration of fire prevention and control

In order to enhance staff's fire awareness and improve staff's emergency response ability in emergencies, and also according to the functions of Company's firefighting facilities, Innovent conducts two company-wide fire drills every year, so that employees can improve their escape skills and become familiar with the Company's fire escape routes and fire prevention system. In addition, we also organized funny games, voluntary firefighter training and safety knowledge contests, so that employees can further understand the functions and use of firefighting equipment in these cultural activities, and understand the firefighting concept of "prevention first, combination of prevention and elimination".



Cultural activities on fire prevention and control

2.3 Safety inspection

In order to effectively prevent and contain various safety accidents, Innovent stepped up safety inspections and conducted joint inspections regularly in key areas and for hidden dangers. In 2019, the Company carried out EHS inspection before the Chinese New Year, inspection of storage room for hazardous wastes in underground garages, monthly inspection in laboratories, inspection of roof for preventing typhoon, inspection of M1 mezzanines and special inspections on fire safety. Meantime, we have cooperated with local government authorities and the management unit of the park to inspect in Level 3 safety production standardization, inspection of chemical warehouses and linkage inspection of fire equipment and facilities, which effectively protected the health and safety of employees.

III. People-oriented: A Caring Corporate Citizen

2.4 Safety training

Innovent attaches great importance to the construction of safety culture. We regularly organize and conduct various safety trainings to enhance safety production awareness of employees and improve their capabilities to cope with safety emergencies. Based on requirements of different posts, we provide safety education and training for new employees at three levels including the Company level, department level and post level, and conduct the initial training and review training of EHS related principals, special equipment operators, special operations personnel, structural firefighters and first responders. In 2019, we conducted activities such as the knowledge competition in safety production month, seminars on hazardous waste management firefighting training, and provided a total of 4,134 hours of training courses.



Safety training

III. People-oriented: A Caring Corporate Citizen

2.5 Protection measures during the COVID-19 epidemic

In early 2020, to cope with the spread of the COVID-19 epidemic, Innovent has fully invested in anti-epidemic work from senior executives to grass-roots employees, and carried out various prevention and control deployment in a timely manner, so as to ensure the safety of employees, production safety and drug supply for patients. On January 20, 2020, the EHS department urgently issued the Notice of COVID-19 Prevention and Control, and implemented effective prevention and control policies. It actively purchased emergency materials such as thermometers, and carried out monitoring and reporting work. At the same time, the Company carried out publicity activities on the epidemic prevention and control to employees and actively promoted health and epidemic prevention knowledge, thus raising employees' awareness of safety risks.

After work resumption, Innovent issued relevant policies in a timely manner, and adopted strict prevention and control measures, such as monitoring body temperature, controlling the passengers in elevators, carrying out disinfection and cleaning and distributing masks and other protective equipment on a daily basis. We also strengthened daily inspections and timely obtained the information on the Company and personnel, so as to protect the health and safety of employees. As of the publication of this report, the Company has no employees infected with COVID-19.

Due to the joint efforts of all employees, COVID-19 has caused little impact on the production and operation of the Company, and the Company has quickly returned to normal level after the mitigation of COVID-19.

3. Promoting talent growth and development

Innovent attaches great importance to the training and development of talents. In line with the concept of "Let fighters become winners", we provide employees with a platform to display their talents, learn knowledge and enhance skills, with the aim to develop and establish a team of high-end biopharmaceutical R&D, industrialization and marketing talents with international advanced level.

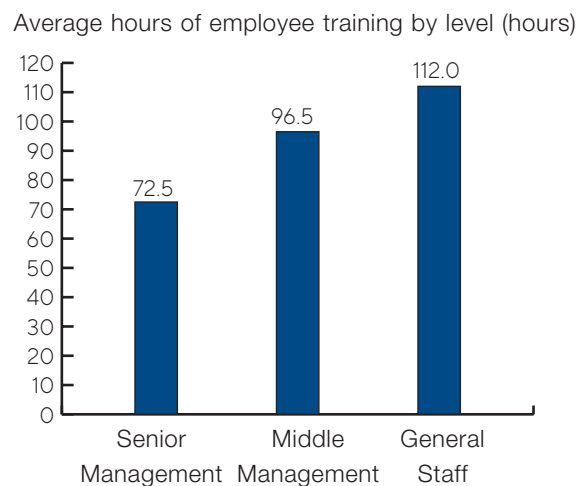
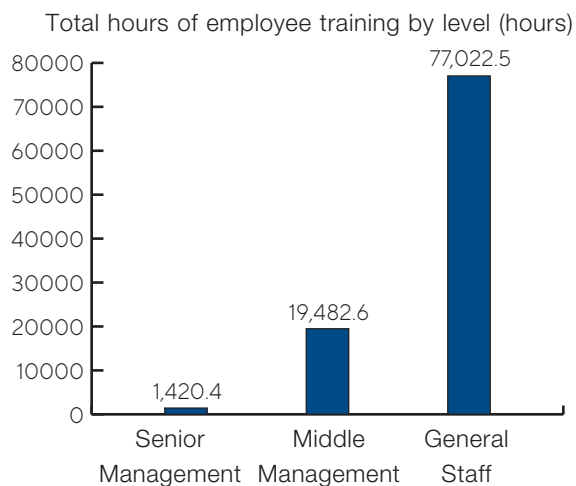
- Employee promotion

We create a fair and practical promotion channel with a standardized and transparent job promotion mechanism, and pay attention to the comprehensive capabilities of employees and their recognition of the Company's values. We strive to provide a clear promotion channel for the professional development of employees, so as to help employees realize their own values while promoting the sustainable development of the Company.

III. People-oriented: A Caring Corporate Citizen

- Staff training

The Company has established an integrated training system, formulated and followed the Training Management System and established “Innovent Academy” and “Innovent Forum” to provide a platform for the Company’s employees to learn and grow, which will promote the implementation of corporate culture and the comprehensive improvement of individuals and teams, thus guiding the rapid growth of employees towards high-quality, high-level talents. We have adopted a variety of training methods (online + offline), mainly including induction training for new employees, on-the-job training for employees, professional lectures, on-the-job improvement of education qualification management cadre training, “Cedar Class” for senior executives and other full-range talents training projects. We set up relevant courses in a scientific and reasonable manner, and implement employee training in order to match the strategic development of the Company and create a talent pool with Innovent characteristics.



III. People-oriented: A Caring Corporate Citizen

Induction training for new employees

In order to help new employees to quickly understand the corporate culture and integrate into the collective development as soon as possible, the human resources and administration department organizes a series of training courses, which covers the Company's culture, salary and welfare, team management skills, career development planning, EHS safety training, R&D data editing standards, etc.

Through interesting "Corporate Culture Experience Camp" learning, new employees can understand practicability and feasibility of corporate culture, and strengthen the staff's sense of identity and sense of belonging. At the same time, training activities also laid the foundation for new employees to quickly get familiar with the work environment. We have seen the excellent spirit of the Innovent person, who is dedicated and aggressive.



Induction training for new employees



Corporate Culture Experience Camp

III. People-oriented: A Caring Corporate Citizen

On-the-job training

Based on the requirements and needs of different posts, we have conducted various training courses such as legal training, selection of targeted talents and improvement of academic qualification. We will strive to provide employees with more trainings on professional knowledge, and help employees obtain necessary and practical skills to meet their personal development needs. At the same time, we will regularly organize various trainings for the grassroots management to enhance the leadership of management personnel and strengthen communication and exchanges with each other, so that the grassroots management can successfully change roles and grow from performers to managers.



Selection of targeted talents



Training class in Suzhou University



Learning of how to change roles



Workshop for grassroots management

III. People-oriented: A Caring Corporate Citizen

“Innovent Forum”

In order to create a sound learning atmosphere, Innovent regularly organizes “Innovent Forum” to help the growth and development of employees and facilitate academic exchanges. We invited internal and external experts to share industry expertise and latest developments, which effectively improved the personal qualities and talents of employees. A total of 29 Innovent forums were successfully held in 2019, and 13 external experts were invited.



The 25th “Innovent Forum” in 2019 – “JAK-STAT, Immunity, Inflammation and Clinical Applications”



The 29th “Innovent Forum” in 2019 – “Introduction of Biologics Process and Production Exhibition Hall”

III. People-oriented: A Caring Corporate Citizen

“Innovent Academy”

In 2019, Innovent Academy has organized domestic and foreign trainings for more than 1,800 participants with the training coverage rate of 100%. Innovent Academy will spare no effort in constantly building a learning organization to further drive our business development, and will focus on improving professional skills and management skills of employees, thus forging ahead for the establishment of a highly cohesive corporate culture.

“Innovent Class” Program for fresh graduates

We recruit excellent talents specifically from Tsinghua University, Peking University, Zhejiang University and Suzhou University, and establish a sound university-enterprise cooperation relationship. We also arrange tutors with “high performance, high qualification and high quality” to train new recruits in stages.

Innovent “Cedar Class”

The talent development project is designed to cultivate senior management with Innovent style. The Chief Executive Officer personally acts as headteacher of the class to participate throughout the process, and the daily management was performed by the class committee mechanism, including selection of courses, organizing sharing activities and team building, etc. It will not only fully improve the comprehensive capabilities of the management, but also significantly promote the cross-department integration.

Development channels and talent pool

We provide promotion opportunities every year, and set up two development paths in terms of management and technology, each of which has clear promotion channels and rules.

Our talent pool is based on scientific methodology, enabling talent evaluation and calibration for HRBP and management cadres, and the talent development concept and knowledge of first-line managers will also be enhanced in the process of talent inventory. We will set IDPs for all participants and fully track IDPs of core participants, ensuring the effectiveness of career development of employees from the perspective of mechanism.

4. Improving Employee Caring

Innovent pays close attention to the cultural life of employees and promotes work-life balance. We support employees to carry out various activities to enrich business life while completing their tasks, so as to meet material and spiritual cultural needs of employees and showcase our care and love for employees. In 2019, the Company organized a series of cultural activities to enhance emotional exchanges among employees and enhance employees' senses of recognition and belongings.

In order to understand the needs of employees in a timely manner and listen to their voices, we have established a comprehensive communication mechanism, including the mailbox of the Chairman of the Board, a platform for rational suggestions, information desk and cloud community, etc. Any questions or suggestions raised by employees can be responded timely through such smooth internal communication. Innovent holds a “face to face with executives” symposium each month where high-level leaders and general employees at the basic level build a harmonious and warm communication channel to discuss various topics about work and life. During this process, employees can talk freely about their opinions and suggestions on their own career planning, management of the Company and corporate development, as well as difficulties and problems in their work, which has formed a sound interactive mechanism for management help employees in a practical and accurate manner.

III. People-oriented: A Caring Corporate Citizen

5. Social Contribution

Innovent has always remained true to the original aspiration and mission and has been committing to developing high quality biopharmaceuticals affordable to ordinary people. Focusing on promoting the inclusion of drugs into the NRDL and the medical poverty alleviation program, we have invested significantly in fulfilling the mission to benefit the public and become a caring enterprise citizen. In addition, during the spread of COVID-19 epidemic throughout China, we joined hands with the people in the epidemic area and actively performed the social responsibilities of a listed company.

5.1 Inclusion of Tyvyt® into the NRDL

Since it was founded, Innovent has always adhered to the mission of developing high quality biopharmaceuticals affordable to ordinary people. On November 28, 2019, Tyvyt® (sintilimab injection), an innovative PD-1 inhibitor jointly developed by Innovent and Eli Lilly, was successfully included in the category B of the “National Drug Catalog for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance” (2019 Edition).

Upon the inclusion of Tyvyt® (sintilimab injection) into the NRDL, its price decreased by 64%, and the annual treatment cost of patients using Tyvyt® to treat cancer was under RMB100,000. The inclusion of Tyvyt® into the NRDL showcased that it meets the standards of the National Healthcare Security Administration in terms of clinical value, patient benefits and innovation. The inclusion of sintilimab into the new NRDL will further enhance the accessibility of patients to new high-quality immunotherapy drugs.

The Company is working with all parties to actively respond to government authorities at all levels, and taking joint efforts in the unified implementation of medical insurance policies in all regions, which will accelerate the pipeline into hospitals. At the same time, we will continue to explore innovative payment methods with multiple parties, enabling more patients to enjoy the health benefits from scientific progress.

5.2 Fighting the COVID-19 epidemic

In early 2020, when the COVID-19 epidemic spread throughout China, the prevention and control work was in severe difficulties. Innovent has actively assumed its social responsibilities, and attached great importance to epidemic prevention work. Internally, we carries out safety assurance work and promoted epidemic knowledge to protect the safety of our employees after resumption of work. Externally, we also supported the prevention and control of the COVID-19 epidemic and made active donations to go through hardship with the country and the people.

- Actively resuming work and production

In the extraordinary period when the COVID-19 epidemic spread, we not only had the responsibility to ensure the health and safety of our employees, but also were challenged by the resumption of work and production as soon as possible to support the prevention and control of the COVID-19 epidemic. In January 2020, the Company passed the on-site inspection for epidemic prevention and control led by the Suzhou Economic Development Bureau, and was highly recognized by the inspectors, thereby it was approved to continue production activities.

III. People-oriented: A Caring Corporate Citizen

Case: Innovent was highly recognized in the on-site inspection of epidemic prevention and control

On February 3, 2020, the Suzhou Municipal Political and Law Commission took the lead in the on-site inspection of Innovent, and the deputy Party secretary Zhu Yaoming spoke highly of the professional work of Innovent in the emergency epidemic prevention and control.

On February 5, 2020, the inspection team of the Market Supervision Bureau of Suzhou Industrial Park conducted an inspection of the Company restaurant on the resumption of work and production, and recognized various prevention and control measures taken by the Company.



Innovent conducted on-site inspection of epidemic prevention and control

On February 2, 2020, the Company issued the first version of policy on work resumption, and actively promoted the prevention and control measures on work resumption, covering comprehensive prevention and control from the aspects of return journey, commuting and protection. On February 10, the Company actively responded to the policy on work resumption issued by the government, and achieved full resumption with a total return rate of 51%. We actively engaged in pharmaceutical scientific research as early as possible to support the prevention and control of the COVID-19 epidemic.

- Social assistance

During the COVID-19 epidemic, Innovent stood firmly with compatriots in Wuhan severely affected by the epidemic, and actively organized donations to support the epidemic area. We donated RMB2 million in cash to the Red Cross of China Wuhan Branch at the very first time to support the frontline prevention and control work in Wuhan, contributing our part in fighting the tough battle of epidemic prevention and control.

III. People-oriented: A Caring Corporate Citizen

5.3 Public welfare activities

Innovent focuses on public welfare and actively fulfills its social responsibilities, and continues to break ground in the R&D of pharmaceutical poverty alleviation programs. In cooperation with all parties, we benefit Chinese patients through innovative medicines, payment methods and other dimensions, so as to contribute to meet the growing demand of the people for a better life.

In September 2019, Innovent and Cancer Foundation of China jointly launched a poverty alleviation program for r/r cHL patients who enjoy the subsistence allowance and are from registered low-income household. The Program is designed to solve the payment difficulties of patients and reduce their burden at the beginning. We will provide free Tyvyt® to r/r cHL adult patients who enjoy the subsistence allowance and are from registered low-income household for 2 years, so as to help patients treat diseases and reduce their financial burden.

In June 2020, BYVASDA® (bevacizumab injection), a fully-human anti-VEGF monoclonal antibody self-developed by the Company, was officially approved by NMPA for the treatment of advanced NSCLC and metastatic colorectal cancer. It was the second monoclonal antibody drug of Innovent approved by NMPA after Tyvyt®. The supplementary application on the treatment of first-line, non-squamous NSCLC with Tyvyt® has been accepted for the NMPA. In the coming years, we hope that more products and indications will be approved.

In addition, as a benchmarking company in the biologics industry located in Suzhou Industrial Park, the Company also won the “Outstanding Award for Contribution to the Economy of the Park” due to its role in boosting the regional economy.

IV. Ecological Harmony: Sustainable Green Operation

Green culture is deeply rooted in the corporate culture of Innovent. Innovent continued to improve the environmental management system, and adhered to green production. We implemented the concept of energy conservation and emission reduction through strict management of emissions and resource and energy consumption. In response to international initiatives, we proactively incorporated climate change risks into our risk assessment and consideration, and is committed to building an energy-saving and resource-friendly modern biologics enterprise.

1. Strengthening environmental management

As a modern biologics company, while building a first-class industrialization technology platform and production base of biologics in China, we adhere to the concept of green management, and attach great importance to the impact of the Company's production on the ecological environment. We continue to enhance the environmental management capabilities through improving the environmental management policy and system and strengthening the promotion of environmental awareness.

We strictly comply with relevant national, regional and industry environmental protection laws and regulations such as the Environmental Protection Law of the People's Republic of China. We formulated the Environmental, Safety and Occupational Health Management Manual according to the requirements of ISO14001:2015 environmental management system, and take pollution prevention, environmental protection and environmental improvement as one of the Company's key tasks.

In order to implement environmental management in daily work, the Company has established an EHS Management Committee and an EHS work team thereof. Under the organization and coordination of the EHS Management Committee, through the execution of the "planning, implementation, supervision and inspection, correction and review" cycle process, the Company's environmental management is continuously improved, and the appropriateness of the environmental management system is consistently maintained.

At the same time, we actively promoted and popularized environmental protection knowledge among employees to enhance their green awareness. In line with the theme of the "World Environment Day on June 5th", we organized "Safety and Environmental Protection Month" activities, and continued to create a green and environment-friendly corporate atmosphere through knowledge competitions and short videos on environmental protection.

2. Reducing the impact of emissions

Innovent is deeply aware that the emissions generated during the operation and production process will cause significant impact on the ecological environment. The Company strictly implements relevant laws and regulations including the Soil Pollution Prevention and Control Law of the PRC, the Water Pollution Prevention and Control Law of the PRC, the Measures for Pollutant Discharge Permitting Administration and the Atmospheric Pollution Prevention and Control Law of the PRC, and strictly regulates emissions generated during the production process. We will earnestly conduct environmental protection and minimize the environmental impact caused by the production process.

We have taken corresponding measures at different stages of production for the treatment of waste gases based on their sources. For example, for the waste gas generated by biosafety cabinets in laboratories, it must be filtered by a high-efficiency filter before it is discharged to the atmosphere. We monitor the Company's exhaust gas to ensure that current environmental regulations are met. During the Reporting Period, we detected no emissions of nitrogen oxides, sulfur oxides and atmospheric particulates after our treatment process, and our management of exhaust emissions has been significantly improved as compared with 2018.

For wastewater, the Company has a wastewater treatment station for professional treatment of wastewater generated. Untreated wastewater or treated wastewater that does not meet the national discharging limits cannot be discharged. We restrict discharging of industrial and domestic wastewater that is generated during activities such as research and production, and reduce the adverse effects of wastewater discharging on the surrounding environment and personnel health. In 2019, the Company discharged a total of 229,570 tons of wastewater, including 175,900 tons of domestic wastewater, 53,670 tons of industrial wastewater, and 0.609 tons of Chemical Oxygen Demand ("COD") emissions.

IV. Ecological Harmony: Sustainable Green Operation

For solid waste generated during the production and operation, the Company has formulated the Waste Management Regulations and the Hazardous Chemicals Management Regulations to unify and regulate the waste collection and treatment procedures of the Company, ensuring that the discharge of waste complies with relevant national standards on environmental emissions. For hazardous wastes, relevant departments collect them in categories, transfer them to the temporary storage area in accordance with the requirements, and place them in corresponding garbage bags or containers. Then, the qualified hazardous waste disposal companies regularly transport them to qualified treatment plants. At the same time, the Company reduces the production of harmful waste through new production technology. For general wastes, such as household wastes, the cleaning staff move them to the designated place, and then sanitation companies regularly transport the wastes out of the factory for processing.

In view of the noise pollution that may be generated in the production process, the Company installed sound insulation panels around equipment with large noise such as fan equipment in 2019, thus effectively reducing noise pollution caused by such equipment. At the same time, we strictly implement the environmental impact assessment to ensure a sufficient distance between the production site and the residential area, so as to reduce the negative impact of noise pollution generated in the production process on residents in communities.

In order to ensure that the Company's production and operation cause no serious impact on the surrounding ecological environment, Innovent is equipped with professional environmental management personnel to carry out effective waste management monitoring. We regularly employ qualified testing institutions to conduct environmental tests on the Company and issue EIA reports to evaluate the production of wastewater, waste gas and so on. In 2019, Innovent has conducted a total of 4 tests for domestic drinking water, 2 tests for exhaust gas, 2 tests for noise monitoring in the plant area, 24 tests for wastewater and 1 test for groundwater and soil. The test results showed that no excessive waste production occurred in Innovent during the Reporting Period.



Reports of wastewater, waste gas and noise tests

IV. Ecological Harmony: Sustainable Green Operation

Emissions of Innovent in 2019

	Types of emissions	Emissions
Wastewater (ton)	Domestic wastewater	175,900
	Industrial wastewater	53,670
COD (ton)		0.61
Hazardous waste (ton)		181
Non-hazardous waste (ton)	Domestic garbage	312
Hazardous waste per capita (ton/person)		0.12
Non-hazardous waste per capita (ton/person)		0.22

We have formulated emergency plans for sudden environmental events in biological bases and conducted emergency drills, including the emergency closure of biological rainwater drains and the emergency plan for leakage of waste and liquid, to further ensure that our production activities will not cause damage to the ecological environment.

Case: Innovent conducted an emergency drill on the leakage of biological waste liquid

In order to enhance employees' awareness on waste management and test their emergency capabilities, practical capabilities and self-protection capabilities, Innovent organized a simulation drill on the emergency plan for the leakage of biological waste liquid on October 30, 2019. In the drill, our employees took calm measures in case of the leakage of biological waste liquid, and conducted on-site treatment with emergency supplies and timely reported the emergencies to the EHS work team of the Company. They completed the packaging and transfer of hazardous waste, and closed the rainwater gate valve, which effectively prevented the discharge of biological waste liquid into natural water and protect the ecological environment.

IV. Ecological Harmony: Sustainable Green Operation

3. Saving resources

Innovent continues to promote the concepts of energy-saving and water-saving management in its operation and production, and is committed to making full use of natural resources. We implement the awareness of “green and low-carbon”, and effectively achieve the win-win development of ecological, economic and social benefits.

Innovent complied with the relevant provisions of Law of the People’s Republic of China on Conserving Energy, focusing on the establishment of energy management system and incorporating energy efficiency into the framework of management measures. Furthermore, we are committed to promoting the concept of “energy conservation and carbon reduction” among all employees. In 2019, we actively implemented the concept of green office, including using double-sided printing in the office area, eliminating the use of disposable paper cups, promoting video teleconferencing, and replacing old lamps with LED energy-saving lamps on a large scale. In addition, we installed heat insulation glass to effectively improve the constant temperature effect in the office, thus reducing the intensity of air conditioning and greatly lowering the power consumption. The greenhouse gas emissions are mainly generated from the use of electrical energy and the consumption of a small amount of diesel and natural gas. In 2019, the GHG emissions² amounted to 39.4 tons, and the greenhouse gas emission per capita was 0.22 tons of carbon dioxide equivalent.

Use of Energy and Resources of Innovent in 2019

Indicators	Consumption
Electric power (MWh)	22.100
Heat (kJ)	321,311,268
Diesel (ton)	3.78
Natural gas (ten thousand M ³)	0.40
Tap water (ton)	350,690
Packaging materials (ton)	15.32

In terms of water resources management, we always adhere to the concept of “saving water”. In the R&D and production process, we emphasize efficient use of water. In daily work and life, we insist on cultivating employees’ awareness and habits of saving water, and put up clearly visible banners in public areas. We also installed sensor faucets in all the sinks, saving 100 tons of water per year.

² GHG emissions are the sum of greenhouse gas emissions in Scope 1 and Scope 2. GHG emissions in Scope 1 are calculated based on the Guidelines on Accounting and Reporting Methods of Greenhouse Gas Emissions for Other Industrial Enterprises (其他工業企業溫室氣體排放核算方法與報告指南), which are converted from direct energy resources such as diesel and natural gas. GHG emissions in Scope 2 are calculated based on the 2017 China’s Regional Grid Baseline Emission Factors or Emission Reduction Projects (2017年度減排項目中國區域電網基準線排放因子) the Reporting Guidance on Environmental KPIs published by Hong Kong Exchanges and Clearing Limited, which are converted from electricity consumption.

IV. Ecological Harmony: Sustainable Green Operation

4. Combating climate change

Innovent is deeply aware of the urgency of climate change, and actively responds to the call of the country and the international community. We have an in-depth understanding and implementation of green production, green operation and green office, and take active measures against climate change. We take the lead in including the climate change risk into consideration in our risk assessment and management, identify the possible impact of climate change on the Company's business activities, and take responsive measures and prepare emergency plans in advance. For example, in case of extremely severe weather, we will issue weather warnings and requirements of preventive work in advance to avoid the impact of extreme weather on the operating assets, equipment and employees of the Company.

Case: Innovent formulated prevention plan for Typhoon Lekima

In order to cope with Typhoon Lekima in advance and in response to the typhoon red warning, Innovent timely launched the prevention plan for typhoon weather. During the red warning, employees were forbidden from entering and leaving the Company, and real-time weather forecasts and typhoon path forecasts were sent to all employees in a timely manner. We also issued the notice on travel during typhoon weather and staying at home to ensure safety first during the typhoon weather.

Appendix

Index table

Level	Code	Section
<i>A Environmental</i>	A1 Emissions	
	General Disclosure: Information on:	
	(a) the policies; and	Strengthening environmental management;
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Reducing the impact of emissions
	relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
	A1.1	
	The types of emissions and respective emissions data.	2019 statistical tables
	A1.2	
	Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2019 statistical tables
	A1.3	
	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2019 statistical tables
	A1.4	
	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2019 statistical tables
	A1.5	
	Description of measures to mitigate emissions and results achieved.	Reducing the impact of emissions
	A1.6	
	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Reducing the impact of emissions
	A2 Use of Resources	
	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	Saving resources

Appendix

Level	Code	Section
	A2.1	
	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	2019 statistical tables
	A2.2	
	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	2019 statistical tables
	A2.3	
	Description of energy use efficiency initiatives and results achieved.	Saving resources
	A2.4	
	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Saving resources
	A2.5	
	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	2019 statistical tables
	A3 The Environment and Natural Resources	
	General Disclosure: Policies on minimising the issuer's significant impact on the environment and natural resources.	Strengthening environmental management
	A3.1	
	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Strengthening environmental management
B Social	B1 Employment	
	General Disclosure: Information on:	Protecting the rights and interests of employees
	(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.	

Appendix

Level	Code	Section
	B1.1	
	Total workforce by gender, employment type, age group and geographical region.	2019 statistical tables
	B1.2	
	Employee turnover rate by gender, age group and geographical region.	N/A
	B2 Health and Safety	
	General Disclosure: Information on:	Ensuring health and safety
	(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.	
	B2.1	
	Number and rate of work-related fatalities.	2019 statistical tables
	B2.2	
	Lost days due to work injury.	2019 statistical tables
	B2.3	
	Description of occupational health and safety measures adopted how they are implemented and monitored.	Ensuring health and safety
	B3 Training and Development	
	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Promoting talent growth and development
	B3.1	
	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	2019 statistical tables
	B3.2	
	The average training hours completed per employee by gender and employee category.	2019 statistical tables

Appendix

Level	Code	Section
	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.	Protecting the rights and interests of employees
	B4.1	
	Description of measures to review employment practices to avoid child and forced labour.	Protecting the rights and interests of employees
	B4.2	
	Description of steps taken to eliminate such practices when discovered.	Protecting the rights and interests of employees
	B5 Supply Chain Management	
	General Disclosure: Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
	B5.1	
	Number of suppliers by geographical region.	2019 statistical tables
	B5.2	
	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented.	Supply Chain Management
	B6 Product Responsibility	
	General Disclosure: Information on:	
	(a) the policies; and	Innovative R&D ecology Intellectual property protection
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Ensuring the quality of drugs Improving customer service
	relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	
	B6.1	
	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2019 statistical tables

Appendix

Level	Code	Section
	B6.2	
	Number of products and service related complaints received and how they are dealt with.	2019 statistical tables Improving customer service
	B6.3	
	Description of practices relating to observing and protecting intellectual property rights.	Intellectual property protection
	B6.4	
	Description of quality assurance process and recall procedures.	Ensuring the quality of drugs
	B6.5	
	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Improving customer service
	B7 Anti-corruption	
	General Disclosure: Information on:	Compliance Management
	(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.	
	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.	2019 statistical tables
	B7.2	
	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Compliance Management
	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.	Focus on Social Contribution
	B8.1	
	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Focus on Social Contribution
	B8.2	
	Resources contributed (e.g. money or time) to the focus area.	Focus on Social Contribution

Appendix

2019 statistical tables

Environmental data statistics ¹			
Category	Name	Unit	Data
Greenhouse gases	Greenhouse emissions	tons of carbon dioxide equivalent	39.4
	Greenhouse emissions per capita	tons of carbon dioxide equivalent/person	0.22
Waste	Hazardous waste	Ton	181
	Hazardous waste per capita	Ton/person	0.12
	Innocuous waste	Ton	312
	Innocuous waste per capita	Ton/person	0.22
Wastewater discharge	Discharge of domestic Wastewater	M ³	175,900
	Discharge of industrial wastewater	M ³	53,670
COD		Ton	0.61
Energy	Electric power	MWH	22.10
	Electricity per capita	MWH/person	0.016
	Heat	KJ	321,311,268
	Heat per capita	KJ/person	229,509.05
	Diesel consumption	Ton	3.78
	Diesel consumption per capita	Ton/person	0.003
	Gasoline consumption	Ton	0
	Gasoline consumption per capita	Ton/person	0
	Natural gas	ten thousand M ³	0.40
	Natural gas per capita consumption	ten thousand M ³ /person	0
	Oxygen consumption ²	10,000 M ³	2.90
	Nitrogen consumption ³	10,000 M ³	0.72
Water consumption	Water Consumption	M ³	350,690
	Water consumption per capita	M ³ /person	100.51
Packaging material	Carton	Ton	5.19
	Small box	Ton	10.13

^{1.} Environmental data range includes Innovent Biologic, Inc.; Innovent Biologics (Suzhou) Co., Ltd.; Suzhou Innovent Biotechnology Co., Ltd. We will ignore the data of Innovent Biologics (HK) Limited; Shanghai Xinsheng Biotechnology Branch of Innovent Biologics (Suzhou) Co. Ltd.; Beijing Biotechnology Branch of Innovent Biologics (Suzhou) Co. Ltd.; Innovent Biotechnology Co., Ltd and Innovent Biologics (USA), Inc., because they have no actual production. Environmental density data is calculated on the basis of 1,400, the total number of employees in Suzhou.

^{2.} Total oxygen consumption refers to the consumption of oxygen in the experiment, not involving per capita density.

^{3.} Total nitrogen consumption refers to the consumption of nitrogen in the experiments, not involving per capita density.

Appendix

Social data statistics⁴

Category	Name	Unit	Data
Employee structure	Total number of employees	Person	1,965
Total number of employees/ by gender	Male	Person	910
	Female	Person	1,055
Total number of employees/ by age	Under 30 years old	Person	1,058
	30 to 50 years old	Person	890
	Over 50 years old	Person	17
Total number of employees/ by education	Doctor	Person	100
	Master	Person	408
	Bachelor	Person	1,110
	College and below	Person	347
Total number of employees/ by region	Suzhou	Person	964
	Beijing	Person	157
	Shanghai	Person	254
	Others	Person	590
Total number of employees/ by rank	Senior management	Person	27
	Middle management	Person	382
	General staff	Person	1,556
New employees	Total number of new employees	Person	1,169
New employees/by gender	Male	Person	519
	Female	Person	650
New employees/by age	Under 30 years old	Person	704
	30 to 50 years old	Person	464
	Over 50 years old	Person	1
New employees/by region	Suzhou	Person	476
	Beijing	Person	113
	Shanghai	Person	162
	Others	Person	418

⁴. Social data range includes Innovent Biologic, Inc.; Innovent Biologics (HK) Limited; Innovent Biologics (Suzhou) Co., Ltd.; Suzhou Innovent Biotechnology Co. Ltd.; Shanghai Xinsheng Biotechnology Branch of Innovent Biologics (Suzhou) Co., Ltd., Beijing Biotechnology Branch of Innovent Biologics (Suzhou) Co., Ltd., Innovent Biotechnology Co., Ltd and Innovent Biologics (USA), Inc.

Appendix

Social data statistics⁴

New employees/ by rank	Senior management	Person	2
	Middle management	Person	113
	General staff	Person	1,054
Work injury	Number of injured workers	Person	0
	Number of work-related deaths	Person	0
	Number of working days lost due to work injury	Day	0
Hours of Safety Training	Online training	Hour	2,178
	Level 3 training	Hour	1,601
	Expert training	Hour	237
	Government training	Hour	118
Employee training	Number of trainees	Person	1,965
Total number of trainees/ by gender	Male	Person	910
	Female	Person	1,055
Total number of trainees/ by rank	Senior management	Person	27
	Middle management	Person	382
	General staff	Person	1,556
Employee training percentage/ by gender	Male	%	100
	Female	%	100
Employee training percentage/ by rank	Senior management	%	100
	Middle management	%	100
	General staff	%	100
Total number of hours of employee training/by rank	Senior management	Hour	1,420.4
	Middle management	Hour	19,482.6
	General staff	Hour	77,022.5
Average hours of employee training/by rank	Senior management	Hour	72.5
	Middle management	Hour	96.5
	General staff	Hour	112.0

Appendix

Social data statistics⁴

Supplier	Eastern China	Unit	501
	Southern China	Unit	21
	Central China	Unit	19
	Northern China	Unit	65
	North West	Unit	4
	North East	Unit	3
	South West	Unit	4
	Outside China (including Hong Kong, Macau and Taiwan)	Unit	25
	Percentage of suppliers applicable to supplier assessment	%	67
Customer complaints	Product and service complaints	Piece	0
	Safety and health-related recalls percentage	%	0
Anti-corruption	Number of corruption cases	Piece	0
	Anti-corruption trainings	Times	4
	The number of anti-corruption training participants	Person	2,999
	Total training hours of anti-corruption training	Hour	8.5
	Hours of anti-corruption training per employee	Hour	0.52



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