Innovent
信达生物制药

環境、社會及管治報告 · 2022

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Innovent Biologics, Inc. 信達生物製藥 | Stock Code 股份代號:1801

(Incorporated in the Cayman Islands with limited liability) (於開曼群島註冊成立之有限公司)

Contents

About This Report

Overview

This report is the fifth environmental, social and governance report (the "ESG Report") issued by Innovent Biologics, Inc. ("Innovent", the "Company", "we" or "us"), which focuses on the disclosure of information on the environmental, social and governance performance of the Company for the period from 1 January 2022 to 31 December 2022 (the "Reporting Period"), with some contents tracing back to earlier years or extending to 2023 to ensure the completeness of information.

Preparation Basis

This Report is compiled with reference to the "Environmental, Social and Governance Reporting Guidelines" as set out in Appendix 27 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). This Report was prepared according to the relevant procedures include: identifying and prioritizing important stakeholders and major ESG issues, formulating the ESG Report's coverage, collecting relevant materials and data, preparing the Report based on information and examining report data, for the purpose of ensuring the integrity, substance, authenticity and balance of the report contents.

Reporting Scope and Boundary

The scope and boundary of this Report is consistent with the annual report. The entities included in the scope of this Report included Innovent Biologics, Inc. (信達生物製藥), Innovent Biologics (HK) Limited (信達生物製藥(香港)有限公司), Innovent Biologics (Suzhou) Co., Ltd. (信達生物製藥(蘇州)有限公司), Innovent Biologics Technology (Suzhou) Co., Ltd. (蘇州信達生物科技有限公司), Innovent Biologics Technology Co., Ltd. (信達生物科技有限公司), Innovent Biologics (USA), Inc. (信達生物製藥(美國)公司) and Innovent Biologics (Europe) Limited. (信達生物製藥(歐洲)有限公司)，in this ESG Report, we further include Innovent Biopharmaceuticals, Inc. (信達生物醫藥公司), Innovent Biopharmaceuticals (HK) Limited (信達生物醫藥(香港)有限公司), Innovent Biologics (Hangzhou) Co., Ltd. (信達生物製藥(杭州)有限公司), Jiangsu Zhongxu Biopharmaceuticals Co., Ltd. (江蘇眾煦醫藥有限公司), Altruist Biotechnology (Hangzhou) Co., Ltd. (夏爾巴生物技術(杭州)有限公司), Altruist Biotechnology (Suzhou) Co., Ltd. (夏爾巴生物技術(蘇州)有限公司), Innovent Cells, Inc. (信達細胞公司), Innovent Cells (HK) Limited (信達細胞(香港)有限公司), Innovent Cells Pharmaceuticals (Suzhou) Co., Ltd. (信達細胞製藥(蘇州)有限公司), Innovent Biologics International, Inc. (信達生物製藥國際公司), Innovent Biologics (Ireland) Limited (信達生物製藥(愛爾蘭)公司), Oriza Xinda International Limited, Suzhou Xincheng Private Equity Fund Management Co., Ltd. (蘇州信成私募基金管理有限公司), Suzhou Xinhe Guoqing Venture Capital Partnership (Limited Partnership) (蘇州信禾國清創業投資合夥企業(有限合夥), Suzhou Xinhui Boan Enterprise Management Co., Ltd. (蘇州信惠博安企業管理有限公司), Suzhou Xin Cheng Bo Kang Yi Hao Venture Capital Partnership (Limited Partnership) (蘇州信成博康壹號創業投資合夥企業(有限合夥)), Suzhou Xin Cheng Bo Kang Yi Hao Enterprise Management Partnership (蘇州信成博康壹號企業管理合夥企業 (有限合夥)), InnoPinnacle International, Inc., Innopinnacle Fund LP, Shanghai Xin Heng Ying Feng Enterprise Management Co., Ltd. (上海信恒盈峰企業管理有限公司) and InnoPinnacle Fund Management Pte Ltd. The new added entities are mainly new established companies of the group.

Data Source and Reliability Assurance

The data and cases in this Report are mainly from the statistic reports and relevant documents of Innovent. Monetary values in this Report are in RMB unless otherwise stated. We undertake that this Report contains no false statements or misleading statements, and are responsible for the truthfulness, accuracy and completeness of its contents.

Confirmation and Approval

As confirmed by the management, this Report was approved by the Board of Directors (the "Board") on 28 March 2023.

Availability of and Feedback to This Report

This Report is available in Traditional Chinese and English. The electronic version of the Report is available on the Stock Exchange's website: https://www.hkexnews.hk, and on Innovent's website: https://www.innoventbio.com.

We value the opinions of the stakeholders and welcome readers to contact us through the following contact details. Your opinions will help us further improve Innovent's overall ESG performance.

Email: ir@innoventbio.com
Mailing address: 168 Dongping Street, Suzhou Industrial Park, Jiangsu Province, China

Chairman's Statement

Dr. De-Chao Michael Yu
Chairman of the Board,
Executive Director and
Chief Executive Officer

2022 was the first year for Innovent's second decade of operations. I am honored to take this opportunity to share with you our ESG practices and thoughts, as well as our exploration and progress on the objectives in sustainable development. Our ESG work starts from our mission "to develop and commercialize high-quality biopharmaceuticals that are affordable to ordinary people" and our aspiration of "to be a compassionate company". Looking back on the past year, we continued to adhere to the people-oriented principle, operate with integrity, take high quality as the cornerstone, follow the guidance of green ecology, drive development with innovation, effectively protect the rights and interests of all stakeholders, and proactively fulfill our social responsibilities. We actively responded to the sustainable development goals (SDGs) of the United Nations, paid more attention to governance upgrading, operational efficiency improvement, high-quality innovation, diversification and empowerment of employees and low-carbon development, and strived to promote inclusive healthcare, enabling more patients to have equal access to affordable, high-quality and innovative medicines. We hope that Innovent can serve as a platform to realize our dreams and make joint efforts with all partners to achieve the great cause of "saving lives and improving the quality of life".

Implementing excellent governance and ensuring sound development. In order to build an innovative biopharmaceutical company with stronger comprehensive strength and sustainable development, we have improved corporate governance standard in an all-round way. The Company has upgraded its ESG governance structure with clear responsibilities, which includes four levels, i.e. the Board, the Audit Committee, the ESG Leading Group and the ESG Executive Group. The Company links its ESG performance to its objectives, and integrates ESG concept into the business development and operation management of the Company. We have newly appointed an independent director with over 40 years of commercialization experience in transnational pharmaceutical companies as a member of the Audit Committee and a member of the Strategy Committee, which further increased Board diversity and the proportion of independent directors in the Board. The Company has initiated the "change management" project, aiming to revolutionize the traditional operation and management model, carry out lean operations, reduce costs and increase efficiency. We continued to solidify the building of organizational system, strengthen compliance supervision system and training, and improve informatization and information security protection, so as to accumulate the capability to navigate the economic cycles. In addition, the Company constantly strengthened its risk control system, conducted joint compliance audits annually for all operational locations and business segments, and worked with various partners to build an honest business environment.

Chairman's Statement

Expanding product pipeline and adhering to innovation-driven development. To fulfill the patients' unmet medical needs, Innovent has established a robust pipeline consisting of 35 novel candidates, covering various diseases such as oncology, cardiovascular and metabolism, autoimmune and ophthalmology diseases. Among them, 8 products have been approved for marketing, 3 assets under the NMPA's review, 5 assets in Phase III or pivotal clinical trials, and additional 19 molecules in clinical studies, covering a variety of novel therapeutic targets and drug modalities (including monoclonal antibodies, multi-specific antibodies, ADCs, immuno-cytokine, cell engagers, cell therapy, small molecules, etc.). During the Reporting Period, we expanded the commercial portfolio to empower continuous product growth and improved efficiency of commercial operation to support long-term sustainable and healthy business development. We continued to rapidly develop our mid and late clinical stage pipeline in both oncology and non-oncology areas, with the non-oncology portfolio emerging as another key growth pillar with huge potential. We continued to leverage Innovent Academy as an engine of innovation power to deliver high-quality assets into clinics, under which we further upgraded the technology, expanded scientific research boundary, and particularly built a fully-integrated and differentiated ADC proprietary technology platform. We achieved strategic cooperation with international pharmaceutical enterprises to promote the realization of the objective of "Healthy China 2030"; and scientifically explored the early clinical development of global potential innovation pipeline to benefit more patients worldwide. With the approval of BYVASDA® (bevacizumab injection) in Indonesia, it has become the first Chinese antibody drug commercialized and will be produced locally in Southeast Asia markets. We received a series of recognition for our innovation capabilities, being listed in "Nature Index Top Company with the Strongest Scientific Research Strength in Chinese Life Sciences" and "2022 Top 50 Innovative Companies in China" issued by Forbes China. We were awarded with the "Innovative Leading Enterprise of Jiangsu Province", and passed the evaluation of "Key Laboratory of Enterprises in Jiangsu Province 2022" and was the only one rated as excellent.

Strengthening quality control and developing quality service. High quality is the commitment of Innovent as well as the key to the fulfillment of mission. We have established the quality management system that conforms to Chinese and international standards, and continued to strengthen quality control following the patient-oriented and high-quality production principle, which has further enhanced the production efficiency of antibody drugs. In 2022, Innovent was listed among the first batch of demonstration sites of pharmaceutical production quality management standards in Jiangsu Province, and won the "Suzhou Mayor Quality Award". We conducted in-depth quality risk assessment and management for the whole life cycle covering R&D, technology transfer, commercial production and product withdrawal, including pharmacovigilance management, in order to ensure product safety; continuously improved the quality management training system and upgraded the quality culture concept and code of conduct. We strove to build a sustainable supply chain to safeguard patients' access to medicine despite the complex external environment. In addition, we actively conducted responsible marketing and valued customer privacy protection and information security.

Focusing on empowering staff and promoting inclusive healthcare. Adhering to the "people-oriented" principle, Innovent is devoted to creating an equal, fair, diverse, open, transparent and inclusive working environment, and enhancing employees' sense of belonging and happiness; meanwhile, caring about patients and their families, and actively fulfilling our social responsibilities. In 2022, we strengthened the talent training and development system, deepened the building of talent ladder, and focused on employee empowerment and care to realize the mutual growth of employees and the Company. We have set targets for employee diversity, and female employees accounted for more than 50% in our Company. As an important force in the Company's development, they enjoyed equal development opportunities and special humanistic care. In order to solve the employment problem of graduates, the Company launched the "Innovent | Forging Ahead" program to provide over 500 job vacancies for graduates, which also helped the Company cultivate and reserve more excellent talents. Leveraging on a brand image of an excellent employer, the Company was awarded the LinkedIn Global Standard Award – Talent Awards — Best Employer Brand. We made our contributions to social development through inclusive healthcare and public welfare. The Company has included five products in the National Reimbursement Drug List, and successively launched and participated in public welfare activities such as "Public Health and Poverty Alleviation Campaign", "TYVYT® Shu Xin Ke Yi Patient Rescue Program", "SULINNO® Ai You Xin Sheng Program" and PEMAZYRE® Patient Rescue Program". Among them, "Shu Xin Ke Yi" Program accumulatively donated 1.54 million doses, benefiting more than 150,000 cancer patients. The Company always cares about the development of primary public health undertakings. In 2022, we organized and participated in the "Oncology Immunization Xinhuo China" Oncology Immunology Standardized Diagnosis and Treatment Enhancement Training Program, which covered nearly 1,000 primary healthcare practitioners in 100 Chinese cities, and enhanced the standardized level of tumor medication of primary hospitals. Meanwhile, the Company also launched relevant projects to support rural education and fight against epidemic in the community, encouraging volunteers to participate in public welfare activities.

Chairman's Statement

Promoting green environmental protection, and safeguarding ecological health. Upholding the principle of green and sustainable development, Innovent is committed to protecting natural resources and the ecological environment. We have set environmental management targets in four major aspects, i.e. water conservation, energy conservation, emission reduction and waste reduction, and planned and implemented specific environmental management measures to gradually improve environmental management performance. The environmental targets for sustainable development are supervised by the Board of Directors and are linked to the performance-based compensation system of the management and employees at all levels. We insist on energy conservation, emission reduction, green operation and low-carbon development. In 2022, the Company had a decline of 51% in the energy consumption per unit product as compared with 2021, obviously enhancing the resources utilization efficiency and constantly reducing pollution and greenhouse gas emissions. We have established a comprehensive ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System, and continuously enhanced the environmental risk management capabilities. The system has passed the certification of British Standards Institution (BSI). In addition, we have also adopted several measures to effectively protect the biodiversity of the factory, and established the supporting system to tackle climate change.

Adhering to the mission and aspiration, we will continue to promote the excellent governance, empower employees, drive development through innovation and ecological protection, and advance inclusive healthcare. We believe that together with the stakeholders we will achieve long-term sustainable development and create a healthier planet.

Dr. De-Chao Michael Yu
Chairman of the Board,
Executive Director and
Chief Executive Officer

About Innovent

Profile

Background

Inspired by the spirit of “Start with Integrity, Succeed through Action,” Innovent’s mission is to develop, manufacture and commercialize high-quality biopharmaceutical products that are affordable to ordinary people. Established in 2011, Innovent is committed to developing, manufacturing and commercializing high-quality innovative medicines for the treatment of cancer, autoimmune disease, metabolic disorder and other major diseases. On October 31, 2018, Innovent was listed on the Main Board of the Stock Exchange of Hong Kong Limited with the stock code: 01801.HK.

Since its inception, Innovent has developed a fully integrated multi-functional platform which includes R&D, CMC (Chemistry, Manufacturing, and Controls), clinical development and commercialization capabilities. Leveraging the platform, the company has built a robust pipeline of 35 valuable assets in the fields of cancer, metabolic disorder, autoimmune disease and other major therapeutic areas, with 8 approved products on the market. These include: TYVYT® (sintilimab injection), BYVASDA® (bevacizumab biosimilar injection), SULINNO® (adalimumab biosimilar injection), HALPRYZA® (rituximab biosimilar injection), Pemazyre® (pemigatinib oral inhibitor), olverembatinib (BCR-ABL TKI), Cyramza® (ramucirumab) and Retsevmo® (selpercatinib). An additional 3 assets are under NMPA NDA review, 5 assets are in Phase 3 or pivotal clinical trials, and 19 more molecules are in clinical studies.

Innovent has built an international team with advanced talent in high-end biological drug development and commercialization, including many global experts. The Company has also entered into strategic collaborations with Eli Lilly and Company, Sanofi, Roche, Adimab, Incyte, MD Anderson Cancer Center and other international partners. Innovent strives to work with many collaborators to help advance China’s biopharmaceutical industry, improve drug availability and enhance the quality of the patients’ lives.

Innovent’s marketed products

About Innovent

Corporate Culture

"Start with Integrity, Succeed through Action" – developing high-quality biopharmaceuticals that ordinary people can afford has always been our mission. Led by the development strategy of "driven by innovation, developed through globalization" and the aspiration to meet the unmet clinical needs, we are committed to bringing benefits to patients around the world with our quality innovative medicines. We also hope Innovent will serve as a platform where people can pursue their dreams and work together to make the course of "saving lives and improving life quality" a great success. The Company is building a more diversified, open, transparent and inclusive culture and is creating a "paradise for scientists".

Mission →	• To develop and commercialize high-quality biopharmaceuticals that are affordable to ordinary people
Vision →	• To be one of the world's leading biopharmaceutical company
Core Values →	• Integrity, learning agility, dedication, cooperation

Board Statement

With a focus on the ESG work, Innovent has been continuously improving our ESG governance structure and governance mechanism, integrating the concept of sustainability into the Company's long-term business development strategy as well as operation and management, and striving to continuously create value for patients, employees, shareholders, society and other stakeholders. The Board attaches great importance to the Company's ESG management and sustainability performance. As the highest accountable body for the management of the Company's ESG issues, the Board is responsible for leading, coordinating and supervising the ESG work and assumes ultimate responsibility. The Audit Committee of the Board is responsible for assisting the Board in formulating and reviewing the Company's ESG-related strategies, objectives and management practices, coordinating the resources required for sustainability objectives, overseeing and reviewing ESG practices and progress, and reporting to the Board on ESG matters.

We actively monitor and respond to the concerns of internal and external stakeholders, and maintain close and adequate communication with stakeholders by broadening communication channels and conducting various communication activities. During the Reporting Period, we identified and assessed 9 highly material issues, 11 moderately material issues and 2 generally material issues, and drew up a matrix of Innovent's material issues for discussion and review at the Board meeting. Based on the external macro environment, industry development trends as well as our own development strategies and current condition, the Board discusses and identifies the Company's ESG risks and opportunities, and makes decisions on key ESG management activities and projects for the year. The Board has also set specific ESG goals, of which those including inclusive healthcare and environmental management shall be directly overseen by the Board and linked to the performance-based compensation and long-term incentives of the Company's management. During the Reporting Period, we identified potential risks and opportunities arising from climate change on the Company's future operations, assessed the likelihood and impact of such risks and opportunities, and formulated targeted response plans and initiatives. In addition, we have set long-term and short-term environmental targets and developed specific plans to promote the achievement of such targets, and initiated various green and low-carbon initiatives in response to China's "Carbon Peak, Carbon Neutral" strategy. In the future, we will continue to monitor and review the achievement progress of our ESG targets, continuously optimise our ESG management path and expand our investment in sustainable development, so as to realise the long-term sustainable and quality development of the Company with increasingly sound ESG management and rich ESG practices.

About Innovent

Milestones during the Reporting Period

March 2022

Innovent entered into a strategic collaboration with Lilly for the sole commercialization right of Cyramza® (ramucirumab) and Retsevmo® (selpercatinib) in mainland China, and an exclusive option for future commercialization of pirtobrutinib (BTK inhibitor) in mainland China

The National Medical Products Administration (NMPA) officially approved Pemazyre® (pemigatinib) for the treatment of adult patients with unresectable locally advanced or metastatic cholangiocarcinoma with a FGFR2 fusion or rearrangement as confirmed by a validated diagnostic test that have progressed after at least one prior line of systemic therapy

June 2022

The Indonesian Food and Drugs Authority (BPOM) has approved Bevagen® (local trademark of BYVASDA® (bevacizumab injection) in Indonesia) for five indications including mCRC, mTNBC, mNSCLC, OC and CC which was the first Chinese antibody drug marketed and locally produced in Southeast Asia

TYVYT® (sintilimab injection) was approved for the fifth indication, treatment of 1L esophageal squamous cell carcinoma with chemotherapy in China

TYVYT® (sintilimab injection) was approved for the sixth indication, treatment of 1L gastric or gastroesophageal junction adenocarcinoma with chemotherapy in China

August 2022

Innovent and Sanofi entered into a strategic collaboration in the field of oncology to accelerate product development and market access for innovative drugs, and explore two drug candidates of Sanofi in combination with TYVYT® in a series of clinical studies, so as to benefit more patients in China. In addition, Sanofi made an initial strategic equity investment of EUR300 million in Innovent

October 2022

Retsevmo® (selpercatinib), the world's first highly selective RET inhibitor was approved in China, benefiting patients with RET-driven lung cancer and thyroid cancer

December 2022

Innovent and LG Chem entered into a strategic collaboration to introduce Tigulixostat, a new XOI in the field of gout

January 2023

Two additional indications (gastric cancer and esophageal cancer) of TYVYT®, olverembatinib, and multiple additional indications of BYVASDA®, olverembatinib new drug, HALPRYZA®, and SULINNO® were included in the 2023 NRDL

About Innovent

Key Performance during the Reporting Period

Excellent Governance

Governance structure:

The Board and the Audit Committee are responsible for the ESG Governance

Board diversity:

An independent director with more than **40** years of commercial experience in multinational pharmaceutical companies was newly appointed

Major ESG issues:

22 issues evaluated and identified

Engagement in anti-corruption trainings of the Board and all employees:

100%

Process optimization:

39 processes were streamlined and optimized

Trainings on compliance:

187

Health Benefits

Research and development expenses as of the end of the Reporting Period:

RMB**2,871** million

New patents applied:

139

IBI343 (CLDN18.2 ADC) and IBI363 (PD-1/IL-2) completed first patient dosed (FPD) in Australia

212 batches of drug substance produced,

with **100%** success rate for all production batches

The "TYVYT® Shu Xin Ke Yi" Patient Rescue Program donated **1.54** million doses, benefiting over **150,000** patients

BYVASDA® was approved in Indonesia, becoming the first Chinese antibody drug commercialized and will be produced locally in Southeast Asia markets

Product pipeline:

8 products have been marketed

3 products are under NDA review by NMPA

5 products are in Phase III or pivotal clinical trials

Approximately 20 products are in early clinical Phase I/II studies

Two additional indications of TYVYT® for first-line treatment of gastric and esophagus cancers, olverembatinib, and multiple additional indications of BYVASDA®, HALPRYZA®, and SULINNO® were included in the updated NRDL; PEMAZYR® was included in Hui Min Bao (惠民保) of several regions

About Innovent

People Foremost

Percentage of female employees around the world:
50%+

Employee development:
Internal promotion for vacant management positions accounted for **~40%**

Obtained the ISO 45001 occupational health management system certificate

Won the LinkedIn Global Standard Award – Talent Awards – Best Employer Brand

110+ special talent training programs on multi-dimensional theory + practice

Funds invested in public welfare: RMB **247.2** million

Green Ecology

Obtained the ISO 14001 environmental management system certificate, and the EHS management system passed the BSI certification audit

51%
reduction in energy consumption per unit of product compared to 2021

Approximately
80,000 outer boxes were reduced by adjusting package specifications;
30,000 tons of water resources saved

The test results of exhaust gas, wastewater, soil and groundwater all met standards

About Innovent

Awards and Recognitions

Award category	Awarding institutions	Award name
Corporate Governance	China National Pharmaceutical Industry Information Center	Top 100 Enterprises in China's Pharmaceutical Industry 2021
	China Council for International Investment Promotion	China's Leading Enterprises (Top 100 Enterprises) in Digital Service Outsourcing
	Forbes	Top 50 Forbes China Most Innovative Companies
	Department of Industry and Information Technology of Jiangsu Province	Jiangsu Province 4-Star Cloud-based Enterprises
	Federation of Industry and Commerce of Suzhou	Top 100 Innovative Private Enterprises in Suzhou
	Bureau of General Coordination, China (Jiangsu) Pilot Free Trade Zone Suzhou Area	Annual Demonstration Unit of Biomedical Expert Committee
	Institutional Investor	2nd place in "Best Investor Relations Company"
		2nd place in "Best Environmental, Social and Governance"
		2nd place in "Best Chief Executive Officer"
		1st place in "Best Chief Financial Officer"
		3rd place in "Best Investor Relations Professional"
	E Pharmaceutical Managers and Business Consulting	Top 20 ESG Competitiveness of Listed Chinese Pharmaceutical Companies 2022
Talent Management	Ministry of Industry and Information Technology of the People's Republic of China	Major National Talent Projects
	CPC Jiangsu Provincial Committee, Jiangsu Provincial People's Government	Jiangsu Province "333 Senior Talents Cultivation Project" – Level 1
	Bureau of Human Resources and Social Security of Suzhou Industrial Park	Suzhou Industrial Park AAAAA Labour Security Credit Grade Unit
	LinkedIn Global Organizing Committee	Best Employer Brand Award in "LinkedIn Global Excellent Talent Management Awards"
	BOSS Zhipin	2022 King's Award for Employer Cherishing Talents the Most
	Liepin	Jiangsu Extraordinary Employer 2022
Social Welfare	Organizing Committee of Chinese Physicians Assembly for Humanity	Awarded the "2022 Seeking a Medical Charity Star – Outstanding Cases of CSR in medical field"
Product R&D	China National Intellectual Property	2022 National Intellectual Property Advantage Enterprises
	China Council for International Investment Promotion	Leading Enterprises in Pharmaceutical and Health Industry
	Nature, international journal of scientific authority	Listed in the Nature Index 2022 Tables of the Strongest Companies in Life Sciences in China
	Innovation Index Research Centre	Listed in incoPat's Top 100 List of Patent for Invention of Global Biological Medicine
	Jiangsu Provincial Department of Science and Technology	Leading Innovative Enterprises in Jiangsu Province
	Jiangsu Provincial Department of Science and Technology	"Jiangsu Province Key Laboratory" was awarded the only excellent acceptance
	Suzhou Municipal People's Government	Suzhou Mayor Quality Award
	Bureau of Industry and Information Technology of Suzhou City	Suzhou City Demonstration Smart Workshop

1. EXCELLENT GOVERNANCE

Corporate governance is an important cornerstone for a modern enterprise's stable operations and development. Innovent has built a scientific and effective governance system, to comprehensively promote the Company's change management, ceaselessly practice ESG governance, adhere to the bottom line of compliance operations, strengthen the implementation of risk management and control, optimize the whole-process information management, and strive to protect the data information security of the Company and its customers, thereby comprehensively enhancing the Company's governance, and providing a solid guarantee for the Company's sustainable development.

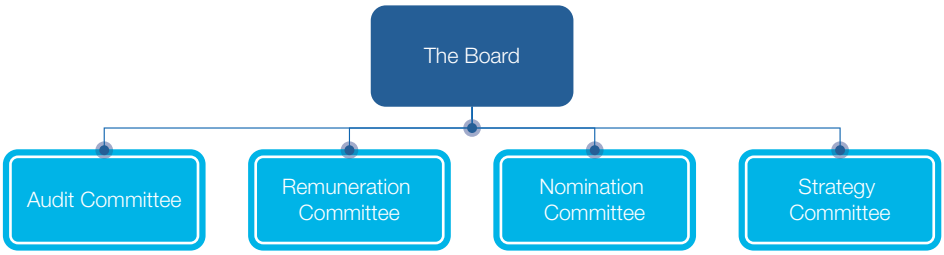
This chapter is in response to the sustainable development goals (SDGs) of the United Nations

1.1 Corporate Governance

Innovent has made continuous efforts in optimizing the Company's governance structure to ensure the diversity of the Board and enhance the Company's decision-making ability, forming a corporate governance system featuring scientific and standardized operations, defined lines of responsibilities, and high efficiency. The Company is committed to safeguarding the rights and interests of all stakeholders and continuously improving the transparency and effectiveness of its corporate governance. We promote the "change management" in organizational and business aspects from multiple dimensions to help the Company achieve sustainable development.

➢ The Board

In strict compliance with the requirements of laws and regulations including the Company Law of the People's Republic of China and the Listing Rules as well as of normative documents, Innovent has formulated rules and regulations in relation to corporate governance, and continuously improved and perfected its corporate governance system. The Board of the Company is responsible for leading corporate planning and development, setting strategic goals, supervising business progress, making major decisions, and managing ESG works. The Board has four committees, including the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Strategy Committee which are responsible for overseeing and guiding all aspects of the Company's affairs and regularly reporting to the Board in order to ensure the Company's long-term stable operations.



Innovent's Governance Structure

The Company attaches importance to the diversity of the Board and when decide the composition of the Board, it will consider from multiple dimensions such as gender, industry experience, and professional background. As of the end of the Reporting Period, the Board of the Company had a total of 6 Directors, including 2 executive directors and 4 independent non-executive directors. Among them, there is 1 female director serving as the chairman of both the Audit Committee and the Remuneration Committee; 3 directors are holders of doctoral degrees; and the members of the Board have extensive knowledge, skills and management experience in biological drug research and development, medical chemistry, drug commercialization, business cooperation and global development, financial audit, investment management, corporate governance and risk control. During the Reporting Period, the Board had reviewed the Corporate Governance Code and the Board Diversity Policy, emphasized the importance of board diversity, and added Mr. Gary Zieziula, an independent non-executive director of American nationality, to the Board. As Mr. Gary Zieziula has over 40 years of work experience in the pharmaceutical industry and has held important commercial positions in various multinational pharmaceutical companies, the composition of the Board is more diversified in respect of professional background and skills.

1. EXCELLENT GOVERNANCE

➢ Investor Relations Management

Innovent attaches great importance to investor relations management, actively expands investor communication channels, and maintains communication and interaction with investors through the Company's official website, social network accounts, investor relations mailboxes, and the website of the Stock Exchange to ensure that every shareholder has timely, fair and objective access to the Company's news. In addition, the Company regularly holds investor communication meetings, including performance briefings, roadshows, offline company research, business update conferences, etc., to help investors understand the Company's operations in an all-round way.

In order to protect the rights and interests of investors and the public in knowing the Company's business progress, we strictly abide by the information disclosure regulatory regulations, disclose company information in accordance with standardized procedures, ensure the authenticity, accuracy and completeness of information disclosure, and continuously improve the transparency, timeliness and objectivity of information disclosure.

Holding investor-executive face-to-face communication

In order to promote investors' understanding of Innovent' business and development trends, the investor relations department regularly organizes analysts and investors to participate in the Company's offline visit after the Company's annual and semi-annual results are released. The Company's executives brief investors on the Company's operating conditions, important business progress, financial conditions, future development milestones, etc., answer questions from analysts and investors, ensure that shareholders are timely, detailed and comprehensive aware of the Company's development, and promote the interaction and communication between the Company and investors.

Innovent's Investor Communication Conference

Innovent has received extensive recognition and honors in terms of investor management, including being listed in the "Asia's Best Management Team of the Year 2022" (small and mid-cap stocks) released on Institutional Investor; the Company in the healthcare and pharmaceutical industries got No. 2 in "Best Investor Relations Enterprises", No. 3 in "Best Investor Relations Professionals", No. 2 in "Best CEO" and No. 1 in "Best CFO".

1. EXCELLENT GOVERNANCE

➢ Change Management

In order to create an innovative biopharmaceutical enterprise with more comprehensive strength and sustainable development, we have launched the "Change Management" project to comprehensively review and formulate improvement goals from the perspectives of R&D, CMC, commercialization, organization and process informatization, revolutionize the traditional operation and management model from top to bottom, carry out lean operations, reduce costs and increase efficiency, improve the Company's overall operating efficiency and management capabilities, and accumulate the ability to go through cycles, thereby promoting the Company's long-term healthy development. In order to ensure the realization of change management goals, the Company has set up a special working group and formulated a complete project management and operation mechanism, which is led by the Company's senior management, and the heads of each department fullfil the corresponding goals of the department.

In terms of business, we focused on improving R&D efficiency, strengthening the layout of innovative products, maintaining industry-leading product production cost rates, upgrading commercialization models and operating systems, and practicing inclusive healthcare. Regarding organization, we have transformed and improved the organizational structure according to business development, strengthened the talent development system, and further stimulated the vitality of the organization. With regard to informatization, we continued to optimize the integrated construction of R&D projects and resource management platforms, simplify the procurement process, raise the efficiency of business operations, and improve the Company's core asset information security protection capabilities by comprehensively sorting out the information security protection network. To simplify the approval process and improving efficiency, we further optimized license management and streamlined 39 various internal approval processes. In addition, with respect to environmental management, we have integrated the concept of green development into all aspects of the Company's operations, and formulated specific goals and measures. We are committed to improving and optimizing the whole process platform system, and earnestly promoting refined management.

1.2 ESG Governance

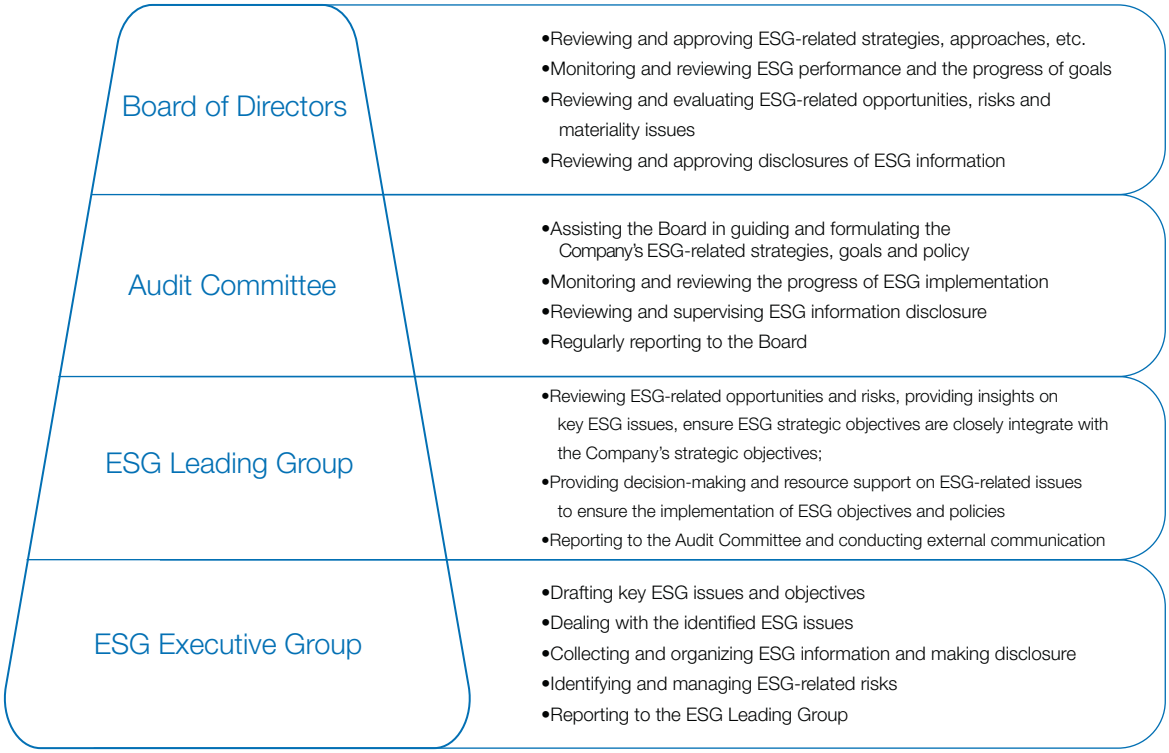
Innovent attaches great importance to the concept of ESG development and consistently improves the ESG governance strategy and framework. By integrating ESG strategic objectives and opportunity risk management into its strategic objectives and overall opportunity risk management, the Company continuously promoting the integration of ESG work and business development. While ensuring the steady growth of operating performance, the Company is committed to contributing to human well-being, actively fulfilling social responsibility, building its social influence and working with all stakeholders to move towards sustainable development.

➢ ESG Governance structure

Upholding its mission of "developing high-quality biopharmaceuticals that ordinary people can afford", Innovent has integrated the United Nations Sustainable Development Goals into its ESG management objectives and continues to optimise its ESG management system. The Company strictly complies with the requirements of the Guidelines published by Hong Kong Stock Exchange and has established a four-tier ESG governance structure consisting of the Board of Directors, the Audit Committee, the ESG Leading Group and the ESG Executive Group, with a clear division of responsibilities at each level, which provides a strong guarantee for strengthening ESG governance capabilities and ensuring the effectiveness of ESG management.

As the highest decision-making body for ESG management, the Board takes ultimate responsibility for ESG matters. The Board is mainly responsible for the review and approval of the ESG-related strategies, goals, and policies (including inclusive healthcare and sustainable development), monitoring and reviewing ESG implementation effectiveness and the progress of goals, reviewing and evaluating ESG-related opportunities, risks and materiality issues, reviewing and approving disclosures of ESG information. As the management body of ESG, the Audit Committee is responsible for assisting the Board in guiding and formulating the ESG-related strategies, goals and policy approaches, monitoring and reviewing the progress of ESG implementation, reviewing and supervising ESG information disclosure, and reporting to the Board on ESG matters. The ESG Leading Group consists of senior management of the Company, mainly responsible for reviewing ESG-related opportunities and risks, providing insights on key ESG issues, reviewing ESG strategic objectives and ensuring their close integration with the Company's strategic objectives, providing decision making and resource support on ESG-related issues, ensuring the implementation of ESG objectives and policies, reporting to the Audit Committee and being responsible for external communication. The ESG Executive Group is composed of the core cadres of each relevant department and is responsible for identifying and managing ESG-related opportunities and risks, proposing key ESG issues and drafting preliminary ESG objectives, undertaking ESG issues after the Board of Directors' approval, with collection and disclosure of ESG information and report the related work to the Executive Group.

1. EXCELLENT GOVERNANCE



ESG governance structure of Innovent

➢ Communication with Stakeholders

Taking the expectations of stakeholders as an important consideration in ESG governance, Innovent is committed to building a good cooperative relationship and communication mechanism with internal and external stakeholders. Based on its own business characteristics, the Company identifies stakeholders that have an impact on its operation and development, including shareholders, clients, employees, government authorities, suppliers, communities and the public, and actively establishes all-round, multi-level and regular communication channels to proactively respond to their comments. The Company coordinates and takes into account the demands of stakeholders by considering feedback when making its strategic decisions and management initiatives to ensure in-depth participation of stakeholders in the Company's development.

1. EXCELLENT GOVERNANCE

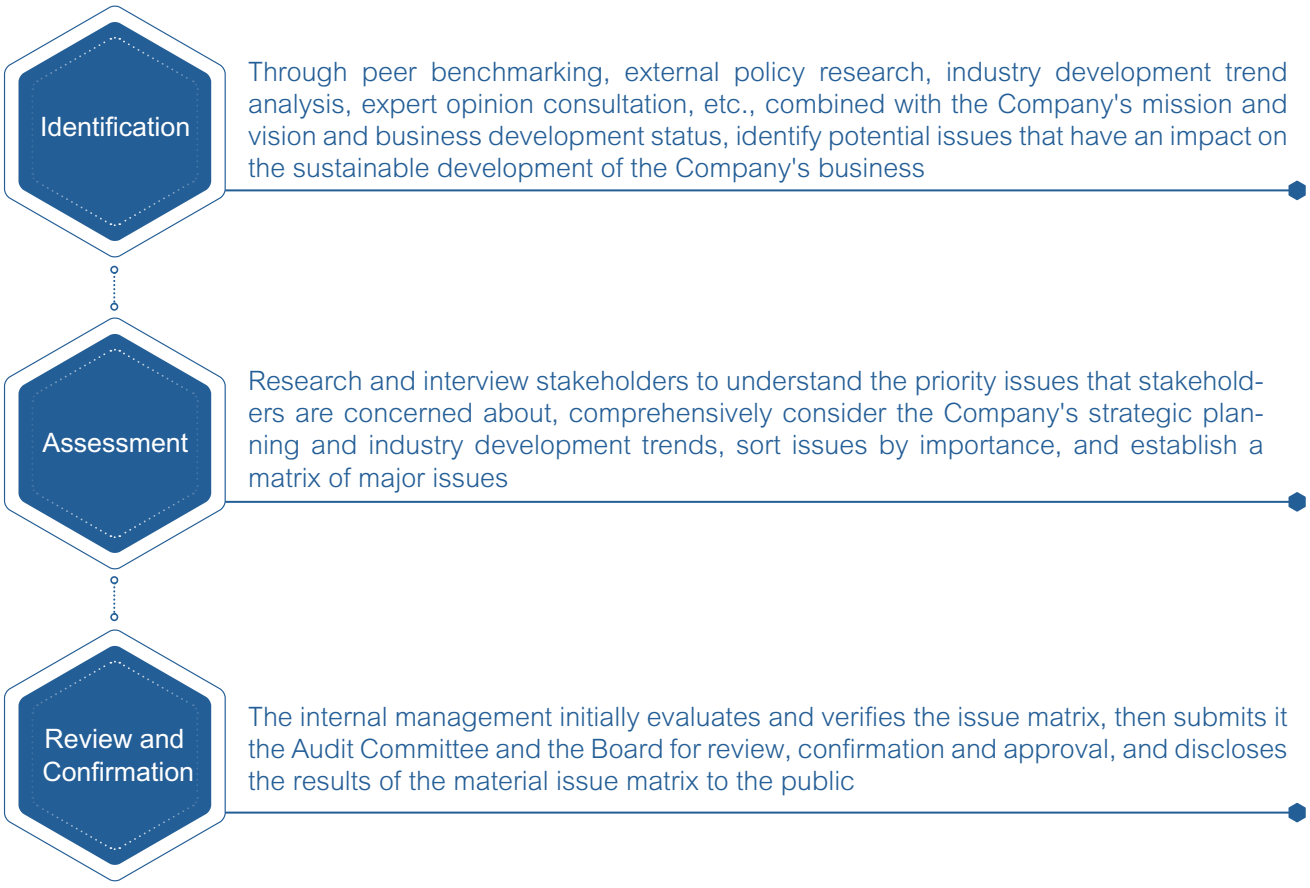
Issues of concern to stakeholders and communication channels

Stakeholders	Issues of concern	Communication and response methods
 Shareholders	Healthy business Sustainablity R&D and innovation Compliance operation Risk control Corporate governance International strategic partnerships	➢ Strengthen anti-corruption initiatives ➢ Efficient operating system ➢ Strengthening corporate governance ➢ Conven general meetings and results release ➢ Improve communication with investors ➢ Regular information disclosure ➢ Improve R&D and innovation capabilities ➢ Optimize cooperation platforms
 Consumers and client	Product quality Consumer rights protection Customer privacy protection Intellectual property rights “IPR”) protection Responsible marketing	➢ Establish a sound quality management system ➢ Customer satisfation survey ➢ Customer seminar ➢ Strict protection of intellectual property rights
 Employees	Employment policy Staff training and development Staff compensation and benefits Staff care Occupational health and safety	➢ Pay attention to employee diversity and sense of belonging ➢ Establish a staff communication mechanism ➢ Fair employment ➢ Strengthen staff training and talent development ➢ Optimize salary system ➢ Focus on equity incentives and employee benefits ➢ Protect employees’ health and safety
 Government	Compliance operation Pay taxes according to law Emission management Energy use Water use	➢ Execution of related policies ➢ On-site inspection and work report ➢ Regular information disclosure ➢ Strengthen anti-corruption initiatives ➢ Environmental protection ➢ Conservation of resources
 Suppliers and partners	Sustainable supply chain Integrity and transparency Win-win cooperation	➢ Enhance procurement management and implement policies related to research and audit ➢ Strengthen anti-corruption initiatives ➢ Promote communication and cooperation
 Community & the public	Help community development Promote local employment Public welfare and charity Response to climate change Emission management Energy use	➢ Strengthen school-enterprise collaboration ➢ Carry out social welfare and voluntary activities ➢ Implement environmental policies ➢ Green office ➢ Emission reduction ➢ Conservation of resources

1. EXCELLENT GOVERNANCE

➢ ESG Material issues analysis

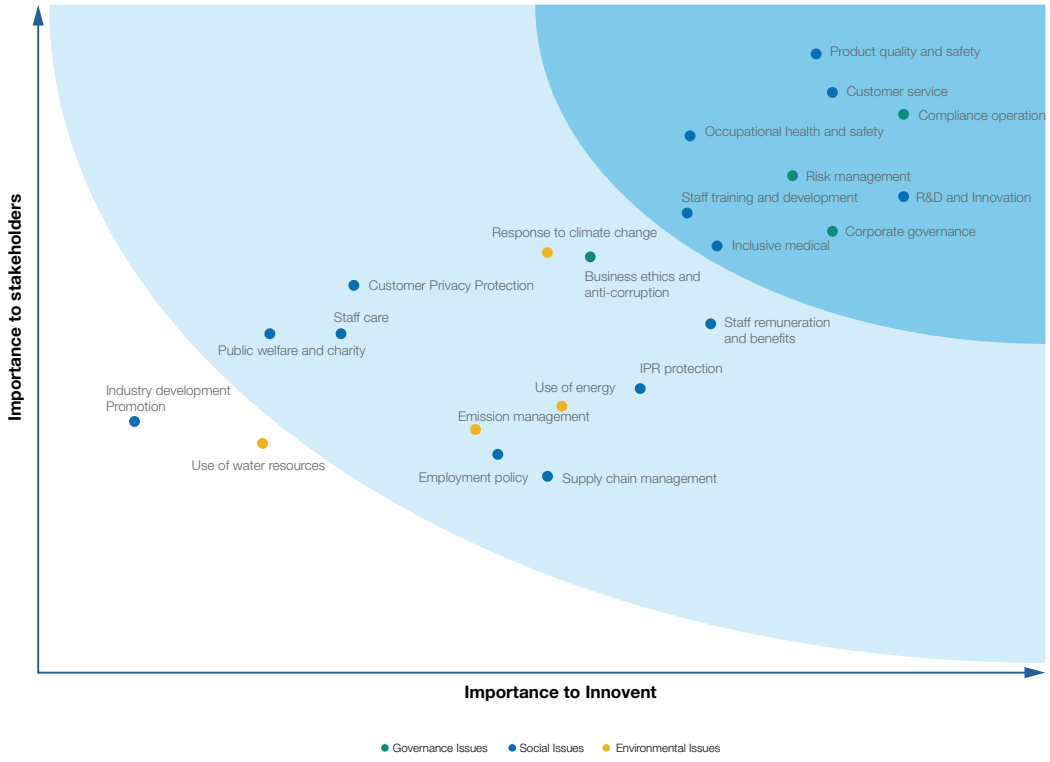
During the Reporting Period, through peer benchmarking, expert opinion consultation, domestic and foreign policy research, industry development trend analysis, etc., the Company identified and evaluated 22 material issues posing impact on its long-term operation and sustainable development in combination with stakeholders' concerns and the Company's mission and vision for operation and development. On the basis of the opinions of the Company's management, the Audit Committee and the Board, the importance of ESG issues was analyzed and sorted, and a matrix of material issues was established, which was used as an important basis for the Company's ESG management. We have identified 9 issues with high importance, 11 with medium importance and 2 with low importance. In this Report, we will focus on the Company's performance on these issues, and provide detailed disclosure and targeted responses to highly important issues.



Material issues analysis process

1. EXCELLENT GOVERNANCE

Material Issues Matrix of Innovent



Issues of high importance	Issues of medium importance	Issues of Low importance
Product quality and safety	Response to climate change	Industry development promotion
Customer service	Business ethics and anti-corruption	Use of water resources
Compliance operation	Customer Privacy Protection	
R&D and Innovation	Staff care	
Risk management	Staff remuneration and benefits	
Occupational health and safety	Public welfare and charity	
Staff training and development	IPR protection	
Corporate governance	Use of energy	
Inclusive medical	Emission management	
	Supply chain management	
	Employment policy	

1. EXCELLENT GOVERNANCE

1.3 Compliance Operations

Innovent has always upheld the Company's values with "integrity" as the core, adhered to business ethics, strengthened compliance awareness, paid close attention to integrity construction, improved its supervision and reporting system, actively cultivated a sunny, clean, fair, transparent, and win-win business environment, and helped the Company achieve quality development while maintaining compliance.

The Company has established a sound compliance operations management system to comprehensively regulate the compliance of all employees with professional ethics and ensure the legitimate and compliant operations of the Company. The Company has established a compliance and discipline management committee, which is led by senior management, including the CEO, with the deep participation and implementation of the compliance, audit and legal departments, and the participation of heads of relevant business and functional departments. It regularly organizes special sessions and summary meetings, reviews the implementation of key policies and objectives, discusses and makes decisions on key issues, diagnoses, identifies and analyses potential compliance risk problems, and takes precautions for continuously upgrading and optimizing the compliance management system. The Audit Committee is directly responsible for overseeing the compliance operations of the Company, including the formulation and implementation of policies in relation to business ethics compliance and anti-corruption, reporting and investigation and accountability, compliance audit and relevant rectification promotion, risk item management, and other matters. The relevant management reports to the Audit Committee every six months. By leveraging this system, the identification and management of ESG-related opportunities and risks have been incorporated into the management of the Company's business development-related opportunities and risks.

➢ Business Ethics

In strict compliance with the requirements of laws and regulations including the "Anti-unfair Competition Law of the People's Republic of China" (《中華人民共和國反不正當競爭法》) and the "Anti-money Laundering Law of the People's Republic of China" (《中華人民共和國反洗錢法》), Innovent has developed internal systems such as the "Code of Conduct" (《合規行為準則》). The newly-released "Business Conduct Standard" (《商業行為準則》) during the Reporting Period covers the Company's business ethics policy. All employees can access our business ethics policies such as the "Code of Conduct" and the "Conflict of Interest" (《信達生物利益衝突政策》) at any time at the Company's portal of rules and regulations.

Overview of Innovent's Compliance Policies and Updates

- The "Code of Conduct" of Innovent clearly stipulates that the Company adopts a zero tolerance attitude towards bribery and corruption. Any employees and third parties shall not directly or indirectly pay, promise or authorize improper payments to Healthcare Professional, HCP, government officials or any other persons, or provide anything of value to gain trading opportunities or unfair competitive advantages, such as urging them to approve, prescribe or purchase certain products of the Company. The Company requires employees and third parties to always comply with applicable anti-corruption and anti-bribery laws, regulations, and industry norms. During business interactions, employees shall ensure sufficient transparency, clearly, accurately and completely record financial records that can reflect the real situation of business interactions, ensure the accuracy of accounting records, and ensure real and equal communication with government departments, Healthcare Professional, HCP, patients and other stakeholders. The Company supports and respects open trade practices and open competition, and none of our employees shall be allowed to influence decisions or gain unfair advantages in any inappropriate form in competition.

- In 2022, Innovent released the Code of Business Conduct, in which the "Policies for Expert Management and Service Fee Payment" (《專家管理及服務費支付政策》), the "Policies for Interaction with Non-profit Organization" (《與非營利機構交往政策》), the "Policies for Interactions with HCP and Government Officials" (《與醫療衛生專業人士及政府官員交往政策》) are integrated, and the classification, definition of and expense standards for activity types are updated. After these integrations and amendments, the payment requirements and related standards for various fees have been further clarified, promoting user to access, understand, and use.

1. EXCELLENT GOVERNANCE

In order to create a fair competitive market environment, Innovent has continuously improved its anti-monopoly and anti-unfair competition systems, adhered to implementing a series of anti-unfair competition measures, and actively worked with partners to build a good business environment.

Innovent's series of measures in relation to anti-unfair competition

Based on the enterprise's own business characteristics, it has strived to build anti-monopoly and anti-unfair competition systems, including rules and regulations such as employee handbook, code of conduct, basic code of confidentiality, confidentiality management regulations, classification regulations of trade secret grades, and organize relevant employee trainings, timely promote legal and compliance awareness to all employees of the Company, and require employees to comply with laws and regulations in relation to anti-monopoly and anti-unfair competition.

Before business cooperation, it requires its partners to complete anti-corruption and anti-bribery survey questionnaires, sign integrity commitment letters, confidentiality agreements, and where necessary, conduct third-party due diligence on potential partners. Meanwhile, depending on the type of business, it will include the legal and compliance departments in relevant approval process (such as activity application process, contract approval process, document sealing process, etc.), and where necessary, submit relevant matters to the Compliance Management Committee for discussion and review, in order to perform legal risks assessment and compliance recording of anti-monopoly and anti-unfair competition in advance.

It has established channels for collecting complaints and feedbacks on corporate business policies (such as 400 phone calls, reporting mailboxes, etc.), and has required partners to comply with laws and regulations in relation to anti-monopoly and ant-unfair competition through agreements, suppliers' confirmation letter of commitment to integrity, etc.

It has established a reward and punishment mechanism within the enterprise, and has built up an internal investigation mechanism for violations and incidents reported to punish violators.

➢ Anti-corruption

Innovent has always maintained a "zero tolerance" attitude towards corruption, actively created a clean and honest business culture, incorporated anti-corruption and anti-bribery policies into the newly released "Business Conduct Standard" (《商業行為準則》) system during the Reporting Period, which was published on the company's intranet platform and available to all employees. The audit department integrates corruption review into the annual audit plan and reports the audit results to the Audit Committee and the Board quarterly. The Audit Committee and the Board have integrated anti-corruption management issues into their work agenda to promote the Company to conduct a clean and honest culture from top to bottom.

In order to decrease compliance risk of the Company, the Company develops at least one compliance audit joint action for all operating locations and business links each year, and conduct more frequent review on links with higher risks. During the Reporting Period, the Company conducted a supervisory review on ethical issues for all employees (including the Board, senior management, and part-time employees), as well as all suppliers, distributors, and agents. The review action focuses on whether there are improper frauds and corruption such as seeking personal gain, accepting bribes, misappropriating funds, and illegally occupying the Company's property in the Company's operations, so as to ensure that relevant personnel are fully aware of and promise that their behavior complies with the Company's code of conduct. During the Reporting Period, the audit department did not find any relevant matters regarding violating major ethical standards. In addition, we strictly control the corruption risk points in each link, and put forward a total of 71 anti-corruption-related process optimization suggestions for procurement, bidding and tendering, supplier management, and other links, so as to prevent the occurrence of corruption risks to the largest extent.

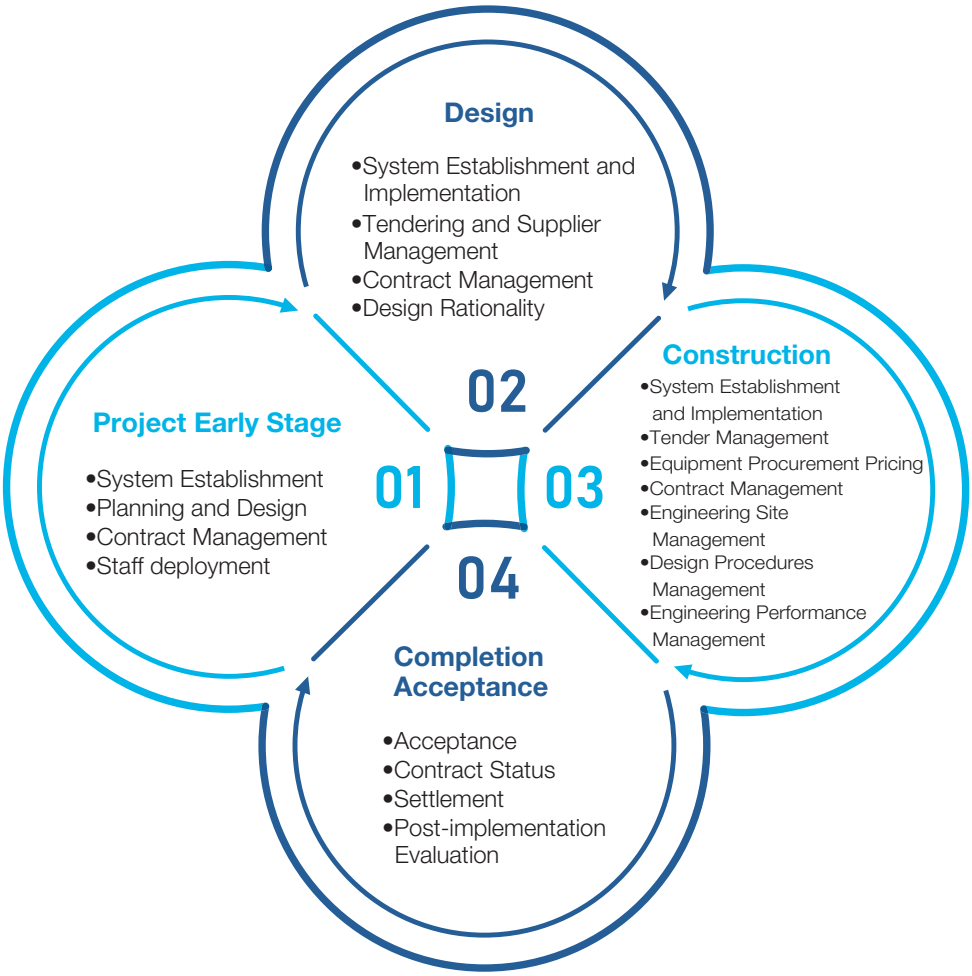
1. EXCELLENT GOVERNANCE

Paying Close Attention to the Audit of Ethical Standards and Promoting the Efficiency of Clean Management

In 2022, the Company carried out 6 ethical standards and anti-corruption audits at the Suzhou plant of Innovent, focusing on the risk points in procurement, bidding and tendering, asset management, and information security, and continued to follow up and give feedback on the implementation of the anti-corruption policy:	➢ All-category procurement, bidding and tendering business audit: review potential corruption and management loopholes; ➢ Asset management and expenditure audit: review the rationality of factory equipment maintenance, supervise the expenditure and right use standards of laboratory materials and equipment assets; ➢ Information security audit: supervise customer privacy security protection, commercial and R&D core confidential data information protection, system security, and check information security loopholes.
In 2022, the Company conducted 6 ethical standards and anti-corruption audits on Innovent's commercialization team, mainly focusing on:	➢ The compliance of sales behavior, whether there is any violation of the Company's ethical standards and anti-corruption policies; ➢ Whether there are management loopholes in the whole process of commercialization, etc.
In 2022, a large-scale audit was carried out for the Shanghai office and the Beijing office, mainly focusing on:	➢ Asset management and expenditure compliance and rationality audit; ➢ Information security audit: including system security, leaks, and information security vulnerabilities; ➢ Auditing of other businesses, etc.
In 2022, audits were carried out on the R&D and clinical matters of the Company's overseas business, mainly focusing on:	➢ Supplier management and integrity performance; ➢ Employee confidentiality and information security loopholes.
In 2022, for the Company's two largest projects under construction, the Shanghai factory and the Hangzhou factory, the project audit will be carried out at least once a month, mainly focusing on:	➢ The operation status of different stages of the project, such as project progress, project quality, bidding and tendering management, contract performance and payment; ➢ Whether there is a violation of the Company's ethical standards, anti-corruption policies, and performance of duties.

1. EXCELLENT GOVERNANCE

Regarding engineering and bidding and tendering investigations, the audit department is specially responsible for engineering audit personnel. We have formulated the "Engineering Audit Manual" (《工程審計手冊》) audit procedures related to the entire process of engineering projects, mainly focusing on the early stage, design, construction, and completion acceptance stages of engineering projects. For potential problems, the Company has conduct investigations and audits to ensure high-quality delivery of engineering projects, and strictly control misconduct such as violations of regulations and disciplines during the project process.



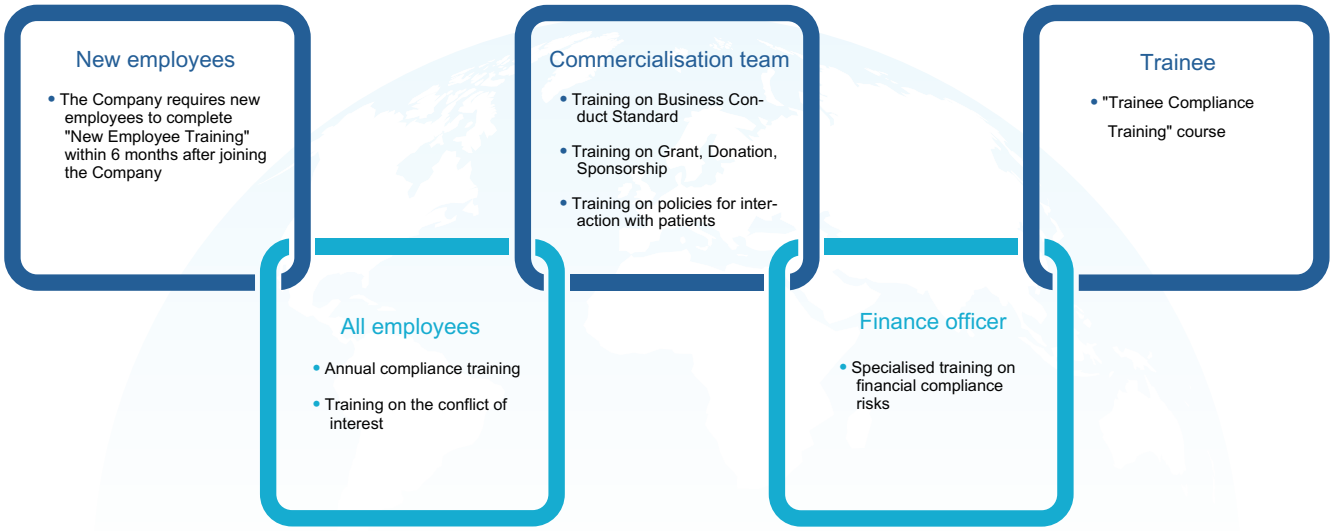
Engineering and Tender Survey Audit Concerns

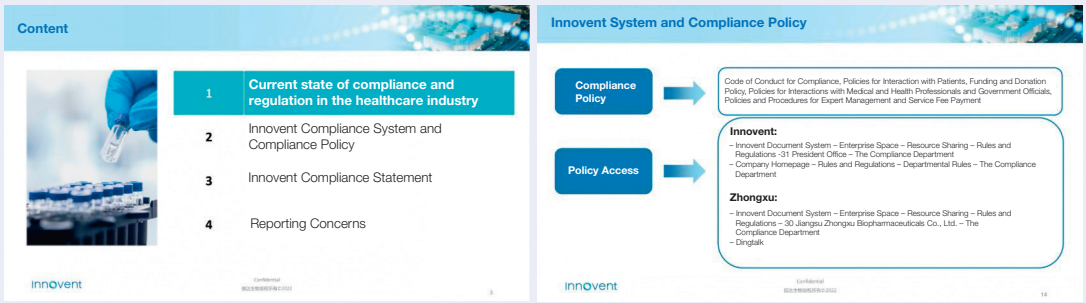
During the Reporting Period, Innovent did not experience or become aware of any corruption-related litigation.

1. EXCELLENT GOVERNANCE

➢ Education and Promotion

During the Reporting Period, the Company conducted a total of 187 compliance training sessions for all employees and directors, including part-time employees and contractors, with a total of 9,551 participants. Through the annual compliance training, the Compliance Department helped employees to fully understand the Company's compliance policy and urged them to implement the compliance requirements in their work. All employees completed the annual compliance training as required, with a 100% completion rate. In order to continuously improve the promotion and implementation of compliance policies, the Compliance Department formulated and launched two online compliance training courses, and updated the Compliance Training Handbook during the reporting period to continuously promote compliance awareness among employees. In addition, the Compliance Department provided differentiated and customized training content for employees at different stages and positions to ensure the quality and effectiveness of compliance training, and to ensure that each employee is clear about the ethical bottom line of their position.



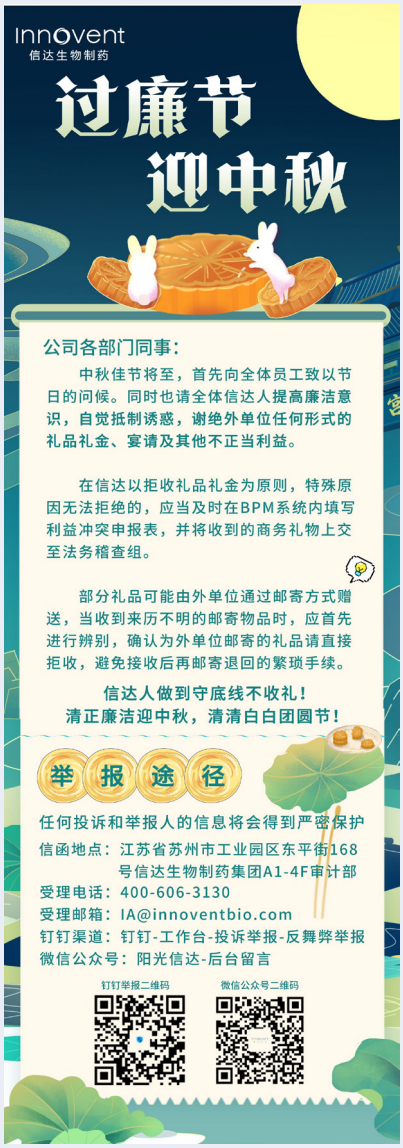


Compliance Training Details and Policy Access

In our compliance training, we provide information to employees about the current state of compliance and regulation in the healthcare industry, our compliance system and compliance policy, our compliance statement, compliance issues and anti-corruption reporting channels, so that they are clear about our attitude towards compliance and anti-corruption. At the same time, we require all employees to sign an acknowledgement of acceptance of the Company's Compliance Policy, and urge employees to comply with the requirements of the Compliance Policy and to read and study the Policy and its updates on a timely basis.

1. EXCELLENT GOVERNANCE

Innovent has always treated anti-corruption and anti-bribery training as a key focus, covering training to, among others, directors and management, new and existing employees, part-time trainees, suppliers, service partners and contractors. The Company conducted anti-corruption training for the Board and management, highlighting the Company's anti-corruption disciplinary measures and sharing warning cases in the industry. By analyzing typical cases, promoting anti-corruption policies and simulating fraud scenarios, all employees were able to understand the boundaries and adhere to the anti-corruption policies. The Company required all distributors and suppliers to complete anti-corruption training, sign a letter of Integrity commitment, and undergo regular ethical compliance audits. In addition, the Company distributed ethics and anti-corruption posters to all employees during the festive season to raise their awareness of business ethics and create a festive atmosphere of integrity.



Festive posters to promote integrity in the workplace

➢ Report and Complaint Procedures

Innovent has formulated and updated the "Policies and Procedures for Internal Reporting and Investigation Handling", providing various channels for reports and complaints, further clarifying whistleblower's obligations and protection requirements, encouraging internal and external stakeholders such as employees, customers and suppliers to report and complain about any suspected violations of law and discipline, and continuously monitoring various improper, illegal and fraudulent acts. The Audit Department, as the only department for accepting reports and complaints, accepts all reports and complaints from employees, customers, suppliers and partners. Upon receipt of internal or external reports and complaints, other departments or individuals shall forward them to the Audit Department for unified processing. The department receiving reports shall give priority to real-name reports and provide timely feedback and processing results. No department or individual of the Company shall block or suppress the reporting of whistleblowers and witnesses to testify truthfully for any reason. During the Reporting Period, the Company received several internal and external complaints and reports, all of which have been verified, investigated, fed back and dealt with, and put forward corresponding solutions, without any major problems.

1. EXCELLENT GOVERNANCE

Main contents and updates of the Policies and Procedures for Internal Reporting and Investigation Handling

- Specific examples and instructions for penalties of violations are described.
- Updates of the internal report investigation process, violation handling, and corrective measures: the department accepting the reports will register the content of the reported case, analyze the reported case, and identify whether it satisfies with conditions for investigation. Preliminary assessment of reported cases qualified for investigation conditions shall be made to determine whether further verification or investigation is required; according to the department's internal division of labor and the contents of the report, arrange with the appropriate personnel to carry out investigations.
- Further clarify the obligations of whistleblowers, and prohibit the fabrication of facts and false accusations and other acts: the reporter should, as far as possible, inform the name and the unit of the person reported, the specific circumstances and evidence of the facts of the violation of law and discipline, and shall be responsible for the contents of the report without reporting under the name of others or retaliate against the person reported through whistleblowing. Those who are confirmed to deliberately fabricate facts, make false accusations or counterfeit reporting evidence, or make trouble and interfere in normal work through reporting shall be handed over by the investigators to the investigation department for handling the matter in accordance with the relevant laws and regulations.
- Scope of whistleblowing policy is updated as follows:
  - Disrupting the order of production and operation, causing damage to the Company or others;
  - Abusing authority, conducting dereliction of duty, or having part-time jobs, causing damage to the Company;
  - Publishing inappropriate or inaccurate statements, or having misconduct, causing negative public opinion impact to the Company;
  - Falsifying data and documents, concealing the truth from both superiors and subordinates;
  - Divulging and damaging the core technology, information and documents of the Company in violation of the confidentiality regulations of the Company;
  - Conflicts of interest;
  - Discriminations on grounds of gender or race or sexual harassment;
  - Seeking for private gains, accepting bribes, embezzling capital or encroaching on the Company's property by taking advantage of the position;
  - Other violations of laws, regulations, public order, good morals and relevant regulations of the Company.

Reporting channels for disciplinary violations of Innovent

- Correspondence address: Audit Department of Innovent
  (address: Room A1-4F of Audit Department, Innovent, 168 Dongping Street, Suzhou Industrial Park, Jiangsu Province)
- Acceptance Tel: 400-606-3130
- Acceptance Email: IA@innoventbio.com
- Dingtalk Channel: Dingtalk→Workbench →Complaint and reports→anti-fraud report
- Social contact platform: WeChat Official Account "Sunshine Innovent"

1. EXCELLENT GOVERNANCE

➢ Protection of the Whistleblowers

In order to protect the personal safety of whistleblowers, the Company has formulated the Whistleblower and Witness Protection Policy, constantly improved the whistleblower protection mechanism, gave full play to the role of the Company's employees or external staff in discovering and reporting legal and regulatory violations, and accepted the reports in any forms in real or hidden names, or anonymously, in order to ensure that the legitimate rights and interests of the whistleblowers and witnesses are protected. No department or individual of the Company may block or suppress the whistleblowers' report and the witnesses' truthful testimony under any pretext. We clearly require that the report acceptance department to strictly keep the contents of the report and the information of the whistleblower confidential. Besides, various forms of retaliation against the whistleblower and the witness shall be strictly prohibited. Once acts such as various forms of retaliation against the whistleblower and his/her relatives and the witnesses are verified, the Company will pursue liabilities in accordance with the relevant provisions.

Innovent explicitly defines the identity of whistleblowers and witnesses, updates and supplements the mode of whistleblowing, and specifies the attitude of the Company towards the protection of whistleblowers and witnesses in the Whistleblower and Witness Protection Policy:

- A whistleblower is an individual or unit that reports known legal and regulatory violations to the report acceptance department of the Company;
- A witness is a natural person who knows the relevant facts of the case and fulfills the obligation to testify in accordance with the law;
- The whistleblowing may be made in real or hidden names or anonymously:
  - Whistleblowing in real names refers to the whistleblowing made by a whistleblower who provides real names and valid contact information;
  - Whistleblowing in hidden names refers to the whistleblowing made by a whistleblower that does not provide his or her real name or name, but provides other information that can identify his or her identity or valid contact information;
  - Anonymous whistleblowing refers to the whistleblowing made by a whistleblower who does not sign his name or provide his real name or name, or provide other information that can identify his identity and valid contact information;
- The Company encourages individuals and units to report violations of laws and regulations in real names in accordance with the law. The report acceptance department will give priority to real-name reports, and give timely feedback on the acceptance status and processing results;
- No department or individual of the Company may block or suppress the whistleblowers' report and the witnesses' truthful testimony under any pretext. The Company takes practical measures to facilitate whistleblower reporting and witness testimony and protect the legitimate rights and interests of whistleblowers and witnesses;
- The Legal Department, Audit Department, Human Resources Department, Finance Department and other functional departments should actively cooperate and work together to protect the whistleblowers and witnesses.

1. EXCELLENT GOVERNANCE

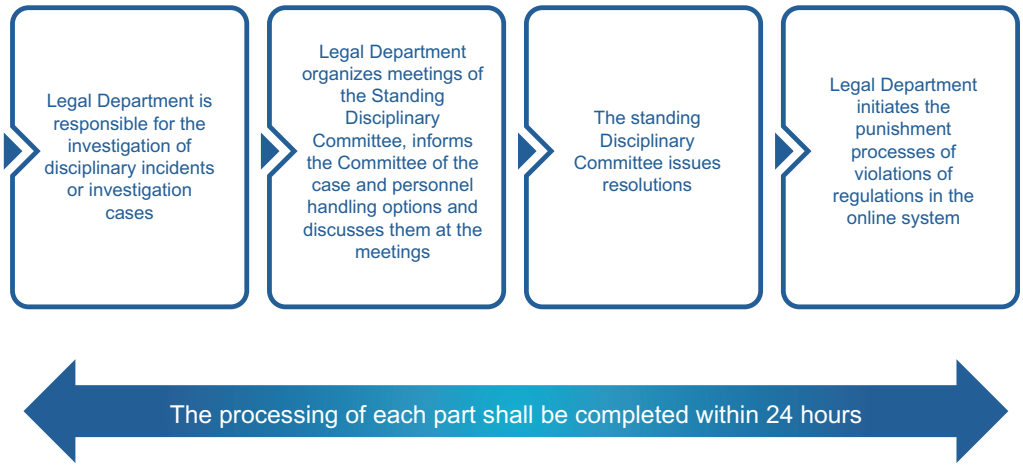
➢ Punishment and Accountability Process of Regulatory Violations

In order to educate employees to comply with national laws and regulations, social ethics, professional ethics and the Company's rules and regulations, and maintain the order of normal operation of the Company, during the Reporting Period, we updated the Violation Punishment System, supplemented definitions of relevant violations of regulations, optimized the punishment processes of violations of regulations, further clarified the red line of the commercial system, ensured the Company's prompt response to violations of regulations, specified responsibilities of relevant departments, and determined the event handling process, which displayed the intensity and attitude of our punishments of violations of regulations.

Updates and optimization of the Regulatory Violation Punishment System of Innovent

- Supplemented the definition of violations of regulations, types of punishments on violations, linkage between punishments and compliance announcement punishments, and consequences arising from punishments on violations.
- Updated and optimized the circumstances for written warnings, demerits, and rescission of employment contracts: seven written warnings were added, and 37 punishments were optimized.
- Updated and optimized the punishment processes for violations of regulations, and specified the red line of commercialized system and punishment processes for violations of regulations: the establishment and responsibilities of standing disciplinary committee for commercialization; the important regulations on the punishment processes for violations of regulations of commercial employees, etc.

Innovent has established complete disciplinary investigating and processing processes, in which the Legal Department is responsible for the direct investigation of violations of regulations, and submission to the Compliance Disciplinary Committee for deliberation and resolution. Upon receipt of the resolution of punishment, the Legal Department is responsible for initiating the punishment processes in the online system to ensure that all the processing is completed within 24 hours. In 2022, Innovent did not have any material cases.



Punishment Processes of Violations of Regulations of Innovent

1. EXCELLENT GOVERNANCE

1.4 Risk Control

In the face of the changing market environment, the establishment of a sound long-term risk management mechanism is an important guarantee for the Company's stability and success. Attaching great importance to risk management, Innovent has built a complete control system by building three lines of control throughout all aspects, comprehensively sorted out and controlled all the risks faced by the Company, and continuously improved the Company's risk prevention capability.

In order to meet the demand of business growth for systematic risk management, during the Reporting Period, we adjusted our internal organizational structure in the Group, procurement team and commercial team, in order to further clarify the division of departmental responsibilities and improve our risk control level. In addition, we also further improved the internal control of key business processes to better adapt to business development and ensure more controllable business risks.

Change in group organization structure

- Set up the Group's system and process management office to conduct unified comprehensive coordination, management and operation supervision of all systems and process management of the Company, and evaluate and audit the rationality of processes and systems according to the relevant regulations of the Company.
- Issued "System Process Management Specification" to clarify relevant internal control requirements.

Change in organization structure of procurement team

- Procurement Department optimizes the internal structure to reduce employees' moral hazards.
- Set up a procurement internal audit team to supervise the rationality and process compliance of the procurement business.

Change in organization structure of commercial team

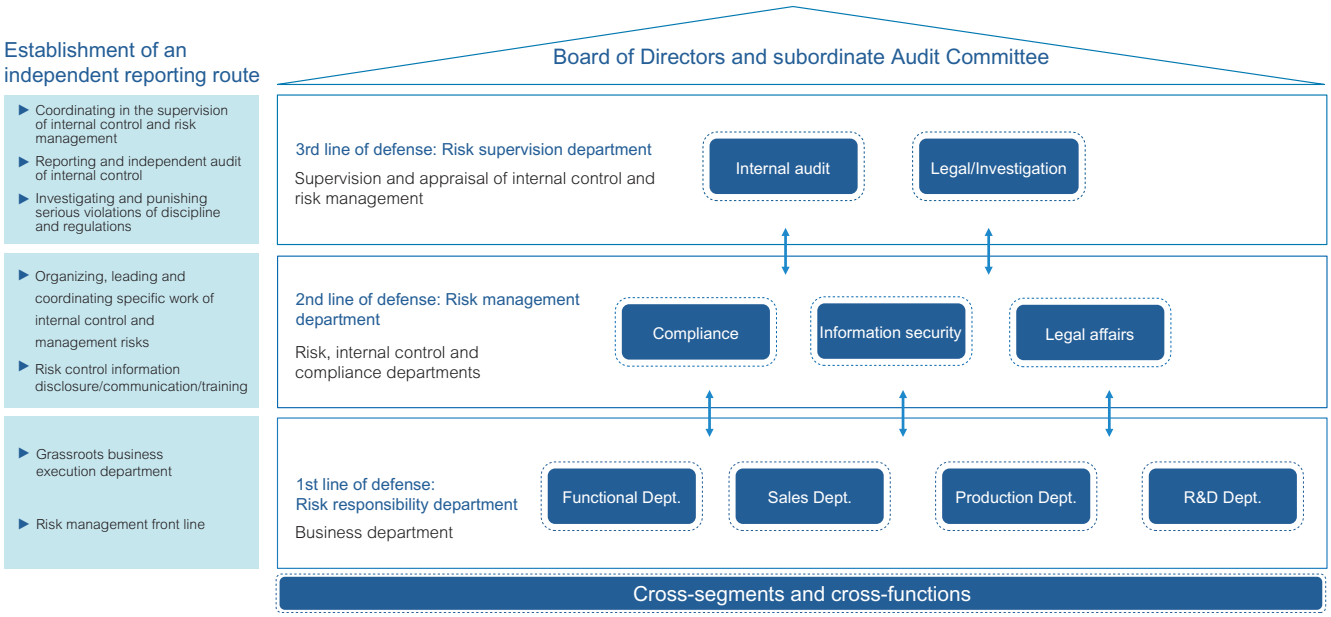
- The Marketing Management Center is established to take charge of setting up a series of internal control and platform system related to the commercial business, and specialize and coordinate the platform system of commercial business.

Optimization of key business processes

- Whole process of procurement: Focus on relevant ESG requirements in the supplier screening and audit, comprehensively sort out and optimize the procurement process, in order to enhance the efficiency.

Innovent has built three lines of defense for risk management, with the business execution department as the first line of defense for risk liability, directly identifying and managing business operation risk points in business execution. The second line of defense is the risk management department, which consists of the compliance department, information security department and legal department. It mainly formulates compliance policies that meet the requirements of policies and regulations and are suitable for the Company's development, organizes, leads and details the specific work of internal control and risk management, strengthens the compliance awareness of all employees through communication and training, and implements risk control information disclosure. The internal audit department and legal/investigation department, as the third line of defense, are responsible for the supervision of internal control and risk management, and regular audit of compliance management and treatment of violations of regulations. The three lines of defense form dead-loop management through mutual supervision, comprehensively control risk loopholes, and effectively reduce the risks during operation, in order to ensure the sustainable development of the Company.

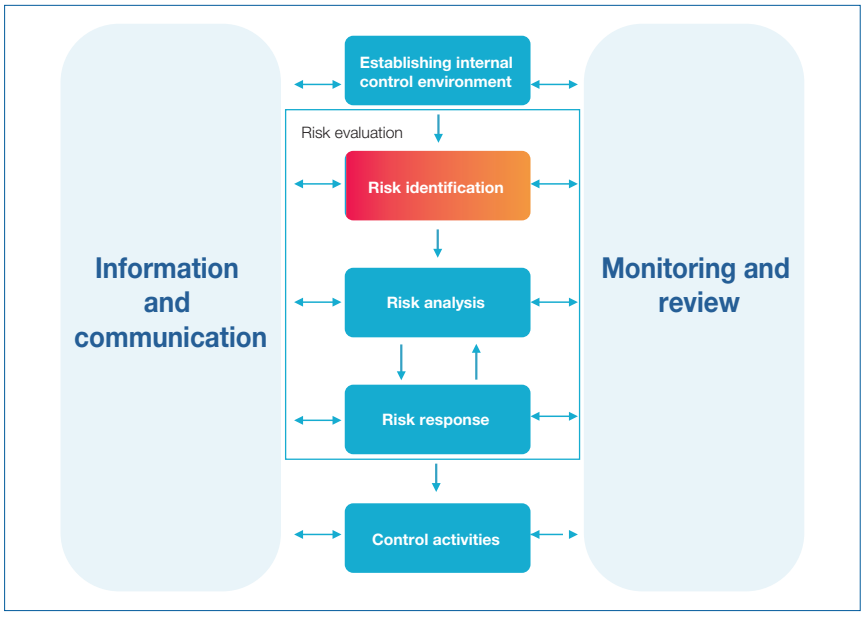
1. EXCELLENT GOVERNANCE



Three lines of defense of risk management

In order to comprehensively classify and supervise operational risks, the Company has established a risk management system, and conducted self-evaluation on the methods and standards of risk identification, risk analysis, risk evaluation and risk monitoring on an annual basis under the leadership of the Audit Department. We analyze the key causes of major risks, determine the risk warning indicators, establish early warning systems and formulate countermeasures through risk identification, assessment and management. At the same time, we continuously monitor major risks and adjust control measures according to actual situations. We determine the focus of risk identification each year, taking into account the external macro-environment, feedback from internal and external stakeholders, our development goals and operation and management, in order to ensure continuous improvement in the risk control system.

The Company has built a risk management system based on five elements of internal control, of which risk identification, risk analysis and risk response belong to the scope of risk evaluation.



Innovent Risk Management System

Risk identification: Identify and describe potential events that affect the Company's operation objectives and create an extensive list of risk events.

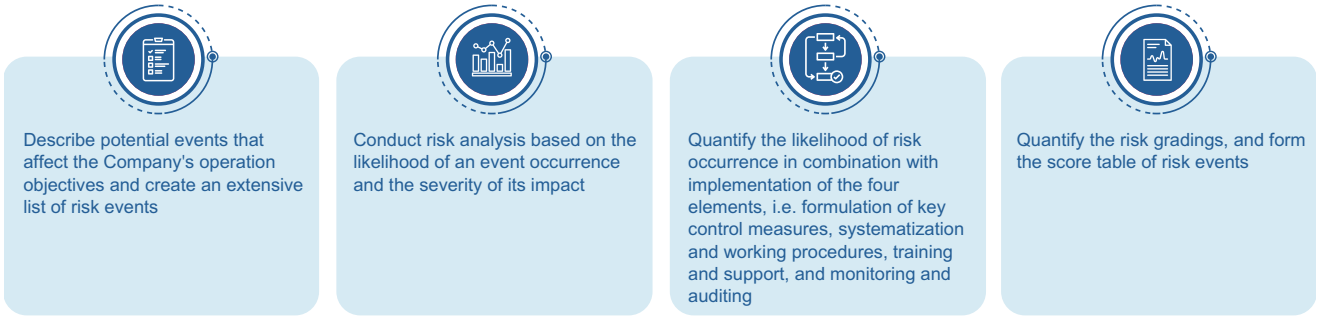
Risk analysis: As an input condition for risk evaluation and risk decision-making, its objective is to determine the risk level of the listed risk events, taking both the likelihood of the event occurrence and the severity of its impact into consideration.

Risk response: Based on the results of risk evaluation, the business department shall formulate risk response strategies and specific management measures for events with higher risk levels.

1. EXCELLENT GOVERNANCE

Risk Monitoring and Inspection Processes of Innovent

In addition, Innovent has established a scientific and comprehensive risk evaluation process system to ensure the objective and accurate evaluation of various risks in the daily operation of the Company.



Working methods of risk evaluation of Innovent

The Compliance Disciplinary Committee at the management level clarified the sustainable development strategy during the Reporting Period, reviewed and upgraded the risk control system in all the operating locations, comprehensively optimized the contingency plan and risk mitigation control process system, integrated the management and control of ESG-related risks and opportunities into the Company's operation and business development system for coordinating management and follow-up, and implemented them into the Company's daily work; the Company conducted phased reviews of its compliance operation and compliance culture development, systematically classified and optimized key process systems at the group level to empower business and improved operational efficiency while ensuring safety and compliance; promptly reviewed and resolved identified risk control issues in a timely manner, and followed up the optimization and improvement of relevant parts. The Audit Committee directly supervises the entire risk prevention and control system, receives relevant work reports at least twice a year, as well as provides guidance and made decisions on the major items.

In 2022, the Company mainly identified risks such as the procurement process and commercial business platform system which requires improvement, and promptly formulated corrective measures and promoted their implementation, which ensured that no major problems occurred in various aspects. For example, in terms of procurement, the organization structure and the whole procurement process were optimized, and relevant risks and response plans related to procurement business were audited and rectified at least once a year, and ESG requirements for suppliers were strengthened; in terms of commercialization, the marketing management center was established, the complete set of commercial processes and platform system was upgraded, and responsible marketing was deeply implemented.

1. EXCELLENT GOVERNANCE

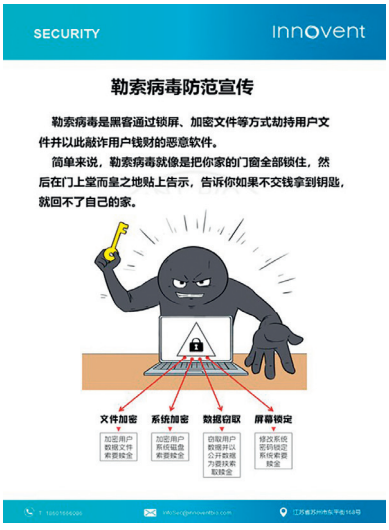
1.5 Customer Privacy Protection and Information Security

Information security and data protection are important barriers for Innovent to maintain continuous business control and prevent data assets and innovations from leakage. We constantly improve our information security management system, strengthen data transmission monitoring and customer privacy protection, enhance employee awareness of information security and data protection, strictly control data leakage and unauthorized transmission from the source, and tighten the information security protection network.

We strictly protected customer privacy and the company's information security, and complied with relevant laws and regulations such as the "Network Security Law of the People's Republic of China", "Data Security Law of the People's Republic of China", "Personal Information Protection Law of the People's Republic of China" and other relevant laws and regulations in our daily operations. We formulated the "Regulations on the Classification of Trade Secrets, "Regulations on Information Security Management of Innovent", "Confidentiality Management Regulations", "Domestic and Foreign Data Transmission Management System", "Information Disclosure Management Regulations", "Data Processing Policies" and other system documents, in order to strengthen the confidentiality management of the Company's digital assets and customer privacy. During the Reporting Period, we updated and optimized the application security system such as the Development Security Base Line of Innovent and Application System Development and Launch Specification of Innovent, which strengthened the standardization and protection of the whole process of safe application development, effectively enhanced the system security, stability and controllability. We also established the special information security office, responsible for the implementation of relevant system and safety measures.

We conduct security awareness training for all employees via email every month. We organize special information security training for new employees, and publicize special on-site security awareness on an annual basis for core personnel such as R&D and production staff. During the Reporting Period, we organized email security publicity, anti-fraud email publicity, ransomware prevention publicity and other information security training.

In 2022, the Company focused on two levels, i.e. R&D data leakage prevention and core business interruption prevention, took a series of measures to promote the construction of information technology platform, and enhance the Company's reform management from the perspective of strict information security risk control. In terms of strict prevention of R&D data leakage, we improved the perception of abnormal behavior by 323% and the response time by 77% through strategy optimization and multi-department linkage mechanism, which enhanced the security of R&D data in the transmission process. In terms of business interruption prevention, we continuously deeply purified the internal network and system environment and maintained business stability and continuity by adding new situation awareness devices, and conducting regular penetration tests and security checks. During the Reporting Period, the Company did not experience any major R&D data leakage or business interruptions caused by external attacks.



Ransomware Prevention Publicity

In addition, we conducted two rounds of information security risk evaluation during the Reporting Period. We procured the network security service from external professional information security service providers and carried out manual penetration testing and vulnerability scanning services for the Company. Through multiple rounds of internal and external security testing, we worked with our IT team to deal with the risk loopholes found and completed bug fixes.

Our information security prevention system guarantees customer data and privacy security through real-time monitoring of safe data transmission to avoid abnormal transmission of customer privacy information. We regularly audit the bugs in our information security system, and immediately synchronize audited bugs and the machine information involved to the IT team, which will rectify and optimize the bugs in a timely manner. During the Reporting Period, Innovent has not leaked any customer privacy data.

2. ENJOYING GOOD HEALTH

Adhering to the mission of "developing high-quality biological drugs that people can afford", and implementing the strategy of "driven by innovation, developed through globalization", Innovent continuously promotes the forward-looking layout of the product pipeline, R&D platform innovation, strategic partnership expansion, commercial product expansion and operation system upgrading, deepens quality control, improves production efficiency, optimizes customer service, and expands market coverage. We are also devoted to solving patients' unmet clinical needs with the spirit of craftsmanship, providing more global patients with high-quality and excellent products, and contribute to the promotion of building a human health community.

This Chapter responds to United Nations Sustainable Development Goals (SDGs)

The Company will continue to focus on two strategic goals for sustainable development, refining business management to expand product scale and improve operation efficiency, and focusing on cutting-edge technologies to develop high-quality innovative drugs for global innovation, in order to build an innovative biopharmaceutical company with more comprehensive strength and sustainable growth, and forge ahead towards the vision of "becoming a world-class biopharmaceutical company".

2.1 R&D Innovation

Adhering to the "patient-centered" principle and focusing on the unmet medical needs of the patients, Innovent expands the innovation boundary, and attaches great importance to new drug R&D and related technology platform construction. Currently, we have built a high-quality technical platform covering the whole cycle of innovative drug development, established a perfect R&D management system, and continued to promote innovative R&D and product pipeline layout, laying a solid foundation for continuous output of innovative drugs and ensuring sustainable development of the Company.

2.1.1 Focus on R&D Innovation

Innovent insists on forward-looking layout and diversified innovation, and had an active presence in key R&D directions. As at the end of the Reporting Period, we had established a rich product pipeline (35 new drug products, 7 assets were honored as key national technological projects of "major new drug creation", 8 assets were approved for marketing, 3 assets were under the NMPA's review, 5 assets were in Phase III or pivotal clinical trials, and additional 19 molecules were in clinical studies), covering a variety of novel and validated therapeutic targets and drug modalities (including monoclonal antibodies, multi-specific antibodies, ADCs, immuno-cytokine, cell engagers, cell therapy and small molecules etc.) for several major diseases such as tumors, cardiovascular diseases, metabolic diseases, autoimmunity and ophthalmology. The product pipeline has great clinical and commercial potential, which can meet the huge medical demands.

2. ENJOYING GOOD HEALTH

Tumor	• Tumor is one of the major diseases that seriously endanger human health • Anti-cancer drugs are one of the most important development fields of Innovent • We further expanded the clinical value and synergistic advantages of our oncology pipelines through novel targets and modalities, by innovating in mechanisms of action or combined treatment strategies, and enriching therapies, including monoclonal antibodies, multi-specific antibodies, ADCs, immuno-cytokine, cell engagers, cell therapy and small molecules, covering indications including lung cancer, esophageal cancer, gastric cancer, liver cancer, bile duct cancer, cervical cancer, ovarian cancer, colorectal cancer, lymphoma, leukemia, multiple myeloma, etc. • Among the oncology pipelines, TYVYT®, BYVASDA®, HALPRYZA®, PEMAZYRE®, Olverembatinib®, CYRAMZA® and Retsevmo® are approved for marketing, and IBI326 (BCMA/CAR-T), IBI376 (PI3Kδ), IBI351 (KRAS^{G12C}), IBI344 (ROS1/NTRK), IBI126 (CEACAM-5 ADC), IBI110 (LAG3), IBI939 (TIGIT), IBI363 (PD-1/IL-2), IBI343 (CLDN18.2 ADC) are under clinical research.
Autoimmune disease	• Disorders of the body's immune system that attack itself can lead to a variety of autoimmune diseases such as ankylosing spondylitis, rheumatoid arthritis, systemic lupus erythematosus, etc. • Innovent is committed to developing a variety of immunotherapeutic antibodies to help relieve patients' pain and suffering caused by autoimmune diseases. IBI303 (SULINNO®) has been approved for marketing, and IBI112 (IL23p19) and IBI353 (PDE4) are under clinical research.
Metabolic diseases	• Cardiovascular diseases, diabetes, obesity, fatty liver, osteoporosis and other metabolic diseases have become chronic diseases that seriously endanger people's health. • Better treatment options are possibly available for many high-incidence chronic diseases in the cardiovascular and metabolic fields. There are products under clinical research such as: a new lipid-lowering drug IBI306 (PCSK-9), IBI362 which can not only lower sugar but also reduce weight, IBI128 (XOI), a brand-new non-purine analogue xanthine oxidase inhibitor for the treatment of hyperuricemia in patients with gout and IBI-311 (IGF-1R) used for treatment of thyroid ophthalmopathy.
Ophthalmic disease	• With a wide range of diseases, complex causes and variable conditions, fundus diseases can cause visual impairment and even blindness in people. Age-related macular degeneration and glucose retinal disease are serious fundus diseases that are the leading cause of blindness in adults worldwide. • Innovent strives to treat fundus diseases and satisfy unmet clinical demands through differentiated dual-targeting molecules. IBI302 (VEGF/C), IBI324 (VEGF-A/ANG-2) and IBI333 (VEGF-C/VEGF-A) are under clinical research.

Drug R&D Direction of Innovent

2. ENJOYING GOOD HEALTH

2.1.2 Adherence to R&D Ethics

Innovent abides by R&D ethics, attaches great importance to animals' well-being, and strictly guarantees moral ethics during drug development according to laws, regulations and ethics during clinical research and animal experiments.

- **Clinical Research**

We regarded the rights and safety of clinical research subjects as the key to drug clinical trials, and strictly complied with the "Quality Management Practices for Drug Clinical Trials" "Management Practices for Safety Update Reporting during R&D (Trial)" "Administrative Measures for Drug Registration", "Pharmacovigilance Quality Management Practices and other laws and regulations and ethical requirements. We also set up a pharmacovigilance department responsible for the overall management of clinical research matters, updated a series of institutional documents, formulated clear and detailed clinical trial proposals and work plans, and provided technical guidance on the timely evaluation and reporting of safety information during clinical trials.

Ensuring the safety of subjects and timely identification of safety risks in products/clinical trials are the top priority of pharmacovigilance. For this end, we will process reports and monitor risks in a timely manner, including the formulation of safety management plan (SMP), case report collection, processing and submission, safety update reports during R&D period, and safety monitoring and risk management during clinical R&D as follows:

1) Before the start of a clinical trial, the trial SMP will be written according to the trial proposal, the basic conditions of the trial and the Company's SOPs to stipulate the responsibilities, requirements and management processes for the safety data processing throughout the cycle of the clinical study, including but not limited to the collection, receipt, evaluation, processing, submission, management of periodic reports, consistency verification and database management of safety information. We will also provide SMP training for relevant personnel so that they can understand the requirements and processes of the project. Training will also be provided to researchers, project managers (PMs), clinical research associate monitors (CRAs), and clinical research coordinators (CRCs) to ensure that all parties involved have a good understanding of the contents and processes of the project.

2) When the researcher obtains the ICSR, he will report it to the pharmacovigilance department in accordance with the proposal. Upon receipt of the report, the pharmacovigilance department will complete the receipt, information collation, database entry and medical evaluation of the ICSR within the prescribed period in accordance with regulatory requirements, departmental standard operating procedures and SMPs. Upon report processing, the pharmacovigilance department will submit it to the regulatory agency, the project team of the trial, and the researcher/ethics/organization in accordance with regulatory requirements, in order to ensure that all parties involved in the clinical trial are promptly informed of the safety report.

3) The pharmacovigilance department prepares an annual safety report during the R&D of clinical trial products, which also evaluates the risks of clinical trial products and assesses the benefit-risk considerations of clinical trial products to facilitate timely identification and scientific risk control.

4) The pharmacovigilance department conducts periodic safety audits of the program and product, and evaluates whether new safety signals/risks are indicated for the product/clinical trial. For identified signals/risks, risk management measures will be implemented and, if necessary, a safety risk control plan for clinical trial drugs will be formulated.

The pharmacovigilance department formulates and promptly updates pharmacovigilance quality control indicators. The control indicators are integrated into the key activities of pharmacovigilance to ensure the orderly development of pharmacovigilance activities and the continuous improvement of the pharmacovigilance system to protect the safety of patients and public health.

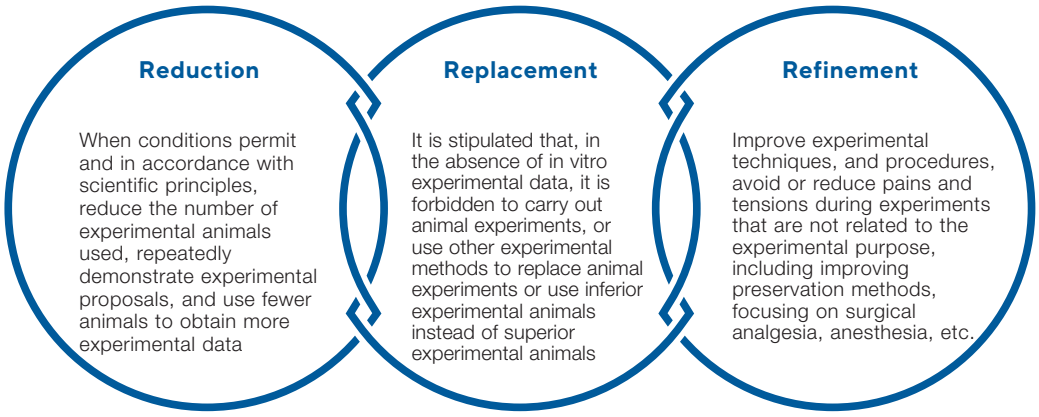
We fully protect the right to know each clinical research subject and the personal information security of the subject, and strictly guarantee the confidentiality of the subject's information to ensure that the clinical trial results are not leaked and that the clinical trial meets the requirements of ethics, laws and regulations.

2. ENJOYING GOOD HEALTH

- **Animal Welfare**

We established an experimental animal ethics committee and experimental animal management committee in accordance with relevant Chinese standards such as the General Principles for the Well-being of Experimental Animals, Environment and Facilities of Experimental Animals, and Euthanasia Guidelines of Experimental Animals, and formulated supporting systems, documents and administrative regulations such as the "Regulations on the Administration of Experimental Animals of Innovent Biologics (Suzhou) Co., Ltd." and "Regulations on the Work of Innovent Experimental Animal Ethics Committee. We also checked and supervised various animal experiments according to the internationally accepted animal well-being and ethical standards, in order to ensure the effective regulation of experimental animal management, ethical review and supervision.

The ethics committee focuses on whether the experiment design proposal will strictly implement the "3R principle", i.e. "Reduction", "Replacement" and "Refinement" of experimental animals. All the experimental proposals shall be reviewed and evaluated every half a year to supervise the necessity, rationality and effective regulation of animal experiments.



"3R Principle" of Innovent

The management committee strictly enforces internal operational requirements, organizes regular training for relevant staff on internal standard operating procedures, regulates the operation of each part of the breeding and experimental process, encourages staff to attend external training and participate in industry skills competitions to improve professional skills. We ensure that all the employees related to animal experiments are qualified with relevant certificates such as the "Training Record Card of Experimental Animal Practitioners" to safeguard the well-being of experimental animals and adhere to R&D ethics in the process of promotion of innovative drug development.

2.1.3 Continuously Strengthen R&D System

Innovent attached great importance to the construction of R&D platform and R&D talent reserve, continuously increased R&D investment and established a comprehensive R&D innovation system. Centered on the strategic layout and development needs, we built a high-quality technology platform that runs through the entire cycle of bio-innovative drug development, and set up the talent system including master and doctorate talents, returnee talents and core technical talents, in order to provide unremitting momentum for the high-quality innovative development of the Company.

2. ENJOYING GOOD HEALTH

- **Upgrading of R&D platform**

We continuously strengthened the construction of R&D platform, focused on cutting-edge technology, made constant layout and promotion of high-quality innovative drug R&D, and set up an integrated platform covering new drug research, pharmaceutical development and industrialization, clinical research and commercialization, laying a solid foundation for continuous production of high-quality innovative drugs. At the same time, we continuously improved the operation efficiency of our platform system to promote long-term sustainable and healthy business development.

New drug research platform	Production and quality platform	Clinical development platform	Commercialized sales platform
• We established an outstanding technical platform and system for drug research such as monoclonal antibodies, multi-specific antibodies, ADCs, immuno-cytokine, cell engagers and cell therapy with profound layout of pre-clinical research pipeline • We set up comprehensive and integrated differentiated ADC patent technology platform. The next-generation ADC technology is likely to bring stronger treatment effects and broader treatment windows	• Advanced CMC development capability, including technical platforms for antibody, fusion protein, ADC and high-concentration DP • End-to-end quality control system systematically applied in the whole process of drug production, quality control, product release, storage and transportation • We expanded the commercialized capability to 60,000L as per Chinese and international standards, and constantly enhanced the operation efficiency	• We established a leading clinical development science and operation management platform for innovative drugs in China, running through the whole process from clinical phase I to clinical phase III, which can support post-marketing studies in phase IV	• We established a comprehensive commercialized sales platform covering marketing, sales, access, channel management, medical affairs and other aspects • We continuously upgraded the commercialized operation system,with the refinement management beginning to take effect, and the proportion of commercialized expenses gradually reduced

Building of Fully-integrated Drug Platform of Innovent

In 2022, the Company launched the project management platform PMS system, which effectively improved the efficiency of project R&D and operation management through target management, strategy management, budget management, progress management, process management, and problem and risk management.

In 2022, the Company continued to upgrade its fully-integrated platform, and made achievements in the innovation of R&D platform, pipeline development layout, capacity scale and operation efficiency, and commercialized operation system, in order to help build an innovative biopharmaceutical company with more comprehensive strength and sustainable growth.

✧ The Company always insisted on the development strategy of global innovation and continued to expand the technology platform of Innovent Academy. “People’s well-being will contribute to the prosperity of the country”. As the innovative R&D engine of the Company, Innovent Academy is committed to developing innovative molecules based on the unmet patients’ needs, in order to make contributions to the improvement of human health and life quality. In 2022, Innovent Academy continued to have further progress in the immunology, cancer biology and antibody engineering fields, successfully delivered six new molecules and established a fully-integrated and differentiated ADC proprietary technology platform. The next-generation ADC technology was likely to bring stronger treatment effects and broader treatment windows, high-quality molecules entered into the clinical research phase, and several molecules were in the IND preparation phase or pre-clinical period, which accumulated momentum for the long-term pipeline of the Company. In the future, we will continue to promote more innovative molecules into global clinical development and global markets to provide momentum for the Company’s long-term development.

2. ENJOYING GOOD HEALTH

- In terms of clinic, we continued to expand the development of innovative pipelines with a new batch of novel assets entering into the middle and later clinical development, focused on the PoC-centered development strategy, validated early potential of pipelines, and realized balanced and effective resource allocation. We enriched therapies and further expanded the extensive oncology pipeline through pursuit of novel targets and modalities, innovative mechanisms of action and combination therapy strategies. NDAs of two product candidates, i.e. equecabtagene autoleucel injection (BCMA CAR-T) and parsaclisib (PI3Kδ) submitted for the treatment of hematological malignancies were accepted; three targeted small molecule drugs for treatment of lung cancer IBI351 ($KRAS^{G12C}$), IBI344 (ROS1/TRK) and IBI126 (CEACAM-5 ADC) entered into pivotal critical trials or phase III, likely to improve the portfolio synergy in lung cancer. We actively enhanced the preliminary clinical development of globally innovative tumor immunotherapy IO molecules such as IBI110 (LAG3) and IBI939 (TIGIT) with positive Proof-of-Concept (PoC) data and IBI363 (PD-1/IL-2) in the clinical phase I; Innovent Academy established a fully-integrated and differentiated ADC proprietary technology platform, which delivered several differentiated ADC molecules to the clinical development or IND preparation phase, with IBI343 (CLDN18.2 ADC) entering into the clinical trial phase I in Australia and China since the second half of 2022.

- In addition to oncology, we also strategically focused our R&D effort towards several high-potential fields such as cardiovascular and metabolism diseases, autoimmune diseases and ophthalmology diseases, aiming to bring innovative medicines to address unmet needs of numerous chronic disease patients, enhanced the treatment experience and improved the life quality of patients, and benefited long-term patients with powerful portfolio in several chronic disease fields. High-potential innovative assets for multiple high-prevalence chronic diseases in CVM field: the NDA for tafolecimab injection (PCSK-9) for the treatment of hyperlipidemia was accepted, which could potentially be the first domestic PCSK-9 monoclonal antibody in 2023; we have achieved a robust potential optimal data readout in Phase II clinical trials of IBI362 (GLP-1R/GCGR) for the treatment of both obesity and diabetes, and Phase III registrational clinical studies were initiated and enhanced from the end of 2022 to the beginning of 2023; we also planned to initiate the clinical research phase III of another two candidates, i.e. IBI128 (XOI) for the treatment of hyperuricemia in gout patients and IBI311 (IGF-1R) for the treatment of thyroid-associated ophthalmopathy. In terms of autoimmune, our differentiated layout fulfilled different clinical needs: The Phase 2 data for IBI112 (IL23p19) demonstrated its potential long-lasting efficacy advantage and convenient extended dosing intervals for psoriasis. The Phase III registrational clinical study started in early 2023; the multi-regional Phase IIb clinical study (led by UNION) of IBI353 (PDE4), the oral therapy for treating psoriasis, reached positive topline results and we will enter Phase II study in China in 2023. Furthermore, additional innovative autoimmune molecules such as IBI355 (CD40L) and IBI356 (OX40L) will enter the clinical phase in 2023. We used multiple differentiated bispecific antibodies in the field of ophthalmology to solve the unmet clinical demands of fundus oculi diseases: IBI302 (VEGF/C) for the treatment of wet (neovascular) age-related macular degeneration (wAMD) is currently in Phase II clinical studies, and IBI324 (VEGF-A/ANG-2) and IBI333 (VEGF-C/VEGF-A) are in the Phase I stage.

- We adhere to the long-term strategy of global development and explore the PoC and early clinical development of global potential innovative molecules through scientific approaches, including immune target PD-1/IL-2, dual-target molecules in ophthalmology, and several ADCs. Our development team will continuously promote more innovative molecules into global clinical development and ensure a reasonable return on investment in our R&D pipeline in accordance with our scientific development philosophy.

- We insisted on high-quality production and further improved the production efficiency of antibodies. Our production capacity of 60,000L with GMP certification and the production capacity of large-scale stainless steel bioreactors enabled us to better support the expansion of product pipelines and enhance the product cost advantage and market competitiveness.

- The upgrading of the Company's commercialized management model has begun to take effect. The Company took the lead in developing a healthier, more scientific and sustainable commercialized management model to create a leaner and more agile organization and improve the efficiency of resource allocation; continued to improve marketing output and efficiency to support the long-term sustainable and healthy business development; the refined management reduced the ratio of sales and marketing expenses from 65.5% in 2021 to 62.6% in 2022. During 2022, the ratio of sales and marketing expenses dropped from 68.5% in the first half to 56.9% in the second half.

2. ENJOYING GOOD HEALTH

In the four years since the Company established its commercial function, we have established a leading position and brand advantage in the industry through several high-quality anti-cancer products and wide coverage of national market, with a sales team of nearly 3,000 people and professional supporting system. At the same time, we therefore will gradually establish our commercial presence in key chronic disease areas such as metabolic, cardiovascular and autoimmune diseases, build up a strong product portfolio and brand advantages in several chronic disease areas, advancing both oncology and non-oncology areas together, and promoting sustainable and diversified long-term growth of the Company. Based on rich and powerful product lines, we plan to have at least 15-20 products approved for marketing in the ensuing 4-5 years. Further, the validated commercialized platform and the gradually enhanced operation efficiency will guarantee that we can realize the product value of the powerful pipeline.

Empower R&D Team

We are devoted to building a "wonderland for scientists", in order to create a more diversified, open, transparent and inclusive culture for scientists to give full play to their vigor of innovation. Talents are the foundation of our Company's long-term development. In 2022, we actively introduced high-level R&D talents, strengthened the cultivation and empowerment of our R&D team, and deepened the cooperation and exchange between collaboration between enterprises, higher education institutions and research institutes. At present, the Company has established a product R&D team with more than 1,000 employees, among which 20% are doctors and 37% are masters.

In terms of R&D talent motivation, we set up a special inventor award system to reward the core inventors of important projects in key R&D phases and major projects of listing, in order to motivate the enthusiasm of all employees in R&D innovation.

Happy in scientific research

In 2022, Innovent Academy launched the Journal Club platform as an important academic exchange and learning mechanism for scientists. Scientists regularly tracked, discussed and summarized the latest scientific research development in the industry, and exchanged opinions on the latest scientific trends, the latest drug R&D, and the latest literature of clinical results once every two weeks, in order to acquaint the researchers with the latest research trends in the industry, enhance their enthusiasm for scientific research, and enrich their industrial knowledge on drug R&D. The person in charge of each project shall share the cutting-edge academic knowledge, and the research covers a variety of subjects including immunotherapy, new technology of antibody R&D and advanced tendency. Journal Club obtained recognition among many scientists from the Innovent Academy due to its open discussion environment and heated academic exchanges.

The Company encourages scientists to actively receive academic training and learn about the frontiers of domestic and foreign scientific research. The Company provides full financial support for scientists to participate in international conferences such as Keystone Symposia, AACR, ESMO, ASCO, CSCO, etc.

In 2022, international experts from the R&D team and Scientific Advisory Board (SAB) conducted several project seminars, regularly communicated with industrial experts on the internationally advanced drug R&D, and conducted various types of academic exchanges with experts and doctors from domestic hospitals, universities, scientific research institutions and government organs.

Leveraging on R&D strength, the "Key Laboratory for R&D of Innovative Biological Drugs in Jiangsu Province" of Innovent was the only one rated as excellent among Key Laboratory of Enterprises in Jiangsu Province and passed the acceptance.

2. ENJOYING GOOD HEALTH

Happy in development

- In 2022, the Company held the "Co-creation Meeting of Competency Model for Project Leaders of Innovent Academy" to reach a consensus, develop discussion competency, and cultivate elite employees. The strategic undertaking meeting of Innovent Academy released the PILOT competency model and applied it to the whole lifecycle of talent management, aiming to enhance human resource management and promote the R&D and innovation and the delivery of quality projects.

- In 2022, we made every effort to build a clinical "Whampoa Military Academy" talent cultivation system, by extracting expert experience and accumulating organizational capabilities in the process of clinical project development and operation management, encouraging the team to experience and learn in the job, and realizing staff development and talent pool building through training programs for professional ability, leadership and general ability.

Happy in belonging

- In 2022, we organized various types of team building activities, including staff meetings, honor awards, new employee integration, birthday parties, holiday activities, etc. to increase the sense of belonging of the R&D team, improve team cohesion and inspire a sense of mission and vision.

"Reform for Future" 2022 Innovent Academy Staff Meeting-Suzhou Branch

"Forging ahead with original intention" Clinical Commendation Meeting-Shanghai Branch

2. ENJOYING GOOD HEALTH

2.1.4 IPR Protection

The Company strictly abides by the "Patent Law of the People's Republic of China", "Trademark Law of the People's Republic of China" and other relevant domestic laws and regulations, as well as conventions and proposals of international organizations including "Patent Cooperation Treaty (PCT)", "Madrid Agreement on the International Registration of Marks", "World Intellectual Property Organization Copyright Treaty", "Paris Convention for the Protection of Industrial Property", "Agreement on Trade-related Aspects of Intellectual Property Right" and "Doha Health Declaration". It also formulated an internal management system including "Measures on Patent Infringement Risk Management and Control", "Risk Patent Control Procedures" and "Guidelines on Due Diligence of Introduced Project Patents", in order to ensure the compliance of relevant IPR work and effective transformation of R&D achievements.

The Company set up an intellectual property management department to take charge of IPR application, acquisition, use, and routine management. In 2022, we added and upgraded our IP system documents to ensure the rationality of patent applications, provide standardized procedures for due diligence, and further standardize the use of our IP management system.

Upgraded measures of IPR protection of Innovent in 2022

The Company continuously consolidated the IPR basis, closely integrated IP management with R&D innovation, and set up a complete IP management system covering the whole life cycle of R&D projects, which provided comprehensive IP information analysis, layout strategy, technical innovation identification and evaluation for the pre-approval product investigation, formal approval, CMC development (Chemistry, Manufacturing and Control), clinical study and product launch.

To further avoid intellectual property risks, we launched a series of patent risk evaluations and exclusions to control the entire process of intellectual property risks and ensure respect for others' intellectual property rights while protecting our own.

Patent Risk Evaluation and Exclusions of Innovent

2. ENJOYING GOOD HEALTH

In order to enhance the awareness of IPR protection of R&D staff and technical managers, we conducted various forms of IPR training for all the employees. During the Reporting Period, the Company held 30 special training activities covering R&D technology, patent review, patent retrieval, case sharing and trademark knowledge. Meanwhile, we invited scientists from the Innovent Academy to conduct special training on R&D technology, in order to deepen all the employees' understanding of IPR-related work, enhance their IPR awareness and provide guarantee for the Company's R&D.

As of the end of the Reporting Period, the Company applied for 268 patents, 891 trademarks, 18 registered copyrights, and 23 registered domain names in China, as well as 467 patents and 129 trademarks abroad. During the Reporting Period, the Company was not involved in any litigations or disputes due to the infringement upon others' intellectual property rights.

Time	Honors	Awarded by
July 2022	Outstanding IPR Contribution Award of Suzhou Industrial Park	Innovation Committee of Suzhou Industrial Park
September 2022	2022 National Enterprises with IPR Advantages	China National Intellectual Property
October 2022	2022 Project Approval of Strategic Promotion Plan and Guiding Plan of Trademarks and Brands of Suzhou City	Suzhou Administration for Market Regulation

2.1.5 Transformation of Innovation

We continuously strengthen our R&D investment and actively promote the transformation of innovation, with an aim to enable more patients to enjoy the health achievements brought forth by technological progress, and realize the transformation of Innovent from an innovative biotech company into a leading biopharmaceutical company in China. During the Reporting Period, Innovent totally invested RMB2.871 billion in the research and development, ranking the top in the industry. With the innovative capability, we have established 35 high-value pipelines, among which 8 products have been approved for marketing, 3 assets under the NMPA's review, 5 products have entered phase III or pivotal critical trials, with clinical studies started for other 19 new products.

In 2022, we continuously enhanced the commercial portfolio. In 2022, we expanded our commercial portfolio to a total of 8 products on market with the approval for marketing of Cyramza® (ramucirumab) and Retsevmo® (selpercatinib). The marketed product TYVYT® (sintilimab injection) was approved for two new indications (1L ESCC and 1L GC) and became the only PD-1 inhibitor approved for the 1L treatment of five high-incidence cancer types (non-squamous NSCLC, squamous NSCLC, HCC, ESCC and GC); Pemazyre® (pemigatinib) was approved for the 2L treatment of mCCA in mainland China and Hong Kong, which was the first targeted drug for advanced cholangiocarcinoma; BYVASDA® (bevacizumab injection) was approved for marketing in Indonesia, becoming the first Chinese antibody drug commercialized that will be produced locally in Southeast Asia markets. The continuous ramp-up of product sales volume, along with higher revenue contribution from multiple new products, and improved operational efficiency and portfolio synergy, helped offset some of such impact and laid a good foundation for future growth of the commercial portfolio.

- **International academic recognition**

  In 2022, the scientific research innovative capability and clinical results of Innovent were internationally recognized.

  - More than ten high-quality academic articles were published on world-famous periodicals such as the sub-journal of Lancet eClinicalMedicine, British Medical Journal, Journal of Medical Economics (JME), BMC Health Services Research (BMC), Frontiers in Public Health (FPH), and sub-journal of Nature.

  - Around 20 clinical research data were published at industrial conferences in the form of reports or wall papers including American Society of Clinical Oncology (ASCO) Annual Meeting, American Society of Hematology (ASH) Annual Meeting, American Association for Cancer Research (AACR) Meeting, ESMO-IO, Chinese Society Of Clinical Oncology (CSCO) Annual Meeting, American Heart Association (AHA) Annual Meeting, American College of Cardiology (ACC) Annual Meeting and Endocrine Society's Annual Meeting (ENDO).

2. ENJOYING GOOD HEALTH

- **R&D Honors**
  - 2022 Innovent ranked among as one of the top companies in China's life sciences by Nature Index. According to the 2022 Nature Index ranking published by the internationally authoritative scientific journal Nature, Innovent ranked second in the latest ranking of the most powerful companies in life sciences in China.

  - Forbes released 2022 Top 50 Innovative Companies in China, and Innovent was recognized internationally as an innovative company in the massive healthcare field.

Innovent was listed among 2022 Top 50 Innovative Companies in China released by Forbes

  - In 2022, Innovent was listed among Top 100 Global Biomedical Invention Patents published by incoPat Innovation Index Research Center, a global patent database.

  - In 2022, among the ranking of world top scientists released by the team led by Professor John P.A.Ioannidis from Stanford University, the president Dr. Liu Yongjun of Innovent ranked 2nd in China's life science field, and 1st in China's life science and pharmaceutical field.

2.1.6 Promotion of Industrial Development

Adhering to the task of promoting industrial development, Innovent has deepened strategic cooperation, actively participated in industry exchange activities, promoted the collaboration between enterprises, higher education institutions and research institutes, integrated resources from several parties, i.e. universities, societies and enterprises, and enhanced the technological progress and industrial development, which has built an open, healthy, cooperative and win-win innovative ecology.

- **Deepening strategic cooperation**

Innovent and Sanofi entered into a strategic collaboration for the rapider development of new anti-tumor drugs

In August 2022, Innovent and Sanofi entered into a strategic collaboration to accelerate the development of new oncology assets and expand the China market together.

Our cooperation aimed to accelerate the development and commercialization of oncology assets and benefit more Chinese patients with oncology assets. Innovent will be responsible for developing and exclusively commercializing tusamitamab in multiple oncology-based indications in China; Innovent and Sanofi will jointly explore the development of several types of SAR444245(IL-2) in China, and Innovent will be mainly responsible for clinical development. Meanwhile, the two parties will jointly develop the important oncology pipelines of Sanofi, and explore the clinical research in combination with the leading PD-1 brand TYVYT® (sintilimab injection) in the prevalent solid tumors in Chinese people. Sanofi also will make an initial strategic equity investment of EUR300 million in Innovent.

This strategic collaboration demonstrates the commitment of Sanofi and Innovent to bring high-quality oncology assets to Chinese patients. The strategic collaboration with Sanofi will fully leverage the synergy of their product pipeline and R&D resources in an effort to address the significant clinical needs of cancer patients.

2. ENJOYING GOOD HEALTH

Innovent and Lilly explored strategic cooperation in the oncology field

In March 2022, Innovent and Eli Lilly deepened their strategic collaboration in the field of oncology. Both parties are committed to realizing their shared vision of innovative medicines benefiting more patients in China, while depending on their strengths to achieve a win-win situation. Innovent was granted the exclusive commercialization rights for the import, sales, marketing and distribution of Cyramza® (ramucirumab) and Retsevmo® (selpercatinib after approval), as well as the right of first negotiation for potential future commercialization of pirtobrutinib in mainland China.

Through this collaboration, we hope to benefit more Chinese cancer patients and help them improve their quality of life, further contributing to the realization of the goal of "Healthy China 2030".

Innovent and LG Chem entered into strategic cooperation

In December 2022, Innovent and LG Chem entered into strategic cooperation, introducing a novel non-purine (XOI) Tigulixostat in the gout field. Innovent obtained the exclusive right of the development and commercialization of Tigulixostat in China. As one of the few next-generation drugs targeting XOI in the world, Tigulixostat has demonstrated better efficacy and greater safety in phase II clinical studies with febuxostat, demonstrating the potential of Tigulixostat as a best-in-class product. Based on the huge unmet needs of patients and solid clinical data, we will promote the clinical development of Tigulixostat and strive to bring this new XOI generation product to patients as soon as possible.

- **R&D industrial exchange**

Innovent delivered a keynote speech at J.P. Morgan Healthcare Conference

In January 2023, Dr. De-Chao Michael Yu, Founder, Chairman and CEO of Innovent, attended the 41st J.P. Morgan Healthcare Conference and delivered a keynote speech on "Exploring the Sustainable Development Path of Chinese Innovative Pharmaceutical Companies to Grow into a Global Biopharmaceutical Company". During the conference, Dr. Yu reviewed the positive results achieved by the Company in 2022, looked forward to the expected milestones for steady progress in 2023, and highlighted the strategic goal of sustainable development in the next decade, stating that Innovent will forge ahead towards the vision of "growing into a global biopharmaceutical company".

Dr. De-Chao Michael Yu delivered a keynote speech

Innovent successfully held the national starting meeting of tumor immunotherapy innovation forum

In January 2023, Innovent successfully held the national starting meeting of tumor immunotherapy innovation forum, which focused on gastric cancer treatment, gathered famous academic experts in gastrointestinal tumors in China, emphasized the leading academic trends, and included a heated discussion and outlook on the outstanding progress and clinical application tendency of immunotherapy drugs in the gastric cancer field. The forum will be successively held in different provinces with more local experts to strengthen the academic exchanges on the gastric cancer immunotherapy.

2. ENJOYING GOOD HEALTH

Innovent actively attended China Assembly of Clinical Experiment Institutions to promote the efficiency of industrial experiments

In 2022, Dr. Zhou Hui, Senior Vice President of Innovent, was invited to participate in the 3rd China Assembly of Clinical Experiment Institutions co-organized by the National Cancer Center, Beijing Oncology Society, China GCP Alliance and DIA, deliver a speech on key issues, and discuss with industrial experts and peers about the "effective means and reasonable requirements to enhance the efficiency of experiments".

- **Empowering industry development**

The Oncology Ecosystem Alliance Project to boost precise treatment for patients with cancer

In order to promote the precise diagnosis and treatment of cancer and enable quick and accurate benefit of new anti-cancer drugs for more patients with cancer, Innovent has launched the Innovent Oncology Ecosystem Alliance Project, and a strategic partnership with six domestic genetic testing companies has been concluded in the first phase to jointly promote cancer genetic testing and make new anti-cancer drugs accessible to more patients in the clinical setting.

Innovent will collaborate closely with genetic testing companies in the future to boost precise cancer diagnosis and treatment, enabling new anti-cancer drugs to benefit patients more precisely.

Signing Ceremony of Oncology Ecosphere Project

National kick-off meeting of the "National Competition on Cases of Standardized Diagnosis and Treatment of Rheumatology and Immunology" project

In February 2023, Innovent launched the national kick-off meeting of the "2023 National Competition on Cases of Standardized Diagnosis and Treatment of Rheumatology and Immunology" project in collaboration with the Medical Doctor Division of Rheumatology and Immunology Section of Chinese Medical Doctor Association and the National clinical study Center for Dermatologic and Immunologic Diseases. Standardized disease diagnosis and treatment ability is an important guarantee of clinical treatment, and is also the main direction of action for discipline development and talent training. One of the most direct and efficient ways to increase the ability to standardize clinical treatment is to review, analyze, summarize and share actual clinical cases. The event provides a platform for young and middle-aged doctors to showcase their talents, learn from others and improve themselves.

Currently, the clinical standard of rheumatic and immunological diseases varies greatly among various regions, hospital sand physicians, so it is crucial to promote standardized treatment in hospitals at all levels, particularly primary hospitals. In addition, it is necessary to strengthen the popularization of science to increase public awareness of diseases, The "National Competition on Cases of Standardized Diagnosis and Treatment of Rheumatology and Immunology" not only tests the effectiveness of the promotion of standardized clinical treatment in the past few years, but also helps to train and improve the standardized treatment of young doctors, and to promote academic exchange and talent cultivation.

2. ENJOYING GOOD HEALTH

Joint cultivation of talents with the First Bethune Hospital of Jilin University

In August 2022, Innovent reached a strategic cooperation on talent cultivation with the First Bethune Hospital of Jilin University to jointly cultivate PhDs and post-doctoral talents with a view to promoting the strategy of technological innovation, facilitating the close integration of scientific research theories and medical applications, and strengthening the industry-university-research cooperation. Based on the profound discipline strengths of the First Bethune Hospital of Jilin University and its qualifications for clinical trial base, as well as Innovent's cutting-edge drug development platform, we concentrate on talents and bring them together to cultivate medical talents with both clinical skills and R&D skills for the medical discipline.

As a bridge between the laboratory and patients, we hope that the talents jointly fostered through the collaboration will develop into first-class medical talents with both research and clinical capabilities who can reveal medical problems, elucidate advanced theories, and write medical guidelines, making their own contributions to the hospital's basic research, clinical study, and translational research. This collaboration is expected to pave the way for multi-dimensional cooperation between the two parties.

Innovent reached a strategic cooperation on talent cultivation with the First Bethune Hospital of Jilin University

Active cooperation with hospitals to jointly develop innovative oncology projects

Innovent and the First Affiliated Hospital of Soochow University jointly applied for and received approval for one project under the Jiangsu Provincial Key R&D Programme (Clinical Frontier) in 2022 and three projects under the Suzhou City Medicine-Industry Integration Programme, which will promote the collaborative development and clinical translation of innovative oncology drugs.

Contributing to the establishment of industry standards

In response to the call from seven departments, including the Department of Human Resources and Social Security of Jiangsu Province, Innovent participated in the development of the national vocational and technical standards for biochemical examiners, making positive contributions to the establishment and improvement of industry standards.

2. ENJOYING GOOD HEALTH

2.2 Quality and Safety

Upholding the mission of "Start with Integrity, Succeed through Action", Innovent always views the quality and safety of pharmaceutical products as the corporate foundation and makes quality assurance its top priority. By building a comprehensive and robust pharmaceutical quality management system and perfecting the relevant systems for quality and safety management, the Company strictly controls the quality of pharmaceutical products by implementing the concept of "Quality by Design" throughout the whole life cycle of product quality.

The Company strictly complies with the Drug Administration Law of the People's Republic of China (《中華人民共和國藥品管理法》), Administrative Measures for Drug Registration (《藥品註冊管理辦法》), Administrative Measures for Supervision of Drug Production (《藥品生產監督管理辦法》), Good Manufacture Practice of Medical Products (《藥品生產質量管理規範》), Good Clinical Practice Guidelines (《藥物臨床試驗質量管理規範》), Management Guidance for Development Safety Update Report (For Trial Implementation) (《研發期間安全性更新報告管理規範(試行)》), Good Pharmacovigilance Practice (《藥物警戒質量管理規範》) and other relevant laws and regulations as well as ethical requirements. The Company has formulated a series of internal management systems such as the Quality Risk Management Regulations (《質量風險管理規程》), Quality Manual (《質量手冊》) and Factory Master File (《工廠主文件》) to maintain high standards of quality throughout the product development and production process, ensure the provision of high-quality biological drugs, and provide technical guidance on the timely assessment and reporting of safety information throughout clinical trials.

During the Reporting Period, the Company revised a series of internal systems such as the Quality Risk Management Regulations (《質量風險管理規程》), Change Control Management Regulations (《變更控制管理規程》), Corrective and Preventive Measures Management Regulations (《糾正與預防措施管理規程》) and Recall Management Regulations (《召回管理規程》) to further optimize the quality management process and ensure its efficient and stable progress.

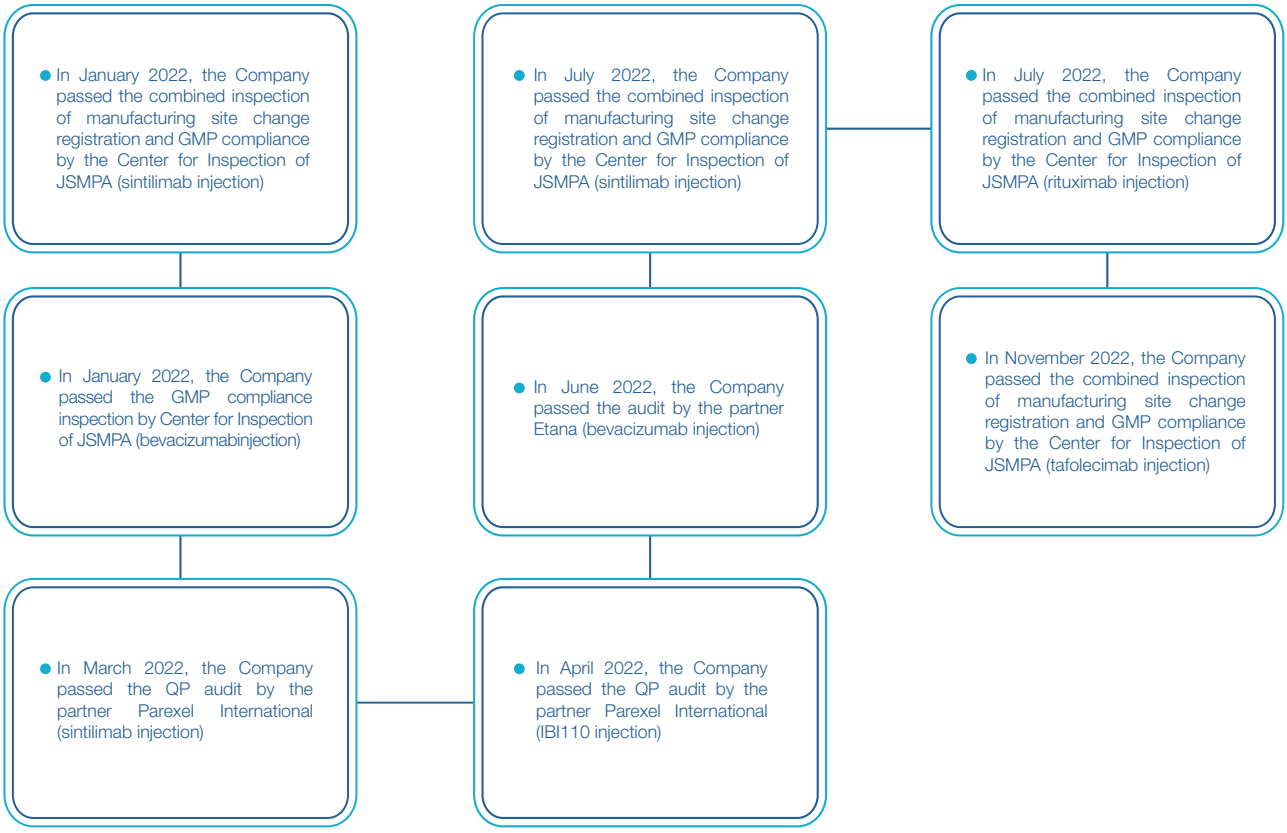
2.2.1 Quality Management System

Innovent has established a quality management system that complies with domestic and internationally recognized standards (such as Chinese GMP, EU GMP, FDA CGMP, ICH Q10, etc.) to oversee, establish and maintain a comprehensive and regulated status for the whole life cycle of Innovent's pharmaceutical products, so as to ensure appropriate quality attributes for product research, development, commercialization and post-marketing management.

With an aim to ensure the continuous and efficient operation of the quality system, Innovent uses tools for knowledge management and quality risk management to continuously review and improve the processes related to the quality management system. The Company regularly conducts compliance evaluations to ensure the continuous compliance of product quality and safety with the requirements of regulatory authorities in the target market. In 2022, Innovent was included in the first batch of Jiangsu provincial demonstration sites for quality management of medical products.

Innovent's production facility in Suzhou has passed GMP certification and the plant facilities that are under construction or ready for production are managed in accordance with GMP requirements. In 2022, Innovent completed three audits by partners including two EU Quality Proprietorship (QP) audits, in addition to six on-site inspections by national and provincial regulatory agencies. In 2022, the Company optimized its audit process and improved the audit efficiency of its quality management system.

2. ENJOYING GOOD HEALTH



Summary of Quality Audits Conducted by Innovent

Quality system	Intelligent factory construction	Data reliability improvement	Data reliability training
• On the basis of the original data reliability document of the quality system targeted for a single factory, the data reliability document is upgraded to a group management document, so that its scope of application is elevated to multiple factories in the group, the content is adapted according to multiple factory requirements, and the platform requirements are optimized	• The construction of new systems improves the technical control of data reliability, such as the construction of Manufacturing Execution System (MES) and the launch of the LabX system, which enables multiple individual equipment permissions and online and offline data management	• To continuously ensure data reliability, a systematic and process-oriented analysis of new equipment is carried out from the perspective of the data lifecycle to identify potential data reliability risks, and conduct risk control and improvement, cause analysis and impact assessment	• According to the requirements of the current regulatory documents, annual data reliability training is conducted for all employees involved, and a group of data reliability experts is trained through data reliability projects to strengthen the employees' awareness of data reliability

Innovent's Initiatives in Quality Management Data Reliability Improvement in 2022

2. ENJOYING GOOD HEALTH

2.2.2 Quality Management Initiatives

Innovent has established a sound quality team. In the actual operation, adhering to the concept of quality management based on regulations yet on a higher level, multi-departmental collaboration is carried out in terms of personnel, facilities and equipment, materials, regulatory compliance, environmental control and data integrity, so as to ensure the quality of pharmaceutical products and promote continuous and sustainable development.

- **Quality risk management**

The Company controls quality risks during the product life cycle through quality risk management. The general process of quality risk management includes hazard identification, risk analysis, risk assessment, risk control and risk review. We conduct risk assessment and management at different phases of the product life cycle. In 2022, the Company prepared 53 additional product-related risk assessment reports, reviewed 55 product-related risk assessment reports, upgraded 29 product-related risk assessment reports, and completed 41 CAPA actions resulting from risk assessment, so as to ensure that quality and compliance risks are properly considered and precautions are taken to control risks.

Drug development phase

Risk management is utilized to accelerate systematic understanding of products and processes, and control strategies are established to adequately control key attribute risks, identify key process parameters, so as to ensure the quality of manufactured products, which is assessed by the Product Control Strategy Guidelines (《产品控制策略指南》), and product development risks are controlled in accordance with Quality Risk Management in Drug Development Phase (《药物研发阶段质量风险管理》)

Technology transfer phase

The quality risk management is applied to assess and control process and product quality risks arising from technology transfer or expanded production, including risk assessments of technology transfer, multi-product co-production, laboratory system, system impact, component criticality impact, and computerized system

Commercialized production phase

Tolerable control strategies are established by assessing and managing processes and product quality risks during the commercialized operation phase, mainly including risk assessments of media fill,cleaning validation, process validation, transport validation and quality system operation

Product withdrawal phase

The risks to patients and product quality of products retained on the market can continue to be controlled through risk assessment of product withdrawal, so as to identify and control risks associated with transitioning patients to alternative therapies

Innovent's Whole-Process Product Quality Risk Management

2. ENJOYING GOOD HEALTH

• R&D quality management

The Company strictly ensures the quality of its products and implements strict quality control throughout the whole process from R&D, testing to production. In 2022, the Company optimized and upgraded nearly 70 documents on the R&D platform, sorted 24 documents on R&D quality work responsibilities and systems, formulated an upgrade plan for R&D quality system documents, and 10 system documents were streamlined and reduced to ensure that the R&D quality system was optimized and continued to function effectively.

R&D quality management training	Regular exchange	Laboratory verification
• In order to enhance the safety and quality awareness of experimental personnel, the Company organized nearly 20 training sessions on quality management for R&D personnel with over 200 participators in 2022, covering the safety management process of R&D experimental record books, investigation ideas and disposal of abnormal events, record handover and filing, and interpretation of key points of pharmacological development site verification, etc., aiming to enhance the safety and quality awareness of experimental personnel.	• In 2022, the Company organized more than 100 technical exchanges with various departments, including regular project exchanges, roll-down training on process development, analytical methods and basic knowledge of small molecules, and regular training sessions covering case sharing, process knowledge and cutting-edge technology sharing, etc.	• In 2022, 12 times of laboratory verification were carried out and the management was informed of the verification results in the form of monthly reports. Monthly statistics on the use of laboratory record books were maintained to ensure the safety of original laboratory records. The compliance team of the technical department conducted random daily walk-through inspections of each technical sector to ensure compliant laboratory operations.

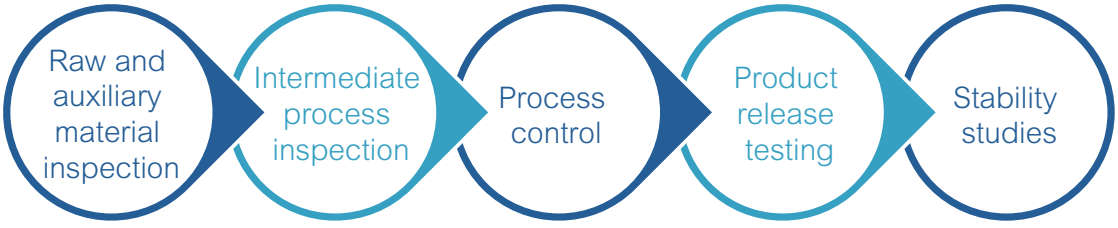
Innovent's Initiatives in R&D Quality Management

The Company adheres to R&D ethics, respects laboratory animal ethics and clinical trial regulations, and protects animal welfare and patient safety. We regard the rights and safety of our clinical study subjects as the key to clinical trials of drugs. The Pharmacovigilance Department is responsible for coordinated management of clinical studies and providing technical guidance on the timely evaluation and reporting of safety information during clinical trials. We fully protect the right to information of each clinical study subject and the security of their personal information, and strictly guarantee the confidentiality of their information to ensure that the clinical trial results are not leaked and that the clinical trials comply with ethics and regulations.

• Production quality management

Innovent has strong internal quality management and testing capabilities. With the support of top-notch laboratories, instruments and electronic systems, our professional team conducts rigorous testing and stability studies on each batch of products to control the quality of the whole production process. In 2022, the Company achieved production excellence in six areas, namely personnel, machines, materials, methods, environment and testing based on lean operations, optimized processes and refined management.

The Company implements management manuals and performance score sheets to strengthen quality culture, safe production and lean awareness, and built a PMO platform to promote project improvement. The Company implements production standardization in terms of personnel operations to reduce additional losses caused by unstable operations and promote the platformization of production systems, and pays close attention to production process optimization and production quality improvement to realize its mission of manufacturing high-quality bio-pharmaceutical products.



Full-cycle inspection of product quality and safety

2. ENJOYING GOOD HEALTH

The Company conducts a quarterly review of the GMP quality management system and product quality in the factory. The review covers key performance indicators, quality systems, material management, production and testing management, and internal and external audits related to product quality and GMP regulations. The Quality Management Committee analyses adverse trends in the relevant systems via the review material and develops action plans to improve the quality management system and product quality in the factory. We manufactured 212 batches of drug substance with a success rate of 100% in 2022.

- The production monitoring process is revised and risk assessment is conducted to optimize the time, method and frequency of on-site monitoring
- The product sampling process is revised and the sampling process is optimized by modifying the sampling basis for work references
- The electronic system is sorted and established for the auditing and tracking of the QA auditing process
- The material management procedures are updated and the description for the abnormal material disposal process is improved
- The rework and reprocessing management process is optimized, clarifying that rework batches of formulations cannot be mixed with normal batches

Innovent's Quality Management Process Optimization in 2022

During the production process, the Company has conducted quality control on the materials used in the capacity enhancement process to ensure that the production process parameters are strictly controlled within the operational and acceptable range while increasing the production capacity, and that the product quality remains consistent or comparable to that before the capacity enhancement.

Sintilimab refined processes to improve production quality

For products that have already put into commercialized production, such as the IBI308 (sintilimab injection) project, each link of production operations has made a breakthrough in their respective areas of responsibility, setting reasonable and feasible targets and directions for improvement so as to improve the production quality. The Production Department has broken down the production process data and conducted statistical analysis to identify process improvement points, and carried out process optimization from three dimensions, namely protein expression enhancement, culture volume increase and yield enhancement in the harvesting process, with a view to improving production yield and reducing production costs to the maximum extent.

2. ENJOYING GOOD HEALTH

2.2.3 Product Recall

In order to clarify the process of handling pharmaceutical products with quality problems and safety hazards and to ensure customer safety, we have formulated a comprehensive Recall Management Procedure (《召回管理規程》) and updated it in 2022 to further improve the responsibilities of participating departments, clarify the relationship between the recall depth and the recall level, the initiation time of recall, and the requirements for the release of recall information.

Innovent's Product Recall Process

During the Reporting Period, the Company was not involved in any product recalls due to quality and safety issues, nor did it receive any warnings or early warnings from the relevant medical products administration.

In 2022, the Company completed the annual mock recall as planned. The whole mock drill process was successfully completed in accordance with the requirements of the established mock recall plan, combined with the support of relevant processes and the participation of various departments of the Company, including customers and sales departments; and in view of the problems and deficiencies identified during the mock recall process, solutions were formulated to further improve the drug recall process.

2.2.4 Building a Quality Culture

Innovent places a high value on building a quality culture. The management of the Company has determined the concept and mission of quality culture, strengthened the publicity of quality culture and conducted quality management training. It actively promoted quality culture projects, embedded quality concepts and requirements in daily work and decision-making and provided necessary support and resources to ensure the production of high quality biological drugs. Meanwhile, the management of the Company advocated employees to actively carry out continuous improvement activities and regularly carried out the evaluation and promotion of quality star. It also has established a platform for rational suggestions to encourage employees to put forward rational suggestions and actively participate in continuous improvement through the management mechanism of collection, evaluation, implementation and reward, thus creating a good quality cultural atmosphere that everyone can see, hear and feel. We have conducted quality management training and strengthened the publicity of quality culture to create a good cultural atmosphere in which everyone values quality. In addition, we have strengthened communication with our partners on product quality and safety to publicize our advanced quality management concepts in a wide range.

2. ENJOYING GOOD HEALTH

- **Quality management training**

We attach great importance to the promotion of quality awareness and the continuous enhancement of our quality culture, and have a dedicated training manager in our quality team to ensure that the training system is well established and that the annual training plan is completed effectively.

Our GMP training includes, but is not limited to, pre-job and on-the-job training sessions. Each GMP employee is required to take the training on time and is evaluated after each training session to ensure that he/she is competent for the job.

Innovent's GMP Training

In 2022, we organized a series of training sessions on GMP-related aseptic knowledge, GMP regulations and basic knowledge to enhance the quality awareness of GMP staff, with over 3,000 participants. Furthermore, more than 368 offline training sessions were organized for GMP staff by technical experts from relevant sectors, covering case sharing on deviations and CAPA, training on operational and management processes, etc. These training sessions have raised the quality awareness of GMP staff and ensured that staff conduct themselves and operate in compliance with the regulations during the production process.

Innovent's Quality Management Training in 2022

2. ENJOYING GOOD HEALTH

- **Quality culture promotion**

Innovent provides a safe, open and transparent communication and working environment to foster and implement the quality culture. In early January 2022, the Company launched a one-year-long "Quality Culture Project" in an all-round manner to iterate the quality culture philosophy and code of conduct, strengthen managerial supervision and implement specific quality culture campaign. The aim of this quality culture campaign is to raise the quality awareness of our employees, to apply the concept of "being honest and responsible, doing the right thing and striving to do it right once" in our daily operations, to reduce the incidence of irrelevant errors and deviations/repeated deviations, and ultimately to achieve the goal of improving efficiency and continuing with lean management. This training on the iteration of the quality culture was conducted both online and offline and was attended by over 1,000 people across the Company.

We have also launched a "Star of the Month" campaign to further enhance our staff's understanding and awareness of the quality standard of pharmaceutical production. We have promoted our quality culture through internal meetings, posters, videos and other means to make everyone in the Company a participant, builder, supervisor and maintainer of the quality culture, and to make the quality standard of pharmaceutical production deeply rooted into the heart of every staff, creating the competitive advantage with the best quality starting from self motivation, and developing high-quality biological drugs that are affordable to the general public.

Innovent's Quality Culture Promotion Campaign in 2022

2. ENJOYING GOOD HEALTH

- **Quality management exchanges**

Innovent has been actively exchanging quality culture with various partners and regularly communicating with them on product quality, making unremitting efforts to build a healthy and positive quality management ecology in the industry.

Lilly	Incyte	Etana
• Innovent and its partner Lilly hold quarterly production and quality joint management meetings to exchange on production quality issues in their cooperative projects and to review recent production, supply and quality performances • The quality staff of Innovent and its partner Lilly hold regular face-to-face working group exchanges to discuss the daily deviations, changes, complaints and other quality events that occur in the cooperative projects with Lilly, and to exchange their opinions and agree on the investigation and disposal of quality events	• Innovent and its partner Incyte carry out cooperation on several projects, and members of both project teams communicate regularly to ensure product quality. In 2022, pemigatinib (pemazyre), the first product between Innovent and Incyte, was successfully approved in the Chinese market, and the two companies review and audit the quality KPIs every quarter after the launch	• Innovent and its partner Etana regularly discuss matters related to product quality to ensure the provision of high-quality drugs that meet regulatory requirements. In 2022, bevacizumab injection, the first product between Innovent and Etana, was successfully approved in Indonesia, and the manufacturing, quality and supply chain teams worked closely together for the launch of the new product, holding weekly project exchanges for on-time release of products to the Indonesian market

Innovent's Initiatives in Launching Quality Management Exchanges in 2022

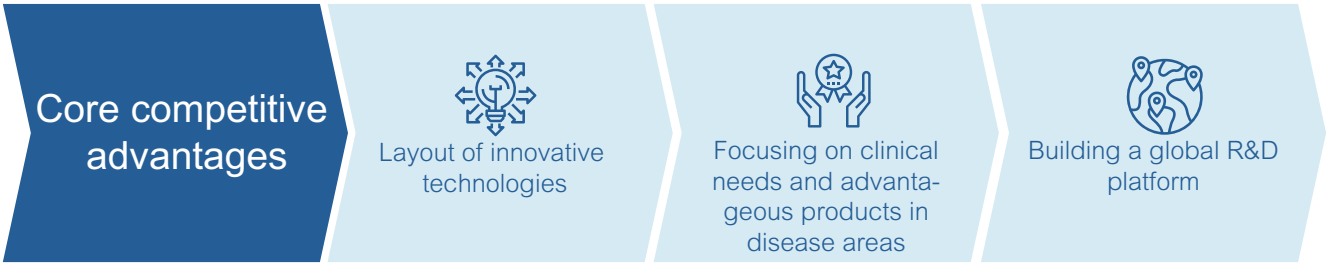
2.3 Inclusive Healthcare

Adhering to the development strategy of "global development with innovation as the cornerstone" and relying on professional advantages in the field of healthcare, Innovent, on the one hand, takes advantage of its commercialization platform system to deepen the market penetration of listed products in its pipeline and promote the implementation of medical insurance; on the other hand, it accelerates the development of more innovative molecules with global potential, gives full play to its advantages in cross-regional R&D and clinical resource synergy, promotes global medical access, and practices innovation and internationalization, striving to benefit the people's livelihood and the society with the results of corporate development.

2.3.1 Promoting Global Presence

Innovent constantly promotes its core development strategy for global innovations by building its innovation power of global standards and quality, and insisting on a sustainable development strategy. We explore PoC and early clinical development of innovative molecules with global potential, as well as global innovations and differentiated potential with more than 20 clinical drug candidates and early-stage development projects through a scientific approach. With a strong product pipeline portfolio, we continue to invest in early-stage molecules and cutting-edged R&D platforms for global innovations, taking into account both risks and global potential. The Company's development team will constantly promote the global clinical development of innovative molecules and ensure a reasonable return on investment in our R&D pipeline, in line with our scientific development philosophy.

2. ENJOYING GOOD HEALTH



Core Competitive Advantages of Innovent's Global Presence

Upholding the mission of "developing high-quality biopharmaceuticals that are affordable to ordinary people", Innovent is committed to making its high-quality drugs accessible to more patients worldwide, including developing countries and emerging markets.

In the Chinese market, the Company has established a sales team of over 3,000 people to actively expand market coverage and penetration in cities and rural areas at all levels through direct marketing and sales, and to promote the implementation of medical insurance, making our high-quality drugs accessible to more people. Currently, eight drugs have been approved for listing, three are under NMPA review, and five listed products have been included in China's national medical insurance catalog (TYVYT®, Olverembatinib®, BYVASDA®, HALPRYZA®, and SULINNO®), and Pemazyre® has been included in the catalog of specific drug reimbursements under Huimin Insurance Program in many places.

The Company has established an International Business Unit to promote its drugs to other emerging markets. In the process of entering into the emerging markets, the Company takes into account the overall economic, demographic and medical conditions of the target emerging markets and establishes a corresponding business model and a reasonable pricing mechanism.

Given the current business environment, lobbying for compulsory licensing and trade importation is not applicable to Innovent for the time being.

BYVASDA® received approval in Indonesia, promoting high-quality biologic drugs to enter into the emerging markets

In May 2022, BYVASDA® (bevacizumab injection, Indonesian brand: Bevagen®) was approved by Badan Peng was Obat dan Makanan (BPOM) for the treatment of metastatic colorectal cancer, metastatic triple-negative breast cancer, advanced non-small cell lung cancer, ovarian cancer and cervical cancer. It is the first Chinese anti-body drug to be commercialized and locally produced in Southeast Asia.

Innovent entered into a licensing agreement with PT Etana Biotechnologies Indonesia (Etana), an Indonesia-based biotechnology company, to bring BYVASDA® (bevacizumab injection) to the Indonesian market.

2. ENJOYING GOOD HEALTH

Pemazyre® approved in Hong Kong market to provide clinical benefits to more patients

In January 2022, Innovent's Pemazyre® (pemigatinib) received approval from the Department of Health (DH) of the Government of the Hong Kong Special Administrative Region, for the treatment of adults with previously treated, unresectable locally advanced metastatic cholangiocarcinoma with a FGFR2 fusion or rearrangement. Pemazyre®, the first selective FGFR TKI, was approved in the Hong Kong market for the treatment of advanced cholangiocarcinoma. The Company's product potential was further expanded to meet the clinical needs of more patients, to address existing problems in disease treatment at a deeper level, and to provide clinical benefits to patients in more regions.

Innovent's PD-1/IL-2 bi-specific antibody fusion protein IBI363 completed first clinical patient dosing in Australia

In August 2022, Innovent's novel first-in-class PD-1/IL-2 bi-specific antibody (development code: IBI363) completed its first patient dosed in the Phase I clinical trial in Australia for the treatment of advanced solid tumors or lymphomas. This is the first product of Innovent to start clinical trials in Australia, marking another firm step forward in Innovent's globalization path.

Innovent's IBI343 (CLDN 18.2 antibody coupling) completed first patient dosed in Australia

In October 2022, Innovent' Recombinant Human Anti-claudin 18.2 (Claudin18.2, CLDN18.2) antibody coupling (development code: IBI343) completed its first patient dosed in the Phase I clinical trial in Australia. This is the first ADC product candidates in Innovent's pipeline to enter the clinical phase.

2.3.2 Improving Medicine Accessibility

Innovent has been actively engaged in the registration and development of drugs for rare diseases, and the construction of a research and treatment ecosystem for rare diseases, striving to improve the accessibility of innovative therapeutic drugs to patients with rare diseases and provide high-quality innovative drugs to more patients worldwide.

Pemazyre® (pemigatinib oral inhibitor)	• The world's first drug targeted for cholangiocarcinoma approved in mainland China, Taiwan and Hong Kong
IBI306 (PCSK9)	• For the treatment of homozygous familial hypercholesterolemia, which is in clinical phase in China
IBI308 (PD-1 inhibitor)	• Orphan drug in the U.S. for T-cell lymphoma and esophageal cancer, which is in clinical phase • Orphan drug for peripheral T-cell lymphoma in Europe, which is in clinical phase
Olverembatinib	• The product has been launched in China and received the Orphan Drug Designation by the U.S. FDA

Innovent's Orphan Drug/Rare Disease Development

2. ENJOYING GOOD HEALTH

BCMA CAR-T co-developed by Innovent and IASO Bio. received Orphan Drug Designation from the U.S. FDA

In February 2022, BCMA CAR-T, a candidate product co-developed by Innovent and IASO Bio., received the Orphan Drug Designation (ODD) from the U.S. FDA for the treatment of relapsed/refractory myeloma multiforme (R/R MM), which could accelerate the clinical development and registration of drugs in the United States. IBI326 will be eligible for certain incentives, including the FDA support for clinical studies, special fee waivers, and a seven-year U.S. market exclusivity granted upon product approval. This Designation is a milestone in our commitment to develop BCMA CAR-T with improved efficacy and sustainability, enhancing access to innovative medicines for patients with multiple myeloma.

2.3.3 Empowering Medical Advancement

While actively expanding its global business, Innovent is deeply concerned about the medical development level in different regions. Through training exchange and medical resource assistance, Innovent has been enhancing its regional medical capabilities and deeply participating in joint industry construction to promote the steady improvement of global medical standards.

In 2022, Innovent conducted more than 15,000 exchanges and seminars with over 8,000 medical and healthcare professionals, and cooperated with more than 20 platforms to provide science popularization and medical education on oncological and non-oncological diseases for Chinese patients. In the meantime, the Company has supported the Foundation in planning and drafting of the White Paper on Immunotherapy for Patients with a Long Course of Treatment (《患者免疫治療長療程白皮書》).

- **Boosting the improvement of primary medical level**

Innovent has been concerned about the primary medical development in China. By empowering the medical capabilities of primary medical practitioners, it aims to enhance the diagnosis and treatment of primary medical workers, and promote the building of public health capacities in developing countries for the benefit of patients.

"Xinhuo China" Primary Oncology Diagnosis and Treatment Capacity Enhancement Project

In 2022, in order to implement the spirit of the Outline of the 14th Five-Year Plan for Building of National Clinical Specialty Capacity (《"十四五"國家臨床專科能力建設規劃》) and the Action Plan for Improving the Quality of Oncology Diagnosis and Treatment (《腫瘤診療質量提升行動計劃》), Innovent launched the "Oncology Immunization Xinhuo China" Oncology Immunology Standardized Diagnosis and Treatment Enhancement Training Program in collaboration with the National Health Commission Capacity Building and Continuing Education Center. The Program plays a comprehensive role in boosting the standardization of oncology-related departments in prefecture-level hospitals in China in the new context and situation. Through 200 sessions of primary academic education and clinical practice guidance, the Program aims to disseminate the latest clinical frontier progress, guideline recommendations, adverse reaction management and clinical evidence base for oncology treatment to county-level primary hospitals in cities below the third tier, improve the clinical diagnosis and treatment capabilities and immunotherapy concept of primary oncologists, promote primary immunotherapy practice, support the discipline development of primary diagnosis and treatment, and thus facilitate the achievement of the goal of "Healthy China 2030".

The Program has benefited nearly 1,000 medical workers in 100 cities nationwide, and has been spread to more than 1.3 million people through kick-off meetings, online courses and primary lectures, effectively improving the level of oncology diagnosis and treatment in primary hospitals and bringing benefits to more oncology patients.

Launching ceremony of "Xinhuo China"

2. ENJOYING GOOD HEALTH

- **Assisting in capacity building of local manufacturers**

In the course of cooperation with local partners, Innovent has proactively provided professional training and consultation guidance to several partners on GMP quality system, commercial compliance production, CDMO (Contract Development and Manufacturing Organization) management, supply chain management, clinical study, and registration and filing, assisting them in continuously improving their capabilities and meeting the requirements of GMP and GCP standards by the National Medical Products Administration.

2.3.4 Enhancing Medicine Affordability

Innovent has always adhered to its corporate mission of "developing high-quality biopharmaceuticals that are affordable to ordinary people" and is committed to developing high-quality drugs that are accessible and affordable to patients. In the sales process in different markets, the Company takes into account various factors in formulating product marketing plans. In the domestic market, the Company actively cooperates with the implementation of medical insurance policies, while in the overseas market, it considers the differences in economic development and medical standards of different countries and regions, and implements the fair pricing principle to provide high-quality and accessible drugs to more low – and middle-income countries and regions.

- **Domestic market**

Given the constant efforts made by China in deepening the reform of its medical insurance system in recent years, Innovent has actively responded to the national policy and contributed to the strategy of building a healthy China. Five products have been included in the national medical insurance catalog and their scope of indications is expanding. The Company actively cooperates with the implementation of medical insurance policies in regions under overall planning to make more patients and their families benefit from high-quality drugs as soon as possible.

Innovent's Pemazyre® (pemigatinib) was included in Huimin Insurance Program in Beijing, Shanxi, Inner Mongolia and Qingdao

In May 2022, 達伯坦® (pemigatinib; English trademark: Pemazyre®) was included in the catalog of specific drug reimbursements under the Huimin Insurance Program in Beijing, Shanxi, Inner Mongolia and Qingdao for indications of locally advanced or metastatic cholangiocarcinoma with a recurrent FGFR2 fusion/rearrangement. Pemazyre® (pemigatinib) has been included in the catalog of specific drug reimbursements under the Huimin Insurance Program in many regions to reduce the financial burden and relieve the treatment pressure for patients with locally advanced or metastatic cholangiocarcinoma with a recurrent FGFR2 fusion/rearrangement. This is a major breakthrough for the survival of patients with advanced cholangiocarcinoma.

Pemazyre® (pemigatinib; English trademark: Pemazyre®)

2. ENJOYING GOOD HEALTH

Olverembatinib reimbursed in 230 cities in 29 provinces, benefiting more patients

In September 2022, Olverembatinib (trade name: olverembatinib), a novel Class 1 drug, co-developed by Innovent and Ascentage Pharma, was successfully shortlisted in the List of Drugs Passing Formal Review for Adjustments for Drug Catalog of.National Basic Medical Insurance, Worker-related Injury Insurance and Maternity Insurance 2022 (《2022 年國家基本醫療保險、工傷保險和生育保險藥品目錄調整通過形式審查的申報藥品名單》) recently announced by the National Healthcare Security Administration. Since its inclusion in commercial insurance, olverembatinib has been reimbursed in 230 cities in 29 provinces, including critical diseases insurance and urban customized commercial insurance. This has resulted in a cumulative coverage of 160 million participants, significantly reducing the financial burden for patients with drug-resistant chronic myeloid leukemia (CML).

Olverembatinib (trade name: olverembatinib)

Two additional indications for TYVYT®, a new drug olverembatinib and several new indications including BYVASDA®, HALPRYZA® and SULINNO® were included in the 2022 edition of National Health Insurance Drug Catalog

In January 2023, Innovent announced the inclusion of two additional indications for TYVYT®, a new drug olverembatinib and several new indications including BYVASDA®, HALPRYZA® and SULINNO® in the 2022 edition of National Health Insurance Drug Catalog

This is the first time that gastric and esophageal cancers, the two additional indications for TYVYT®, are included in the National Health Insurance Drug Catalog. TYVYT® is the only PD-1 inhibitor for gastric cancer currently included in the National Health Insurance Drug Catalog, and the only PD-1 inhibitor included in the National Health Insurance Drug Catalog for first-line treatment of five major types of cancers.

As the only third-generation BCR-ABL inhibitor included in the national health insurance, olverembatinib fills the gap in the treatment of patients with T315I mutated chronic myeloid leukemia (CML).

In addition, all additional indications of BYVASDA®, HALPRYZA® and SULINNO® were included in the new version of the National Health Insurance Drug Catalog, which continuously expanded the scope of medical insurance payment and the group of patients enjoying benefits.

2. ENJOYING GOOD HEALTH

- **Overseas market**

While actively expanding into overseas markets, Innovent will develop market access and promotion strategies and targets and implement the fair pricing mechanism to benefit more patients worldwide, taking into account local development levels and medical conditions.

2.3.5 Promoting Universal Access to Medical Resources

Adhering to the "patient-oriented" philosophy, Innovent cares for patients and their families, and actively fulfills its social responsibilities. The Company has initiated and participated in public welfare assistance projects, such as TYVYT "Public Health and Poverty Alleviation Campaign", "Shu Xiang Xin Sheng", "Shu Xin Ke Yi • Tumor Immunization Patient Rescue Program" and "Ai You Xin Sheng Patient Assistance Program". "PEMAZYRE® Patient Rescue Program" and "Shu Xin Ke Da Caring for Oncology Patients Program", so as to make more oncology patients receive standardized and continuous treatment and relieve their financial burden, so that more patients can benefit from the progress of life science and have access to high-quality biological drugs. As of March 2023, Innovent has donated a variety of drugs in the past few

"TYVYT® Shu Xin Ke Yi Patient Rescue Program" jointly launched by Innovent and Beijing Health Alliance Charitable Foundation

Innovent and Beijing Health Alliance Charitable Foundation have jointly launched the "TYVYT® Shu Xin Ke Yi Patient Rescue Program" to make donations and raise funds for patients who need sintilimab injections but cannot afford the full cost of treatment. As of January 2023, 1.54 million pieces of drug have been distributed, benefiting more than 150,000 oncology patients and improving their quality of life and extending their lifespan. The Program has received unanimous praise from oncology experts and clinicians.

Meanwhile, the Company has set up pharmacies in remote provinces and cities, such as Tibet, Xinjiang and Inner Mongolia, to provide patients in different regions with convenient integrated drug delivery services, which has significantly improved the accessibility of drugs.

In January 2021, the price of TYVYT® was reduced by 64% to RMB2,843 per piece through national health insurance negotiation; in January 2022, a further 62% reduction of TYVYT® was realized to lower the price to RMB1,080 per piece through another round of national health insurance negotiation, which means that the actual annual cost of treatment for patients is only a few thousand yuan, greatly reducing the pressure on patients' families and allowing the practical accomplishment of the Company's mission.

2. ENJOYING GOOD HEALTH

"Ai You Xin Sheng" Drug Donation Program co-launched by Innovent and RenZe Foundation

Innovent supported and participated in RenZe Foundation's "Ai You Xin Sheng" Drug Donation Program targeted to nearly 20 million of low-income and underprivileged patients with autoimmune disease in China, aiming to make them receive long-term, standardized and effective drug treatment through drug assistance, and enjoy the humanistic care of "have access to medical treatment with affordable drugs". From the start of the Program to February 2023, more than 10,000 patients enjoyed the benefits, more than 40,000 pieces of drugs were distributed covering 199 hospitals and 334 doctors engaged themselves in the Program.

"PEMAZYRE® Patient Rescue Program" co-launched by Innovent and Beijing Health Alliance Charitable Foundation

In August 2022, Innovent once again responded to the call of Beijing Health Alliance Charitable Foundation to provide drug relief for cancer patients who are impoverished due to their diseases, and launched the "Pemazyre® Patient Rescue Program" to collect relief drugs for patients who need pemigatinib but cannot afford the full cost of treatment. As of January 2023, 344 sets of drugs have been distributed, benefiting a total of about 200 oncology patients.

years, benefiting more than 160,000 patients with a total donation value of hundreds of millions of yuan.

2.4 High-quality Service

As a representative of Suzhou's innovative biopharmaceutical enterprises, Innovent carries forward the core concept of "being a kind biopharmaceutical enterprise" and upholds the "patient-oriented" philosophy to continuously improve the customer service mechanism. By implementing responsible marketing, we strive to protect the data privacy and information security of our customers and provide them with better services.

2.4.1 Customer Service

After-sales management

Innovent communicates with customers through various channels to understand patients' needs and win their trust in a timely manner. To address customer complaints regarding product quality issues, Innovent has formulated internal policies such as the Product Complaints Management Procedures (《產品投訴管理規程》), detailing the handling processes and measures for customer complaints.

The third-party 400 service hotline is responsible for receiving all product quality issues and informing the Quality Department of Innovent within the specified time.

After receiving a complaint, the Quality Department conducts preliminary assessment and complaint classification according to the procedures, carries out organizational investigation, if necessary, to clarify the causes of complaint defects, and prepares a report on corrective and preventive measures according to the causes.

After completing a reply, it follows up on and implements the corrective and preventive measures system, and optimizes the whole process system.

After-sales Complaints Management Process

2. ENJOYING GOOD HEALTH

During the Reporting Period, Innovent was not involved in major complaints for reasons of quality, and 88 minor complaints were received. The compliant proportion (in proportion to the shipments) remained stable compared to that of 2021, with no adverse trend. The minor complaint issues mainly focused on packaging defects of individual products in a whole batch. All complaints have been investigated and corrective and preventive measures have been formulated based on the identified causes, and the process system has been upgraded to prevent the recurrence of similar problems.

Satisfaction improvement

Innovent continues to optimize its product quality to ensure the consistency and safety of products, and constantly optimizes the patients' experience to enhance customer satisfaction. Over the years, Innovent has been committed to the "patient-oriented" philosophy by caring for patients and their families, and has carried out extensive public welfare activities. The Company has initiated and participated in public welfare programs such as the "Shu Xin Ke Yi • Tumor Immunization Patient Rescue Program" and "PEMAZYRE® Patient Rescue Program" to make Chinese oncology patients receive standardized and continuous treatment and reduce their financial burden.

Furthermore, we focus on improving patient compliance and drug dosing convenience.

Development of pre-filled pens and auto-injector pens

Recently, great breakthroughs have been made in biologic drug development, and several innovative drugs for the treatment of autoimmune diseases and chronic diseases have been introduced. However, most of them are parenterally dosages, requiring frequent dosing and multiple visits, with poor drug compliance. Therefore, Innovent has partnered with medical device manufacturers to develop advanced drug delivery systems, including the SULINNO prefilled pen, which has been approved for marketing, and several prefilled auto-injector pens that are ready for approval or are in the clinical phase.

Currently, the pre-filled auto-injector pen has been applied by the Company in several projects. Among them, tafolecimab injection (PCSK9) project completed the clinical study in 2022 and a marketing application was submitted.IBI362 (mazdutide) completed a change from a vial use to a pre-filled pen in 2021, and further upgraded to an auto-injector pen in 2022, which was widely used in clinical studies. During the clinical study, the auto-injector pen showcased good drug dosing convenience, and subjects were basically pain-free, eliminating their fear of needles and the risk of needle stick injuries.

2. ENJOYING GOOD HEALTH

2.4.2 Responsible Marketing

We strictly comply with the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》), the Property Law of the People's Republic of China (《中華人民共和國物權法》), the Law of the People's Republic of China on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》), the Law of the People's Republic of China on the Protection of Personal Information, (《中華人民共和國個人信息保護法》), and other policies and regulations. We have also formulated and updated internal documents such as Promotional and Educational Materials Review Process (《PEM材料審核流程》), External Material Release Review Process (《對外材料發佈審核流程》) and Process Guidelines on Promotional and Educational Materials (《推廣和教育材料流程指引》), optimized the control of contents published on third-party platforms, and added descriptions for responsibilities of process management department and application departments and the approver for updates. Innovent insists on the elimination of false promotion and consumer deception. We have founded a marketing management center, which is responsible for establishing a series of internal controls and platform systems related to the commercialization business for the specialization and coordination of platform systems for the commercialization business. The policies related to the above-mentioned responsible marketing have been announced on the Company's intranet platform and relevant training has been conducted for all employees.

We conduct strict compliance reviews on marketing materials. For corporate publicity materials, we will carry out the review according to the External Material Release Review Process before the release of materials, which will be led by the Corporate Publicity Department with the joint efforts of our Business Department, Medical Department, IP, Investor Relationship, Legal Department and Compliance Department; for educational and promotional materials, we will carry out the review following the PEM Material Review Process, which will be led by the Compliance Department with the joint efforts of the Marketing Department, Medical Department and Legal Department.

Marketing Department	Medical Department	Legal Department
• Verify whether the marketing content involved in the materials is in line with the Company's product strategy and positioning	• Verify whether the materials are reviewed in strict accordance with the approved indication information • Confirm the rigorousness of the clinical data	• Confirm whether the materials comply with advertising laws • Confirm whether there are risks for marketing drugs among patients

Review Process (Educational and Promotional Materials)

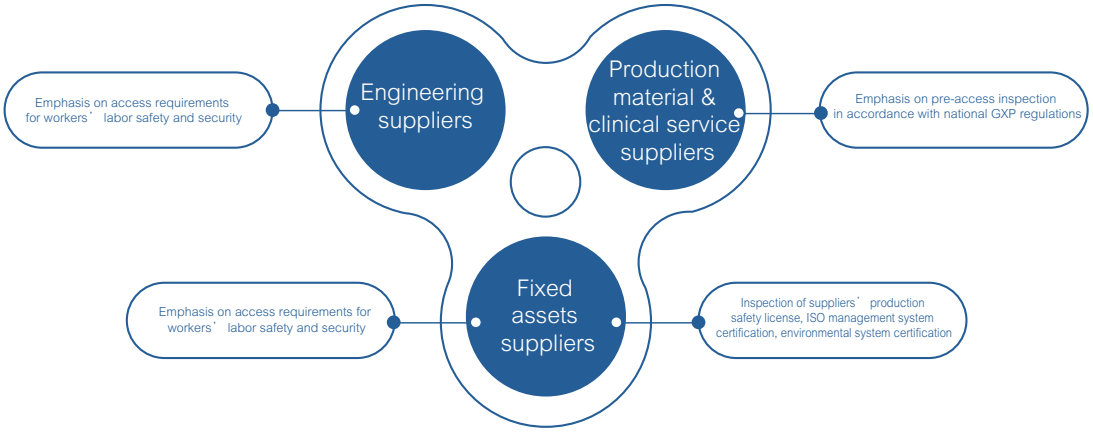
2.5 Supply Chain Management

Innovent continues to improve its supplier management system and strengthen supplier compliance management to effectively prevent and control supply chain risks. We have established a good relationship with suppliers for win-win cooperation, and actively build a responsible and sustainable supply chain.

2.5.1 Supplier Access

We have established internal systems such as Procurement Management Process (《採購管理流程》), Supplier Management Process (《供應商管理流程》), Supplier Operation Management Procedures (《供應商操作管理規程》) and Supplier EHS Audit Management Procedures (《供應商EHS審計管理規程》). In the new supplier access process, Innovent conducts safety, environmental protection, health and quality inspections and evaluations for different types of suppliers with green products and services as an important factor in supplier selection. We only select suppliers who use packaging materials made from environmentally friendly substances and suppliers with excellent ESG performance. In the process of cooperation, we sign EHS or quality agreements with suppliers by type.

2. ENJOYING GOOD HEALTH



In addition, all partners included in Innovent's supplier list are required to follow anti-bribery and anti-corruption agreements, and we will require suppliers to sign an Anti-Corruption Pledge (《反腐敗承諾》) and Integrity Pledge (《誠信廉潔承諾》) at the time of access.

In 2022, Innovent has 813 suppliers, of which 45 are located overseas or in Hong Kong, Macau and Taiwan.

Table: Innovent's Statistics on Number of Suppliers

Indicators		Unit	2022
Number of suppliers by region	East China	Per unit	576
	South China		32
	Central China		24
	North China		112
	Northwest China		2
	Northeast China		9
	Southwest China		13
	Outside China (including Hong Kong, Macau and Taiwan)		45
Number of suppliers by type	Materials	Per unit	193
	Fixed assets		150
	Engineering		107
	R&D		54
	Clinical		79
	Ordinary		230

2.5.2 Supplier Assessment and Audit

We evaluate the performance of all suppliers in terms of quality, cost, delivery, service, technology, ESG performance and other dimensions. For different types of suppliers, we have set up customized performance weights. After evaluating various types of suppliers, we communicate with them on performance results, conduct cause analysis and Corrective Action and Preventive Action (CAPA) follow-up mechanism, support suppliers to obtain relevant qualifications, and provide training to suppliers. We have carried out several sessions of training and exchanges for all suppliers to seek close cooperation and mutual progress with them. We have also actively explored and developed local material suppliers, and provided multiple rounds of training and guidance to help them improve their quality level and meet the regulatory requirements of the NMPA, thereby promoting the development of the upstream supply chain of the industry.

2. ENJOYING GOOD HEALTH

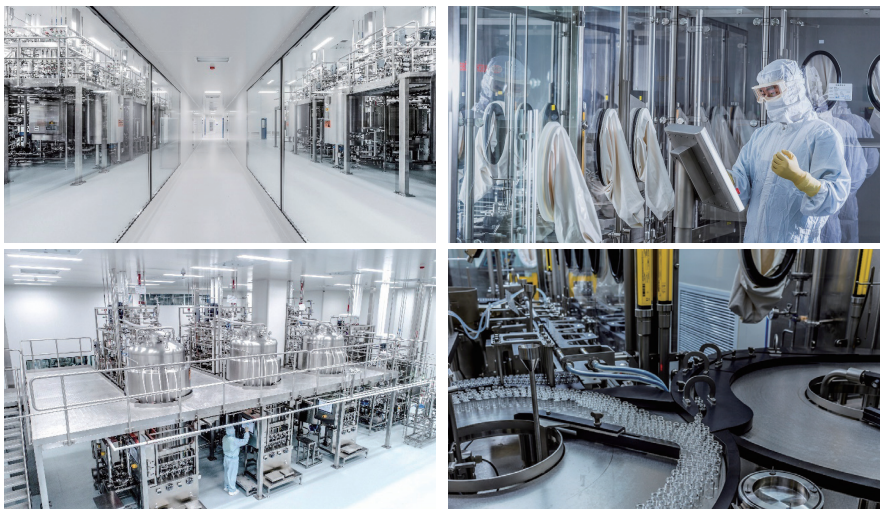
Collect supplier quality document	Collect supplier questionaires	Perform quality audits	Sign quality agreements
• Make sure the supplier is a legal enterprise • Production suppliers should have production conditions and a sound quality system • Products should meet the standard requirements	• Understand the overall conditions and quality management of suppliers • Identify the risks of suppliers and formulate measures	• Perform quality audits on A/B/S1/S2 suppliers • Ensure that the products provided by suppliers meet the relevant regulatory requirements and Innovent's requirements	• Sign quality agreements with A/B/S1/S2 suppliers • Correctly define the roles, responsibilities, scope of services and technical quality requirements of both parties

Moreover, we have been actively conducting supplier audits. In 2022, we conducted a total of 82 GMP supplier audits, covering material, commissioned testing, CDMO, cold chain transportation, business ethics, and environmental factors, Among them, 39 were regular audits, 3 were causal audits, and 40 were qualification audits, with a pass rate of 97.6%. In 2022, we conducted 24 GDP supplier audits, mainly quality audits, with a pass rate of 100%.

2.5.3 Supply Chain Risk Management

Innovent has established a supply chain capacity planning mechanism and process to timely update and formulate end-to-end capacity expansion plans for suppliers' material supply, production, testing and release, storage and distribution to ensure sustainable supply of products. We have also developed a Business Continuity Planning (BCP) for major events to ensure the personal health, material supply, and stability and continuity of production during special times.

We have been committed to mitigating and controlling supply chain risks. In 2022, in addition to M1a and M1b plants, the Company received GMP certification for its M2 plant, which was put into commercial production, ensuring a multi-line back-up supply of core products. By now, Innovent has a total of three plants, namely M1a, M1b and M2, to support its commercial and clinical production, forming an industrial production line with a total capacity of 60,000 liters of monoclonal antibodies, making it one of the largest biopharmaceutical industrialization bases in China.



Innovent's Production Line

In addition, we actively execute the dual-source management, setting different material grades according to the impact of raw materials on products, and implement the separate management of different grades of materials. For critical raw materials, we have set up a secure inventory and reserved dual-source supplier candidates to ensure continuous supply. Meanwhile, for materials involved in our self-developed core commercialization projects, we have formed a localization project team to promote the localization of materials and develop together with domestic high-quality potential suppliers to further reduce the risks of external uncertainties.

3. PEOPLE FOREMOST

Innovent insists on retaining talents, and attaches great importance to the important role of talents in promoting the sustainable development of the enterprise. The Company is committed to building a diverse and equal talent team, continuously improving employees' sense of belonging, promoting talent attraction and retention, and integrating employee development with corporate development. We care about social welfare, help the community develop with practical actions, and demonstrate our responsibility as a responsible corporate citizen.

This chapter responds to the United Nations Sustainable Development Goals (SDGs)

3.1 Gathering Talents

Innovent adheres to legal and compliant employment, strengthens refined human resources management, helps employees achieve personal development, and cares about employees' physical and mental health, continuously improving employees' sense of satisfaction, happiness and belonging.

3.1.1 Compliant Employment

Innovent strictly abides by the "Labor Law of the People's Republic of China" (《中華人民共和國勞動法》), the "Labor Contract Law of the People's Republic of China" (《中華人民共和國勞動合同法》), the "Social Insurance Law of the People's Republic of China" (《中華人民共和國社會保險法》) and relevant laws, regulations and regulatory requirements of all countries where it operates to carry out compliant employment. In 2022, we revised and updated the original system, and added 7 new systems including the "Recruitment and Entry Management Measures" (《招聘入職管理辦法》), continuously improving the human resources management system. In order to further strengthen human resource management, the Company has comprehensively sorted out the human resource management process, combined with the actual operation situation, and launched OneHR, an integrated human resource information platform, to facilitate the refined business operation. During the Reporting Period, we completed the systematic sorting out of key human resource businesses, and output 36 relevant systems and process systems based on business scenarios to efficiently carry out human resource management.

Key HR business system

The Company adheres to legal and compliant employment, and upholds the principles of diversity and equality in the recruitment and employment process. We have clarified the requirements for diversity in the "Recruitment and Entry Management Measures" (《招聘入職管理辦法》), provided employment opportunities based on individual abilities, and firmly opposed discrimination based on race, skin color, gender, religious beliefs, nationality, marital status, age, physical condition, and any other factors. The Company has set diversity goals and continuously enhance the diversity level of employees. Currently, the Company's female employees account for more than 50%. We strictly abide by the requirements of the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and the Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》) and other laws and regulations, prohibit recruiting minors under the age of 16 to prevent the use of child labor, and verify the identity information of employees during the recruitment process to ensure that employees meet the national legal working age so as to prevent such incidents from occurring. We effectively guarantee equal pay for equal work for male and female employees, and prohibit the occurrence of forced labor. In 2022, there was no incidents of child labor, forced labor, harassment and discrimination in the Company.

3. PEOPLE FOREMOST

We expand recruitment channels, establish a complete recruitment system, and continue to expand the talent team through online recruitment, internal recommendation, headhunting recruitment, campus recruitment, social recruitment, etc., providing an important guarantee for the healthy and sustainable development of the Company. In the process of realizing Innovent's new ten-year dream, we actively introduced professional and management talents in the fields of R&D, CMC (chemical, manufacture and control), commercialization, etc., and attracted fresh blood through campus recruitment programs such as "Innovent | Forging Ahead", so as to expand the Company's talent pool. In 2022, Innovent overcame various adverse effects, continued to maintain close ties with more than 100 universities at home and abroad, carried out more than 100 online, offline and on-site campus recruitment activities, and provided more than 500 employment opportunities for fresh graduates.

November 2022 Innovent – Fudan University Online Campus Talk Live

Commercial "Innovent | Forging Ahead" Campus Recruitment Project

In September 2022, Innovent launched a commercial "Innovent | Forging Ahead" campus recruitment project. As the core fresh graduate project of Innovent commercial sector, the project aims to recruit a group of promising young people who are diligent and eager to succeed, and cultivates and reserves more outstanding commercial talents and future management cadres for Innovent through professional training, dual mentoring and high-energy practical combat, focusing on front-line rapid growth, two major development directions, three types of role assistance, and four development stages.

In 2022, the Company had 5,294 employees in total, with a signing rate of labor contracts reaching 100%, of which 2,654 were female employees, accounting for 50.13%.

Workforce of Innovent in 2022

Indicator		Unit	2022
By gender	Male	Person	2,640
	Female	Person	2,654
By employment type	Full-time employees	Person	5,294
	Part-time employees	Person	0
By age	30 years old and below	Person	2,552
	31 to 49 years old	Person	2,681
	50 years old and above	Person	61
By region	Suzhou	Person	1,820
	Beijing	Person	205
	Shanghai	Person	470
	Others (including America and Europe)	Person	2,799
By rank	Senior management	Person	56
	Middle management	Person	970
	General staff	Person	4,268

3. PEOPLE FOREMOST

With its outstanding performance in various aspects of human resources management, Innovent has been awarded a number of honors by government departments and renowned organizations in China:


荣誉证书

你单位被评为 2019-2020 年度苏州市劳动保障 AAAA 级信誉单位。特发此证，以资鼓励。

Suzhou Labor Security AAAA Credit Unit

Suzhou Human Resources and Social Security Bureau & Suzhou Social Credit Construction System Leading Group Office


荣誉证书

信达生物制药(苏州)有限公司:

你单位被评为 2021 年度苏州工业园区 AAAAA 级劳动保障信用等级单位。特发此证，以资鼓励。

Suzhou Industrial Park AAAAA Labor Security Credit Unit

Suzhou Industrial Park Human Resources and Social Security Bureau

LinkedIn Global Standard Award – Talent Awards – Best Employer Brand

LinkedIn

2022 KING'S ARK Most Talent-Loving Employer

BOSS

2022 Remarkable Employer in Jiangsu

Liepin

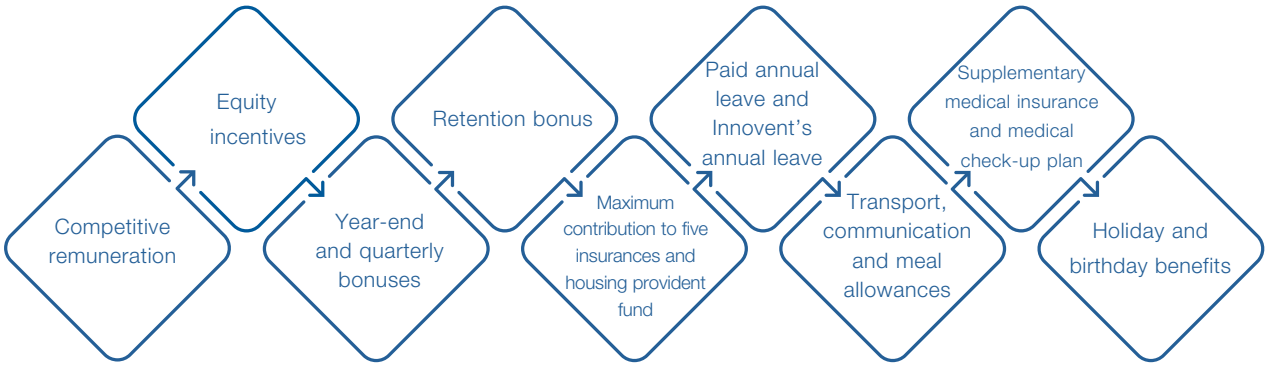
R-Tech Role Model Award

Beisen

3. PEOPLE FOREMOST

Innovent is committed to providing its employees with a fair, competitive and comprehensive remuneration and benefits system, and to enhancing their sense of achievement and satisfaction around remuneration and benefits, performance and recognition, work and life in general. We make contributions to social insurance and the housing provident fund for employees in accordance with the law, supplemented with commercial medical and accident insurance, and provide physical checkups for all employees who have worked at the Company for more than one year. Employees are entitled to national legal holidays in accordance with the law, and the Company also provides paid annual leave, Innovent leave, points-based platform, and extensive supplementary benefits in the form of transportation, communication and meal subsidies.

The Company conducts annual reviews of the remuneration and benefits system and makes targeted adjustments in line with the actual situation. We have established a variable compensation mechanism that provides year-end rewards and corresponding promotion opportunities according to the performance of employees. In 2022, we developed a new version of employee honor system and standardized our reward mechanism. We adhered to the principle of contribution assessment, enhanced the strength of rewards, and emphasized process motivation, encouraging all departments to recognize employees with outstanding performance in the course of their work. We also established long service rewards to recognize the long-term commitment of our employees. For the purpose of retaining talents and motivating employees, we introduced an employee stock ownership plan and a restricted share plan whereby shares will be granted to eligible employees in key positions and outstanding employees each year subject to the approval of the Remuneration Committee and the Board.



Remuneration and Benefits System of Innovent

3.1.2 Employee Development

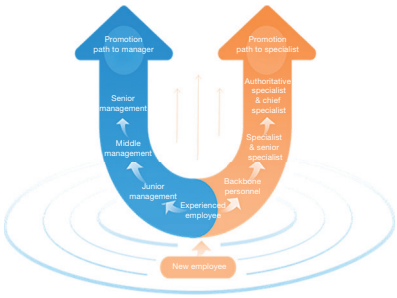
Innovent places great importance on the overall development of its employees. We have set up an open and transparent promotion mechanism for our employees and developed a multi-channel and multi-dimensional talent development system. By doing so, we are committed to driving the high-quality development of the Company with talents.

3. PEOPLE FOREMOST

Talent Motivation and Promotion

Innovent continues to optimise its team structure and strengthen its talent team through various measures. We established a fair and equitable promotion mechanism based on competency and quality and modeled on a sequence of positions, and set up a parallel promotion path of "management sequence" and "professional sequence" respectively. In 2022, about 40% of vacant management positions in the Company were filled through internal promotion or transfer. In the future, the proportion will be further increased to provide more equal development opportunities for employees.

We have established a diversified performance evaluation system and incentive methods, such as annual evaluation, high performance awards and key talent retention plan, to recognize employee value and improve their personal performance, thus promoting the joint development of employees and the Company. In addition, Innovent has established an incentive system for research and development to promote innovation, with special rewards for employees who have achieved important innovation results and talent project applications for outstanding R&D personnel, in an effort to build a multi-level and multi-channel incentive system.



Two-pronged Promotion Paths

Diversified Talent Development

Based on its business strategy and the personalized development needs of its employees, Innovent implemented "online + offline" and "theory + practice" multi-dimensional training programmes according to internal systems such as the "Training Management Policy" (《培訓管理制度》), "Management System for In-service Staff Education" (《在職員工學歷教育管理制度》) and "Innovent Internal Instructor System" (《信達內部講師體系》), which aim to encourage its employees to participate in professional training and business learning programmes. We have set up a series of courses to enhance the skills of our employees from the perspectives of basic skills, professionalism, leadership and innovation, so as to promote the development of a high-quality talent team.

We further improved the structure of the "Innovent Academy" system, clarified the development direction of the Academy in terms of courses and lecturers, and focused on building an endogenous cadre development system. During the Reporting Period, we joined hands with external consultants to conduct project management training where with our real projects as case studies, we analyzed key project issues with trainees. After the training, we selected potential trainees as internal lecturers and developed the "Project Management" courses with Innovent's characteristics in combination with the experience of external consultants and internal management practices.

3. PEOPLE FOREMOST

In 2022, Innovent Academy conducted a total of 110 training sessions, including 3 academies and 9 programs that cover all employees. For all training programs, post-training examinations and satisfaction feedback were conducted.

Table: Innovent's Training Progress in 2022

Training Category	Training Target	Progress in 2022
Training for new employees	New employees	• A series of courses such as "Innovent Beginning", "Innovent Journey" and "Innovent Vision" help new employees to quickly integrate into the Company and understand the culture of Innovent • Conducted 46 "Innovent Vision" courses, covering 1,881 employees
Basic training	Newly promoted/ recruited cadres	• Conducted 14 basic training camps, covering 489 employees • Conducted 8 middle-manager training camps, covering 193 employees
Special training	High potential and in-service employees	• Added 10 new leadership courses • Conducted 20 leadership training sessions with 528 participants
High potential training	High potential middle managers	• Conducted 11 training sessions, 4 Cedar Class (40 students) lectures • PICEA Leadership Program 1 (20 students) started the action learning project combining theory and practice • PICEA Leadership Program 2 (31 students) adopted a variety of learning sharing and discussion forms
Business training	Customized by the business segment	• Focused on the promotion and training of business knowledge processes and job professional skills • Innovent Academy assisted internal lecturers in enhancing their teaching skills and some of their lectures

3. PEOPLE FOREMOST

Training for middle managers with high potential – Picea Class

In 2022, in order to cater to the Company's development strategy at a deeper level, we further optimised the Leadership Programs for Picea Class, covering middle level management with high potential. In addition to the existing leadership workshops, executive face-to-face meetings, angel groups and small lecture program, we introduced practical courses and set up Class 2 of the PICEA Leadership Program, in which trainees selected and focused on the real problems faced by the Company, applied theoretical knowledge to practice, and expanded their vision and cognitive level by solving practical problems.

Photo of trainees from PICEA Leadership Program

The training scene of PICEA Leadership Program

Training for senior managers with high potential – Cedar Class

As a training platform for senior managers of the Company, Cedar Class has organised more than 20 learning activities over the past three years since its establishment. In August 2022, nearly 40 trainees from Cedar Class visited the People's Police Training School of Suzhou (蘇州人民警察培訓學校) for training and exchanges, where they observed exciting shooting training, learnt about public security administration services, gained experience in information security management and a shared course on the Indicator System-led Ecological Construction of Suzhou Public Security Camp (《以指標體系為牽引的蘇州公安警營生態建設》). In addition, several departments of the public security system had in-depth exchanges and discussions with trainees from Cedar Class on issues such as organisational development, talent cultivation and cultural construction, with a view to learning from the advanced experience and incorporating it into the Company's operation and management, thereby facilitating the refined development of the Company.

Photo of trainees from Cedar Class

3. PEOPLE FOREMOST

Special training – Wolf Warrior Class

In 2022, the Company launched the "Wolf Warrior Special Training Camp" for the commercialisation of junior and middle managers. The "Wolf Warrior Camp" was designed to help employees quickly solve problems in the actual workplace through field research, differentiated challenge scenarios in each business division, and adopting a new model combining theory and actual cases, case studies and exercises. During the Reporting Period, we organised 13 "Wolf Warrior Camps", covering 456 trainees, with 40 visiting lecturers being trained, and practical tools that can be applied in daily work produced, thereby achieving a 100% satisfaction rate among trainees and senior management of all business divisions.

Photo of trainees from "Wolf Warrior Special Training Camp"

Basic training- "Innovent |Future"/"Innovent |Impetus"

In order to enhance the basic management skills of our employees and the distinctive abilities required for the development of each segment, Innovent has set up the "Innovent |Future"/"Innovent |Impetus" training programs targeting junior and middle managers. In addition to a variety of learning activities such as cultural heritage learning discussions, management case studies, classroom learning, assignment submission and evaluation, the training camp also includes behavioral observation sessions to test the learning results, forming closed-loop training from learning to practice to consolidate the basic management skills of managers. During the Reporting Period, we organised 22 training camps for junior and middle managers, covering all junior and middle managers.

"Innovent |Future" Training Camp Activity "Innovent |Impetus" Training Camp Activity

3. PEOPLE FOREMOST

E-learning, an online learning platform

The E-learning platform developed by Innovent Academy is an online learning platform that covers all employees who can access the platform via the computer website or mobile App to learn online courses, attend live training and take online exams whenever and wherever possible for fast and efficient growth. In 2022, we made 560 courses available to all employees again, which were free of charge. The percentage of online training courses conducted via the platform reached 54.08%, with 5,098 participants and an employee learning rate of over 96%.

We also have launched an IDP (Individual Development Plan) program for our junior staff and staff with high potential, in which supervisors assist staff in planning their career paths and achieving upward mobility. For fresh graduates, we have established the "Innovent | Forging Ahead" fresh graduate training program to select outstanding talents with solid professional knowledge and development potential, and foster them into leaders in the pharmaceutical industry with an international vision and Innovent characteristics.

In addition to professional and management skill improvement training for employees, we also encourage all employees (including part-time employees) to constantly pursue further studies and continuous self-improvement, and provide support according to their applications and needs to help them achieve more long-term career development.

Helping employees pursue higher academic and professional qualifications

Innovent, joining hands with Suzhou University, has established "Innovent Class" to train our staff and obtain a master's degree in pharmacy. All employees, including part-time staff, are entitled to a tuition fee subsidy to pursue higher academic qualifications and help them further develop their careers.

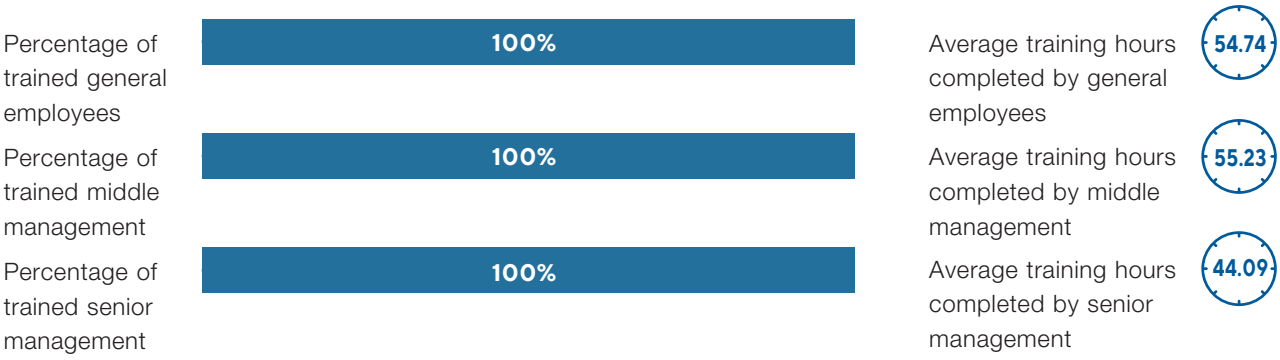
In addition, we also assist our staff in applying for professional and technical qualifications to promote their long-term career development. During the Reporting Period, the Company successfully applied for the engineer title for 25 staff and the assistant engineer title for 37 staff.

In addition, the national postdoctoral research station of Innovent has officially been put into operation, which is attracting more doctors for further studies.

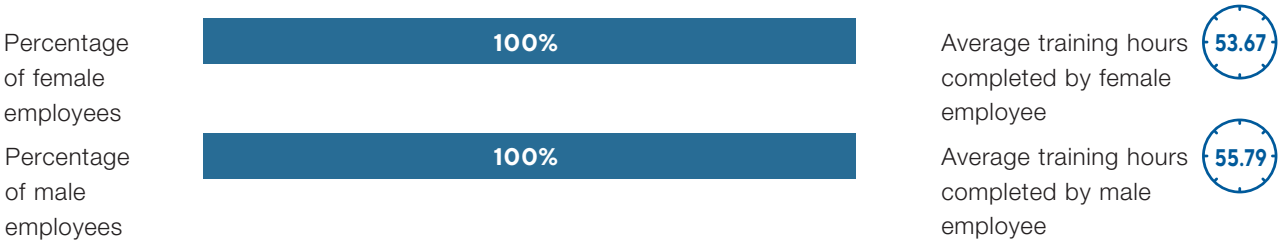
3. PEOPLE FOREMOST

The trained employees of Innovent

Percentage of trained employees by grade



Percentage of trained employees by gender



3.1.3 Staff Care

Innovent always regards employees as the most valuable treasure, and regards respecting employees, caring for employees, and improving employees' sense of belonging as the focus of the Company's humanistic care. The Company continues to promote employee communication and exchange, and shortens the distance between employees through diversified employee activities, so as to create a warm and harmonious working atmosphere for employees.

Democratic Management

Innovent attaches great importance to the important role played by employees in the development process of the enterprise, and insists on combining online communication platforms and offline employee meetings to carry out all-round and multi-angle democratic management, accurately respond to employees' reasonable demands, and pursue better improvement in communication.

3. PEOPLE FOREMOST

The Company has established and continuously improved the internal hierarchical communication mechanism, and regularly sorted out and maintained online and offline channels to ensure smooth and effective communication channels. We also convey the Company's operating conditions and future strategic planning to employees, solve employees' key concerns, encourage employees to exert a sense of ownership, and put forward reasonable suggestions for the development of ESG-related matters through staff meetings and thematic seminars of various sectors. In 2022, Innovent received nearly 380 suggestions and feedbacks on its online communication platform and 26,330 consultations from employees, with a 100% evaluation and closed-loop processing rate. A total of 2 staff meetings were held.

Innovent's employee communication channels

"Salute to Bravery"- Innovent 2022 Annual Staff Meeting

In 2022, Innovent held an annual staff meeting for all employees, comprehensively reviewed the Company's development status and future planning in 2022 from the four dimensions of the Company's strategic goals, R&D innovation, steady operation and change management, and summarized and answered the key questions that employees are concerned about. While conveying the spirit and strategic planning of the enterprise, the meeting timely understands and responds to employees' suggestions and needs on corporate governance, future development, daily operations, etc., and further deepens the connection between leadership and employees.

2022 Annual Staff Meeting

3. PEOPLE FOREMOST

We also guide employees to flexibly use channels such as complaints report and the Writing to the Chairman to protect their rights and interests. The Company has set up modules such as complaints and whistle-blowing and the Writing to the Chairman for employees to timely feedback illegal acts in their daily work. The relevant responsible personnel will strictly abide by the principle of whistleblower protection, investigate the content of the complaint as soon as possible and confirm the corresponding solution. In 2022, Innovent received a total of 12 complaints from employees, all of which have been processed in closed-loop manner.

In addition, we also carry out employee satisfaction research activities through online questionnaires and other means to solve employees' problems in daily life in a timely manner and improve employees' work and life experience in the Company. In 2022, the Company collected a total of 1,563 questionnaire feedbacks, and completed the optimization of the employee management system function and the update of the Company's consultation desk question database according to the questionnaire results, and the comprehensive employee satisfaction rate exceeded 95%.

Staff Benefits

Innovent adheres to the concept of "People Foremost", continues to carry out employee welfare distribution and care activities, implements humanistic care in the whole life cycle of employees, and shares the results of enterprise development with employees. In 2022, the Company continued to improve the infrastructure such as gyms, and based on the team building budget, various departments carried out nearly 340 diversified activities such as holiday welfare distribution, outdoor expansion, sports competitions, and food festivals, which further enhanced the cohesion and centripetal force of the team.

Distribution of birthday cakes

Rice balls sent during the Lantern Festival

New employee induction package

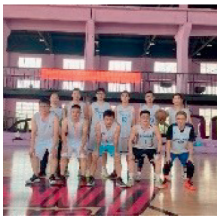
Write Spring Festival couplets and send blessings during the Spring Festival

Family banquet at Chinese New Year's Eve

Gourmet Festival

Mobile Game Autumn Competition jointly held with Huacai for Win-win

Outdoor outreach



Friendly sport match

Guide employees to scientific fitness

US employees welcoming Christmas and New Year

Innovent carried out employee care activities in 2022

3. PEOPLE FOREMOST

"Care for Employees, Healthy Everyone" TCM pulse identification free consultation activity

In October 2022, the Company organized the "Care for Employees, Healthy Everyone" TCM pulse identification free consultation activity. We invited a number of authoritative TCM experts from Gushengtang Group, a designated TCM clinic of national chain medical insurance, to give appropriate conditioning plans and suggestions for employees' physique, chronic diseases, common diseases, frequently-occurring diseases, gynecological diseases, sports injuries, etc. through one-on-one pulse identification. Free physiotherapeutic patches for cervical pain/migraine relief were also provided on site.

In just two days, hundreds of employees participated in on-site consultations. Many students said that this free clinic activity was very meaningful, not only allowing everyone to understand their own physical health, but also experiencing the connotation of traditional Chinese medicine culture.

In the process of practicing care for employees, the Company is also committed to safeguarding the basic rights and interests of employees from different backgrounds. We continue to update the dishes of Innovent's "Internet Celebrity" staff canteens to provide a variety of meals for employees of different nationalities and origins. For female employees, we have set up infrastructure such as nursing rooms, and flexibly carried out Women's Day activities such as the "She Workplace" – themed book list – the "Happy Reading" program and the "She Culture" – themed course improvement program, to improve the well-being of employees, meet the needs of female employees in terms of self-development and rights protection, and give employees the warmth of home.

Innovent's Mother-and-baby Room

Women's Day-themed activity

In March 2023, Innovent launched the "She Power" Women's Day-themed activity, prepared holiday benefits for female employees, and held a DIY immortal flower fan activity in the canteen to enable female employees to truly experience the fun of handicrafts. At the same time, the Company's human resources department interprets personnel-related policies and Innovent Academy organizes education and learning courses to fully implement the benefits to female employees.

Photo of the International Women's Day event

3. PEOPLE FOREMOST

We also uphold the spirit of solidarity and mutual assistance, deeply care for the living conditions of employees in difficulty, and provide accurate help according to the actual difficulties of employees. In 2022, the Company launched a donation activity for the critically ill families of employees to solve their urgent needs. In the face of the COVID-19, the Company immediately set up a caring working group to track the working and living conditions of employees in real time, and overcome difficulties with all employees through the distribution of vegetables and other daily necessities, care funds, encouragement letters, etc.

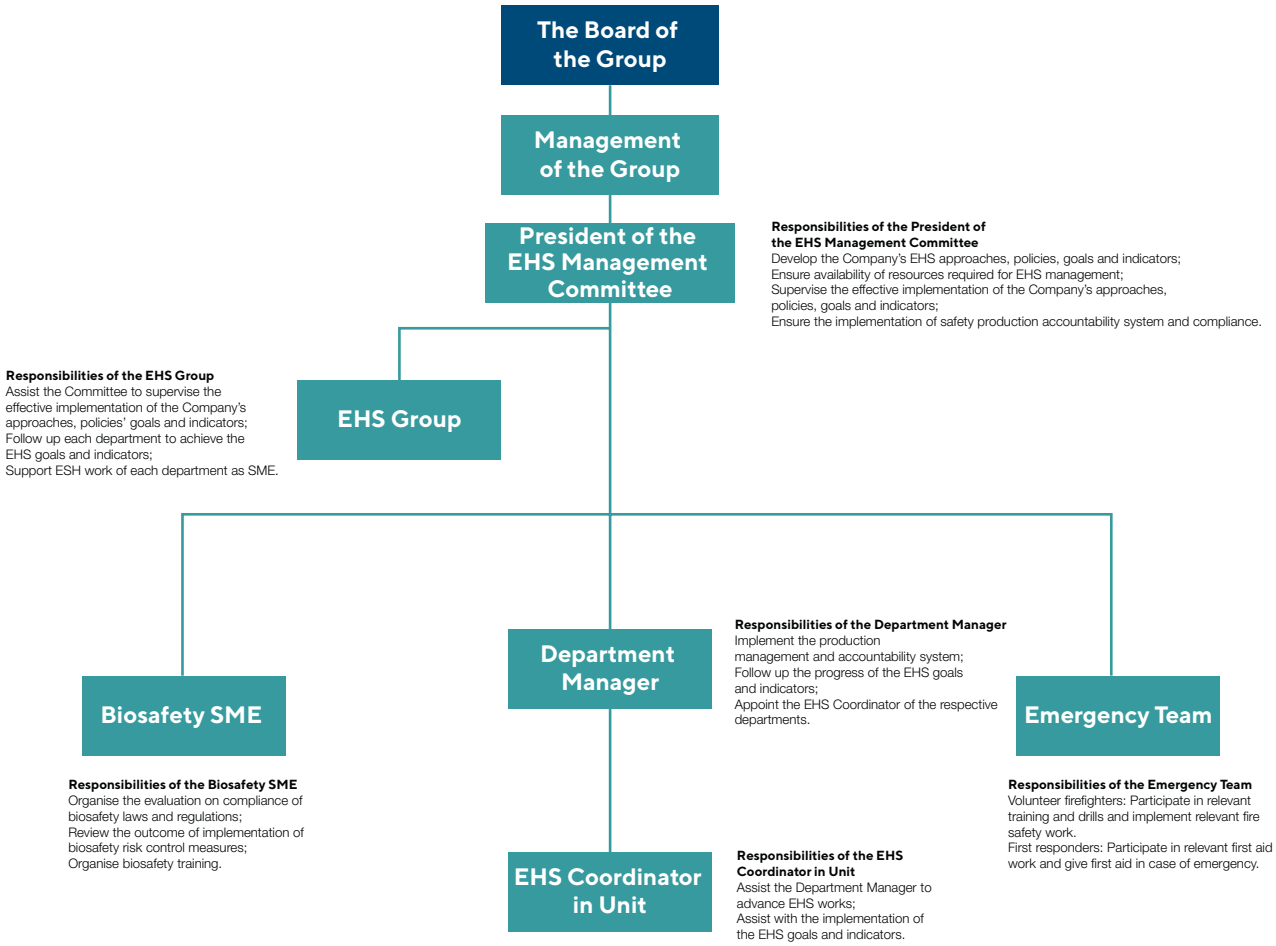
3.1.4 Staff Safety

Innovent attaches great importance to the occupational health and safety of its employees. The Company has strictly abided by relevant laws and regulations including the "Civil Code of the People's Republic of China" (《中華人民共和國民法典》), the "Safety Production Law of the People's Republic of China" (《中華人民共和國安全生產法》), the "Occupational Disease Prevention Law of the People's Republic of China" (《中華人民共和國職業病防治法》), and the "Workplace Occupational Hygiene Supervision and Management Regulations" (《工作場所職業衛生監督管理規定》), as well as relevant management measures and regulatory requirements including the "Measures for the Three 'Simultaneous' Supervision and Administration of Safety Facilities in Construction Projects" (《建設項目安全設施"三同時"監督管理辦法》) and the "Work Safety Administrative Regulations for Construction Projects" (《建設工程安全生產管理條例》), and formulated internal systems such as the "Environment, Safety and Occupational Health Management Handbook" (《環境、安全和職業健康管理手冊》), and the "Occupational Health Management Handbook" (《職業衛生管理手冊》), thereby constructing a safety management system to ensure safety production and the occupational health and safety of employees.

- **Framework of Occupational Health and Safety Management**

The Board of the Company is the highest responsible body for EHS (Environment, Health and Safety) management. We have set up an EHS Management Committee to implement specific work and fully protect the occupational health and safety of our employees by developing EHS strategies, reviewing EHS indicators, ensuring the use of relevant resources, and engaging external specialist consultants. The Company's EHS management system strictly carries out relevant management and execution work based on the operating model focusing on "planning, implementation, inspection and review". In accordance with the requirements of government department, the Company has passed the third-level standardised certification for work safety, established a second-level standardised system for work safety to improve the Company's safety production management performance, carried out corresponding gap identification and evaluation, formulated improvement plans, and followed up on the improvement situation. We have formulated the "Management Regulations of Safety Production Accountability System" (《安全生產責任制管理規程》) and completed the signing of the safety production accountability system, clarifying the safety production responsibility of each position and department. In 2022, the Company established the ISO 45001 occupational health and safety management system, completed internal audits and management reviews of the management system. We obtained ISO 45001 occupational health and safety management system certification in early 2023.

3. PEOPLE FOREMOST



Structure of the EHS Management Committee

3. PEOPLE FOREMOST

Innovent has established an EHS management system featuring dual prevention and control mechanisms, focusing on the multi-layered safety risk management and control and the investigation and management of potential risks. We have developed internal procedural documents such as the "Management Regulations for Identification of Major Sources of Hazards" (《重大危險源辨識管理規程》), the "Procedures on the Screening, Identification and Control of Potential Hazards" (《隱患排查治理程序》) and the "Management Regulations for Three Violations" (《"三違"行為管理規程》) to evaluate the sources of hazards in the operation process, identified four grades of safety risks: low, normal, high and significant, and drew a four-color diagram for hazard identification. This makes safety risk prevention and control clearer and more visible, and is beneficial for the Company to propose targeted prevent and control measures. We also regularly investigate into potential risk factors, formulated scientific and rigorous plans for safety inspection, implement closed-loop management for major and significant risks, and adopt practical and feasible rectification measures to ensure the stable operation of the safety management mechanism. In 2022, our Suzhou base completed the safety status assessment, M2&A2 project safety acceptance evaluation, and passed the inspection for lightning protection in buildings and annual inspection for fire protection facility. In addition, we also paid attention to the safety management of relevant parties, proposed further requirements in the "EHS Management Procedures of Contractors and Suppliers" (《承包商供應商 EHS 管理程序》), and conducted safety inspections on the construction site.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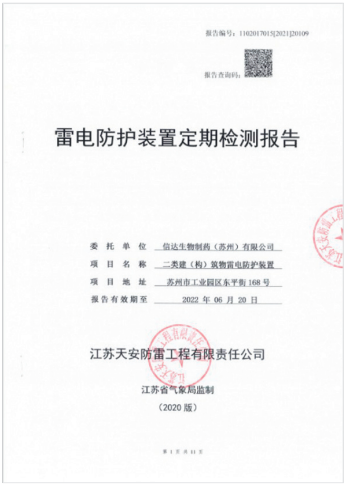
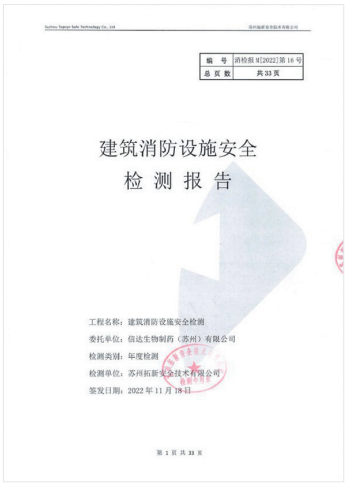
Certificate of Registration
环境管理体系 – ISO 14001:2015
EMS 758813
"making excellence a habit."

ISO 45001:2018 certification

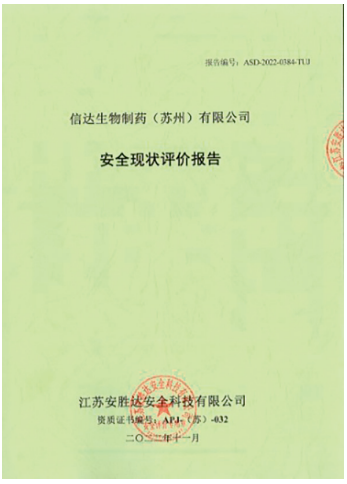

雷电防护装置定期检测报告
江苏天安防雷工程有限责任公司
江苏省气象局监制
（2020 版）

Annual inspection report on lightning protection in buildings

Four-color diagram for hazard identification


建筑消防设施安全
检 测 报 告

Annual inspection report on fire protection facility


信达生物制药（苏州）有限公司
安全现状评价报告
江苏安胜达安全科技有限公司

Assessment report on safety status

On-site inspection

3. PEOPLE FOREMOST

• Occupational Health and Safety Measures

The Company continued to implement occupational health and safety management measures to reduce and eliminate occupational hazards, so as to carry out comprehensive safety management operations from the perspective of safety analysis, occupational disease protection and periodic examination, chemical management, special equipment management, hypertoxic article management and fire management.

Business Processes Safety Analysis

Innovent conducts sufficient analysis and assessment (e.g. analysis before the implementation of new or modified processes and regular assessment of existing processes) regarding production processes to minimize safety risks. In 2022, we updated the "Management Regulations for Risk Identification, Assessment and Control" (《風險辨識、評價和控制管理規程》), by adding and refining the steps and assessment standards of risk identification, establishing the score table of risk assessment elements, and further clarifying the grades of safety risks. At the same time, the Company actively identified occupational disease hazards, and invited professional third party to conduct tests and inspections. Employees working in these positions are informed of and warned against occupational disease risks, with on-site inspection and special training provided to strengthen those employees' awareness of the risk of occupational hazards and reduce the risk.

Identification and inspection of occupational health hazards in Suzhou base

In 2022, we conducted identification and inspection of occupational hazards at the Suzhou base. By entering the production workshop and various areas for on-site inspections, conducting personnel inspections of department heads and employees, we completed comprehensive identification of the occupational hazards at the Suzhou base considering existing production processes, raw and auxiliary materials, the generation and emissions of wastewater, exhaust gas and waste residue, and relevant assessment reports. We conducted on-site and sampling inspections on all areas involving occupational hazards and areas where occupational hazards may exist at the Suzhou base, and informed the results via email and announcement post.

On-site collection of air samples

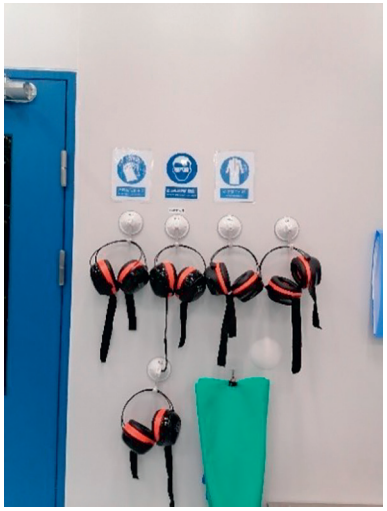
On-site publicity of inspection report

3. PEOPLE FOREMOST

Occupational Disease Prevention

The Company provides comprehensive occupational health and safety protection for employees by adopting policies such as the "Regulations on the Management of Labor Protection Supplies" (《勞動防護用品管理規定》) and the "Occupational Health Management Procedures" (《職業健康管理程序》). We work out lists of specific protection supplies for different types of operations, and provide production line staff with safety helmets, protective masks, air respirators, gas masks, working clothing, protective gloves and other suitable safety protective equipment, to ensure individual protects conducted by staff. We also regularly engage external institutions to carry out safety appliance tests to ensure that the performance of safety appliance meets the requirements. The Company organizes physical examinations for employees involving in occupational hazards, and notifies them the physical examination results in accordance with the requirements of the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, the Good Supply Practice for Pharmaceutical Products and relevant laws and regulations.

2022 Employee Occupational Health and Safety Protection Measures of Innovent



PPE at working place in Suzhou base

- We implemented the occupational health protection plan, with a total of 137 employees did pre-job examinations for occupational health, 220 employees did the on-the-job examinations for occupational health, 15 employees did pre-departure examination for occupational health in 2022, and no cases regarding occupational diseases were found throughout the year.
- We strictly implemented the health management of personnel who had direct contact with drugs. In 2022, a total of 382 employees were organized to do the physical examination for direct contact with drugs, and no abnormalities were found throughout the year.
- We carried out post risk assessment, identified and formulated PPE equipment matrix, and provided appropriate training and PPE for personnel who need to wear PPE. Employees also actively wore relevant protective equipment. Therefore, the health and safety of employees were effectively protected.
- Hepatitis B vaccine was vaccinated for new drug R&D personnel having contact with blood products. In 2022, a total of 33 people injected the hepatitis B vaccine, thus effectively protected the health and safety of such personnel.

3. PEOPLE FOREMOST

Special Equipment Management

The Company manages special-purpose equipment separately. It revised and updated the "Regulations on the Management of Special-purpose Equipment/Special-purpose Operations" (《特種設備／特種作業管理規程》) in 2022 to further clarify the types of special operations and personnel for special operations. The Company tightens up the management of equipment procurement, installation, acceptance inspection, registration, annual inspection, maintenance and scrapping activities, and the manufacturers for special-purpose equipment installation are reviewed for proper qualifications, and required to complete registration formalities. Relevant operators are required to possess special-purpose operation qualifications. The Company provides relevant training for internal operators for special operations and examines the results. All such personnel shall possess special-purpose operation qualifications before starting work.

Management of Hazardous Chemicals

The Company has formulated the "Regulations on the Management of Hazardous Chemicals" (《危險化學品管理規程》), the "Regulations on the Management of Hypertoxic Articles" (《劇毒品管理規程》), the "Quality Control Regulations on the Management of Hypertoxic Articles" (《質量控制劇毒品管理規程》) and other rules to ensure the strict control of the procurement, storage, use and destruction of hazardous chemicals, and built dedicated chemical warehouses employing first-grade design standards, covering the storage of precursors, explosives, acid alkali, organic solvents, etc. Furthermore, employees working in connection with chemicals must obtain the certificate for "Operating Chemicals" (《化學品操作》). We use both offline and online synchronized registration and management for the use of dangerous chemicals using ledger accounts. This ensures the implementation of relevant measures for warehouse safety management. The online system allows real-time access to every entry and exit record, further enhancing the management of dangerous chemicals. With a view to avoiding use of or exposure to hazardous chemicals by mistake, the Company has posted chemicals safety technical instructions, notification cards, warning signs, management policies, etc. in the storage areas for enquiry by staff as well as serving as a warning. In terms of the management of hypertoxic chemicals, employees involved in the storage, operation, and emergency treatment of hypertoxic chemicals must receive regular training on the relevant laws and regulations, work safety, expertise and emergency response, and only those passing the corresponding assessments are qualified for the job.

Dedicated chemical warehouse and storage cabinet

3. PEOPLE FOREMOST

SDS publicity & Management systems & Allocation of emergency protective materials on site

We strictly abide by the national management requirements for biological laboratories, carry out registration and filing of biological laboratories as required, and completed the filing of 2 biosafety laboratories and the certificate change of 2 biosafety laboratories in 2022. At the same time, we have formulated the Biosafety Management Manual, established a biosafety management committee, and strictly implemented the risk assessment system for the introduction of biological products. All responsible departments have set up various management systems and requirements of equipment and safety operation, and strictly implemented regular biosafety inspection. In addition, regular biosafety training is carried out to enhance the biosafety awareness and capabilities of relevant personnel.

Chemical Safety Notification Card Posted On-site

Biosafety Laboratory Filing Certificate

3. PEOPLE FOREMOST

Fire Management

The Company adheres to the principle of "combining fire prevention and firefighting, while giving top priority to fire prevention" and organises firefighting drills twice a year to help employees acquire an understanding as to how the firefighting and safety equipment works, improve their survival skills and self-rescue ability.

Evacuation Drill for Emergency

Fire Extinguishing Exercises

Smart upgrade for charging area of electric vehicle

In 2022, we carried out safety risk assessment and safety improvement and transformation. Specifically, in order to further reduce the risks in the charging process of electric vehicles in the factory, we carried out intelligent transformation. Additional intelligent charge managers were installed to effectively monitor charging duration and overload risk, and emergency devices such as fire extinguishers and smoke detectors were also equipped to effectively reduce fire risks.

Smart firefighting facilities in the electric vehicle charging area

3. PEOPLE FOREMOST

Safety Training and Emergency Response Drill

The Company has constantly stepped up safety and health publicizing, and organized such training for targeted group as needed. The Company arranges safety training courses at three levels (i.e. company/department/post-level) for new employees, as well as sets positions as internal firefighter, responder assumed by EHS-related officials and managers and special-purpose equipment operators involved in special-purpose operations and provides special training for them.

Introduction of know-hows relating to EHS

In accordance with the requirements of the “Safety Production Law of the People’s Republic of China” (《中華人民共和國安全生產法》) and other laws and regulations, the Company has formulated the “Regulations on the Management of Preparation for and Response to Emergency” (《應急準備和響應管理規程》), and organized emergency drills for treatment of chemical spills, confined space and other incidents to improve employees’ safety awareness and emergency handling capabilities. During the Reporting Period, we carried out a number of emergency drills targeting safety incidents, including chemical spills, confined space, cardiopulmonary resuscitation and emergency handling drills, so that they could master relevant knowledge and work with higher safety awareness and ultimately to avoid any safety risks.

Emergency drill for chemical spills

Emergency drill for confined space

Emergency Response & CPR Drills

During the Reporting Period, there are no work-related accidents. In the past three years, particulars on work-related injuries and fatalities of the Company are as follows:

Table: Innovent 2020-2022 Work-Related Injuries and Fatalities

Indicator	Unit	2020	2021	2022
Number of work-related fatalities	person	0	0	**0**
Rate of work-related fatalities	%	0	0	**0**
Lost days due to work injury	day	0	52	**2**

3. PEOPLE FOREMOST

3.2 Public Welfare and Charity

We are committed to being a compassionate company, and believe that the real value of a company should not be limited to profit, but only by putting personal value and corporate value into the grander coordinates of industry, society, country and even the promotion of human progress can we make our lives and careers more meaningful. We firmly believe that, everyone, regardless of poverty, wealth, or the birthplace, should be equally entitled to the health benefits brought by scientific and technological progress. While adhering to the mission of developing high-quality biopharmaceuticals that are affordable to ordinary people, we actively undertake corporate social responsibilities, hoping to do our best to contribute more to the society.

Innovent has been giving back to society. In 2022, we focused on the field of public health, continued to carry out public welfare and charity activities and volunteer services such as providing medical assistance, empowering the development of primary medical care, supporting rural education, and anti-epidemic, and took practical actions to improve the well-being of residents and protect their health, which enables us to win unanimous praise. During the Reporting Period, Innovent donated a total amount of RMB247.2 million to various public welfare donations.

- **Medical assistance**

It is Innovent's original intention and mission to be a social responsible biopharmaceutical company and to develop high-quality biopharmaceuticals affordable to the common people. Over the years, Innovent has always been adhering to scientific and benevolent ideas, adhering to the principle of "patient-centered" and caring about patients and their families, and actively fulfilling social responsibilities. The Company successively initiated and participated in public welfare assistance projects such as "Public Health and Poverty Alleviation Campaign", "Shu Xiang Xin Sheng", "Shu Xin Ke Yi", "Ai You Xin Sheng", "PEMAZYRE® Patient Rescue Program" and "Shu Xin Ke Da Caring for Oncology Patients Program", helping more Chinese cancer patients receive standardized and continuous treatment, effectively reducing the financial burden of patients, benefiting tens of thousands of patients, and hoping that more and more patients can benefit from advances in life science with high-quality biological drugs available and affordable.

As of March 2023, Innovent has donated a variety of drugs through multiple public welfare projects to fulfill its mission in the past few years, benefiting more than 160,000 ordinary patients, and the total value of drug donations reached hundreds of millions of RMB.

3. PEOPLE FOREMOST

• Rural education support

The Company always regards education as an important part of corporate public welfare actions. We deeply practice the promise of "being an enterprise with a strong sense of social responsibility", and cooperate with third-party public welfare organizations to provide high-quality educational resources for rural children through book donations and other methods, and continue to help improve the level of rural education.

Innovent • Tong Shu Le Juan Public Welfare Activity

In June 2022, Innovent and Stars Youth Development Center launched the "Innovent • Tong Shu Le Juan Public Welfare Activity", calling on its employees to donate books to benefit rural primary schools in counties with "Tong Shu Le Juan" program, and share love and warmth with actions within their capabilities. During the Reporting Period, the employees of the Company donated a total of 500 children's books to do their best to ignite the dream of seeking knowledge of rural children, in a bid to promote development through education, and help rural revitalization.

Innovent • Tong Shu Le Juan Public Welfare Activity

• Volunteer Service

We encourage employees to actively participate in social welfare activities. The Company has carried out free clinics many times, organized voluntary blood donations, called on employees to support Suzhou Industrial Park, and participated in community anti-epidemic work and anti-epidemic volunteer services, etc., to contribute to building a prosperous community. During the pandemic, Innovent made public welfare donations in response to the actual difficulties caused by the pandemic to Shanghai residents and anti-epidemic personnel, which were used to purchase medical protective supplies to support Shanghai's epidemic prevention and control efforts, so as to jointly win the battle against the epidemic. We never forget our original intention of contributing and giving back to society and are committed to making Innovent an outstanding corporate citizen and contributing to the development of society.

The Company has established a volunteer team covering all departments of the Company and continues to optimize the team structure of "volunteer management-volunteer representatives-volunteer members" to provide an organizational basis for the smooth development of the Company's volunteer services. During the Reporting Period, the Company's volunteer team consisted of 312 volunteers and performed 2,985 hours of volunteer services.

- **Spirituality**: Dedication, love, mutual help, progress
- **Principle**: Participate voluntarily, act according to ability, be pragmatic, achieve the mission, and persevere

Innovent Volunteer Team's guiding philosophy

3. PEOPLE FOREMOST

Volunteer epidemic prevention and control inspection at Innovent's plant

Innovent staff doing sample testing support at Suzhou Nucleic Acid Clinical Testing Center

Innovent staff provided volunteer services in the Dushuwan community in Suzhou

Innovent staff provided volunteer services in a community in Shanghai

- **Honor**

By virtue of its years of contribution in actively practicing medical charity and protecting people's health, Innovent was awarded the "Outstanding Case of Corporate Social Responsibility in Medical Field" at the 4th Chinese Physician Public Welfare Conference in 2022.

With the development of medical technology, we hope that more and more patients can benefit from the advancement of life sciences, have access to and afford high-quality biological drugs to gain new life and obtain worry-free treatment.

Innovent was awarded the "2022 Looking for Medical Public Welfare Star—Outstanding Case of Corporate Social Responsibility in Medical Field"

4. GREEN ECOLOGY

Innovent adheres to the strategy of sustainable development and is committed to protecting natural resources and the ecological environment. We uphold the concept of green development, pay attention to environmental management performance, effectively improve energy utilization and reduce pollution emissions, practice green office, attach importance to biodiversity protection, and actively respond to climate change.

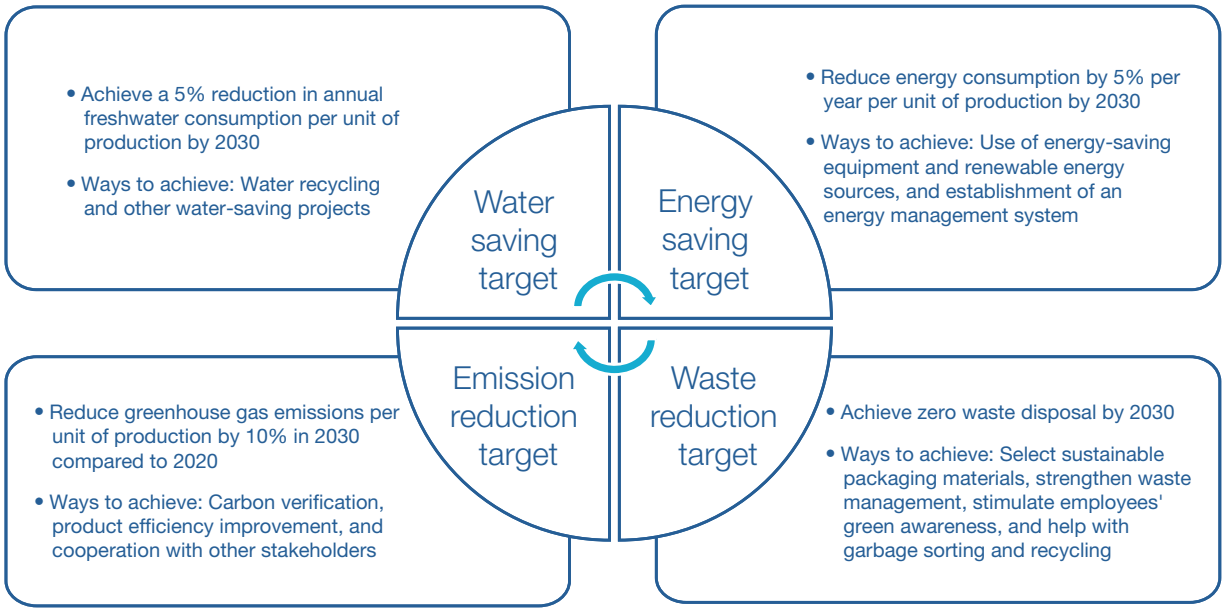
This chapter responds to the United Nations Sustainable Development Goals (SDGs)

4.1 Environmental Management

Innovent has continuously strengthened its environmental management capabilities, set environmental management goals, optimized and improved its environmental management system, incorporated environmental performance into its salary management system, actively carried out environmental impact audits, and strengthened environmental risk control to prevent environmental accidents.

4.1.1 Environmental Management Objectives

Innovent has set environmental management targets in four dimensions: water saving, energy saving, emission reduction, and waste reduction, and has implemented environmental management measures according to the plan to gradually improve environmental management performance. The Company has completed all of the annual goals regarding water saving, energy saving, emission reduction and waste reduction in 2022.



4. GREEN ECOLOGY

4.1.2 Environmental Management System

We strictly comply with the laws and regulations such as “Environmental Protection Law of the People’s Republic of China”, “Environmental Impact Assessment Law of the People’s Republic of China”, “Law of the People’s Republic of China on the Prevention and Control of Air Pollution”, “Law of the People’s Republic of China on the Prevention and Control of Solid Waste Pollution” and “Law of the People’s Republic of China on the Prevention and Control of Water Pollution”, and we have completed the publication and update of 43 different EHS management systems including “EHS Management Manual”. During the Reporting Period, there were no cases of violation of environmental laws and regulations by Innovent.

In 2022, we upgraded and optimized the EHS management system. In March 2023, our ISO 14001:2015 environmental management system passed the third-party BSI certification audit.


bsi.

Certificate of Registration

环境管理体系 – ISO 14001:2015

Innovent Biologics (Suzhou) Co., Ltd.
No.168, Dongping Street
Suzhou Industrial Park
Suzhou
Jiangsu
215125
China

EMS 758813

The R&D and production of antibody and protein drugs, drugs and biomedical products (Within the scope of drug production licenses)(Phase I and II projects).

Michael Lee – Managing Director Assurance, APAC

Page: 1 of 1

..making excellence a habit.”

ISO 14001:2015 Certification

4.1.3 Environmental Performance Assessment

Innovent has established a management system for EHS targets and indicators, and the EHS targets are monitored by the Audit Committee and the Board of Directors and decomposed to all levels of the Company for implementation. On the one hand, we have included an environmental performance in 5% of the executive performance appraisal, and on the other hand, we have set a 5% reduction in energy consumption per unit of product as the Company’s performance appraisal target, and linked it to the performance of personnel at all levels. In 2022, our actual EHS performance met the annual target, with a 51% reduction in energy consumption per unit of product compared to 2021.

4. GREEN ECOLOGY

4.1.4 Environmental Impact Audit

Innovent has established a comprehensive internal control and audit system for environmental performance monitoring and measurement management. We have established internal management systems such as "Environmental and Occupational Health and Safety Monitoring, Measurement and Control Management Procedures", "EHS Management System Internal Audit Procedures", "Management Review Management Procedures", "Environmental Factors Identification and Critical Environmental Factors Management Procedures", etc. In December 2022, an internal audit of the environmental management system was carried out. The frequency of internal audits of our environmental management system is once a year, covering all the operation sites of Innovent's Suzhou base.

In 2022, we conducted one annual soil and groundwater monitoring, four emission monitoring, and 12 wastewater tests, all of which met the emission standards. In addition, we also passed an independent third-party on-site audit of our EHS system in November 2022.

4.1.5 Environmental Risk Management

We have actively enhanced our environmental risk management capabilities. According to laws, regulations, and policy requirements such as the "Measures for Emergency Management of Environmental Emergencies", and "Measures for the Administration of Emergency Plans for Environmental Emergencies in Enterprises and Institutions (Trial)", the Company has formulated the "Emergency Response Management Procedures", "Hidden Hazard Investigation and Governance Procedures", "EHS Incident Management Regulations", and other systems, organized chemical leakage emergency drills, improved the Company's emergency response capabilities to environmental risks, and reduced the environmental impact of emergencies.

4.2 Energy Conservation and Emission Reduction

Innovent attaches great importance to the protection of environment and natural resources, and has taken a series of measures to continuously improve the efficiency of resource utilization, lower carbon emissions, reduce the generation of solid waste, exhaust gas and wastewater, reduce greenhouse gas emissions, and achieve harmonious development of economy, society and environment through energy saving and emission reduction.

4.2.1 Resource Conservation

- **Package usage**

We are committed to promoting recycling of packaging materials, adopting green packaging and replacing paper packaging with reusable boxes. At the same time, we have upgraded our packaging specifications to increase the number of products available for storage at each time and reduce the use of outer boxes by adjusting the packaging specifications from 24 boxes per case to 48 boxes per case, reducing the total number of outer boxes by approximately 80,000 in 2022.

Optimised product packaging appearance and stacking example specification adjustment

4. GREEN ECOLOGY

Indicator	Unit	2022
Cartons	Tons	**80.21**
Small box	Tons	**105.00**
Tray	Tons	**18.89**
others	Tons	**90.00**
Total	Tons	**294.10**
Density	Tons/million revenue	**0.06**

Table: Packaging material utilisation data of Innovent

- **Optimization of logistics transportation**

In 2022, in terms of the Company's supply chain, through improving the loading, verification, route, process system and platform system in the logistics transportation of commercial products, we realized the visualization of logistics, optimized the transportation batches, improved the loading capacity and vehicle utilization rate, and directly reduced the carbon dioxide emissions caused by logistics transportation.

- **Use of water resources**

The water resources used in the Company's production and operation are mainly from municipal water supply. Innovent has actively implemented water circulation and various water resources conservation measures to effectively manage water resources, so as to achieve the objective of reducing the use of fresh water per unit of output by 5% per year. We have implemented water conservation measures in our plant, including adjusting the water valves in the bathrooms of each floor to reduce water usage by reducing the angle valve settings. This has resulted in a 50% reduction in the water consumed by the basin taps for hand washing. Moreover, we recycle treated wastewater and use it as make-up water for the cooling towers on the roof of the M1 plant. The Company can save 30,000 tons of water annually.

Recycled water pipes

Indicator	Unit	2022
Tap water	m^3	**645,899.00**
Amount of water recycled	m^3	**23,857.00**
Density of water use	m^3/million revenue	**141.76**

Table: Water Resources Utilisation data of Innovent

4. GREEN ECOLOGY

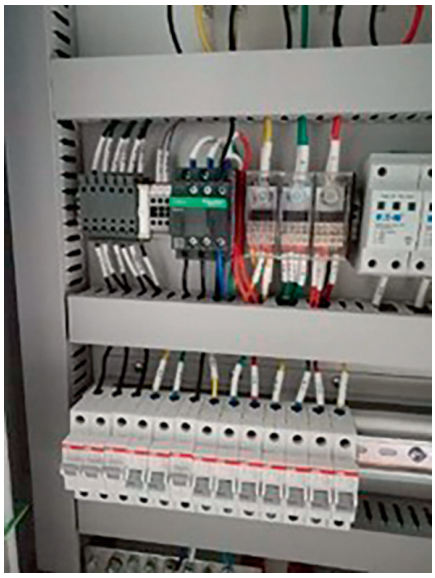
- **Energy consumption**

Innovent continuously optimises its energy management system and promotes low-carbon energy development through a variety of measures designed to improve energy efficiency.

- Inspection of compressed air pipeline valves at the plant and remediation of any leaks
- Optimisation of shutdowns of production plant operations to reduce energy consumption
- Optimisation of air-conditioning unit cooling water valve settings to reduce electricity consumption of chillers
- Replacement of LED lighting progressively in different areas
- Improvements to energy efficiency in common area and clean room air conditioning

Major Initiatives for Energy Saving of Innovent in 2021

In particular, we have replaced 400 lights in our laboratories, underground garage and utility buildings with LED lighting, saving around 31,000 kWh of electricity a year. We have also actively promoted the retrofitting of the lighting dual-connection and dual-control controls for timely switching off of lighting when in or out of the mezzanine to reduce lighting hours. In 2022, we optimised the switching of 185 lights, saving approximately 12,000 kWh of electricity a year.



Lighting switch retrofit

4. GREEN ECOLOGY

Indicator	Unit	2022
Natural gas	0'000 standard m^3	**3.09**
Density of natural gas consumption	0'000 standard m^3/million revenue	**0.0007**
Electricity	MWh	**53.50**
Density of electricity	MWh/million revenue	**0.01**
Heat	KJ	**201,870,030,000.00**
Density of heat	KJ/million revenue	**44,304,720.83**
Comprehensive energy consumption[1]	Tons of standard coal	**6,928.33**
Density of energy consumption	Tons of standard coal/million revenue	**1.52**

Table: Energy resource utilisation data of Innovent

Indicator	Unit	2022
Scope 1 GHG emissions[2]	Tons of carbon dioxide equivalent	**66.74**
Density of direct GHG emissions	Tons of carbon dioxide equivalent/million revenue	**0.01**
Scope 2 GHG emissions[3]	Tons of carbon dioxide equivalent	**22,236.21**
Density of indirect GHG emissions	Tons of carbon dioxide equivalent/million revenue	**4.88**
Total GHG emissions	Tons of carbon dioxide equivalent	**22,302.95**
Density of total GHG emissions	Tons of carbon dioxide equivalent/million revenue	**4.89**

Table: Greenhouse gas (GHG) emissions data of Innovent

4.2.2 Emission Reduction

Solid Waste Management

In 2022, we upgraded our internal system documents such as "Waste Management Regulations" (《廢棄物管理規程》) and "Operation Regulations for Hazardous Waste in Suzhou Base" (《蘇州基地危險廢棄物操作規程》), which defined the responsibilities for all responsible departments and clarified the requirements for the whole life cycle management and operation of hazardous waste in each part of the process. At the same time, Innovent has launched a hazardous waste management terminal that is compatible with the environmental protection system, which can be directly linked to the "Jiangsu Province Hazardous Waste Whole Life Cycle Monitoring System" (江蘇省危險廢棄物全生命週期監控系統) to implement the whole life cycle management process of hazardous waste and carry out the management of hazardous waste.

1 The comprehensive energy consumption is calculated based on the General Principles for Calculation of the Comprehensive Energy Consumption (《綜合能耗計算通則》) (GB/T2589-2020) issued by the State Administration for Market Regulation (國家市場監督管理總局) and the State Standardization Administration (國家標準化管理委員會).

2 Direct (scope 1) GHG emissions is calculated based on the IPCC Guidelines for National Greenhouse Gas Inventory 2006, 2019 Revised Edition (《IPCC2006年國家溫室氣體清單指南2019修訂版》) issued by the Intergovernmental Panel on Climate Change (IPCC).

3 Indirect (scope 2) GHG emissions is calculated based on the Notice on the Management of Greenhouse Gas Emissions Reporting by Enterprises in the Power Generation Industry for the Period 2023-2025 (《關於做好2023—2025年發電行業企業溫室氣體排放報告管理有關工作的通知》) issued by the Ministry of Ecology and Environment.

4. GREEN ECOLOGY

Hazardous Waste Management Regulations

In addition, an EHS-led hazardous waste reduction group was established during the Reporting Period, and 20 training sessions on waste classification management were conducted. At the same time, Innovent has formulated a hazardous waste reduction plan which is expected to reduce the amount of hazardous waste generated per unit of product by 5% in 2023 as compared to 2022.

Table: Solid waste discharged data of Innovent

Indicator	Unit	2022
Total Hazardous waste	Ton	**570.00**
Total Non-hazardous waste	Ton	**366.00**
Density of hazardous waste emission	Ton/million revenue	**0.13**
Density of non-hazardous waste emission	Ton/million revenue	**0.08**

Exhaust Gas and Wastewater Management

Innovent has effective controls on exhaust gas and wastewater on all its operations to reduce pollution emissions and protect the ecological environment.

In 2022, Innovent optimised the exhaust gas treatment equipment by adding an activated carbon treatment equipment on top of the original waste gas treatment equipment, which effectively reduced emissions and reduced the impact of emissions on the environment. In addition, we conduct regular environmental monitoring on our exhaust gas emissions and the 2022 inspection results are in line with the exhaust gas emission standards.


检 测 报 告
TEST REPORT

Monitoring report on exhaust gas

4. GREEN ECOLOGY

At the same time, Innovent has further strengthened the management on waste water discharge. We appoint dedicated staff to maintain and manage our wastewater treatment equipment and engage a professional third party to ensure the effective operation of our wastewater treatment facilities. In addition, we regularly inspect the underground wastewater network, effectively manage the discharge of air-conditioning condensate from the production plant, reduce the discharge of non-production wastewater into the wastewater treatment plant and retrofit the discharge pipes to reduce the discharge of production wastewater. Furthermore, we conduct regular environmental monitoring of wastewater, soil and groundwater, and the results of the 2022 inspection are in line with the discharge standards.

Monitoring report on wastewater

Annual monitoring report on soil and groundwater

Indicator		Unit	2022
Wastewater	Domestic wastewater	m^3	**161,474.75**
	Industrial wastewater	m^3	**92,799.00**
COD		m^3	**1.76**

Table: Wastewater discharged data of Innovent

4.3 Green Business Operations

Innovent actively implements green office by continuously promoting the concept of environment protection and enhancing the awareness of environment protection and sense of responsibility among employees. Meanwhile, we effectively take measures related to biodiversity conservation to maintain a green ecological environment.

4.3.1 Green Office

Innovent has formulated internal systems related to green office. Of which, the Management Regulations for Conference Rooms clarifies the guidelines for lighting electricity and the use of air conditioning, while the Management Regulations for Printers clarifies the specifications for double-sided printing and avoiding color printing, and relevant announcements have also been issued.

Notice of color printing control

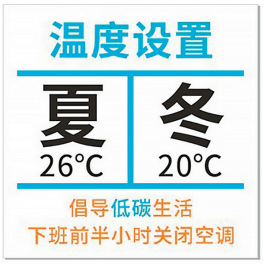
4. GREEN ECOLOGY

In active response to the national call of actively encouraging employees to purchase new energy electric vehicles, we promote the concept of green and low-carbon consumption. In 2022, the Company recorded an increase in the number of electric vehicles owned by employees. In order to satisfy the needs of employee to charge their electric vehicles, the Company has set up several charging piles for new energy electric vehicles.

Charging piles for new energy electric vehicles

In 2022, Innovent strived to implement the publicity of green office by continuously publicizing the relevant content of green office and advocating green activities through the communication group of employees, so as to promote green culture. We organized classes of EHS knowledge to advocate our employees to reduce the use of paper, save water, travel green, and save electricity. Meanwhile, we put up signs of energy saving and low carbon at the office area to create a sustainable working environment for our employees.

Classes of EHS knowledge



Signs of energy saving and low carbon

4.3.2 Biodiversity Conservation

The Company's activities have no significant impacts on the environment and natural resources. Innovent actively implements the biodiversity conservation by taking into full consideration of the impact of business activities on ecosystems. On the one hand, we optimize our production processes to conserve resources and reduce emissions. On the other hand, we implement ecological protection by expanding the green area of our base, and the overall green area of Innovent covers more than 30% of the total area. Meanwhile, in order to effectively protect birds and other creatures, the Company uses low-toxicity agents for greening to ensure the safety of birds.

4. GREEN ECOLOGY

Photo of the plant of Innovent in Suzhou

4.4 Response to Climate Change

Innovent pays attention to the impact of climate change on its business and analyzes the risks of climate change. We identify several extreme climate risks exposed to the Company such as thunderstorms, typhoons, extreme cold, high temperatures, floods and earthquakes, and take relevant countermeasures to minimize the negative environmental and social impacts of climate change. We have formulated internal system documents such as "EHS Internal and External Environmental Analysis and Management Procedures for Risks and Opportunities" (《EHS內外部環境分析及風險機遇管理程序》), "Rules on Analysis and Identification of Environmental Factors and Risk Evaluation Management" (《環境因素分析識別與風險評價管理規程》) and "Hazard Identification, Risk Evaluation and Risk Management Procedures" (《危險辨識、風險評價和風險管理程序》), with corresponding facilities and equipment and training personnel in place. Besides, Innovent pays special attention to the impact of extreme weather on all parties. Therefore, we conduct regular safety advocacy in respect of extreme weather changes to remind our employees to take precautions and emergency measures.

Innovent announced tips for protection from heat in summer

In July 2022, Innovent compiled and announced the tips for protection from heat in summer to remind employees to pay attention to hot weather, and provided suggestions for dealing with the symptoms of heat stroke.

EHS Newsletter No. 202270:
夏季防高温小贴士

innovent
信达生物制药

提醒大家高温注意防中暑：

1、避免高温时段（14:00-15:00）长时间户外活动，缩短连续工作时间。
2、外出时涂防晒霜、穿防晒衣、戴太阳镜等。
3、高温条件下作业人员应当采取必要的防护措施。
4、常备防暑降温的饮料和常用药品，如清凉油、十滴水、人丹、绿豆水、淡盐白开水等。
5、浑身大汗后不宜直接进入低温空调间，应先擦干汗水。
6、注意作息时间，保证充足的睡眠。
7、宜吃咸食，多饮凉白开水，如凉盐水、白菊花水、绿豆汤等；不要过度饮用冷饮或含酒精饮料。

如果出现中暑症状的处理：

1、轻者要迅速到阴凉通风处仰卧休息，解开衣扣，腰带，敞开上衣，可服藿香正气液、十滴水、仁丹等防治中暑的药品。
2、如果患者的体温持续上升时，可以在澡盆中用温水浸泡下半身，并用湿毛巾擦浴上半身。
3、如果患者出现意识不清或痉挛，可掐人中、合谷等穴使其苏醒，若呼吸停止，应立即实施人工呼吸，同时拨打 120急救。

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Environmental, Social and Governance Areas, General Disclosures and Key Performance Indicators (KPIs)			Section
Environmental	A1: Emissions		
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Energy Conservation and Emission Reduction
	A1.1	The types of emissions and respective emissions data.	Energy Conservation and Emission Reduction
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Energy Conservation and Emission Reduction
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Energy Conservation and Emission Reduction
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Energy Conservation and Emission Reduction
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	Energy conservation and emission reduction
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them,	Energy Conservation and Emission Reduction

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Environmental, Social and Governance Areas, General Disclosures and Key Performance Indicators (KPIs)		Section
A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy Conservation and Emission Reduction
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).	Energy Conservation and Emission Reduction
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Energy Conservation and Emission Reduction
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Conservation and Emission Reduction
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Energy Conservation and Emission Reduction
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Energy Conservation and Emission Reduction
A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Energy Conservation and Emission Reduction
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Energy Conservation and Emission Reduction
A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Response to Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Response to Climate Change

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Environmental, Social and Governance Areas, General Disclosures and Key Performance Indicators (KPIs)			Section
Social	B1: Employment		
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Gathering Talents
	B1.1	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	Gathering Talents
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix II: 2022 Statistical Tables
	B2: Health and Safety		
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Gathering Talents
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Gathering Talents
	B2.2	Lost days due to work injury.	Gathering Talents
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Gathering Talents

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Environmental, Social and Governance Areas, General Disclosures and Key Performance Indicators (KPIs)		Section
B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Gathering Talents
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Gathering Talents
B3.2	The average training hours completed per employee by gender and employee category.	Gathering Talents
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.	Gathering Talents
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Gathering Talents
B4.2	Description of steps taken to eliminate such practices when discovered.	Gathering Talents
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.	Supply Chain Management
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

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Environmental, Social and Governance Areas, General Disclosures and Key Performance Indicators (KPIs)		Section
B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	High-quality Service
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality and Safety
B6.2	Number of products and service related complaints received and how they are dealt with.	High-quality Service
B6.3	Description of practices relating to observing and protecting intellectual property rights.	R&D Innovation
B6.4	Description of quality assurance process and recall procedures.	Quality and Safety
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	High-quality Service, Privacy Protection and Information Security
B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Corporate Governance
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.	Compliance Operations
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Compliance Operations
B7.3	Description of the anti-corruption training provided to directors and employees	Compliance Operations
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.	Inclusive Healthcare, Public Welfare and Charity
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Inclusive Healthcare, Public Welfare and Charity
B8.2	Resources contributed (e.g. money or time) to the focus area.	Public Welfare and Charity

Appendix II: 2022 Statistical Tables

Environmental data statistics			
Category	Name	Unit	2022
Greenhouse gases	Scope 1: Direct GHG emissions	Tons of carbon dioxide equivalent	66.74
	Density of direct GHG emissions	Tons of carbon dioxide equivalent/million revenue	0.01
	Scope 2: Indirect GHG emissions	Tons of carbon dioxide equivalent	22,236.21
	Density of indirect GHG emissions	Tons of carbon dioxide equivalent/million revenue	4.88
	Total GHG emissions	Tons of carbon dioxide equivalent	22,302.95
	Density of total GHG emissions	Tons of carbon dioxide equivalent/million revenue	4.89
Waste	Total hazardous waste	Ton	570.00
	Density of hazardous waste emissions	Ton/million revenue	0.13
	Total non-hazardous waste	Ton	366.00
	Density of non-hazardous waste emissions	Ton/million revenue	0.08
Wastewater	Discharge of domestic wastewater	m^3	161,474.75
	Discharge of industrial wastewater	m^3	92,799.00
COD	/	m^3	1.76
Energy	Electricity	MWh	53.50
	Density of electricity consumption	MWh/million revenue	0.01
	Heat	KJ	201,870,030,000.00
	Density of heat consumption	KJ/million revenue	44,304,720.83
	Natural gas	0'000 standard m^3	3.09
	Density of natural gas consumption	0'000 standard m^3/million revenue	0.0007
	Comprehensive energy consumption	Tons of standard coal	6,928.33
	Energy consumption density	Tons of standard coal/million revenue	1.52
Water consumption	Tap water	m^3	645,899.00
	Recycled water	m^3	23,857.00
	Density of water consumption	m^3/million revenue	141.76

Appendix II: 2022 Statistical Tables

Environmental data statistics			
Packaging material	Carton	Ton	80.21
	Small box	Ton	105.00
	Tray	Ton	18.89
	Others	Ton	90.00
	Total	Ton	294.10
	Density	Ton/million revenue	0.06

Social data statistics			
Category	Name	Unit	2022
Employee structure	Total number of employees	Person	5,294
Total number of employees/ by gender	Male	Person	2,640
	Female	Person	2,654
Total number of employees/ by employment type	Full-time employees	Person	5,294
	Part-time employees	Person	0
Total number of employees/ by age	30 years old and below	Person	2,552
	30 to 50 years old	Person	2,681
	50 years old and above	Person	61
Total number of employees/ by region	Suzhou	Person	1,820
	Beijing	Person	205
	Shanghai	Person	470
	Others (including America and Europe)	Person	2,779
Total number of employees/ by rank	Senior management	Person	56
	Middle management	Person	970
	General staff	Person	4,268
Total number of new hires/ by gender	Male	Person	1,017
	Female	Person	864
Total number of new hires/ by age	30 years old and below	Person	1,010
	31 to 49 years old	Person	851
	50 years old and above	Person	20

Appendix II: 2022 Statistical Tables

Social data statistics			
Total number of new hires/ by region	Suzhou	Person	293
	Beijing	Person	84
	Shanghai	Person	218
	Others	Person	1,286
Total number of new hires/ by employment type	Full-time employees	Person	1,881
	Part-time employees	Person	0
Total number of new hires/ by rank	Senior management	Person	14
	Middle management	Person	267
	General staff	Person	1,600
Number of employee turnover/ by gender	Male	Person	567
	Female	Person	548
Number of employee turnover/ by age	30 years old and below	Person	539
	31 to 49 years old	Person	566
	50 years old and above	Person	10
Number of employee turnover/ by region	Suzhou	Person	385
	Beijing	Person	58
	Shanghai	Person	128
	Others	Person	544
Employee turnover rate/ by gender	Male	%	20.99
	Female	%	20.07
Employee turnover rate/ by age	30 years old and below	%	19.89
	31 to 49 years old	%	21.25
	50 years old and above	%	17.24
Employee turnover rate/ by region	Suzhou	%	19.98
	Beijing	%	25.22
	Shanghai	%	26.95
	Others	%	19.43

Appendix II: 2022 Statistical Tables

Social data statistics			
Work injury and work-related deaths	Number of work-related deaths	Person	0
	Work-related fatality rate	%	0
	Number of working days lost due to work injury	Day	2
Employee training percentage/ by gender	Male	%	100
	Female	%	100
Employee training percentage/ by rank	Senior management	%	100
	Middle management	%	100
	General staff	%	100
Average hours of employee training/by gender	Male	Hour	52.01
	Female	Hour	53.12
Average hours of employee raining/by rank	Senior management	Hour	52.07
	Middle management	Hour	55.29
	General staff	Hour	43.30
Number of supplier by region	Eastern China	Unit	576
	Southern China	Unit	32
	Central China	Unit	24
	Northern China	Unit	112
	North West	Unit	2
	North East	Unit	9
	South West	Unit	13
	Outside China (including Hong Kong, Macau and Taiwan)	Unit	45
Number of supplier by type	Material	Unit	193
	Fixed asset	Unit	150
	Engineering	Unit	107
	R&D	Unit	54
	Clinical	Unit	79
	Ordinary	Unit	230
Customer complaints	Product and service complaints	Case	88
	Safety and health-related recalls percentage	%	0

Appendix II: 2022 Statistical Tables

Social data statistics			
Anti-corruption	Number of corruption cases	Case	0
	Anti-corruption training	Time	187
	Number of anti-corruption training participants	Person-time	9,551
	Participation rate in anti-corruption training	%	100
Social welfare	Capital investment of public welfare	RMB100 million	2.472
	Time investment of public welfare	Hour	2,985
	Number of volunteers	Person	312

Innovent Biologics Group

Address: 168 Dongping Street, Industrial Park,
Suzhou, Jiangsu Province