INNOCARE
诺诚健华

InnoCare Pharma Limited
諾誠健華醫藥有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 9969

2020
Environmental, Social and Governance Report

Contents

InnoCare Pharma Limited
2020 Environmental, Social and Governance Report

1. ABOUT THIS REPORT

This is the second environment, social and governance (ESG) report issued by InnoCare Pharma Limited (the "Company", together with its subsidiaries, collectively referred to as "InnoCare", "the Group" or "We"). We formulated it to increase stakeholders' understanding of our ESG policies, strategies, and performance.

REPORTING SCOPE

Unless otherwise specified, the content of this report covers InnoCare Pharma Limited and its subsidiaries. The data scope of environmental key performance indicators includes Beijing InnoCare Pharma Tech Co., Ltd., Beijing Tiancheng Pharma Tech Co., Ltd., Nanjing Tian Yin Jian Hua Pharma Tech Co., Ltd., Guangzhou InnoCare Biological Tech Co., Ltd. and Guangzhou InnoCare Pharma Tech Co., Ltd. The period of this report is consistent with our "2020 Annual Report", covering the business operations during the period from January 1, 2020 to December 31, 2020 ("Reporting Period" or "this Year") information. If part of the content and expression is beyond the above range, it will be explained in the main text.

REPORTING GUIDANCE

We prepared this report based on the "comply or explain" policy in the Environment, Social and Governance Reporting Guide ("the Guide") in appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This report has complied with all the "comply or explain" provisions in the Guide, and the content complies with the materiality, quantitative, balance and consistency principles in the Guide.

REPORT LANGUAGE

This report is published in Chinese and English versions. If there is any inconsistency or discrepancy between the Chinese and English versions of this report, the Chinese version shall prevail.

REPORT PUBLICATION

The Group's board of directors and senior management team have confirmed that the content of this report does not contain any false information, misleading statements or major omissions. The electronic version of the report is published on the official website of InnoCare Pharma Limited (www.innocarepharma.com) and the website of HKEX news (www.hkexnews.hk).

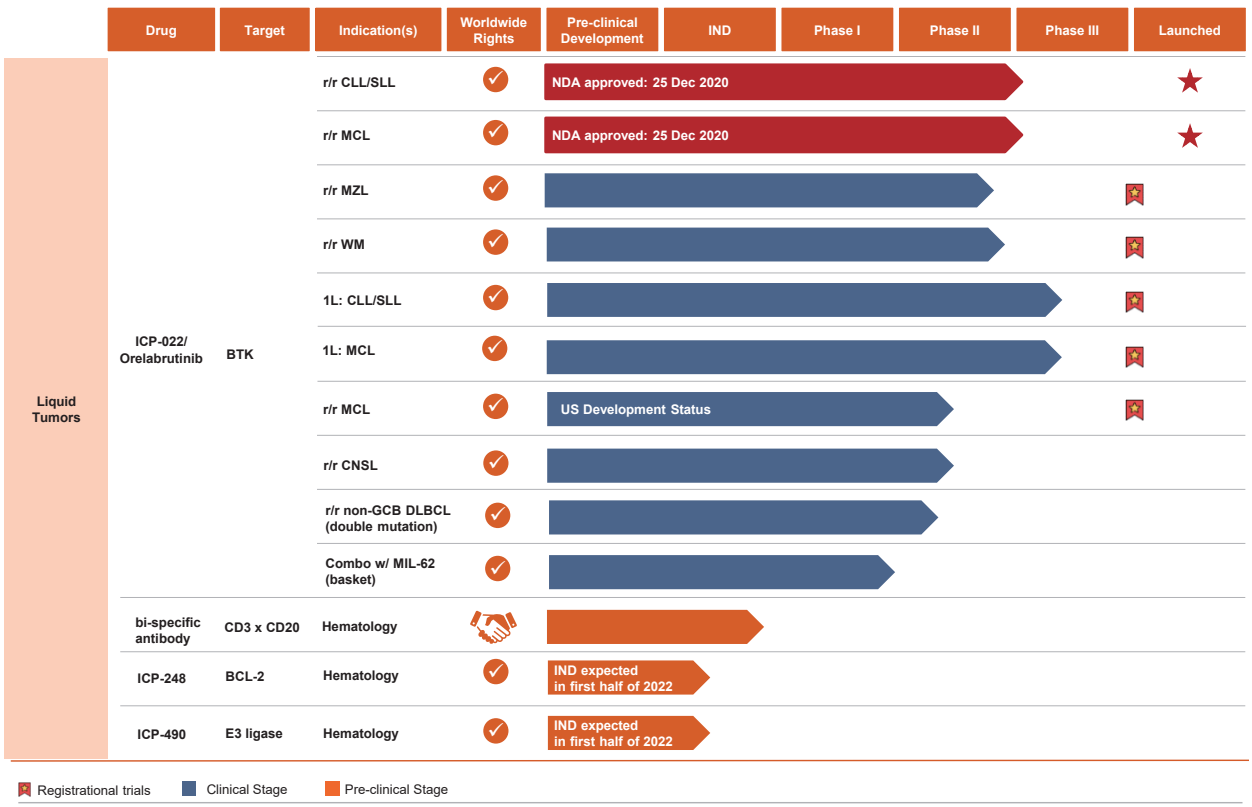
2. ABOUT INNOCARE

2.1 BUSINESS INTRODUCTION

InnoCare is a commercial-stage biopharmaceutical company committed to discovering, developing, and commercializing first-in-class and/or best-in-class drugs for the treatment of cancer and autoimmune diseases with high unmet medical needs in China and worldwide. There are synergistic benefits in treating these two diseases with huge market potential. Led by an experienced management team of experts in the industry, the Group has established an integrated biopharmaceutical platform with strong internal drug discovery, clinical development, manufacturing and commercialization capabilities.

Since its establishment, InnoCare has taken "Utilising the cutting-edge science and technology for discoveries, providing patients with new medicines, striving to improve public health" as its mission. InnoCare adheres to the spirit of "Being responsible, perseverant, innovative, collaborative, and pursuing for excellence". The Group aims at entering the international market, and developing safe, effective and innovative therapies for patients all over the world as a global biomedical leader.

There are currently multiple drug candidates in the commercialization, clinical and preclinical development stages. The figure below outlines our pipeline as of 30 June, 2021.



2. ABOUT INNOCARE

2.2 MILESTONES IN 2020

January

- The new drug listing application of Orelabrutinib[1] for the treatment of patients with relapsed/refractory chronic lymphocytic leukemia ("CLL")/small lymphocytic lymphoma ("SLL") was included by the Center for Drug Evaluation ("CDE"), National Medical Products Administration ("NMPA") in priority review;

- InnoCare donated RMB1 million to support the prevention and control of COVID-19

March

- InnoCare was officially listed on the main board of The Stock Exchange of Hong Kong Limited, and became the first biotech company be listed on the Hong Kong Stock Exchange this Year;

- The new drug listing application of Orelabrutinib for the treatment of patients with relapsed/refractory mantle cell lymphoma was accepted by the NMPA

1 One of the Group's clinical commercial drug candidates.

April

- ICP-192[2], a category 1 innovative drug with global independent intellectual property rights, has passed the review of investigational New Drugs ("IND") by the U.S. Food and Drug Administration ("FDA") and started clinical research in the U.S.

May

- The IND application of ICP-723[3] was approved by NMPA for the treatment of NTRK[5] gene fusion-positive cancer patients who were TRK[4] inhibitor treatment-naïve or who have developed resistance to the first generation TRK inhibitors of various tumor types

June

- The 2020 American Association for Cancer Research annual meeting announced for the first time the clinical Phase I study data, pre-clinical research results, and safety and kinetic/pharmacodynamic data of Orelabrutinib in healthy subjects

June to July

- The Phase II clinical study of ICP-192 completed the enrolment of the first patient with urothelial cancer and the enrolment of the first patient with cholangiocarcinoma

September

- InnoCare made its first appearance at the 16th National Hematology Conference (全國血液學學術會議) of the Chinese Medical Association to interpret key clinical research data of Orelabrutinib

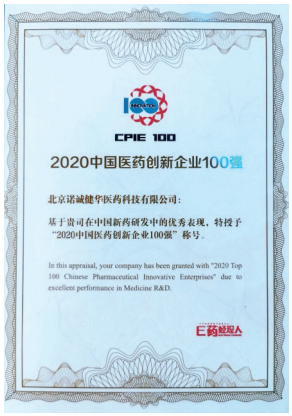
October

- Orelabrutinib on the list of the third "Chuang Shiji" (創世技) disruptive innovation project in 2020;
- ICP-723 completed the first-patient dosing in Sun Yat-Sen University Cancer Center

2,3 One of the Group's clinical stage drug candidates.
4 A family of tyrosine kinases that regulates synaptic strength and plasticity in the mammalian nervous system.
5 Neurotrophic tyrosine receptor kinase

2. ABOUT INNOCARE

November



- Orelabrutinib was approved by the U.S. FDA to start Phase II clinical studies for the treatment of multiple sclerosis;
- Beijing InnoCare Pharma Tech Co., Ltd. was selected as one of the "Top 100 Chinese Pharmaceutical Innovation Enterprises"

December

- The 62nd Annual Meeting of the American Society of Hematology announced the latest clinical data of Orelabrutinib;
- Orelabrutinib was officially approved by the NMPA for the treatment of two indications;
- The project of Phase I Guangzhou drug manufacturing facility was completed;
- InnoCare obtained the Orphan Drug Designation granted by the FDA with Orelabrutinib for the treatment of relapsed/refractory mantle cell lymphoma (r/r MCL) for the first time

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT

3.1 ESG WORKING GROUP

InnoCare believes that good governance is increasingly important to the long-term operation and development of the Group. The board of directors is the highest level of decision-making body responsible for ESG issues. It assumes full responsibility for the Group's ESG strategies and reporting. It is responsible for assessing and determining the Group's ESG risks, and ensuring that the Group has established appropriate and effective ESG risk management and internal control systems.

In order to better promote InnoCare's ESG development strategies, the Group established an internal ESG working group responsible for reporting ESG-related policies and issues to the board of directors regularly and assisting in assessing the risks and opportunities arising from the Group's operations. It is also responsible for formulating the ESG reports and ESG management strategies and the formulation of medium and long-term ESG management plans, which helps enhance the company's internal control and risk reduction capabilities, communicating with stakeholders regularly to maintain good relationships. The implementation of the ESG working group is handled by various departments to ensure that the daily operations of the Group have fully considered the various ESG issues.

3.2 STAKEHOLDER ENGAGEMENT

In the process of continuing to promote ESG works, the Group has continuously improved the communication mechanism through communication with various stakeholders. During the Reporting Period, we communicated with internal and external stakeholders through various forms to strengthen stakeholders' understanding of our strategies and initiatives. We also actively listened to the stakeholders, understand their concerns, collect feedback from all parties in a timely manner, and take countermeasures. We hope to grow together with the stakeholders.

Stakeholders	Communication Channels
Government	• Government meetings • Project cooperation • Supervision and inspection by government authorities
Shareholders and Investors	• Shareholders' meetings • Periodic reports and company announcements • Investment relationship activities

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT

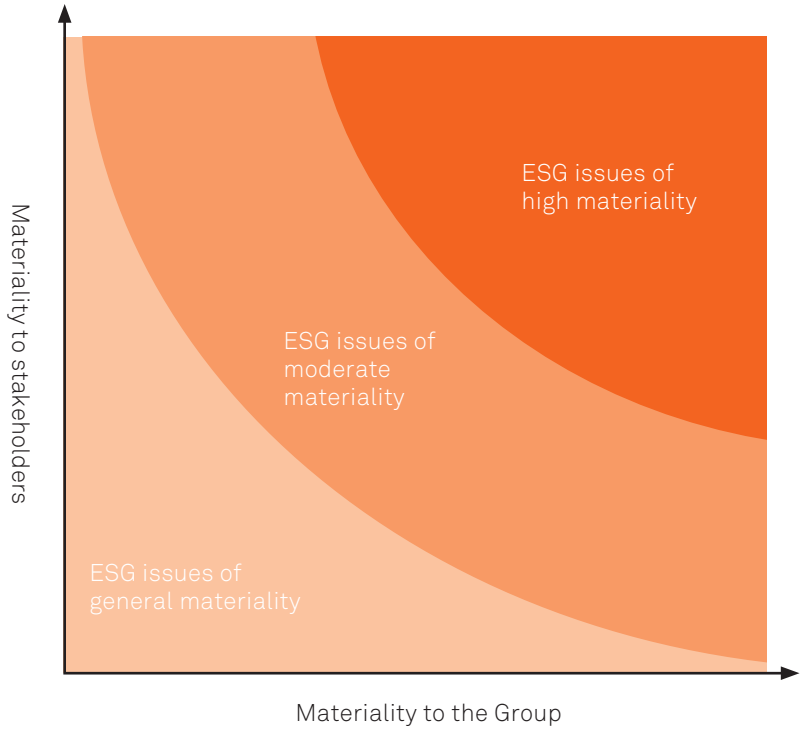
Stakeholders	Communication Channels
Customers or Users	• Participation in academic institutes, industrial associations, academic seminars, and industrial forums etc. • Establishing and improving our customer service and complaint processes • Guaranteeing information safety
Employees	• Training of employees • Complaints and feedback • Employee care
Partners	• Establishing a standardized and transparent supplier management process • Evaluation and investigation
Community	• Waste management • Energy saving and environmental protection • Donation • Volunteer activities

3.3 ANNUAL MATERIAL ESG ISSUES

During the Reporting Period, the Group carried out the identification of material ESG issues to better respond to the demands and expectations of stakeholders. We considered the Group's business development goals, actual operating strategies and conditions, and understood their expectations and demands on ESG through daily communication with stakeholders. We focused on the disclosure obligations covered by the Guide of The Stock Exchange of Hong Kong Limited, the materiality database of the Biotechnology and Pharmaceuticals Industry of Sustainability Accounting Standards Board and ESG issues of concern to peer companies, and finally summarized a series of applicable to the material issues of the Group's business, and the board of directors will make the final approval on the material ESG issues of the Group.

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT

ESG issues materiality matrix



Highly material	Moderately material	Generally material
• Accessibility of products/ services • Product quality and safety • Innovative R&D • Intellectual property protection • Supply chain management • Data and privacy protection • Transparency of information disclosure • Efficacy on patients • Employment compliance, equality and diversity • Healthy and safe working environment • Employee welfares and benefits • Talent attraction and retention • Compliant management (business ethics) • International strategic cooperation	• Emissions management (including exhaust gas, greenhouse gas emissions, wastewater, waste) • Concerns on consumer welfares (prevent counterfeit medicine) • Human rights and community relations (safety of clinical trials) • Employees' training and development • Contribution to community charitable activities • Improvement on corporate governance	• Energy and greenhouse gas management • Climate change mitigation and adaptation • Sales practices and product labeling • Animal welfares • Customer services • Water resources usage

4. ENVIRONMENTAL PROTECTION

InnoCare understands that environmental protection is important, so we will continue to work hard to implement low-carbon environmental protection measures and advocate the concept of green office to promote the sustainable development of the industry and the Group. Even though the Group has yet to commence large-scale production during the Reporting Period, we are committed to actively reducing the environmental impacts during the manufacturing process of our products in the future and contributing to sustainable development. During this Year, we newly disclosed the calculation of emission intensity per unit of square meter area and per employee to facilitate the comparison of performance in the future.

4.1 GREENHOUSE GAS (GHG) EMISSION

During this Year, the GHG emissions of InnoCare's subsidiaries (including offices, laboratories and manufacturing facilities under construction) in Beijing, Nanjing and Guangzhou were based on the Greenhouse Gas Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development and the ISO14064-1 stipulated by the International Organization for Standardization. This Year, the total GHG emissions produced by the Group were 2,599.03 tonnes of carbon dioxide equivalent (tonnes CO2e), of which the main source was the indirect GHG emitted by purchased electricity and heat.

GHG emissions performance	Unit	2020
Total GHG emissions[1]	tonnes CO_2e	2,599.03
Scope 1: Direct GHG emissions[2]	tonnes CO_2e	281.29
Scope 2: Indirect GHG emissions[3]	tonnes CO_2e	2,317.74[4]
Emission intensity per square meter	tonnes CO_2e per square meter[5]	0.04
Emission intensity per employee	tonnes CO_2e per staff[5]	7.49

Notes:

1. The GHG emissions reported last year only referred to carbon dioxide emissions. Methane, nitrous oxides and other GHG emitted by other sources were added this Year.

2. Scope 1 includes direct GHG emissions from sources owned and controlled by the Group.

3. Scope 2 includes GHG emissions indirectly caused by power generation, heating and cooling, or steam purchased by the Group.

4. Indirect GHG emissions data has been updated to calculate based on the electricity emission factor provided by the National Development and Reform Commission, and the carbon dioxide emission factor for the purchased heat supply is calculated at 0.11 ton CO_2/GJ.

5. Since the Group has yet to start large-scale production and sales to generate operating income, the intensity indicators such as unit operating income and unit product are not applicable for the time being.

4.2 POLLUTANT CONTROL

The Group strictly complies with the *Environmental Protection Law of the People's Republic of China (PRC), Law of the PRC on the Prevention and Control of Atmospheric Pollution*, the *Water Pollution Prevention and Control Law of the PRC, Law of the PRC on Prevention and Control of Pollution from Environmental Noise* and other relevant laws and regulations. During this Year, we did not have any incidents on emissions that violated laws and regulations nor had a significant impact on the Group.

Exhaust Gas Control

During this Year, the Group's exhaust gas emissions were mainly derived from (i) a small amount of exhaust gas generated during the operation of the laboratory, including non-methane total hydrocarbons, ammonia, hydrogen sulfide and odor generated from animal houses and sewage stations, and low-concentration particulate medical dust; and (ii) particulate matters, nitrogen oxides and sulphur oxides generated by the Group's vehicles. Since the Group has not installed flow meters at the discharge outlets, the data on specific volumes of gas emissions is temporarily unavailable. The Group regularly engages third-party agencies to monitor the concentration indicators of laboratory exhaust gas emissions to ensure compliance with emission standards.

During this Year, the air pollutants emitted by the Group's vehicles are as follows:

Vehicle emissions	Unit	2019	2020
Nitrogen oxides	kg	–	2.33
Sulphur oxides	kg	–	0.05
Particulate matters	kg	–	0.17

Wastewater Control

The experimental wastewater produced by the Group is discharged after being treated with sewage treatment equipment to meet the standards in accordance with the *Regulation on Urban Drainage and Sewage Treatment* to reduce the adverse effects of wastewater pollutants on the surrounding environment and the health of employees. The Group regularly engages third-party agencies to monitor the wastewater discharge concentration indicators to ensure the compliance with discharge standards. During this Year, we generated 1,208 tonnes of wastewater, which is about 49% less than last year.

Indicators	Unit	2019	2020
Experimental wastewater discharge	tonnes	2,370.00	1,208.00
Chemical oxygen demand (COD) emissions	tonnes	0.20	0.16
Biological oxygen demand (BOD) emissions	tonnes	0.04	0.04
Ammonia nitrogen emissions	tonnes	0.02	0.003

4. ENVIRONMENTAL PROTECTION

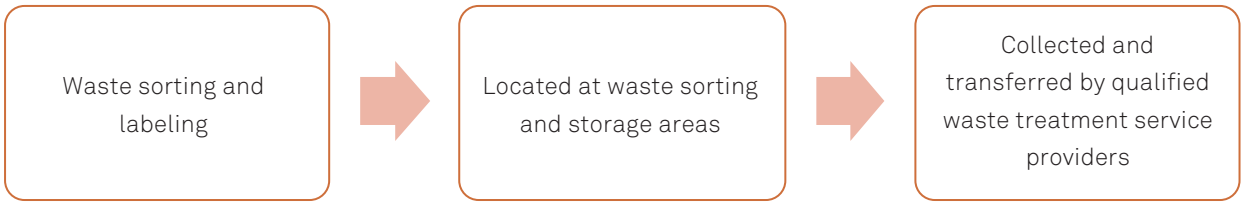
4.3 WASTE MANAGEMENT

The Group complies with the *Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste, Regulation on the Administration of Medical Treatment Wastes* and other relevant laws and regulations. Each subsidiary company formulates regulations on the management of hazardous materials and waste in laboratories, and regulates the use, storage, collection and transportation, treatment methods and waste management of hazardous materials in laboratories to avoid pollution and damage to the environment. We have a *Waste Management Regulations* 《廢棄物管理規程》, and the environment, health and safety ("EHS") department establishes and maintains the *Waste List* 《廢棄物清單》 and management regulations for different types of waste. When there are important changes such as the introduction of new products, major process changes or changes in relevant national laws and regulations, the EHS department is responsible for revising the relevant procedures and reviewing the waste list once a year.

All subsidiaries have basically the same waste treatment procedures. Before all non-hazardous wastes and hazardous wastes are transferred to the corresponding temporary waste storage area, the personnel of the waste generation department must classify and count the wastes in advance, and attach a waste label on each waste packaging bag. The *Hazardous Waste Transfer Details* 《危險廢物(有害廢物)轉移明細》 and *Non-hazardous Waste Transfer Details* 《非危險(無害)廢物轉移明細》 are prepared and then signed by the person in charge of the department and handed over to the warehouse. The warehouse is responsible for collecting all wastes except domestic wastes, and uniformly collecting and processing according to the waste category. There are signs in the waste storage area to indicate the purpose of the area and the existence of dangers, and to ensure that incompatible waste in the storage area can be placed separately. Non-hazardous waste will be transferred and reused by general waste treatment service providers; hazardous waste will be cleared, transported and disposed of by qualified service providers. Our warehouse staffs will regularly check the waste storage area to ensure that the hazardous waste storage bins are intact and stored correctly, and ensure that there is no safety issue, leakage, or pollution caused by packaging issues during transportation.

In addition, the Group has applied office automation systems and strengthened the use of software to promote a paperless working mode. We expand the use of e-office apps in enterprises to assist daily operations and business activities. For example, employees can submit applications directly on their mobile phones when reimbursing travel expenses to reduce paper consumption. We have added wastepaper recycling points and waste sorting recycling bins in our office. Waste papers are collected by qualified suppliers regularly.

Figure 1. Waste Treatment Process of InnoCare



During this Year, we generated 30.10 tonnes of hazardous wastes which mainly discarded materials from laboratories; 1,925.56 tonnes of non-hazardous wastes, including general solid waste, office paper waste and construction waste generated.

Wastes		Unit	2019	2020
Hazardous wastes	Used test tubes, pharmaceutical bottles	tonnes	2.10	9.10
	Waste pharmaceuticals	tonnes	0.10	0.29
	Other experimental wastes	tonnes	18.00	20.71
	Total	tonnes	20.20	30.10
Non-hazardous wastes	General solid waste	tonnes	–	1,839.50
	Office paper waste	tonnes	4.10	2.06
	Construction waste	tonnes	32.00	84.00
	Total	tonnes	36.10	1,925.56[1]
Non-hazardous waste generation intensity		tonnes per employee[2]	–	5.55

Note:

1. The increase in the amount of non-hazardous waste generated this Year includes general solid waste which consists of office household waste and food waste. Therefore, the total output of non-hazardous waste has increased significantly compared with 2019.

2. Since the Group has yet to start large-scale production and sales to generate operating income, the intensity indicators such as unit operating income and unit product are not applicable for the time being.

4. ENVIRONMENTAL PROTECTION

4.4 USE OF RESOURCES

The Group complies with the *Energy Conservation Law of the PRC, Urban Water Conservation Management Regulations* and other laws and regulations. Each subsidiary adopts corresponding management measures for energy saving and consumption reduction to support the promotion of energy conservation and improvement of energy utilization efficiency.

Energy Saving

We are committed to promoting energy efficiency and energy conservation in our offices and laboratories and monitor through regular inspections to encourage employees to pay more attention to energy conservation in their daily activities. We are actively promoting green offices. All office buildings use energy-saving LED lamps. The air-conditioning temperature must not be lower than 26 degrees Celsius in summer and 20 degrees Celsius in winter. We require employees to pay attention to energy saving and electricity saving in daily operations and experiments, and require employees to promptly adjust high-energy-consuming equipment such as laboratory fume hoods to the lowest level after completing the experiment, which achieve satisfied energy-saving effects. Meanwhile, we use energy-saving publicity posters, signs and other methods to deepen employees' energy-saving concepts. Responsible departments such as EHS department and administration department inspect the office area and work area to avoid waste of energy resources. During this Year, due to the large-scale construction of the Phase I Guangzhou manufacturing facility project, its electricity consumption has been included in the purchased electricity consumption of the Group. Our energy and resource usage is as follows.

Energy resource consumption	Unit	2019	2020
Gasoline	Litres	–	3166.70
Purchased heat	kg	–	1,997.10
Purchased electricity	kWh	1,428,600.00	2,895,162.00
Purchased electricity consumption intensity	kWh/square meter[1]	–	48.21

Note 1. Since the Group has yet to start large-scale production and sales to generate operating income, the intensity indicators such as unit operating income and unit product are not applicable for the time being.

Water-saving Management

The Group keeps the effective practice of water resources management and water conservation in mind. We promote water recycling by setting up storage tanks, and strictly monitor the water usage in the office area. We also installed different water-saving devices, such as infrared sensor faucet, variable-frequency water pumps, etc. We regularly check and maintain the water pipe network to reduce the leaks. We promote the awareness of water conservation to employees by posting signs. Due to the large-scale construction of the Phase I Guangzhou manufacturing facility project, its water usage has been included in the water consumption of the Group this Year. The Group consumed a total of 56,311 tonnes of water. We did not have problems in obtaining water resources.

Indicators	Unit	2019	2020
Water consumption	tonnes	13,200.00	56,311.00
Water intensity	tonnes per square meter[1]	–	0.94

Note 1. Since the Group has yet to start large-scale production and sales to generate operating income, the intensity indicators such as unit operating income and unit product are not applicable for the time being.

4.5 ENVIRONMENT AND NATURAL RESOURCES

The Group complies with the *Law of the PRC on Environmental Impact Assessment, Land Administration Law of the People's Republic of China, Law of the People's Republic of China on Water and Soil Conservation, Regulation on the Administration of Construction Project Environmental Protection, Regulations on Environmental Impact Assessment of Planning* and other laws and regulations. We have completed the first phase of construction of the manufacturing facility in Guangzhou this Year. We perform related environmental protection responsibilities such as construction project development, cultural protection, and soil and water conservation. During the construction period, we regularly monitored and evaluated environmental risks in order to take timely and effective countermeasures. These included the allocation of drainage ditches, sediment deposit ponds, colored strips and other greening and engineering measures to reduce the impact on the environment and natural resources during construction, while protecting the natural ecological environment.

5. PEOPLE-ORIENTED

InnoCare understands that professional talents, technology and innovation capabilities are the source of power for enterprise development. We have been attracting more outstanding talents from all over the world to join the Group.

InnoCare regards the diversity of employees as an important factor to support and achieve its strategies and sustainability development. When recruiting employees, we consider various aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, etc. Our recruitment is based on meritocracy. Candidates are considered and selected based on objective criteria, and the benefits of overall diversity of employees of the Group are appropriately considered.

As of December 31, 2020, the Group had a total of 452 full-time employees, of which 218 were female employees and 234 were male employees. During this Year, the composition of the employees of the Group is as follows:

Indicators		**Number of employee in 2020 (person)**	**Employee turnover rate in 2020 (%)**
By Gender	Female	218	7%
	Male	234	11%
By Employment Type	Contract workers	448	–
	Temporary workers	4	–
By Age Group	Aged 30 and below	176	15%
	Aged 31-40	218	4%
	Aged 41-50	42	9%
	Aged 51 above	16	0%
By Geographical Region	China	444	9%
	Overseas	8	0%

5.1 EMPLOYMENT AND LABOR STANDARDS

In accordance with the *Labor Law of the PRC, Labor Contract Law of the PRC, Law of the PRC on the Protection of Minors,* and *Social Insurance Law of the PRC*, the Group has compiled the *Employee Handbook* 《員工手冊》 with the management needs of the Group. Provisions of the Employee Handbook are made on the recruitment, dismissal, salary, promotion, working hours, holidays, anti-discrimination, equal opportunities, benefits, etc. of employees.

Recruitment and Resignation

We recruit talents with experience and professional knowledge to join InnoCare based on the employment principles of fair, just and open. We eliminate any form of discrimination against employees' gender, age, nationality, religious beliefs, etc. We encourage employees to recommend outstanding talents to join the Group, while avoiding conflicts of interest based on the principle of equal opportunities.

In order to ensure that the employment procedures comply with laws and regulations and avoid the use of child labour, we first require applicants to present identification documents for verification during recruitment to ensure that they meet the minimum working age requirements. The human resources department signs a labour contract with the new joiners and requires them to present the identification card, academic certificate, proof of the termination of the labour relationship with the previous company and personal photos during the formal employment procedures to ensure the authenticity of the employee's identity effective and prevent the occurrence of illegal employment. During this Year, the Group had no labour disputes caused by violations of laws and regulations, and no child labour was employed.

When resigning, employees need to fill in the *Resignation Application Form* 《離職申請表》 and submit it to the human resources department. The human resources department coordinates with the relevant departments to initiate the resignation approval and procedures in accordance with reference to the Employee Handbook. After the employee completes all resignation procedures, the human resources department will issue a specific resignation certificate.

Salary and Benefits

We regularly conduct market surveys on salary and benefits to ensure that the salary levels provided by the Group are competitive in the market. Based on the Group's operating performance and market salary level, we evaluate the salary structure and level each year in April and make annual salary adjustment arrangements. In addition, we reward employees for their short-term contributions in the form of annual performance bonuses or other bonuses.

5. PEOPLE-ORIENTED

Our employee remuneration includes salary, performance bonus, provident fund and social insurance contributions, and other welfare payments. In accordance with applicable laws in China, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing provident funds for our employees. We provide employees with gifts or cash for newlyweds and new-born babies and an annual comprehensive medical examination. For employees engaged in professional operations, regular occupational health examinations will be provided in accordance with relevant laws and regulations. We provide employees with diversified benefits and care, and encourage them to have work-life balance. We regularly hold birthday parties, festive celebrations, and team building exchanges to enrich employees' spare time and enhance company cohesion.

Working Hours and Holidays

The Group prohibits forced labor in any form. We implement standard working hours system, irregular working hours system and comprehensive calculated working hours system. Senior management and senior technical staff implement irregular working hours system; other employees implement standard working hours system. If other employees need to implement the irregular working hour system and the comprehensive calculated working hour system, they can also apply to the labor and social security administration department for the approval. We do not advocate overtime, and encourage employees to improve work efficiency and complete work tasks on time, quality, and quantity. If employees need to work overtime, they must apply for the approval to their department in advance in writing. During this Year, the Group had no labor disputes caused by violations of laws and regulations, or forced labor.

Our employees enjoy statutory holidays for New Year's Day, Spring Festival, Ching Ming Festival, Labor Day, Dragon Boat Festival, Mid-Autumn Festival, National Day. For employees who have served the Group for a full year can enjoy at least ten days of paid annual leave. In addition, newlywed employees can have one day paid pre-marital medical leave and ten days of marriage leave; pregnant female employees can enjoy a monthly and half-day pregnancy check-up leave; female employees have maternity leave for childbirth; male employees are entitled to 15 days paid paternity leave during the maternity leave of their wives, etc.

Promotion

The Group has established talent promotion channels to make each employee's ability development and career goals clearer. The promotion of ranks is determined according to the work performance and ability of the employees, and is based on the annual performance evaluation. Before an employee is promoted, the department and the human resources department must review whether his/her qualification, performance and ability meet the standards. We achieve the goal of improving the performance of both the Group and our employees through continuous and circular steps such as "goal setting, regular assessment, application of results, communication and feedback". Performance evaluation includes daily work evaluation, short-term performance evaluation and annual performance evaluation. All performance evaluations are based on employees' work performance, professional behaviour and work attitude.

5.2 ENSURING HEALTH AND SAFETY

InnoCare is committed to providing employees with a safe working environment and strictly abides by the *Production Safety Law of the PRC, Law of the PRC on the Prevention and Control of Occupational Diseases, Fire Control Law of the PRC,* and *Regulations on the Safety Administration of Hazardous Chemicals* and other laws and regulations. During this Year, the Group did not have any incidents of work-related deaths and no working days were lost due to work-related injuries.

Hazardous Chemical Management

We formulate the *Dangerous Goods Warehouse Management Regulations* 《危險品庫管理規程》 to implement regulations on the procurement, reception, storage, collection, usage, scrapping, disposal and emergency measures of hazardous chemicals. We arrange three types of dedicated personnel to manage the dangerous goods warehouse of the Group. Warehouse keepers are responsible for daily inspections of various facilities and temperatures in the dangerous goods warehouse (including hazardous waste warehouse), and responsible for receiving, storing and distributing hazardous chemicals in the warehouse. Hazardous chemical users are responsible for recording the names, specifications, properties and safety data of hazardous chemicals. EHS personnel are responsible for guiding and supervising the management and operation of hazardous chemicals in accordance with laws and regulations. Warehouse keepers need to be trained before they start work. The training includes but not limited to the professional fire protection training required by the government and hazardous chemical operation training, and the relevant internal training of the Group, such as chemical leakage emergency handling training.

Safety Management of Chemical Laboratory

Our laboratories are equipped with dust-proof facilities such as fume hoods and side suction hoods to create a working environment that meets occupational health and safety ("OHS") standards for employees. Employees must receive OHS related training before taking up their jobs, familiar with the safety skills to deal with risks, and wear laboratory coats, masks, gloves, goggles and other protective equipment before entering the laboratory. All laboratories post safety operating procedures for laboratory operators and laboratory emergency response plans. Meanwhile, we have formulated the *Chemical Laboratory Non-working Time Safety Regulations* 《化學實驗室非工作時間安全規定》, which requires operators and managers or managers-designated personnel to inspect the personal and public areas of chemical laboratories according to the items in the safety checklist before leaving work. Relevant safety regulations regulate the use, placement, and cleaning of drugs, medicaments and laboratory equipment. Employees are required to strictly implement these regulations to prevent chemical safety accidents.

5. PEOPLE-ORIENTED

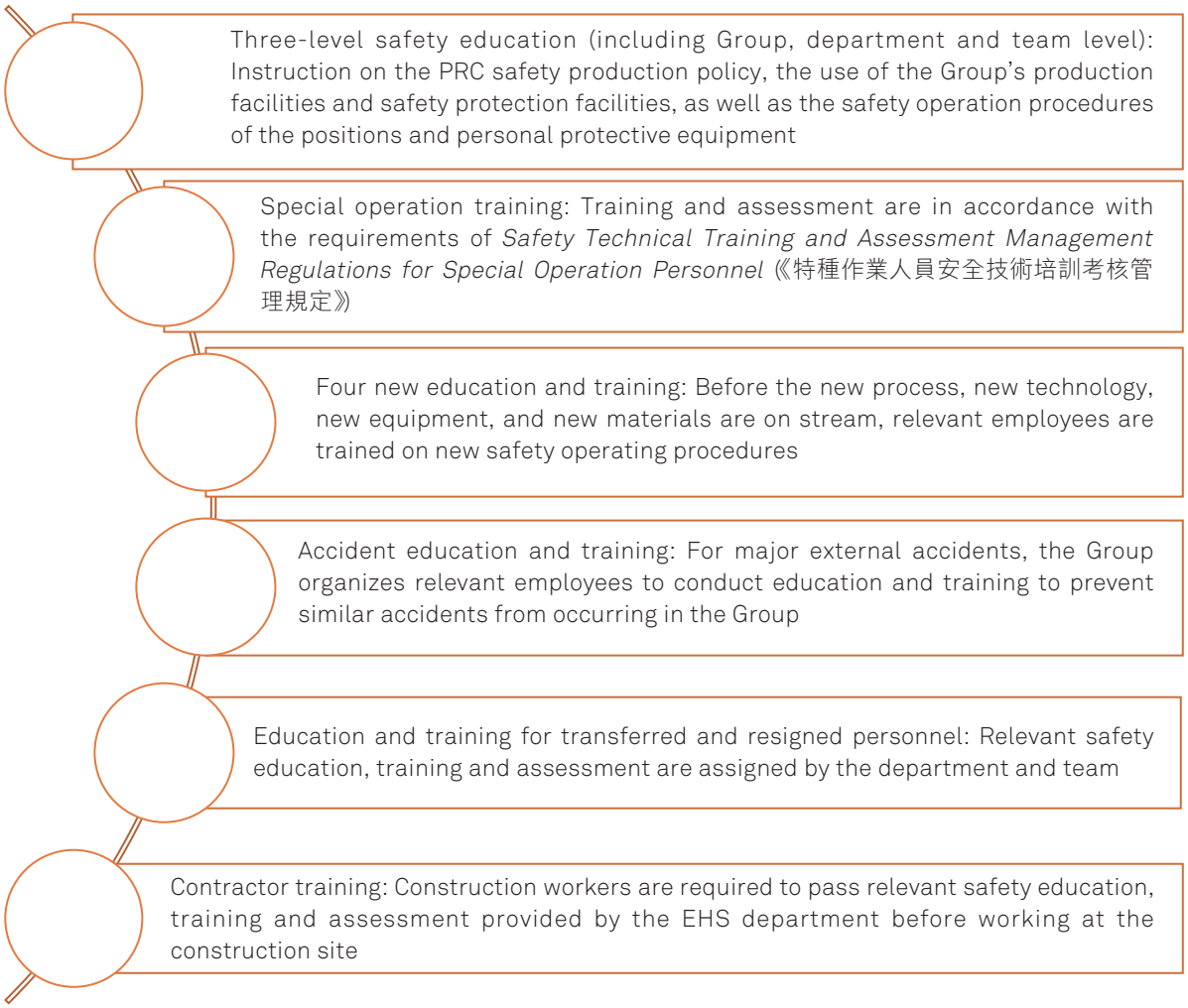
Troubleshooting and Rectification of Potential Risks

We have formulated the *EHS Conference System* 《EHS會議制度》 to implement the Group's EHS responsibility system at all levels, and regularly organize relevant EHS leaders to study, deploy, inspect and summarize EHS work. We formulate the form and frequency of EHS inspections at the Group, department, and team levels in accordance with the *EHS Inspection System* 《EHS檢查制度》 and the *Troubleshooting of Potential Risks and Rectification System* 《隱患排查整改制度》, in order to strengthen the supervision and management of potential accidents, prevent and reduce accidents, and protect the lives and property of employees. Employees can first issue photos of hidden risks directly through the WeChat group established by the EHS department, and then fill in the *Hazard Identification Card* 《危險源識別卡》 which is then submitted to the department-level EHS representative. The department-level EHS representative and the EHS department will coordinate the rectification situation. Relevant employees of the EHS department will verify and endorse the rectification of hidden risks.

A fire emergency drill was held in Guangzhou manufacturing facility this Year.

Occupational Safety Education

All employees are required to participate in trainings on safety regulations, operating procedures and how to use safety protection equipment in accordance with the training plan of the Group. The Group has formulated the *EHS Education and Training System* 《EHS教育培訓制度》 for the human resources department to coordinate the EHS department, department heads and production teams to conduct safety education and training for employees. It ensures that employees have the necessary capabilities for EHS and meet the requirements of national laws and regulations and the actual production needs of the enterprise. We arrange different types of safety education and training for our employees. Employees are required to pass some safety trainings and assessments before taking up their positions.



Occupational Hazard Detection

In addition to organizing annual physical examination for all employees, we also entrust qualified occupational health technical service organization to conduct occupational hazard detection and evaluation for our chemical laboratories regularly. In accordance with the inspection results and evaluation recommendations, we continue to do our best to safeguard the occupational health of employees and enhance the prevention and control of occupational diseases.

Epidemic Prevention Arrangements

During the outbreak of COVID-19 pandemic, the Group carried out daily tracking, summarization and communication of employee flow and health status. We integrated government policies, regional office conditions and employees' personal circumstances, timely adjust the working hours, and properly allocate work arrangements for employees. After employees returning to work, we continued to provide anti-epidemic materials and regularly disinfected the office area to ensure the sanitation and safety of the working environment.

5. PEOPLE-ORIENTED

5.3 EMPLOYEE DEVELOPMENT AND TRAINING

In order to maintain the quality, knowledge and skill of employees of the Group, we provide regular trainings to employees, including induction training for new employees, technical training, professional and management training, and health and safety training. We determine the training plan and arrange training according to the development needs of employees. We subsidize employees for professional technical training, and sign training contract and agreed service periods with them to ensure that they make good use of the knowledge they have learned during the service period and enhance the competitiveness of the Group. For overseas training, we set the service period for employees, who receive professional technical training involving sensitive technology or important technical information, to the Group. The training status of our employees this Year is as follows:

Indicators		Total person times of staff in training in 2020	Average training hours in 2020	Percentage of trained employee in 2020
By Gender	Female	2,081	8	100%
	Male	2,535	10	100%
By Employee Category	Senior management	641	18	100%
	Middle management	608	12	100%
	Grassroots employees	3,367	8	100%

6. RESPONSIBLE OPERATION

6.1 COMPLIANCE AND BUSINESS ETHICS

InnoCare actively maintains a clean and compliant business environment, which ensures that the employees and business partners strictly abide by the *Anti-Unfair Competition Law of the PRC* and *Anti-Money Laundering Law of the PRC* and other relevant laws and regulations. The Group's Employee Handbook states that employees must avoid any activities that may cause conflicts of interest. We do not allow employees to accept loans, remunerations and gifts from stakeholders of the Group that go beyond ordinary business etiquette. The Group has formulate the *Anti-Commercial Bribery Agreement* 《反商業賄賂協議書》 and the *Conflict of Interest Management Agreement* 《利益衝突管理協議書》 in the spirit of fairness and integrity. We cooperate with business partners to stop commercial bribery, safeguard the legitimate rights and interests of both parties, and maintain good business discipline. In accordance with the new version of laws and regulations and internal management, we regularly review compliance-related documents to improve and perfect relevant policies and measures.

The Group incorporates fraud, corruption, money laundering, and bribery risk assessments into the annual corporate risk assessment, and adopts control measures to reduce the chance of occurrence. In order to strengthen the establishment of the internal control system, improve business management, avoid business risks, and prevent illegal activities, we have formulated the *Internal Audit Management System* 《內部審計管理制度》. The internal audit department under the control of the audit committee is responsible for formulating the *Annual Audit Plan* 《年度審計計劃》 and assisting in the establishment and improvement of the mechanisms of anti-fraud, anti-money laundering, and anti-fraud.

The Group has formulated the *Anti-fraud, Anti-corruption, Anti-money Laundering, Anti-bribery and Whistleblowing Management Measures* 《反舞弊、反腐敗、反洗錢、反賄賂及舉報投訴管理辦法》 to regulate the professional behavior of employees and whistleblowing procedures for unethical behavior. Employees and all parties in the society who have direct or indirect economic relations with the Group can report any actual or suspected violations of professional ethics of employees of the Group to the audit department in anonymous or real names through telephone, e-mail and mailbox, etc. The audit department subsequently reports to the board of directors whether to approve the whistleblowing cases. When conducting relevant investigations, external experts may be hired to participate in the investigation if necessary. Regarding whistleblowing case in real-name, we report the results of the investigation to the whistleblower regardless of whether an investigation is initiated. All whistleblowing cases and investigation information are kept confidential.

During this Year, we did not find any lawsuits against the Group or employees or any corruption, bribery, extortion, fraud or money laundering cases.

6. RESPONSIBLE OPERATION

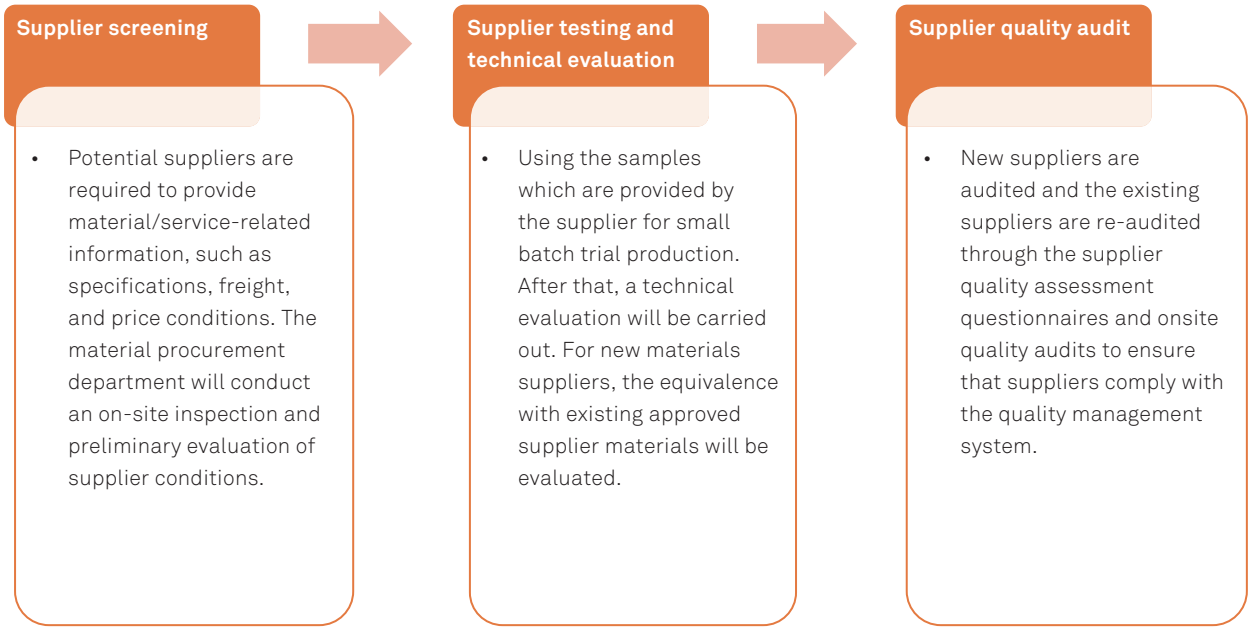
6.2 PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

During the Reporting Period, the Group accumulated 17 granted patents and submitted over 100 patent applications in various countries and regions. The Group believes that effective intellectual property protection is essential to the success of business operations. We comply with the *Patent Law of the PRC, Detailed Rules for the Implementation of the Patent Law of the PRC, Trademark Law of the PRC, Regulation for the Implementation of the Trademark Law of the PRC*, and other relevant laws and regulations. Employees are required to sign the *Confidentiality, Proprietary Information and Intellectual Property Protection Agreement* 《保密、專有信息及知識產權保護協議》 with the Group to clarify the rights and obligations of both parties to protect trade secrets. It may also be the rewards and remunerations to the inventors or designers, and motivates the employees while standardizing the management of intellectual property rights. Meanwhile, we have formulated the *Software Legalization Management System* 《軟件正版化管理制度》 to regulate the purchase of legal software for computer operating system. We strengthen software legalization trainings for employees to further improve their ability of using software and legal awareness to prevent any risk of infringing the intellectual property rights.

6.3 SUPPLY CHAIN MANAGEMENT

In order to standardize the Group's material procurement process and compliance operations, we have formulated the *Purchasing Management System* 《採購管理制度》 to clarify the procurement process, audit, and approval processes to ensure that we obtain the product with excellent supply quality and services. For suppliers that are initially determined to be available for our selection, we conduct preliminary supplier assessment for them and prepare survey report for necessary on-site audit inspection. The result of the survey is considered in the technical and business evaluation report and a supplier with higher cost performance is selected in the end.

Through internal management systems such as *Supplier Management* 《供應商管理》, *Material Supplier Management* 《物料供應商管理》, *Consumables Supplier Management* 《耗材供應商管理》, *Contractor Management* 《承包商管理》 and other internal management systems, we classify and finely manage the quality management of the production materials, services and equipment/software procurement process of good manufacturing practices ("GMP"), and define the requirements of the selection, evaluation and review of the suppliers.



During this Year, the Group had 844 cooperative suppliers, including 783 suppliers in Mainland China and 61 overseas suppliers.

Daily Monitoring and Maintenance

The quality department, procurement department, EHS department and departments that use materials or services of the Group set requirements for supplier audit, quality agreement maintenance, and performance monitoring in accordance with the procedures of *Supplier Monitoring and Maintenance* 《供應商的監控與維護》. In addition to supervising the suppliers to improve their quality management systems or products/processes, we also monitor their regulatory risks (including GMP, EHS, etc.) to ensure that they are in compliance with relevant laws and regulations, such as prohibiting corruption, respecting employees' basic human rights, prohibiting the use of child labor, and taking responsibility for the health and safety of employees, so as to prevent product or service supply from being affected. We also communicate with suppliers regularly to enable them to fully understand the Group's standards in terms of compliance, labor standards, environmental emissions, and product quality, so as to manage and reduce environmental and social risks in the supply chain. If the supplier's performance does not meet the expected requirements or the quality performance shows a bad trend and the corrective measures are invalid, the Group can disqualify the supplier and terminate the cooperation. We suspend the monitoring of the suppliers who have not supplied or provided services to the Group for more than one year. For suppliers who have not supplied or provided services for 3 consecutive years, the procurement department will notify the quality assurance department in writing to cancel their qualifications, and update the supplier list timely. If it is necessary to re-select the disqualified/suspended suppliers, we will process the requirement according to the selection, evaluation and audit requirements of the new suppliers.

Complaints and Feedback

The Group conducts periodic quality history evaluations for suppliers, and we will use quality performance review reports as one of the factors in selecting suppliers in the future. In our daily operation, if there is an incident related to the quality of consumables, we have set up *Supplier Quality Complaint and Feedback Management* 《供應商質量投訴與反饋管理》 to establish the complain and feedback methods on the quality of manufacturing materials in the process of receiving, inspection, storage, distribution and usage. The methods of complaints and feedback may ensure the effective implementation and records of suppliers' complaints and feedback.

7. PRODUCT LIABILITY

The R&D team of InnoCare consists of more than 150 professional and experienced personnel. We have 8,300 square meters and 3,350 square meters of advanced research facilities in Beijing and Nanjing respectively to support our research on chemistry, biology, in vivo pharmacodynamics, pharmacokinetics, toxicology and chemistry, manufacturing and control ("CMC"). Meanwhile, we have completed the construction of Guangzhou Phase I pharmaceutical manufacturing facility which is 50,000 square meters in line with the GMP requirements of the U.S., Europe, Japan and China. We have successfully obtained the manufacturing license in 2021.

7.1 QUALITY CONTROL OF THE WHOLE PROCESS

The Group has established the *Quality Risk Management Regulations* 《質量風險管理規程》 to specify the entire life cycle of InnoCare's products, including the risk identification, analysis, evaluation and control processes of R&D, manufacturing, storage, transportation, distribution, service and sales processes. The quality department conducts effective risk assessment and analysis through the risk assessment tools, such as failure mode effect analysis ("FMEA"), hazard analysis and critical control points ("HACCP"), and auxiliary statistical tools. Our engineers, scientists and medical affairs experts are responsible for determining the possibility of risk hazards, formulating the relevant reduction methods and providing the final judgment to the standard of acceptable risk.

Product Development

Our clinical research strictly complies with the Good Clinical Practice standard from the *International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use ("ICH-GCP")* 《臨床試驗質量管理規範》, *Drug Administration Law of the PRC, Regulations for the Implementation of the Drug Administration Law of the PRC* and *Administrative Measures for Drug Registration*, and other relevant laws and regulations. Before entering clinical trial, we complete toxicology research in accordance with the requirements of the Good Laboratory Practice ("GLP") for Nonclinical Laboratory. Our pharmaceutical research and clinical samples preparation meet GMP requirements. We submit clinical trial applications in accordance with the requirements of the National Medical Products Administration ("NMPA"). During the clinical trial process, we comply with the requirements of ICH-GCP from project design to clinical trial operation, data collection and management, statistical analysis, and submission of new drug applications.

Product Manufacturing

The *Management of Production Plans* 《生產計劃管理》 of the Group regulates the principles of formulation, execution, inspection and adjustment of production plans. The production proceeds as planned and we can ensure the inventory of the finished product, and make sure that they comply with current GMP requirements. During the Year, the Group newly established the *Product Release Management Procedure* 《藥品放行管理規程》 and entrusted third-party drug manufacturers to produce marketing drugs and drug candidates, so as to stipulate that the product quality and the release of products comply with regulatory requirements. The entrusted drug manufacturers conducts inspection and production in accordance with the process regulations transferred by InnoCare and the approved quality standards of materials and products. We review the production or packaging process and inspect batch records of the entrusted drug manufacturers. Final products are approved by our quality authorized person before they are launched. We conduct on-site audits of the quality management system of the entrusted drug manufacturers. We also prepare the audit reports and supervise them to complete all rectification actions.

Product Recall

During this Year, our first product, Orelabrutinib, was approved for marketing on 25 December 2020, there was no recall of products due to safety and health reasons. Nevertheless, we have established an internal product return or exchange process to prepare for the subsequent product launch. When any product needs to be returned or exchanged, we will receive and handle the returned product in accordance with relevant procedures and the quality department will conduct a return evaluation. The quality department will carry out the inspection procedures for the returned goods and submit an analysis report to make appropriate processing decisions according to the needs.

7.2 LABELS AND ADVERTISEMENTS

During this Year, we signed the entrustment agreements and quality agreements with entrusted drug manufacturers, and carried out production activities in accordance with the production process, quality standards, instructions and labels approved by the drug registration certificate.

The Group promises to strictly abide by laws and regulations related to advertising and labelling in the production process of products operated by us in the future, which included the *Advertising Law of the PRC,* the *Drug Administration Law of the PRC,* the *Measures for the Categorized Administration of Prescription and Non-prescription Drugs, Provisions on the Administration of Pharmaceutical Directions and Labels*. It enables the regulatory agencies, medical experts and patients to obtain true and rigorous products and academic information.

7. PRODUCT LIABILITY

7.3 CUSTOMER COMPLAINT HANDLING

During the clinical research phase, the Group provides participants with the *Clinical Trial Agreement* 《臨床試驗協議》 and *Informed Consent* 《知情同意書》 to ensure that participants understand the nature, risks and benefits of the research, and the rights of participants. In the product commercialization stage, the Group will establish a product complaint management process and implement relevant handling procedures when the product is officially launched. We will also improve the management process for after-sales drugs and handle and resolve any product problems in a timely manner. We will set up a medical service hotline, establish a feedback channel for patients or physicians to obtain their information on drug using in the market, and continue to pay attention to the improvement of drugs.

During the Reporting Period, our first product, Orelabrutinib, was approved for marketing on 25 December 2020, there was no complaints about products or services.

7.4 CUSTOMER INFORMATION PROTECTION

The Group is committed to protecting customer information and privacy, maintaining trade secrets and protecting the interests of our customers. We strictly keep the personal information of all participants confidential in accordance with the *Good Clinical Practice for Clinical Trials ("GCP")* 《藥物臨床試驗質量管理規範》 and relevant laws and regulations. We systematically manage the clinical trial documents in accordance with the internally formulated *Folder Management* 《申辦者文件夾管理》.

We have formulated a series of systems for the maintenance and management of internal information systems. For example, the *Information System Problem Handling Management System* 《信息系統問題處理管理制度》 regulates the problems of handling process for the information system of information technology department. The *Information System Account Management System* 《信息系統賬號管理制度》 mainly regulates the operating system and others user accounts of network equipment, and improves its security. The *Information System Access Control Procedure* 《信息系統訪問控製程序》 regulates the access control of the information technology department to each system, and prevents the unauthorized access to the system. The *Information System Change Management Procedures* 《信息系統變更管理程序》 strengthens the updates and maintenance of the software.

In addition, we set up a file server to provide a platform for centralizing data management and sharing the resource to all the departments and employees. It contains strict authority control and regular data backup to ensure data security. The file server formulates usage behaviour and access rights to ensure its safe and reliable operation, and avoids abnormal deletion of data and leakage of secrets. All electronic documents, unless required by the work, are not allowed to be distributed across departments in principle, nor are they allowed to be borrowed or distributed to third parties.

8. CO-CONSTRUCTING THE COMMUNITY

During the Reporting Period, the Group fulfilled its social responsibilities and proactively responded to national anti-epidemic actions. During the outbreak of COVID-19 at the beginning of this Year, we donated RMB1 million to the China Red Cross Foundation to support the prevention and control of the epidemic. InnoCare was awarded the title of "2020 Humanitarian Dedication Angel", in recognition of our contribution to the fight against the epidemic by the China Red Cross Foundation.


捐赠证书

北京诺诚健华医药科技有限公司

为支持中国红十字人道救助事业

慷慨捐赠 人民币壹佰万元整。

谨致谢忱

CRCF 中国红十字基金会

2020 年 02 月 06 日

Donation of InnoCare to the China Red Cross Foundation

Looking ahead, the Group will encourage the employees to participate in the charity activities and volunteer works, and continue to actively participate in public welfare with the Group.

APPENDIX 1: HONG KONG STOCK EXCHANGE ESG REPORTING GUIDE INDEX

Key Performance Indicators			Related Chapter
A. 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.	4. Environmental Protection
	A1.1	The types of emissions and respective emissions data.	4.2 Pollutant Control
	A1.2	Greenhouse gas emissions in total and, where appropriate, intensity.	4.1 Greenhouse Gas Emission
	A1.3	Total hazardous waste produced and, where appropriate, intensity.	4.3 Waste Management
	A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	4.3 Waste Management
	A1.5	Description of measures to mitigate emissions and results achieved.	4. Environmental Protection
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	4.3 Waste Management
A2：Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	4.4 Use of Resources
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	4.4 Use of Resources
	A2.2	Water consumption in total and intensity.	4.4 Use of Resources
	A2.3	Description of energy use efficiency initiatives and results achieved.	4.4 Use of Resources
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	4.4 Use of Resources
	A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Not applicable, the Company has yet to produce products by itself during the Year.
A3：The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	4.5 Environmental and Natural Resources
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.5 Environmental and Natural Resources

APPENDIX 1: HONG KONG STOCK EXCHANGE ESG REPORTING GUIDE INDEX

Key Performance Indicators			Related Chapter
B. 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.	5.1 Employment and Labor Standards
	B1.1	Total workforce by gender, employment type, age group and geographical region.	5. People-oriented
	B1.2	Employee turnover rate by gender, age group and geographical region.	5. People-oriented
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.	5.2 Ensuring Health and Safety
	B2.1	Number and rate of work-related fatalities.	5.2 Ensuring Health and Safety
	B2.2	Lost days due to work injury.	5.2 Ensuring Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	5.2 Ensuring Health and Safety
B3：Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.3 Employee Development and Training
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	5.3 Employee Development and Training
	B3.2	The average training hours completed per employee by gender and employee category.	5.3 Employee Development and Training
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.	5.1 Employment and Labor Standards
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Employment and Labor Standards
	B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Employment and Labor Standards

APPENDIX 1: HONG KONG STOCK EXCHANGE ESG REPORTING GUIDE INDEX

Key Performance Indicators			Related Chapter
B5：Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	6.3 Supply Chain Management
	B5.1	Number of suppliers by geographical region.	6.3 Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	6.3 Supply Chain Management
B6: Product Responsibility	General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	7. Product Liability
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	7.1 Quality Control of the Whole Process
	B6.2	Number of products and service related complaints received and how they are dealt with.	7.3 Customer Complaint Handling
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	6.2 Protection of Intellectual Property Rights
	B6.4	Description of quality assurance process and recall procedures.	7.1 Quality Control of the Whole Process
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	7.4 Customer Information Protection
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.	6.1 Compliance and Business Ethics
	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.	6.1 Compliance and Business Ethics
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	6.1 Compliance and Business Ethics

APPENDIX 1: HONG KONG STOCK EXCHANGE ESG REPORTING GUIDE INDEX

Key Performance Indicators			Related Chapter
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.	8. Co-constructing the Community
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	8. Co-constructing the Community
	B8.2	Resources contributed (e.g. money or time) to the focus area.	8. Co-constructing the Community