

**INOVANCE**  
**BUSINESS CONDUCT GUIDELINES**

Version 2.0

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This is an era of uncertainty. Amidst the rapidly changing and intricate business landscape, we have established the Inovance Technology Business Conduct Guidelines to ensure that Inovance and every Inovance individual achieve commercial success in a right and respectable manner. These guidelines serve as binding behavioral norms for Inovance and its employees. Please read the content carefully and consistently use them as your navigational beacon in business activities.

## **1. Message from the Chairman**

Dear Colleagues,

In the year 2020, when Inovance first surpassed the RMB 100 billion market capitalization milestone, we are presenting to you our first edition of the "Inovance Technology Business Conduct Guidelines."

The vision, mission, and core values of Inovance's new culture serve as an explanation for why it exists and how it should operate as a business entity. This new cultural framework, acting as the top-level design in our corporate governance structure, serves as a beacon guiding Inovance employees forward.

Consistency between knowledge and action is crucial, with stability leading to long-term success. In today's complex and ever-changing business landscape, how can Inovance grow rapidly while also earning respect? How can Inovance individuals express their individuality while maintaining appropriate behavior? The Inovance Technology Business Conduct Guidelines will provide us with specific guidance and boundaries for our actions. We commit to faithfully adhering to these guidelines and humbly welcome supervision from all partners and employees.

Currently, the surging digital revolution is profoundly transforming our lifestyles and business operations. The ability to perceive change, seize opportunities, and create change has become a hallmark of commercial competitiveness, marking the end of an era where "comparative advantage" defined success. We must reconsider and interpret the new dimensions of behavioral standards in light of this transformative era. In the future, these attributes will continue to evolve, necessitating continuous improvement for them to remain vibrant.

When we encounter business scenarios not covered by the Inovance Technology Business Conduct Guidelines, our guiding principle should be to enhance customer satisfaction and operational efficiency. We sincerely invite your feedback to help us refine our conduct standards.

Inovance Technology's Chairman: Zhu Xingming  
November 26, 2020

## **2. Our Code of Conduct**

Our Code of Conduct emanates from our vision, mission, and core values. It serves as a guiding principle that both Inovance and every individual at Inovance must adhere to and put into practice in the conduct of our business operations.

### **2.1 We Prioritize Altruism**

The essence of business is "altruism", with putting the success of customers first being an act of altruism, as well as maintaining an open and collaborative approach. Inovance always places the value of customers and partners at the forefront, effectively uphold the principles of "putting customer success first" and "upholding open collaboration" through cultural beliefs, behaviors, organizational support, value creation, and performance evaluation and incentives. As Inovance members, whether externally or internally, we prioritize benefiting others before ourselves.

### **2.2 We Act Promptly**

Only by acting promptly can we seize opportunities and address challenges. Inovance continuously builds agile process-oriented organizations, fostering mechanisms and capabilities to promptly respond to market changes. As Inovance team members, we handle issues decisively, blowing the whistle, making decisions, escalating, resolving problems, and closing loops proactively. When facing unfamiliar domains or ambiguous situations, we dare to act quickly, enhancing our understanding through practice.

### **2.3 We Act on Our Commitments**

Sustainable development is premised on integrity and keeping one's promises – a stance we do not compromise. Inovance actively fulfills its commitments, earning the trust and respect of customers, partners, employees, and the public. As Inovance members, we are reliable, delivering on our promises and striving to be trustworthy individuals capable of achieving results.

### **2.4 We Implement the Principle of Contribution and Sharing**

Value creation, evaluation, and distribution form a positive cycle. Inovance focuses on outcomes, optimizing its value distribution mechanism based on contributions, ensuring that those who contribute more receive more. As Inovance members, we strive to generate more revenue and improve our capabilities, achieving or exceeding targets, contributing to the company's commercial success, and reaping both material and

spiritual rewards in return.

## **2.5 We Embrace Bold Transformation and Openness**

Transformational capability is one of the core strengths of any enterprise. Inovance proactively pursues change, upholding openness, using the certainty of rules to counteract the uncertainty of the environment, thereby enhancing customer satisfaction and operational efficiency. As members of Inovance, we welcome transformation, live it out, and refuse to be conservatism; we maintain a humble mindset, and actively seeking others' opinions. We are eager to share with partners and grow together.

## **2.6 We Maintain Awareness of Crisis**

Business environments evolve at an ever-increasing pace, where trends often supersede advantages. Inovance continually enhances its ability to manage crises, turning it into second nature; leveraging each crisis to accentuate strengths, improve weaknesses, and reshape the landscape. As Inovance employees, we consistently nurture a crisis consciousness, staying modest during success as if walking on thin ice, and fiercely determined when trailing, striving to catch up.

## **2.7 We Strive to Be Fearless Trailblazers**

In tight contests, courage prevails. Inovance fearlessly challenges industry benchmarks, relentlessly pursues technological pinnacles, and dares to innovate by breaking old norms. As part of Inovance, we voice dissenting opinions, confront pressures, and dare to be the "unpopular" ones when necessary. We dare to push boundaries, considering possibilities rather than limitations. We are unafraid of making mistakes, boldly acting on what we believe is right, and have the courage to acknowledge our errors, formulating improvement plans, and executing them.

## **2.8 We're all about passion and dedication at Inovance**

Long-term focus breeds professionalism, and we're obsessed with excellence. As Inovance members, we cherish our passion and tolerate our quirks, knowing that it's all part of what makes us great.

## **2.9 We Adhere to Legal Compliance**

Law, morality and conscience are the red lines that cannot be crossed in business operations. Inovance and employees of Inovance should revere the red lines of business operation, keep capital safety and hold the bottom line for our survival. Especially in the process of internationalization, we must follow the local laws and regulations,

respect regional culture and religious customs, and operate legal and compliant business.

## **2.10 Leaders Lead by Example**

Leaders must be the locomotive for company business growth, respond positively to the company's strategy, take the lead in rushing to the key battlefield. They should personally act as the first person in charge and the first combatant of the most important and difficult strategic business in the organization, seizing every extreme challenge as an opportunity to train themselves and train the talents.

Leaders must possess noble character, practicing selflessness consistently without letting personal preferences dictate judgments, avoiding selfish gains, and being accountable.

They should be the driving force for change, committed to transforming the status quo and making continuous improvement a daily habit.

Leaders need to deeply immerse themselves in frontline operations, conducting diligent research and actively seeking diverse opinions through democratic decision-making. They must confront negative practices without covering up problems or shielding their subordinates.

They should share concerns without burdening others: listening empathetically when subordinates voice problems, uniting those who do so, and proactively shouldering the weight of these issues by leveraging power or resources to help find solutions, encouraging bold action.

Reminder: Given the inability to enumerate all possible business scenarios, one should reflect on the following questions when faced with a specific issue, particularly if it falls outside the scope of basic behavioral guidelines:

- ◆ Does it comply with laws and regulations?
- ◆ Does it align with the company's core values?
- ◆ Would this action potentially harm the company's brand image if reported by the media?
- ◆ How would those we care about perceive this decision?
- ◆ Are we prepared to take responsibility for this decision?

## **3. We are committed to creating a healthy and safe environment**

Internal environment includes not only office space, workshop, laboratory, representative office, activity rooms, etc., but also the cultural environment, for example, cultural belief, work style, organizational climate, interpersonal relationships and so on.



The company adheres to the EHS management system, maintaining and enhancing our health and welfare, proactively eliminating safety hazards, providing a safe working environment and conditions for business trips. The company protects our fundamental rights, fosters a healthy, inclusive, and mutually respectful cultural environment, and extends continuous and wide-ranging support for our physical and mental well-being.

### **3.1 Building a Healthy, Safe, and Inclusive Work Environment**

Inovance respects every employee and ensures the fundamental rights of all:

- ◆ Providing a healthy and safe work environment and travel conditions, identifying and analyzing global safety risks, assessing their potential impact, and protecting employees' personal safety in the best possible way;  
Protect occupational health for employees;
- ◆ Ensuring equal opportunities and treatment in recruitment, training, promotion or other management activities for all regardless of gender, race, nationality, culture, religion, party affiliation, color, sexual orientation,, age, social status, disability status or other personal characteristics;
- ◆ Inovance fully respect human rights and employee's rights to freedom, including freedom in choice of career, employment, resignation, work overtime and freedom of movement; Prohibit the use of any form of modern slavery or human trafficking such as coercion, mortgages/debt bondage, indenture bondage, involuntary prison labor, etc.: Prohibit any restriction on freedom of labor, such as withholding of wages, benefits, property, or documents from employees; Prohibiting any form of forced labor and child labor;
- ◆ Complying with all applicable wage and remuneration laws globally.

As a member of Inovance, we should:

- ◆ Adhere to workplace safety regulations and avoid risky behavior;
- ◆ React promptly to hazards, following relevant safety instructions to take appropriate actions;
- ◆ Not be employed or provide labor against our will;
- ◆ Refrain from bringing illegal, controlled items, or medications into the workplace; also, alcohol is not allowed on the premises;
- ◆ Ban coercion, violence, terrorism, or any actions that may lead to conflicts in the work environment;
- ◆ Prohibit discrimination, sexual harassment, and any other form of inappropriate or unlawful conduct.

If you believe you are in a hazardous or unhealthy environment, you have the right to raise concerns with the Human Resources Department and seek reasonable solutions.

Q: Wang has been working on machine processing lines for three years and never got injured.

Wearing safety shoes is one of her job position requirements, but today she forgot to bring one.

Then, can she work without wearing safety shoes today?

A: No. We will identify potential risks and requirements through EHS management system, and design multiple solutions (such as wearing safety shoes, wear antistatic bracelet, etc.) to manage and control risks. Wang shall wear safety shoes before entering workplace. You may report to the department head for solution when you forgot to bring safety shoes.

### **3.2 Cultivating an Atmosphere of Trust, Sharing, and Appreciation**

The team atmosphere is the foundation for team cohesion and performance. An environment fostering trust, sharing, and appreciation is a key organizational construction objective that Inovance strives to achieve. Here's how we should approach this:

- ◆ Embrace the power of trust, simplifying management through trust, and in turn, earn more trust;
- ◆ Trust does not equate to lack of supervision, and supervision doesn't imply distrust. To protect trust, we must be willing to subject ourselves to oversight and internal audits;
- ◆ We handle trust and criticism based on the principle of addressing issues, not individuals;
- ◆ Give before you take: open to learning from and sharing others' experiences and lessons to help us improve, while having the courage of sharing our strengths and weaknesses contributes to building a stronger team;
- ◆ A complementary talent structure sets the stage for appreciation. Being one that the team needs most is how we earn recognition.

Q: Recently the audit department is conducting management audits. Wu questioned why there was a need for another audit when the company advocated a culture of trust and the department had already done the appropriate auditing during daily work. Does it mean that the company does not trust us?

A: Internal audit performs inspection and supervision duties in response to the statutory requirements of listed companies and the internal management requirements of the company. Supervision is not equal to distrust, and trust is not equal to zero-supervision. Trust is the foundation and supervision are the guarantee, which complements each other. The company has gradually constructed a completed risk management system, internal audit is the last line of defense for risk supervision, which aims to prevent operation management risks.

## **4. We are committed to upholding the values of Inovance**

The value of the company includes the company's business interests, intellectual property, brand image, information assets, information systems and information about employees and partners. As a member of Inovance, we are obliged to protect the company's value and dedicated to avoid the loss of the company's assets in any form.

### **4.1 Circumventing conflicts of interest**

#### **4.1.1 No competition with Inovance**

When establishing business relations or investment relations with Inovance's competitors, customers and/or partners, there is a possibility of competition with Inovance. To avoid infringement of the interests of Inovance, These rules are to be followed:

- ♦ Do not engage in any activities that are in competition with Inovance's existing or future planned products and/or services;
- ♦ Not to participate in the operation of, invest in, work for or advise companies or businesses that are in competition with Inovance;
- ♦ Employees at job grade 16 and above who have an immediate family relationship with an employee of a competitor/stakeholder of Inovance (including customers, suppliers, etc.) must file a written report with the Human Resources Department to assess the nature of the situation and seek a solution whereas applicable.

Q: Liu is a market sale representative; his classmate is a sales agent for another product that competes with Inovance's products. On a reunion gathering, Liu's classmate asked Liu to promote the product during client visits. Can Liu help his classmate in promoting?

A: No. Selling competitor's products will directly infringe the interest of Inovance for Inovance employees. Liu shall not engage in activities that compete with Inovance existing products and services.

#### **4.1.2 Do not abuse the use of working time and impact of Inovance**

To fulfill job responsibilities effectively, These rules are to be followed:

- ♦ Focus on work related matters on company premises or during office hours;

- ♦ Managers, employees at job grade 16 or above, and employees at market frontline (sales, expansion, service), R&D, and purchasing positions are strictly prohibited from engaging in a second career;
- ♦ It is strictly prohibited to abuse the position in or impact of Inovance for personal gain and to carry out all activities not authorized or approved by Inovance.
- ♦ When the scope of a second career is unsure, we should seek assistance in writing from Human Resources Department.

Q: Yang is a sales manager. Two days ago when he was visiting one client of Inovance's, he got the information that the client needs to purchase a batch of pneumatic components. Considering that it is beyond Inovance's business scope, he plans to agent for pneumatic component of some brand and sell it to the client. Can Yang do so?

**4.1.3 A: No. Yang shall not agent for other brand's product without permission or engage in second profession. Regulating external commitments or contracts**

To ensure legal compliance in our foreign operations, These rules are to be followed:

- ♦ No oral or written commitments may be made to third parties without obtaining relevant authorization;
- ♦ Documents related to Inovance shall not be signed on individual's behalf without obtaining relevant authorization.

**4.1.4 Regulating business interaction with competitors**

Misconduct in business interactions with competitors may directly or indirectly cause damage to the company, hence when interacting with business competitors, the following rules shall be followed:

- ♦ Do not disclose any trade secrets of Inovance or its competitors;
- ♦ Do not malign competitors;
- ♦ No private trading of competitors' products;
- ♦ Do not privately engage in bidding with competitors.
- ♦ No engagement in market division with competitors or enter into joint boycotts against other parties to exclude or restrict competition.

Q: Li is the manager of R&D management department, on a meeting hosted by clients, competitors asked about Inovance future R&D direction. Can Li answer this question?

A: No. Without permission, we shall never discuss Inovance's non-disclosed proprietary and confidential information in any context with outsiders.

#### **4.1.5 Respect for the intellectual property rights of others**

Improper use of the intellectual property rights of others may cause us to suffer financial loss or criminal penalties. When encounter with the intellectual property rights of others, these rules are to be followed:

- ♦ Not to copy/reproduce, publish, or spread copyrighted materials, patents, trademarks, trade secrets, etc.;
- ♦ Not to disclose or use the trade secrets of a former employer;
- ♦ Strictly comply with the rules of intellectual property protection of Inovance, to avoid unintentional infringement of the intellectual property rights of others.

When we become aware of a situation where infringement of another person's intellectual property rights is likely to occur, we should take the initiative to report it to the department head or the Intellectual Property and Legal Centre (IP&LC).

#### **4.1.6 Regulating the use of non-self-developed software**

Regulated use of non-self-developed software will not only avoid possible risk of information leakage on technology, product, and solution development, but will also make the company avoid potential legal disputes over copyright. When using non-self-developed software, these rules are to be followed:

- ♦ Strictly comply with the regulations related to the use of non-self-developed software and do not intentionally infringe the copyright of non-self-developed software;
- ♦ Apply, install and properly use non-self-developed software according to Norms of non-self-developed software, and subject to the supervision of the IP&LC, and do not arbitrarily download, install or spread non-self-developed software to the company computer.

Wang used to perform his R&D work with software S in his previous job, but our company did not purchase the copyright of software S. Thus, Mr. Wang downloaded a cracked version of software installation source file from a certain forum at home (the download page did not mention any copyright risks). Can Wang install this software to his office computer provided by Inovance for daily R&D work?A: No. This behavior violates the regulation that Inovance employees shall not download, replicate, install or use non-self-developed software without permission on their office devices by all means.

## **4.2 Maintaining the security of Inovance's assets**

### **4.2.1 Maintaining Inovance's Intellectual Property Rights**

Intellectual property is an important factor in the production of a company, and if we do not implement proper protection over it, potential third parties may duplicate our products, causing loss in values of the company's investment in research and development and depriving the company of competitive advantages. When it comes to protecting our company's intellectual property, these rules are to be followed:

- ♦ Unconditionally comply and actively cooperate with the company's intellectual property agenda;
- ♦ As an inventor and innovator, you should contact the IP&LC in a timely manner to clarify the form of protection measures of your innovations;
- ♦ Not to replicate, publish or distribute all materials, patents, trademarks, trade secrets, etc. of the company that are protected by intellectual property rights;
- ♦ Do not use the company's intellectual property for improper gain;
- ♦ Take the initiative to report any Intellectual Property Infringement to the IP&LC;
- ♦ Do not apply for personal patents for creation or inventions that should belong to the company or transfer it to other companies for patent application within one year of termination of employment.

If certain intellectual achievement is outside the current or future business scope, discussion and confirmation with IP&LC shall be obtained.

Q: Liu will resign tomorrow. When packing personal belongings, Liu found several design sketches and presentation slides. Can Liu take these away?

A: No. Regardless of the reason for leaving the company, one must hand over all held company assets including documents, media, code, intellectual property, etc., and must not take these away, disclose, or use these assets and information. After termination of employment, the company will continue to own the intellectual property created by the employee during their employment.

### **4.2.2 Maintenance of Inovance information assets**

Information assets are all business or non-business data and information of the Company, including, but not limited to, the Company's trade secrets, information in the Company's server systems and various business systems, and consulting results or information obtained by the Company from third parties.

Such information assets, if compromised, will cause serious damage to the company's earnings and competitive advantage. For the effective maintenance of information assets, these rules are to be followed:

- ◆ Ensure that the company's information assets are used only for the company's business purposes and that they are not used for improper gain;
- ◆ No disclosure of company information assets;
- ◆ Mining and utilizing data assets to promote continuous iteration and value-added data;
- ◆ When we identify information asset security risks, we should proactively report them to the Information Security Specialist or the IP&LC.

Q: Li works for contract management department. Due to client's urgent need for a confidential document, can Li directly send it out to client via email?

A: No. All employees shall transmit confidential documents through formal channels (such as document transmission platform). If there is special case or urgent circumstances that requires to send out confidential documents via email, one must apply and obtain permission from department head before doing so.

Q: Wang transmitted a confidential document at work unintentionally, what should he do to deal with this situation?

A: Wang should report to the information security specialist or IP&LC in a timely manner for solution. e

#### **4.2.3 Maintenance of the Inovance information system**

The company continuously invests in the construction and optimization of information systems to help business development, and safeguards the security, integrity and availability of information systems through technical and managerial support. For the effective maintenance of information system, These rules are to be followed:

- ◆ Apply for and use the Company's information system resources appropriately, ensuring that they are used only for the Company's business purposes;
- ◆ Access information systems using virus-protected computer terminals in a safe and secure network environment;

- ♦ Keep authorized information system accounts, passwords and system information secure;
- ♦ Standardize the operation of information systems to ensure the accuracy and completeness of data.

When we discover an information system failure or security risk, we should immediately contact the IT Service for resolution.

#### **4.2.4 Maintenance of Inovance's fixed assets**

The fixed assets of the company should be effectively maintained and these rules are to be followed:

- ♦ Identify and recognize fixed assets under your name, assets should be used and stored properly;
- ♦ Ensure that fixed assets are used only for the company's business purposes;
- ♦ Not to use the company's fixed assets for the benefit of others or other organizations.

Q: Su is an overseas business personnel who was visiting a client in a foreign country but suddenly encountered robbers. The robbers demanded that Su hand over his company laptop. In such circumstances, how should Su respond?

**4.2.5 A: When there's a conflict between company asset and life safety, life comes first. People at Inovance must prioritize their own physical safety above all else. Su can give up the company laptop but should report to the police and contact his department head and human resources immediately after escaping from danger. Maintaining the security of personal data**

The loss or improper use of personal data can result in serious consequences for the company and/or the personnel involved. When dealing with personal data provided by employees, customers and other interested parties, these rules are to be followed:

- ♦ Collect, access, use or disclose personal data only for legitimate and appropriate business purposes;
- ♦ Do not access to personal data unrelated to the job description;
- ♦ Do not share personal data with anyone who does not need to know;

Appropriate technologies or measures should be adopted to prevent leakage, loss, alteration of personal data, ensure the safety and compliance of data collection, storage, usage, processing, transmission, destruction, etc; Whenever a possible breach



of the personal data protection regulations come to attention, immediate report shall be made to Intellectual Property and Legal Centre (IP&LC).

Q: Sun is a human resources personnel who is creating an electronic spreadsheet containing employees' social security numbers. Since his office computer is under maintenance, Sun wants to complete this task from home. Can Sun send this electronic data sheet to his personal email and access the file on his personal computer?

**5. A: No, as social security numbers are sensitive personal information, Sun Gong should not send any files containing personal data to his personal email. We are committed to realizing the value of our clients and helping them to succeed**

Customer satisfaction is the ultimate goal of our work. We continue to create value for our customers by providing innovative solutions and services to help them achieve business success.

### **5.1 Providing innovative solutions and services**

To achieve better satisfaction of our customers, we shall:

- ◆ Provide deep insight into industry trends, proactively explore customer needs, and better understand customer's core value and propositions;
- ◆ Deeply cultivate the industry process, provide professional tco, tvo innovation points;
- ◆ Inspect site where application is used, create comprehensive solutions with the users;
- ◆ Provide quick responses to customers' urgent needs, do our best to solve customer's problems;
- ◆ Understand client's work processes to achieve efficient delivery with a win-win mindset;
- ◆ Committed to iterative improvement of solutions and services.

Q: Li discovered a potential issue during the adjustment of a certain product. The impact on product safety is currently unclear, and should Li report this issue even without all the details?

A: Yes. Producing and selling products with potential safety hazards could harm customers and employees. Even if the problem is uncertain, Li should promptly inform department supervisors or quality management personnel.

Q: In country M, Inovance has a long-term strategic partnership with company A. Recently, country M enacted a new sanctions regulation that prohibits company A's business activities in this country, but we have a delivery contract with company A due next year. How can we deal with this?

A: We must fulfill our commitments under the law and regulations while ensuring customer needs are met within legal boundaries. Adhering to lawful behavior is our basic code of conduct. When client demands conflict with laws or regulations, we must strictly follow local laws and regulations. Facing changes in country M's policies, Inovance should thoroughly negotiate with company A to find a suitable solution within the bounds of law.

## **5.2 Valuing Customer Assets.**

Protecting our customers' innovation equals to protecting Inovance's continuous innovation. When cooperating with our clients, we always protect their assets, especially their innovations. We should:

- ◆ Protect the client's trade secrets, intellectual property rights, including but not limited to the client's unique technology, information assets, etc.;
- ◆ Comply with intellectual property or trade secrets related agreements co-created with the client;
- ◆ Strict adherence to the regulations of the client in business cooperation.

## **5.3 Compliance with fair competition legislation**

To promote fair competition, these rules are to be followed:

- ◆ Comply with competition laws and regulations and business ethics in the countries and regions where each business is located;
- ◆ Not to make false or misleading statements or insinuations about competitors in market competition.
- ◆ Adhere to highest standard of integrity in business activities, eliminate falsehoods, deception, forgery, falsification and other breaches of honesty and trust.
- ◆ We are committed to not using conflict minerals such as tungsten, tin, tantalum and gold produced in the Congo and its neighboring countries and regions; we

also conduct due diligence on our suppliers and guide suppliers we work with not to purchase or use conflict minerals.

- ♦ Not to facilitate, directly or indirectly, money laundering, i.e., not to conceal or disguise the origin of illicit funds and make them appear to be legitimate.

If there are questions about competition regulations, consultation with the IP&LC is required.

## **6. We are committed to openness and win-win cooperation with our partners**

The competition in the future is the competition of comprehensive industrial chain. Inovance is committed to become an important link in the quality industry chain, and creating a healthy ecology within the industry with our customers, suppliers, agents and other partners is the foundation of Inovance's business success.

Adhering to the core value of "Openness and Collaboration", we are committed to maintaining business relationships with partners who comply with the law, uphold a good reputation, and share the same views (industry, values, and cooperation) to share resources and build a common ecology.

### **6.1 Adhere to open collaboration and build industrial ecology**

We attract excellent partners from all over the world through "openness" and maintain long-term relationships with our business partners through "collaboration". Therefore, we should:

- ♦ Selecting partners that match the development phase of Inovance and are suitable for the positioning and development trend of Inovance;
- ♦ Establish reasonable and win-win business cooperation rules and strictly abide by them;
- ♦ Strengthen collaborative innovation with partners to protect joint innovations and share commercial benefits;
- ♦ Led by industrial value, sharing industrial resources, build a healthy industrial ecology, learning from others and improving together in the process of cooperation.

Q: During the development of a major platform project, Inovance and its suppliers jointly defined a new material's design under the product application scenario during the initial scheme design phase. They both implemented their respective innovative

technologies. Li from Inovance, who is in charge of this project, wants to apply for patent protection solely on this new technology. Can he do so?

A: No, he cannot. Upholding "open collaboration" is one of Inovance core values. We emphasize joint innovation with suppliers and other partners, protect our shared innovation outcomes, and share business benefits. Mr. Li should seek assistance from the IP& LC and apply for a joint patent with partners.

## **6.2 Advocacy for sunshine cooperation**

We strive to build a fair, just and open environment for cooperation. These rules are to be followed:

- ◆ Strictly follow the process to implement and manage work and businesses;
- ◆ Reject corruption, bribery and other criminal acts in any form;
- ◆ Do not accept or solicit bribes, convenience, advantages, etc. in any form, nor shall one use bribery methods to corrupt third parties for the purpose of seeking business opportunities or gaining competitive advantage.
- ◆ Do not use your position for personal gain to the detriment of Inovance or its partners;
- ◆ No private involvement in partner's business activities;
- ◆ Acceptance of hidden benefits, including but not limited to card games/gambling and recreational activities where money is exchanged, is strictly prohibited.

Q: Zhang is the manager of a procurement center. Recently, he wants to buy a private car but doesn't have enough cash. Therefore, he plans to borrow some money from an employee of a supplier and promises to repay it within two months. Can he do this?

A: No, company regulations strictly prohibit employees from soliciting or accepting cash, valuable items, etc., from suppliers, distributors, or their staff members in any manner. Moreover, they are not allowed to borrow money or lend goods to suppliers, distributors, or their staff members. If such behavior is observed, it should be reported through the channels provided under "Making Suggestions and Complaints".

Q: Zheng works at a procurement center, he wants to place an order with his cousin's company for components for Inovance. Can he purchase these components from his cousin's company?

A: Zheng himself cannot serve as a business interface person purchasing components from his cousin's company. If this supplier meets the certification criteria of Inovance,

He should first inform his department manager about the relationship with his cousin and have the business interface position changed according to conflict-of-interest rules by the department manager. The corresponding business interface personnel must strictly adhere to the procedures for supplier development and negotiations and comply with the provisions of the Sunshine Cooperation Agreement.

Corruption refers to the actions of company employees who exploit their convenience and authority at work to steal corporate assets and sell out corporate interests. Corruption usually has a mutual relationship with other criminal activities, such as embezzlement, fraud, money laundering, and misappropriation of public funds.

Bribery is defined as the act of offering monetary amounts, gifts, promises, or other benefits to the other party's organization or individual in pursuit of unjustified interests to exclude competitors for achieving greater benefits.

### **6.3 Regulating commercial hospitality**

Non-compliant business hospitality may result in unfair dealings with our partners, and therefore these rules are to be followed in business intercourses:

- ◆ Acceptance of gifts is strictly prohibited. Gifts that cannot be refused due to special reasons, regardless of their value, should be turned over to the Human Resources Department with an explanation of the reason;
- ◆ Do not in any way request, imply or accept any advantage from partners or their personnel for personal house innovation/decoration, children's schooling arrangement, spouse or children's job arrangement, or traveling abroad;
- ◆ Acceptance of any accommodation arrangement is strictly prohibited.

## **7. We are committed to protect the interests of shareholders and**

### **Investors**

As a listed company, it is our duty to create value for our shareholders and investors.

### **7.1 Compliance with External Reporting Legislation**

We are committed to provide true, accurate, complete, timely and fair information disclosure to our shareholders, investors, the public and others interested party. These rules are to be followed:

- ◆ Comply external reporting related laws and regulations;
- ◆ If we ought to take relevant responsibility for the report, we should fully understand

and obey corresponding rules of the report;

- ♦ Accurately and completely record and report all information;
- ♦ Avoid inappropriately revising report for others, or providing false and misleading reports.

## **7.2 Recording, Reporting and Retaining Information Truthfully**

The information we record and the report we produce construct the base for public information disclosure and information presentation of the company. It is aimed to accurately present the Company's operation and financial condition. In addition, these information and reports are used to provide evidence for analysis of business state and critical business decision. Thus, recording, reporting and retaining information truthfully plays a pivotal role in the reputation of the company. These rules are to be followed:

- ♦ Reimburse expenses that are genuinely incurred for business and are in accordance with the business expense reimbursement system;
- ♦ Reject to falsify or mispresent bookkeeping records without authorization or authorize others to do so;
- ♦ Properly preserve and manage documentation;
- ♦ Comply with relevant limits of authority and related authorization process.

Take the initiative to consult or report to the office of the Secretary of the Board of Directors if sensitive or unpublished information needs to be disclosed to the public.

Q: Huang is an employee of the Finance and Administration Department. When she conducted credit business with a bank in January 2020, the bank requested her to provide Inovance's annual consolidated financial statements for fiscal year 2019. Can Huang provide these to the bank?

A: No, if you need to provide the annual report externally, it must be released officially by the company before providing.

Q: Zhou is a department manager and needs to cover expenses upfront due to routine work requirements. Now, he wants to claim reimbursement for some recent expenses but is busy with frequent meetings. He decides to have Li from his department handle the submission of the receipts and expense details instead. Can Mr. Zhou do so?

A: No, the person initiating the expense reimbursement process should be the actual payer of the expenses. We must honestly record, report, and keep accurate information; it is not appropriate for someone else to perform reimbursement processes on your behalf.

### **7.3 No insider trading**

To protect the legitimate rights and interests of investors, when we are in possession of inside information, and before the legal disclosure of these inside information, these rules are to be followed:

- ♦ Do not disclose, report, transmit inside information in any form without permission;
- ♦ Reject to trade the company stock and their derivatives or advice others to do so based on inside information;
- ♦ No use of inside information for personal gain, that of relatives or others.

## **8. We are committed to living in harmony with the world**

To practice our social responsibility, we should strive to produce positive impact on the world. We must respect and protect the environment we live in and work in, and maintain a good contact with all aspects of the society.

### **8.1 Implementation of sustainable development**

It is the greatest responsibility of the company to maintain sustainable development of the enterprise, provide valuable solution and service for customers, and offer stable job opportunities for employees. Inovance is devoted to integrate sustainable development into conscious performance of development strategy and operation and management of the enterprise, truthfully and objectively reflect relevant important information and promote the sustainable development of the company.

### **8.2 Protection of the ecosystem**

The company's EHS policy is "Green Industrial Control, Harmonious Inovance, Beautiful World".

The company is committed to corporate with customers and partners in various fields to achieve the goals of high efficiency, energy saving, environmental-friendly and healthy development, such as continuously improving energy efficiency and optimizing energy structure. It is Inovance's duty to protect the environment. These rules are to be followed:

- ♦ Comply with relevant environment protection regulations;
- ♦ Rationally and efficiently utilize energy and conserve the climate in the meantime;

- ♦ Commit to meeting the environmental protection needs of our customers and users;
- ♦ Improve environmental management performance of suppliers;
- ♦ Understand and comply with waste segregation requirements of the places where the business is located;
- ♦ Avoid to produce refuse as much as possible and dispose of hazardous waste in accordance with relevant disposal requirements.

Climate change is a common challenge for all humanities. In face of climate change, we made a “2850 and 3030” double carbon commitment to all society, that “reach the carbon emission peak of operation scope by 2028; reach carbon neutrality of operation scope by 2050; greenhouse gas emission intensity reduces 30% compared to 2021 by 2030”.

To realize this goal, these rules are to be followed:

- ♦ Utilize energy reasonably and efficiently to reduce energy waste;
- ♦ Actively exploit the potential of clean energy and increase the proportion of use of clean energy;
- ♦ Seize the opportunity of clean technology, develop products and solution that could reduce greenhouse gas emission and resource consumption for downstream users;
- ♦ Adhere to the green design concept of high energy-efficiency, lightweight, circular economy during product development process, develop environmentally friendly products, reduce the impact on environment during usage stage and end of lifecycle of products;
- ♦ Implement performance promotion of suppliers in face of climate change;
- ♦ Protect water resource and forest resource, protect biodiversity.

Q: Liu is responsible for collecting gloves used to handle hazardous chemicals and disposing of them in a waste bin for hazardous waste, which is located on the other side of the manufacturing workshop. One month, the manufacturing center needs complete orders as fast as possible, and the head of the manufacturing center requested that all employees to work efficiently to meet the deadline. As regular trash bins are located next to Liu's workstation, can Liu directly dispose of gloves used for handling hazardous chemicals in the regular trash bin to help colleagues finish the order promptly?

A: No. Based on requirements from ISO14001 Environmental Management System and environmental laws and regulations, Liu must strictly follow waste disposal procedures. Meanwhile, Liu Gong can make rational suggestions to relevant departments, continuously improve processes, and plan the location of hazardous waste bins reasonably to reduce the time for transporting discarded gloves.



### **8.3 Maintaining Connections with Various Aspects of the Society**

Content published without authorization may have negative impact on the reputation of the company. When engaging in interactions with other sectors of the society, these rules are to be followed:

- ♦ Must not express opinions, release information, or attend public activities in the name of Inovance without authorization;
- ♦ Forward any documentation request from public security organs, prosecutorial organizations or courts, infringement letter, and attorney's letter to the IP&LC;
- ♦ Forward any request from government officials or social institutions to the Foreign Affairs Department;
- ♦ Forward any request from securities companies, fund companies, investment companies, other institution in the capital market, or other personal investors to the Secretary of the Board of Directors.

Market operations are directly authorized by each relevant department. We shall take the initiative to consult or report it to the CEO Office when we are unable to determine the authorizing party for the relevant demand.

## **9. Our suggestions and ways to complain**

### **9.1 Formulation of observations and recommendations**

The Inovance Technology Code of Business Conduct is a general code of business conduct that we should abide by. In addition, we must adhere to any other rules specific to our company, department, or industry. In cases where these rules conflict with the Code of Business Conduct, the latter takes precedence. If we have questions regarding the interpretation or application of the code or business rules, we should consult with our department head. If the department head is unable to provide a clear explanation or if we disagree with their response, we can seek clarification from the Human Resources Department through the following channels:

Email: [hchr@inovance.com](mailto:hchr@inovance.com)

The Inovance Technology Business Conduct Guidelines is interpreted and regularly maintained by the Human Resources Department.

### **9.2 Protection of complainants and whistle-blowers**

If we become aware of any actions that may violate Inovance Technology's Business Conduct Guidelines, even if these violations do not personally involve us, it is crucial

not to turn a blind eye. Prompt reporting of such misconduct is vital for preventing or mitigating potential negative impacts on the company. The company has established several channels to facilitate your reporting of possible breaches of the Inovance's Business Conduct Guidelines:

Email: [hcs.j@inovance.com](mailto:hcs.j@inovance.com)

Inovance Technology Board of Directors Integrity Hotline and Wechat: 186-8221-5740

Intellectual Property and Legal Staff

Head of Department

The Company will investigate all reports, and take appropriate strong measures to protect whistle-blowers. No retaliation against complainants or whistle-blowers is tolerated. Anyone who violate this prohibition will receive severe penalties.

If a complainant or whistle-blower feels that they have been retaliated, they can feedback through the above channels.