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ABOUT THE REPORT

About the Report

This is a corporate social responsibility (CSR) report published by Shanghai Fosun Pharmaceutical (Group) Co., Ltd. ("Fosun Pharma") for the tenth consecutive year.

This report aims to truthfully present the CSR practice and achievements of the Group to our shareholders, employees, government agencies, customers and consumers, partners and other stakeholders.

Basis of Report

This report is in line with the core plan of GRI sustainability reporting standards (GRI Standards) (GRI represents Global Reporting Initiative) and is also in compliance with requirements set out in the ESG Reporting Guide (2015) in Appendix 27 to the Listing Rules issued by the Stock Exchange (the "ESG Reporting Guide") and is prepared with reference to the Consultation Conclusions on Review of the ESG Reporting Guide (issued on 18 December 2019), the national standards on social responsibility (GB/T36000) and the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0) published by the Corporate Social Responsibility Research Center of School of Economics of Chinese Academy of Social Sciences.

Report Principles

This report follows the report principles under the ESG Reporting Guide.

Materiality Principle: material stakeholders have been identified in the preparation of this report and the communication with stakeholders has been included in the substantive assessment process as the basis for determining material ESG topics.

Quantitative Principle: All data in this report is from relevant statistical reports and formal documents of the Company and relevant standards and methods used in the calculation of GHG emission/energy consumption.

Consistency Principle: The statistical and key performance indicators disclosure methods used in this report are consistent with those in the Corporate Social Responsibility Report of Fosun Pharma for previous years.

Reporting Period

1 January 2019 to 31 December 2019

Scope of Report

The scope of enterprises disclosed in this report is consistent with that of the 2019 Annual Report of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.



Data Description

This report is published at the same time with 2019 Annual Report of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. The financial data in this report is consistent with the 2019 Annual Report of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. published for A shares. In this report, all amounts are presented in Renminbi (“RMB”) unless otherwise specified.

Definitions

For the convenience of expression and reading, Fosun Pharma may be referred to, according to the context, as “the Company”, “Fosun Pharma” or “the Listed Company” in the report; Fosun Pharma and its subsidiaries included in the consolidated report may be referred to as “the Group”, or “Fosun Pharma Group”; the subsidiaries of the Fosun Pharma are described as “member enterprises”; Shanghai Fosun Pharmaceutical Industrial Development Limited may be referred to as “Fosun Pharmaceutical Industrial Company” or “Industrial Company”.

Access to the Report

The report is prepared in simplified Chinese, traditional Chinese and English and published in traditional Chinese and English, and is available in both hardcopy and electronic versions. The latter may be downloaded from the website of Fosun Pharma (<https://www.fosunpharma.com/about/CSR.asp>).

Report Assurance

An external institution has been commissioned by Fosun Pharma to perform third party verification of the Chinese CSR report and issued an Assurance Statement. The Assurance Statement covers the head office of Fosun Pharma as well as two subsidiaries of Wanbang Pharma and Wanbang Biopharma.

Contact Information

All stakeholders are encouraged to provide suggestions and opinions on this report to Fosun Pharma to help us make continuous improvement.

Email: sunl@fosunpharma.com

Address: Brand & Public Relations Department, Building A, Fosun Science Park, No. 1289 Yishan Road, Xuhui District, Shanghai

Please visit the official website of Fosun Pharma (www.fosunpharma.com) for more information on how the Group implements the concepts and strategy of social responsibility and related practices.

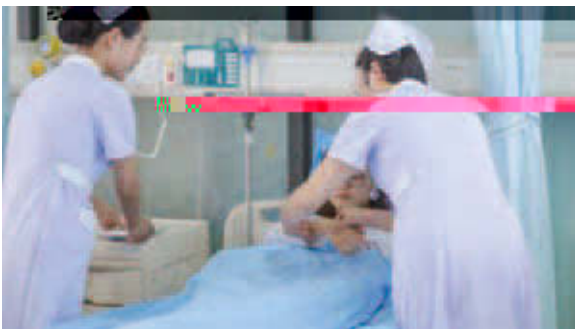
RMB3.322

FOPEX lean projects

263

Annual saving of over

RMB34 million



Average satisfaction of outpatients and inpatients of the member hospitals of Fosun Pharma Group exceeded

96%

The Group proactively participated in the Doctor Poverty Alleviation Program and accumulatively donated cash amount of more than

RMB4 million

...ative drug, has

...alaria, most of which are

The Group proactively participated in the construction of environment friendly community and invested a total of over

RMB124.83 million in environmental protection in 2019

In 2019, the comprehensive energy consumption intensity

was **2.65** GJ per

representing

and the

decrease of **16.5%**

MESSAGE FROM MANAGEMENT

Message from Management

Innovation for Sustainable Development

Dear friends:

In the past year of 2019, the national medical system reform has further deepened and the research and development of innovative drugs entered a period of rapid development. The National Health Care Security Administration deeply promoted the reform of the 4+7 centralized drug procurement system, significantly reduced the price of the essential drugs in the RCP and served in a new era at an unprecedented speed.

In the last year, centering on the core pharmaceutical and health care businesses, we have rapidly implemented the strategy of innovation and internationalization and achieved stable development and the process of rapid development. We have also worked hard to realize the goal of sustainable development of talents and products by incorporating sustainable development in its overall strategy and proactively carried out social responsibility practices.

Innovation is the most important responsibility assumed by pharmaceutical companies in the sustainable development. Clinical needs are the priority of our innovation focus.

After a decade of accumulation, we have achieved a series of achievements in the field of innovation drugs and multiple teams in multiple fields and have established a global network in China, the United States, Japan, Europe, and other regions. Innovation, we are providing more patients and customers with better, more convenient and more affordable products and services.

In 2019, we have launched the first biosimilar drug, and in addition, we have greatly reduced the burden on patients and the financial insurance and benefited more patients; simultaneously, in 2019, we have launched the first in-class, an innovative drug, as a treatment for severe malaria recommended by the World Health Organization (WHO). Globally, our anti-malarial products have saved more than 24 million lives in China, our anti-tuberculosis drugs have helped more than 13 million tuberculosis patients in 2019, we also served more than 13 million patients with chronic diseases.

In the future, most of our major resources will be invested in R&D, and most of the R&D resources will be invested in innovation. In 2019, Sanofi will completely withdraw from non-core businesses and will continue to increase R&D investment in the field of innovative drugs. R&D 1001 is fast approved by FDA, triple therapy for breast cancer treatment is expected to achieve a breakthrough; a number of innovative drugs are in clinical trials in China and the United States, and the clinical progress of 1 combination drugs is accelerating. Our innovation technology platform including small molecules, large molecules, cell therapy and gene therapy are all aimed at realizing innovation in various fields and providing a global cost-effective innovation.

Chen Qiyu
Chairman



Yao Fang
Co-chairman



Wu Yifang
resident
Chief Executive Officer



technologies including monoclonal antibody, CAR-T cell therapy and stem cell therapy will rely, in part, on the effective combination of biosimilars and generics.

Quality is the cornerstone of the serial and development of an enterprise. We pay attention to the quality risk management throughout the entire life cycle of products, we have put in place strict quality and safety mechanisms and a series of reaction monitoring mechanisms at all aspects of the industrial chain from product research and development to sales to ensure that the whole process covering product research and development, production, sales, post-market or recall is safe and reliable. In 2019, we continue to implement GMP and GMP excellence (i.e. GMP+), which effectively improve the enterprise management and operational efficiency. In terms of environmental, health and safety (EHS), we continue to increase investment in environmental protection and promote air pollution control in order to achieve energy conservation, emission reduction and environmental protection.

We do not forget to be grateful and give back to the society, and make our contributions to society by supporting social welfare activities such as education, poverty alleviation through health care, child care, and doctor-patient education. In 2019, we continue to proactively participate in the "Rural Doctors' Poverty Alleviation" project sponsored by Sino-American Non-Governmental Cooperation, Welfare Foundation. China, as a long way to go in its poverty alleviation through health care, which requires the participation of forces from all walks of life and is also the responsibility of pharmaceutical companies.

With the release of the mission of "better health for families, or life" and the brand concept of "innovation for good health", we are committed to enabling everyone to enjoy high-quality pharmaceutical products and health care services and enjoy a happy life with good health.

Chen Qiyu, Chairman
Yao Fang, Co-chairman
Wu Yifang, resident Chief Executive Officer



Johnson & Johnson (stock code: 600196.SS, 02196) is a leading health care corporation in China, a leading multinational company in China and a global leader in its business covering the entire health care industry chain, with pharmaceutical manufacturing, R&D, sales and the core business, medical devices and diagnostics, health care services, as well as pharmaceutical distribution and retail.

Johnson & Johnson are a research and innovation and R&D as the core driving factor of development and competitive layouts in China, the Sino-American other places, develop efficient global innovation platforms, digital medicine platform, biologics platform and cell-therapy platform, and as for the globally interactive R&D systems as well as strong R&

capability. Johnson & Johnson's several advantages products in metabolic

Core Brands



Note: The brands include certain in these companies and joint ventures



As the honorary chairman and chief sponsor of the Shanxi Pharmaceutical Industry Association, Fosun Pharma has proactively conducted internal governance including the members congress and board of directors, which has effectively improved the standardization of the daily operation mechanism of the association. Based on the actual work of the association, Fosun Pharma has leveraged its influence in the field of biopharmaceutical industry to promote research and education of members of the association, and played a role of service and guidance in line with the development of the industry. In addition, Fosun Pharma has played a role of service and guidance in line with the development of the industry, to improve and promote the brand of the association. It has also gathered all forces to promote the development of Shanxi Pharmaceutical Industry Association.

Chen Shaoyang, secretary general of Shanxi Pharmaceutical Industry Association



Industry Associations

List of associations/social institutions Fosun Pharma Group involved

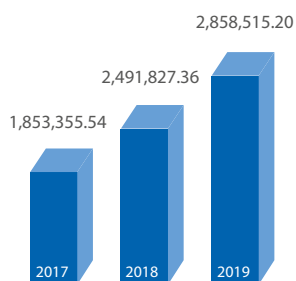
National associations		Provincial and municipal associations	
Name of association	Position held	Name of association	Position held
China Pharmaceutical Industry Association	vice chairman	Health Industry Association of Heilongjiang Province	vice chairman
China Pharmaceutical Enterprise Management Association	vice chairman	Shanxi Pharmaceutical Industry Association	honorary chairman and chief sponsor
China Pharmaceutical Material Association	Chairman	Shanxi Health Insurance Association	vice chairman
China Pharmaceutical Innovation and Research Development Association	vice chairman	Shanxi Pharmaceutical Profession Association	vice chairman
National Pharmaceutical Technology Association	vice chairman	Shanxi Genetics Society	vice chairman
China Prescriptionless Medicines Association	vice chairman	Shanxi Hospital Association	Standing Director
China Pharmaceutical Education Association	vice chairman	Shanxi Pharmaceutical Association	Standing Director
China Society for Regulatory Relation	vice chairman		
China Pharmaceutical Quality Control and Political Research Association	Standing vice chairman		
China Non-Profit Hospital Association	Standing Director		
China Rice Association	Standing Director		

Financial Performance

In 2019, the Company continued its business philosophy of innovation for healthcare, focusing on a strategy that consists of product innovation, a more efficient production and internationalization for its core business of pharmaceuticals and medical devices and proactively promote organic growth, external expansion and integration development. As a result, its principal businesses sustained a balanced growth.

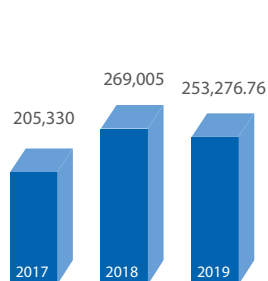
Revenue

(nit: R. 0'000)



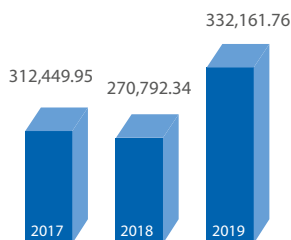
Tax payment

(nit: R. 0'000)



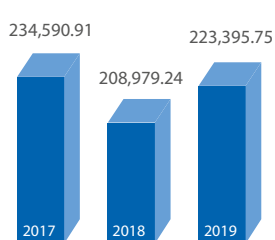
Net profits attributable to shareholders of the listed parent company

(nit: R. 0'000)



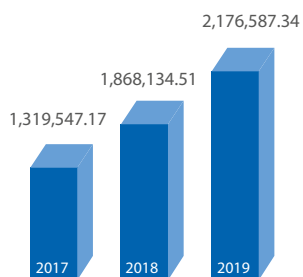
Net profit (after deduction of non-recurring profit or loss) attributable to the shareholders of the Company

(nit: R. 0'000)



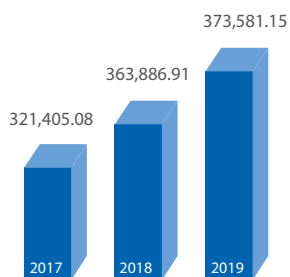
Revenue from pharmaceutical manufacturing and R&D business segment

(nit: R. 0'000)



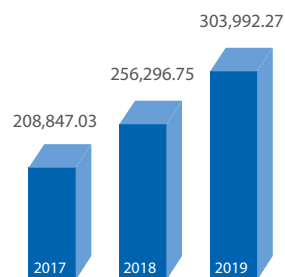
Revenue from medical devices and medical diagnosis segment

(nit: R. 0'000)



Revenue from healthcare services segment

(nit: R. 0'000)



Company Honors

- Ran e t esi t in C ina, op 100, ar ace tical Lan fact riŋ Co pany for 2018 (L enet, L e ical cono ics)
- Ran e t ese ent in C ina, op 100 ealt care Co pany for 2018 (C ina, ar ace tical n st ry n for ation Center)
- C ina, op 10, ar ace tical n st ry nterprise ero p for 2019 (C ina ce ical p ar ace tical n st ry association, C ina p ar ace tical b siness association, C ina non-prescription r y association, etc.)
- C ina, ar ace tical R & y nno ation enc ar at t e 70t nni ersary of t e fo n iŋ of t e, eople s Rep blic of C ina (L e ical cono ics)
- L eritorio s C inese L e ical an ealt care nterprise ec nolo y nno ation ar at t e 70t nni ersary of t e fo n iŋ of t e, eople s Rep blic of C ina (C ina ospital C a a ine)
- , e L ost y n est ent y Co pany for 2019 (C ina n est ent et or.)
- e ol en ee 2019 cellent CSR Report er reen ar (Responsibility Co eriŋ t e Society)
- L ost Socially Responsible ar for on y on y iste Co panies (e lon y i)
- Se e ol en ar nn al S tainability ar (Sina inance)
- , ioneer ist nterprises of n iron ental Responsibility n for ation isclos re of C inese iste Co panies (C ina or of n iron ental o nmalists, ei iŋ ni ersity of C e ical, ec nolo y)
- 2018 S an ai Role- o el a ily of y or ers
- S an ai Ci ili e nit

Individual Honors

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- C en Qiy ,c air an of os n, ar a, on S an ai tstan iŋ ntreprene r 2018 (S an ai nterprise e eration, S an ai ntreprene rs ssociation, etc.)
- y ifan , presi ent an C of os n, ar a, on t e tstan iŋ ea er of C inese nterprises in , ransnational peration (orbes C ina)
- y ifan , presi ent an C of os n, ar a, on t e est C of on y on y iste Co panies (e lon y i)



, e top ten enterprises in respect of t e al ation Report on n iron ental Responsibility n for ation isclos re by iste Co panies in t e, RC basically ran t e top in recent years n partic lar, os n, ar a al ays ran s t e top t ree. o e er, a lot of enterprises are still in t e start- p sta e.

, i y e i, irector of t e o Carbon cono y an L ana e ent Researc Center of ei iŋ ni ersity of C e ical, ec nolo y

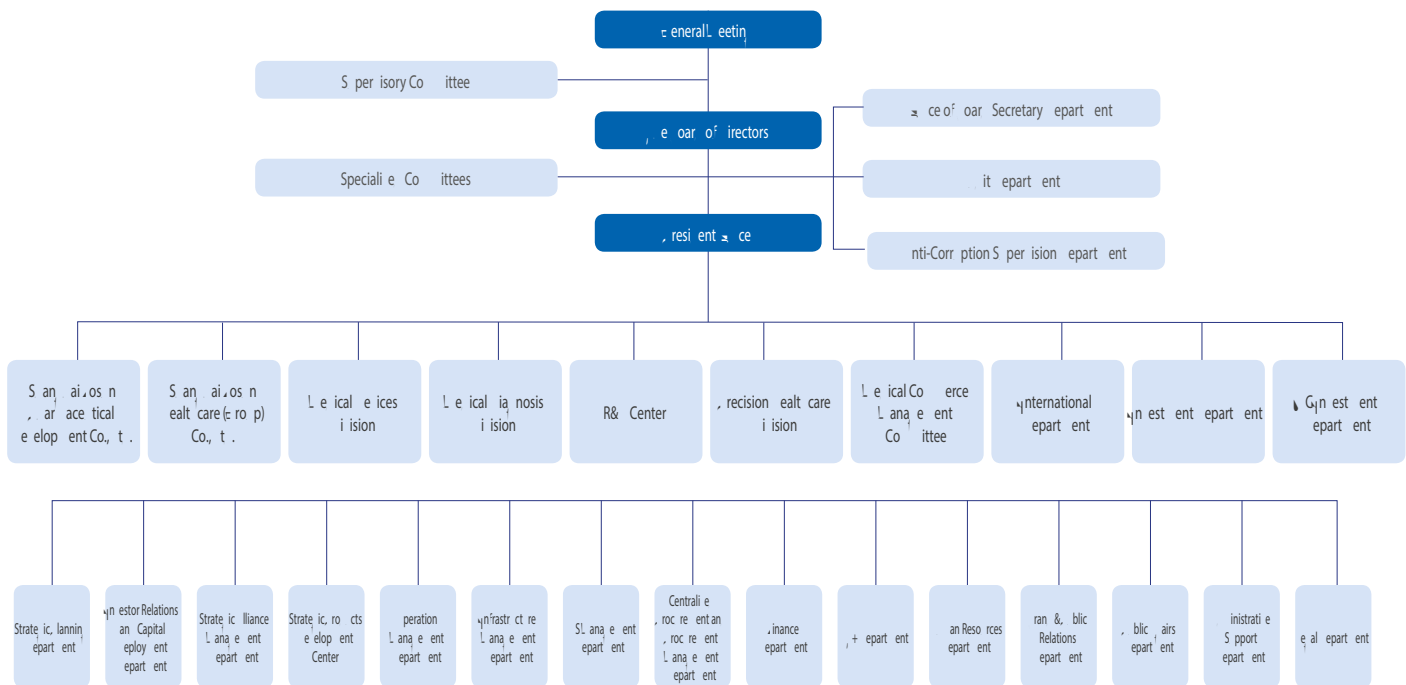


Standard Corporate Governance

Organizational Structure

Los n... ar a e r o p e b a r s o n t r a n s f o r m a t i o n i n r e s p o n s e t o a r a t c a n g e s a n i p r o e s o r a n i a t i o n a l s t r u c t u r e i n a t i e l y m a n n e r . T h e C o m p a n y a s a l s o b i l t a c o r p o r a t e g o v e r n a n c e s t r u c t u r e c o m p r i s i n g S a r e o l e r s ' L e e t i n g B o a r d o f D i r e c t o r s (i n c l u d i n g s p e c i a l i s e C o m i t t e e s) , S u p e r v i s o r y C o m i t t e e a n d a n a g e m e n t . T h e C o m p a n y e n s u r e s e f f i c i e n c y a n d e x p e r t i s e i n d e c i s i o n m a k i n g a n d t o e f f e c t i v e l y p r e v e n t r i s k s t o e r o p e e l o p m e n t b r o u g h t a b o u t b y e r r o n e o u s d e c i s i o n s a n d m i s t a k e s a r i s i n g a s a r e s u l t o f i n e f f e c t i v e d e c i s i o n m a k i n g a n d e x e c u t i o n .

strengthen the creation and effective operations of inter- departmental working committees. The management of the Company has set up a number of working committees composed of senior managerial officers, heads of functional departments and other specialists. The special committees are collectively an inter- departmental decision making and coordination organization that aims to enhance expertise in decision making and increase the efficiency of decision making and execution.



Note: This is the organizational chart as at the end of 2019

Corporate Governance

Annual reporting period, the Company further provides its corporate governance structure and internal arrangements in accordance with the Company Act of the People's Republic of China, Securities Law of the People's Republic of China, Code of

Corporate Governance for Listed Companies issued by China Securities Regulatory Commission and the Stock Listing Rules of the Shanghai Stock Exchange, Appendix 14 Corporate Governance Code of the Rules of Listing of Securities on

the Stock Exchange of Hong Kong, and other relevant laws, regulations and administrative orders.

1

As to controlling shareholders and listed company, the controlling shareholders of the Company do not act in a way that seeks to interfere with the Company's operations or interfere with the Company's business operations or interfere with the Company's business operations or interfere with the Company's business operations.

2

As to directors and the board of directors, the Company selects and appoints directors in strict compliance with the provisions stipulated in the Articles of Association of Sany Heavy Industry (Shanghai) Co., Ltd. (the "Articles of Association"), and the number of members and the composition of the board of directors are in conformity with the applicable laws, regulations, and the Articles of Association of Sany Heavy Industry (Shanghai) Co., Ltd. clearly and separately stipulate the independence of the board of directors, the number of independent non-executive directors, the number of independent non-executive directors, and the number of independent non-executive directors.

3

As to supervisors and the Supervisory Committee, the Company selects and appoints supervisors in strict compliance with the provisions stipulated in the Articles of Association, and the number of members and the composition of the Supervisory Committee are in conformity with the applicable laws, regulations and the Articles of Association. Supervisors of the Company act independently and effectively exercise their supervisory functions and duties. The Supervisory Committee consists of three members, including two independent non-executive supervisors and one executive supervisor.

4

As to performance assessment and incentive mechanism, the Company has actively carried out performance assessment for its senior management personnel, and has established a performance assessment system in accordance with the actual conditions and the principle of fairness. The performance assessment results are used as a basis for the Company to determine the remuneration and incentive mechanism for its senior management personnel.

5

As to stakeholders, the Company fully respects the legitimate interests of shareholders, employees, clients and suppliers, communities and other stakeholders, and actively carries out communication and cooperation with them.

6

As to information disclosure, the Company fully fulfills its information disclosure obligations in strict compliance with the applicable laws and regulations as well as the requirements stipulated in the Listing Rules of the Shanghai Stock Exchange. The Company issues a Corporate Governance Report, a System of Internal Control Report, and a Sustainability Report in accordance with the requirements of the Shanghai Stock Exchange and the Listing Rules. The Company also issues a Sustainability Report in accordance with the requirements of the Shanghai Stock Exchange and the Listing Rules. The Company also issues a Sustainability Report in accordance with the requirements of the Shanghai Stock Exchange and the Listing Rules.

7

As to compliance training, directors, supervisors and senior management of the Company proactively attend professional training and learning of the operation of the Securities Law and other relevant laws, regulations and administrative orders. The Company also organizes compliance training for its employees and other staff members.

Strong corporate governance is the foundation and assurance for the company's sustainable development. The Company will continue to strengthen its corporate governance, improve its corporate governance level, and boost its competitiveness, in order to realize the goal of "creating a better future for our shareholders".

Diversified Governance

As at the end of the reporting period, the board of the Company consists of 13 members, including 10 independent non-executive directors, 2 executive directors, 1 Chairman, 1 Deputy Chairman, 1 Strategic Committee member, 1 Audit Committee member, 1 Nominations Committee member, 1 Remuneration Committee member, and 1 Company Secretary.

The Board of Directors is also responsible for the appointment and remuneration of the Executive Directors, and the appointment and remuneration of the members of the Strategic Committee, the Audit Committee, the Nominations Committee, the Remuneration Committee, and the Company Secretary.

Strategic Committee

The primary responsibilities of the Strategic Committee are to research and advise on the long-term and short-term development strategies of the Company and significant matters affecting the Company's development, and to research and report on the development strategies.

The Strategic Committee of the Company met once to review the Company's short-term and long-term development strategies and plans for 2019 to 2023, and effectively fulfilled the duties of the Strategic Committee.

Audit Committee

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and periodic reports, to review and supervise the internal control procedures and risk management system, to evaluate the effectiveness of internal audit functions, to review and appoint or dismiss the internal auditors, to formulate and review the Company's corporate governance practices and to evaluate the effectiveness of the internal control system.

The Audit Committee of the Company met 13 times, including 2 times with the external auditors, to review the periodic reports, annual plan, internal control implementation, major non-related party/connected transactions, and to evaluate the effectiveness of the internal control system. It has effectively fulfilled the duties of the Audit Committee.

Nominations Committee

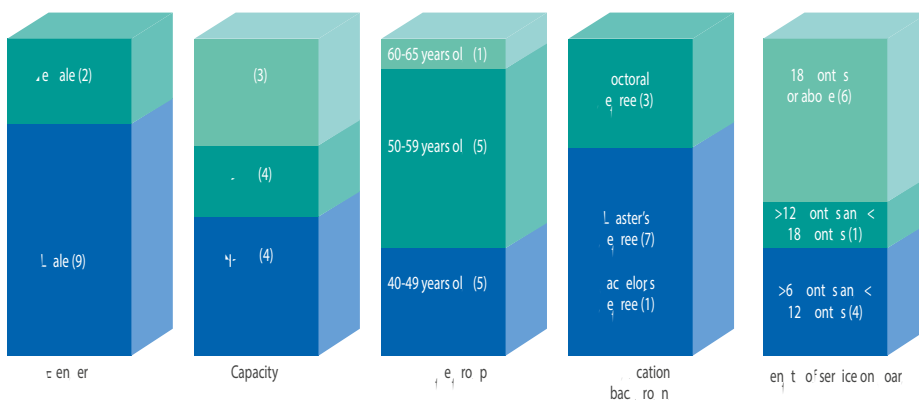
The principal duties of the Nominations Committee include reviewing the Board composition, the election and re-election procedures for the Board, the nomination and appointment of directors and senior management, and to recommend to the Board on the appointment and succession planning of directors, assessing the independence of independent non-executive directors and reviewing the training and sustainable professional development of directors and senior management.

The Nominations Committee is responsible for the selection of directors and senior management and to effectively fulfill the duties of the Nominations Committee.

The Strategic Committee of the Company met 3 times to discuss and approve matters

related to the selection of directors and senior management, and to effectively fulfill the duties of the Nominations Committee. The Nominations Committee, in nominating and appointing the Board members, shall consider a range of diversity perspectives pursuant to the Company's diversity policy, including but not limited to gender, age, education background, professional experience, skills, knowledge and other factors.

The analysis of the Board's diversity as at the date of this report is set out as follows:



Remuneration and Appraisal Committee

The primary functions of the Remuneration and Appraisal Committee include for laying and inspecting the remuneration policy and structure of directors and senior management and in recommending to the board thereon, inspecting the performance of directors and senior management,

and reviewing the annual performance assessment and remuneration packages. In the Reporting Period, the Remuneration and Appraisal Committee of the board of the Company held 1 meeting to review and approve recommendations to the board on the performance appraisal and

remuneration packages of the executive directors and senior management of the Company and the implementation thereof in the prior year, and the same are option incentive scheme of the Company, as subsidiary of the Company, to effectively fulfill the duties of the Remuneration and Appraisal Committee.

Remuneration Policy

The executive directors who are also the senior management of the Company are not entitled to receive by way of remuneration for their services as being executive directors, but entitled to receive by way of remuneration for their services as the senior management of the Company, and such remuneration will be assessed and determined by the board. The remuneration for the full-time directors shall be determined by the general meeting based on the economic

benefits received by the Company and by reference to other factors including the responsibilities and performance of the directors and the remuneration standards of the industry. The allowances for the independent non-executive directors of the Company are based on the relevant provisions of the existing opinions on the establishment of independent director System in listed companies issued by China Securities Regulatory Commission and the independent non-executive director

System of the Company are determined based on the role of the independent non-executive directors in the board of the Company and the actual performance of their duties in reference to the allowance for independent non-executive directors of listed companies of the same size, and are subject to consideration and approval at the general meeting.

Convening of Meetings

The board, the Supervisory Committee and the special committees carry out their work diligently, lawfully and efficiently in accordance with the articles of association of Sany Heavy Industry (Group) Co., Ltd., the Rules of Procedures for the Board of Directors of Sany Heavy Industry (Group) Co., Ltd., the Rules of

Procedures for the Supervisory Committee of Sany Heavy Industry (Group) Co., Ltd. and the implementation rules of special committees.

In the Reporting Period, the Company organized 17 meetings of the board and 5 meetings of the Supervisory Committee.

In the Reporting Period, the board of the Company also convened 1 annual general meeting, 3 extraordinary general meetings, and 11 shareholders' general meetings, and 11 shareholders' general meetings are class meetings in accordance with the articles of association of Sany Heavy Industry (Group) Co., Ltd. and the actual needs.

Comprehensive Risk Management

Company has established a risk management system of importance to risk management and control. Company has internal control construction, internal audit and anti-corruption functions. The company has also established a risk control system.

In the daily operations in order to risk-related projects of operation functional departments including procurement, capital construction, quality, information, the internal control department is

introduced to conduct prior approval control and in-ent controlling; in terms of post-event control, on the one hand, the breadth and depth of the internal audit business are strengthened, in order to ensure the running of the bottom line of risk control. Meanwhile, the integrity supervision platform is practically used to train and educate employees of the company to internal and external cases. The Company has also expanded the internal

and external reporting channels, to maintain the deterrence of anti-corruption, and proactively build an all-round, multi-dimensional hierarchical and powerful risk control system to support the realization of strategic and operational goals in the national laws and regulations and the governance framework for listed companies.

Centrali e
proc re ent an
proc re ent ris
ana e ent

- eCo pany i pro e t e asic Stan ar s'or, roc re ent an , en erL ana e ent o'S an ai.os n. ar ace tical (e ro p)Co, t .(riak) ple entation)
- yn 2019, t eCo pany co plete a total o' 13 centrali e proc re ent an strate ic bi in pro ects, incl in pro ction aterials, pro ction e ip ent, an e ical e ip ent to e po er e berco panies to p rc ase an f rt erre ce costs an increase a ciency
- eCooperation it a it an inte rity e ortens re transparency in proc re ent;
- eCo pany initially pro ote t e constr ction o' i ital proc re ent b siness plat'or , an f rt era ance t e close -loop, transparent, isible, co parable, an traceable proc re ent b siness

L ana e ent
o' capital
constr ction
pro ects

- eCo pany r e e berco panies (pro ect nits) to establis an i pro e capital constr ction ana e ent syste san bil aco plete ana e ent syste , to f rt er re net e: ro ps capital constr ction ana e ent an i pro e ana e ent acc racy;
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- eCo pany strej t ene t e ana e ent o's ppliers o' capital constr ction pro ects, p ate t e assess ent an e al ation 'or , an e al ate an score 'ro i erent perspecti es o' t e s ppliers or. coor ination, stan n, an on-site ana e ent to ens ret e ality o' t e s ppliers or.
- ro, t e ni e yna ic cost brea o n 'or en ineerij pro ects as prepare by t e: ro p, t eCo pany i ple ente f ll-cycle trac in an control o' capital constr ction pro ects, an esj n c ana es an en ineerij isas ere strictly controlle to ens ret e le ality an co pliance o' pro ect process, t ereby pro otij t e controllability o' t e o erall pro ect cost.



Internal control
constr ction

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yn'or ation sec rity
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- e yS syste plannij asi ple ente at .os n. ar a: ro p to assist t e e ical ser ice se ent to i pro et e le el o' co pre ensi e operation an ana e ent an i pro et e ality o' e ical treat ent.
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Internal a it

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- e: ro p f rt er strej t ene t e co bination o' ncial a it an internal control a it to opti ie b siness processes; yn 2019, a total o' 11 co pre ensi e a it pro ects co binij ncial an internal control ere carrie o t, an tar ete ana e ent reco en ations ere a e ont e a it res lts;
- Special s r eys ere carrie o ton proc re ent, en ineerij , nance, etc. 'or in estees to assist t e in establis in a stan ar i e ana e ent syste
- Special a its on R& ana e ent an a ciency ere ainly con cte in ter s o' R& pro ect ana e ent, R& personnel an capital tili ation a ciency
- eCo pany assiste e berco panies to carry o t internal control e al ation to contin o sly i pro et e ality o' internal control sel-e al ation
- ro, t e: ro ps ni e internal control e'ect trac in table, t eCo pany con cte contin o s trac in 'or t e i pro e ent o' internal control e'ects, an co nsele an s pport e persons in c ar, e o' internal control o' e ber enterprises at t e: ro ple el to ens re, oo' recti cation res lts.

Anti-corr ption



External res lts
e al ation

Crisis Management

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eCo pany re larly p blis es its in'or ation on e- e ia plat'or s, s c ast e a cial, eC at

an a cial ebsite, to let t e p blic eep abreast o' t e: ro ps e elop ents. eCo pany's ran & . blic Relations epart ent as a f ll-ti e p blic relations person in c ar, e o' inter ie s an co nications. t t e sa e ti e, .os n ar a as f rt er strej t ene co nication it onj onj an o' erseas e ia t ro cooperation it onj onj -base professional - ncial an p blic relations co panies to elpt e Co pany's international b siness e elop ent. ccor in i to inco plete statistics, t ro o t 2019, t e n ber o' e ia co era e e ce e 7,900 articles, an t e o erall isse ination as positi e, establis in i a oo bran i a e 'or t e Co pany.

Practice of Business Ethics

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... in est ents, incl in la san re lations on pre ention of bribery, e tortion,
 ... fra an co nterin n air co petition, to practice, oo b siness et ics.

Anti-corruption

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... an control, to ac ie e t e...
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 ... o ernance.

... e nti-Corruption Supervision...
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 ... t e c air an, an carries o t...
 ... Co pany.

Our attitude

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 ... corr ption an ero tolerance for
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Our goals

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 ... per for t eir ties it inte rity,
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 ... c lt ralen iron ent for t e Co pany,
 ... pro ote t e Co pany s co pliance
 ... constr ction, an ens ret e Co pany s
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 ... e elop ent

Our measures

... re ention, ection
 ... an re e iation

Our anti-corruption institutions

... Re lations on L ana e ent of nti-Corruption Supervision
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Improve Anti-corruption System

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Promotion of Public Awareness and Training on Anti-Corruption

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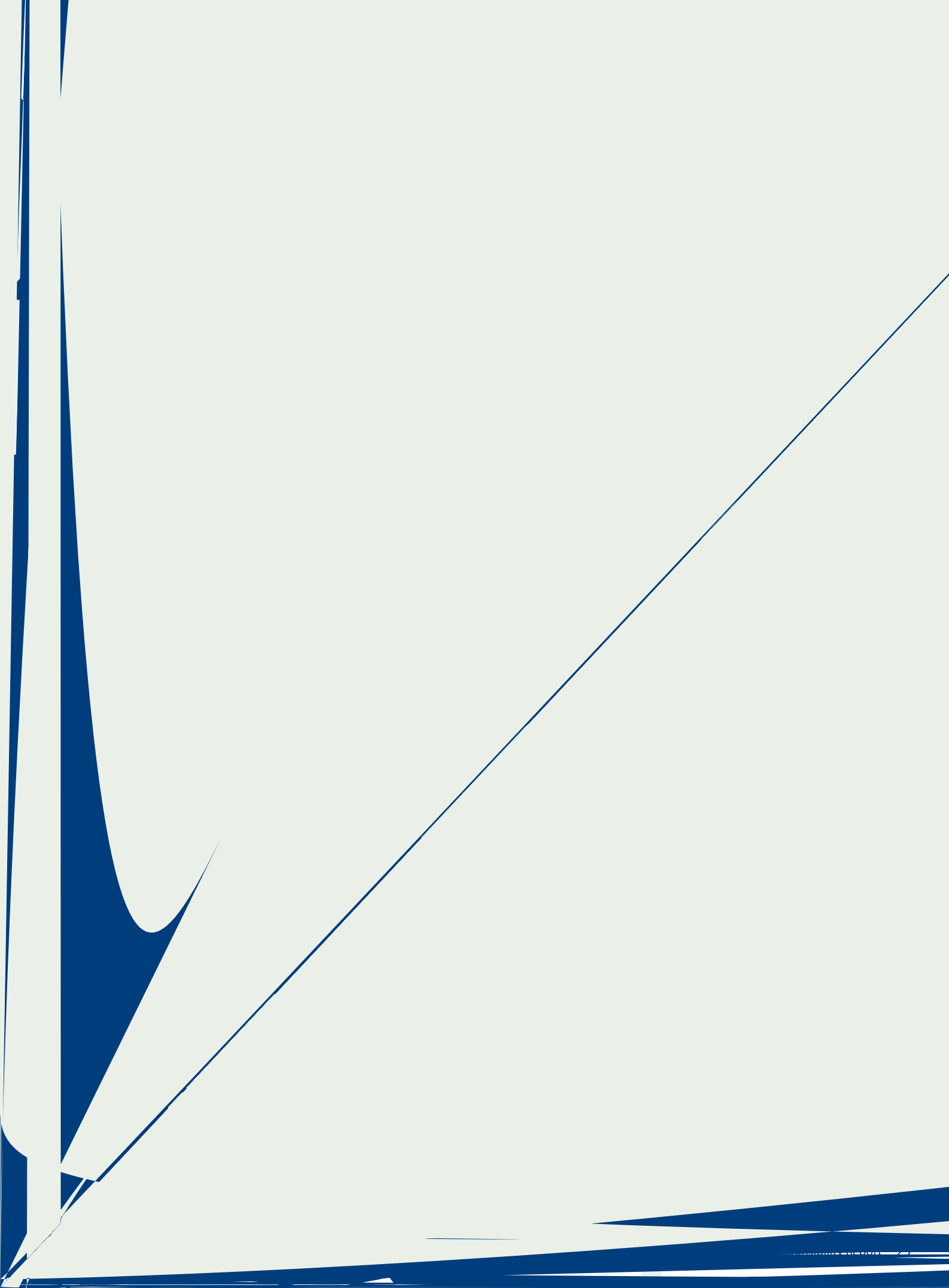
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"Star State Program" helps primary medical care

"Star State Program" includes various projects to improve primary medical care, such as diabetic retinopathy public screening in primary hospitals, cataract diagnosis and treatment training, and the Star State Eye Clinical Service Center (SSC) project. The project aims to improve primary care doctors by enhancing their academic knowledge and clinical capacities for the diagnosis and treatment of patients in the field of cardiovascular health, diabetes, endocrinology, glaucoma, and other chronic diseases. As of the end of 2019, Star State Program has cooperated with more than 300 counties and held 290 online and offline trainings for more than 10,000 doctors.





Strategies and Goals

Roche and the Company's vision of sustainable development, and a forward-looking sustainable development strategy to realize an advanced Company's impact on environment, society and economy, and integrated concept of sustainable development into each operating aspect.

Four strategic pillars

The brand values of "care for life, continuous innovation, pursuit of excellence, sustainable partnership" are, from the beginning to the end, closely linked to the development of individuals and enterprises to the welfare of society. Brand values are the norms for every staff of Roche, the main core, and also a sustainable development commitment of Roche.



Care for life

- Respect life, provide safe, convenient and high-quality health care products and services, and continuously strive to improve the quality of human life.
- Be committed to all kinds of environmental and environmental protection and environmental protection concept of sustainable development.
- Be committed to social welfare and help to reduce the burden on patients and their families, and actively bear corporate social responsibility.

Key areas and topics: product/service quality, health care accessibility, occupational health and safety, environmental and community public welfare



Continuous innovation

- Persist in innovation and R&D and bring new possibilities to public health through original breakthroughs and the application of new technologies.
- Bring together global innovation resources and follow the path of R&D technology, to build an international R&D platform.
- Improve innovation and continuously improve the efficiency of operations, to become a continuous and intelligent entity.

Key areas and topics: R&D innovation, intellectual property protection and health care accessibility



Pursuit of excellence

- Give priority to quality, and establish a production and service system that meets international standards.
- Continuously improve production processes and optimize service experience, to provide high-quality products and services.
- Improve efficiency and productivity, and set high standards to develop.

Key areas and topics: product/service quality and safety, energy conservation and environmental protection, and sustainable supply chain management



Sustainable partnership

- Lead to the entrepreneurial alliance and cooperate with entrepreneurs, and cooperate with enterprises to create value.
- Integrate industrial resources and promote integration and synergy, to create a sustainable development.
- Promote sustainable development of the industry and create long-term value and excellent partners to build a harmonious and healthy business ecosystem.

Key areas and topics: compliant operation, responsible marketing, and emissions management

CSR Management

CSR Management Committee

The Company has established a comprehensive CSR management system, to instruct and coordinate the action plans of subsidiaries in order to improve each aspect of sustainability, as well as, to promote the CSR management indicator assessment system.

In 2019, the Company set up the CSR Management Committee to continuously improve the corporate social responsibility management system, standardize corporate social contribution and public welfare project management, and promote the

Company to continuously improve (i.e. environmental, social and governance) capacity building and information disclosure to ensure scientific and efficient decision-making for various social responsibility affairs of the Company. The chairman of the Company, the chairman of the board of directors, the president and CEO of the Company are the deputy directors, and the committee members are composed of relevant departments and subsidiaries.

CSR Task Force

The Company has a CSR Committee, oversees CSR, as a force, which is responsible for coordinating and planning of the Company's social responsibility work, and completing the Company's annual CSR report in accordance with the company management information disclosure requirements. The report is the root operation of the social responsibility framework, the responsibility is strengthened supervision and management to continuously improve corporate social responsibility construction.

The Company has continuously published CSR report annually since 2008, the brand and public relations department is responsible for leading in coordination as well as compiling the report.

In 2019, the task force appointed 38 members in charge of various key functions including S, R, productivity and centralize processing, to instruct and implement the CSR affairs of the Company, and further carry out CSR initiative enhancement of indicators of assessment. Meetings are conducted regularly every year to implement specific CSR work.



Site of the 2019 Corporate Social Responsibility Report



Members of CSR Task Force

Capability Building

The Company attaches great importance to corporate social responsibility and capacity building, pay continuous attention to the development trends of international and domestic standards and relevant regulatory agencies, disclosure requirements on corporate social responsibility and ESG, and proactively respond to concerns in the capital market.

Training on social responsibility reporting for members of CSR Task Force is organized each year to elevate abilities for the report. Meanwhile, the report editor is encouraged to attend internal social responsibility seminars and training sessions to better improve the team's capability.

In December 2019, at the site of the meeting of the Company's 2019 Corporate Social Responsibility (CSR) report and Environmental, Social and Governance Report, the Company invited the experts of Rice Water Co-ops and Synao to conduct training on the ESG trends in the Capital Market and the interpretations on the ESG disclosure policy of the Hong Kong Stock Exchange for members of the Company's CSR task force.

Stakeholders



Shareholders

- Compliance and environment
- Risk management
- Quality improvement of corporate governance system
- Timely disclosure of information in relation to daily operation
- Establishment of fee-based platform as a telephone, e-mail and website
- Continuity of activities in Estonia
- The Company received 40 awards and 40 institutional investors, respectively
- Return on sales performance in 10 cities both in Estonia and abroad, and the Company analysed investment in Estonia and long-term strategic plans
- The Company convened 17 meetings of the Board of Directors and 5 meetings of the supervisory committee; 13 meetings of the audit committee of the Board of Directors, 3 meetings of the nomination committee of the Board of Directors, 1 meeting of the remuneration and appraisal committee of the Board of Directors, and 1 meeting of the strategic committee of the Board of Directors. In annual general meeting, 3 extraordinary general meetings, 1 shareholders' class meeting and 1 shareholders' class meeting



Clients and consumers

- Quality of services
- Protection of interests of consumers
- Responsible marketing
- Research, development and innovation
- Intellectual property protection
- Protection of privacy of clients
- Participation in academic seminars and academic institutions and industry associations, academic conferences and industry forums
- Maintaining doctor-patient relationship
- Conducting customer satisfaction survey
- Establishment of compliance officer service process and customer compliant handling process
- Establishment of information protection and security policies
- Protection of information security
- Marketing of nearly 5,300 people as built, including in overseas marketing of over 1,000 people
- The Company proactively held academic conferences in telemedicine, anti-infectives, cardiovascular disease, endocrine and related strengthening communication with clients
- Evaluation of nosocomial infection prevention and control measures and introduction of professional educational support
- No complaints about infringement of customer privacy and loss of customer information
- No related violations in terms of product and service labeling
- The evaluation of satisfaction of patients and the evaluation of satisfaction of inpatients of the Eber hospitals of Estonia, Latvia and Republics of 96.29% and 96.17%, respectively



General public

- Transparent information disclosure
- Special interest communication
- Establishment of information disclosure policies
- Media communication policies
- Timely disclosure of information through websites, e-commerce platform

Substantive Issue Analysis

Substantive issues

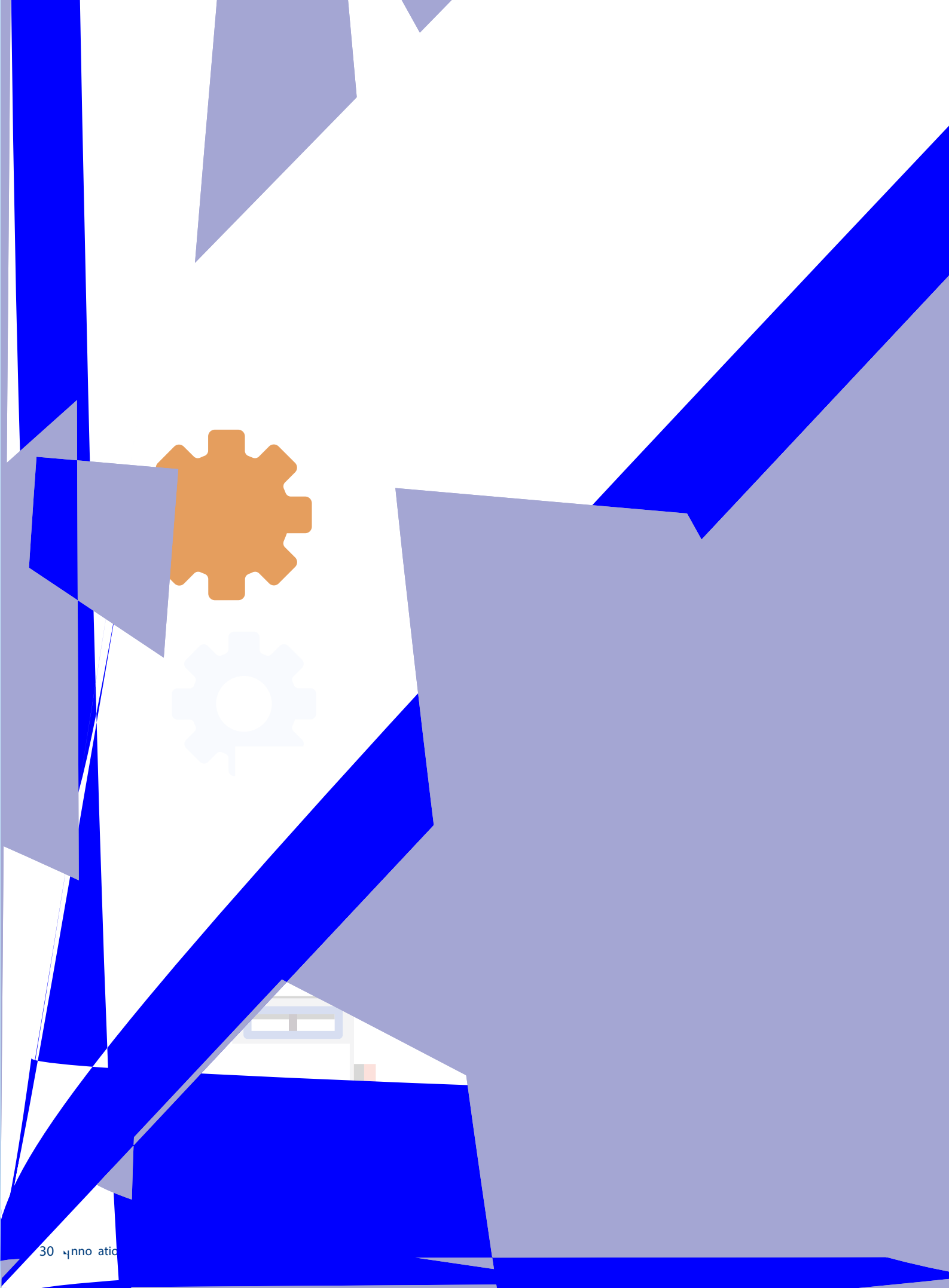
Substantive issues are issues that reflect the Company's impact on the economy, environment, and society; or issues that have a substantial impact on stakeholders' assessments and decisions.

In 2019, in order to better respond to changes in industry policies, trends, and the focus of external rating agencies, we conducted a concrete peer benchmarking policy research on the basis of substantive issues in 2018, and in line with relevant functional

department managers to reassess the importance of substantive issues and for the substantive issues matrix for 2019 based on the perspective. Compared to 2018, the main substantive issues are as follows:

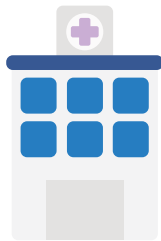
- "Digital Health Accessibility" issue
- "The issues of" anti-corruption" and "Climate Change Litigation and Adaptation" become more important.

Results of the Substantive Issue Analysis





In the first ten months of 2019, over **10** plants received ISO 9001 certification from national health authorities including the State Food and Drug Administration of Health, Labor and Welfare of Japan and the General Administration of Market Regulation of China. In addition, **1** production line of oral solid formulation and **3** injection production lines passed the ISO 13485 Q certification. In total, **1** production line of oral solid formulation passed the certification of the Food and Drug Administration of Canada. In addition, **1** free sterile aseptic production line passed the ISO 13485 certification of an **1** oral dosage production line passed the ISO 13485 of the United States. The total number of aseptic production lines at **44** pharmaceutical manufacturing sites of the company, including all pharmaceutical companies, passed the ISO 13485 certifications in the United States,





R&D Platform

Zosyn has continuously optimized its pharmaceutical R&D system at increased innovation, through national-level enterprise technical centers, and has created efficient small molecule innovation, injectable generic, biopharmaceutical, and cell therapy platforms.

The products developed by Zosyn through its biological R&D platform include a variety of biosimilars and innovative R&D. These products help reduce the

R&D Investment

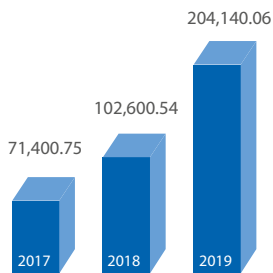
In 2019, the R&D investment continued to increase its investment in R&D of all molecular and biological innovative drugs, innovative monoclonal antibodies, biosimilars, CRISPR, and cell therapy products.

The R&D investment (including capitalized investment expense) of 2019 was 3,463,227.8 million, a year-on-year increase of over 38.15%, of which the R&D expenses were 2,041,400.6 million, a year-on-year increase of 37.97% for actual R&D expenses. In particular, the R&D investment

in pharmaceutical manufacturing segment amounted to RMB 3,130,925.3 million, an increase of 39.12% as compared to that of 2018. After 2019, the R&D investment of Restricted Share Incentive Scheme, the R&D investment percentage of R&D expenses were included in its financial appraisal in the long term. In 2019, the R&D investment of pharmaceutical manufacturing segment amounted to RMB 1,741,203.1 million, accounting for 8.00% of the sales revenue of the pharmaceutical business.

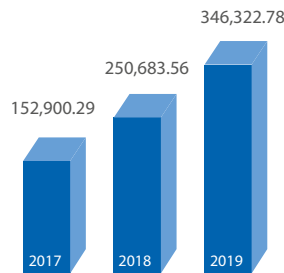
R&D expense

(unit: RMB '000)



R&D investment (including capitalized investment expense)

(unit: RMB '000)



R&D Achievements

At the end of 2019, the company had a total of 264 projects: 19 small molecule innovative drugs, 12 biological innovative drugs, 21 biosimilars, 133 generic drugs, 27 international standards, 49 consistency evaluation projects of generic drugs, and 2 CLS; in addition, the company licensed in 28 drugs, including 8 imported innovative drugs and 20 imported generic drugs.

As at the end of 2019, 9 small molecule innovative drugs (including 1 505b(2) product) and 9 indications have obtained approval for clinical trial in mainland China; 3 small molecule innovative drugs and 3 indications have obtained approval for overseas clinical trials. In particular, the 1001 number of clinical phase trial and receive fast track designation by the FDA of the

United States; Rituximab (generic), the first domestic biosimilar, as the national first-class 2 monoclonal antibody products (Rituximab for injection and Rituximab for injection) have approved and were included in the priority review procedures. Over 20 clinical trials were carried out worldwide for 12 monoclonal antibody products and 8 combination products; Cabotane Cilole cell injection (tentative) (code C876, i.e. a total of 19 CRISPR cell injection) of the joint venture was also passed through clinical trials and was included in the priority review procedures in March 2020; a total of 16 products of the company have passed or been expected to pass consistency evaluation of generic drugs.

In 2019, 15 generic drug products of the company have been approved for marketing in the United States by the FDA.

Number of innovative drugs, generic drugs, biosimilars and consistency evaluation projects



264



China's first biosimilar Han Li Kang provides more affordable products for lymphoma patients

In February 2019, an anti-CD20 monoclonal antibody injection developed by Shanghai Genli Science and Technology Co., Ltd.'s biological research platform, was approved by the NMPA for the first time, becoming the first biosimilar approved for rituximab in China.

The drug is mainly used to treat non-Hodgkin's lymphoma. It is one of the most common hematological malignancies and can be divided into Hodgkin's lymphoma and non-Hodgkin's lymphoma. In recent years, the incidence of lymphoma in China has gradually increased, becoming one of the top ten malignant tumors in terms of morbidity and mortality. The incidence of lymphoma in China is about 5.94 per 100,000 people, of which non-Hodgkin's lymphoma accounts for about 90% of all lymphoma cases, and the incidence has increased year by year.

The R&D and registration of anti-CD20 are conducted in strict accordance with China's biosimilar regulations. Through clinical studies, it has been proven that there is no clinical statistical difference from the original drug, and it is safe and effective to benefit more patients.

Its retail price of anti-CD20 is set at 40% off the brand product, which greatly reduces the burden on patients and medical insurance. After launch, Genli Science and Technology Co., Ltd. actively promotes the concept of biosimilars in various academic platforms, allowing doctors and patients to have an objective understanding of biosimilars, and has become a leader and benchmark of biosimilars in China.



Intellectual Property Protection

Patent Protection

In 2019, the company established the global patent intellectual property strategy and protected product patents through a series of implementations and means, including analysis of intellectual property status of products at project approval, grasping domestic and overseas licensing opportunities to develop patent global strategy, application for a batch of patents, reports for existing key products to extend their product life cycle and strengthen patent training.

License-in Products

In terms of license-in products, the company has license-in a number of cutting-edge technologies and innovative products to the Company through cooperation with overseas license-in. These products focus on frontier areas of tumors, chronic diseases, rare diseases and central nervous system diseases. In 2019, the company has a global leader in cell therapy, license-in cell therapy products for post-stroke disability and retinal pigment epithelium generation to promote the establishment of a stem cell therapy platform; initiated by the company, the company has a clinically commercial available anoxic acidopole for infant spasms and refractory epilepsy in China; the company has a clinically available

Patent Results

In 2019, the pharmaceutical manufacturing and R&D businesses of the company submitted 136 patent applications, including 13 American patent applications, 31 Japanese patent applications, 7 European patent applications, and 6 Chinese applications, and the company has obtained 47 patents for invention.

clinical development and commercialization of the glioblastoma immunotherapy product Sgala, further enrichment of the treatment product line; the company's enapanor tablets for the treatment of hyperphosphatemia in end-stage renal disease dialysis patients has been successful in the Phase 3 clinical trials, and its clinical trial application has also been accepted by the FDA. In addition, the company has been a partner by Solotrin of relan to clinically commercialize a new iron supplement product, ctiqiron, in China, providing a better iron supplement option for people with iron deficiency anemia in China.

R&D and license-in of innovative drugs for rare diseases

The company has actively responded to the country's major promotion of the development of clinically urgently needed orphan drugs. At present, through independent R&D, license-in, etc.,

it has a number of orphan drugs in development in the fields of oncology, optimalology, respiratory system, and ophthalmology, and is committed to improving the accessibility of innovative treatments to patients with rare diseases.

Drug	Indications	Model
...-1501	cutaneous melanoma	independent R&D
...C-159	Laligantrelano	independent R&D
atrobopag tablet	thrombocytopenia in adult patients with chronic liver disease, thrombocytopenia in adult patients with chronic liver disease, on elective invasive operation or surgery (China)	license-in (signed a license agreement in 2018)
...RC	Retinal pigment epithelium generation	license-in
Sgala	glioblastoma	license-in
inoeanoic acidopole	infantile spasms and refractory epilepsy	license-in

Improve primary medical care

In 2019, the company has carried out a number of activities mainly in its own antibiotic business areas including chronic diseases, tumors, anti-infectives, and is committed to improving primary medical care, including active participation in the "Rural Doctor Mobility Initiative" project sponsored by Sanofi, the company's contribution and China's operation,elfare contribution, and the

initiative to improve the population health project, launch of the "Star State, rural", and continuous implementation of the "Mobile, mobile" project for tuberculosis in poor areas. (For details, please refer to the section "Social Responsibility and Public Welfare")

Quality First – Operation Excellence

Product quality and safety

Number of patients with tuberculosis helped by first-line anti-tuberculosis drugs

 **>13** million

Number of patients with chronic diseases served

 **>13** million

Pharmaceutical manufacturing research and development subsidiaries, chemical diagnostic subsidiaries and chemical medicines subsidiaries in Jerusalem, are located in 12 provinces, autonomous regions, and municipalities in China as well as in Israel, Sweden, etc. Subsidiaries were established in Europe and the United States.

The products produced by pharmaceutical manufacturing research and development subsidiaries include biological products, chemical drugs, biological drugs, etc. They produce medicinal products covering most of the ordinary categories and dosage forms such as all oral parenteral solution, lyophilized powder for injection, powder for injection, tablet, hard capsule, soft capsule, granule, Chinese medicine pills, etc. related to the treatment of diseases in terms of metabolic and digestive system, oncology, anti-infectives, central nervous system, dermatology and cardiovascular system. Chemical medicines

subsidiaries are mainly engaged in research and development, production and sales of diagnostic reagents, chemical medicines, consumables and distribution of injectable chemical medicines, etc. Advanced medical robotic systems lead the world in respect of minimally invasive surgery systems, reagents, a professional brand in the global respiratory field, lasers, cosmetic medicine laser products from Israel, etc.

By leveraging on product advantages, Jerusalem has continuously served global customers and patients. In the field of anti-infectives, as at the end of 2019, artesunate for injection, an innovative drug, has served more than 24 million patients with malaria. The same time, first-line anti-tuberculosis drugs have helped more than 13 million patients with tuberculosis. In 2019, in the field of chronic diseases (including diabetes, hypertension, hyperlipidemia, high blood pressure, etc.), Jerusalem has served about 13 million patients.

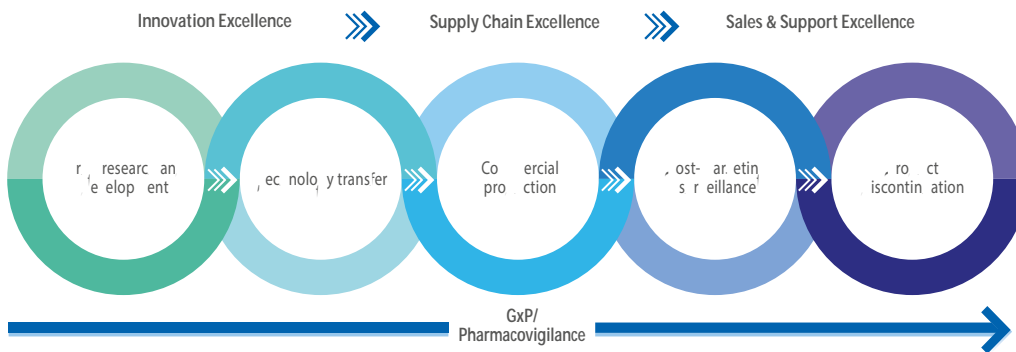


Full Life Cycle Management

The life cycle of drugs refers broadly to the whole process from the beginning of drug development, registration and approval, marketing and use, reevaluation, to discontinuation. Due to a variety of reasons, a narrowly refers to all measures taken after the development and marketing of the first dose for an adaptation in order to maintain and increase the sales and profit of the drug and to protect the sales and profit of the drug from the impact of competitive drugs.

Thus, a narrowly established a continuous improvement and

system over the entire life cycle of products (drug development, technology transfer, commercial production, and product discontinuation) to the establishment of the research and development system prior to marketing of drugs, the production supply chain management system and the post-marketing service system. In addition, it also establishes a pharmacovigilance system to protect the life cycle to provide comprehensive and effective assurance for the quality and safety of products.



Thus, a narrowly established a quality first, established a production management and service system that meets international standards, continuously improves and refines processes, optimizes service experience and provides high-quality products and services.

In 2017, a narrowly established a operation excellence (GxP) as a speciality.

Operation excellence, i.e. a narrowly established a operation excellence, is the operational excellence of a narrowly established a an is committed to refining the internal operation management and enterprise management level, improving the operational efficiency of enterprises, and establishing an excellent operation system to provide comprehensive and a high-quality and reliable supply network to support product innovation and business growth.

In 2019, a narrowly established a continue to promote a narrowly established a on's business and the number of enterprises of all segments



Production Workshop of Aohong Pharma

In 2019, all pharmaceutical subsidiaries of FOSUN PHARMA passed the 2015 GMP re-requirements of the FDA. In 2019, the pharmaceutical subsidiaries of FOSUN PHARMA received a total of 56 2015 GMP certifications, including 30 sterile preparation production lines, 43 oral preparation production lines and 63 APIs. While the production line meets the 2015 GMP re-requirements, FOSUN PHARMA actively promotes the internationalization of pharmaceutical companies and encourages enterprises to participate in the implementation of international GMP, and other quality system certifications such as the United States, European Union, and

In 2019, FOSUN PHARMA received 12 national GMP certification agencies including the State Food and Drug Administration, the Ministry of Health, and 1 production line of oral solidification

and 3 injection production lines passed the 2015 GMP certification. Also, as 1 production line of oral solidification passed the certification of the State Food and Drug Administration of Canada, and as 1 free sterile aseptic production line passed the GMP certification of the State Food and Drug Administration of the United States, Japan, Australia, and other countries.

In 2019, while the medical device subsidiaries of FOSUN PHARMA received the Specification for Production Quality Control of Medical Devices of the FDA and other enterprises also accepted the international ISO 13485:2016 re-certification, six of which passed the annual re-certification, 10

enterprises also passed the ISO 9001:2015 re-certification. The same time, the National Medical Laboratory passed the recognition certification by CMAA laboratories.

After the implementation of the new version of the regulatory administration on December 1, 2019, the separate GMP certification has been cancelled. Supervisory authorities will strengthen pre-approval inspections and daily supervision and inspection, but maintain a continuous improvement system. It is still the quality responsibility of enterprises. FOSUN PHARMA will continue to strengthen corporate compliance operation control, and increase normal GMP, irregular inspections and technical supervision, to ensure corporate compliance operations, continuous improvement, quality system construction and steady improvement.

GMP certification of domestic pharmaceutical subsidiaries of Fosun Pharma in 2019

Certification type	Certification agency	Certification status
China GMP certification	State Food and Drug Administration of provinces	63 APIs 30 sterile preparation production lines 43 oral solidification production lines
USA GMP certification	State Food and Drug Administration	12 APIs 2 production lines of oral solidification
Canada GMP certification	Food and Drug Administration of the members of the World Trade Organization	3 APIs 1 free sterile aseptic production line
UK GMP certification	UK Medicines Division	4 APIs 1 production line of oral solidification 3 injection production lines
Japan GMP certification	Japan Pharmaceutical and Medical Devices Agency	4 APIs

International system certification of the domestic medical devices and medical diagnosis subsidiaries of Fosun Pharma in 2019

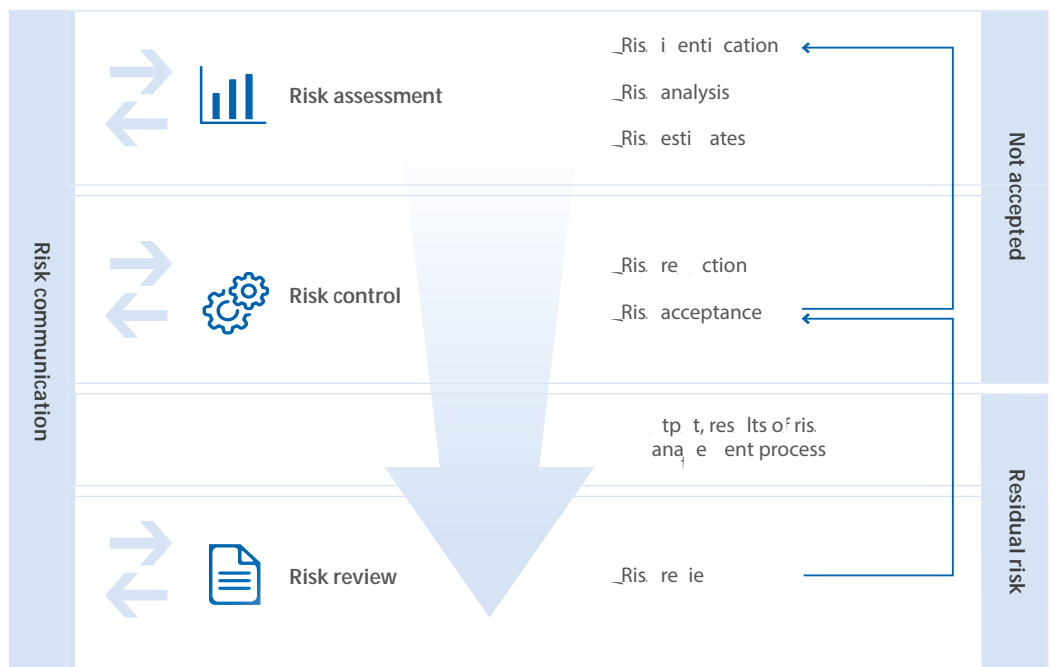
Certification type	Certification agency	Certification status
YS 13485:2016	SR einlan	7 enterprises passe
Product certification	SR einlan	6 enterprises passe
YS 9001:2015	Santai Quality System Certification Center, SR einlan	2 enterprises passe

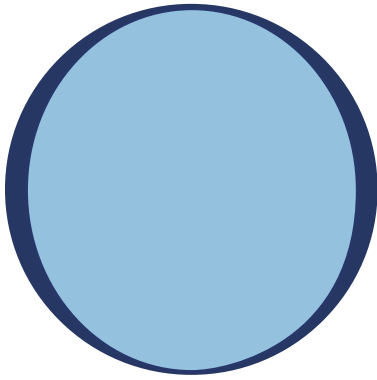
Quality Risk Management

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Month of Fosun Pharma

36%

Pharmacovigilance

Our employees participate in the development of the product lifecycle from development through to the marketing of our products. The Company has established a comprehensive pharmacovigilance system with reference to international standards, which is implemented through our global pharmacovigilance system to provide an excellent compliance.

Our company pays continuous attention to the relevant international pharmacovigilance regulations, and assesses the safety of our products by continuously collecting information to ensure that the clinical benefit of our products outweighs the risks of medication.

In 2019, our product development pharmacovigilance operations, pharmacovigilance scientific support, pharmacovigilance compliance and education-related functions in terms of organizational construction, process system construction, pharmacovigilance data management system construction, and quality system construction.

In 2019, our strengthened reconstruction of the pharmacovigilance data management system, complete deployment, set up a training of the global pharmacovigilance system risk at the global level, and especially launched in May 2019. In the one and a half years of the pharmacovigilance system real-time process start-up and the start-up operation, the team has

of data, and improve the data quality, the system has a scientific and connects the data of the data, and the real-time electronic submission of data. The network of information and information system and data management and electronic information of the product, to provide efficiency, and the international regulatory requirements and the needs of internationalization strategy.

In terms of pharmacovigilance data management, the product development pharmacovigilance scientific support for pharmacovigilance risk management, development phase. In 2019, the product development control plan risk management and development period, the preparation of reports in a safe way, and the process of preparing the risk management plan after the risk management, so that the scientific support for pharmacovigilance is provided in a more deeply way throughout the entire life cycle of our products from research and development to marketing, to better ensure patients' medication safety.

In 2019, the product development construction of its pharmacovigilance quality system. It continues to improve the global pharmacovigilance communication mechanism for pharmaceutical subsidiaries and the mechanism for global clinical trial pharmacovigilance newsletters, establish the pharmacovigilance field in establishment and pharmacovigilance training cooperation mechanism, and transmit the regulations and relevant

Adverse Drug Reaction Report

Our company cares about the medication safety and safety for patients and has a strict monitoring and reporting of adverse drug reactions and adverse events of the medicines as follows. In 2019, our company continues to strictly implement the registration of the adverse drug Reaction Reporting and Monitoring System and the Guidelines for Monitoring and Reporting of Adverse Events of Medicines, fully implement the reporting of adverse drug reactions and adverse events of the medicines as soon as they become available.

Pharmaceutical subsidiaries and the medicines subsidiaries implement the reporting of adverse events of the medicines and adverse events of the medicines according to the requirements of the adverse reaction monitoring procedures of the company, and the pharmaceutical subsidiaries shall submit the adverse reaction information to the company in a timely manner. In addition, there is no adverse reaction reported to the company.

Product Recall

Our pharmaceutical subsidiaries of the company have prepared the procedures for the recall of the product recall in accordance with the administrative guidelines for the recall of the product recall and the relevant information system of the company. The pharmaceutical subsidiaries regularly conduct the recall of the products to systematically verify

of adverse reactions and adverse events of the product for the current and future or serious adverse reactions, reporting should be complete in the prescribed period, pharmaceutical subsidiaries are required to report to the management department of the company in the prescribed period to ensure that all information of adverse drug reactions are collected and analyzed in a timely manner. In 2019, pharmaceutical subsidiaries of the company, in accordance with the national requirements, collect adverse drug reactions information and report all the information to the national adverse reaction reporting system in a timely manner. The enterprises strengthen the training and the proportion of self-collected adverse drug reactions. In 2019, the proportion of adverse drug reaction reports collected independently by the company and total reports increased by 255% over 2018, indicating that the enterprises have a better fulfillment of the obligation of the reporting and information collection, and a better collection of safety information, which provides more professional support for patients' medication safety, and

Pharmaceutical subsidiaries proactively collect information on adverse drug reaction

 **100%** report

Group adverse reaction caused by drug quality defects

0

Healthcare Services Quality and Patient Safety

In 2019, the state's new medical reform for the health care service industry is accelerating, and the national insurance reform, and the primary care treatment reform, and the primary care response to changes in the external environment, Sanjay Medical Hospital, an independent (for-profit) Co., Ltd., as a subsidiary of Fosun, has especially changed its name to Sanjay Medical Care

(for-profit) Co., Ltd. ("Fosun Health Care (for-profit)"), and continuously strengthened operations and enhanced capabilities of Fosun Health Care (for-profit) and member hospitals. Focusing on the construction of disciplines and medical technology and striving to create a medical service industry platform, it advances medical technologies, quality and service science, and excellent service quality, the

member hospitals of the for-profit continue to improve the reliability of clinical medical services following the principle of patient safety as the core, to let every patient feel warm, comfortable, safe and assured.

Healthcare Service Capability

In 2019, Fosun Cancer Central Hospital, Chengde Hospital, Jincheng Hospital, Jincheng Obstetrics Hospital, Chengde Hospital, Linzi Hospital, Sanjay Cancer Hospital, and Linzi Hospital, controlled by Fosun Health Care (for-profit), a total of 4,328 beds, the total number of outpatient and emergency department visits as 4.296 million, representing a year-on-year increase of 13.3%, and the number of discharged patients as over 135 thousand, representing

a year-on-year increase of 19.5%. Fosun Health Care (for-profit) focuses on specialty construction and enhancement of service capabilities of member medical institutions. It introduced more than 400 advanced medical technologies throughout the year. In 2019, a total of 9 specialty alliances including oncology, obstetrics and gynecology, orthopedics, rehabilitation nursing, laboratory pathology, cardiology, nephrology, and respiratory medicine were established, and

the alliances carried out joint research, cooperation, joint learning, joint talent cultivation, and academic conference; it has established special in-service training bases for obstetric nursing and stroke nursing; and perfect specialty nursing specifications, specialty nursing operation procedures and core competence building quality evaluation standards; as a result, member hospitals' medical service capabilities have improved rapidly.

Service satisfaction of outpatients and inpatients exceeded



Healthcare Service Quality and Safety

In 2019, Fosun Health Care (for-profit) kept abreast of the national medical reform situation in terms of service quality and enhanced its consolidation of its advantages in its specialties based on superior performance and further consolidated the foundation of service quality and enhanced its service quality assessment for the construction and development of member medical institutions.

In April, Fosun Health Care (for-profit) organized a symposium on service quality and enhanced its for member medical institutions to improve the primary care quality and enhanced its respect of system construction, efforts were made to strengthen the "six" and "six" of organizational and system, diagnostic standardization system, quality control system, medical record control system, quality control in the system, an early warning and monitoring system supported by information technology and service quality and enhanced its tools to promote the continuous improvement of service quality and enhanced its level of system construction. The focus is still placed on the implementation of the 18 core medical system to strengthen the safety and enhanced its perioperative period, implementation of the surgical risk management system, and the primary care system, the technical management project access system (new surgery), and the surgical inspection

system to strengthen the interdisciplinary diagnosis and treatment of postoperative critically ill patients, in particular, the introduction of antibacterial resistance and enhanced its protection, the introduction of rational use of antibacterial drugs and enhanced its antibiotic resistance monitoring and early warning system, Fosun Health Care (for-profit) fully realized antibacterial drugs orders (prescriptions) and enhanced its perioperative period and enhanced its electronic antibacterial drug prescription review, bacterial drug resistance monitoring and early warning system, early warning system of clinical application of antibacterial drugs.

The member hospitals of Fosun Health Care (for-profit) have established standardized medical ethics committees to ensure that the safety, health, and rights of subjects are closely protected. In 2019, member medical institutions further standardized the order of medical ethics committee and further improved the personnel organization structure and constitution and completed the link in a timely manner in strict accordance with the requirements of the "Ethical Guidelines for the Involvement of Human Beings in Medical and Biomedical Research" issued by the National Health Commission and other regulations. The medical ethics committee of Chengde Hospital is composed of experts in various fields such as medical ethics, reproductive medicine, law, genetics, nephrology, and community representation as a multidisciplinary structure and also participates in ethics training at all levels to ensure the reliability of medical ethics and enhanced its ethics committee as a core artery and system to standardize medical ethics, medical consultation and ethical supervision, separates the entire process of assisted reproductive technology and related

researches, and reviews, consultations, and ethics analysis on ethical issues encountered during implementation. In the past year, the medical ethics committee of Chengde Hospital and the ethics committee of Linzi Hospital in special cases, it is recommended to the primary ethics committee for discussion. In order to avoid non-ethical legal issues, the hospital has established a late ethical review system, and the interests of patients are fully implemented in ethical principles.

The member medical quality survey and inspection organization for all member hospitals. The continuous improvement of service quality and enhanced its service quality through the plan-do-check-act cycle, the service quality committee in the past year, the survey in the past year and assessment at the end of the year. Fosun Health Care (for-profit) promotes the optimization of new in-service training and annual nursing quality inspection standards, in 2019, all member hospitals strictly implemented the 45 optimization nursing quality and enhanced its standards including nursing quality and enhanced its standards, nursing staff responsibilities, training programs, an assessment standards for nursing quality at all levels, 6S lean management and enhanced its standards, the continuous care standards, the new nursing business and enhanced its technology and enhanced its internet + remote nursing center and established specialty remote nursing consultation and enhanced its case management, real-time sharing of nursing experience and enhanced its resource integration for in a cross-regional service pattern, the secondary and tertiary hospitals line.



Nursing skills training site of Hengsheng Hospital

Medical Quality and Safety Training

The member hospitals of Fosun Health Care Group attach great importance to the internal training of employees and improve the medical staff's professional service ability

and the hospitals' quality and safety culture through training, to continuously consolidate the medical quality and safety. The member hospitals organized a total of 386 hospital-level training sites throughout the

year, with a total duration of 886.5 hours, covering a total of 42,173 person-times, and dispatched professional technicians for training for 197 person-times.

Doctor-patient relationship

The member hospitals of Fosun Health Care Group fully adjust the relationship between doctors and patients. They have set up special departments to be responsible for the construction and management of medical practices, and have provided a series of channels for patients' satisfaction surveys, third-party surveys, consumer complaints, online letters and hospital leaders' reception and established a system and specifications including the

first consultation responsibility system, the first question responsibility system, and the first complaint responsibility system. It aims to establish a friendly and trusting doctor-patient relationship and benign interaction with patients. Throughout the year, the member hospitals received a total of 636 letters of thanks, silobanners, and plaques from patients and their families. Patient satisfaction surveys

(survey forms, bedside questionnaires, random sample surveys of outpatients, telephone follow-up of discharged patients, collection of feedback information from the consumer complaint center, etc.) showed that the average satisfaction of outpatients of the member hospitals of Fosun Health Care Group was 96.29%, and the average satisfaction of inpatients is 96.17%.

Patient satisfaction of the member hospitals of Fosun Healthcare Group in 2019

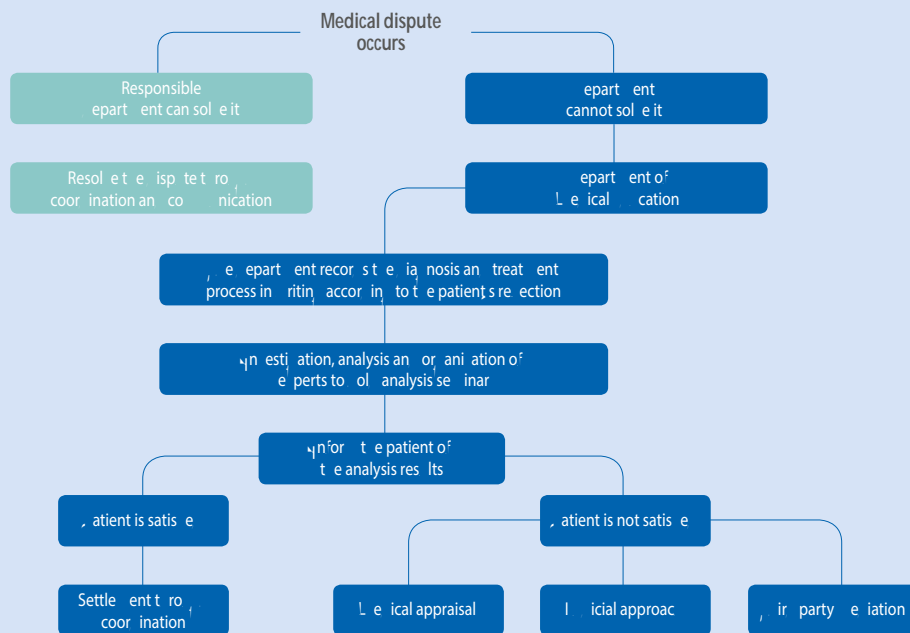
Name of medical institution	Foshan Chancheng Central Hospital	Shenzhen Hengsheng Hospital	Zhongwu Hospital	Yueyang Guangji Hospital	Jimin Cancer Hospital	Wenzhou Geriatrics Hospital	Zhuhai Chancheng Hospital	Wuhan Jihe Hospital
Outpatient satisfaction	96.97%	92.6%	96.12%	93.0%	99.0%	95.9%	95.51%	98.91%
Inpatient satisfaction	96.94%	94%	92.77%	95.0%	97.9%	96.8%	96.65%	98.73%

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 Case

Medical dispute handling flowchart of Hengsheng Hospital



Enhancement of Customer Value

Customers are important stakeholders of Fosun Pharma, mainly including patients, doctors, distributors, agents, medical experts, etc. Fosun Pharma attaches great importance to family-oriented mission. Driven by technological innovation, the corporate focuses on meeting medical needs and is committed to providing high-quality products and services to customers.

The enterprise continues to maintain healthy communication with customers, continuously, timely and accurately understand the needs and expectations of customers, and has established a trust-oriented customer service relationship and a sound communication bridge, to continuously enhance customer value.

Customer Management System

The member enterprises of Fosun Pharma corporate have established a complete CRM (customer relationship management) system according to the actual situation, providing professional medical support,

they have introduced leading diagnosis and treatment programs and disease management models to help customers and benefit patients. Meanwhile, each member enterprise conducts various customer satisfaction surveys through questionnaire,

Case

Wanbang Pharma's customer needs solutions—C2M strategic model

The diagram illustrates the C2M (Customer to Manufacturer) strategic model. At the center is a box labeled 'Customer Demand' in orange. Above and below it are boxes for 'Customer Demand' and 'Precision Service' in light blue, connected by double-headed vertical arrows. To the left, four blue circles represent 'Disease', 'Chronic Diseases', 'Reliability', and 'C', with a bracket connecting them to the central 'Customer Demand' box. To the right, five green circles represent 'Health Care', 'R', 'Insurance', 'Management', and 'Diagnostics', with a bracket connecting them to the central 'Customer Demand' box. At the bottom right, logos for Fosun Pharma (長裕) and Zealson are displayed.

The development of C2M in pharmaceutical and health care industry is deeply affecting the industry efforts to achieve changes in operating models and structural adjustments. In the future, the needs, experiences and perceptions from C-end will drive the development of innovation, iteration and reform, and achieve the goal of 'customer-oriented'.

fosunpharma.com.cn
0038 (Shanghai)
0001-1000 (Beijing)
0001-1000 (Shanghai)
0001-1000 (Shanghai)
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Cross-department customer management system of Yao Pharma

Yao Pharma has a cross-department team which is responsible for creating, maintaining and improving the customer management system from the customer side to the standard customer interactions and clarify department responsibilities. It sets up the communication channel between

Customer type	Channel	Access to information	Result	Responsible department
Wholesale distributors	Lar. et visits Industry conferences Industry websites and newspapers Third party investigations Questionnaire	Regional characteristics, industry and competitor analysis, market capacity and development trends, customer needs and expectations, sales service feedback, regional marketing policies	Wholesale product portfolio report Service improvement plan Countermeasures	Business department Corporate department
Hospitals	Case seminars Inpatient projects Personal visits Questionnaires	Clinical efficacy of products Patient feedback Recommendations	Clinical report Product portfolio report	Lar. et department Business department Legal registration department
Patients	Lar. et research analysis Questionnaires	Patient needs and expectations Product service feedback	Product service improvement report	Business department Corporate department
Research preparation and factories	Industry websites and newspapers Competitions Third party investigations	Industry analysis, market capacity and development trends, competitors, customer needs and expectations	Special report	Materials department
Research agents	Industry websites Competitions	Industry analysis, market capacity and development trends, competitors, customer needs and expectations	Special report	Reparation sales department Materials department

"Digital and Intelligent" Customer Service

Against the background and trend of China's Internet+ health care, China's medical industry is actively promoting digital transformation. As a result, various digital technologies and platforms

to actively grasp the new opportunities brought by innovative business models and digitalization, respond to new challenges, and meet the individual needs of customers, and enhance the customer experience.

Case

Youyibang launches "digital and intelligent" empowerment business to improve customer service effectiveness

Youyibang is a service platform built in 2016 focusing on patients with chronic diseases, providing professional diagnosis, treatment and health management services. This innovative platform has various functions including medical services. It allows patients to experience smart medical life at their fingertips.

There are three subsidiaries of the platform targeting different diseases, such as patient-oriented chronic disease for a complete ecological chain that can serve patients, doctors and pharmacies simultaneously. The same time, Youyibang is also one of the first batch of enterprises to obtain an Internet hospital license issued by the Ministry of Health, which qualifies itself to provide online medical consultation and

prescription, telemedicine, education, research, clinical research, and patient follow-up management.

As of December 2019, the platform has more than 50,000 certified doctors, 6,000 prescription prescriptions, 10,000 nutrition and health care products and 60,000 research information databases. In respect of logistics and distribution, the platform supports express delivery, self-pickup at nearby pharmacies and pharmacies, and a real-time delivery to be in one or more cooperating cities. The number of patients served has exceeded 10 million.

Responsible Marketing

As a result, it has continued to strengthen the marketing system at home and abroad. In the first half of 2019, Youyibang has carried out a marketing team of nearly 5,300 people, including an overseas marketing team of nearly 1,000 people. In African countries and regions, Youyibang has established a direct sales network, specializing in the promotion and sales of anti-malarial products and other generic drugs, and has formed a sophisticated international marketing platform.

Regarding the marketing promotion and publicity in 2019, the subsidiaries of Youyibang have reported an increase in the number of regulatory authorities for illegal advertising or promotion. The subsidiaries strictly implement the measures on compliant operation for marketing and sales team to ensure that they respect the company's interests and comply with the law. It is a business unit and implement the compliance operation responsibility system.

Procedural processes for marketing plans and relevant contracts are formulated. All responsible departments coordinate with each other in order to achieve the prevention in advance, process monitoring and post-audit, and ensure operational compliance with the requirements of national laws and regulations. In 2019, the subsidiaries of Youyibang have no product-related violations in terms of product and service labeling.

In line with national laws and regulations, the subsidiaries of Youyibang have actively carried out responsible marketing activities, and taken effective actions in promoting professional medical consultation, improving the level of doctors' diagnosis and treatment, expanding patients' knowledge on diagnosis and treatment, and promoting professional medical concepts, and organizing online and offline marketing activities, marketing training, patient education, etc.

... reasonable needs of users and continuously strengthen the online customer complaints.

... operational subsidiaries of the Group dedicate personnel for this relevant the complaints outline can be put forward in the clock, we also have built a customer complaint consulting system at the Group level. The subsidiaries record complaints to every retail and give a satisfactory reply to customers. It also provides a detailed explanation after investigation, analysis and response actions. They also record the batch number of the products in question. The online customer complaints is led by the quality control department and supported by relevant functional departments. Complaints are replied to and properly resolved in a prescribed period. Relevant preventive actions will be implemented to ensure customer satisfaction. In 2019, the operational

subsidiaries of the Group also received a total of 26 complaints related to product quality, and all of them were replied to and handled. It is the active effort of subsidiaries. Recall will be put into practice in accordance with the product recall procedural guidelines if effects of products or its potential safety risks are found in the investigation of complaints.

... The legal services subsidiaries of the Group also provide product quality and online product complaints. All-time product analysts and marketing personnel are responsible for recording of the complaints related to product quality. All-time processing staff for product complaints will obtain the detailed information about the complaints by emailers about product problems via telephone or on-site service and report to the analyst representative (i.e. the senior analyst in the enterprise quality management system) after determining the reason for the

Information Security and Privacy Protection

... as a company whose business covers the entire industry chain of the operational industry, we have fully realized the importance of information security and privacy protection to the Company and its customers. We are strictly abided by the rules and related regulations on privacy

protection and information security in the countries/regions where it operates, such as the measures for the management of Internet Information Services and the Law of the People's Republic of China on the Protection of Consumer Rights and Interests of China, the Digital Technology Innovation

Information Security

... present, we have established an

Privacy Protection

Los Angeles strictly protects personal data and all other sensitive information and prevents leakage. It is not permitted to disclose personal information of users to any other company, organization or individual.

Los Angeles attaches great importance to the protection of personal information and the privacy of employees, and adheres to the related principles in collection and use in the recruitment and employment of employees; after the employment of employees, specially-assigned personnel will file and maintain employees' personal information, and manages and handles other information on performance and salary, to ensure confidentiality.

Los Angeles Hospital of Los Angeles Health Care strictly protects the privacy of patients and provides a complete hospital information management system and various services. In October 2019, the hospital information management system (HIS), laboratory information system of Los Angeles Cancer Central Hospital, and Los Angeles Health Care, officially passed the level evaluation of information system security level protection, and obtained a filing certification issued by the Ministry of Public Security. This is an authoritative certification of hospital information system security protection capabilities. In the future, the Los Angeles Hospital of Los Angeles Health Care will continue to strengthen the construction of hospital information security in accordance with the strict standards of information system security level protection.

Case

Patient Privacy Protection Measures of Hengsheng Hospital



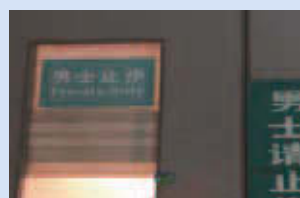
The sign is located in the reception area of each patient doctor, saying that no person, please do not take photos. Consciously protect the privacy of others.



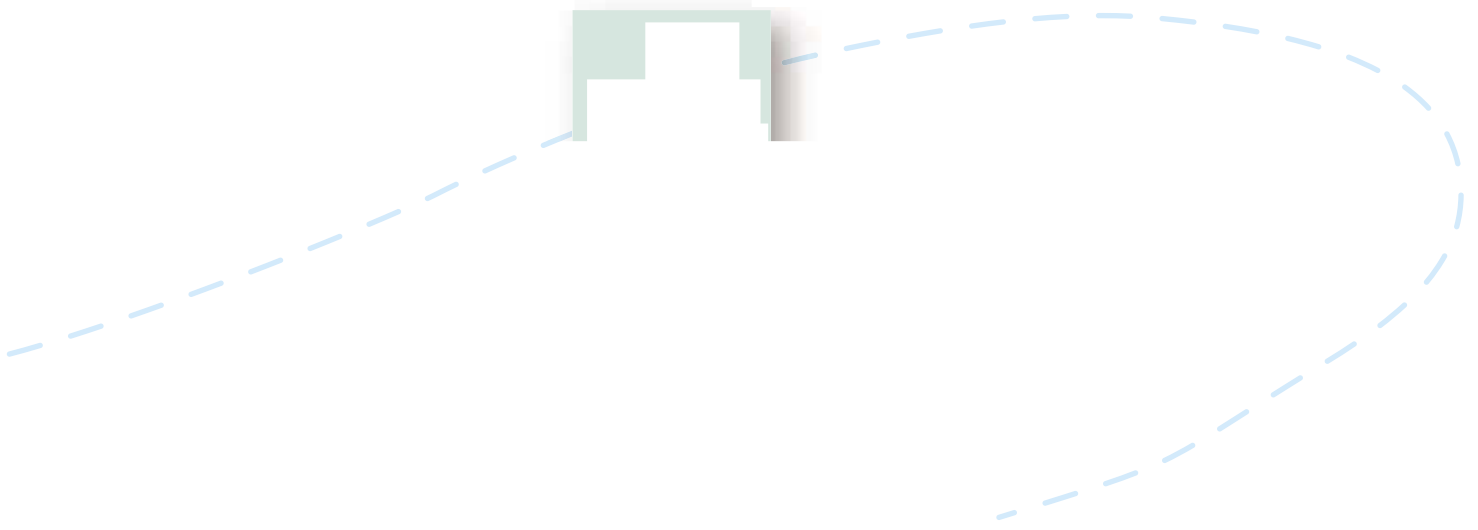
The patient reception room is set with the sign saying that staff only.



The reception area of the gynecology department is set with the sign saying that male patients only, to protect the privacy of female patients.



The reception area of the gynecology department is set with the sign saying that male patients only, to protect the privacy of female patients.





Supplier Management System

Los n. ar a ero p a eres to t e
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in 2019, Los n. ar a ero p strictly
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Supplier Integrity Management

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Wanbang Pharma reports compliance analysis of suppliers in accordance with national and local requirements. All member enterprises of Wanbang Pharma report a complete supplier analysis and evaluation process and establish a supplier quality annual review system. All member enterprises perform various supplier audits (such as on-site quality audits, questionnaire audits and phone audits) prior to determining a qualified supplier, to ensure the quality and safety of the raw materials. Meanwhile, the member enterprises of Wanbang Pharma optimize supplier audit processes, supplier analysis and evaluation relations, quality requirements entered into the supplier, supplier assessment guidelines, etc. to facilitate the scientific

of supplier. The supplier must meet all requirements to be qualified. During the supply period, suppliers perform comprehensive assessment on the quality, delivery time and service attitude of suppliers. In case of problems, the suppliers will communicate and cooperate with the supplier to find the cause and provide feedback to suppliers, in order to require suppliers to take necessary quality improvement. It is necessary for the to be incorporated into the list of qualified suppliers. The suppliers who do not meet requirements will be subject to monitoring, re-evaluation, etc. In 2019, the suppliers of Wanbang Pharma are 24 suppliers.

Province	Number of suppliers	Province	Number of suppliers	Province	Number of suppliers	Province	Number of suppliers
Beijing	91	Guangdong	534	Henan	245	Shanghai	4
Guangxi	39	Heilongjiang	202	Henan	64	Qinghai	4
Shandong	109	Inner Mongolia	78	Shaanxi	7	Shenzhen	4
Sichuan	19	Shandong					

	Wanbang Pharma	Yao Pharma	Guilin Pharma	Aohong Pharma	Erye Pharma	Hongqi Pharma
Employee training time per capita	48.4	50.1	26.0	27.7	32.0	67.6
Number of suppliers in annual review	497	433	255	60	111	104
Number of suppliers in online business for the year	570	471	255	60	182	104
Number of suppliers in annual review / Number of suppliers in online business for the year	87.2%	91.9%	100.0%	100.0%	61.5%	100.0%

Green Supply Chain

In 2016, Rosneft jointly launched the Green Supply Chain construction project called Green Rosneft to extend its subsidiaries and upstream and downstream suppliers aimed at its subsidiaries to raise standards and requirements to strengthen self-control and self-regulation in the industry, to promote the supply chain ecology, health and more sustainable in the industry.

In 2016, Rosneft released the Basic Standards for Green Supplier Launchment of Rosneft Accredited Products Controlled Suppliers (Quality Protection) and the proposal of Green Supply Chain for Rosneft Accredited (the proposal). As of the end of 2019, a total of 6,242 suppliers accepted the proposal. The project was awarded the Green Supply Chain Star Award by a number of authorities including Shanghai Iron and Steel Industry Association as a representative title of the industry. Case studies of Shanghai Green Supply Chain for the second consecutive year.

After the launch of the Green Supply Chain project, Rosneft has established a Green Supply Chain assessment system. In 2019, Rosneft iterated the assessment system and set 25 indicators in the

categories, i.e. environmental sustainability, safety and accident prevention, and system management. In line, Rosneft arranged and organized special training on procurement and functions for member enterprises, to improve their Green Supply Chain management capabilities.

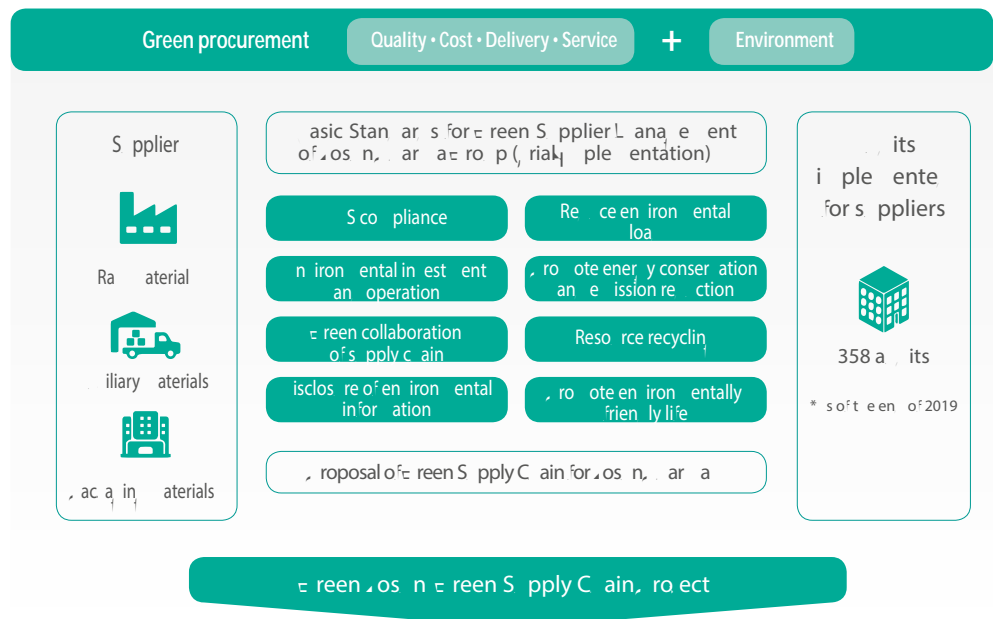
As of the end of 2019, there were member enterprises of Rosneft Accredited Enterprises 358 Green Supply Chain Awards to their suppliers. In 2019, 20 member enterprises carried out Green Supply Chain Awards to 139 suppliers of raw materials, auxiliary materials and packaging materials, of which 51 suppliers conducted on-site awards, and member enterprises communicated with their suppliers on rectification proposals for this award. It is identified in incidents and on-site awards.

In 2019, Rosneft selected three suppliers, i.e. Shanghai Colorcon Coating Technology Co., Ltd., Shenmen Salbris Chemicals Co., Ltd., and Intertek Laboratories International (China) Co., Ltd. to conduct on-site inspections. One of the awards was found to be of actual or potential significant environmental impact.

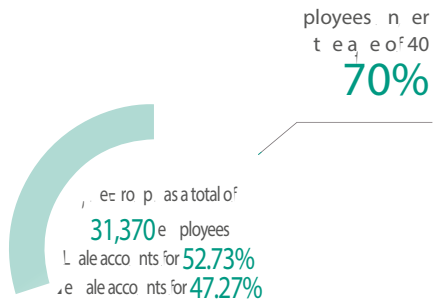
Green supply chain initiative by Rosneft Accredited Suppliers



358 titles







350 employees of in a doctorate degree, representing a year-on-year increase of **6.71%**

3,312 employees of in a master's degree, representing a year-on-year increase of **13.35%**

Europe's overseas employees reach **5,256**
 and are distributed in the United States, India,
 Israel, Africa, European countries and
 other regions

Talent Development and Cultivation

The sustainable development of talent is an important step in the accomplishment of Fosun's goals. Fosun regards its employees as the most valuable assets, and fully invests in the development and training of talents. Based on the concept of serving the Company's

strategy and corporate culture, it promotes the comprehensive growth of employees and the Company by helping employees improve their performance and personal capabilities. Focusing on the combination of external introduction and internal training, Fosun's comprehensive approach proactively attracts external

talented talents. At the same time, it always focuses on strengthening internal training and practice, to create an entrepreneurial talent team that recognizes the Company's culture and values to build a talented team for future development.

Talent Value

Attracting talents, promoting their growth, and improving their overall quality are the core of Fosun's talent management. Through training, talents, especially core talents, are able to improve their performance

and talent value of Fosun. As a result, the Company is committed to continuously training talents to improve their performance and improve their potential, bringing them to the forefront of the

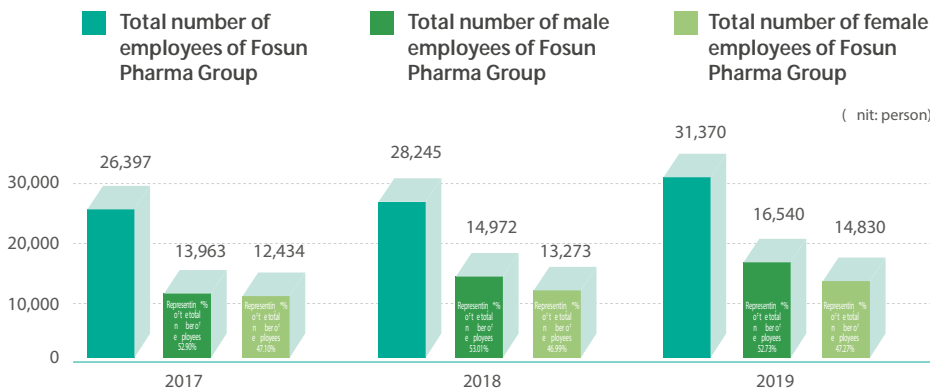
entrepreneurial talents: to identify and practice the core values of Fosun, and are featured by self-motivation, rapid learning and continuous self-creation.

Staff Structure

As at 31 December 2019, the total number of employees of Fosun Pharma Group was 31,370, representing an increase of 11.11% as compared to 2018.

In 2019, the Company continued to optimize the talent structure and adhere to the policy of young, highly-educated and

global talent structure to better attract business development and further attract talented talents to join the Company.



Young talent

The Company attaches great importance to young talents and the construction of a new generation of talent team in order to better attract the Company's future business

development, more young people are expected to join the Company's core positions to inject vitality into the Company.

As at the end of 2019, the number of employees aged under 40 of the Company reached 21,665, representing nearly 70% of the total number of employees of the Company.

Year	Aged 16-20	Aged 20-30	Aged 30-40	Aged 40-50	Aged 50-55	Aged 55-60	Aged above 60	Total
2019	51	9,975	11,639	6,441	1,894	1,037	333	31,370
2018	140	9,768	9,964	5,886	1,486	711	290	28,245
2017	106	8,951	8,887	5,940	1,546	683	284	26,397

Highly educated talent

In 2019, the company continued to increase the introduction of highly educated talents to better train the Company's reserve talents.

As at the end of 2019, the number of doctors in the company reached 350, a year-on-year increase of 6.71%. The number

of masters reached 3,312, an increase of 13.35% year-on-year, and the proportion of personnel with a bachelor's degree or above reached 44.32%. The overall education level of talents has further improved.

Year	Doctor	Master	Undergraduate	Junior college student	Secondary school student and below	Total
2019	350	3,312	10,242	8,236	9,230	31,370
2018	328	2,922	9,137	7,183	8,675	28,245
2017	256	2,453	8,193	6,541	8,954	26,397



Global talent, including employees from various countries, working together at Fosun Pharma.

Global talent

The company's employees are widely distributed. The company provides more job opportunities in Eastern China, Southern China, Central China, Southeastern China, and Northeast China. Globally, the company has 5,256 employees in the United States, Switzerland, Poland, India, France, Israel, and other countries in 2019.

Region	Number of employees in 2017	Number of employees in 2018	Number of employees in 2019
Eastern China (Shanghai, Jiangsu, Zhejiang, Shandong)	10,096	11,094	12,590
Southern China (Guangdong, Jiangxi, Hainan)	4,604	4,812	4,929
Central China (Beijing, Henan, Hubei, Hunan)	3,543	3,853	4,081
Northern China (Heilongjiang, Inner Mongolia)	241	280	292
Northeast China (Jilin, Liaoning, Qinghai, Shaanxi, Shanxi)	0	0	0
Southeastern China (Sichuan, Yunnan, Chongqing, Tibet, Guizhou)	1,951	1,869	2,584
Northeastern China (Jilin, Heilongjiang)	1,500	1,493	1,638
Other regions (Liaoning, Shaanxi)	14	0	0
Overseas	4,448	4,844	5,256



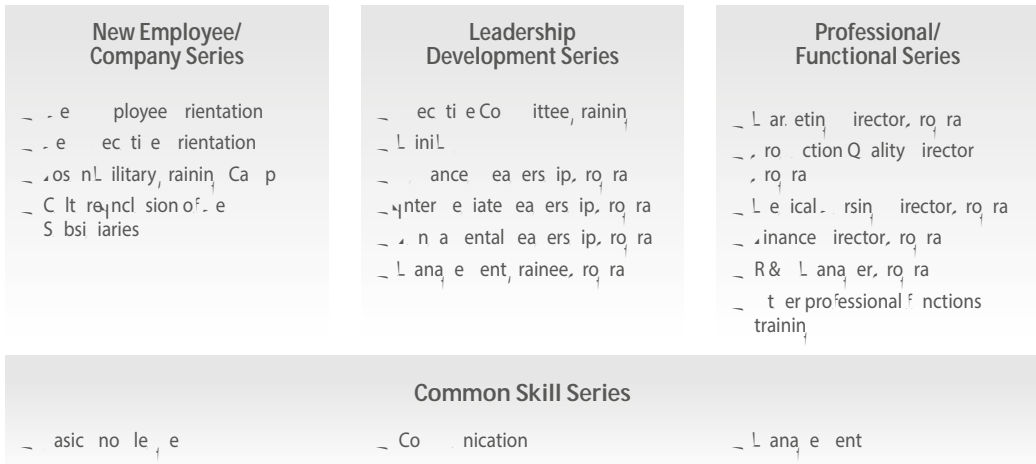
嘉善学院 CareL 学院 暨复星大健康管理学院桂林南药学院

Employee Training

The Company established a training and development center in 2009, and set up its own corporate university, Fosun Health Care Lianhe Institute. In 2017, it launched the functions of "four platforms", namely the e-learning platform, the functional training platform, the platform of professional

skills training base for member enterprises, the platform for inheritance of knowledge and experience, and the platform for dissemination of central concepts, let everyone learn in an atmosphere of learning, resource integration, to boost the Company's continuous development.

In 2019, relying on the Company's corporate culture, it continues to develop for a series of training programs, namely "Employee/Company Series", "Leadership Development Series", "Professional/Functional Series" and "Common Skill Series".



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Training indicators	Unit	2017	2018	2019
Total training expenses	RL '0'000	686	993	1,480
Average training costs per person	Full employees	43	34	31
	Full-time employees	40	37	28
	Part-time employees	47	32	34
Training for Senior Management	Number of trainees	374	376	1,193
	Total training time	7,831	15,412	33,356
Training for employees other than senior management	Number of trainees	22,275	25,144	30,012
	Total training time	963,408	839,581	960,008

Note: The statistics of the total number of trainees in the average training costs per capita include all overseas employees for the first time, and the overseas training costs are incomplete statistics.

“Lunch Sharing Session” of Fosun HealthCare Management Institute

Fosun HealthCare Management Institute holds a “Lunch Sharing Session” at the headquarters of Fosun, on a regular basis, at which company executives, management of subsidiaries and external professionals are invited to share corporate strategies, best practices, hot topics, etc. The “Lunch Sharing Session” is committed to creating a relaxed “sharing” activities. Employees in Shanghai voluntarily sign up. Everyone enthusiastically communicates in a free environment and spontaneously.



In August 2019, Professor Wang Jian, Chief Scientific Advisor of Fosun, gave a “Chairman of Fosun” speech at a lunch sharing session. He talked about the mysterious brain-computer combination, which aroused a strong response from the participating employees. Professor Wang introduced the latest developments in the field of brain-computer interface, which are so wearable devices that brain-computer

Occupational health and safety training protects employees' safety

Occupational health and safety training is one of the countermeasures for production safety in enterprises, and an important measure to prevent “three violations” and prevent and contain production safety accidents.

The enterprises of Fosun have completed 404,227 hours of training in 2019, including a total of 67,557 person-times, the number of training hours per capita is 2.45 and the number of training hours per capita is 14.65 hours.

404,227 hours 

In 2019, various departments have conducted special emergency drills such as fire drills, fire emergency drills, falling objects, being trapped in elevators, and on-site emergency treatment drills.

As a special learning and training, they are mainly conducted by various departments; the fire emergency drills test the emergency response procedures and trained the emergency response teams.



"Agile Organization Building" of Wanbang Pharma and Hongqi Pharma

According to the 2017 Forbes's survey on Global CEOs, 70% of the companies surveyed worry that their companies will lose their competitiveness in two years! Moreover, as a attaches great importance to the sustainable development of itself and its member enterprises, in the current volatile and uncertain market environment, moreover, as a boldly introduce the concept of agility and promote the agility of organizational change.

In October 2019, Wanbang Pharma, as a member enterprise of Fosun, as a leader in the pharmaceutical industry, released the tablet project, the Company's agile and digital transformation (i.e., the Resilient Center) team project leaders immediately, the agile enterprise to lead the on-site project as an engine to promote Wanbang's internal change in respect of agile project, goals are divided into three levels, the first and most important thing is to be able to establish the agile lane, the second is to be able to establish the agile culture, the second is to be able to establish the capability



level, to strengthen self-learning and internal learning; the third is to be able to establish the agile, to implement special projects and promote R&D and innovation.

Therefore, a series of agile tools were promoted through training, the concept was incorporated into the analysis and culture, and the agile became a part of organizations and a guarantee.



Display board of the agile project of Hongqi Pharma

In March 2019, Hongqi Pharma launched the R&D agile project and innovatively introduced visual board management, which effectively improved project promotion efficiency.

- Easily analyze the content of projects

In a concise electronic "board", it is always obvious to see "who", "what to do", and "when" to complete, which promotes collaboration and cross-team cooperation and helps the implementation of projects in an efficient way.

- In accordance with project related contents, ensuring effective communication

All contents, key discussions, and meeting schedules are placed in the, as details, the, which helps strengthen records and link the same to tasks for easy learning.

- Quantitative or arrangement of scientific allocation of resources

The isal "timeline" allows the internal team to understand the order of the scientific allocation of resources, so that the project planning and allocation of resources are more reasonable.

- More frequent statistical reports, data more transparent

It allows to keep abreast of project statistics and team performance, and resolve potential risks in a timely manner. Rich optional dimensions and statistics of projects, more simple, performance evaluation more scientific, and more transparent.

"Guilin Pharma College Program" of Guilin Pharma

In response to the talent strategy of Guilin Pharma, the first systematically planned talent training plan to create a learning-oriented and high-performance organization. In July 2019, the "Guilin Pharma College" was officially established to help corporate business and strategic development. Guilin Pharma College aims to create professional programs in line with international standards, on-site training and on-site production sites, and enter an advanced training program in line with the characteristics of Guilin Pharma to train a group of outstanding lecturers of Guilin Pharma College to make it become a training base for professionals in international production operations, to better meet the company's needs of construction of an international talent team.

In July 2019, Guilin Pharma College cooperated with Fosun Health Care Laboratories to establish the

for the first time to organize the first production quality director program and the program, on-site special lecturers and field visits were conducted at Guilin Pharma, and an on-site self-inspection program was implemented and an interaction in the classroom, the problems found in the site, and an on-site self-inspection were traced and rectified.

Subsequently, Guilin Pharma College also opened an advanced program including "Comprehensive Laboratories and Skills" program, training for "Lecturers and Senior Lecturers" and "Lecturers and Senior Lecturers", "Site Lecturers" and "Enterprise Change and Development" in the "Comprehensive Laboratories", "No. 1 Series Program" including "Quality Control", "Program for Acceptance of International Laboratories", "Inspections", to improve employees' professional skills in all aspects.

Salary and Benefits of Employees

Fosun Pharma enterprises are located in many countries and regions around the world. In order to take into account the differences in labor resources policies in strict accordance with the requirements on salaries, recruitment, promotion, or other benefits of employees, equal opportunities, diversity, or in other words, policies and other benefits and other relevant provisions of the countries/regions where they operate.

The remuneration of all employees of Fosun Pharma in all operating locations is determined according to local labor laws and regulations. Fosun Pharma follows the fair principle and opposes discrimination. It implements the policy of salary starting salary for employees is different, but also complies with the local labor laws and regulations. In addition, Fosun Pharma also complies with the relevant labor laws and regulations. For example, in order to ensure that all employees are compensated after passing the application according to the local labor laws and regulations in operating locations, as well as contributing to social security and public accountants for all employees. In certain regions, Fosun Pharma

provides additional commercial insurance (100% coverage), supplementary pension, etc. Employees are entitled to a statutory paid annual leave and other leave, and also enjoy other benefits in accordance with national and local laws and regulations for all female employees. In addition, Fosun Pharma provides maternity leave (i.e. pregnancy period, birth period and breastfeeding period), and in the position of pregnant employees retains the position of the employee resigns, and can go back to her position after pregnancy. For male employees, they are entitled to paternity leave. Fosun Pharma encourages employees to actively participate in various activities of the company, and encourages employees' right of participating and organizing labor union. Employees' right of participating and organizing labor union is written into the company's regulations and systems and is a simple and necessary facility and a platform on activities are provided by the company. Fosun Pharma cares about its employees and provides periodic health examinations, health consultation or seminars, so as to take the initiative to invest in the health of its employees.

Diversity and Equal Opportunity

Fosun Pharma stresses the introduction and cultivation of local talents of member enterprises. In terms of talent introduction, cultivation and promotion, all employees are not subject to restrictions such as gender, age, race, color and religion, and all employees have equal rights. Fosun Pharma promotes fair competition, is approved of discrimination and respects freedom of religious beliefs. As of 2019, the employee structure consists of 47.12% female employees, 0.24% disabled employees, and 3.57% minorities. In order to attract and retain local talents, Fosun Pharma has prepared a talent retention plan and implemented it according to local laws.

Compliance with provisions on prohibition of civil labor force labor: Fosun Pharma strictly prohibits illegal labor. All employees of Fosun Pharma must be hired in accordance with the requirements of the labor laws in the countries/regions where they operate, and civil labor force labor is prohibited. In addition, in selecting suppliers, Fosun Pharma will conduct a comprehensive assessment on suppliers, and the number of disabled workers employed is strictly controlled and the employment of disabled workers complies with the requirements of the labor laws and regulations on labor protection and other issues.

Channels for employee communication and appeals, signing of collective agreements of labor union, and holding of employee representatives congresses: Fosun Pharma respects the hearing and appeal rights of employees and offers multiple channels for the employees to complain and express their opinions. Fosun Pharma also takes measures to ensure confidentiality and safety for employees from retaliation. In respect of system, the company revised the "Regulations on the Handling of Appeals and Complaints System" in 2019, and set up a disciplinary committee and a secretariat of the disciplinary committee to provide appeal services and an appeal process in order to handle disciplinary incidents; the company provides necessary convenience for employee appeals and protects the complainant's reasonable claims and legitimate rights and interests, and keeps the relevant information and content of the complainant confidential. Fosun Pharma respects the hearing and appeal rights of employees and offers multiple channels for the employees to complain and express their opinions. Fosun Pharma also takes measures to ensure confidentiality and safety for employees from retaliation.

Fosun Pharma respects the political rights of employees, which is clearly reflected in the employee handbook.

Staff turnover change at Fosun Pharma Group

Year	2018	2019	2020
Turnover rate	20.54%	21.22%	17.70%
Loss rate	16.93%	17.69%	16.13%

Note: Turnover rate = (Total number of employees leaving the company / (Total at the beginning + end)) * 100%, Loss rate = (Total number of employees voluntarily leaving the company / (Total at the beginning + end)) * 100%



Group photo of the 3rd National Congress of the CCP of Shanghai Pharmaceutical (Group) Co., Ltd.

The Party Committee of Shanghai Pharmaceutical (Group) Co., Ltd. and its subsidiaries and hospitals (General Party Branch and Party Branch) insist on fully playing the political core and leading role of the Party and do not forget to focus on Party building at the beginning and consistently efforts to promote development.

In 2007, the Party Committee of Shanghai Pharmaceutical (Group) Co., Ltd. consists of the subsidiaries in Shanghai, currently has 7 branches and 510 Party members, 67.6% of which are young people under the age of 35 and 53.3% are master's degree or above. These Party members have effectively demonstrated the advanced role of Party members in the Company's innovative R&D and operation and key positions and made extraordinary contributions to their ordinary work. In 2019, 1 Party branch, 2 Party branches and 40 Party members were chosen by the Party Committee of Shanghai Pharmaceutical (Group) Co., Ltd.

The Party Committee of Shanghai Pharmaceutical (Group) Co., Ltd. focuses on the ideological and political construction of Party members, and continuously improve the Party members' self-education, and insists

on the goal of building a learning-type Party organization. It is a prerequisite for Party building, so that grass-roots Party branches and Party members will become the "core" of enterprise development. In this regard, it attaches great importance to research and inspection of problems, rectification and reform, and inspire Party members to keep the passion for innovation and entrepreneurship, be brave to take responsibility and courage to fight. Education is achieved by "returning to the original aspiration, remembering the mission". In recent years, Shanghai Pharmaceutical (Group) Co., Ltd. has won the honor of National Level Model of Staff in 2018, and won the title of Shanghai Civilized Unit for the eighth consecutive year. The core team of the 2011 project of Shanghai Engineering Technology Enterprise of the Company, as a result of the title of Shanghai Pioneer in 2019.

The labor union of Shanghai Pharmaceutical (Group) Co., Ltd. has unions, subsidiaries, and labor unions of hospitals fully perform the four functions of maintenance, construction, participation, and education, and every year, 00000004880389, 00 -1.25 00 -1.25, (par)-24.299999enric -t n i r,

provision of employees with quality medical examination services to keep employees informed of their health status in a timely manner, which facilitates early detection and early intervention to maintain physical health;

to provide support for employees' healthy sports, Tai Chi classes, yoga classes and dance classes were set up for employees, table tennis rooms, basketball courts, and tennis courts were established throughout the year, so that employees have good places for healthy exercise beyond 8 hours of work;

the employee care center was established to provide free professional medical consultation services for employees throughout the year;

12 birthday parties in different teams were organized to make employees feel the

care of the company. In 2019, more than 400 people joined the parties.

The Company visited 41 employees for their birthday, illness, and funeral, and helped allocate of medical resources for employees' families for more than 60 person-times.

The local office established more than 10 employee clubs, which carried out a series of activities including basketball, football, basketball, table tennis, etc.;

The Company carefully organized and carried out various voluntary activities to send all kinds of care to employees.

Employee Safety and Health Protection

Accident control



Proactive action strategy management

- Risk assessment, establishment of SOR, and emergency response, plan and implementation of employee training
- Job briefing and rectification, promotion of good practices, and building safety culture



Five-year strategic goals of EHS

- Zero fatality, zero major injury incident
- Loss number of lost injury case in 2020 as 0.290, representing a decrease of 50% as compare to 2016
- Recordable incident in 2020 as 0.525, representing a decrease of 50% as compare to 2016



Performance in 2019

Performance indicator	Current target value in 2019	Actual value completed in 2019	Status
Fatality, major injury incident	0	0	Complete
Lost injury rate	0.363	0.343	Complete
Recordable incident rate	0.656	0.395	Complete

EHS Employee Representative

Employees are a core part of the organization, and their safety and health are of paramount importance to the protection and implementation of various legal rights of employees in terms of health and safety. Employees are a core part of organizations, i.e. Special Committee and labor union, to promote and supervise SOR and protect the relevant rights of employees. The Special Committee consists of the top management, immediate executive team, and S functional departments. Its main function is to formulate S policies and specific control targets for each enterprise, and ensure the implementation of

necessary personnel, materials and financial resources as planned for the operation of the S management system. The Special Committee will regularly hold internal or joint meetings to resolve the problems in the progress and development of SOR. It coordinates the internal management resources in time to solve the obstacles and difficulties in the development of SOR. The Special Committee is the core organization that plans, develops and implements SOR from top to bottom, and the labor union is the organization, as the employee representative, that participates

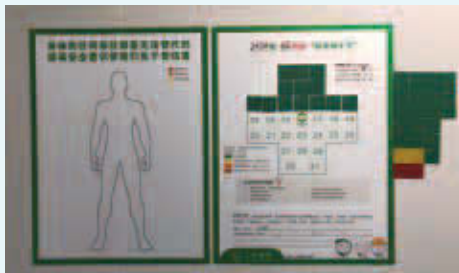
in and supervises the implementation of SOR and institutes corporate accidents, supervises and regulates enterprises to effectively ensure the rights of employees in terms of health and safety. The Special Committee and labor union cover 100% of the member enterprises of the organization, thereby effectively monitoring and protecting the employees' rights in terms of health and safety.

The EHS Committee of Aohong Pharma learns from external events by analogy



For typical cases of external major accidents, inspection areas and key inspection contents based on the EHS Management Committee of Aohong Pharma's own characteristics. All the defects identified in the inspection have been rectified. The committee also conducted a special chemical inspection for key

Multi-dimensional employee communication of Erye Pharma



Display board of Erye Pharma



Roll-up banner for promotion of Erye Pharma

The Safety Department of Erye Pharma communicates with employees through display boards, posters, screens, etc. The communication content covers: on-site special operations, rectification and tracking of safety hazards, statistics of accidents and incidents, wastewater station operation, legal and regulatory information, best safety practices, occupational hazard information and monitoring results, the company's Safety Policy and objectives, and other information.

Through Safety information communication, personnel at all levels of the company can learn about the company's Safety performance, risks, and control.

Erye Pharma has set up general managers' e-mails and other channels to let employees provide occupational health and safety recommendations and to cooperate with company leaders.

Employees at all levels of the Fosun
Pharma Group deeply recognize
the importance of safety to business
operations. Through the top-level design of
safety management, the safety production
responsibility system has been implemented
at all levels, and safety management has
been incorporated into performance
evaluation. Fosun Pharma focuses on
point-to-point supervision of key safety risks
in the main production activities of member
enterprises to achieve the comprehensive
management.

Member enterprises strictly implement
various risk prevention and control
measures, including identification and
management systems, or identification
and identification for dangerous
operations, and regular management
personnel at all levels to perform their duties
carefully, to promptly eliminate hidden
sources of production safety accidents. Member
enterprises are equipped with emergency
rescue equipment for ventilation, detection
and rescue, to ensure that the probability of
employee injury is minimized in unexpected
situations.

Main Safety Performance of Fosun Pharma Group



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Employee Health Protection

Employees are the most valuable asset of a company, and their health and safety. Employee protection is one of the important contents of our Social Responsibility. The member enterprises of the company are committed to comply with national laws and standards and use international good practices as a guide to effectively carry out risk assessment for positions exposed to occupational factors. The main occupational hazards include electrical exposure, dust, noise, vibration, temperature, radiation, biological factors, etc. Risk control is preferentially adopted alternative engineering control measures to achieve the effect of primary defense.

In accordance with the requirements of the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases", the member enterprises regularly

conduct assessment of occupational disease hazards in in-service facilities and inform its employees. Based on the assessment results of occupational disease hazards, each member enterprise strictly organizes pre-, in- or post-employment medical examinations of employees; during the reporting period, for the positions exposed to occupational disease hazards, the medical examination cooperation rate of employees was 99.9%. 2 female employees of the member enterprises were in pregnancy and childbirth period during the physical examination for 2019 and were not suitable to perform the occupational health examination of that year. They temporarily left the positions exposed to occupational disease hazards after pregnancy until the end of their lactation period. There were no occupational diseases in 2019.



1 Prediction and evaluation

Identification and evaluation are performed for occupational hazards factors for new construction, renovation and expansion projects, and risk assessment is conducted for occupational hazards factors;



2 Hazard control

Priority is given to elimination, substitution and engineering control measures for control of occupational hazards factors at source and collective protection to ensure intrinsic safety;



3 Exposure monitoring

Regular monitoring and assessment are carried out for employees' exposure to occupational hazards factors and management control and individual labor protection are adopted for residual occupational hazards factors;



4 Hazard notification

Warnings are set on operation sites to remind employees of maintenance of protection facilities for prevention of occupational hazards factors and individual labor protection;



5 Competency and training

Regular trainings are organized for employees on protection against occupational exposure to enhance employees' precaution consciousness;



6 Occupational health examination

Occupational health examination is organized for employees exposed to occupational hazards factors including pre-, on- and post-employment physical examination;



7 Analysis and improvement

In addition to analysis on the control effects of occupational hazards factors and employees' occupational health status, the enterprise sets improvement goals, ensures the application of resources and achieves continuous improvement;



8 Filing and tracking

Occupational disease prevention facilities are established in accordance with national regulations and records are kept for employees' exposure and individual health.

Occupational health performance by segment of Fosun Pharma Group

Segment	Number of employee exposed to occupational hazards	Occupational hazard factor exposure percentage	Number of employee required for occupational health examination	Completion rate of occupational health examination	Major occupational hazards
Chemical and pharmaceutical manufacturing and R&D	2,774	13.97%	2,717	99.9%	Chemical, dust, noise, heat stress, ionizing radiation
Medical devices and diagnostics	184	8.77%	99	100%	Chemical, dust, noise, ionizing radiation, bio-aerosol, blood infection
Health care services	537	9.52%	537	100%	Ionizing radiation, bio-aerosol
Total	3,495	12.66%	3,353	99.9%	-

Case

Research Institute Pharma launches occupational health and safety demonstration for new process



Occupational health and safety demonstration for new process of Research Institute Pharma



Occupational health and safety demonstration for new process of Research Institute Pharma

In accordance with the requirements of relevant regulations, the Research Institute Pharma conducted a reliability demonstration for chemical process safety for the first time in China, covering safety, process safety, occupational health, and emergency response; and prepared

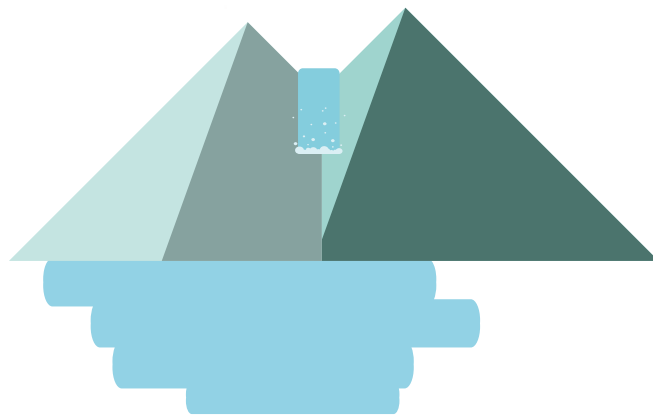
So, based on the results of the demonstration to train employees and implement emergency and protective facilities and measures, to ensure the health and safety of employees.

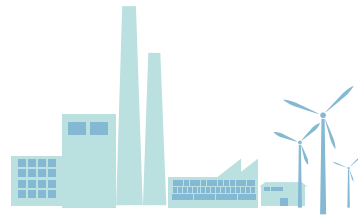


“Rural Doctor Poverty Alleviation” project

The purpose of the Rural Doctor Poverty Alleviation project as sponsored by Shanxi Province is to stabilize the team of rural doctors, improve the professional capacity of rural doctors, and effectively reduce the poverty rate of national-level poverty-stricken counties. As of December 2019, the Rural Doctor Poverty Alleviation project covered a total of 60 counties, opened 7,669 clinics in administrative villages, and supported 25,751 village doctors.

Shanxi Province has actively participated in the Rural Doctor Poverty Alleviation project. In 2019, Shanxi Province donated a total of more than RMB 4 billion in the form of cash, drugs, and materials to the project.





As a listed company, we are deeply
 concerned about environmental protection
 and employee health and safety are one of
 the social responsibilities that an enterprise
 should perform. In addition to strengthening
 environmental pollution prevention and
 control in the production and operation
 process, attaching importance to production
 safety, and continuing to strengthen
 cooperation with the government,
 we are committed to accept the
 supervision and guidance of the government

2. Source: From the Republic of China, the Ministry of Environmental Protection

4. Environmental Responsibility Report (2020) of the Company
 The company has established a complete environmental management system, and has
 implemented a series of measures to reduce environmental impact. In 2020, the
 company has achieved significant results in environmental protection work, and
 has received high praise from the government and society. We will continue to
 improve our environmental management level, and make greater contributions to
 the realization of the green development of the country.



EHS Operating Investment

In order to effectively control various environmental pollution risks during the operation of the Group, reduce or improve environmental protection management in line with regulations, in 2019, the Group accumulated a total of RMB 46.116 billion in environmental protection facilities, mainly focusing on construction/repairing of environmental protection facilities such as wastewater treatment facilities, sewage treatment facilities, and replacement of oil filter for boilers; RMB 78.717 billion was invested in environmental protection operation

and maintenance, mainly in terms of operation of environmental protection facilities for sewage and waste, as well as disposal of hazardous wastes.

In terms of safety investment, in 2019, the entire Group's investment in occupational health and safety was RMB 58.013 billion, as set to prepare and renovate various safety facilities of member enterprises, to improve the intrinsic safety of equipment and ensure the normal operation and maintenance of various safety and fire facilities and protection of employees' occupational health, and a total increase by RMB 19.587 billion over 2018.

EHS investment by segment of Fosun Pharma Group

Segment	Capital expenditure of environmental facilities		Operation expenditure of environmental facilities		Capital expenditure of safety facilities		Operation expenditure of safety facilities	
	Amount (RMB'000)	Description	Amount (RMB'000)	Description	Amount (RMB'000)	Description	Amount (RMB'000)	Description
Strategic and R&D	4,518.8	Wastewater treatment facilities repair and renovation Replacement of oil filter for boilers	7,327.8	Operating costs of environmental protection facilities Hazardous waste disposal costs	3,037.1	Rectification of aerosol storage Safety rectification facilities	1,646.3	Personnel protective equipment Occupational health test Maintenance cost of facilities
Legal services and logistics	18.7	Warehouse renovation	74.2	Hazardous waste disposal	30.6	Warehouse equipment replacement	80.8	Personnel protective equipment Occupational health test Maintenance cost of facilities
Healthcare services	74.2	Wastewater treatment station repair and renovation	469.6	Legal waste treatment	569.1	Roof replacement, reconstruction	437.4	Personnel protective equipment Occupational health test Maintenance cost of facilities
Total	4,611.6		7,871.7		3,636.8		2,164.5	

EHS Certification

During the reporting period, Fosun Pharma has established a policy commitment to environmental protection, health and safety in a stable manner, actively promote the establishment and optimization of the internal Safety Management System, and increase the cooperation of cross-referencing of the internal Safety Management System during the reporting period. Fosun Pharma has successfully carried out cross-referencing for internal systems for all manufacturing subsidiaries to promote the effective operation of the Safety Management System in member enterprises, eliminate or non-compliance issues in the operation of systems, and accelerate the training of Safety talents and capacity improvement for reference.

As of the end of 2019, the Group and all member enterprises have not been punished by local authorities for environmental protection issues, and no external environmental pollution incidents occurred during the year. All member enterprises have cooperated with or received local environmental protection, safety supervision and/or regulatory agencies.

While accelerating the establishment and reference of the internal Safety Management System, the member enterprises have also proactively promoted the external third-party system certification/appraisal. As of 2019, a total of 16 member enterprises of the Group have passed the third-party certification of ISO 14001 and/or ISO 18001 systems. In particular, 4

member enterprises included in the annual report, including Jolonye, have completed the certification of ISO 18001 and successfully transitioned from ISO 18001 to ISO 45001 system in 2019. During the reporting period, another 24 member enterprises passed the third-party review of national safety production standardization, and 14 member enterprises proactively responded to the national renewed manufacturing clean production policy requirements and carried out assessment and certification of clean production.

Environmental Management and Continuous Improvement

Greenhouse gas emissions and energy



Proactive action strategy management

- Implement the implementation of deepening carbon and energy management measures, such as emission reduction
- Promotion of clean energy projects, replacement of high energy consumption and low efficiency equipment with low energy consumption and high efficiency equipment, promotion of thermal energy recovery and heat insulation measures, etc.



Five-year strategic goals of EHS

- Carbon emission intensity; intensity for 2020 decrease by 50% as compared to 2016 i.e. 0.30 ton/RL 10,000 of total
- Carbon emission reduction of energy-saving projects; complete carbon reduction amount to 3% of carbon emissions in 2016, i.e. 22,000 tons of carbon emission for 2017 to 2020
- Comprehensive energy intensity; intensity for 2020 decrease by 45% as compared to 2016 i.e. 2.44 t / RL 10,000 of total



Performance in 2019

Performance indicator	Current target value in 2019	Actual value completed in 2019	Status
Carbon emission intensity	0.38 ton/RL 10,000 of total	0.35 ton/RL 10,000 of total	Complete
Carbon emission reduction of energy-saving projects	17,800 tons*	17,800 tons*	Complete
Comprehensive energy intensity	2.77 t / RL 10,000 of total	2.65 t / RL 10,000 of total	Complete

* indicates the amount of actual for 2017 to 2019

Greenhouse gas emissions are a serious problem for the entire earth, after carbon dioxide (CO2), carbon monoxide (CO), methane (CH4) and nitrous oxide (N2O) are the main greenhouse gases in daily life and production, which directly and indirectly accelerate the global warming effect, thereby affecting global climate change. The reporting period of greenhouse gas emission sources in the physical boundary of the production,

operation, and a number of enterprises of the scope, i.e. carbon emission sources, including direct emission sources and indirect emission sources. Direct greenhouse gas emissions (such as burning of fossil fuels including natural gas, liquefied gas, coal, diesel, gasoline, and fuel oil) and indirect greenhouse gas emissions (purchase of electricity and steam) are all closely related to the scope of energy consumption in the manufacturing process. Therefore, the main

way to reduce greenhouse gas emissions is to reduce the scope of energy consumption. The core strategic initiatives identified by the company in terms of energy conservation and emission reduction include the following aspects. The reporting period of the initiatives are provided in an orderly manner step-by-step:

- In terms of promotion of clean energy projects, the company will promote solar panels and photovoltaic power stations in enterprises and apply them;
- In respect of replacement of high energy consumption and low efficiency equipment with low energy consumption and high efficiency equipment, enterprises are encouraged to save energy consumption, reduce energy saving equipment, energy saving lamps, etc.;
- For promotion of thermal energy recovery and heat insulation measures, heat pipe facilities, heat and recovery and heat exchange systems are applied;
- As to air-conditioning temperature control, temperature control system optimization performance for the office;
- It refers to the promotion of energy-saving administration and energy system, it is also attached to a optimization plan for air-conditioning systems.

In order to effectively ensure that the current energy conservation and emission reduction targets for 2019 are fulfilled, the company will take the following measures:

- The company will focus on energy-saving and efficiency improvement, i.e. the company will follow the 12-point plan on carrying out the energy conservation and efficiency improvement of the company, the 2019-2020 plan on carrying out the energy conservation and efficiency improvement, the 2019-2020 plan on carrying out the energy conservation and efficiency improvement, etc.
- The company will, from the beginning of 2019, pre-declare the collection of enterprises' energy-saving and carbon reduction measures as starting points for the next year's energy-saving and emission reduction targets and indicators, or late special energy-saving and emission reduction measures, and strengthen the implementation of preset energy-saving goals from the introduction of energy-saving equipment and the establishment of energy-saving and emission reduction systems to the implementation and other aspects;
- The company will track the implementation of the established energy-saving and emission reduction indicators in energy-saving and carbon reduction measures to ensure that the measures are effectively implemented in the next year.

According to final calculations, Fosun Pharma Group has saved 85 tons of fuel oil and reduced 4,638 tons of carbon emissions. Total of RMB 3.64 million was invested in energy-saving measures in 2019, and the total of 5.04 million kWh of electricity, 460 tons of natural gas

Summary of key energy saving projects of certain subsidiaries of Fosun Pharma Group

Subsidiary	Energy saving measures			Energy saved	Corresponding carbon reduction
	Application of new technologies and equipment	Optimization of production process and layout	Energy management system		
Yunnan, China	1.Reconstruction of boiler cleaning system; 2.Replace of compressed air preparation system; 3.Integration of refrigeration units; 4.Construction of pilot automatic power station; 5.Reconstruction of steam heating network.	1. Optimization of pasteurization equipment of primary water system; 2. Optimization of settlement equipment of basic capacity fee; 3.Replace of heat pipe in production of heat pipe technology; 4. Adjustment of temperature setting and reduction of control temperature reduction.	-	Electricity: 888 tons	625
Yunnan, China	Installation of air-conditioning heat pipe	-	-	Electricity: 160 tons	113
Guangdong, China	Construction of pilot automatic power station	-	-	Electricity: 200 tons	141
Yunnan, China	-	1. Optimization of temperature control area of air-conditioning system; 2.Real-time adjustment of electronic water trap; 3.Cleanliness of steam trap	-	Electricity: 1,062 tons	747
Yunnan, China	1.Replace of filler; 2. Energy-saving renovation of air-conditioning heat pipe	1. Optimization of operating system of control area in production of traction workshop; 2. Combined QC inspection	-	Electricity: 302 tons Natural gas: 228 tons	759
Guangdong, China	Replace of air compressor	-	-	Electricity: 56 tons	39
Yunnan, China	-	1. Adjustment of fan operation; 2. Adjustment of electronic energy storage	-	Electricity: 29 tons	23
Guangdong, China	-	1. Precision control of boiler; 2. Optimization of energy conservation of technical equipment of interlocking circuit	-	Electricity: 749 tons	394
Guangdong, China	-	1.Cleaning of free compressor, air compressor, water pump; 2. Adjustment of pipe network, pressure, bypass valve, steam separator, rain point	-	Electricity: 350 tons Natural gas: 228 tons	676
Guangdong, China	Installation of energy conservation	Optimization of temperature control of air-conditioning units	-	Electricity: 6 tons	4
Guangdong, China	Renovation of incinerator	1. Adjustment of fan energy, 2. Optimization of cleaning equipment of penicillin bottles, and optimization of water circulation system	Daily inspection, control	Electricity: 75 tons	53
Guangdong, China	Optimization of interlocking system	-	Electricity assessment system	Electricity: 400 tons	210
Guangdong, China	Replace of valve	Optimization of operating parameters of air-conditioning	-	Electricity: 234 tons Oil: 85.4 tons	442
Guangdong, China	1.Replace of valve, 2. Conversion of steam pipeline pressure	-	-	Electricity: 6 tons	4
Guangdong, China	1.Replace of energy-saving pump, 2.Replace of valve, and replace of valve	Installation of regulator for boiler	-	Electricity: 188 tons	175
Guangdong, China	Replace of valve	-	-	Electricity: 12 tons	6
China, Chemical	-	-	Monitoring of air conditioning equipment	Electricity: 58 tons	41
China, Chemical	Replace of valve	1. Adjustment of fan operation of primary water system 2. Parallel connection of air-conditioning unit 3. Installation of pipeline 4. Adjustment of electronic door locks	-	Electricity: 161 tons	113
Guangdong, China	Replace of valve	-	-	Electricity: 3 tons	2
Guangdong, China	Replace of valve	-	-	Electricity: 1 tons	1
China, Chemical	-	-	Monitoring of air conditioning equipment	Electricity: 72 tons	51
Guangdong, China	Replace of valve	-	-	Electricity: 27 tons	19
Guangdong, China	Installation of solar lighting, coal-to-electricity heating	-	-	Temporarily unable to calculate	-

Our main efforts in energy management and emission reduction and efficiency improvement, therefore, total energy consumption in 2019 was 7,576,550 tL, which was 176,712 tL lower than that in 2018, an a year-on-year decrease of

2.3%. The total energy intensity is 2.65 tL / RMB 10,000 of output value, representing a decrease of 0.46 tL / RMB 10,000 of output value as compared to 2018. According to internal calculations, therefore, operating sites in China emitted a total of 758,000 tons of greenhouse gases, a decrease of 3.6% from 2018.

Energy Use and Carbon Emission of Fosun Pharma Group

Year	Electricity	Gas	Coal	Oil	Other	Water	Waste	Carbon Emission
2016	478,175,186	3,860,500	5,581,931	4.43	746,179	288,447	457,732	0.60
2017	513,272,112	4,648,903	6,496,683	3.51	822,786	338,285	484,501	0.54
2018	655,108,860	5,394,870	7,753,262	3.11	786,371	397,106	389,265	0.41
2019	631,436,019	5,304,416	7,576,550	2.65	758,143	381,580	376,563	0.35

* Note: 1. Fosun is data does not include greenhouse gas emissions from biological and chemical sources within the boundaries of responsibility (i.e. within the physical boundaries of production, operations and assets), nor does it include greenhouse gas emissions from overseas companies. Meanwhile, the carbon emission intensity is calculated based on the operating income of domestic enterprises. Due to the incomplete information on the conversion factors of overseas carbon emissions, it is temporarily impossible to measure overseas carbon emissions, so the carbon emissions data only includes domestic enterprises in China.

2. Indirect greenhouse gas emission sources include the combustion of natural gas, liquefied gas, natural gas, diesel, gasoline, fuel oil, and other fossil fuels, and indirect greenhouse gas emission sources include net purchased electricity and steam.

Energy Consumption of Segments of Fosun Pharma Group

Segment	Electricity	Gas	Coal	Oil	Other	Water	Waste



Promotion of photovoltaic power generation projects

Yanban, Jiangsu, has a total area of 1.5 million square meters of open space on the roof of the tablet factory and cooperates with photovoltaic manufacturers to lay photovoltaic panels. The installed capacity is 0.375 MW for photovoltaic power generation. The average annual power generation is 250,000 kWh, and the carbon emission reduction is 176 tons.

Yaoji, Jiangsu, has installed 3,404 crystalline silicon photovoltaic modules with a standard power of 295 W and a photovoltaic power generation capacity of 1,004.3 kW. Since the tilt angle is 25°, the installation method of the system is a distributed photovoltaic power generation system. The project adopts a 10kV distribution network and is connected to the power grid system by way of power generation for self-use. The rest of the electricity is sold to the grid through a 10kV distribution network. According to the system installation location, there is a total of 1 distribution network (access) point. The annual average electricity revenue during the operation period of the power station is expected to be 1.128 million yuan. Since the operation in October, it has saved about 200,000 kWh of electricity and reduced carbon emissions by 141 tons during the reporting period.

Yanban, Jiangsu, has established an energy conservation and carbon reduction element, in order to promote energy conservation and carbon reduction projects. It has installed 3,404 (cr)-24W * 1.5m

Air Emission Management

The air pollution sources of Fosun are mainly composed of various types of organic and non-organic volatile organic compounds (COs, non-halogenated total hydrocarbons, etc.) during the production process of various enterprises and nitrogen oxides (NOx) and fine dust particles produced by boilers in the complete combustion.

For the emission of different air pollutants by the enterprises, Fosun has established separately for each plant the requirements on air pollutant emission reduction and

treatment measures for the enterprises, and approved the core processes of air pollution control facilities to ensure that the treatment facilities are effective and stable to meet standards. In addition, accounts have been established for the air pollution control facilities that have been completely required for the enterprises to operate in compliance with the standards. As of the end of 2019, none of the enterprises has

Compare with the air pollution data for 2018, in terms of air pollutants in 2019, the total emissions of sulfur dioxide decrease by 145.3 tons (52.1%), the total emissions of particles increase by 8.2 tons (18.7%) and the total emissions of nitrogen dioxide increase by 6.8 tons (2.7%). In 2019, the substantial increase in sulfur dioxide is

due to that the enterprises increase and strengthen the desulfurization process and the enterprises calculate the total emissions of pollutants since the data from online monitoring equipment instead of the original sampling concentration * benchmark emission rate.

 Case

VOCs Emission Reduction and Treatment Project

In 2019, in Linzi, Shandong, and Qingdao, Shandong, the enterprises increase the investment for collection and treatment of volatile organic compounds (VOCs) generated in the production process. The core processes include activate carbon adsorption, photocatalytic oxidation, zeolite molecular sieve, incineration, condensation adsorption, water adsorption, etc. According to the

different components of the source materials, a combination of two or more core processes are selected, and the discharge VOCs are treated before discharge. The design of all processes requires that the VOCs collection rate and removal rate should meet the regulatory requirements of local authorities.



Project site: Linzi, Shandong



Project site: Qingdao, Shandong



Project site: Qingdao, Shandong

Boiler "Oil-to-gas" Project



Natural gas is currently the cleanest fuel for boiler fuels. It produces fewer pollutants during combustion and has a higher fuel utilization rate. It has both environmental and economic benefits. In 2019, the enterprises, i.e. Shandong Enli and Qingdao Enli, decided to replace the oil-fired boilers with gas-fired boilers after passing the internal comprehensive evaluation. The renovation of both projects was recognized by the local government departments, and the natural gas pipeline layout received strong support of local relevant departments. With the cooperation of all parties, both enterprises replaced their oil-fired boilers with gas-fired boilers in an orderly manner in accordance with their respective plans.

Sewage and Wastes



Proactive action strategy management

- Increase in investment in sewage treatment facilities, addition of sewage treatment facilities
- Carry out renovation of sewage treatment facilities
- Promotion of recycling of industrial solid waste and promotion of reduction of hazardous waste



Five-year strategic goals of EHS

- Sewage discharge intensity; intensity for 2020 decrease by 30% as compare to 2016, i.e. 3.25 tons/RMB 10,000 of output value for 2020;
- Chemical emission intensity; intensity for 2020 decrease by 30% as compare to 2016, i.e. 0.23 /RMB 10,000 of output value for 2020;
- Ammonia nitrogen emission intensity; intensity for 2020 decrease by 30% as compare to 2016, i.e. 0.029 /RMB 10,000 of output value for 2020;
- Total solid waste intensity; intensity for 2020 decrease by 30% as compare to 2016, i.e. 38.69 /RMB 10,000 of output value for 2020;
- Hazardous waste intensity; intensity for 2020 decrease by 10% as compare to 2016, i.e. 1.00 /RMB 10,000 of output value for 2020;



Performance in 2019

Performance indicator	Current target value in 2019	Actual value completed in 2019	Status
Sewage discharge intensity	3.60 tons/RMB 10,000 of output value	2.48 tons/RMB 10,000 of output value	Completed
Chemical emission intensity	0.26 /RMB 10,000 of output value	0.27 /RMB 10,000 of output value	Not completed (See the section of sewage for reasons)
Ammonia nitrogen emission intensity	0.032 /RMB 10,000 of output value	0.046 /RMB 10,000 of output value	Not completed (See the section of sewage for reasons)
Total solid waste intensity	42.83 /RMB 10,000 of output value	25.74 /RMB 10,000 of output value	Completed
Hazardous waste intensity	1.03 /RMB 10,000 of output value	1.51 /RMB 10,000 of output value	Not completed (See the section of sewage for reasons)

Wastewater Management

Compared with the wastewater treatment rate of 2018, in 2019, the group's total wastewater discharge increased by 474,145 tons (or 6.3%), the total chemical oxygen demand (COD) emissions increased by 69.1 tons (or 8.2%), and the total annual discharge of ammonia nitrogen increased by 123.8 tons (or 48.7%).

In the reporting period, the wastewater of the group was discharged into the sewage pipe network as stipulated by the industrial park and was not directly discharged into the surface water body. All the enterprises have achieved a top-to-bottom discharge.

In the reporting period, 8 member enterprises including Anbang Liniao, Baoli, Anbang Jiansheng, Baoli, and Lepu, China Research Institute and Lin Cancer Hospital carried out wastewater treatment facilities.


In the first five-year strategic goals, the total chemical oxygen demand (COD) and ammonia nitrogen (-3-) increase in multiples in 2017, mainly due to the increase capacity of supporting wastewater treatment facilities in the park. Since Sine Star is located here, therefore,

the concentration of COD and ammonia nitrogen discharge into pipelines as well as the total discharge amount increased, affecting the discharge intensity. The increase arising from the changes in Sine Star on the same basis, the COD discharge intensity for 2016 was 0.156 and the actual value for 2019 was 0.101. The ammonia nitrogen discharge intensity for 2016 was 0.012 and the target value for 2019 is 0.01. The targets were achieved as scheduled. The nitroethane abatement is /RMB 10,000 of output value.

Water pollutants discharge by the subsidiaries of Fosun Pharma Group

	Total wastewater discharge (ton/year)	COD (ton/year)	Ammonia nitrogen (ton/year)	Sewage discharge intensity (ton/RMB10,000 of output value)	COD emission intensity (kg/RMB10,000 of output value)	Ammonia nitrogen emission intensity (kg/RMB10,000 of output value)
2016	6,785,400	490	60.55	4.64	0.33	0.041
2017	7,315,890	841	486	3.95	0.45	0.262
2018	7,565,178	847	254	3.04	0.34	0.102
2019	7,091,033	778	130	2.48	0.27	0.046

Water pollutants discharge by segment of Fosun Pharma Group



Solid Waste Management

In 2019, the total solid waste generated by the Group's domestic enterprises was 73,583.6 tons, representing a decrease of 12,213.0 tons (or 14.2%) over 2018. The total amount of hazardous waste of 4,320.8 tons, 64.1 tons of hazardous wastes were recycled, 3,827.1 tons of hazardous wastes were incinerated, 271.0 tons of hazardous wastes were subject to landfill disposal and 158.6 tons of hazardous wastes were treated

in other ways (including storage for later treatment). In the industrial solid waste, part of wastes as self-generated external units for compliant treatment and recycling, including recycling of animal pancreas, coal cinerash, class II residue.

The increase in hazardous waste in 2019 was relatively obvious. On the one hand, the production expansion of the member enterprises new expansion projects, including

the reporting period increase the amount of hazardous waste production; on the other hand, the increase in solvent standards and analysis requirements, including the pharmaceutical production process increase the amount of solvent waste, and the amount of hazardous wastes in the research and development of new drugs and the evaluation of consistency also increase.

Solid wastes emission of Fosun Pharma Group

	Total solid waste (ton)	Hazardous waste (ton)	Total solid waste intensity (kg/RMB10,000 of output value)	Hazardous waste intensity (kg/RMB10,000 of output value)
2016	80,848	1,626.8	55.27*	1.11*
2017	88,967	2,396.9	48.01	1.29
2018	85,796.6	2,683.2	34.36	1.07
2019	73,583.6	4,320.8	25.74	1.51

Note: * represents retrospective value.

Solid wastes emission by segment of Fosun Pharma Group

Pharmaceutical and manufacturing R&D	1,971.3		63,496.0	3,466.0
Medical devices and diagnosis	186.6		133.1	26.9
Health care services	3,475.8		0	827.9
Total	5,633.6		63,629.2	4,320.8

Carelife Pharma promotes hazardous waste reduction in multiple ways

First, it carries out a lot of water treatment close to the dryer project to reduce the water pollution. It uses heat pumps to recycle steam by hot air circulation at the drying temperature of less than 70°C. The close drying process has no waste heat emission. The tail gas is easy to collect and the steam can be recycled until the amount of water content is less than 30%, to reduce the steam treatment amount;

Second, the recycle press re-distillation for the high-concentration waste water in the drying process can be introduced into atmospheric distillation, and the original distillation residues (as a hazardous waste) are no longer generated; therefore, the above measures, Carelife, has a reduction of 209 tons of hazardous waste in 2019 as compared to the previous year.

Publicity on Waste Classification

per capita water consumption as from the five-year strategic water-saving goals, local municipal water supply and mainly domestic water consumption, are as proactively adopted the use for production and factoring, following water-saving measures to further operational services, health care services and domestic water supply in order to achieve

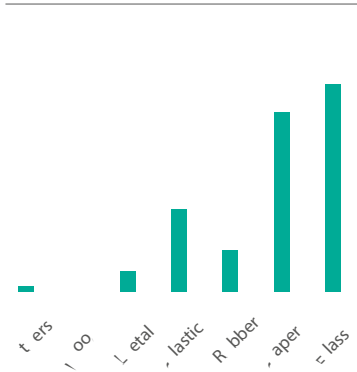
In the reporting period, the total water consumption of Fosun Pharmaceutical Group as 9,527,927 m³, representing a decrease of 431,488 m³ or 4.3% as compared to 2018.

The water consumption intensity as 3.33 m³/RMB10,000 of output value, representing a decrease of 16.5% as compared to 2018.

Use of water resources of Fosun Pharma Group

	Total water consumption (m ³ /year)	Water consumption intensity (m ³ /RMB10,000 of output value)
2016	8,769,376	5.99
2017	9,515,697	5.14
2018	9,959,415	3.99
2019	9,527,927	3.33

Type of packaging materials consumed by Fosun Pharma Group
Unit: ton

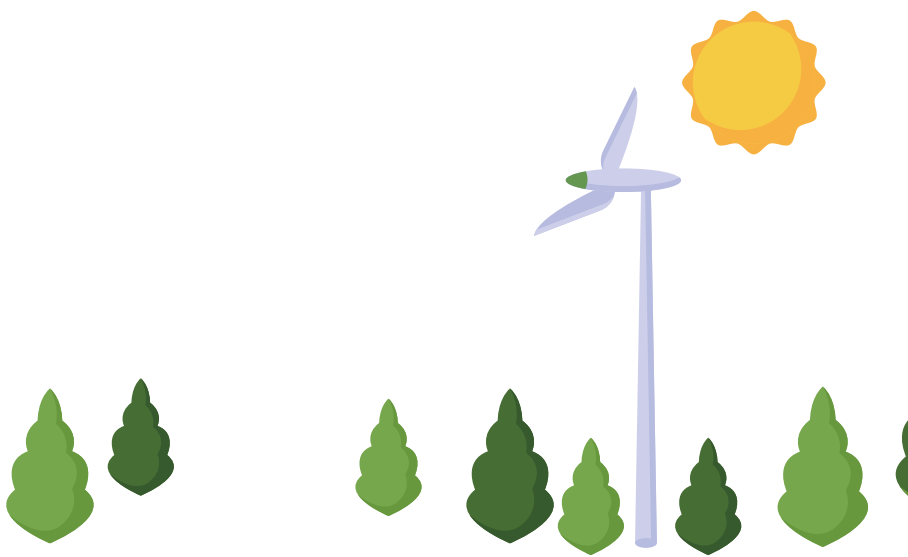


Material Circulation and Reduction

In the process of production, transportation and sales and provision of health care services, Fosun Pharmaceutical Group directly and/or indirectly consumes various types of packaging materials. The total consumption of packaging materials in 2019 was 23,611 tons, representing an increase of 5,240.4 tons (28.5%) as compared to 2018. The consumption of glass bottles of paper, and because the consumption type is the largest proportion in packaging materials (paper consumption accounted for the largest proportion in 2018), mainly due to that the member enterprises in the production and sales of penicillin bottles, ampoules and other glass bottles after the expansion of production capacity.

The Group adheres to the principle of source control, optimization, reduction of resource consumption and pollution emission, and strengthens the management and control of various packaging materials

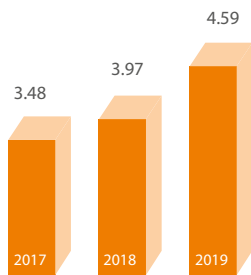
that cannot be recycled and those that cannot be recycled for pharmaceutical products. In the meantime, the Group proactively promotes the reduction of packaging materials and controls the source of product packaging to reduce unnecessary packaging. In addition, some member enterprises cooperate with upstream and downstream customers to use reusable materials instead of disposable materials to reduce the loss of transportation materials. In the meantime, the Group proactively promotes the recycling of packaging materials, and the packaging materials arising from production and sales are subject to classification and management. Certain packaging materials can be recycled for internal use. For those that cannot be recycled internally, they are sold to the resource recycling industry. In addition, social resources are used to complete the reuse of recyclable packaging materials.





Social contribution value per share

(R /S are)



Social contribution value per share is a comprehensive reflection of the contribution made by the company to all sectors of society interest groups



Los n. ar a ero pass e its corporate social responsibility an contrib te to t e co munity, an donate a total of **R 15.04** illion to t e co munity in 2019



In 2019, Los n. ar a ero p in este a total of nearly **R 9** illion in tar gete po erty alle iation



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Social Contribution Value per Share

In 2019, the social contribution value per share of Fosun Pharma rose by 4.59%. Social contribution value per share is a comprehensive reflection of the contribution made by the company to all sectors of society interested in its development and its significance in promoting corporate social responsibility. Fosun Pharma will continue to release the notice on the annual report of Social Responsibilities for listed companies and release of the guidelines to strengthen the contribution.

Disclosure of listed companies at Shanghai Stock Exchange on 14 May 2008, to encourage and respect listed companies to disclose social contribution per share in their annual social responsibility report, accordingly to help society and the general public to have a comprehensive understanding of the real effect that enterprises create for its shareholders, employees, customers, creditors, communities, and the overall society.

* Note: Social contribution value per share = (earnings per share + (tax payment + employee cost + interest expense + contribution to community charity) / total share capital at the end of the period)

Community Charity

Fosun Pharma has been proactively participating in community charity events along with its subsidiaries to contribute to the society. In 2019, Fosun Pharma donated RMB 15.04 million in total to the society.

As one of the initiators of Shanghai Fosun Foundation, in 2019, Fosun Pharma aimed to the public welfare philosophy of sustainable development of talents and projects, striving to create high-quality public welfare projects through cooperation with Shanghai Fosun Foundation and assist corporate social responsibility.

The donations to Shanghai Fosun Foundation are used to support for education, scientific research and innovation, targeted poverty alleviation, caring for children, and doctor-patient education, especially public welfare projects related to oncology, chronic disease management, and anti-infectives (anti-malarial, anti-tuberculosis). These public welfare projects are public welfare employment based on the company's business activities, fully embodying the corporate social responsibility role.

Targeted Poverty Alleviation

Uos n, ar a e ro p acti ely respon e to an facilitate t e i ple entation of t e Central e orn ent's ecision an plan of tar ete po erty alle iation an eli ination by flly tili in its a anta es in p ar ace tical an ealt care in stries an a opti ario s eas res. C rrently, Uos n, ar a e ro p carrie o t tar ete po erty alle iation ainly t ro

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rye, ar a re larly recr ite ne ploye isable people base on its act al con itions.



“Double Thousand Action” TB Poverty Relief Project

Since 2016, in cooperation with the China Tuberculosis Association, jointly launched a 5-year long-term poverty relief project, providing relief to at least 1,000 TB patients every year. Each patient receives RMB 1,000 subsidies. Over the past four years, the “Double Thousand Action” project has provided RMB 4.2 billion of relief funds to over 4,000 TB patients, greatly reducing the burden of TB treatment on patients. In the project, in addition to the “Double Thousand Action” public welfare project, we also invited medical practitioners to fight against tuberculosis and attract more public attention to benefit millions of families with tuberculosis, and in the meantime, we also help to realize the goals of ending tuberculosis in China by 2030 and building a healthy China.



“Star State Program” Supports Primary Health Care

The “Star State Program” includes 10 specialties to the County-level project, including Diabetic Retinopathy, Blood Sugar Screening in Primary Hospitals, Cervical Cancer Screening, Maternal and Child Health, Tuberculosis, and Tuberculosis. The “Star State Program” project is a county-level project, aiming to empower primary care doctors by enhancing their academic and clinical capabilities for the diagnosis and treatment of patients in the field of cardiovascular disease, diabetes, endocrinology, infectious disease and other chronic diseases. As of the end of 2019, the “Star State Program” has covered 300 counties and held 290 online and offline training sessions covering over 10,000 personnel.

In addition to the ten chronic diseases of hypertension, hyperlipidemia and hyperlipidemia, the “Star State Program” project also held training sessions for over 100 doctors from county-level hospitals and over 500 doctors from village hospitals, while providing free medical consultation for 1,000 patients

as a public benefit. Diabetic Retinopathy, Blood Sugar Screening in Primary Hospitals, project provides diabetic retinopathy screening systems to 100 county-level hospitals and county hospitals, respectively. Cervical cancer screening, maternal and child health, tuberculosis, project holds 15 provincial-level training sessions and 270 in-hospital and online training sessions, covering more than 300 counties and 7,700 doctors. In addition to the (infectious) treatment, the “Star State Program” project also established to help hospitals create a standardized chronic disease management system and explore a standardized management model for outpatients. Concerning chronic infectious disease (C), the “Star State Program” project aims to protect the rational use of drugs in primary care for C, improve the medical treatment in remote areas, and help to improve the education in poverty-stricken areas. Until now, the program has covered more than 2,000 primary health care providers and helped nearly 5,500 impoverished patients.



Overseas Public Welfare

Initiative in Africa against Malaria

For many years, Sinochem has actively supported and participated in anti-malarial action in Africa, and is committed to building a malaria-free world.

In 2019, Sinochem donated 1 million tablets of its innovative, registered, proprietary intellectual property rights of Sinochem's artesunate, as well as more than 24 million tablets of its artesunate malaria medicine. In 2019, the U.S. Centers for Disease Control and Prevention (CDC) announced that artesunate has become the first-line treatment for patients with severe malaria in the United States since April 2019.

Through continuous innovation, Sinochem has developed a comprehensive portfolio of more solutions for malaria patients. In 2019, Sinochem donated a total of 18 anti-malarial drugs pre-certified by the World Health Organization, including the pharmaceutical enterprise of the most anti-malarial drug at the time.

Q certification in the world. In October 2019, the Sinochem's artesunate piperazine tablets and artesunate piperazine tablets were approved by the U.S. Food and Drug Administration (FDA) as a generic drug. Sinochem's artesunate piperazine tablets are the first generic artesunate piperazine tablets to be approved by the FDA.

The Sinochem's artesunate piperazine tablets are the first generic artesunate piperazine tablets to be approved by the FDA.

"Sinochem's artesunate piperazine tablets" is the first artesunate piperazine tablets piperazine tablets for children, and its artesunate piperazine tablets type is easy-to-take for children, greatly improving the compliance and effectiveness of malaria treatment in Africa.

In addition to the donation of products, Sinochem actively cooperates with the Chinese government in Africa to fight against malaria. In 2019, Sinochem donated 11 seminars on malaria prevention and treatment in developing countries, 6 seminars on quality assurance in developing countries, and 4 seminars on the field of research and cooperation in developing countries, in total more than 50 countries; Sinochem also completed a total of 167 foreign aid projects. In 2019, as one of the partners, Sinochem donated support to the China-Africa Malaria Prevention and Control Cooperation Project jointly conducted by the International Institute of Parasitic Diseases of the Chinese Center for Disease Control and Prevention, the China-Africa Malaria Control, Training, and Research Center, the Africa Health Research Institute, etc., and donated oral artesunate piperazine tablets (artesunate piperazine tablets) worth of RMB 500,000 to the project.



Sinochem carries out the malaria prevention and control cooperation project in Africa.

Initiative in India for Children of Poor Families

Since 1978, Sinochem has actively engaged in social responsibility and philanthropic projects. As a part of Sinochem's activities, the company is further expanding its social outreach after the establishment of the Sinochem Foundation in 2019. The foundation focuses on supporting public welfare services, education, poverty eradication, environmental protection, and social multiple public welfare activities.

In November 2019, Sinochem launched the "Free Breakfast Schools in India" project, which is a first-of-its-kind "Free Breakfast Schools in India" project, which is a first-of-its-kind "Free Breakfast Schools in India" project, which is a first-of-its-kind "Free Breakfast Schools in India" project.

So far, nearly 7,100 children of 58 poor families are being supported by Sinochem's financial support for the project. Sinochem's philanthropic representative is currently preparing

and supplying healthy and hygienic meals for its community members.

Most children of poor families are either economically backward or their parents work in the informal sector, so they do not get to have a breakfast at school. This affects not only their physical health, but also their mental development. A breakfast is the most important meal of the day, and Sinochem has initiated a project to provide these children with a healthy breakfast, thereby aiming to help the poor families' mission to provide education to all children in India will soon scale up. Sinochem will include children of any poor families in India.



Free breakfast schools for children of poor families.

Feedback Form

Dear Readers,

Thank you for reading this report. It has been the first year since the first Corporate Social Responsibility Report was released to the public. We would appreciate it if you can give your precious comments and opinions on this report. It will help us continue to improve the report.

You may provide your feedback and suggestions in one of the following ways:

I. By postal mail

Contact person: Sini, telephone: +86 21 33987125

Address: Finance & Public Relations Department (the recipient) in Building 1, Clong, Ecological Park, No. 1289 Jisuan Road, Shanghai
Postal code: 200233

Email: sinifosnp@ar.a.com Website: www.fosnp.ar.a.com

Shanghai Fosun Pharmaceutical (Group) Co., Ltd. 2019 Corporate Social Responsibility Report Feedback Form

Name: []

Player: []

Responsibility: []

Telephone: []

Email: []

Feedback and suggestions:

1. Is the information you need in this report?
2. Does the report fully reflect the economic responsibilities of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.?
3. Does the report fully reflect the environment, health, and safety responsibilities of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.?
4. Does the report fully reflect the social responsibilities of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.?
5. Does the report fully reflect the product and service responsibilities of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.?
6. Do you have any other suggestions on the social responsibility report of Fosun Pharmaceutical?

II. Scan QR code for feedback online



Major Financial Indicators of Fosun Pharma Group

Unit: RMB '000

Item	2017	2018	2019
Net asset value per share attributable to shareholders of the Company (RMB / share)*	10.15	10.92	12.44
Basic earnings per share (RMB / share)	1.27	1.07	1.30
Basic earnings per share after extraordinary gain or loss (RMB / share)	0.95	0.83	0.87
Adjusted average return on equity after extraordinary gain or loss (%)	9.77	7.92	7.77
Revenue	1,853,356	2,491,827	2,858,515
Investment income	230,699	181,545	356,550
Operating profit	407,489	353,553	449,356
Asset disposal income	3,745	-299	1,773
Other income	14,178	27,671	31,305
Other non-operating income	1,348	8,286	7,737
Other non-operating expenses	2,666	3,880	4,518
Other total profit	406,172	357,959	452,575
Other income and expenses	47,646	55,971	78,223
Net profit	358,526	301,988	374,352
Net profit attributable to shareholders of the parent	312,450	270,792	332,162
Minority interests	46,076	31,196	42,190
Other liability	205,330	269,005	253,227
Other donations	1,114	975	1,504

Note: Net asset value per share attributable to shareholders of the Company (RMB / share) = total interests attributable to shareholders of the parent / number of shares at the end of the period.

R&D indicators of Fosun Pharma Group

Year	2017	2018	2019
Number of invention patents (in thousands)	171	215	264
Number of R&D staff (including QC employees)	1,353	1,797	2,147
Number of clinical trials (in thousands)	29	42	32
Year	2017	2018	2019
R&D investment (including capital expenditure, in RMB 100 million)	15.29	25.07	34.63
Number of patent applications	103	84	136
Number of patents granted	30	25	47

GRI Standard Indicator Index

GRI Standard	Code	Content	Page
GRI 102: General Disclosure	102-1	Area of the organization	10-11
	102-2	Entities, branches, products and services	11-12, 32-47
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	102-4	Location of operations	32
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	102-6	Leadership	37
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	102-8	Information on employees and other workers	62-63
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	102-10	Significant changes to the organization and its supply chain	56-59
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	102-22	Composition of the independent governance body and its committees	15-18
	102-23	Chair of the independent governance body	15
	102-24	Composition and selection of the independent governance body	17
	102-25	Conflicts of interest	17-18
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	102-28	Materiality of the independent governance body's performance	18
	102-29	Identifying and analyzing economic, environmental, and social impacts	29
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GRI Standard Indicator Index

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	102-45	Entities included in the consolidated financial statements	4
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	103-2	Leadership approach and its components	28
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GRI Standard Indicator Index

Standard	Code	Content	Page
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity or ecologically protected areas	96
	304-2	Significant impacts of activities, products, and services on biodiversity	96
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	401-2	Employee turnover of full-time employees that are not temporary or part-time employees	69-71
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	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	74
	403-3	Workers' illness incidence or injury risk of diseases related to their occupation	75
	403-4	Health and safety topics covered in formal agreements with trade unions	28
GRI 404: Training and Education	404-1	Hours of training per year per employee	66
	404-2	Programs for preventing employee illness and transition assistance programs	64-67
	404-3	Percentage of employees receiving regular performance and career development reviews	68
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	69
	405-2	Ratio of basic salary and remuneration of women to men	Not disclosed
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	None
GRI 407: Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in direct or indirect relationship to free choice of association and collective bargaining may be at risk	None
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	None
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	None
GRI 410: Security Practices	410-1	Security personnel training and risk management policies or procedures	None
GRI 411: Risks of Violations in Operations, Peoples	411-1	Incidents of violations in operations of indigenous peoples	None
	412-1	Operations that have been subject to human rights related or impact assessments	None
	412-2	Employee training on human rights policies or procedures	None
GRI 412: Human Rights Assessment	412-3	Significant incidents and contracts that include human rights clauses or that underwent human rights screening	None
	413-1	Operations in local communities engaged in impact assessments, and development programs	101-103
GRI 413: Local Communities	413-2	Operations at significant actual and potential negative impacts on local communities	None
	414-1	Suppliers that were screened using social criteria	56-57
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GRI Standard Indicator Index

GRI Standard	Code	Content	Page
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GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	48
	416-2		

Environmental, Social and Governance Reporting | 2019

Subject Areas, Aspects, General Disclosures and KPIs

	Comply or explain provisions	Recommended disclosures	Pages
Environmental	<p>General disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that address significant impacts on the environment relating to air and greenhouse gas emissions, including into water and land, and generation of hazardous waste.</p> <p>Note: greenhouse gas emissions include CO₂, and other pollutants relevant to national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>		84
Aspect 1: Emissions	1.1	the types of emissions and respective emissions data.	84-85
	1.2	greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g., per unit of production of the, per facility).	84
	1.3	total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production of the, per facility).	88-90
	1.4	total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production of the, per facility).	92
	1.5	description of measures to mitigate emissions and results achieved.	88-89
	1.6	description of other hazardous wastes are handled, reduction initiatives and results achieved.	90-92
Aspect 2: Use of Resources	<p>General disclosure</p> <p>Policies on the efficient use of resources, including energy, water and other materials.</p> <p>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>		80-81
	2.1	direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (in '000s) and intensity (e.g., per unit of production of the, per facility).	84
	2.2	water consumption in total and intensity (e.g., per unit of production of the, per facility).	95
	2.3	description of energy efficiency initiatives and results achieved.	85
	2.4	description of whether there is any issue in sourcing water that is critical for process, water efficiency initiatives and results achieved.	94
	2.5	total packaging material used for finished products (in tonnes) and, if applicable, intensity (reference to per unit produced).	95

Environmental, Social and Governance Reporting 2021

Subject Areas, Aspects, General Disclosures and KPIs

		Comply or explain provisions	Relevant disclosures	Pages
Social				
Employment and labor practices				
Aspect 1: Employment	General disclosure information on: (a) the policies; and (b) compliance with relevant laws and regulations that are significant in impact on the issuer	✓ 1.1	Total workforce by gender, employment type, age, regional reporting.	62-63
	Relationship to compensation and dismissal, recruitment and promotion, or in diversity, rest periods, equal opportunity, maternity, anti-discrimination, and other benefits and welfare.	✓ 1.2	Employee turnover rate by gender, age, regional reporting.	69
Aspect 2: Health and Safety	General disclosure information on: (a) the policies; and (b) compliance with relevant laws and regulations that are significant in impact on the issuer	✓ 2.1	Number and rate of work-related fatalities.	74
		✓ 2.2	Costs related to work injury.	74
	Relationship to providing a safe working environment and protecting employees from occupational hazards.	✓ 2.3	Description of occupational health and safety measures adopted, including any implementation monitoring.	75-76
Aspect 3: Development and Training	General disclosure on policies on providing employees' knowledge and skills for increasing their productivity or description of training activities.	✓ 3.1	Percentage of employees trained by gender and employee category (e.g., senior management, middle management).	65
	Note: training refers to vocational training that may include internal and external courses paid by the employer.	✓ 3.2	Percentage of training courses completed per employee by gender and employee category.	65
Aspect 4: Labor Standards	General disclosure information on: (a) the policies; and (b) compliance with relevant laws and regulations that are significant in impact on the issuer	✓ 4.1	Description of measures to reinforce employment practices to avoid child and forced labor.	69
	Relationship to preventing child and forced labor.	✓ 4.2	Description of steps taken to eliminate slavery practices in the supply chain.	None
Reporting practices				
Aspect 5: Supply Chain Management		✓ 5.1	Number of suppliers by regional reporting.	57
	General disclosure on policies on managing environmental and social risks of the supply chain.	✓ 5.2	Description of practices related to engaging suppliers, number of suppliers where these practices are being implemented, including any implementation monitoring.	56-57

Environmental, Social and Governance Reporting

Subject Areas, Aspects, General Disclosures and KPIs

	Comply or explain provisions	Relevant disclosures	Pages
Aspect 6: Product Responsibility	General disclosure information on: (a) the policies; and (b) compliance with relevant laws and regulations that a reasonable person might expect relating to health and safety, advertising, labelling and privacy matters relating to products and services provided to consumers.	6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	44
		6.2 Number of products and service related complaints received and how they are dealt with.	52
		6.3 Description of practices relating to observing and protecting intellectual property rights.	36
		6.4 Description of quality assurance process and recall processes.	44
		6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	52-53
Aspect 7: Anti-corruption	General disclosure information on: (a) the policies; and (b) compliance with relevant laws and regulations that a reasonable person might expect relating to bribery, extortion, fraud and money laundering.	7.1 Number of concluded legal cases relating to corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of these cases.	20-21
		7.2 Description of preventive measures and whistle-blowing processes, how they are implemented and monitored.	22
Community			
Aspect 8: Community Investment	General disclosure information on contribution policies on community engagement to strengthen the soft skills of communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	100
		8.2 Resources contributed (e.g. money or time) to the focus area.	100-104

Forward-looking Statement

This Corporate Social Responsibility Report includes a statement for the future. The statement uses expressions such as believe, assume, expect, hope, may be, design, plan, or similar terms, scenarios, non-risk, uncertainties, and other factors that lead to significant differences between the substantial results, financial condition, assets, development, or performance of the company in the future and those indicated explicitly or implicitly in the aforementioned forward-looking statement. These factors include but not limited to:

- o The company's business period experience;
- o Increase or decrease in profitability as a result of new laws and regulations or amendments of the existing ones;
- o Price increase of raw materials, particularly when it is impossible for us to transfer the cost to customers;
- o Release or loss of product patent protection;
- o Debts, particularly when they are settled in total, or litigation on environmental laws and regulations or are caused by product liability lawsuits;
- o International currency exchange rate fluctuations and changes of the overall economic environment;
- o Other factors indicated in this social responsibility report;

ASSURANCE STATEMENT

SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SHANGHAI FOSUN PHARMACEUTICAL (GROUP) CO., LTD. FOR 2019

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereafter as "SGS") was commissioned by Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (hereafter as "FOSUNPHARMA") to conduct an independent assurance of the 2019 Corporate Social Responsibility Report. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in this report of FOSUNPHARMA's Headquarters for on-site assurance, which located at No. 1289, Yishan Road, Xuhui District, Shanghai, P. R. China, as well as, Wanbang Biopharma and Chemo Wanbang Biopharma for on-line assurance. Data and information of other companies were not included in this assurance process.

The information in the 2019 Corporate Social Responsibility Report of FOSUNPHARMA and its presentation are the responsibility of the directors of governing body and the management of FOSUNPHARMA. SGS has not been involved in the preparation of any of the material included in 上海医药集团股份有限公司2019年社会责任报告.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all FOSUNPHARMA's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the GRI STANDARDS for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured at a moderate level of scrutiny using our protocols for:

- evaluation of content veracity;
- evaluation of the report against the GRI STANDARDS, HKEX Environmental, Social and Governance (ESG) Reporting Guidelines (2013).

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, documentation and record review and validation with external bodies and/or stakeholders where relevant.

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating more than 2,600 affiliates in more than 140 countries. SGS affirms our independence from FOSUNPHARMA, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised of CSR Lead Assuror, SAI Registered SA8000 auditor, CCAA Registered ISO 9001 auditor, ISO 14001 auditor, OHSAS 18001/ISO 45001 auditor and ISO 14064 Verifier.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within 2019 Corporate Social Responsibility Report is reliable and provides a fair and balanced representation of FOSUNPHARMA sustainability performance.

The assurance team is of the opinion that the Report can be used by the reporting organisation's stakeholders.

We believe that the organisation has chosen an appropriate option for the reporting.

GRI STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

In our opinion the 2019 Corporate Social Responsibility Report is presented in accordance with the requirement for GRI STANDARDS and fulfills all the required content and quality criteria.

Principles

Stakeholder Engagement

FOSUNPHARMA establishes a diversified stakeholders dialogue mechanism to ensure the effective engagement of stakeholders in sustainability management, and integrates sustainability behaviors into its decisions and activities.

Sustainability Context

FOSUNPHARMA considers these factors in terms of data disclosure by analyzing from the economic, environmental and social stakeholders.

Materiality

FOSUNPHARMA can fully demonstrate the principle of materiality in the report. The report discloses that the logic for the formulation of materiality issues was a combination of policy research, peer benchmarking, stakeholder interviews, and expert judgments. Finally, a matrix of substantive issues was formed. The content reflects the organisation's actions in important environmental, social and economic aspects.

Completeness

FOSUNPHARMA uses the social responsibility subjects as framework to disclose relevant information and data, and fully reflects the significant economic, environmental and social impacts.

Balance

FOSUNPHARMA actively discloses its own positive and negative performances based on the expectations of stakeholders, and gives sufficient disclosure of both positive and negative performance.

Comparability

FOSUNPHARMA shows the historical data comparisons to demonstrate the trends and factors that help readers well know the improvement of year-to-year performances.

Accuracy

FOSUNPHARMA's reporting mechanism is objective and complete, which can disclose more information to stakeholders and reveal that the concept of social responsibility management is consistent with the expectations of stakeholders.

Timeliness

FOSUNPHARMA discloses its sustainability performance timeliness. Stakeholders can obtain information to make a reasonable decision in a timely manner.

Clarity

The report is clear and can be understood by stakeholders who have a reasonable understanding of FOSUNPHARMA and its industry. FOSUNPHARMA is taking into account the utilization and type of information, and using a number of descriptions, charts and pictures and other forms while disclosure of information.

Reliability

The data and information can be traced and verified by internal collection, recording, compiling, analysis and disclosure to ensure the quality and materiality of information. In addition, an independent external organisation also provides the reliability of the report.

Management approach

The report has disclosed the management approach of identified material topics.

General Disclosures

The general disclosure requirements of the GRI STANDARDS core option in the report can all be met.

Topic-Specific Disclosures

Topic-specific disclosures such as the importance of economic, environmental and social impacts on the organisation and the substantive impact on stakeholder assessments and decisions can be described in details.

Limitations of assurance

The assurance scope only covered the headquarters of FOSUNPHARMA and certain subsidiaries and did not involve assurance of the original data of other subsidiaries and partners. The data for assurance of report information was from the headquarters.

The assurance process only involved interviews with the heads of relevant departments and certain employees and consultation with relevant documents. It did not involve external stakeholder.

As the financial information in the 2019 financial report has passed independent assurance, the assurance does not contain traceability and assurance of such information.

Signed:

For and on behalf of SGS-CSTC



David XIN Director
 16/F Century Yuhui Mansion, No.73, Fucheng Road, Beijing, China
 Mar. 30th, 2020

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