



2015 年度企業社會責任報告  
2015 Corporate Social Responsibility Report

上海復星醫藥(集團)股份有限公司  
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.





## **Innovation For Good Health**

Our pursuit of innovation never stops. From original invention to technical improvement, we enable Lives to enjoy good health.

Care for Life    Continuous Innovation

Pursuit of Excellence    Win-Win Cooperation

## About the Report

This is the 2015 corporate social responsibility (CSR) report published by Shanghai Fosun Pharmaceutical (Group) Co., Ltd.

This report aims to truthfully present the CSR development and practice of the Group in 2015 and reveal to our shareholders, employees, government agencies, customers and consumers, partners, local communities and other stakeholders of the Group's CSR activities. We have published a CSR report every year since March 2009. This is our eighth CSR report.

This report covers the period from January 1, 2015 to December 31, 2015, and is disclosed at the same time with 2015 Annual Report of Fosun Pharma. The financial information contained in this report and its scope of coverage are consistent with those presented in the 2015 Annual Report of Shanghai Fosun Pharmaceutical (Group) Co., Ltd issued by A shares. In this report, all amounts are presented in Renminbi ("RMB") unless otherwise specified.

This report releases data, measures and actual cases to the stakeholders about the performance of the Group in the aspects of strategic development, corporate governance, economic responsibility, environmental protection, product and service quality, occupational health and safety, employee development and community charity, and also measures taken and examples with actual cases. The next report will be published in 2017.

This report is prepared by Fosun Pharma in accordance with the the Guidelines on Preparation of National Standards for Social Responsibility Report in China GB/T 36000 and the core program of the Sustainability Reporting Guidelines G4 released by the Global Reporting Initiative (GRI), which is also in compliance with requirements set out in the ESG Reporting Guide under Listing Rules issued by the Stock Exchange, and with reference to Guidelines on Preparation of Corporate Social Responsibility Report for Corporations in China issued by the Chinese Academy of Social Sciences, whilst conforming with CSR related data requirement of International Finance Corporation (IFC), a member of the World Bank Group.

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"; Shanghai Fosun Pharmaceutical Industrial Development Limited may be referred to as "Fosun Pharmaceutical Industrial Company" or "Industrial Company"; the member enterprises of Fosun Pharma may be referred to as "subsidiaries"; and shareholding enterprises may be referred to as "partner enterprises." Please see the "Table of Company Names" attached to this report for the full names and abbreviations of companies therein.

This report is prepared and printed in simplified Chinese and English. In the event of discrepancy between each version, the simplified Chinese version shall prevail. For the convenience of further reading and understanding of the report by stakeholders, a table of definitions on specialized terms mentioned in the report is attached to the last page herein.

The report is available in both hardcopy and electronic versions. The latter may be downloaded from the website of Fosun Pharma ([http://www.fosunpharma.com/responsibility/report\\_down](http://www.fosunpharma.com/responsibility/report_down)). The simplified Chinese report is printed by using certified paper production endorsed by Forest Stewardship Council (FSC) certification (FSC), with the intention to advocate for environmental protection through the use of sustainable forest management of wood and paper products.

An independent external institution with no conflict of interest in connection with the Company has been commissioned by Fosun Pharma to perform third party verification of the Chinese CSR report and issued a Chinese and English CSR Assurance Statement. The Assurance Statement covers the site examinations of Fosun Pharma as well as two subsidiaries of Fosun Pharma, Guilin South Pharma and Chemo Biopharma.

Please visit the website ([www.fosunpharma.com](http://www.fosunpharma.com)) or contact the department (shown on the back cover) of the report for more information on how the Group implements the concepts and strategy of social responsibility and related practices.



Inserts in the report indicate the efforts and practices of Fosun Pharma for fighting malaria, innovative medicine research and development (R&D) and saving malaria patients around the globe.

Fosun Pharma has been dedicated to the R&D of independent innovative medicines in China. The innovative artemisinin-based series medicines of the Company has won high international recognitions from R&D to going global, which has benefited numerous malaria patients globally, saved millions of lives, helped more people to get healthy, and promoted the human health.

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## Greetings from Management



A more harmonious ecosystem derives from corporate self-regulation. We shall actively promote the formulation of the sustainability standards of the greater health field, serve as a model, constantly purify, and examine the whole development process with sustainable and high standards, so as to promote a healthier and more sustainable development of the industrial ecosystem.

Chairman of Fosun Pharma Chen Qiyu

Dear Friends,

In 2015, healthcare reform continued to be deepened, and the industry policies have been gradually improved. Under the internet environment, opportunities and challenges coexist in the pharmaceutical industry.

It has been 22 years since the establishment of Fosun Pharma. The Group has placed considerable emphasis on corporate social responsibility. By incorporating corporate social responsibility into our overall business strategy and establishing long standing CSR mechanisms, the Group gradually implements sustainability strategies and decisions into each business segment. With a focus on the core pharmaceutical business, Fosun Pharma Group is committed to deliver innovative products and improve our management skills and knowhow. By leveraging corporate and product life cycles, the Group continues to develop strategies for sustainable products, services and talents.

In 2015, Fosun Pharma Group continued to pursue an open, ordered and accurate innovation. We strived to break the limits of geographical areas, expanding our innovative businesses around the world. We were committed to the innovative R&D of medical diagnosis technologies and systems as well as the innovative R&D and manufacturing of pharmaceuticals and medical devices. The Group vigorously developed high-quality healthcare service system, promoted the integration and transformation of pharmaceutical distribution and retail and the development of the healthcare business with enthusiasm. All of the work we had done provided a more timely solution for diagnosis, more effective way of treatment, more efficient channel of supply, more satisfied service and more affordable cost for patients and clients.

The Group considered product quality and environmental protection as critical means to assuring the sustainable development of the Company and even society as a whole. The Group operates with an uncompromising stance on quality and safety. From new drug development, raw material procurement, and drug and medical device manufacturing to sales and marketing, we endeavor to make our services widely accessible by continuously improving our technology and production processes as well as lengthen the product life cycle. In 2015, in order to improve the quality management of subsidiaries, the Group continued to issue a series of supportive management documents based on the Manual of Quality Regarding Pharmaceutical Manufacturing of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. so as to improve the enterprise quality system. The Group actively embarked on EHS management system. Each of our subsidiaries further reduces the discharge of pollutants, optimizes their energy consumption, enhances process safety management capabilities and strengthens training and monitoring of occupational health and safety. All subsidiaries made their due contribution in EHS performance and achieved energy conservation and emission reduction through technological advancement, process improvement and productivity layout.

In 2015, the Group conducted scientific review on qualifications, production sites, craftsmanship and quality assurance systems of suppliers and implemented hierarchical management, so as to ensure the quality and safety of pharmaceuticals on a fundamental basis, by strictly adopting suppliers' audit procedures, managerial regulations, internal quality agreements, and assessment measures.

We strongly believe that the building of sustainable talents is significant to the development of the Group. Sustainable talents can bring us the sustainable development of products and services. Therefore, we focus on continuously improving our people-oriented human resource system, pay close attention to the career development of our employees, accelerate the establishment of a younger management, while vigorously

Fosun Pharma should maintain the continuous, sincere and transparent information communication with the society, and incorporate the company's sustainability strategy and decision into the business operation, so as to provide the maximum guarantee to the benefits of stakeholders.

President of Fosun Pharma Yao Fang



nurturing a pool of high-caliber talents. Meanwhile, the Group also emphasised on cultivating the sense of ownership of enterprise and culture identity of all employees. In addition, through college endowment, participating in job placement programs and school-industry cooperation, we contribute to fostering talents for the Group and society.

Compliance and transparency provide the basis for sustainable development. In 2015, through continuously benchmarking industry best enterprises and self-development, the Group continued to improve our internal control systems and governance structure. Under the national laws and regulations, industry regulations and the governance framework for listed companies, the Company paid great attention to communicating with stakeholders and upholding their rights and interests to build a relationship with them based on open communication, transparency, mutual benefit and mutual trust so to jointly promote the sustainable and healthy development of enterprises.

Fosun Pharma Group is dedicated to building industrial harmony. As a member of the pharmaceutical industry in China, we work diligently to forge a league of outstanding enterprises to grow together and consolidate the foundation for the development of the industry, and to witness together the birth of world-class enterprises in the Chinese pharmaceutical industry in the future.

In the upcoming year, we will endeavor to achieve coordinated and sustainable development of enterprises, society and environment in all respects through continuous practice of corporate social responsibility. Fosun Pharma Group, guided by the mission of "Promoting Health and Wellbeing of Mankind" and the belief of "Innovation for Good Health", vigorously develops its healthcare business to provide higher quality and more personalized healthcare products and services, so that all citizens are able to enjoy a high quality healthcare and happiness of the health.

Chairman of Fosun Pharma: Chen Qiyu

President of Fosun Pharma: Yao Fang

## Highlights of 2015



### **Fosun Pharma continues to save patients with severe malaria globally after Youyou Tu's contribution**

Chinese female scientist Youyou Tu received 2015 Nobel Medical Prize in for discovering artemisinin extraction method and the great contribution to the global malaria treatment, becoming the first Chinese Noble Laureat in Physiology or medicine.

However, Tu is not alone in this battle, after Chinese scientists like Tu made the great research breakthrough on discovering artemisinin extraction method, Guilin Pharma, subsidiary of Fosun Pharma, continued to make achievements on the medical innovation of malaria treatment.

In terms of fighting malaria, Guilin Pharma had not only participated the 532 Plan which promoted the discovery of artemisinin same as Tu, but also developed Artesunate, a potent medicine for treating malaria, so as to achieve the large-scale malaria prevention and treatment. Guilin Pharma promoted the artemisinin-based combination therapy (ACT) to pass WHO Prequalification, becoming the only pharmaceutical company in China passed this qualification.

Since 2000, Guilin Pharma's artemisinin-based series medicines, especially the widespread use of Artesun (Artesunate for injection), a innovative medicine for treating severe malaria patients of Guilin Pharma reduced the mortality rate of malaria for the world, Africa and African children by 47%, 57% and 58% respectively.

As for antimalarial drugs, at present, Oral ACTs from 8 companies including 2 multinational corporations, namely Novartis Pharmaceuticals and Sanofi, 5 India companies as well as Guilin Pharma passed the WHO Prequalification. Guilin Pharma is the only company in the world whose oral and injection products passed the WHO-PQ certification, and also the innovative pharmaceutical company around the globe which have the most varieties of antimalarial medicines passed the WHO-PQ certification, while other certificated companies only have oral products passed such certification. In China, other pharmaceutical manufacturers normally provide raw artemisinin material pharmaceuticals to international pharmaceutical companies such as Novartis, while Guilin Pharma is still the only Chinese pharmaceutical company passed such qualification currently, representing the top level of malaria treatments R&D and production in China even the world.

Currently, the innovative artesunate series medicines (for oral and injection) of Guilin South Pharma has cured nearly 200 million malaria patients in total, especially the innovative medicine Artesun (Artesunate for injection) which has been registered for sale among above 30 countries, accounting for 90% of the global severe malaria market. So far, the medicine have saved 7 million lives of severe malaria patients, of which most are children under 5, making a great contribution to the reduction of malaria morality rate of child.

With the most full product lines of antimalarial innovative medicines in the world, Guilin Pharma aims to become the world's largest production base of the antimalarial medicine, and builds the image of the "gold standard of severe malaria treatment, expert of non-severe malaria treatment and leader of child malaria prevention".

In China, all antimalarial medicines of Guilin Pharma are self-owned brand finished medicines, representing approximately 70% to 80% of the total output of Chinese antimalarial finished products, and is also the major medicines that Chinese government benefit Africa. In 2015, The Guilin Pharma's artemisinin-based series medicines was listed in the top 3 Chinese finished pharmaceutical products exports.





### Healthcare-services of Fosun Pharma extended to Qingdao with an investment of RMB400 million to build a new hospital

In December 2015, Shanghai Fosun Hospital Investment (Group) Co., Ltd. \*, Fosun Pharma's wholly-owned subsidiary company signed an agreement with Qingdao City Industry Investment Co., Ltd. pursuant to which both parties intended to set up Qingdao Shanda Qilu Hospital Investment Management Company ("New Company").

Upon its establishment, the new company is responsible for the construction project of Qingdao Shanda Qilu Hospital Phase II, with the establishment and operation of Qingdao Chengxing Hospital (青島城星醫院) (tentative name). Phase II of the hospital will be constructed in accordance with the standard construction of tertiary-level hospitals. After its completion, the hospital area will be leased by Qingdao Chengxing Hospital as the premise providing medical services. Qingdao Chengxing Hospital is proposed to be a non-profit medical institution, planning to offer about 1,600 beds.



### Teams up with Wenzhou TCM Hospital to establish a geriatrics hospital in Wenzhou

In December 2015, the wholly-owned subsidiary of Fosun Pharma signed a cooperation agreement with Wenzhou TCM Hospital to jointly establish Wenzhou Geriatrics Hospital (溫州老年病醫院有限公司). Such cooperation is the first hospital cooperation project under mixed ownership in Zhejiang Province, and contributes to the reform and restructuring of Daishimen Main Hospital of Wenzhou TCM Hospital. The jointly established hospital, Wenzhou Geriatrics Hospital, will be constructed in accordance with the standard construction of tertiary-level geriatric hospitals, planning to offer 500 beds within five years.

The cooperation with Wenzhou TCM Hospital is one of the initiatives explored by the Group, regarding the establishment of hospital under mixed ownership. By benefitting the further improvement of regional presence of Fosun Pharma Group medical services, such cooperation helps to promote the development of medical service business of the Group.



### The establishment of "Fosun Pharmaceutical Innovation Fund on Chinese Medicine Technology"

In June 2015, Fosun Pharma announced that it would invest RMB5 million to establish "Fosun Pharmaceutical Innovation Fund on Chinese Medicine Technology" in Shanghai University of Traditional Chinese Medicine to formulate an innovative Chinese medicine R&D platform under the cooperation between schools and enterprises. This fund will be primarily used for inheritance from experienced Chinese Medicine experts of Shanghai University of Traditional Chinese Medicine, research and development of well-known and special formulation, fundamental research for application based on new drug discovery, secondary development on major variety of Chinese medicines by Fosun Pharma and its members as well as recognition and awards to funding projects etc.



### Strategic alliances with Guahao.com

In 2015, Fosun Pharma signed a strategic cooperation agreement with Guahao Network (Hangzhou) Technology Co., Ltd. (hereinafter referred to as "Guahao.com"), and pursuant to which both parties will cooperate with respect to areas of technologies, platforms, market, media etc. to a great extent by fully utilizing their respective advantages and resources to form a close alliance of O2O.

In November 2015, Regal Gesture Limited, a wholly-owned subsidiary of Fosun Pharma has subscribed for 39,669,253 E preferred shares issued by Guahao.com Limited with an subscription amount of US\$65 million, accounting for about 4.33% of total equity issued by Guahao.com this time. After the subscription, the Company holds a total of 9.73% equity in Guahao.com. (Figure note: "We Doctor" is the mobile client entrance of Guahao.com)



### Shanghai Henlius Biotech received clinical trial approvals for second and third monoclonal antibody drugs

In April 2015, Shanghai Henlius Biotech, a holding company of Fosun Pharma, officially received a clinical trial approval by CFDA regarding the second antibody drugs developed by Shanghai Henlius Biotech. These drugs were "recombinant human-mouse chimeric anti-CD20 monoclonal antibody injection" for treatment of rheumatoid arthritis indications.

In July 2015, Shanghai Henlius officially received a clinical trial approval by CFDA regarding the third antibody drugs developed by Shanghai Henlius. These drugs were "recombinant humanized anti-HER2 monoclonal antibody" for the treatment of breast cancer indications, referred to as Roche Trastuzumab Biosimilar.



### Fosun Pharma Group jointly acquired Ambrix, an innovative biopharmaceutical company in U.S.

On May 2015, Fosun Pharma Group, HOPU Investment, China Everbright and WuXi PharmaTech entered into an agreement with Ambrix to acquire all of its shares. Ambrix is a clinical trial R&D biotech company which focuses on discovery and R&D of innovative and cutting-edge protein medicines, i.e. biological conjugate. Mr. Chen Qiyu, the Chairman of Fosun Pharma, stated that "such joint acquisition will generate substantial synergies with the current R&D system and platform of Fosun Pharma Group. Subsequent to the acquisition, Ambrix will be able to access to quality resources by collaborating with partners in China, to further enhance its technological innovation of its research center in the U.S., in addition to establishing a global product development center based in China. We believe that, with the support of Ambrix to Fosun Pharma Group, its business expansion in China will facilitate the accessibility to new medicines for Chinese patients"

# Overview of Fosun Pharma Group

## Mission

To providing more efficient, higher quality and more convenient products and services through innovation, integration as well as focusing on the reconstruction of R&D, production, operation, circulation and service system of the health industry.

## Our Vision

Dedicate to become a first-tier enterprise in the global mainstream pharmaceutical and healthcare market.

### Value



關愛生命  
Care for life



不斷創新  
Continuous innovation



精益求精  
Pursuit of Excellence



合作共贏  
Win-win cooperation



Fosun Pharma, a leading healthcare company in China, was established in 1994 and became listed on the Shanghai Stock Exchange (stock code: 600196-SH) in August 1998 and on the Main Board of the Stock Exchange of Hong Kong Limited (stock code: 02196-HK) in October 2012. Focusing on biopharmaceutical and healthcare markets, Fosun Pharma Group has gained opportunities within the rapidly developing Chinese healthcare industry and the globalization of Chinese healthcare companies in general. The Group's operations cover several important segments of the healthcare industry value chain, ranging from pharmaceutical R&D, manufacturing, medical diagnosis and medical devices to medical distribution and retail as well as healthcare services, dedicating to public healthcare.

As a result of its focus on innovation, research and development, Fosun Pharma Group owns a nationally recognized enterprise technology center and maintains a highly capable international R&D team with operations in Shanghai, Chongqing, the United States and Taiwan. The Group's R&D activities focus on developing drugs to treat the cardiovascular system, central nervous, and circulatory systems, metabolism and the digestive system, tumors, and infectious diseases. Its major products are leaders in their respective markets. In China, Fosun Pharma Group's products have gained a competitive edge in the pharmaceutical market with its products for liver diseases, diabetes, tuberculosis and diagnosis. It is also a leading provider of anti-malaria medicines in the global market.

While focusing on pharmaceutical manufacturing, Fosun Pharma Group is establishing a presence in the healthcare service market while securing its competitive advantage in medical diagnosis and equipment. Currently, Fosun Pharma Group has built a solid foundation for high-end and specialized medical services in the domestic market. Fosun Pharma is the second largest shareholder of Sinopharm, China's largest pharmaceutical distributor.

Fosun Pharma Group strongly believes in the principle of sustainable development and has incorporated social responsibility into its long-term business strategy. With a mindset of gratitude, Fosun Pharma has been endeavoring to meet the expectations of society, the government, its employees and shareholders throughout its business development.

With its commitment to innovation for good health and promoting the health and wellbeing of mankind, Fosun Pharma Group has adopted the strategic approach of "organic growth with external expansion and integrated business operation" to continuously enhancing the capabilities for innovation, service, integration and international operations, and to efficiently operate, manage and invest in outstanding enterprises in the industry. Fosun Pharma is determined to become a leading provider of healthcare products and services.

## Strategy and Management



With the expansion and internationalization, Fosun Pharma Group incorporates the sustainability strategy into its overall business strategy, and continues to improve management, and internal controls, while actively engaging in dialog and communication with its stakeholders. In the pursuit of sustainable development, Fosun Pharma integrates its CSR strategy into each component of business operations, including product R&D, manufacturing, marketing and healthcare services.



## FOSUN PHARMA

### 复星医药

#### Subsidiaries



#### Joint Ventures





## Goals and Strategy

Fosun Pharma Group's strategic development framework focuses on "organic growth with external expansion and integrated business operation". Each aspect revolves around our mission and strategic goals. Firstly, we aim to improve our management capability, achieve synergy and gain overall advantage by integrating various steps of the pharmaceutical product process, from R&D, manufacturing to marketing to achieve growth rate exceeding the industry

average. Secondly, through merger, acquisition and managing outstanding enterprises in the pharmaceutical industry chain, the Group acquires and integrates outside resources to consolidate our existing business advantages and enters new fields from a high starting point and achieve vertical integration throughout the industry. Lastly, through consolidation of existing internal resources and M&A, we are able to continuously improving profitability and operating efficiency, achieving synergy and gaining competitive advantage in the industry chain, thereby becoming a leading provider of innovative pharmaceutical and healthcare products and services.

### Strategic Goals

Near-term Goal	A leading pharmaceutical company in China that leads in internationalization
Medium-term Goal	A Chinese pharmaceutical company that competes on a global scale
Vision	A world-class enterprise in mainstream markets

### Sustainable Development Strategy

Short-term Goals	Continue to promote sustainability strategy with the Group's overall business strategy and turn ourselves into a leading enterprise in China's pharmaceutical and healthcare industry with sustainable development
Medium-term Goals	Insist on sustainability to become a corporate with the best sense of social responsibility and keep up with international norms and be a part of the global sustainability system
Vision	Become one of the most globally admired corporate citizens in the pharmaceutical and healthcare sector; promote the sense of social responsibility and sustainable development in our operations and make it the basic code of conduct for all Fosun Pharma employees



## Steps and Measures of Sustainable Development Strategy

### Steps

#### 2009 – 2014

- Established and continuously improved the Environment, Health and Safety (EHS) management system, and fully implemented within all subsidiaries and segments
- Established and continuously improved the sustainability strategy, further improve the CSR system of Fosun Pharma Group
- Focused on enhancing the competitiveness of core drug R&D and manufacturing, and enhanced the control of product safety and quality
- Placed emphasis and adopted quality management in the healthcare service segment for building the global health system, improved healthcare service and further protected patients' rights and interests
- Conducted effective and comprehensive communication with stakeholders and form more communication platforms, and continuously improved client and customer satisfaction
- Joined forces with subsidiaries, strengthen the construction of community charity system and continuously enhance the integration with the charity system of Fosun Group

#### 2015

- Established and standardized the sustainability system, implement and continuously perfected sustainability measures
- Improved a CSR system that emphasizes health, safety, environment and quality, including a data collection system, process examination, monitoring system, and assessment system
- Further improved the sustainable CSR organizational structure of Fosun Pharma Group
- Established climate change strategy, continuously improve and expanded the EHS system in subsidiaries
- Further integrated with the community charity system of Fosun Group, enhanced the community charity system of Fosun Pharma Group
- Aligned employee development more closely with business development of the Company

#### 2016 plan

- Promoted the further implementation of quality and EHS policies in subsidiaries
- Further perfected the construction of supplier management system of Fosun Pharma Group, and promote the green supply chain
- Ongoing promotion for the development of CSR system, established systems including data collection and process examination in the internet environment
- Further integrated with the community charity system of Fosun Group, improved the community charity system of Fosun Pharma
- Established the stakeholder communication system, further improved communication with stakeholders
- Promoted the establishment of CSR indicator system in the pharmaceutical industry

### Measures

#### 2009 – 2014

- Established a CSR leading group and task force, perfect the CSR data collection system, ongoing promotion of CSR reports preparation and the development of CSR strategies
- Implemented GMP and surprise environmental inspection system, pharmaceutical manufacturing subsidiaries of Fosun Pharma Group have established a quality control system that meets the new GMP requirements
- Actively promoted the implementation of Fosun Pharma EHS policies and strategies with the five business segments of the Group and subsidiaries through the Environment, Health and Safety (EHS) Management Office. All subsidiaries of the Group have established EHS management systems and passed the clean production audit
- Faithfully serve clients and customers, continuously increased frequency and improve methods of communication with clients and customers, earning more of their satisfaction in return
- Established community charity strategy that identifies the approaches of educational assistance, research support and community service. Extended the Company's involvement in community charity activities through the kick-off of Fosun Pharma's "FUTURE STAR" community charity program, enhancing the cooperation with the Group's counterpart
- Enhanced the cultivation of talents and incentives. A young talent team was built with the enterprise culture identity of the Group and entrepreneurship through constructing and perfecting the mechanism of performance review, compensation and benefits and incentives.

#### 2015

- Improved the CSR data collection responsibility system to ensure the quality of relevant information; Implement performance review and assessment mechanism for data collection responsible persons
- Continued to engage in systemic dialog with stakeholders to improve public engagement
- Improved a sustainable supplier management system
- Formulated a public interest activity bid invitation system to promote the long-term development of community charity programs

#### 2016 plan

- Further promoted and implement the quality and EHS policies in all segments of the Group under the guidance of EHS Management Office of the Group
- Further extended the comprehensive ability and level of procurement management, promote the implementation and promotion of green supply chain relevant systems in subsidiaries; progress the plan of assessing CSR of suppliers
- Established online CSR data collection system, optimising the process of data collection
- Collaborated and merged Fosun Foundation at Shanghai, which promoted more charity activities that consistent with the sustainability strategy of the Group
- Established more platforms for stakeholder communications which , increased efficiency of communications with stakeholders
- Promoted the establishment of CSR indicator system in the pharmaceutical industry, coordinated with the government and relevant institutions to formulate the pharmaceutical industrial CSR guideline that became the CSR benchmark of the industry



- To bring in high-caliber scientists team from developed countries such as the United States, and carry out R&D in Shanghai, Chongqing, U.S.A. and Taiwan simultaneously
- To export the Artesunate series drugs in developing countries
- To market biopharmaceutical generic drugs in China, and export chemical generic drugs and biopharmaceutical generic drugs to emerging and mature markets
- To build up capabilities for the marketing of innovative drugs to global markets
- To establish the global presence and operational capability for medical devices
- To build up capability for integrating global healthcare resources

## Combining China's Growth Momentum with Global Resources

Leveraging its strength of well-established industry foundation, distribution network and investment experience, Fosun Pharma Group utilizes high quality capital, talents, brands and technologies around the globe to achieve all-round internationalization in products, markets, planning and operation, talents, capital and branding by following the business strategy of organic growth with external expansion, integrated business operation.

For international development, Fosun Pharma Group has built up capabilities for the marketing of innovative drugs to global markets, established the global presence and operational capability for medical devices and is equipped with the capability for integrating global healthcare resources. Fosun Pharma is vigorously building a R&D platform that consolidates local and foreign resources and advantages, which has currently established international presence for R&D with stronger capabilities. Fosun Pharma Group brings in high-caliber scientists team from developed countries such as the United States, building an integrated and interactive R&D system in Shanghai, Chongqing, U.S.A. and Taiwan etc., so as to establish an efficient R&D platform in areas of small molecular innovative chemical drugs, monoclonal chemical generic drugs, generic drugs with high barriers-to-entry and special formulation technology.





In June 2015, Fosun Pharma Group completed the acquisition of Ambrx, a U.S. biotech company that focuses on discovery and R&D of innovative and cutting-edge protein medicines, i.e. biological conjugate. With the support of Ambrx to Fosun Pharma Group, its business expansion in China will facilitate the accessibility to new medicines for Chinese patients. Fosun Pharma Group is in hope of continuously bringing the world's most leading drugs and treatment to Chinese patients.

In September 2015, the internationalization strategy of Yao Pharma made a breakthrough with its preparation product, quetiapine fumarate relieve tablets, successfully exported to North American market under regulations. This marked the transition of Yao Pharma's becoming one of the few Chinese pharmaceutical companies to export preparation to European and U.S. market under regulations. On the basis of exporting active pharmaceutical ingredients, Yao Pharma achieved industrial upgrade of exporting preparation, which was beneficial to its enhancement of innovative capabilities by utilizing international capital, and had laid a solid foundation for the extensive deployment by Yao Pharma in internationalization strategy, enabling Chinese patients to enjoy the consistent quality standards with developed countries in pursuit of cost-effective medicines.

In future, Fosun Pharma Group will continue its international expansion efforts while exploring new thinking and approaches to accelerate the process.

## Continuous Management Optimization

Fosun Pharma Group embarks on transformation in response to market changes, implements innovative strategies and improves organizational structure in a timely manner. The Company has set up a Manufacturing Management Committee, Commerce and Consumables Management Committee, Healthcare Service Management Committee, Medical diagnosis Division and Medical Devices Division. The Manufacturing Management Committee is in charge of pharmaceutical production and R&D, and performs the functions of a platform company through Shanghai Fosun Pharmaceutical Industrial company, a wholly owned subsidiary of Fosun Pharma for carrying out daily management and operations. Through the three management committees and two business divisions, Fosun Pharma has established a strategic management structure covering three aspects — strategic planning, operational planning and budget management, performance and incentives — to ensure effective operations of the Group as a whole.

The Company has also built a corporate governance structure comprising Shareholders' Meeting, Board of Directors and its Standing Committees, Board of Supervisors and management. There are 20 departments, including Strategic Planning Department, Legal Department, International Operations Department, R&D Center, EHS Management Department, Finance Department, Centralized Procurement and Procurement Management Department, Human Resources Department, Brand and Public relations Department, Public Affairs Department, Administrative Support Department, Investor Relations <http://www.cage.hk/#all-you-can-play/nltni>, Investment HQ, VC Investment Department, Manufacturing Management Committee/Industrial Company, Commerce and Consumables Management Committee, Healthcare Service Management Committee/Fosun Hospital Investment, Medical diagnosis Division, and Medical Devices Division.

To enhance the efficiency and expertise in decision making and to effectively prevent risks to Group development brought about by erroneous decisions and judgments made by a few individuals, Fosun Pharma promotes and strengthens the creation and effective operations of interdepartmental working committees. At the management level, the Company has set up a number of working committees composed of senior managerial officers, heads of functional departments and other specialists. The working committees are collectively an inter-department decision making and coordination organization that aims to enhance expertise in decision making and increase the efficiency of decision making and execution. Currently the Company has Execution Committee, Investment Decision Committee, Budget Management Committee, Compensation Administration Committee, Performance Management Committee, Corporate Culture Working Committee, Risk Control Committee, Brand Management Committee, and Security Working Committee.

## Corporate Governance

In the reporting period, the Company further improved its corporate governance structure and internal management in accordance with the Company Law,

Securities Law, Code of Corporate Governance for Listed Companies issued by CSRC and Listing Rules issued by SSE, Appendix 14 Corporate Governance Code under Listing Rules of the Stock Exchange.

1. As to controlling shareholders and listed company: The controlling shareholders of the Company have not acted in a way that exceeds the limit of their authority to, directly or indirectly, intervene in the decision-making processes or production and operational activities of the Company, or have performed any acts that damage the interests of the Company and other shareholders. The controlling shareholders are independent from the Company in respect of employees, assets, finance, organizations and businesses. The Boards of Directors and Supervisors and other internal authorities of the Company operate independently.

2. As to directors and the Board of Directors: The Company selects and appoints directors in strict compliance with the procedures stipulated in the Articles of Association, and the number of members and composition of the Board of Directors are in conformity with the applicable laws, regulations, and the Articles of Association. The Articles of Association clearly defines the rules of procedures for Board meetings. The Company has formulated the Board Diversity Policy. As at 31 December 2015, the Board had eleven directors (including one female director), four of which were independent non-executive directors who are respectively professionals in accounting, law and strategic fields, which comply with the provisions of the Code of Corporate Governance for Listed Companies and development needs of the Company. The Board has established four standing committees, namely, Strategic Committee, Audit Committee, Nomination Committee, and Compensation and Appraisal Committee. The Company has also set the scope of authority and implementation rules for respective standing committees.

3. As to supervisors and the Board of Supervisors: The Company selects and appoints supervisors in strict compliance with the procedures stipulated in the Articles of Association, and the number of members and composition of the Board of Supervisors are in conformity with the applicable laws, regulations and the Articles of Association. Supervisors of the Company act independently and effectively exercise their supervision and examination rights over the directors and senior management of the Company. The Board of Supervisors conducts meetings regularly and convenes extraordinary meetings in a timely manner whenever necessary. The Articles of Association has stipulated the rules of procedures for the meetings of the Board of Supervisors.

4. As to performance assessment and incentive mechanisms: The Company has actively formulated performance assessment standards and procedures for its senior management personnel, and amended and refined the standards and procedures in a timely manner. As of the end of the reporting period, the Company has implemented a share incentive scheme for restrictive A shares in two tranches, and further improved the incentive mechanisms for senior management personnel and key personnel, in order to promote long-term and stable development of the Group.

5. As to stakeholders: The Company fully respects the legal rights of creditors, employees, consumers, suppliers, communities and other stakeholders, and actively works with them to jointly push forward the sustained and sound development of the Company.

6. As to information disclosure: The Company fully fulfills its information disclosure obligation in strict compliance with applicable laws and regulations as well as the requirements stipulated in the Administration Measures for Information Disclosure issued by CSRC, the Guidelines for Management System of Information Disclosure of the Listed Companies issued by SSE, the Articles of Association and the Regulation on Information Disclosure issued by the Company. Meanwhile, the Company has drafted the Management System for External Information Reporting and Use, Management System for the Insiders of Inside Information, and Accountability System for Material Errors in Annual Report Information Disclosure, and has fully implemented those systems to ensure the disclosure of information is timely, fair, accurate and complete. In addition to information subject to statutory disclosure requirements, the Company has periodically published its Self-Assessment Report on Internal Controls and Corporate Social Responsibility Report to the public and retained professional institutions to provide the Company with examination/audit opinions to illustrate fully the transparent and standardized operations of the Group. The Company values communication and interaction with its investors and formulated related systems, such as the Management Measures for Investor Relations so as to ensure that investors can acquire public information of the Company fairly and timely.

Strong corporate governance is the foundation and assurance for the development of a business. The Company will continue to shore up and further improve its corporate governance level, and boost its competitive edge in the hope of generating better operating results for its investors.

## Internal Control Practices

### Major Internal Control Practices and Assessment in 2015

Internal Control	Establishment and implementation of various purchasing management policies and procedures, keeping the whole tendering process open and transparent, unifying the purchasing channels, and reducing the purchasing costs
	Putting more effort on R&D management of pharmaceutical products, following the management requirements regarding the progress, quality and cost of R&D projects continuously
	Regulation of process management of construction projects, improvement of progress, quality, costs, safety and compliance management of projects to prevent risks effectively
	Integration of Office Automation System (refer as "OA") and authorization process, development of application for mobile termination using, thus improving work efficiency and, accelerating the implementation of "Internet+" strategy
	More efforts were placed on information management and disclosure, regulation of press releases and publishing processes, establishment of good public image
Establish and improve the internal control system of newly acquired subsidiaries, and regulation of internal control management	
Monitoring	Special audit on major business processes such as procurement, R&D management, human resources management G&A expenses
	Audit on financial condition and internal control of overseas subsidiaries based on the development needs of internationalization of the Company
	Special review on major control areas such as accounts receivable to improve internal control effectively
	Further encouragement of subsidiaries to commence their self-assessment of internal control
Over 90% deficiencies identified in internal control assessment and special audit were corrected	
Anti-Corruption	Regulation of the supervision work on anti-corruption based on system requirements and in accordance with the principles of pre-, ongoing- and post-management
	Continuous promotion of and education on anti-corruption, supervision of various economic activities, inspection of operation behavior that is susceptible to corruption, facilitating the establishment of anti-corruption culture, and enhancing operational efficiency
Assessment	No material weakness or significant deficiency was identified in 2015
	An independent audit institution has issued an unqualified opinion on internal control

### Continuous improvement of internal control system

Fosun Pharma Group continued to optimize its control environment, risk assessment, control activities, information and communication and monitoring. Through the continuous establishment and assessment of internal control, the Group fulfilled the management requirements of listed companies both by Shanghai and Hong Kong, as well as the five targets of internal control, including the compliance of operations, safety of assets, truthfulness and completeness of financial report and relevant information, efficient and effective operating, and meeting with the development strategies.

### Continuous Implementation of internal control

The Group establishes its internal control based on business characteristics and objectives by optimizing and improving internal control requirements, refining and implementing various internal control activities, monitoring on internal control, and continuously enhancing management of its subsidiaries.

The Group devoted additional effort on the management of procurement tender. The Centralized Procurement and Procurement Management Department of the Company set up the systems of "Basic Standards of Procurement and Tender Management of Shanghai Fosun Pharmaceutical (Group) Co., Ltd." and "Traffic Light Management Assessment Indicators for procurement and tender business of Shanghai Fosun Pharmaceutical (Group) Co., Ltd." at the beginning of 2015. The procurement and tender over certain amount should be carried out via online procurement and tender platform. Multiple procurements and tenders are jointly organized and various strategic cooperation framework agreements are entered into with suppliers. Various inter-department coordination are carried out and various management measures are undertaken systematically and orderly.

The pharmaceutical manufacturing and R&D business segment of the Group continuously accelerates the R&D progress, and improves the management of R&D business. In 2015, the Group strictly approved new R&D projects and implemented milestone management of projects based on the management requirements specified by "Guidance of Approval and Implementation of Pharmaceutical R&D projects for Shanghai Fosun Pharmaceutical (Group) Co., Ltd.". The pharmaceutical manufacturing and R&D business segment



also prepared and issued the "Finance Manual for R&D Enterprises", which implemented the requirements of financial accounting management, and established an efficient and regulated R&D financial information sharing system. The Company has set up a strategic products development center, which continuously explores various sub-license, co-investment and acquisition opportunities of products or projects within different pharmaceutical aspects throughout the global market. The Group's stratified and categorized management of R&D projects has further improved the process management on progress, quality and costs of projects.

Continuous regulation of the process management of construction projects. The Group enhanced the management mechanisms and control procedures of construction projects, and strengthened the entire process over the management of projects based on "Measures for Management of Construction Projects for Shanghai Fosun Pharmaceutical (Group) Co., Ltd.". With respect to project origination and approval, project design, budgeting, tender regulation and supervision, contract approval and implementation, progress review, project payment, works acceptance, auditing and settlement management, the Group improves the progress, quality, costs, safety and compliance management of projects, effectively prevents risks and enhances capital efficiency.

In order to improve systematic management of internal control process, daily work efficiency and comprehensive utility level of information, the Company further extended the use of OA within the subsidiaries. The authorizations of various processes such as application, contracting, payment, management of functional departments are integrated. Thousands of transfer records are completed upon the implementation of online work. In the meantime, the Company also develops application for mobile termination using, which greatly improves the convenience of mobile office and accelerates the implementation of "Internet+" development strategies.

Continuous improvement of the work on information management and disclosure. The Group issued the "Notice of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. in relation to the Implementation and Execution of Guidelines of Shanghai Stock Exchange for the Information Disclosure Guidance issued by Shanghai Stock Exchange" to enhance the effectiveness of information disclosure, amend the "Press Release System for Shanghai Fosun Pharmaceutical (Group) Co., Ltd.", regulate press releases behavior and publishing process, perform information disclosure obligation, and establish a good public image.

Establishment and optimization of comprehensive internal control for newly acquired subsidiaries. As our business is expanding, newly acquired domestic and overseas subsidiaries will be under overall control successively. The Company has completed internal control regulation and passed regular reviews based on the internal control framework and various management systems of the Group.

## Continuous implementation of monitoring and self-assessment of internal control

While continuously establishing internal control system, the Group also devoted more effort on monitoring.

With respect to internal audit, the Company conducted special audit on major business processes; commences overseas audit in response to the needs of international business development; and conducted special inspection on certain important control processes. In 2015, the Company completed special audit on procurement process of 7 subsidiaries, and made improvement suggestions on materials and equipment procurement business at unreasonable price, as well as various management deficiencies in obtaining quotations and procurement tendering, so as to effectively reduce the risks of procurement operation and management. It commenced 22 other special audits involving major business processes such as R&D management, human resources management, G&A expenses, construction projects, and financial conditions; conducted audit on financial conditions and internal control of 3 overseas subsidiaries to monitor the effective operation of overseas business, enhance internal control standards of the Group, and complement and support the development of domestic and overseas businesses; and completed special inspection and review on major control processes such as accounts receivable to ensure effective fulfillment of management requirements.

As for the internal control assessment, the Company continuously enhanced the quality of internal control self-assessment work by persistently facilitating subsidiaries to commence their own self-assessment of internal control. In 2015, the Company further extended the scope of assessment by coaching and helping 15 subsidiaries to commence their own self-assessment of internal control, and the number of last year was 11, which improved the efficiency and effectiveness of internal control assessment of the Group.

In 2015, all deficiencies identified in internal control assessment and internal audit were general and not material or significant ones. After continuous improvement efforts, over 90% of the deficiencies were rectified, which was a satisfactory result. For those unable to be rectified immediately under current circumstances, they were analyzed and assigned rectification measures and an improvement schedule. Improvement work was then effectively carried out based on the rectification plan and risk level was reasonably managed.

## Improvement and implementation of anti-corruption system construction

For anti-corruption campaign, the Fiduciary Administration Supervision Department continued to facilitate the establishment of an integrity culture, complete the targets set up at the beginning of the year, and enhance the operation benefits of the Group through anti-corruption campaign and education, supervision of commercial activities, and inspection of operation behavior that is susceptible to corruption, based on the requirements of Anti-corruption Management System of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. and in accordance with the principles of pre-, ongoing- and post-management.

## Overall assessment of internal control and external supervision

In 2015, the Group further fulfilled internal control management requirements, improved the systematic and standardized construction of internal control, and devoted effort on monitoring and inspection, thus related risk was put under control. The Group maintained effective internal control in all material aspects in accordance with its internal control systems and relevant rules and requirements. No material weakness or significant deficiency was identified during the year. An independent external audit institution has completed the audit on internal control, and issued a report without reservation.

## The construction and implementation of informationization

In 2015, whilst promoting the development in construction of informationization and the Internet, Fosun Pharma Group strengthened the construction of information security aspect.

First, within the group a security-related information management system was established. Based on the system the establishment of a security strategies are required for the Group's business network, office network, the user's desktop, server business, dumb terminal equipment, information technology room, access control and other aspects. For user interaction the interface fulfilled compliance requirements in the construction, such as a user password complexity requirements, data security, access, application verification acquisition, security access systems, room access management. It ensures that the company, overall user data security, system security; played privacy of customer data and information does not leak. It is anticipated that in the coming year it is going to establish the private cloud platform for Fosun Pharma and further apply the disaster recovery system in the application business systems disaster in order to build a more secure and efficient infrastructure in meeting the Group's Internet business development.

## CSR Management

Fosun Pharma Group has set up a comprehensive CSR management system, to instruct and coordinate the action plans of subsidiaries under the Group in each aspect of sustainability, as well as, to promote the CSR management via refined indicator assessment system.

### CSR philosophy

Fosun Pharma actively assumes its social responsibility. The corporate values of the Company are "self-improvement, teamwork, performance and contribution to society", which has fully demonstrated the responsibility principle of the Company. With a mindset of gratitude, Fosun Pharma has been endeavoring to meet the expectations of society, the government, its employees, shareholders and other stakeholders throughout its business development.

### CSR Management Structure

The Company set up a CSR leading group and work group with the Company president as the group leader who is in charge of annual renewal of the appointment list and the operation of the CSR management system. Through a well-established CSR management structure and enhanced supervision, the Group has been improving our CSR performance.

### Establishing CSR mechanism

#### CSR task force and Corporate Social Responsibility Report

The CSR task force is responsible for the promotion of CSR sustainable development. In 2015, the task force appointed 35 members in charge of various key functions including EHS, HR, quality and centralised purchasing, to instruct and implement the CSR affairs of Fosun Pharma Group, and further carry out CSR work via comprehensive data assessment. Meetings are convened regularly to implement specific CSR work.

To better showcase our CSR practices and development to the public, we have published a CSR report every year since 2008. The Brand and Public Relations Department is responsible for leading and coordination as well as compiling the report. All members of task force have been actively engaged and coordinated to improve.

An independent third party assurance agency without any interest conflicts is entrusted by Fosun Pharma for the independent authentication service, which indicates the openness, transparency and dependability of the report.

#### CSR Training

Training on social responsibility reporting for the members of the social responsibility report working team is organized each year to enhance the reporting and editing level of the social responsibility report of the Company. At the same time, the reporting and editing staff responsible for the social responsibility report of the Company actively participate in external social responsibility seminars and training sessions to continuously enhance the CSR management level of the Company.



### CSR Management Process

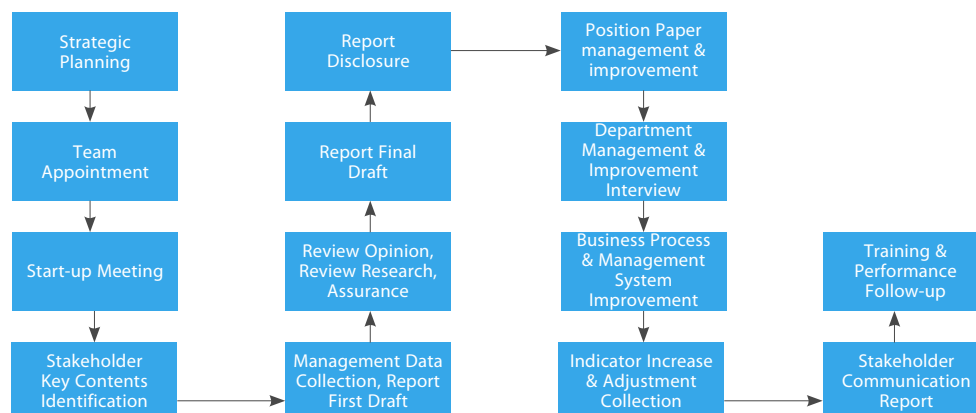
Fosun Pharma established a comprehensive CSR Management Process from the formulation of strategic plans to the implementation of specific matters, which ensured the Group's CSR work and continued to promote the CSR practice.

### Stakeholder Communication

Fosun Pharma established a comprehensive communication platform for stakeholders including shareholders, partners, employees, clients and customers, and publics as well as policies that stakeholders concern. Effective communications and feedbacks among stakeholders and Fosun Pharma were reached through different mechanisms, which helped stakeholders to gain insight into the Group CSR practices.

Fosun Pharma actively and timely responded to questions that stakeholders concern through effective communication so as to improve the Group's internal management.

#### CSR Management Process



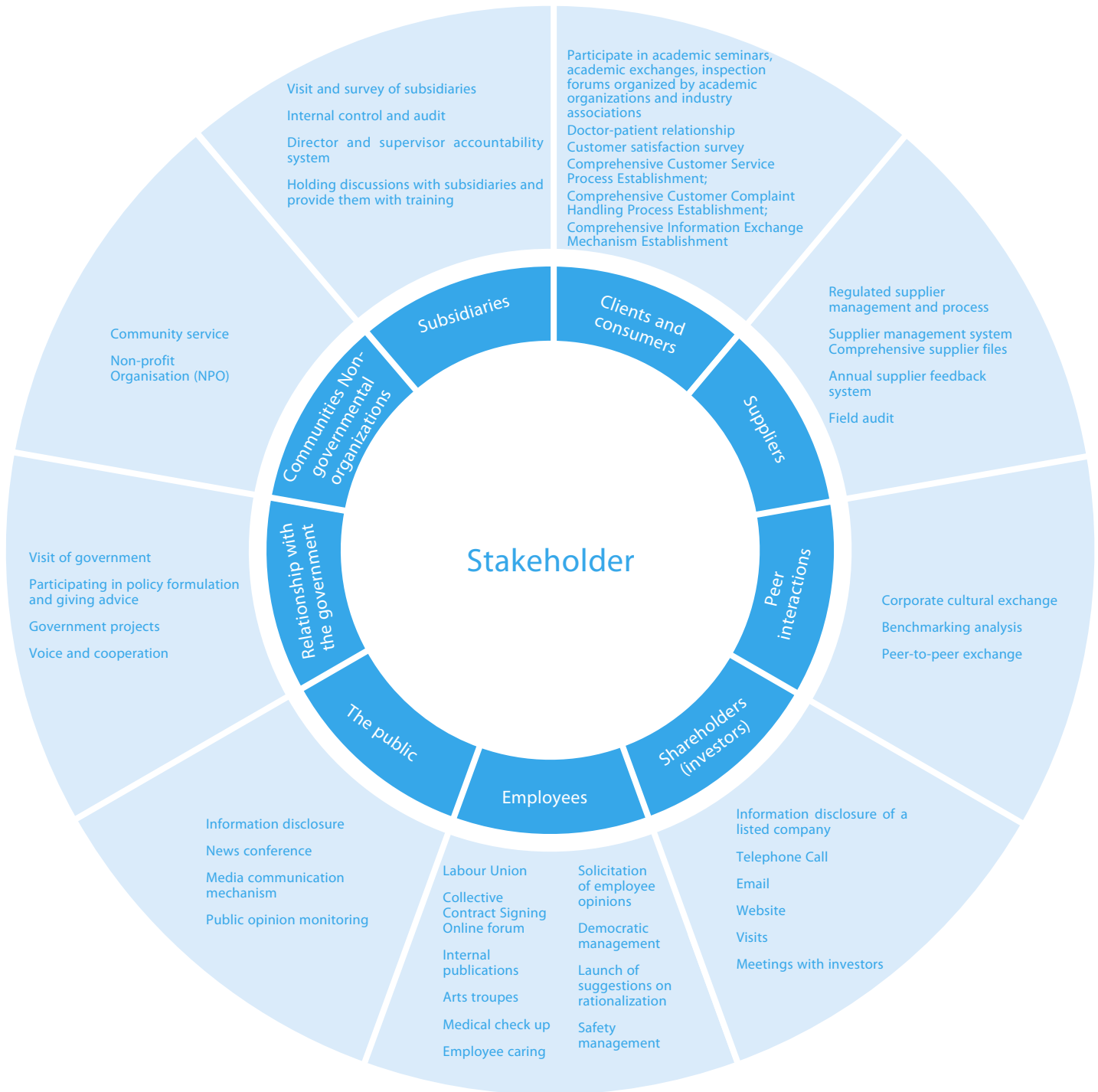




# Tribute

Chinese female scientist Youyou Tu received 2015 Nobel Prize in Physiology or Medicine for discovering artemisinin extraction method and the great contribution to the global malaria treatment, becoming the first Chinese Noble Laureat in Physiology or medicine. Fosun Pharma continue to innovate malaria treatment, with the artemisinin-based series innovative medicines produced by Guilin South Pharma has already become the first choice of the most effective antimalarial medicines in the world.

Figure note: Youyou Tu is attending the 2015 Nobel Prize Award Ceremony (Source from: China Academy of Chinese Medical Sciences)





## Stakeholder Engagement



### Shareholders (investors)

Information disclosure of a listed company\Telephone Call\Email\Website\Visits\Meetings with investors

Investor Relations Department of Fosun Pharma is responsible for handling and responding to investors' opinions and requests;

Institutional and other medium and small investors can communicate their opinions and requests by platforms such as mail, phone or website;

Investor Relations Department conducts one-on-one meetings with individual investors, attends overseas brokerage meetings, and holds domestic and overseas roadshows from time to time;

In 2015, Fosun Pharma held 28 Board of Directors' meetings, 10 Board of Supervisors' meetings and 24 shareholders' meetings, 1 class general meeting of A shares and 1 class general meeting of H shares);

In 2015, Investor Relations Department arranged large group investors to pay a visit to the enterprises controlled or invested by the Group for over 10 times, and invited Mr. Chen Qiyu (Chairman), Mr. Yao Fang (President), Ms. Guan Xiaohui (senior vice president/chief financial officer), Mr. Jia Hongfei (senior vice president/co-chief investment officer) and relevant were responsible to conduct face-to-face exchange with the investors;

28 Board of Director's meetings

10 Board of Supervisor's meetings

2 Shareholders' meetings



### Clients and consumers

Academic seminars\academic exchanges\inspection forums organized by academic organizations\industry associations

The pharmaceutical subsidiaries of Fosun Pharma Group actively organized various customer training and academic meetings throughout the year, such as national annual meeting of psychiatry, national annual meeting of psychiatrists, provincial meeting, national pharmaceutical trade fair and academic salons. The customers and doctors had more understanding of products via various types of academic promotion, which laid solid foundation for safe and reasonable products usage;

The medical diagnostic subsidiaries of Fosun Pharma Group participated in domestic and overseas industry conferences and exhibitions, and academic exchange of relevant professional areas, such as quality control conference of clinical laboratory center organized by the Ministry of Health and academic inspection conference organized by Chinese Society of Laboratory Medicine. Through these industrial conferences, the Group exhibited various products and held new product release conferences and supplied its quality products to promote the prosperity of the industry;

#### Doctor-patient relationship

The Group has set up the Healthcare Quality Management Committee and the Nursing Management Committee, and each healthcare service subsidiaries has set up a quality management organization under a 3-tier system of Hospital Quality Management Committee-a functional department (Quality Control Division)-Departmental Quality Group, which improved the organization construction of healthcare quality management of the Group, regulated the establishment of medical system of healthcare service subsidiaries prioritizing sixteen core elements of medical system, formulated quality appraisal and assessment standards, and supervised and continuously improve the whole process of medical quality. It also utilized network information technology to optimize the treatment process of patients, improve treatment experience, and ensure to provide better, convenient and caring healthcare services for patients;

#### Customer satisfaction survey

In 2015, each healthcare service subsidiary of Fosun Pharma Group recorded a customer satisfaction rating of over 92%. The medical diagnostic subsidiary conducted more than 200 customer satisfaction surveys with distributors and hospital customers in 2015;

Comprehensive Customer Service Process Establishment\Comprehensive Customer Complaint Handling Process Establishment\Comprehensive Information Exchange Mechanism Establishment

Customer service process: regular visit of marketing personnel to customers with product information; regular product training and on-site services for customers; regular touring service to provide service support when paying visits to customers; and the establishment of national service hotlines to provide 24-hour free telephone support for customers;

Complaint handling process: multi-layer complaint handling process (on site and telephone). Customers can make their complaints on site, the records of detail feedback. For complaints over telephone, they were recorded through hotlines and, if determined as valid, will be reported to relevant departments for further handling. The results were notified to relevant customers with telephone follow-ups by the customer service department to find out if the issues had been resolved and the customers were satisfied;

Information exchange mechanisms: exchange through websites, emails, internal newsletter and promotional materials;

Average customers satisfaction rating of healthcare service member enterprises over 92%

Over 200 customer satisfaction surveys of medical diagnostic subsidiaries



## Suppliers

Regulated supplier management and process\Supplier management system Comprehensive supplier files\Annual supplier feedback system\Field audit

Each subsidiary established well-rounded supplier management system and conducted audits of suppliers.

In 2015, Fosun Pharma drew up and issued "Pilot Basic Standards of Procurement and Tender Management for Shanghai Fosun Pharmaceutical (Group) Co., Ltd." and "Traffic Lights Pilot Management Assessment Indicators for Shanghai Fosun Pharmaceutical (Group) Co., Ltd.";

Key control points such as the basic principle of selecting suppliers, scope of tender, procurement method, announcement, suppliers access, evaluation and calibration were under centralized management throughout the course. Tendering is open and transparent, and procurement channel is uniform, thus procurement cost is reduced effectively;

Fosun Pharma and its subsidiaries had all established well-rounded supplier management system, selected their suppliers through fair price competition or bid invitation and site inspection, and had established the annual supplier quality review system to ensure the quality and safety of drug and other healthcare related products at the source.

Audit was conducted on the medical diagnostics, medical devices sector suppliers of Fosun Pharma Group so as to ensure the safety of products and services from the source;



## Peer interactions

Corporate cultural exchange\Benchmarking analysis\Peer-to-peer exchange

Fosun Pharma communicated with peers through corporate cultural exchange, visits and benchmarking analysis;

On 3 May 2015, Fosun Pharma organized the "Anniversary for 5.12 International Nurses Day, Outstanding Nurses Award Presentation Ceremony and Inaugural Meeting of Academic Committee of Nursing" to enhance and optimize healthcare service, and facilitate development and exchange of nursing discipline;

In 26 July, 2015, Fosun Pharma attended The 2015 Release Ceremony of China Industrial Associations and Corporations' CSR Reports China & Industrial Corporations' Sustainability Transition Assessment and Rating System (CIC-STARs) Appraisal held in the Great Hall of the People, and was also recommended by China Federation of Industrial Economics (CFIE) as the representative of the report releasing enterprise to attend and be heard at the ceremony. At the release ceremony, delegate of Fosun Pharma shared ideas and experiences about Fosun Pharma's management and practice on CSR.

On September 2015, Mr. Chen Qiyu, Chairman of Fosun Pharma, attended the 3rd China-ASEAN Pharmaceutical Development and Cooperation Summit, and gave a speech on "The Path to International Development of Pharmaceutical Enterprises in China" as industry representation.

During the period of the two sessions, it participated in roundtable discussion on key issues of the two sessions organized by Beijing News, actively advocated development of healthcare and senior care industry involving healthcare and nursing. The state issued the guiding opinion in relation to the development of senior care industry involving healthcare and nursing at the end of 2015. It also participated in seminar of "Voice-Responsibility" during the two sessions, to focus on the advices given by NPC and CPPCC representatives in relation to pharmaceutical and healthcare industry;

Fosun Pharma participated in, spoke and exchanged opinions at the 4th Management Summit for National Municipal and Local Cancer Hospitals Alliance, the 5th Forum on Development of Hospitals in China and Annual Meeting of Presidents of Hospitals in China, and the Forum on Innovative Investment in Private Hospitals in China. It actively motivated the introduction of private capital into the development of medical and healthcare industry, and the reform of medical and healthcare system, and disseminated Fosun Pharma's social responsibility of participating in the development and construction of health and welfare industry;



## Partners and subsidiaries

Subsidiaries visit\survey\Internal control and audit\Director and supervisor accountability system\Enterprise forum\Training

Fosun Pharma conducts regular communicate with subsidiaries and offers training to them every year;

The Group continued to implement corporate culture communication programs and appoints commissioners among new subsidiaries to enhance communication and cultural exchange with new subsidiaries of Fosun Pharma;



## Communities Non-governmental organizations

Communities\Non-governmental organizations\Community service

In 2015, Fosun Pharma Group completed over 40 charitable donations including medical rescue, education support and poverty alleviation;

In 2015, each segment of the Group commenced around 100 diversified community services, including free healthcare consultancy and seminars, free blood pressure and sugar tests and charity clinic;

Completed over **40** charitable donations including medical rescue, education support and poverty alleviation





The healthcare service subsidiaries are active in public welfare services. They continuously highlight medical public welfare by holding over 60 large-scale free medical consultations and above 60 talks on public health and health consultancies, and providing fee reduction to patients with financial difficulties;



## The public

### Information disclosure\News conference\Media communication mechanism\Public opinion monitoring

Fosun Pharma fulfilled its information disclosure obligation in strict compliance with the regulations governing listed companies, regularly updated its website (Simplified Chinese, English, and Traditional Chinese) to enhance communication with the public and ensures compliance with the information disclosure requirements for listing companies;

Fosun Pharma's Brand and Public Relations Department sets up a media management post to take charge of media relations management and communication to provide better public media service. Fosun Pharma has also opened an official WeChat account to help the public understand better its efforts and achievements in "innovation, internationalization and social responsibility";

Fosun Pharma conducts internal and external communications via internal and external publications and video news to enable the public, media, employees and stakeholders to understand better the latest movements and development strategies of the Group;

Fosun Pharma attaches great importance to media communications, and enables the public to keep abreast of the latest information of the Group in a timely manner via public media, including communications such as announcement, press release and results presentation. It also invites the media from Hong Kong to visit the headquarter and subsidiaries;

Fosun Pharma attaches great importance to crisis management. It sets up a public opinion monitoring system at the HQ that covers all media to tell the truth to the public and clarify facts in a timely manner;

In 2015, 165,485 pieces of news about Fosun Pharma were retrieved from media according to the statistics of public opinion monitoring service. The maximum peak of public opinion occurred in October and December 2015. The events such as interim and annual results announcements, acquisition of Ambrx and Artemisinin Nobel Prize became the peak of public opinion.

**165,485** pieces of news about  
Fosun Pharma were retrieved from  
media in 2015.



## Relationship with the government

### Visit of government

In 2015, Fosun Pharma received 20 government delegations from different places and levels including departments of healthcare, drug control, commerce, IT and business. Both parties established a good communication and coordination relationship through visits and communications;

A team of over 60 party and government leaders from Satellite Band Team of Party Secretary of Pu'er City, Yunnan visited Fosun Pharma, to hear reports on global layout and development of health and welfare, tourism and other industries of Fosun Pharma, and exchange opinions on cooperation issues and discuss the solutions;

Fosun Pharma welcomed the visit of foreign ministers of "Ministerial Workshop on National Development and Cooperation in China" organized by Ministry of Commerce, where over 30 ministers from 13 countries such as Czech Republic, Belarus, Kenya, Vietnam, Armenia, Croatia and Colombia paid a visit to the Company. The visit strengthened the amicable relationship with the countries and deepened their friendship.

### Participating in policy formulation and giving advice

Fosun Pharma participated in the discussion and dialogues on the summary of pharmaceutical industry development for "12th Five-Year Plan" and the development plan of "13th Five-Year Plan" organized by Ministry of Information Industry, to give advices on further enhancing industry concentration, development led by innovation and improving efficiency of pharmaceutical registration from an industry perspective;

During the period of the two sessions, Fosun Pharma submitted a proposal of "encouraging non-public medical units to participate in the construction of basic healthcare service system of local family physicians" to Political Consultative Conference of Shanghai, and obtained positive feedback from relevant government authority;

Fosun Pharma supported the research of "Industrial Policy Direction on the Administration of Pharmaceuticals" launched by Ministry of Information Industry and the University of Medicine of the PRC by participating in the research and discussion, and give reasonable advices on enterprises' policies from the perspective and standpoint of pharmaceutical industry;

Fosun Pharma organized its subsidiaries such as Guilin Pharma and Shanghai Henlius to participate in the research of "Regulation on the Production Quality Control of Clinical Laboratory Supplies" and "Management Legislation of Biosimilars" conducted by Inspection Center under Drug Registration Division of State Food and Drug Administration ("SFDA");

Fosun Pharma organized policy seminars on the amendment of Administration of Pharmaceuticals, reform of pharmaceuticals review and approval, classification of new drugs, marketing authorization holder system, drug packaging and auxiliary material with the research unit of national drug regulatory authority, to create opportunities for the industry and relevant enterprises to have a dialogue with the government and give reasonable advices on the policies;

Zhao Runmin and Hanbing Zhi (president and vice president of Zhongwu Hospital respectively) attended a seminar of encouraging social enterprises to participate in public hospital and tiered medical service organized by a municipal government authority of Suqian, and gave advices on implementation of policies of social enterprises participating in public hospital and the way of launching tiered healthcare service.

#### Government projects

Fosun Pharma helped the central government bodies and its subordinated divisions to organize seminars and professional conferences, such as "Forum on Food & Drug Safety and News Dissemination under the New Normality", "China-ASEAN Pharmaceutical Development and Cooperation Summit", "China Pharmaceutical Engineering Conference", "China (Shanghai) Auxiliary Material Conference" and "China Drug Packaging and Auxiliary Material Supervision and Innovative Technology Conference", to support multi-level communication of the industry, expand scope of policy-making and make more democratic decision-making;

Fosun Pharma was commissioned by Ministry of Commerce to organize "Ministerial Seminar on Pharmaceutical Quality for Developing Countries" and "Workshop on Disease Prevention and Control for Developing Countries", to continuously make contribution to strengthen the development of amicable relationship with developing countries;

Fosun Pharma participated in the 26th JCCT. It is a forum for the highest level dialogue on bilateral trade issues between the United States and China. Chen Qiyu (Chairman of Fosun Pharma Group) gave a keynote speech on "Layout and Investment of Health and Welfare Industry Chain under the Background of Internationalization" as the sole enterprise representative on the Chinese side;

Fosun Pharma continued to support the 17th Shanghai International Symposium on Biological and Pharmaceutical Technology organized by Shanghai Science and Technology Commission and the Shanghai Academician and Expert Workstation and Biomedical Forum organized by Shanghai Science Association, to make contribution to Shanghai biomedical industry development and industry exchange;

Fosun Pharma actively participated in the "Campaign to Regulate Diagnostic Reagents" motivated by CFDA, to give opinions on improving quality of diagnostic reagent industry, strengthening industry planning via seminar and establishment of demonstration point;

#### Voice and cooperation

Fosun Pharma cooperated with non-government medical institutions in China in supporting the research of status quo and policy of private medical institutions, including the current situation of personnel development of private medical institutions, and participated in the construction of the assessment system of private medical institutions to provide present situation and statistics of the industry for the NHFPC to implement relevant policies;

Fosun Pharma supported the 2015 Xiamen Equipment Fair and Forum and 2015 Shanghai Sheshan Chinese Pharmaceutical Forum;

During the Pharmaceutical Fair held in Shanghai (spring) and Wuhan (autumn), Fosun Pharma actively participated in the exhibition and promotion of in-vitro diagnostic reagent products of the industry;

Zhongwu Hospital and Jiangsu Province Hospital cooperated to set up a Suqian branch of Provincial People's Hospital of Coronary Heart Disease Centre and Hospital of Acute Critical Cases Treatment Network in Jiangsu Province; Zhongwu Hospital cooperated with Xuzhou Institute of Technology to become the teaching hospital of the institute;

Zhongwu Hospital and five village and town hospitals in Jiangsu and Suqian regions (namely Wangji, Longhe, Luowei, Zaohe, Huangdun) worked together to establish a cooperative hospital relationship, to support the construction of health and medical service system for rural grass roots, provide medical service to patients in rural areas, and make contribution to the construction of 3-tiered treatment system in rural areas;

Chancheng hospitals and the world's top hospital – the Mayo Clinic in the United States entered into comprehensive cooperation in terms of international referral, remote consultation, learning education, personnel training, technology transformation, interaction management, personnel exchanges. Chancheng Hospital also entered into cooperation with Singapore International Management Institute for the establishment of Singapore international management Institute – Zen Medical training Advisory Center, which was the pioneer in public hospital reform, innovation leader in consulting and training services for the public hospitals in China;



#### Employees

Labour Union\Collective Contract Signing Online forum\Internal publications\Arts troupes\Medical check up\Employee caring

The labour union of the Group, representing Fosun Pharma and all its subsidiaries, plays an active role in helping employees in distress solve their problems;

In 2015, the labour union of Fosun Pharma organised over 80 recreational and sports activities;

In 2015, Fosun Pharma and its subsidiaries consoled and communicated about employee's childbirth, retirement, serious illness, funeral and expatriate, promoting the harmonious development of the Group. The group paid a total of above 530 visits to ill employees;

Over **80** recreational & sports activities organised by Labour union,

Over **530** visits to ill employees



In the Monday morning meetings, the Company gives the participants the updated information in the last week and conveys latest policies, systems and requirements;

Fosun Pharma publishes Fosun Pharma News every month. The newspaper is for all employees of the Group to keep them updated with the developments of Fosun Pharma and its subsidiaries via this internal media platform;

Fosun Pharma delivers Fosun Pharma Enterprises News Weekly to all employees via email every week to effectively spread information and enhance communication within the Group. It delivers the latest news of the Group to improve the communication among the Company and between each subsidiary by displaying "Fosun Vision" via email and electronic display, as well as, video news such as FPNews;

All subsidiaries embark on performing art activities and engage in arts and cultural exchange with each other. The trade union invited the arts group of Yaneng Bioscience to give a performance to achieve cultural integration within the Group in 2015;

The Company provides all employees with free annual check-up to protect their physical and mental health;

To show concern for retired employees, they were invited back to attend the Company's Double Ninth Festival and Chinese New Year gathering activities;

In 2015, the Fosun Pharma set up nursing rooms on the 8th Floor of the office building, which created an intimate, healthy, comfortable, safe environment for women workers that need to breast feed;

#### Solicitation of employee opinions\Democratic management\Launch of suggestions on rationalization

Fosun Pharma and its subsidiaries encourage employees to reflect to the management and their departments on things they have observed. It is hoped that through the reasonable suggestion activity, employees will take the initiative to care about the development of the company, be willing to voice their opinions, and develop a sense of ownership that their affinity and creativity will benefit the company. For problems concerning company's development discovered in the launch of suggestions on rationalization activities, inter-department coordination and collaboration are undertaken to promote communication and seek solutions, thereby enhancing the management level of the company;

#### Safety management

Subsidiaries in the presence of the trade union of the Group play a role in and perform the obligation of keeping the working environment safe to safeguard the lives and properties of employees;

#### List of associations/social institutions Fosun Pharma Group involved

Name of association	Position held	Name of association	Position held
China Medical Pharmaceutical Material Association	Chairman Unit	China Pharmaceutical Industry Association	Vice chairman Unit
China Pharmaceutical Newspapers and Periodicals Association	Vice chairman Unit	Chinese Non-Government Medical Institutions Association	Vice chairman Unit
China Medicinal Biotechnology Association	Vice chairman Unit	China Health Insurance Research Association	Director Unit
China Pharmaceutical Industry Research and Development Association	Vice chairman	China Pharmaceutical Association	Member Unit
Chinese Journal of Pharmaceutical Technology Economics and Management (China Pharmaceutical Technology Transfer Organization)	Vice chairman	China Non-Prescription Medicines Association	Standing director Unit
China Pharmaceutical Enterprises Association	Director Unit	China Price Association	Director Unit
Shanghai Bio Industry Association	Chairman and juristic person of the Association	China Pharmaceutical Enterprises Association	Vice chairman Unit
Shanghai Genetics Society	Director Unit	Fudan BioPharmaceutical Alumni Association	Founding member Unit
Shanghai Society for Microbiology	Personal member	Shanghai Pharmaceutical Trade Association	Vice chairman
Shanghai Pharmaceutical Trade Association	Vice chairman	Shanghai Health Insurance Association	Standing director Unit
Shanghai Licensed Pharmacist Association	Vice chairman	Medical and Pharmaceutical Youth Federation	Personal member
Technical Committee for Clinical Laboratory Equipment, China Association of Medical Equipment	Deputy commissioner	China Health Economics Association	Vice chairman Unit
C. C. Tan Foundation	Founding member	Board of Directors of Inspection Products Branch of National Association of Health Industry and Enterprise Management Council	Vice Chairman and Secretary General
National Technical Committee on System of Medical Clinical Test Lab and in Vitro Diagnostic System of Standardization Administration of China	Corporate committee member/standing committee member	China Association for Medical Devices Industry IVD Branch	First Chairman Unit

Customer Satisfaction Survey for some members of Fosun Pharmaceutical Group

Subsidiaries	Scope	Major means of customer services	No. of staff engaging in customer services	Work hours in the customer service system for the full year (hours)	No. of surveys conducted on customer satisfaction in 2015	Total number of customers served	Results of customer satisfaction survey
Aohong Pharma	Commercial and retail customers, doctors or clinical customers, patients	phone	11	2,024	2	80	By phone or through the national customer conference site consultation, surveyed 80 customers in China, customer satisfaction with respect to products and services, no customer comments and suggestions situation
Dongting Pharmaceutical	Commercial and retail customers, doctors or clinical customers, patients	Telephone calls, visits	110	4,943	3	60	Through customer visits, customer feedback on products and services Dongting Pharmaceutical satisfactory
Erye Pharmaceutical	Commercial and retail customers	Research, telephone	15	2,064	2	120	By focusing on the customer's phone with each other, and quality of products and service satisfaction high, overall rating is good
Fosun Med-Tech	Commercial and retail customers, doctors or clinical customers	Telephone communication services, home service professionals	18	2,200	2	346	Based on 346 telephone interviews of customers, customers have expressed satisfaction with the medical products and services, no customer comments and suggestions situation
Fosun Biolog	Commercial and retail customers, doctors or clinical customers, patients	Telephone interviews	4	8,200	2	61	Based on 357 telephone interviews of customers, customers have expressed satisfaction with the products and services, no customer comments and suggestions situation
Long March Medical	Commercial and retail customers, clinical customers	Free 800 telephone guidance service, professional technician field service, training	24	>35,000	More than 100 times	> 2,500 times, of which on site services less than 1800 times	Through customer visits, customer satisfied with the products and services, no customer comments and suggestions situation
Yaneng Bio	The doctor or clinical customers	Telephone communication services, on-site service engineer, resident services, medical laboratory services	50	2,832	2	1,768	By visiting 181 client on site and returning visit of 49 customer, customer service improved to an overall satisfaction of 99.86%; company and product satisfaction reached 95%

## Stakeholder Communication & Feedback

The definition of stakeholder in the 2015 CSR report follows the definition of the one of 2014. In 2015, the Group consulted and held stakeholder interviews and communications over 200 times, and particularly had CSR communications and interviews with media and institutions including HSBC, IFC, Xi'an Jiaotong University, Chinese Academy of Social Sciences and Southern Weekly. The Company made amendments about the core data in the report's disclosed contents according to the opinions of relevant institutions, for instance, added more contents about supply chain, added EHS sub-tables, CSR management and report process etc.

### Partners

Jeffrey Liu, Vice President | Commercial Banking HSBC Bank (China) Company Limited

Fosun Pharma is always engaged in becoming a better company in a better world. Through the seminar of HSBC Connecting for Growth China, Fosun Pharma's achievement in CSR is highly praised by HSBC and other entrepreneurs.

International Finance Corporation IFC

IFC finds the CSR reports prepared by Fosun Pharma to be informative about its group-wide CSR and sustainability efforts, in line with international best practices, including IFC Performance Standards. These reports follow the international standards for sustainability reporting, including the assurance statement by third party, which makes it a credible public disclosure.

### Customers

Wang Ning, Director of iKang Inspection Center in Beijing

Long March Pharma's products offer stable quality and timely after-sales service. Application and training are provided for new products. Customers can obtain updated information and maintain regular communications with the company.

Fan Lieying, Laboratory Director of Shanghai East Hospital

The PCR products of Fosun Med-Tech are stable and reliable, and after-sales service has been provided in a timely and effective manner for a long period of time, which give us a reliable guarantee to launch the PCR test project smoothly.

Yang, Director of Guilin Healthcare Hospital for Women and Children

The HPV genotyping test kits of Yaneng Bio are stable and reliable, and its after-sales service is timely and effective. The mentoring of engineers is highly effective to our new employees, and the written summary and suggestions are very detailed, which offer a reliable guarantee for the hospital to launch the cervical cancer screening project smoothly.

### An individual investor

Investors can promptly and transparently understand the development of the Group through its announcements and can communicate with the Investor Relations Department of Fosun Pharma.



# Caring

At the 2015 World Malaria Day, the world premier of malaria prevention public service promotional cartoon "Fight Malaria, Begin with You and Me" by Guilin South Pharma and Tanzanian Ministry of Health aimed to promote malaria prevention knowledge and improve the self-protect awareness of local residents especially the susceptible populations.

In addition to Tanzania, the project has already been launched at Uganda, Kenya and Nigeria and will be launched in many other African french-speaking country including Malawi, Zambia and Ghana during the first quarter of 2016.

Figure note: 2015 World Malaria Day, a child in Tanzania received the public service promotional cartoon of malaria prevention.





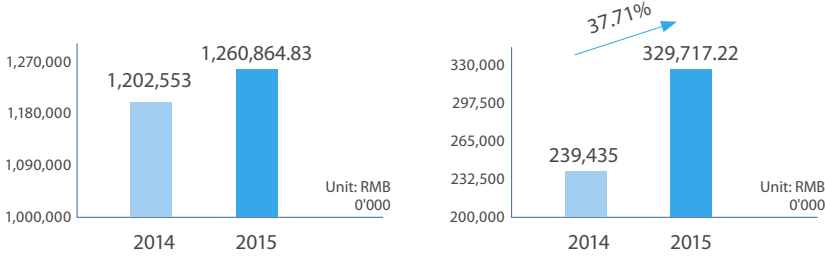
Economics



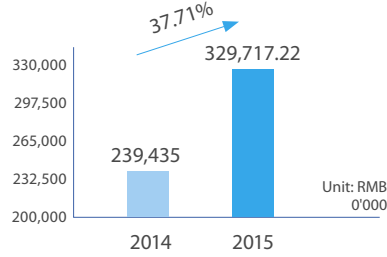
Holding onto the belief of “Innovation for Good Health”, Fosun Pharma Group invests heavily in drug R&D to build an innovative R&D system, effectively integrates viable resources, and has achieved outstanding performance in pharmaceutical manufacturing, pharmaceutical distributions and retails, healthcare services, medical devices and medical diagnosis.



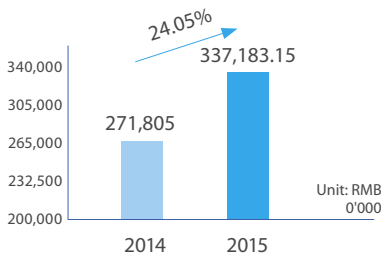
### Key financial indicators of Fosun Pharmaceutical Group



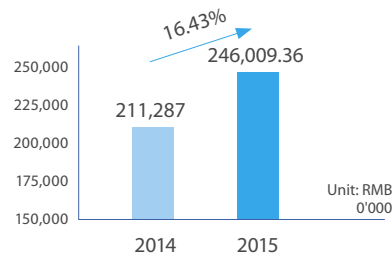
Operating income



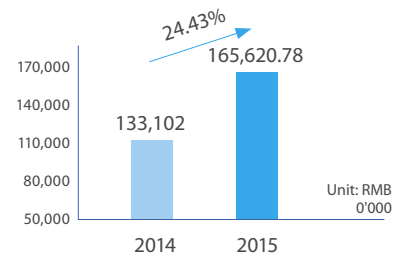
Operating profit



Total profit



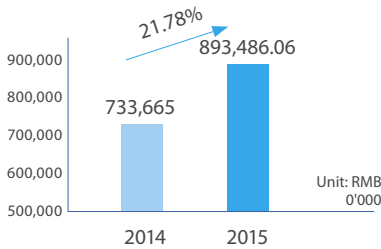
Net profit attributable to shareholders of listed company



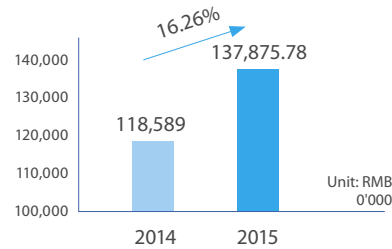
Net profit attributable to shareholders of listed company (excluding non-recurring gains and losses)



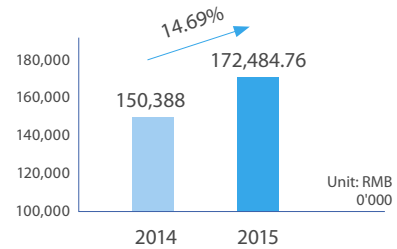
### Revenue from business segments



Operating income from the pharmaceutical manufacturing and research and development business segment



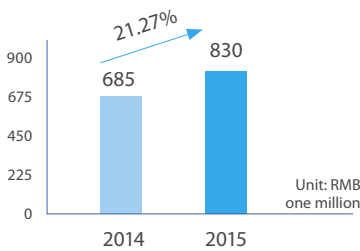
Operating income from healthcare services segment



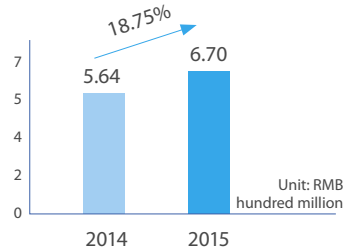
Operating income for medical devices and medical diagnosis manufacturing segment



### Investment in research and development



Investment in research and development Fosun Pharmaceutical Group (including capitalized investment expense)



Research and development expense of Fosun Pharmaceutical Group



Net profit attributable to shareholders of listed company of Fosun Pharmaceutical Group

RMB **2,460,093,600**

A year-on-year increase of **16.43%**



R&D Investment (including capitalized R&D Investment)

RMB **830,000,000**

A year-on-year increase of **21.27%**



Operating profit of Fosun Pharmaceutical

Group RMB **3,297,172,200**

A year-on-year increase of **37.71%**



The research and development expense of the pharmaceutical manufacturing business of Fosun

Pharmaceutical Group RMB **538,000,000**

Accounting for **6%** of sales revenue of the pharmaceutical manufacturing business

## Operating Results

In 2015, Fosun Pharmaceutical Group continued to promote human health for the mission, upheld the "continuous innovation, fun in health" as its business philosophy, focused on the core business of pharmaceuticals and medicine, adhered to product innovation and management improvement, and actively promoted endogenous growth, epitaxial expansion, integrated development, and sustained the growth of its principal operations.

In 2015, the Group realized revenue of RMB12,608.6483 million, representing an increase of 4.85% as compared with that of 2014; Excluding contributions from Fosun Pharmaceutical, For Me Pharmacy and Golden Elephant Pharmacy from the pharmaceutical distribution and retail business segment as well as 4 enterprises including Handan Pharmaceutical and the newly acquired Erye Pharmaceutical from the pharmaceutical manufacturing and research and development ("R&D") segment, the Group's revenue increased by 15.07% as compared with that of the year 2014 calculated with the same calibre, of which, the Group realized revenue of RMB8,934.8606 million in pharmaceutical manufacturing and R&D segment, representing an increase of 21.78% as compared with that of 2014. The Group realized profits from operations of RMB3,297.1722 million, total profits of RMB3,371.8315 million, net profits attributed to shareholders of the listed company of RMB2,460.0936 million and net profits of non-returning profile or loss attributed to shareholders of the Listed Company of RMB1,656.2078 million, representing an increase of 37.71%, 24.05%, 16.43% and 24.43% respectively as compared with that in the consolidated financial statement for 2014 after retrospective adjustments.

## Product Innovation

### Innovation in R&D System

Fosun Pharma Group always see independent innovation essential to its corporate development. We continuously optimize its pharmaceutical R&D system that integrates imitation and innovation by increasing investment in the four R&D platform, established an efficient R&D platform in areas of small molecule chemistry innovative drugs, macromolecular biological generic drugs, difficult generic drugs and special formulation (drug delivery technologies), improved its innovation system, enhanced R&D capabilities, launched new products, and strengthened the core competitiveness of the Group.

The Group owns national-level enterprise technical centers and has established highly-efficient international R&D teams in Shanghai, Chongqing and San Francisco. In order to leverage its competitive strengths, the Group focused its R&D on therapeutic areas including metabolism and digestive system, cardiovascular system, central nervous system, anti-tumor and immune modulating and anti-infection, and the major products have gained leading position in their respective market segments.

Meanwhile, the Group creatively integrated domestic resources to sustainably enhance its R&D capabilities. Through strategic alliance, project cooperation, establish joint-venture company and other methods, the Group conducted diversified innovative researches and continuously increased R&D capability. In cooperation with Shanghai University of Traditional Chinese Medicine, the Fosun Pharma Chinese Medicine Technology Innovation Fund was established to build an innovative Chinese medicine R&D platform via school-industry cooperation; The strategic cooperation framework agreement was signed with Shanghai Institute of Materia Medica so as to build the school-industry cooperation and accelerate the transformation of technological achievements.

In 2015, Fosun Pharma Group jointly acquired Ambrx with HOPU Investment, Everbright and WuXi PharmaTech, to gain access to the R&D area of antibody-drugs.

Fosun Pharmaceutical Research Center and its subsidiaries had established systematic new product R&D Management Practice and Standard Operating Procedure (SOP) in accordance with industrial standards. All trials in the course of drug R&D had complied with related state standards. Human clinical trials had complied with Good Clinical Practice (GCP) and passed by the Ethics Committee. Researches involving animals have complied with the related requirements of laboratory animal management.

### R&D Investment

The R&D investment of Fosun Pharma Group was RMB 830 million (including capitalized investment expenses) with a year-on-year increase of over 21.27%, of which the R&D expenses were 670 million with a year-on-year increase of 18.75% for actual R&D expenses. After Fosun Pharma announced the Restricted Share Incentive Scheme in 2013, the Company's percentage of R&D expenses were included in its appraisal in the long term. In 2015, Fosun Pharma Group's R&D expenditure on pharmaceutical manufacturing segment amounted to RMB 538 million, accounting for 6% of the sales revenue of the pharmaceutical business.





## R&D Progress

The Group intensified the product deployment of anti-tumor medicines. By the end of the Reporting Period, the Group had 161 pipeline drugs, generic drugs, generic biopharmaceutical drugs and vaccine projects. During the report period, clinic trial application for 1 innovative medicine of bio category 1, 2 innovative medicines of category 1.1 and 10 new products of category 3.1 have not launched in China was submitted to the SFDA. 23 products was licensed for clinic trial. It is expected that these products under research will lay a solid foundation for the continuous increase of the Group's following business performance. In addition, the Venlafaxine Hydrochloride of Yao Pharma was approved to launch by the U.S FDA.

## Patents and results

In 2015, subsidiaries in the pharmaceutical manufacturing and R&D businesses of Fosun Pharma submitted 89 patent applications, (including 6 American patents applications, 4 European patents applications, 2 Japanese patents applications and 3 PCT applications) and received 15 patents, including 9 invention patents (including 1 American patent).

## R&D Performance

### Multiple R&D teams

Domestic and overseas teams cooperate closely; the overseas R&D team has access to first-hand R&D information

### Four R&D platforms

Generic + new drug + biologics + special preparation delivery technique

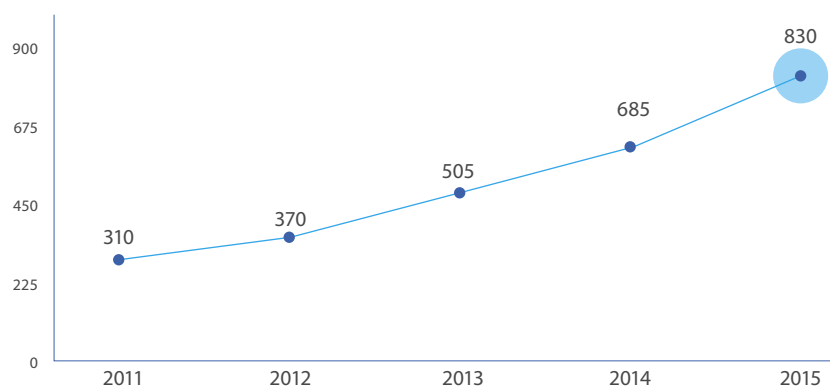
### 887 R&D Research Staff

### Domestic and overseas R&D collaboration

Collaboration with well-known domestic and overseas enterprises and institutions in R&D

R&D Investment of Fosun Pharma Group for 2011-2015

Unit: million



In 2015, R&D investment amounted to RMB 830 million (including capitalized investment expense), representing a year-on-year increase of 21.27%.

## Pharmaceutical manufacturing

In 2015, there had demonstrated rapid growth in the pharmaceutical manufacturing. In 2015, there had demonstrated rapid growth in the pharmaceutical manufacturing and R&D segment of Fosun Pharmaceutical Group, which achieved business revenue of RMB8,934.8606 million representing an increase of 21.78% as compared with 2014.

The pharmaceutical manufacturing and R&D segment of the Group continued to maintain stable growth. The professional operation team was further consolidated. In 2015, the sales of the Group's major products in therapeutic areas such as cardiovascular system, metabolism and alimentary system, anti-infection and anti-tumor maintained rapid growth, recorded a year-on-year growth of 29.39%, 17.86%, 26.15% and 21.29%, respectively among which the

sales of You Di Er (Alprostadil Dried Emulsion for Injection) (cardiovascular system) and You Li Tong (Febuxostat Tablets) (metabolism) had experienced prominent growth.

In 2015, the Group had 19 formulation items or series with sales over RMB100 million, among which sales of the products such as You Li Tong and Ke Yuan (Calcium Dobesilate Capsules) exceeded RMB100 million for the first time and the sales of the products such as Ao De Jin (Deproteinised Calf Blood Serum Injection) and Atomolan (Reduced Glutathione Tablets) exceeded RMB500 million.

In the global market, Fosun Pharmaceutical Group has become the pioneer in anti-malaria.

## Therapeutic Areas and Major Products

Therapeutic Areas	Product	INN	Indications
Metabolism and digestive system	Atomolan	Reduced Glutathione Preparations	For protective treatment of chronic hepatitis B
	Wan Su Lin	Protamine Zinc Insulin Injection	For treatment of type II diabetes
	Wan Su Ping	Glimepiride Tablets	For treatment of type II diabetes
	Yi Bao EPO	Recombinant Human Erythropoietin for Injection	For treating anemia caused by renal insufficiency and applicable to dialysis patients and non-dialysis patients
	You Li Tong	Febuxostat tablets	For the long-term treatment of hyperuricemia with the symptom of gout
	N/A	Compound aloë capsules	For hyperactivity of heart-liver fire, constipation, abdominal distension
Cardiovascular system	Xin Xian An	Meglumine Adenosine Cyclophosphate Injection	To treat coronary heart disease, cardiac failure, cardiac arrhythmia and sick sinus syndrome
	You Di Er	Alprostadil Dried Emulsion for Injection	To improve cardiovascular and cerebrovascular microcirculation and as chronic hepatitis adjuvant therapy
	Su Ke Nuo	Low-molecular-weight Heparin Sodium for Injection	To prevent extracorporeal circulation of blood dialysis and the formation of deep vein thrombosis
	Ke Yuan	Dobesilate capsules	To treat microangiopathy and varicose syndrome
Blood circulation system	Bang Ting	Hemo-coagulase for Injection	To reduce or stop bleeding
Central nervous system	Ao De Jin	Deproteinised Calf Blood Injection	To improve cerebral blood circulation and correct nerve function defect caused by nutrition disturbance (ischemic injury and craniocerebral trauma)
	Qiwei	Quetiapine Fumarate Tablets	To treat the negative and positive symptoms of schizophrenia
Anti-infection	ARTESUNPLUS	Artesunate Preparation series	Mainly to treat Various malarial diseases, especially Multidrug resistant falciparum malaria
	ARTESUN	Cefmetazole Sodium for Injection	To treat infections caused by a number of microorganisms
	Cefmetazon / Xi Chang	Potassium Sodium Dehydroandroan Drographolide Succinate for Injection	Indicated for the treatment of viral pneumonia and viral upper respiratory tract infection
	Sha Duo Li Ka	Ethambutol Hydrochloride, Pyrazinamide, Rifampicin and Isoniazid Tablets II	For initial two-month short-term intensive tuberculosis treatment
	Yi Nuo Ni Kang	Rifampicin capsule	In the treatment of tuberculosis and enterococcus infection
	N/A	Pemetrexed Disodium for Injection	To treat non-small cell lung cancer and malignant pleural mesothelioma
Anti-tumor	N/A	Xihuang capsules	For the syndrome of toxicity and blood stasis acute, superficial infection, dorsal furuncle swelling, multiple abscess, adenolymphitis, cold abscess



**16** years  
continuous divined  
since listing



Tax payment of  
**RMB1,434**  
million



**RMB2,004**  
million payment to  
and for employees  
of the Fosun Pharma  
Group in 2015.



An increase  
of **22.79%**  
compared to that  
of the year 2014

## Healthcare Services

In 2015, the healthcare services entities controlled by the Group realized total revenue of RMB 1,378.7578 million, representing an increase of 16.26% as compared to 2014. And it has formed strategic layout of combining high-end medical services at developed coastal cities, specialists and general hospitals at second and third tier cities.

In 2015, the Group continued to consolidate the basically formed strategic layout of high-end medical coastal cities, second and third tier cities combined general hospitals and specialist medical services business, accelerated the Internet medical development strategy, actively explored the greater health industry deployment and continued to increase the business scale and profitability.

The new comprehensive medical building of Chancheng Hospital, Jinjing Building\* was brought into service, laying the foundation of differentiated medical services; Rehabilitation Hospital of Zhongwu Hospital project under construction, making the Group's medical services more diversified; The Group participated the establishment of Wenzhou Geriatrics Hospital Co., Ltd. And Qingdao Shanda Qilu Hospital Investment Management Co., Ltd, actively exploring the new model for establishment of medical institutions by social capital. The Group initiated the Taizhou Zanyang Medical-nursing Combined Project, participated the establishment of Shanghai Shuangxingjian Medical Investment Co., Ltd., vigorously integrated the resources of medical and nursing services and explored new medical-nursing combined model; The Group Entered and deployed the Hemodialysis field so as to plan the integration of supply chain. In addition, the Group explored the innovation of medical service formats and models through strategic cooperation with "Guahao.com" and leading the A round financing of "Mingyi Zhudao", the seamless connection of online and offline services was realised and the O2O closed loop was formed.

At present, the total number of beds available from entities (including Chancheng Hospital, Jimin Cancer Hospital, Guanji Hospital and Zhongwu Hospital) controlled by the Group, was 2,770.

Furthermore, the Group vigorously supported and promoted the development and deployment of the high-end medical service leading brand "United Family Healthcare" owned by Chindex. In 2015, "United Family Healthcare" continuous to keep its brand appeal and leading position in the high-end medical service field in the core cities such as Beijing and Shanghai. The United Family Healthcare Qingdao started operation during the reporting period, meanwhile the United Family Healthcare Guangzhou was also under the speeding-up construction.

While investing in domestic medical service industry, the Group also paid close attention to exploration in new business models of medical service sectors of overseas mainstream markets. In 2015, the Group invested in approximately 30% of the equity interest in Sovereign Medical Services, Inc. in order to further explore new medical service models for reference and practice in the PRC market in the future.

## Medical Devices and Medical diagnosis

In 2015, the Group continued to promote the development of its medical devices and medical diagnosis businesses. The medical devices and medical diagnosis businesses reported revenue of RMB1,724,847,600, up by 14.69% from 2014. Agent business reported revenue of RMB529,472,000, up by 21.48% from 2014. During the reporting period, the volume of surgery performed with the "Da Vinci surgical robotic system" increased significantly which resulted in a significant increase in sales.

In 2015, Alma Lasers continued to accelerate in developing the international market and especially key emerging markets such as China and India. Alma Lasers recorded a revenue of RMB688,486,200, up by 10.79% from 2014. It also strengthened its new product portfolio, in particular, by increasing R&D of medical devices and extending its production line into the clinical treatment area. In 2015, the products of Alma Lasers passed five new EU CE markings and one 510(k) clearance by the U.S. FDA.

## Pharmaceutical Distribution and Retail

At the beginning of 2015, the Group and Sinopharm completed the integration and optimization of resources relating to pharmaceutical distribution and retail business of Fosun Pharma, For Me Pharmacy and Golden Elephant Pharmacy, etc.; In addition, the Group attempted to cooperate with Guahao.com to explore a new business model.

In 2015, Sinopharm, an investee of the Group, continued to accelerate the industry consolidation, expanded the pharmaceutical distribution network and maintained rapid growth of business. In 2015, Sinopharm recorded a revenue of RMB227,069 million, net profit of RMB5,696 million, net profit attributable of RMB3,761 million, up by 13.46%, 25.15% and 30.81%, respectively from 2014. Retail pharmacies owned by Guo Da Drug Store, its subsidiary amounted to 3,080.

## Creation of value through merger, acquisition and integration

While promoting the development of subsidiaries, the Group accelerated the pace in acquisitions.

In the meantime, through the use of the Group's resources and control system, the Company achieved synergies in the operation and management of its subsidiaries, achieving the sharing of resources, risk control, integration of corporate culture, converging the power of development.

## Return to Shareholders

Guided by the principles of honesty and integrity, Fosun Pharma is dedicated to create value for its shareholders. Fosun Pharma's social image and intrinsic investment value have been widely recognized by investors since it was listed in the market. While striving to create value, Fosun Pharma also worked hard to pay back to its shareholders.

Till the end of 2015, the shareholders' equity of the Company had increased 3,402.18% from 1998 when it was first listed, and the Company had paid dividends for 16 years consecutively since listing.

In 2015, the company was awarded as the "Top 10 Investor Mat Respected Public Companies" and "2014 Top 100 Jinnin Award for PRC Listed Companies" etc.

## Tax Compliance

The Group is proud of its tax records. In 2015, the Group paid RMB1,434 million in taxes to the government. The Group's growing tax payments also reflect its improving operational efficiency brought about by continuous efforts to optimize management.

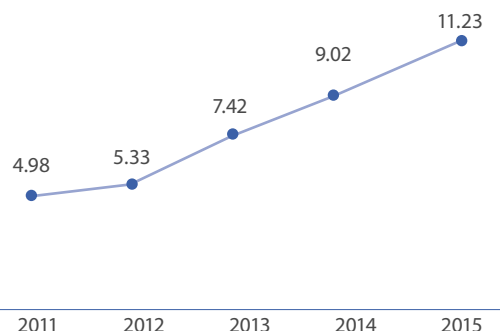
## Salary and Benefit System

The Group appeals to its employees by offering them career development opportunities. The Company conducts market survey on the level of remuneration every year and gradually perfects its salary and benefit system, which are adjusted in a timely manner based on individual employee's position and duties, and business performance. All workers of the Group receive pay higher than the local minimum wage. In 2015, the Group's cash payment to employees and on behalf of employees totaled RMB2,004 million, an increase of 22.79% from 2014.

Fosun Pharma conducts human resources audit of 4 to 5 subsidiaries every year to carry out full-scale assessment of their human resources compliance, system effectiveness and system integrity. The Company also offers them improvement recommendations, and helps them enhance human resources management know-how and constantly improves their human resources systems.

### Average employee salary of Fosun Pharma Group in 2010-2015

(Cash payment to employees and on behalf of employees) (Unit: RMB 0'000)



Labour costs of Fosun Pharma Group

(Unit: RMB 0'000)

Year	Wages, bonus, subsidy and allowance	Social insurance	Housing provident fund	Trade union funds and employee education funds	Employee welfare fees	Other expenses*	Total
2015	164,832	22,936	6,345	1,519	4,962	3	200,597
2014	131,210	20,678	4,759	1,408	4,850	285	163,190

\* Note: Other expenses refer to other expenses such as post-dismissal welfare.



## Major New Subsidiaries and Partners of the Group in 2015

### Guahao.com

It is Guahao.com's mission to make hospital visit an easy way to ensure a healthy life. It strives to motivate the reform of China's healthcare industry with information technology, to facilitate effective sharing of information between hospitals, doctors and patients via internet connection, and to provide leading and reliable mobile healthcare services, so as to build a national internet classified clinical platform and an ecosystem with constructive interaction between medical services and healthcare industry.

### Sovereign Medical

Sovereign Medical Center is founded by Doctor John Hajjar in 2005. It is a leading medical institution that has several dozen surgery centers and radioactive therapy centers and engages in medical insurance business in New York, New Jersey and other areas.

### Ambrx

Ambrx is a biotechnology company in the clinical R&D stage, focusing on the discovery and R&D of innovative and latest protein drug, being a biological conjugated (coupling) substance. Compared with the biological coupling technology of previous generations, the know-how platform offered by Ambrx can couple the micromolecule with active medicinal ingredients with the specific position within protein macromolecule more accurately. Ambrx has a large internal production line of tumor products. Currently, Ambrx focuses on the promotion and R&D of a fixed coupling ADC drug, which is mainly for Her2 positive breast cancer.

### Mingyi Zhudao

Mingyi Zhudao is currently the largest mobile surgical operation booking platform. It obtained the first round investment of RMB36 million from Fosun Hospital Investment in early October, which accounted for 15% equity interest of Mingyi Zhudao.

### Maxigen Biotech Inc.

The major core technologies of Maxigen Biotech Inc. are products R&D, production and marketing of bio-pharmaceutical materials. Its products are applied in the divisions of medical devices and skincare for medical beauty. The bio-pharmaceutical division has established four technology platforms, namely collagen, collagen/bio-ceramic composites, calcium phosphate ceramic and hyaluronate formula, from which 12 high-end products of medical devices are derived. In addition to OEM/ODM of international renowned brands, the skincare division also allocates resources are the development of cosmetics and skincare products of its own brand. It has obtained the import registration certificates for 11 products of BIOFLASH and 29 products of NéoRenée from mainland China.

### Wenzhou Geriatrics Hospital

It is the first cooperation project of establishing a hospital with diversified ownership in Zhejiang province. Wenzhou TCM Hospital is the top traditional Chinese medicine hospital in Wenzhou region. It ranks second in the traditional Chinese medicine hospitals in Zhejiang province and ranks first in the traditional Chinese medicine hospitals of prefecture-level cities. It is a regional leading hospital in integrated Chinese and Western medical treatment as well as specialized areas including nephropathy, hepatopathy and gastroenteropathy, with a designated bed capacity of 500 beds. The construction of Wenzhou Geriatrics Hospital is based on the standards of class III-A grade geriatrics specialized hospital, and is planned to offer 500 beds within five years of the cooperation.

### Qingdao Shanda Qilu Hospital Investment Management Company

Qingdao Shanda Qilu Hospital Investment Management Company is responsible for the construction of phase of 青島山大齊魯醫院, and the establishment and operation of (tentative). The construction of phase II is based on the standards of class III hospital. It will be leased to as the site for providing healthcare services upon completion. is intended to be a non-profit medical institution, providing approximately 1,600 beds.

### Hunan Jingren Medical Investment Management Co., Ltd.\*

Hunan Jingren Medical Investment Management Co., Ltd. strives to be a leading chain enterprise providing blood purification services in China. It cooperates with 14 national class II and class III hospitals such as Affiliated Hospital of Xiangnan University and Zhuzhou No.2 Hospital to provide blood purification services. It maintains good cooperative relationship with international renowned medical devices companies such as Fresenius, Gambro, Nikkiso and NIPRO, as well as integrates channel of national leading blood purification experts such as Peking University First Hospital, China-Japan Friendship Hospital and Beijing Haidian Hospital, to form its own experienced medical team.

### Res Healthcare

Res Healthcare integrates local and international leading medical institutions and medical specialists resources, and builds a high-end medical services O2O (offline to online) based on the International Doctor in Beijing Financial Street, by means of long distance medical and mobile internet technology.



Product  
and Service  
Quality



Quality and safety are the carved-in-stone unchangeable goals of the Fosun Pharma Group. From the research and development of new drugs to the procurement of raw materials and the manufacturing to the distribution of drugs and medical products, Fosun Pharma Group has been constantly improving its technology and production and workmanship procedures, extending the life cycle of drugs, and reducing the cost to provide people with safer, more convenient, and more effective products and high-efficient and humanized services, making health care products and services as universal as possible.



### Enhance quality management

In 2014, we published Quality Manual for pharmaceutical manufacturing of Fosun Pharmaceutical Group

In 2015, we published **TEN** guidelines supporting the Quality Manual, including, Factories, Staff, Documents, Materials, Quality Management, Facilities and Equipment, Quality Control in Labs, Packaging, Verification and Validation, Production Management and etc., in order to provide technical guidance for member companies to improve quality.



### Improve the Quality System Certification



### Improve the quality system

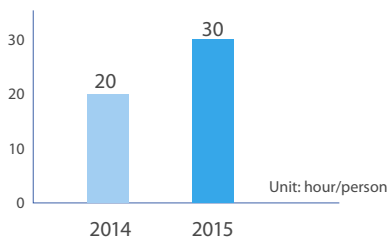
Fosun Pharma Group continued to comply with regulations and improve the quality management system of pharmaceutical manufacturing company, by passing strict official inspections at home and abroad

Items	2014	2015
Domestic official inspections/ Supplier Audits	79	77
Foreign official inspections/ Supplier Audits	33	44
Passing Rate	100%	100%

► The Group has **13** kinds of bulk drugs certified by cGMC from FDA of USA, the EU, Ministry of Health of Japan, Health Bureau of German and other national health authorities. Guilin Pharma has **1** production line of oral solid dosage, **4** production lines of injection dosage and **2** production lines of bulk drugs, all of which passed the WHO-PQ certification. Yao Pharma has **1** production line of oral solid dosage, which passed the certification test of Health department of Canada and FDA of USA



### Pay attention to quality training



Annual quality training hours per capita of pharmaceutical manufacturing member companies

► Fosun Pharma Group attached importance to the enhancement of management system level, allowed its employees to accept the latest concept of quality, consolidated the standard operation procedures and paid special attention to the quality training

In 2015, the annual quality training hours per capita of pharmaceutical manufacturing member companies was over **30** hours per capita, increasing by **50%** as compared to 2014



### Improve customer service

**Over 92%**

Patient satisfaction survey results among healthcare service member companies

**Second**

Chancheng Hospital ranked in the people satisfaction of Guangdong Province in 2015





373 batches of official sampling

We have undergone a total of 77 domestic official inspections or supplier audits and approximately 44 audits from foreign drug administration departments or major suppliers

100% qualified.

## Supply of quality products and services

Quality and safety are the carved-in-stone unchangeable goals of the Group. From the research and development of new drugs, technological advancement to the procurement of raw materials and the manufacturing to the distribution of drugs and medical products, the Group has been constantly improving its technologies as well as production and workmanship procedures, extending the life cycle of drugs, and reducing the cost to provide people with safer, more convenient, and more effective products and high-efficient and humanized services, making health care products and services as universal as possible.

Research and development and drug manufacturing subsidiaries under Fosun Pharma Group are located in ten provinces, autonomous regions, and municipalities throughout China. They produce biological preparations, Chinese herbal medicine, chemical drug substances and preparations, vaccines, antibiotics, biochemical drugs, etc. The produced medicinal products cover most of the ordinary categories and dosage forms namely small volume injection, lyophilized powder for injection, powder injection, tablet, hard capsule, soft capsule, granule, traditional Chinese medicine pill and therapeutic fields namely cardiovascular system, central nervous system and hematological systems, metabolism and digestive system, and anti-infection.

The five subordinate enterprises under Fosun Pharma Group's diagnosis subsidiaries, all of which are production enterprises possessing business qualifications for medical devices, mainly manufacture in vitro diagnostic reagents and diagnostic devices, mainly involving R&D, manufacturing and sales of biochemical diagnostic reagents, nucleic acid diagnostic reagents, microbiological diagnostic reagents, nucleic acid chip diagnostic reagents, and diagnostic devices. Medical devices subsidiaries are mainly engaged in sales of medical device consumables and distribution of high-end medical devices, R&D, production and sales of transfusion equipment and surgical consumables, and sales and distribution of high-end import medical devices.

Healthcare services are one of the key business segments in the future development of the Group, which now has four hospitals with a total of 2,770 authorized beds in total.

## Construction of quality systems

In 2014, the Group formulated Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (Drug Manufacturing) Quality Handbook, which specified the quality policies of "Respect the life, prioritize the quality, endeavor to do still better and pursue excellence", to regulate and upgrade the quality management systems of pharmaceutical enterprises. In 2015, in order to continuously facilitate the improvement in the quality management level of members, the Group formulated and issued ten guidance documents complementary to quality manual, namely the "Plants", "People", "Documentation", "Materials", "Quality Management", "Facilities and Equipment", "Laboratory Quality Control", "Packaging", "Verification and Validation", "Production Management", so as to provide technical guidance for enhancing quality of subsidiaries.

In 2015, the Group continued to focus on the construction of quality systems to be introduced to individual pharmaceutical subsidiaries in order to comply with the latest GMP requirements. Based on the operational platform of the Group, we facilitated the establishment of the pharmaceutical enterprises' quality system complying with the latest GMP requirements, through GMP pretesting, quality audit and operation survey and special inspection. The special inspection carried out in 2015 includes special inspection on management of Chinese herbal medicines and extracts, special inspection on biochemicals, thorough research of analytical instrument resources, survey on the implementation and compilation of Pharmacopoeia (2015 edition).

The Operation Management Department of Fosun Pharma Industrial continued to exercise strict quality risk control over subordinate drug producing enterprises. Throughout the year inspectors with professional attainments measures such as quality audit or GMP certified pre-testing as part of quality risk control and management were adopted to identify deficiencies in corporate quality management in a timely manner and the issue of an objective and realistic inspection report that require the enterprise in question to provide feedback on the overall improvements with CAPA within a month. The Operation Management Department repeatedly followed up or reviewed on site to continuously promote constant improvement in corporate systems.

For the construction of drug manufacturing quality systems, the Group combined the requirements of the latest domestic GMP and international cGMP requirements. It comprehensively implemented the idea of quality risk management throughout the Group, and focused on the construction of quality warranty systems such as annual product quality review, change management, deviation management, OOS in-depth investigation, supplier audit and risk management etc., thereby comprehensively improving the subordinate enterprises' awareness of quality and software standards. While constantly enhancing the systems, Fosun Pharma also encouraged its enterprises to prioritize advanced equipment and workmanship in the production of drugs, to emphasize workmanship authentication and daily monitoring, and to strictly abide by applicable state requirements and international standards to conduct change management so as to ensure that production process met registered workmanship requirements and drug quality met registered standard requirements.

In 2015, the Group's pharmaceutical subsidiaries were inspected by domestic government and audited by customers 79 times in total, and audited by foreign drug administration departments or major customers approximately 44 times. All of them successfully passed the audits or inspections, proving that their corporate quality systems were in compliance with 2010 GMP and cGMP regulatory requirements. Throughout the year, pharmaceutical subsidiaries were sampled 373 times by the provincial government level or above and no nonconformity reports were reported. In 2015, none of the products of subsidiaries were disqualified by the government.

Medical diagnosis subsidiaries of Fosun Pharma Group continue to reinforce internal management, to regulate production behavior, and to guarantee the safety and effectiveness of their products. They have established corresponding quality management systems with proper documentation and records established in accordance with the Medical Instruments Supervision and Management Regulations, the Enforcement Rules for the Production of In-vitro Diagnostic Reagents, and the Management Regulations Governing the Registration of In-vitro Diagnostic Reagents. The quality management systems were steadily, constantly, and effectively enforced in each enterprise. Each enterprise formulated quality policies and quality objectives according to their actual conditions.

In 2015, medical diagnosis subsidiaries followed system requirements by performing spontaneous inspections or internal reviews and found through internal reviews non-conformities within their quality management systems. They approved corrective and preventive measures to further enhance the compliance and effectiveness of respective quality management systems. Medical diagnosis subsidiaries conduct management ratings and produce management rating reports on a yearly basis.

In order to ensure the safety and effectiveness of the products and the continuous and effective operation of quality management system, each medical diagnosis subsidiary of Fosun Pharma Group has established separate quality department which is responsible for matters related to product quality such as sampling, sample reservation, sample keeping, assessment on material storage condition, assessment on the quality and stability of material, environment monitoring of clean room, inspection and control of inspection environment, sign and issue or denial of sign and issue of inspection report, determination of valid period of finished products, release of qualified products, review and disposal of substandard products and assist in the assessment of qualified suppliers.





## Examination of Fosun Pharma Group's pharmaceutical subsidiaries by domestic and foreign government

Subsidiary	Inspection by Domestic Government/ Audit by Customer	Inspection by Foreign Government/ Audit by Customer	Product Sampling Batch
Aleph	11	0	0
Guilin Pharma	12	11	49
Dongting Pharma	13	10	14
Aohong Pharma	9	0	20
Hongqi Pharma	0	0	19
Erye Pharma	4	3	54
Wanbang Biopharma	11	3	172
Yao Pharma	16	15	30
Chongqing Research Institute	1	2	0
Total	77	44	358

## Remarks:

- 1 Information of Wanbang Biopharma includes all data of subsidiaries under Wanbang Biopharma system.
- 2 Information of Yao Pharma includes all data of subsidiaries under Yao Pharma system.

## Certification inspection by international and domestic institutions and audit by customer of Guilin Pharma in 2015

Audit date	Audit institution	Scope of audit	Audit result
27-28 February 2015	Supplier: TEWA	API production line	Passed
9-10 March 2015	CFDA of China	Sulfadoxine and pyrimethamine tablet	Passed
9-13 March 2015	FDA of US	API-II bumetanide	Passed
24-25 March 2015	Audit of MSD (Merck)	Levamisole hydrochloride	Passed
13-15 April 2015	Audit of Sudan	OSD, INJ	Passed
29 May 2015	Supplier: Gedeon Richter PLC. of Hungary	Levamisole hydrochloride	Passed
17 August 2015	Supplier: a customer from Russia	Protionamide	Passed
31 August 2015	FDA of Tanzania	OSD-I(Sulfamethoxazole tablets960mg), INJ-I, INJ-II (artesunate for injection)	Passed
28-29 October 2015	Supplier: Pfizer Sontek	Levamisole hydrochloride	Passed
17-19 November 2015	CFDA of China	Small volume injection production line (INJ-II, INJ-VI)	Passed
23 November 2015	Supplier: IDA	OSD, INJ (Artesunate injection)	Passed
1-2 December 2015	Supplier: SGS inspection delegated by BAYER of New Zealand	Levamisole hydrochloride	Passed
8-9 December 2015	Supplier: Sanofi of France	Levamisole hydrochloride	Passed

## The certification of quality assurance system and related inspection of medical diagnosis subsidiaries of Fosun Pharma:

Enterprise	Inspection Date	Audit Institution	Scope of Audit	Result
Shanghai Transfusion	4-5 May 2015	TUV Rheinland	Annual review of certifications ISO9001, ISO13485, product CE	Pass
Laishi Transfusion	10 July 2015	TUV Rheinland	Annual review of ISO9000, ISO13485, product CE	Pass
Huaiyin Medical	24-27 August 2015	Det Norske Veritas (DNV)	ISO9001, ISO13485	Pass
Huaiyin Medical	24-27 August 2015	Det Norske Veritas (DNV)	Ophthalmic Instruments CE certification	Pass
Shanghai Transfusion	6 September 2015	TUV Rheinland	To accept a special inspection of medical equipment without advance notice	Pass
Laishi Transfusion	30 October 2015	FDA Jiangsu Province	System assessment of production license	Pass

Quality department shall also formulate relevant operating instruction to ensure the performance of quality responsibility, and gather, process and analyze the quality inspection data and quality control trend. According to the requirement on product safety and effectiveness, each medical diagnosis subsidiary of Fosun Pharma has verified the main features of products, production environment, facilities and equipment, major raw material and auxiliary material, procurement, production process, inspection and quality control method and can provide relevant verification information. Also, the record of research and development and verification for self-developed products designed and produced by us can be provided.

Medical devices subsidiaries have continuously strengthened the internal management of the company and regulated the production activity to ensure the safety and effectiveness of products. Medical devices subsidiaries have also established relevant quality management systems and has kept file and records according to the requirement from regulations such as Medical Instruments Supervision and Management Regulations and Supervision and Management Measures on Production of Medical Instruments. Each medical device subsidiary obtains quality system certification such as ISO13485 and CE certification for products in 2015. Each quality system is in compliance with the requirement of ISO13485 and is maintained in strict accordance with the requirement of the system.

## Management of Diagnostic Reagent Production

Medical diagnosis subsidiaries of Fosun Pharma Group conduct production according to national standards and have developed the process flow, process file and standard operating instruction required for production to indicate the key process or special process and to determine the quality control point. Complete batch production record is available for each batch of products. Based on the Medical Instruments Supervision and Management Regulations and relevant complimentary regulations (especially the significant change on new product registration), medical diagnosis subsidiaries of Fosun Pharma Group have made full preparation and established a management system for the preparation, verification, approval and modification of production control document at each level so as to comply with the requirement of measures on registration management.

Each medical diagnosis subsidiary of the Group has established a thorough procurement system. Coordinated with the management systems of suppliers, the procurement information of major materials can be tracked down. The qualification documents of suppliers, procurement contracts or process technology agreements, purchase invoices, certificate of product quality provided by suppliers, inspection (acceptance) reports of bulk purchase or sample production and inspection reports are kept in accordance with the requirement of procurement control documents. Standard products and quality control products purchased from external parties are traceable. The names, batch number, period of validity and inspection status of all materials are

marked clearly. The ledger is clear and consistent with the information cards and actual materials. Labels such as the name, lot number, shelf life, and inspection status of all materials are clearly specified. Inflammable, combustible, toxic, hazardous, polluting or contagious, bioactive, or biological materials are stored in compliance with applicable national requirements in dedicated zones and are clearly labeled. There are people in charge of keeping and dispatching the materials. Meanwhile, the public security network is connected to protect hazardous materials and passwords are set up specially for monitoring of such materials.

## Medicinal product safety mechanism

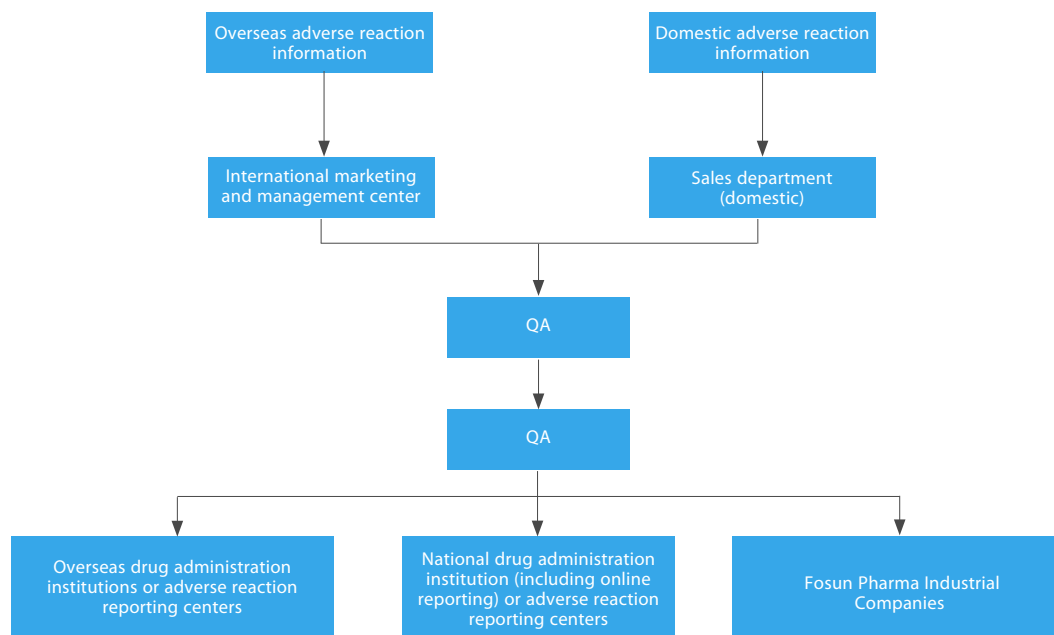
The Group values quality risk management throughout the life cycle of its products and has strict quality and safety management mechanisms in place in terms of product research and development, technical transfer, production and manufacturing, marketing and distribution, and so on to ensure the safety of medicinal products and medical products during research and development, production, distribution, recall and delisting.

The Group cares about medication safety for patients and values the strict monitoring and reporting of adverse drug reactions as well. In 2015, the Group continued to strictly implement the "Adverse Drug Reaction Reporting and Monitoring Management System" and asked each of its pharmaceutical subsidiaries to report adverse drug reactions as soon as they become aware of the adverse drug reactions. Respective pharmaceutical subsidiaries enforce "zero-reporting" management in terms of adverse reactions as required by the adverse reaction monitoring articles of the Group. That is, even if there are no relevant adverse reactions, respective pharmaceutical subsidiary should submit the adverse reaction information sheet to the Group in the beginning of every month. For new or serious adverse reactions, reporting must be completed within a given period of time. Pharmaceutical subsidiaries are asked to report to the management department of the Group and local adverse reaction reporting centers by the given deadline to ensure that all adverse drug reactions are collected and managed in a timely manner. For intensive monitoring of key products, pharmaceutical subsidiaries are asked to actively adopt measures in order to bring down the incidence.

During 2015, pharmaceutical subsidiaries of Fosun Pharma Group have collected adverse drug reactions information in strict compliance with the requirement of Administration Measures on Reporting and Monitoring of Adverse Effect of Drugs and have reported all the information in a timely manner. There were no adverse reactions events caused by drugs with defects in 2015. The adverse drug reactions events collected and reported voluntarily by the Group have been properly treated.

Each pharmaceutical subsidiary attaches great importance to the monitoring and management of adverse reactions and has actively arranged relevant training sessions on adverse reactions and implemented effective risk control measures.

Flowchart for handling of adverse reactions of Yao Pharma





13

International GMP Certification raw material medicines



1 solid oral dosage form production line, 4 injection production line and 2 raw material medicine production line of Guilin Pharma passed the inspection of WHO-PQ, 1 solid oral dosage form production line passed the inspection of Health Canada and the U.S. FDA.

## Certification of quality systems

In accordance with the requirements of CFDA, a pharmaceutical production enterprise should be certified by 2010 GMP certification prior to 31 December 2015, otherwise, it is required to cease production. As of the end of 2015, 63 formulation production lines and 59 API products of pharmaceutical subsidiaries under Fosun Pharma were certified 2010 GMP certification with a total of 47 certifications, of which, 31 sterile formulation production lines were certified 2010 GMP certification, 25 oral solid dosage (OSD) production lines were certified 2010 GMP certification. All pharmaceutical subsidiaries of Fosun Pharma Group were certified 2010 GMP certification prior to the end of 2015.

As the Group facilitates and implements internationalization strategy, its subsidiaries significantly step up the pace of internationalization. In 2015, Dongting Pharma, Guilin Pharma and Carelife Pharma passed the inspection of U.S. FDA; Wanbang Pharma, Erye Pharma, Yao Pharma, Guilin Pharma, Huanghe Pharma passed the official inspection of national FDA of Africa and were certified by relevant GMP certifications.

To date, 13 raw material medicines have passed the GMP Certification from

state health departments including the U.S. FDA, EU, Japan's Ministry of Health, Labour and Welfare (MHLW) and German's Federal Ministry of Health. 1 solid oral dosage form production line, 4 injection production line and 2 raw material medicine production line of Guilin Pharma passed the inspection of WHO-PQ, 1 solid oral dosage form production line of Yao Pharma passed the inspection of Health Canada and the U.S. FDA.

Each medical diagnosis subsidiary has been certified by the third-party every year. All of their quality systems met the requirement of ISO13485 and were maintained in strict compliance with the requirement of systems

From April to October 2015, China Food and Drug Administration conducted quality assessment and comprehensive governance of in-vitro diagnostic reagents. Medical diagnosis subsidiaries of Fosun Pharma Group took this opportunity to enhance the management of quality system and promote the improvement of quality management system. They passed the quality campaign, flight inspection of national bureau and daily system inspection of municipal FDA of various levels, and were well received at all levels. Long March Medical was accredited by FDA as a Grade A quality and reliability enterprise, which is the highest rank among medical equipment manufacturers. In the product sampling activities throughout the year, 13 products and 25 batches of Long March Medical were sampled and they all met relevant standards and passed the inspection.

The domestic GMP certification examination of pharmaceutical subsidiaries under Fosun Pharma Group in 2015.

Subsidiary	Examination date	Examination body	Scope of certification	Results of certification
Dongting Pharma	October 2015	FDA of Hunan Province	Amitriptyline Hydrochloride	Certified
Dongting Pharma	November 2015	FDA of Hunan Province	Clindamycin hydrochloride, quetiapine Fumarate	Certified
Hexin Pharma	February 2015	FDA of Sichuan Province	Tablet, hard capsule and dry suspension	Certified
Erye Pharma	February 2015	FDA of Jiangsu Province	Adefovir dipivoxil, enoxaparin sodium, zaleplon	Certified
Zhaohui Pharma	May 2015	Shanghai FDA	Ointment (hormone), cream (containing hormone), import drug repackaging (ear drop), API (perphenazine)	Certified
Wanbang Folon	April 2015	FDA of Hebei Province	Granule	Certified
Huanghe Pharma	March 2015	FDA of Jiangsu Province	Tablet, hard capsule, granule, Chinese medicine pre-treatment and extracts	Certified
Yaoyou Pharma	January 2015	CFDA of China	lyophilized powder for injection (line 1, line 2 of Workshop 203), powder for injection (line 1 of Workshop 204)	Certified
Yaoyou Pharma	December 2015	CFDA of China	small volume injection (final sterilization)	Certified
Chongqing Pharma Research	November 2015	Chongqing FDA	Aripiprazole, pemetrexed disodium	Certified

The international GMP certification examination of major pharmaceutical subsidiaries under Fosun Pharma in 2015

Subsidiary	Examination date	Examination body	Scope of certification	Results of certification
Guilin Pharma	March 2015	U.S. FDA	Bumetanide	Certified
Dongting Pharma	March 2015	U.S. FDA	Clindamycin hydrochloride	Certified
Carelife Pharma	September 2015	U.S. FDA	Clindamycin ydrochlor (Workshop VI), clindamycin phosphate (Workshop II), granisetron hydrochloride (Workshop IV), mitoxantrone (Workshop III), venlafaxine hydrochloride (Workshop V), limepiride (Workshop V), entecavir (Workshop IV), lindamycin palmitate hydrochloride (Workshop VI)	Certified

Note: this table only includes the official certifications that regulate the markets in Europe and America.



100% response and handling for client complaints  
No product recall

## Handling of Users' Complaints

The pharmaceutical subsidiaries under the Group highly value how complaints are handled. There are dedicated personnel for this regard who record complaints to very detail and give reply to complainants with thorough explanation after investigation, analysis and responding actions. They also record the batch number of the products in question. The handling is led by the quality control department and supported by relevant functional departments. Complaints are replied to and properly resolved within a specific time period and remedial and preventive measures will be implemented to ensure high satisfaction of users. All of the complaints were replied to and handled with the effort of subsidiaries.

A recall will be put into practice in accordance with the "product recall procedural guidelines" if defects of products with potential safety risk are found in the investigation of complaints.

Medical diagnosis subsidiaries of Fosun Pharma Group highly value product quality and handling of product complaint. Product manager or marketing personnel is responsible to record, assess, investigate and deal with the quality complaint of product. All relevant information of the complaint and investigation will be reported to the enterprise's quality attorney/person in charge of quality timely. All complaints are registered and verified. Complaint about quality defect of product will be recorded in detail and investigated. Complaint about biochemical product and enzyme-linked immune product will be registered by filling in the "service record of user". Product manager or marketing personnel who receives complaint about product quality issue of the enterprise from end-user via telephone or on-site service will register the complaint timely by recording relevant quality complaint, and deal with the quality complaint timely via telephone or on-site service after determining the reason of the complaint by means of preliminary assessment.

## Product recall

Each pharmaceutical subsidiary under the Group conducts drug recall drills regularly in accordance with state laws and regulations and relevant management systems to ensure that drugs can be quickly recalled in case of quality concern and to protect consumers' interests.

Each medical device subsidiary establishes medical devices recall and management system, to ensure that effective measures can be taken according to the system and process in case of quality concern, and to protect the interests and health of consumers.

In 2015, there was no medical devices recall events occurred in each medical device subsidiary.

## Marketing compliance

In 2015, subsidiaries of Fosun Pharma Group strictly complied with national laws and regulations in products and services labeling and no events of illegal products and services labeling occurred. Subsidiaries of Fosun Pharma Group value customer services. A holding subsidiary of Fosun Pharma Group, Dongting Pharma, conducted customer satisfaction surveys among distributors, clinical users and patients in 2015. The survey involved a total of 5,660 retail users, clinical users and patients. Questions asked by customers were answered in a timely manner. The Company's products and services were well received by the customers.

During market promotion in 2015, subsidiaries of Fosun Pharma Group had never been reported for disciplinary dispositions by the supervisory department for any illegal advertising or promotion. In market promotion, they had been in strict compliance with operation measures on the marketing and sales team. They ensured that the respective company entered into compliant operation agreements with its business units, and the sales department, sales and distributors implemented an accountability system for compliant operation. Relevant administrative measures such as "integrity letter of undertaking" and "letter of sales responsibility" were drawn up, to forbid selling of controversial products and to make sure product price was open and transparent.

Subsidiaries of Fosun Pharma Group implemented strong protection of customers' privacy. In 2015, there were no complaints about breaching privacy of customers or lost customers' information, nor any relevant complaint from any regulatory authorities or external individuals or institutions. Substantiated complaints to the subsidiaries of Fosun Pharma Group in 2015 involved no information leakage or lost or stolen customers' information. There were no product recall events occurred.

Meanwhile, there were no violations and non-compliance with marketing and promotion requirements found with subsidiaries of Fosun Pharma Group in 2015. Marketing plans and relevant contract approval procedures were drawn up for all responsible departments so that they could work together for advance prevention, process monitoring and post audits to ensure their operations were in compliance with requirements of national laws and regulations.

Medical diagnosis subsidiaries under Fosun Pharma Group had been in strict compliance with operation measures on the marketing and sales team, to ensure that the respective company entered into compliant operation agreements with its business units, and the sales department, sales and distributors implemented an accountability system for compliant operation. Marketing plans and relevant contract approval procedures were drawn up for all responsible departments so that they could work together for advance prevention, process monitoring and post audits to ensure their operations were in compliance with requirements of national laws and regulations.

The handling of customers' complaints of partial subsidiaries under Fosun Pharma Group

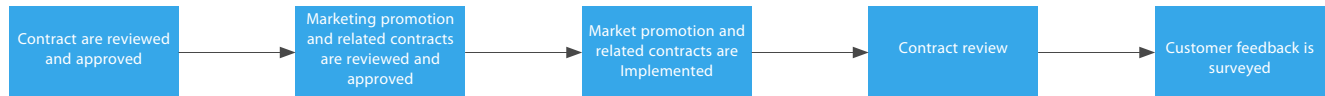
Item	Wanbang Biopharma	Yao Pharma	Guilin Pharma	Erye Pharma	Aohong Pharma
No. of complaints	33	16	10	10	3
No. of complaints handled	33	16	10	10	3
Response rate of complaints	100%	100%	100%	100%	100%

Description:

1. Data of Wanbang Biopharma include data of all subsidiaries under Wanbang Biopharma.
2. Data of Yao Pharma include data of all subsidiaries under Yao Pharma



#### Marketing Compliance Flowchart for Individual Medical diagnostics Subsidiaries:



#### Statistics of training related to quality of major pharmaceutical subsidiaries under Fosun Pharma in 2015

Project	Yao Pharma	Guilin Pharma	Wanbang Biopharma	Aohong Pharma	Erye Pharma
Employees' training time (hour/person)	36.04	13	33.38	34	13

#### Description:

1. Data of Wanbang Biopharma include data of all subsidiaries under Wanbang Biopharma.
2. Data of Yao Pharma include data of all subsidiaries under Yao Pharma..

#### Training of medical diagnosis subsidiaries of Fosun Pharma Group

Name of subsidiary	External training time	Internal training time
Long March Medical	18 hour/person	11 hour/person
Yaneng Bio	2 hour/person	2 hour/person
Fosun Biolog	16 hour/person	18 hour/person
Fosun Med-Tech	12 hour/person	14 hour/person
Changxing Medical	8 hour/person	5 hour/person

During market promotion in 2015, medical diagnosis subsidiaries under Fosun Pharma Group were in strict compliance with national laws and regulations, and had never been reported for disciplinary dispositions by the supervisory department for any illegal advertising or promotion. Subsidiaries of Fosun Pharma value customer services. In 2015, more than 200 customer satisfaction surveys were conducted among distributors and hospitals. Questions asked by customers were answered in a timely manner. The products and services were well received by the customers.

Medical diagnosis subsidiaries of the Group actively assume responsibilities for issues appearing during the application process by solving them, providing guidance on them and providing quality services. They set up free toll number 800, have professional technicians for field services and training and others. Customer services personnel pay regular visits to customers and provide them with product information, and conduct product training and on-site services on a regular basis. They also build periodical circuit tour mechanism to actively provide support by visiting customers, and set up a national hotline for 24-hour free telephone support. Customer services provided in 2015 totaled over 45,000 hours to a headcount of more than 4,300 people.

Individual medical device subsidiaries under the Group put in place sales, after-sale services and other quality management systems and operational guidelines to ensure quality management of sales and after-sale services of products. The production and operation activities of the medical device subsidiaries strictly complied with laws and regulations and the requirements of quality management system. The pass rate for qualified products reached pre-set goals and was rising. For example, Chindex required new employee to learn and sign a confirmation letter of commercial activities of Chindex (Beijing) in the process of entry formalities, new employees are also given relevant training by legal department during orientation; Foshion Medical System entered into compliance sales agreements with each cooperative customers, and the cooperative customers were required to provide three licenses to the company; and Huaiyin Medical proactively applied to the local inspection authority for "bribery inquiry" every year. The medical device subsidiaries also drew up procedures of customers' satisfaction survey and complaint handling by ways of telephone follow-ups, surveys and on-site support, to reinforce the protection of consumers' health and safety.

## Quality Safety Training

To enhance the standards for quality management systems, accept the latest quality ideas, and consolidate standard operating procedures, pharmaceutical subsidiaries under the Group highly value quality training. Key production quality managers are sent to attend professional forums and trainings on specific topics such as risk management, the production, verification, and change management of sterile preparations on the one hand, and all staff within these enterprises participate in management training on the latest GMP and training of standard operation procedure on the other.

Throughout 2015, the Group focused on quality safety training. According to the statistics, each person in pharmaceutical subsidiaries received more than 30 hours of quality training on average every year.

Medical diagnosis subsidiaries of Fosun Pharma Group have established their own production management and quality management mechanisms to specify quality management responsibilities of related departments and staff. Staff engaged in production operation and testing complete pre-service professional training. Staff engaged in production and quality control of in-vitro diagnostic reagents have to complete the training and pass the test on applicable laws and regulations. Specialized technicians are equipped with professional background knowledge and related practical experience to fulfill their responsibilities at work.

In light of the promulgation of new Medical Instruments Supervision and Management Regulations and relevant ancillary rules by the state, medical device subsidiaries of Fosun Pharma Group provided internal and external staff trainings for all employees to strengthen their legal awareness in this regard. For example, Shanghai Transfusion organized 25 internal trainings on quality safety for a total of 986 hours (of which 20 hours was about suppliers' management) throughout the year, and participated in 32 external trainings on quality safety for a total of 658 hours; Huaiyin Medical organized its professionals to take part in the standardized training provided by Technical Committee of CFDA, the standard compilation training provided by Quality and Technical Supervision Bureau of Huai'an City, the adverse events training provided by the Municipal Administration and the management training of factories in clean area provided by the Municipal Administration, and commenced the training on GMP (requirements of quality management of medical devices), quality control, process flow, system documents and so on.

## Supplier Management

Supplier management is one of the important parts of quality management systems of pharmaceutical enterprises. The selection of suppliers has a direct influence on the quality and safety of products.

In 2015, Fosun Pharma draw up and issued Pilot Basic Standards of Procurement and Tender Management for Shanghai Fosun Pharmaceutical (Group) Co., Ltd., (trial), and Traffic Lights Pilot Management Assessment Indicators for Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (trial), to regulate the procurement and tender of its subsidiaries.

41 holding subsidiaries gradually completed their trainings and online works throughout 2015 via procurement and tender platform. Currently, the Group has implemented comprehensive management on key control points such as basic principle of supplier selection, scope of tender, procurement method, announcement, supplier entry, evaluation and calibration. The open and transparent tenders and consistent procurement channels help to reduce procurement costs effectively. Meanwhile, it also enhances the capability of Fosun Pharma to coordinate, support and regulate the procurement and tender of the holding subsidiaries. The Group reviews and assesses the procurement and tender completed on a timely basis based on pre-set key management assessment indicators, continues to further optimize the comprehensive management of procurement and tender, and enhances the integrated capability and standard of procurement management. In 2015, Fosun Pharma and its holding subsidiary made 275 tender announcements via Fosun's procurement and tender platform, of which, 211 were open tenders and 64 were invitations for tender. The tenders covered production supplies, infrastructure and non-production items.

While regulating and strengthening management, Fosun Pharma also advocates the implementation of electronic tender document via electronic tender platform to reduce paper consumption for tender document and supplier tender document.

In 2015, Fosun Pharma coordinated with various segments of holding subsidiaries to commence performance evaluation of major suppliers for 2014 based on uniform supplier assessment indicators (except connected transaction), and a total of 793 suppliers were evaluated. The evaluation results of suppliers' performance were disclosed via Fosun's procurement and tender platform to help subsidiaries understand the supplier services in Fosun Pharma and increase the ability of controlling supply quality. Fosun Pharma encourages its holding subsidiaries to give priority to supplier with social responsibility in respect of procurement quality assurance and provision of quality products. In 2015, Fosun Pharma entered into strategic cooperation framework agreements with 8 renowned local and overseas enterprises (such as Agilent, WATERS, Shimadzu, Lenovo, etc.) in order to ensure quality and reduce costs, and to make sure the supply chain of upstream and downstream enterprises is aligned with environmental protection, social responsibility and operation philosophy.

In 2015, centralized procurement and procurement management department of Fosun Pharma cooperated with EHS department to organize seminars on green supply chain for subsidiaries in order to encourage them to undertake social responsibilities during procurement, which further facilitates the enterprises to implement the system of green supply chain.

All subsidiaries of Fosun Pharma have their supplier management procedures and annual supplier quality review systems in place, and perform various supplier audits (such as field quality audits, questionnaire audits, phone audits, etc.) prior to determining a qualified supplier, to ensure the quality and safety of drugs at the source, following the principle of fair price competition, procurement tender, and quality first for suppliers.

In terms of supplier management, pharmaceutical subsidiaries under the Group adopt supplier audit procedures, supplier management regulations, quality agreements negotiated with supplier, supplier assessment guidelines, etc. to facilitate scientific rating and classified management of suppliers' qualification, production environments, workmanship and technical standards, and quality assurance systems, etc.

Prior to a new supplier supplying goods, subsidiaries audit the supplier's

qualification, quality system, workmanship of products and operation of production site, among others, and perform quality testing and small-scale inspection of samples of imported goods and additionally verify the workmanship, stability, and backup proposals of the supplier. The supplier must meet all requirements to be qualified. During the goods supply period, subsidiaries perform annual statistical assessment on the quality, lead time, and service attitude concerning the received products to accomplish effective supplier management. The Group implements classified management for its suppliers in accordance with the level of risk involved of the materials they supply on quality of pharmaceuticals. A higher class means a higher level of risk and hence more frequent and higher standards of audits. Fosun Pharma enters into internal quality agreements with these suppliers to ensure product quality at the source.

Medical diagnosis subsidiaries of Fosun Pharma have established supplier assessment system. The materials purchased are from legal and qualified suppliers capable of quality assurance.

In terms of supplier management, medical diagnosis subsidiaries of Fosun Pharma introduce supplier audit procedures, supplier management regulations, supplier internal quality agreements and supplier assessment guidelines to facilitate scientific rating and classified management of suppliers. Prior to a new supplier supplying goods, the enterprises audit the supplier's qualification, quality system, workmanship of products and operation of production site, perform quality testing and small-scale inspection on samples of imported goods, and additionally verify the workmanship, stability, and backup proposals of the supplier. The supplier must meet all requirements to be qualified. During the goods supply period, the enterprises perform annual statistical assessment on the quality, lead time, and service attitude concerning the received products to accomplish effective supplier management. Each subsidiary implements classified management for its suppliers in accordance with the level of risk involved of the materials they supply on quality of pharmaceuticals. A higher class means a higher level of risk and hence more frequent and more advanced field quality audits, so that product quality can be ensured at the source.

Each medical diagnosis subsidiaries have their annual supplier quality review systems in place. For suppliers falling short of meeting quality requirements, the one ballot veto rule is adopted. The enterprises communicate with and provide feedback to suppliers through review, in order to help the latter improve the quality of their materials.

As of 2015, the medical device subsidiaries have more than 100 suppliers. Each subsidiary has established its own supplier management system to facilitate scientific rating and classified management of suppliers' qualification, production environments, workmanship and technical standards, and quality assurance systems, etc. Shanghai Foshion Medical Systems formulated the Qualified Supplier Selection System, and entered into agreements with suppliers every year through Rating Form of Qualified Supplier. Huaiyin Medical reassessed the control procedures based on the assessment of supplier and established a supplier archive which included business license, registration certificate, organization code certificate, product test report, product qualification report, tax registration certificate, tax code certificate, system documentation, CE.

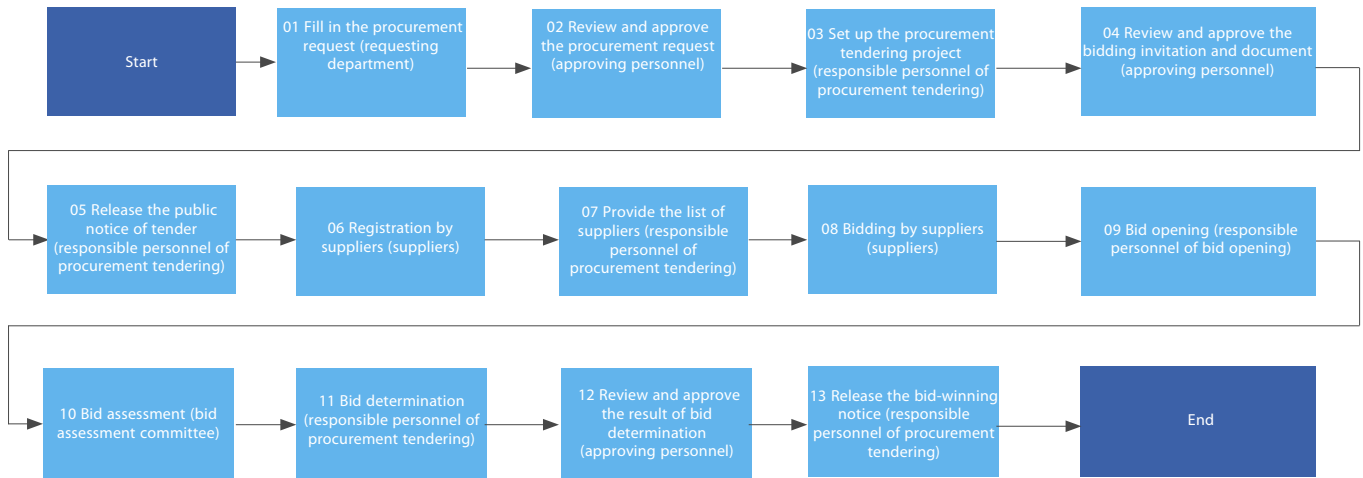
Medical device subsidiaries audit the existing supplier by ways of field audit, phone survey and questionnaire, and perform statistical assessment on the quality, in-time delivery, and services of products supplied in order to achieve an effective management of their suppliers.

Individual pharmaceutical subsidiaries under the Group also have annual supplier quality review systems in place that rate major suppliers periodically on their quality, goods supply and pricing. For suppliers falling to meeting quality requirements, the one ballot veto rule is adopted. The enterprises communicate with and provide feedback to suppliers through review in order to help the latter improve the quality of their materials. Subsidiaries establish their own supplier archive and supplier assessment system, and update their list of qualified suppliers. They implement classified and prioritized management to ensure quality.





### Open Tender Procedure of Fosun Pharma and Subsidiaries



### Geographical Distribution of the Suppliers of Fosun Pharma Group's Major Pharmaceutical Subsidiaries in 2015

Province (Autonomous Region)	Wangbang Biopharma	Yao Pharma	Guilin Pharma	Aohong Pharma	Erye Pharma
Anhui Province	10	7	1	0	3
Beijing City	13	13	5	3	3
Guangdong Province	13	16	23	0	9
Guangxi Autonomous Region	5	2	29	0	1
Hebei Province	21	13	23	2	14
Henan Province	17	5	7	0	4
Hubei Province	7	9	13	1	4
Hunan Province	5	4	9	0	1
Jilin Province	2	3	1	3	1
Jiangsu Province	121	49	28	7	91
Liaoning Province	5	4	6	9	3
Inner Mongolia Autonomous Region	0	2	2	0	2
Shandong Province	44	30	18	10	20
Shanxi Province	5	1	1	0	2
Shanghai City	72	33	23	4	42
Sichuan Province	6	34	12	2	4
Taiwan Province	0	0	0	0	0
Tianjin City	9	7	2	1	7
Shaanxi Province	9	3	1	0	3
Yunnan Province	0	1	0	0	0
Zhejiang Province	40	18	12	0	19
Chongqing City	6	56	7	1	4
Jiangxi Province	4	1	5	0	0
Fujian Province	1	2	0	0	0
Hainan Province	3	0	0	0	3
Ningxia Autonomous Region	2	0	2	0	0
Gansu Province	0	0	1	0	0
Heilongjiang Province	4	0	0	1	0
Xinjiang Autonomous Region	2	2	2	0	1
Qinghai Province	0	0	2	0	0
Overseas suppliers	23	1	5	0	0
Total	557	316	240	44	241

Note:

1. The data of Wangbang Biopharma includes the data of all the subsidiaries under Wangbang Biopharma.
2. The data of Yao Pharma includes the data of all the subsidiaries under Yao Pharma.

Management Information of the Suppliers of Fosun Pharma Group's Major Pharmaceutical Subsidiaries in 2015

Subsidiary	Guilin Pharma	Wangbang Biopharma	Aohong Pharma	Erye Pharma	Yao Pharma
Number of suppliers involved in business for the year	169	377	41	124	219
Number of suppliers for quality review for the year	169	309	41	45	183
Number of suppliers for quality review / Number of suppliers involved in business for the year	100%	81.96%	100%	36%	84%
Audit methods of suppliers	field audit and desk audit	field audit and desk audit	field audit and desk audit	field audit and desk audit	field audit and desk audit
Number of denied suppliers for the year	1	17	1	0	0

Note:

3. The data of Wangbang Biopharma includes the data of all the subsidiaries under Wangbang Biopharma.

4. The data of Yao Pharma includes the data of all the subsidiaries under Yao Pharma.

## Patient-Centered Medical Services

The medical quality and safety of patient are the permanent themes for the survival and development of hospitals. Medical services subsidiaries of Fosun Pharma Group adopt the "patient-centered" service concept, uphold the principle of "patient first, quality first" and highly concern the medical quality and safety of patient.

### Medical quality system and measures

In order to strengthen the medical care management of medical services subsidiaries, regulate the medical practice, ensure the medical safety, protect the legal rights and interests of hospitals and patients, comprehensively heighten the level of medical quality and improve the quality of medical services, Fosun Pharma has established a medical quality management committee and a nursing management committee and each medical services subsidiary has set up a quality management system which consists of three different levels including the quality management committee, the functional office (quality control department) and the department quality team of the hospital. As such, the organizational construction of medical quality management of the Group has been improved and the medical system established by medical services subsidiaries has been regulated with the focus on 16 key medical systems. Also, the standard for assessment and evaluation has been established in order to continuously supervise and improve the medical quality of medical services subsidiaries. At the end of the year, the Group has conducted a comprehensive performance assessment on medical services subsidiaries with the focus on medical quality, and the level of medical quality of each medical services subsidiary has improved significantly.

Each medical services subsidiary has established the medical quality and safety management committee and the president of hospital shall be the first person responsible. Safety systems such as "medical risk identification, prevention and handling system (procedure)", "medical safety (adverse) event reporting system and handling procedure", "surgery safety checking system", "surgery risk assessment system (procedure)", "critical value management system" and "risk prevention system for accidents such as patient tumble and fall from bed and relevant reporting and handling plan and procedure" have been strictly implemented. Regular checking is conducted on a monthly basis and relevant analysis and comment is conducted on a quarterly basis. Also, employees have participated in performance assessment and received regular safety education and training in various ways, including cardiopulmonary resuscitation, emergency and severe cases rescue through green passageway, key medical system, medical dispute prevention and handling plan, vulnerability analysis, hospital-acquired infection prevention, fire safety, fire drill, electrical safety and mechanical safety, so that the safety of patient is guaranteed.

During 2015, Chancheng Hospital has accepted nine inspections conducted by health administrative department at a higher level such as medical quality of specialist clinic, immunization program, laboratory bio-safety, clinical use

of blood, medical quality of hospital and basic public health services. The scope of inspection includes various aspects such as medical practice, quality control, hospital-acquired infection, emergency rescue, intensive care, surgical anesthesia, medical technology, pharmacy and public health. The result of each inspection has been highly recognized by the inspection team. Also, the health administrative department at higher level has been deeply impressed by the high efficiency and quality of Chancheng Hospital and the strict requirement of quality from the competent department of Chancheng Hospital.

In addition, Chancheng Hospital has optimized the patient's medical treatment process through various ways and improved the service quality. The hospital has opened a Wechat service platform which provides services in six aspects: online consultation, binding of bank cards and medical cards, appointment registration through Wechat, report inquiry, top up and fee payment and free WIFI. The hospital has opened online appointment registration service and registration can be done on the official website of Foshan Health Bureau using Foshan Health Card. The hospital also provides self-registration service through the self-registration machine. Laboratory test results can be obtained through self-service. Queue management system has been implemented at the out-patient clinic, auxiliary examination and pharmacy. Display screens showing queue numbers are installed in waiting areas and each queue number will be called once in Mandarin and once in Cantonese. Currently, appointments made through the Wechat platform account for 30% of the total number of appointment registration. Appointments made through various ways such as Wechat, official website, telephone and on-site appointment account for 63% of the total number of appointment registration of the hospital. As such, the medical waiting time of patient has been significantly reduced and the medical experience has been improved.

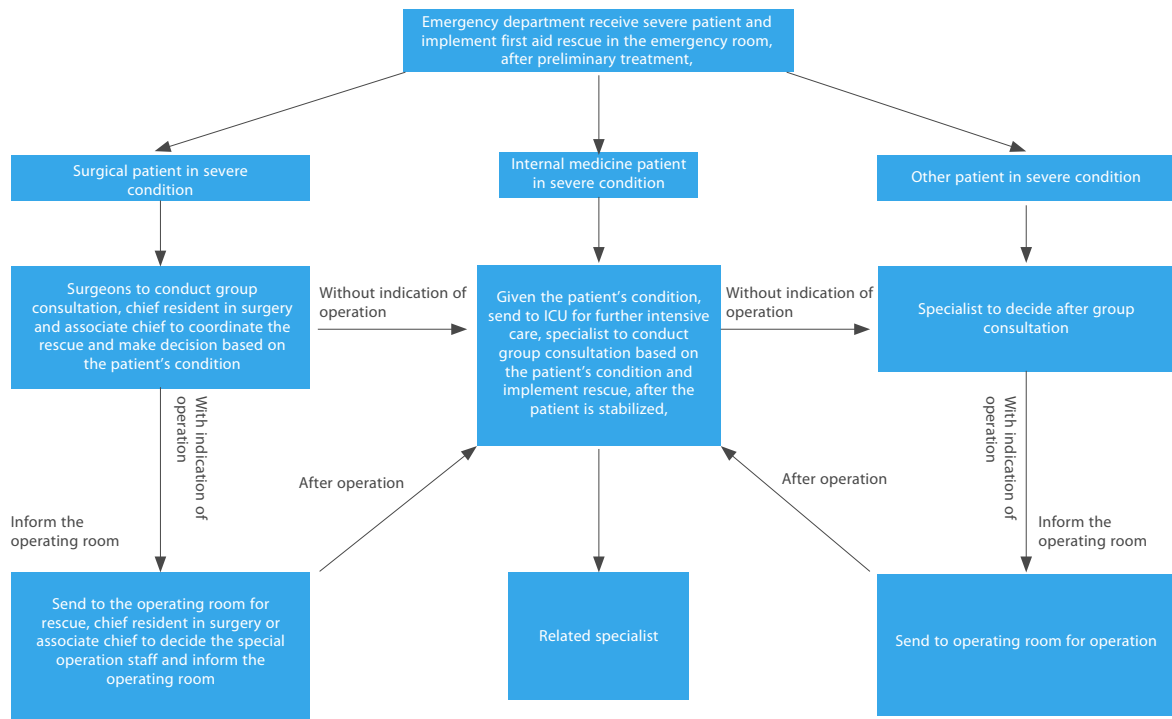
Guangji Hospital has passed the baby-friendly hospital inspection in Hunan Province and is awarded the title of baby-friendly hospital. Guangji Hospital has passed the blood transfusion quality inspection in Yueyang City, the infectious disease prevention and treatment work inspection in Hunan Province and the obstetrics quality inspection in Hunan Province, and ranked the first among the for-profit hospitals in the province.

Zhongwu Hospital has accepted the mid-year inspection in respect of medical treatment, nursing, hospital-acquired infection and finance conducted by the department of medical administration of Jiangsu Provincial Commission of Health and Family Planning and ranked second in the group. It also ranked second in the hemodialysis inspection conducted by Suqian Municipal Commission of Health and Family Planning.

Jimin Cancer Hospital has established a demonstration ward for standardized treatment of cancer pain in Anhui Province. In the quantitative classification of health supervision of medical institutions (Grade 1 or above) in Hefei City, Jimin Hospital has been awarded Grade A (the top grade) in the quantitative classification of health supervision of private hospital. Its bio-safety laboratory has been awarded Protection Level 2 of the pathogenic microorganism laboratory in Anhui Province.



### Rescue Procedure for Acute and Severe Patient of Chancheng Hospital (Green Passageway)



### Doctor-patient relationship

In order to ensure the right to life of the patient, each medical services subsidiary has set up green passageway for the rescue of emergency, critical and severe patient. The "two first two after" policy (rescue comes first, registration and payment after; first aid comes first, inpatient procedure after) shall apply once the patients enter the green passageway. All the medical staffs are obliged to actively participate in the rescue of patient from the "green passageway" and shall not pass the buck or ignore the call from "green passageway". Person or department which interfere the "green passageway" shall be held accountable.

All medical services Subsidiaries of Fosun Pharma Group effectively implements the protection for patient's privacy through system and training. Meanwhile, the patient's right of acknowledgement and right of choice are well respected. As one of the important key systems of the hospital, inform management system is strictly implemented by each medical services subsidiary. Medical staff will perform informing duty before each clinical activity by conducting effective communication with the patient and his/her family members, inform the risk involved in the clinical activity, encourage the patient and his/her family

members to actively participate in the clinical activity, respect the choice and opinion of the patient, improve the medical quality, ensure the medical safety and reduce the chance of medical dispute.

### Medical complaint and medical dispute

All medical services Subsidiaries of Fosun Pharma Group highly values the prevention and management of complaint and medical dispute. The hospital has established a two-level (hospital and department) organizational structure for complaint and medical dispute handling, each of them is responsible for handling the complaint and medical dispute of the hospital and the department, respectively. It has also formulated "the rules on management of hospital complaint and medical dispute" and "the implementation procedure of management of hospital complaint and medical dispute" and handles the medical complaint and dispute properly in accordance with the system and the procedure.

During 2015, the incidence rate of medical dispute of the medical services subsidiaries has been reduced significantly. Chancheng Hospital has seven

medical disputes during the year, which are solved properly via negotiation and communication between doctors and patients. The compensation expense of medical dispute of Guangji Hospital, which only accounted for 0.1% of the total revenue of the hospital for the year, decreased significantly compared to last year, and Jimin Cancer Hospital has no dispute during the year. According to the regular survey of patient satisfaction (including bedside questionnaire, out-patient random sampling survey, discharged patient telephone follow-up and feedback from the mailbox of the president) conducted by each hospital, the patient satisfaction rate of each hospital is over 92%. Chancheng Hospital ranked second in Guangdong Province in terms of public satisfaction in 2015.

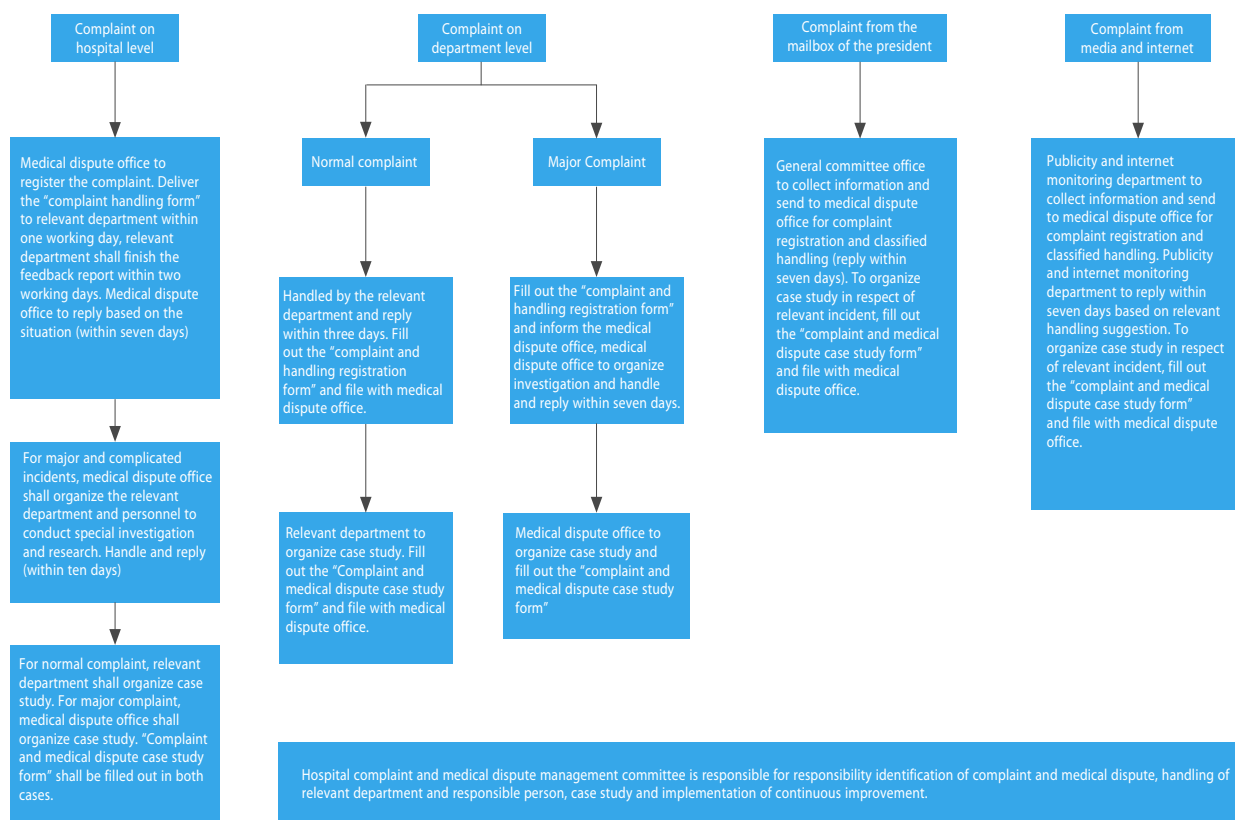
## Medical Quality Training

According to the requirement from Fosun Pharma Group on medical care, nursing, logistics and finance and based on the situation of the hospital, Chancheng Hospital has established the standard of quality and safety, and is able to analyze the quality and safety situation of the hospital at any time

and work on new methods to improve the quality and ensure safety as well as controlling measures on a timely basis. Chancheng Hospital has held 17 safety training sessions for all the staffs during the year and 2,192 staff have participated in it. Guangji Hospital has held 46 training sessions for all the staffs during the year and over 1,600 people have participated in it. Jimin Cancer Hospital has held over ten extinguishing training sessions during the year and all the staffs have passed the cardiopulmonary resuscitation test. Zhongwu Hospital holds the medical quality and safety management meeting quarterly to analyze the problems on medical quality and safety, and make rectification accordingly. Zhongwu hospital encourages the reporting of medical adverse events. Medical affair department collects and analyzes the reported events on a monthly basis, conducts root cause analysis for special and representative events, formulates corrective measures and circulates the event in the hospital, so that all the departments can learn the lesson and prevent the reoccurrence of similar events. The hospital has held two training sessions on doctor-patient communication, eight root cause analyses and two vulnerability analyses and over 800 medical staff have participated in the training sessions.

Disclosure Description: Total staff number of holding subsidiaries mentioned in the Product and Quality Safety is the number of operating staff, referring the total number of staff of Production Department, Quality Department (includes Quality Assessment and Quality Control), Material Department, Engineering Department and Equipment Department, excluding financial and sales staff.

## Implementation Procedure of Management of Hospital Complaint and Medical Dispute of Chancheng Hospital





A portrait of Roseline Orlunwoh Dulu-Appah, a woman with dark hair and glasses, smiling. She is wearing a leopard print top, a gold chain necklace, and a blue lanyard. The background is a warm, textured orange-brown.

# Cooperation

For a long time, Fosun Pharma is committed to the development of Chinese medical and health undertakings, and actively support the Chinese government's foreign aids. In 2015, Fosun Pharma held 2 foreign human resources training programmes of Foreign Commerce Department – The Minister-level Seminar on Pharmaceutical Supervision and Management for Developing Countries and Seminar for Entry-Exit Health Quarantine Officials of Developing Countries. Fosun Pharma's foreign aids promotes the exchanges and studies of disease prevention and control works in each countries and the friendly cooperation relationships between China and developing countries.

Figure note: Roseline Orlunwoh Dulu-Appah from Malaria Control Centre of Cross River State of Nigeria is attending the Seminar on Malaria Control for Asian and African Countries, saying that she will apply the practical experiences learned from China after back to her country and eliminate malaria in Nigeria gradually by starting from the malaria control.



Environment  
Health &  
Safety (EHS)

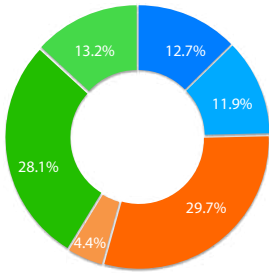


"We adhere to the philosophy of integrity and sustainable development, advocate and protect the harmonious development of enterprises, society and the environment. Fosun Pharma Group strives to provide a healthy and safe work place to our employees and stakeholders, and takes necessary measures to constantly reduce risks. We care for our employees, and value their physical and mental health. In the meantime, we are committed to the environmental and social sustainability strategy, to prevent pollution from occurring. In addition, we actively promote energy conservation and emission reduction, secure biodiversity, and build an environmental-friendly community." extracted from the Environment, Health and Safety Policy of Shanghai Fosun Pharmaceutical (Group) Co., Ltd..





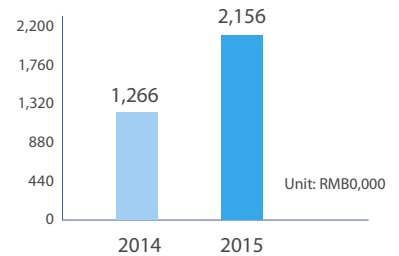
## Emphasis on environmental protection and continuous transformation and upgrade



EHS investment and operation expense

- Investment in health and safety facilities
- Operation of health and safety facilities
- Investment in fire protection facilities
- Operation of fire protection facilities
- Investment in environmental protection facilities
- Operation of environmental protection facilities

In 2015, the investment in environmental protection facilities (including construction and upgrade) was approximately RMB**21.56** million, increasing by **70%** compared to 2014

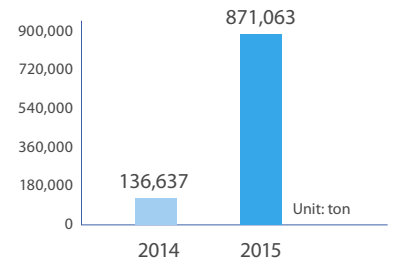


Investment on environmental protection facilities



## Promote energy conservation Promote water recycling

The total of water recycling in 2015 was **871,123** tons, **6.38** times of that in 2014, with measures like recycling concentrated water, collecting condensate water and reusing reclaimed water



Water recycling



**RMB9.72 million**

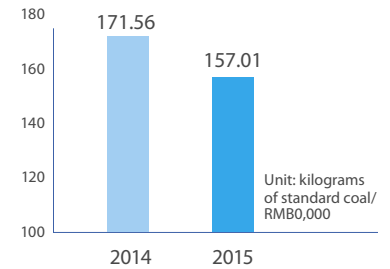
Energy savings

- Promote new energy-saving technology and eliminate equipment of high energy consumption and low efficiency. Annual energy savings were RMB**9.72** million

Energy intensity for every RMB10,000 in 2015

**157.01** kilograms of standard coal/RMB10,000

Decreasing by **8.5%** compared to 2014 (by promoting lean production and optimizing internal management)



Energy intensity for every RMB10,000



## Increase more EHS training



- In 2015, the total length of training was **71,474** hours, with **4.71** hours per capita (strengthening EHS awareness and professional skills training)

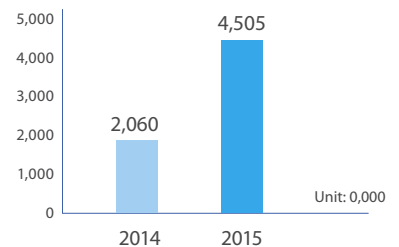


- In 2015, Occupational hazards factors exposure was **12.58%**, decreasing by **2.30%** as compared to the ratio of **14.88%** in 2014



## Emphasize the occupational health and safety

In 2015, the investment in occupational health and safety facilities and the total cost of operation was RMB**45.05** million, **2.1** times of that in 2014 (improving workplace safety)



Investment in health and safety

## Comprehensive energy consumption in 2015

173,414

tons of standard coal/year



RMB31.66 million

The total cost of environmental protection facilities in 2015

## Building and promoting the EHS management system

Fosun Pharma Group highly values the importance of the construction of Environment, Health & Safety (EHS) management system. The Group believes that a corporate citizen is responsible for protecting environment, as well as the physical and mental health, and personal safety of its staff. In 2015, the Group continued to implement the Environment, Health and Safety (EHS) Guidelines issued in 2014, carried out activities specified in the management system and the EHS Guidelines, such as seminars, professional concentrated and diversified trainings, risk identification and assessment, cross audit, routine & non-routine inspection, supervising Non-compliance correction tracking

hidden dangers and red/yellow light and regular management review. All these actions significantly promoted and enhanced the management of the environmental protection, occupational health and safety of the subsidiaries, generally enhanced the EHS awareness of the management and employees of every level, and effectively controlled the EHS risks, thereby laid a solid foundation for the sustainable development of the Group.

In 2015, Fosun Pharma EHS Management Department comprehensively improved the EHS work of the Group and all subsidiaries. All major matters by decision-making shall be reported to the president of the Company to fully embody the importance attached to the EHS work by senior management of the Group, and comply with the requirements of "one position with twofold responsibility" of EHS specified in the national laws.

Situations of 2015 Fosun Pharma Group Partial Subsidiaries EHS Certifications

Name of Subsidiaries	Category of certification	Name of subsidiary	Category of certification
Wanbang Biopharma	ISO14001 and OHSAS18001 Class III of production safety standardization Safety standardization Assessment	Shine Star	ISO14001, OHSAS18001 and Class II of production safety standardization
Wanbang Jinqiao	ISO14001 and OHSAS18001 Class III of production safety standardization	Huanghe Pharma	Class II of production safety standardization
Zhaohui Pharma	ISO14001 and OHSAS18001 Class III of production safety standardization	Hongqi Pharma	ISO14001, OHSAS18001 and Class III of production safety standardization
Chemo Biopharm	Class II of production safety standardization	Erye Pharmaceutical	ISO14001, OHSAS18001, and Class III of production safety standardization
Wanbang Folon	ISO14001, OHSAS18001	Carelife Pharma	ISO14001, OHSAS18001, and Class II of production safety standardization
Dongting Pharma	Class III of production safety	Yao Pharma	ISO14001, OHSAS18001, and Class II of production safety standardization
Aleph	Class III of production safety standardization	Long March Medical	Class II of production safety standardization



The Group, all business segments and each subsidiary have particular staff or EHS management committees to ensure the organizational support and effective implementation of the management system.

To ensure the requirements of EHS management system are precisely implemented and fulfilled by the subsidiaries, the Group constantly carries out individual audit of subsidiaries. After the joint audits of 7 institutions were conducted in 2014, the EHS department invited EHSQ supervision department of Fosun Group to carry out a comprehensive and independent audit of EHS system to five subsidiaries again, namely Yao Pharma, Dongting Pharma, Wanbang Biopharma, Chemo Biopharm and Chancheng Hospital. All the audit results meet the target values determined by the Company. Chancheng Hospital was the first service enterprise that passed Fosun Pharma Group's inspection of EHS system. Meanwhile, EHS department of Fosun Pharma and EHS managers of each business segment carried out a comprehensive EHS project inspection or flight inspection to all subsidiaries individually or jointly, which effectively enhanced the management level of EHS system.

Under the premise of strict compliance of national and local EHS laws and regulations and compulsory standards, each subsidiary is positive towards the continuous improvement in environmental protection, occupational health and safety accident prevention. All subsidiaries made considerable improvement in energy saving, consumption reduction, pollution and emission reduction, process safety management, occupational safety training and employees engagement.

The Group was one of the awarded units in Shanghai region of the 2015 National Cup of Anking Cup.

As of 2015, a total of 9 subsidiaries of the Group were awarded third-party certifications such as ISO14001, OSHA18001 and 13 subsidiaries passed third-party Safety standardization Assessment organized by Local Safety Inspection Bureau.

In 2015, the Environment, Health & Safety (EHS) operation of the Group achieved satisfactory performance generally.

## Environmental protection

"Committing to environmental and social sustainable development, preventing pollution from occurring, actively promoting energy conservation and emission reduction, securing biodiversity and building an environmental-friendly community" is the environmental protection policy of the Group. Environmental protection is one of the important social responsibilities of an enterprise citizen. Working on the basis of compliance with applicable laws and regulations, the Group adopted all necessary environmental protection and pollution prevention measures, to encourage all subsidiaries to apply various environmental-friendly new products and new technologies, carry out various environmental improvement projects voluntarily, proactively reduce consumption of power, energy and various resources via clean production measures such as process optimization and control at the source, improve the recycling rate of resources, and reduce the impact on the environment as a result of operation of enterprises. The Company also strives to focus on the construction of pollution emission control facilities, reduce total emission of various pollutants (such as sewage, air emissions and solid wastes) and the impact on soil and groundwater, strengthen the promotion and implementation of environmental management system, and continuously improve the environmental management behaviour of enterprises. Meanwhile, the Company strongly promotes green office and low-carbon transportation, to create an environmental-friendly society. It also enthusiastically supports environmental protection and community charity-related business to actively inspire individual stakeholders to pay attention to the environment and nature, thereby facilitating the sustainable development of the overall industry ecosystem.

The impact of the operational activities of the Group on the environment mainly arises from the consumption of relevant resources, such as power, oil, steam or other energy consumption, consumption of raw materials and auxiliary ingredients necessary for pharmaceutical manufacturing and municipal water and groundwater. Major environmental pollutant sources are wastewater (including industrial wastewater, hospital wastewater and domestic wastewater, the major pollutant factors of which are COD, NH<sub>3</sub>-N, SS, mineral oil, escherichia coli, etc.), atmospheric emissions (including process waste gas, furnace flue gas, exhaust emissions of transportation and non-organized emission source, the major pollutant factors of which are SO<sub>x</sub>, NO<sub>x</sub>, soot, VOC, acid fog, etc.) and solid wastes [hazardous wastes including waste activated carbon, boiling residue, waste solvents and trial reagents generated during pharmaceutical manufacturing, expired medicinal intermediates or products, and medical wastes generated by hospital operation and service; general wastes including recyclable (such as packing materials, wooden boards) materials that can be comprehensively utilized after harmless disposal (such as waste residues and biomass raw materials) and wastes generated during operation (such as domestic waste and food waste)].

The category of solid wastes generated by the Group and its subsidiaries, the disposal and final whereabouts of the pollutants are disclosed in the subsequent tables of this report. All subsidiaries identify and assess the potential environmental emergencies and formulate relevant environmental contingency

plans, based on the characteristic environmental risks of their own operation, to ensure that their operation activities would not cause any irreparable damage to the environment.

In 2015, the Group invested approximately RMB21.56 million in environmental protection hardware facilities (including construction, improvement, upgrade, etc.) and approximately RMB10.10 million in the operation of pollutants treatment facilities. The continuous capital investment in the environmental protection is crucial to the sustainable development of enterprises and the protection of surrounding community and environment.

No environmental pollution incidents occurred among individual subsidiary of the Group throughout 2015. Neither the enterprises were ever included in the list of polluting enterprises released by national or local environmental protection department, nor were they received administrative penalties by the local environmental protection department, or filed concrete complaints by surrounding entities or residents due to environmental issues.

## Utilization or consumption of resources

Data of Resources Consumption during the reporting period:

- (1) Water: 8,716,937 cubic meters/year
- (2) Electricity: 424,467,622 kWh/year  
eq. standard coal: 52,209,518 kg/year
- (3) Other energy-consumption eq. standard coals: 121,204,106 kg/year
- (4) Annual overall energy consumption: electricity + others = 173,413,623 kg/year eq. standard

## Protection of biodiversity

The Group values the protection of biodiversity in the region and area of the projects. None of its offices, operation premises and manufacturing facilities is located in natural reserves in order not to destroy primitive vegetation. It does not use rare animals in animal studies, either and does not use valuable plants and rare animals as raw materials during the process of production. We value the protection of biodiversity in the region and area of the projects. None of its offices, operation premises and manufacturing facilities is located in natural reserves in order not to destroy primitive vegetation. It does not use rare animals in animal studies, either. All subsidiaries of Fosun Pharma do not use valuable plants and rare animals as raw materials during the process of production.

## Environment protection management compliance

The Group attaches importance to compliance with laws and regulations relating to environmental protection. It has carried out Environmental Impact Assessment and Three Simultaneous Rules environmental inspections system to all new, renovation and expansion projects. In accordance with requirements of laws and regulations relating to environmental protection, all producing subsidiaries of the Group made timely pollutants registration with local environmental management authorities and subjected themselves to the legal supervision of those authorities. Governance and discharge of the Three Wastes, namely wastewater, air emission and non-hazardous and hazardous waste were effectively carried out under the supervision, ensuring discharge of pollutants according to the law. In places where a discharge permit system applies, each producing subsidiary obtained a discharge permit from the local regulatory authority. In places where wastewater discharge permits apply, each producing subsidiary obtained a discharge permit from the local water authority, or was processing the application for a discharge permit according to the procedures.

All subsidiaries under the Group have conducted regular environmental monitoring for discharge of the pollutants. According to environmental monitoring reports issued by local monitors or third parties, In 2015, each subsidiaries guaranteed to reach the standard of discharging three waste pollutants steadily.

The Group has reinforced risk control associated with environmental protection and management. In 2015, in addition to regular pursuit of understanding and grasping individual producing members' environmental protection status, the Company included environment protection requirements into its assessment or inspection on EHS systems of part of its subsidiaries, in order to urge them to make improvements, correct issues and failures existing in environmental protection and management, constantly perfect and enhance environmental protection and management operation standards, precisely fulfill their social responsibilities in terms of energy-saving, emission reduction, and environmental protection.



Water Resource Consumption  
8,716,937 m<sup>3</sup>/year



Water Consumption Intensity Per RMB10,000 Decreased by  
0.34t/RMB10,000, an year-on-year decrease of 4.1% as compared that of 2014

## Utilization and consumption of resources

In 2015, the consumption of water resources and energy resources by Fosun Pharma Group were set out as the table below. There were 38 subsidiaries as a total that we had studied. On entirely equivalent basis, the total water consumption and the total electricity consumed PER RMB10,000 in 2015 increased by 4.1% and 0.6% as compared with that in 2014. However, the integrated energy consumption ration fell as compared with that in 2014. Water consumed per RMB10,000 of output and energy consumed per RMB10,000 of output decreased by 0.34t to per RMB10,000 and 14.55kg coal equivalent per RMB10,000, representing a decrease of 4.1% and 8.5% as compared with

2014. The increase in total volume of water and electricity consumed was an increase in the output from certain controlling subsidiaries of the Group. However, during the ramp, the subsidiaries did not forget to enhance the utilization efficiencies in water resources and energy, which gradually reduced the strength in water consumption and power consumption. Moreover, certain subsidiaries commenced to adopt coal boiler to electricity or gas, so as to mitigate the air pollution created by the coal used in boiler by the enterprises. Therefore under the allocation of consumption for electricity, other energies and integrated consumption, the consumption of electricity slightly raised and other energies slightly fell. There was a downward moving trend for the integrated consumption. This also adequately demonstrated the efforts and achievements done by the Group in energy consumption management.

Energy and resources consumption comparison at Fosun Pharma Group

Year	Total water (Unit: cubic meter/year)	Total electricity (Unit: kWh/year)	Electricity in standard coal (Unit: kg/year)	Total consumption of other energies than electricity (Standard coal) (Unit: kg/year)	Overall energy consumption(in standard coal)(Unit: kg/year)	Energies consumed per RMB10,000-worth of production (in standard coal) (Kg/RMB0,000)	Water consumed per RMB10,000-worth of production (m <sup>3</sup> /RMB0,000)
2011	7,440,584	174,413,259	No Statistics	109,521,700	No Statistics	No Statistics	No Statistics
2012	6,175,823	249,387,502	No Statistics	79,928,627	No Statistics	No Statistics	No Statistics
2013	7,777,884	365,006,317	44,859,276	120,177,461	165,036,737	No Statistics	No Statistics
2014	8,377,364	421,765,752	51,835,11	122,713,255	174,548,266	171.56	8.23
2015	8,716,937	424,467,622	52,209,518	121,204,106	173,413,623	157.01	7.89

Various primary energy consumption conversion indicators involved in the process of production by subsidiaries of the Fosun Pharma Group (Converted to standard coal in accordance with centralized standards of the following table)

Type	Standard coal conversion coefficient
Natural gas	1.3300 kg of standard coal/cubic meter
Liquefied gas	1.7143 kg of standard coal/kg
City gas	0.5143 kg of standard coal/cubic meter
Steam	0.08576 kg of standard coal/kg
Raw coal	0.7143 kg of standard coal/kg
Diesel	1.4571 kg of standard coal/kg
Gasoline	1.4714 kg of standard coal/kg
Fuel	1.4286 kg of standard coal/kg



Resources consumption among subsidiaries in 2015 (Source of data: 38 subordinated subsidiaries of the Company) (Illustration of the reason of addition due to material changes in data of subsidiaries)

Name of company	Total water for the year (m <sup>3</sup> )	Total electricity for the year (KWh)	Electricity in standard coal for the year (Kg)	Total consumption of other energies than electricity (in standard coal) (Kg)	Energies consumed per RMB10,000-worth of production (in standard coal) (Kg/RMB0,000)	Water consumed per RMB10,000 – worth of production (m <sup>3</sup> /RMB0,000)
Wanbang Pharma	210,000	10,358,700	1,274,120	2,635,576	62.15	3.34
Wanbang Jinqiao	115,000	6,840,500	841,382	2,528,200	284.91	9.72
Zhaohui Pharma	88,412	6,687,517	822,565	1,069,665	81.30	3.80
Chemo Biopharm	69,520	7,840,860	964,426	1,226,825	184.42	5.85
Wanbang Folon	27,953	1,088,250	133,855	379,824	79.43	4.32
Wanbang Sainuokang	11,000	149,991	18,449	41,389	7.07	1.30
Dongting Pharma	459,781	8,771,019	1,078,835	8,657,512	206.01	9.73
Aleph	82,637	5,094,051	626,568	848,370	367.91	20.61
Guilin Pharma	595,522	21,921,400	2,696,332	6,604,938	143.02	9.16
Shine Star	4,802,129	265,100,000	32,607,300	82,905,230	1,100.12	45.73
Huanghe Pharma	40,489	2,412,486	296,736	430,381	72.38	4.03
Aohong Pharma	118,486	5,701,080	701,233	2,265,093	31.41	1.25
Hongqi Pharma	52,140	1,239,135	152,414	709,788	56.11	3.39
Hexin Pharma	23,509	372,400	45,805	27,150	3.21	1.03
Erye Pharma	333,662	16,118,766	1,982,608	3,374,790	88.67	5.52
Carelife Pharma	164,067	5,018,700	617,300	693,347	76.65	9.59
Kaixing Pharma	41,414	2,291,250	281,824	802,906	986.12	37.65
Yao Pharma	304,271	25,721,146	3,163,701	3,116,427	33.05	1.60
Shanghai Henlius	18,709	619,033	76,141	168,430	128.45	9.83
SunTech Pharma	1,450	267,997	32,964	0	6.98	0.31
Chongqing Research Institute	9,087	420,127	51,676	111,548	16.32	0.91
Ruizhe Pharma*	17,000	1,950,000	239,850	240,419	NA	NA
Guangji Hospital	213,242	2,643,098	325,101	295,916	65.37	22.45
Zhongwu Hospital	116,219	2,880,000	354,240	16,421	17.99	5.64
Chancheng Hospital	424,479	10,092,218	1,241,343	1,047,704	23.10	4.28
Jimin Cancer Hospital	209,173	1,771,800	217,931	118,753	38.47	23.90
Changxing Medical	725	83,944	10,325	589	11.98	0.80
Fosun Med-Tech	1,923	847,100	104,193	0	10.22	0.19
Yaneng Bio	4,989	643,381	79,136	11,893	4.65	0.25
Long March Medical	13,000	2,900,000	356,700	0	11.89	0.43
Fosun Biolog	1,300	290,000	35,670	0	21.82	0.80
Foshion Medical System	360	192,059	23,623	0	2.50	0.04
Huaiyin Medical	38,745	1,375,291	169,161	58,384	18.02	3.07
Chindex (Beijing)	350	57,819	7,112	3,246	2.54	0.09
Chindex Shanghai International	330	97,753	12,024	8,525	1.01	0.02
Shanghai Transfusion	39,322	1,538,200	189,199	420,599	53.63	3.46
Laishi Transfusion	62,300	2,324,000	285,852	387,815	160.40	14.83
Alma Lasers	4,242	746,551	91,826	0	1.35	0.06

\* Note: Ruizhe Pharma is under construction during the reporting period

Data of energy consumption of subsidiaries in 2015

Name of subsidiary	Power Consumption	Type of non-electrical energy consumed during production							
		Natural gas	Liquefied gas	City gas	Steam	Raw coal	Diesel	Gasoline	Fuel Oil
	(kwh)	(M3)	(Kg)	(M3)	(Kg)	(Kg)	(L)	(L)	(Kg)
Wanbang Biopharma	10,358,700	0	10,870	0	30,000,000	0	0	30,000	0
Wanbang Jinqiao	6,840,500	0	5,000	0	29,380,000	0	0	0	0
Zhaohui Pharma	6,687,517	4,554	0	0	6,200,000	0	354,000	10,930	0
Chemo Biopharm	7,840,860	0	0	0	14,026,950	0	6,598	9,692	0
Wanbang Folon	1,088,250	182,987	2,596	0	0	130,000	0	26,602	0
Wanbang Sainuokang	149,991	0	0	0	461,000	0	0	1,260	0
Dongting Pharma	8,771,019	1,229,806	30	0	0	9,820,00	430	4,380	225
Aleph	5,094,051	0	3,468	0	9,425,000	0	0	23,200	0
Guilin Pharma	21,921,400	0	0	0	0	9,197,370	7,719	16,317	0
Shine Star	265,100,000	0	0	0	0	116,065,000	0	0	0
Huanghe Pharma	2,412,486	0	4,000	0	4,757,300	0	0	10,560	0
Aohong Pharma	5,701,080	0	0	4,192,641	0	0	74,681	0	0
Hongqi Pharma	1,239,135	0	5,663	0	0	0	21,943	45,662	420,635
Hexin Pharma	372,400	10,555	0	0	0	0	0	8,911	0
Erye Pharma	16,118,766	0	0	0	38,750,000	0	14,200	21,000	0
Carelife Pharma	5,018,700	30,341	0	0	7,614,200	0	0	0	0
Kaixing Pharma	2,291,250	598,200	234	0	0	0	2,711	2,004	0
Yao Pharma	25,721,146	2,283,754	0	0	0	0	23,680	27,854	0
Shanghai Henlius	619,033	0	0	0	0	0	110,000	5,538	0
SunTech Pharma	267,997	0	0	0	0	0	0	0	0
Chongqing Research Institute	420,127	70,130	0	0	0	0	0	12,420	0
Ruizhe Pharma	1,950,000	0	0	0	2,800,000	0	200	0	0
Guangji Hospital	2,643,098	190,350	0	0	0	0	21,766	7,500	0
Zhongwu Hospital	2,880,000	0	0	0	0	0	0	11,160	0
Chancheng Hospital	10,092,218	592,363	0	0	2,190,000	0	8,719	40,330	0
Jimin Cancer Hospital	1,771,800	58,124	0	0	0	0	4,634	23,580	0
Changxing Medical	83,944	0	0	0	0	0	0	400	0
Fosun Med-Tech	847,100	0	0	0	0	0	0	0	0
Yaneng Bio	643,381	0	0	0	0	0	0	8,083	0
Long March Medical	2,900,000	0	0	0	0	0	0	0	0
Fosun Biolog	290,000	0	0	0	0	0	0	0	0
Foshion Medical System	192,059	0	0	0	0	0	0	0	0
Huaiyin Medical	1,375,291	0	0	0	0	0	15,111	24,715	0
Chindex (Beijing)	57,819	0	0	0	0	0	0	2,206	0
Chindex Shanghai International	97,753	0	0	0	0	0	0	5,794	0
Shanghai Transfusion	1,538,200	0	0	0	0	0	288,655	0	0
Laishi Transfusion	2,324,000	15,000	0	0	0	515,000	0	0	0
Alma Lasers	746,551	0	0	0	0	0	0	0	0





Promote New Energy Efficient Technologies, eliminate equipment with high energy consumption and low efficiency, save **RMB9,720,000** a year

## Energy conservation and emission reduction

The Group strived to achieve energy conservation. On the one hand, The Group completed the upgrading of energy-saving heating pipes technology, LED lighting, solar power water heater and insulation materials to eliminate and replace equipment of high consumption and low energy efficiency by applying new energy-saving technologies and devices on production equipment and public facilities.

On the other hand, they also optimized the layout and strengthened the energy management and control measures, such as optimization of energy consumption, zoning controls and reactive power compensation.

Moreover, each subsidiary enhanced the energy conservation and environmental protection awareness of their employees, to ensure normal production and operation, and the adoption of minimum temperature control.

In general, given the extensive and widespread promotion of effective energy-saving measures among the subsidiaries and the satisfactory economic and environmental benefits of the measures, the energy conservation shall maintain a good momentum of development. During the reporting period, a total of energy cost of approximately RMB9.7201 million was saved.

Energy-saving and consumption reduction measures of some subsidiaries of Fosun Pharma Group in 2015

Name of subsidiary	Energy-saving measures			Investment costs in improvement	Reduction in energy consumption RMB0,000
	Application of new technologies and equipment	Optimization of process and layout	Energy management		
Wanbang Biopharma	Transformation of air-conditioner's automatic control system				183.8
Wanbang Jinqiao	EDI and variable frequencies				14.4
Zhaohui Pharma		Using wastewater as cooling water; centralized gas supply in industrial park			101.4
Chemo Biopharm			Air-conditioning temperature start and stop, temperature control		50
Wanbang Folon	Transformation of air-conditioner's automatic control system	Transforming connection of pulverizer and refrigerant			16.15
Dongting Pharma	Triple-effect concentration, recycling of solvents, energy-saving lamp				20
Hongqi Pharma	Energy-saving lamp				10.2
Hexin Pharma	Energy-saving project of joint plant				-
Erye Pharma	ECC energy-saving heat pipe technology applied to the air-conditioner; energy-saving lamp				109.65
Carelife Pharma	Switch of lights in offices to voice-controlled	Centralized gas supply in industrial park			26.13
Yao Pharma					42.18
Chongqing Research Institute			Formulate requirements of energy consumption		0.26
Ruizhe Pharma	Reactive power compensation, transformation of air-conditioner's automatic control system, energy-saving lamp		Promoting energy conservation and guiding energy-saving behaviour		
Chancheng Hospital	EDI and variable frequencies		Promoting energy conservation and guiding energy-saving behaviour		208
Jimin Cancer Hospital	Solar power hot water system				9.36
Fosun Med-Tech		Setting up independent air-conditioning units in warehouse			3
Huaiyin Medical	Energy-saving lamp				9.5
Chindex Shanghai International			Promoting energy conservation and guiding energy-saving behaviour		2.4
Shanghai Transfusion			Promoting energy conservation and guiding energy-saving behaviour		17
Laishi Transfusion	Switching coal to natural gas				8



Total amount of recycling water is **6.38** times of that of in 2014



Total amount for recycling water in 2015 is **871,123** m<sup>3</sup> (t)

## Utilization and protection of water resources

In 2015, the total water consumption of subsidiaries of the Group amounted to 8,716,937 cubic meters (tons), which is mainly used for production, manufacturing, operational services, water consumption at offices and fire safety. The Group values the impact of water resources consumption on the environment, in addition to actively promote the upgrade and application of water-saving devices (such as sensor faucets, energy-saving nozzles, drip irrigation, etc.) among enterprises, it also adopts new water-saving technologies (such as collection of concentrate water, recycling of condensate water collected, recycling of intermediate water, etc.) capitalizing on the opportunities

of construction projects, expansion and reconstruction of projects to reduce consumption and utilization of water resources, and continue to reduce costs and improve efficiency via water conservation. For administrative management, measures such as secondary measurement and non-compliance prevention are taken to treasure every drop of water, and to enhance the water-saving and environmental protection awareness of all employees.

In 2015, the total volume of recycling water amounted to 871,123 cubic meters (tons), the volume of recycling water accounted for 9.99% of total water consumption of the year, the total volume of reused water represented 6.38 times of the total volume of recycling water (136,637 tons) in 2014.

## Examples of Fosun Pharma subsidiaries environment improvement projects.



### Case A: Erye Pharma ECC Heat Pipes Energy-efficient Air-condition Dehumidification and Synergy Project (With municipal and district energy efficient supports)

**Technology Introduction:** Using the temperature conversion of cold and hot air during the air-condition's cyclic process to convert energy of air precooling and heating via ECC heat pipes energy efficient air-condition synergy dehumidifier, thereby reduce air-condition's energy consumption;

**Coverage Area:** Completed the original drug and preparation for a total number of 6 workshops with 26 air handling units;

**Energy Efficient Estimation:** Saving power consumption of 968,4000 kWh and industrial steam of 7,161t per year. Saving 1079.37tce and RMB 1,911,700 per year;



### Case B: Yao Pharma Concentrate Water Collection and Intermediate Water Recycling Water-efficient Project

**Technology Introduction:** Recycling intermediate water from vapor condensation and wastewater treatment system of Renhe Factory to cooling tower; Recycling production wastewater from Shuitu Factory to cooling tower or intermediate water pool after collection and pre-treatment;

**Coverage Area:** A condensate recycle system and an intermediate water recycling system in Renhe Factory, 2 production wastewater recycling systems in Shuitu Factory;

**Water Efficient Estimation:** Water-efficient system of Renhe Factory is estimated to save water consumption of 87,200 tons per year, Water-efficient system of Shuitu Factory is estimated to save water consumption of 22,230 tons per year;



## Utilization of water resources of subsidiaries in 2015

Name of subsidiary	Water Consumed for the year	Water-saving measures		Water saving RMB0,000	Investment amount
		Water saving RMB0,000	Administration management measures		
Wanbang Biopharma	210,000			6,000	-
Wanbang Jinqiao	115,000			24,000	-
Zhaohui Pharma	88,412	Reusing water treated by wastewater treatment station as circulating water		2,800	1.40
Chemo Biopharm	69,520			0	-
Wanbang Folon	27,953	Water-saving devices (energy-saving nozzles)		0	1
Wanbang Sainuokang	11,000			0	-
Dongting Pharma	459,781	Water-saving devices (sensor faucets)	Assessment of production accountability system	0	-
Aleph	82,637			0	-
Guilin Pharma	595,522	Using circulating water pump, recycling of chilled water and cooling water		557,000	161
Shine Star	4,802,129			-	-
Huanghe Pharma	40,489			0	-
Aohong Pharma	118,486	Collection of post-purification concentrate water		8,000	2.98
Hongqi Pharma	52,140	Using circulating water as cooling water of equipment		3,000	0.6
Yao Pharma	304,271	Recycling and utilization of production wastewater and concentrate water		92,092	5.38
Hexin Pharma	23,509	Collection and recycling of condensate		10	-
Erye Pharma	333,662	Recycling and utilization of secondary reverse osmosis concentrate water, improving the water-saving of bottle cleaning machine		4,004	2.25
Carelife Pharma	164,067	Collection and reuse of treated post-purification concentrate water		135,000	32.06
Kaixing Pharma	41,414	Collection and recycling of condensate		4,181	8.6
Shanghai Henlius	18,709			0	-
SunTech Pharma	1,450			0	-
Chongqing Research Institute	9,087			0	-
Ruizhe Pharma	17,000		Prevention and elimination of non-compliance, management via administrative measures	960	0.41
Guangji Hospital	213,242			0	-
Zhongwu Hospital	116,219	Using treated water of dialysis room in bathroom of ER division		0	0.23
Chancheng Hospital	424,479	Water-saving devices (energy-saving nozzles)		0	20
Jimin Cancer Hospital	209,173			0	-
Changxing Medical	725	Recycling of EDI, RO concentrate water		50	0.06
Fosun Med-Tech	1,923			0	-
Yaneng Bio	4,989	Change of quality control method of water for production		0	0.01
Long March Medical	13,000			0	-
Fosun Biolog	1,300			0	-
Foshion Medical System	360			0	-
Huaiyin Medical	38,745	Water-recycling cistern for mill workshop		33,466	7.57
Chindex (Beijing)	350			0	-
Chindex Shanghai International	330			0	-
Shanghai Transfusion	39,322			0	0
Laishi Transfusion	62,300	Recycling of cooling water		500	6
Alma Lasers	4,242			0	-

The purchase, utilization and recycle of materials by some subsidiaries of Fosun Pharma Group in 2015

Name of company	Type of material	Name of materials	Purchased quantity (Kg)	Actual utilization (Kg)	Recycled quantity (Kg)	Recycled rate (%)
Wanbang Biopharma	1. Raw material	Insulin	292	290	NA	-
		Heparin	2,772	3,423	NA	-
		Telmisartan	2,409	2,671	NA	-
	2. Auxiliary ingredient	Lactose	10,085	9,275	NA	-
		Microcrystalline cellulose	5,220	4,552	NA	-
		Pregelatinized starch	9,150	7,864	NA	-
		Sorbitol	8,400	8,894	NA	-
		4#empty capsule (0'000 capsules) (0'000 pieces)	448	463	NA	-
	3. Packaging	Ampoule (5ml, 2ml) (0'000 capsules) (0'000 pieces)	3,140	3,336	NA	-
		Cork and rubber stopper (0'000 capsules) (0'000 pieces)	3,327	342	NA	-
		Vial (10ml, 2 ml, Cartridge vial) (0'000 capsules) (0'000 pieces)	3,802	3,801	NA	-
		Green aluminium cap, aluminum and aluminum (0'000 capsules) (0'000 pieces)	2,483	2,685	NA	-
Wanbang Jinqiao	1. Raw material	Pancreas (ton)	2,249	2,292	NA	-
		4-[2-[(3-Ethyl-4-methyl-2-oxo-3-pyrroline-1-carboxamido)-ethyl]-benzene sulfonamide	360	342	NA	-
		2-[3-methyl-4-(2-methyl-propoxy) phenyl]-4-methyl-5-thiazolecarboxylate (D matter)	935	735	NA	-
		Trimethyl chlorosilane 75-77-4	600	0	NA	-
	2. Auxiliary ingredient	Sodium chloride	147,900	160,375	NA	-
		Medicinal ethanol	142,476	128,279	NA	-
		Consumable alcohol	521,874	487,674	NA	-
		Acetone	33,810	26,720	NA	-
		Phosphoric acid	324,800	294,400	NA	-
	3. Packaging	Aluminum and plastic lid	130	130	NA	-
		Plastic bag (1000*700*0.08mm)	0	545	NA	-
		Composite packaging bag	0	242	NA	-
Zhaohui Pharma	1. Raw material	Ketoconazole	2,510	2,353	NA	-
		Lidocaine hydrochloride	6,000	7,441	NA	-
		Furosemide	10,000	9,790	NA	-
		Silymarin	3,500	2,661	NA	-
	2. Auxiliary ingredient	Dextrin	13,001	14,625	NA	-
		Starch	24,530	24,226	NA	-
		Lactose	13,030	15,156	NA	-
		Glycerin	45,011	45,166	NA	-
		Light liquid petrolatum	35,342	32,746	NA	-



The purchase, utilization and recycle of materials by some subsidiaries of Fosun Pharma Group in 2015

Name of company	Type of material	Name of materials	Purchased quantity (Kg)	Actual utilization (Kg)	Recycled quantity (Kg)	Recycled rate (%)
Zhaohui Pharma	3. Packaging	Ampoule (5ml, 10ml) (0,000 bottles)	4,715	4,614	NA	-
		Cap for cream (0,000 pieces)	2,674	2,677	NA	-
		Aluminum tubes for cream (0,000 tubes)	320	335	NA	-
Chemo Biopharm	1. Raw material	Human serum albumin, fetal bovine serum	3,855	3,604	NA	-
		Growth medium	3,857	4,269	NA	-
		Mannitol	1,050	837	NA	-
	2. Auxiliary ingredient	Disodium hydrogen phosphate	650	495	NA	-
		Sodium hydroxide	2,810	2,704	NA	-
		Sodium chloride	1,000	1,514	NA	-
	3. Packaging	rubber stopper and aluminum lid	5,679	12,005	NA	-
		Penicillin bottle (bottle)	33,428	55,339	NA	-
Wanbang Folon	1. Raw material	Aloe	38,724	36,270	NA	-
		Amber	23,760	34,714	NA	-
		Natural indigo	25,020	31,979	NA	-
		Mastic	4,089	3,710	NA	-
	2. Auxiliary ingredient	Magnesium stearate	508	547	NA	-
		Empty capsule (0,000 capsules)	23,339	21,445	NA	-
	3. Packaging	PVC	62,568	55,083	NA	-
		Aluminum foil	11,030	8,722	NA	-
Wanbang Sainuokang	1. Raw material	Crude heparin	7,936	7,160	NA	-
		Sodium hydroxide	160	100	NA	-
	3. Packaging	Sodium chloride	5,000	2,000	NA	-
		Plastic bag for medicines	0	40	NA	-
		Aluminum drum	0	40	NA	-
Dongting Pharma	1. Raw material	Methyl benzoate	142,000	140,850	NA	-
		Dibenzo[b,f][1,4]thiazepine-11-[10H]one	25,300	26,675	NA	-
		Ethanol	121,350	114,110	NA	-
		Barium	1,181,925	1,173,950	NA	-
		Aminomethyl benzoic acid	241,920	304,683	NA	-
	2. Auxiliary ingredient	Dextrin	1,975	1,900	NA	-

The purchase, utilization and recycle of materials by some subsidiaries of Fosun Pharma Group in 2015

Name of company	Type of material	Name of materials	Purchased quantity (Kg)	Actual utilization (Kg)	Recycled quantity (Kg)	Recycled rate (%)
Dongting Pharma	2. Auxiliary ingredient	Lactose	20,075	20,000	NA	-
		Corn starch	12,900	16,425	NA	-
	3. Packaging	Paper drum	11,150	15,904	2,430	15.3%
		Kraft paper bag	2,070	1,841	NA	-
Aleph	1.Raw material	Chicken embryo (0,000 pieces)	381	381	NA	-
		Sucrose	1,550	1,400	NA	-
	2. Auxiliary ingredient	Sodium chloride	1,000	1,588	NA	-
		Ether (L)	1,500	1,550	NA	-
	3. Packaging	Filled syringe (0,000 pieces)	194	202	NA	-
		Penicillin bottle (0,000 bottles)	98	170	NA	-
		Stoppers and caps (0,000 pieces)	199	341	NA	-
Guilin Pharma	1. Raw material	Raw materials for formulation	671,860	678,030	NA	-
		Chemical raw materials	8,257,230	8,266,030	NA	-
	2. Auxiliary ingredient	Auxiliary ingredient for formulation	625,460	623,940	NA	-
	3. Packaging	Packaging	1,964,925	2,104,232	NA	-
		Large box (piece)	437,445	495,796	NA	-
Shine Star	1. Raw material	Raw wool	65,237,507	61,206,638	NA	-
		Bran meal	3,323,570	3,499,300	NA	-
		Bran	7,074,360	707,000	NA	-
	2.Auxiliary ingredient	Raw coal (0,000 tons)	10.98	10.64	NA	-
		Hydrochloric acid (0,000 tons)	17,795	17,818	NA	-
		Liquid alkali (0,000 tons)	2,063	2,055	NA	-
	3. Packaging	Interior and exterior bag, bulk bag (0,000 bags)	233	228	38	16.5%
		Paper drum (0,000 drums)	31	30	NA	-
Huanghe Pharma	1.Raw material	Roxithromycin	16,950	13,896	NA	-
		Levofloxacin	12,250	10,539	NA	-
		Piperazine phosphate	25,500	25,675	NA	-
	2.Auxiliary ingredient	Starch (ton)	22	19	NA	-
		Super sodium Starch Glycolate (super disintegrating agent)	11,138	9,266	NA	-
		PVC sheet (coloured)	84,945	73,569	NA	-
	3.Packaging	Flower box (0,000 boxes)	4,189	3,986	NA	-
		BOPP packaging membrane	7,478	6,503	NA	-





The purchase, utilization and recycle of materials by some subsidiaries of Fosun Pharma Group in 2015

Name of company	Type of material	Name of materials	Purchased quantity (Kg)	Actual utilization (Kg)	Recycled quantity (Kg)	Recycled rate (%)
Aohong Pharma	1. Raw material	Bovine serum (L)	1,600,000	1,607,749	NA	-
		Snake venom	22	26	NA	-
	2. Auxiliary ingredient	Ethanol(L)	1,351,049	1327,195	1,120,551	84.4%
		Dimethicone (L)	41	30	NA	-
		Glycine	3,075	2,030	NA	-
		Sodium chloride	400	535	NA	-
		Succinyl pharmagel injection (L)	400	827	NA	-
		Sodium hydroxide	0	4,241	NA	-
		Hydrochloric acid for medicines	0	1,249	NA	-
		Tris (hydroxymethyl) aminoethane (tris)	350	300	NA	-
	3. Packaging	Adegold ampoule (5ml, 10ml) (0,000 bottles)	5,270	5,563	NA	-
		Bang Ting 1ku aluminum and plastic lidWB020 (0,000 pieces)	2,710	3,150	NA	-
		1ku/0.5kuPenicillin bottle for Bang Ting (0,000 bottles)	3,184	3,185	NA	-
		Chlorobutyl rubber stopper NB059 for Bang Ting (0,000 pieces)	3,350	3,478	NA	-
Hongqi Pharma	1.Raw material	Ethambutol hydrochloride	80,600	81,195	NA	-
		Rifampicin	66,926	59,667	NA	-
		Isoniazid	21,000	26,388	NA	-
		Pyrazinamide	42,440	46,991	NA	-
	2.Auxiliary ingredient	Starch	8,750	10,195	NA	-
		Low-substituted hydroxypropyl cellulose (Hydroxypropyl cellulose)	7,500	9,182	NA	-
		Magnesium stearate	2,115	2,614	NA	-
		Microcrystalline Cellulose	3,500	5,207	NA	-
Hexin Pharma	3.Packaging	PVC sheet (295mm, 180mm)	51,384	48,228	NA	-
	1. Raw material	Cefpodoxime Proxetil	50	53.63	NA	-
	2. Auxiliary ingredient	Non-iodised salt	100	200	NA	-
Erye Pharma	3.Packaging	Blank instruction of cefpodoxime proxetil tablet (sheet)	89,000	29,992	NA	-
	1. Raw material	Penicillin API	151,620	150,618	NA	-
		Cephameycins API	90,628	88,426	NA	-
	2. Auxiliary ingredient	Mannitol	6,225	6,375	NA	-
		Capsule (0,000 capsules)	9,239	10,095	NA	-
	3. Packaging	Penicillin bottle (0,000 bottles)	21,073	21,531	NA	-
		rubber stopper (0,000 pieces)	21,845	21,545	NA	-

The purchase, utilization and recycle of materials by some subsidiaries of Fosun Pharma Group in 2015

Name of company	Type of material	Name of materials	Purchased quantity (Kg)	Actual utilization (Kg)	Recycled quantity (Kg)	Recycled rate (%)
Carelife Pharma	1. Raw material	Lincomycin hydrochloride	115,520	115,520	NA	-
		N,N-dimethyl formamide	152,010	147,450	NA	-
	2. Auxiliary ingredient	Bis trichloromethyl carbonate	204,840	186,240	NA	-
		Liquid alkali	276,310	276,310	NA	-
		Acetone	1,092,600	1,084,650	874,080	80.6%
		Anhydrous ethanol	632,197	632,197	505,757	80.0%
		Dichloromethane	345,500	345,500	NA	-
Kaixing Pharma	1. Raw material	Cefmetazole acid	18,320	18,320	NA	-
	2. Auxiliary ingredient	Sodium bicarbonate	3,972	3,972	NA	-
	3. Packaging	Carton	41,850	41,850	NA	-
		Paper box	35,000	35,000	NA	-
Yao Pharma	1. Raw material	Glutathione	53,225	53,241	NA	-
		Yanhuning	4,618	3,557	NA	-
		Glutamine	13,700	12,400	NA	-
		Aspirin	3,000	4,434	NA	-
		Microcrystalline Cellulose	6,525	7,310	NA	-
	2. Packaging	High-density polyethylene bottle for oral solid medicines 45ml (0,000 pieces)	470	473	NA	-
		Aluminum and plastic lid for injection bottle (0,000 pieces)	15,656	16,670	NA	-
		Hologenated butyl rubber stopper for injection (0,000 pieces)	15,959	17,280	NA	-
		Low borosilicate stopper glass injection bottle (0,000 bottles)	16,465	16,461	NA	-
Shanghai Henlius	1. Raw material	Growth medium	100	100	NA	-
		Sinopharm Sodium chloride	100	100	NA	-
	2. Auxiliary ingredient	Hydrochloride histidine (L)	1.5	1.5	NA	-
		Trisodium citrate dihydrate (Sodium citrate)	50	50	NA	-
	3. Packaging	13mm Teflon coating rubber stopper (piece)	40,000	40,000	NA	-
		Neutral borosilicate stopper glass injection bottle (piece)	46,200	46,200	NA	-
SunTech Pharma	1. Raw material	Daclatasvir, nintedanib, tenofovir disoproxil fumarate, etc.	56.2	56.2	NA	-
		Imbruvica , sofosbuvir, bedaquiline, etc.	222.44	222.44	NA	-
	2. Auxiliary ingredient	Crosslinked povidone XL, Lactose 316, mannitol, sodium starch glycolate, sodium citrate, etc.	993.5	993.5	NA	-
		Pharmagel empty capsule	12	12	NA	-
	3. Packaging	High-density polyethylene bottle for oral medicines	412	412	NA	-
		Neutral borosilicate vial	140	140	NA	-



The purchase, utilization and recycle of materials by some subsidiaries of Fosun Pharma Group in 2015

Name of company	Type of material	Name of materials	Purchased quantity (Kg)	Actual utilization (Kg)	Recycled quantity (Kg)	Recycled rate (%)
Chongqing Research Institute	1. Auxiliary ingredient	Anhydrous ethanol	58,080	52,000	15,000	28.8%
		Dichloromethane	25,250	19,750	7,200	36.5%
		Methanol	16,160	14,560	5,000	34.3%
		Acetonitrile	11,400	6,000	NA	-
		Ethyl acetate	32,680	31,540	10,000	31.7%
		Acetone	17,100	10,650	800	7.5%
		Tetrahydrofuran	29,700	25,220	2,100	8.3%
	2. Packaging	20kg paper drum (piece)	450	322	NA	-
		Aluminum and plastic composite bag (5kg, 20kg) (piece)	800	393	NA	-
Guangji Hospital	2. Auxiliary ingredient	Syringe (5.5#, 7.0#) (0,000 pieces)	10	10	NA	-
		84 disinfectant	36,000	36,000	NA	-
		Syringe (10ml, 20ml) (0,000 pieces)	17	17	NA	-
	3. Packaging	Medicine bag (L)	110,000	100,000	NA	-
		Oral medication bag	30,000	30,000	NA	-
		CT plastic bag	30,000	18,000	NA	-
Zhongwu Hospital	2. Auxiliary ingredient	Oxygen (Oxygen bottle) (L)	12,750	12,750	NA	-
		Oxygen (Liquid oxygen) (ton)	116	116	NA	-
		Disinfection materials (L)	1,090	1,090	NA	-
	3. Packaging	Plastic bag (large)	2,766	2,766	NA	-
		Packaging bag for medicines (small)	280	280	NA	-
Chancheng Hospital	2. Auxiliary ingredient	Medical liquid oxygen (L)	284,870	280,000	NA	-
		Carbon dioxide	1,725	1,720	NA	-
		Liquid nitrogen	720	720	NA	-
		High purity argon (40L)	14	14	NA	-
	3. Packaging	Packaging bag (plastic)	4,730	4,714	NA	-
		Packaging bag (paper)	9,261	9,234	NA	-
Jimin Cancer Hospital	2. Auxiliary ingredient	Medical film gloves	1,000	1,000	NA	-
		Medical face mask	2,000	2,000	NA	-
	3. Packaging	Plastic CT bag	122	90	NA	-
		A4 printer paper	360	345	NA	-
Changxing Medical	1. Raw material	Protectant agent 24	0.5	0.45	NA	-
		Glycine	0.1	0.002	NA	-

The purchase, utilization and recycle of materials by some subsidiaries of Fosun Pharma Group in 2015

Name of company	Type of material	Name of materials	Purchased quantity (Kg)	Actual utilization (Kg)	Recycled quantity (Kg)	Recycled rate (%)
Changxing Medical	2. Auxiliary ingredient	Anhydrous ethanol	72	69	NA	-
	3. Packaging	Plastic bottle 2ml	50	18	NA	-
		10#Carton	20	19.6	NA	-
Fosun Med-Tech	1. Raw material	Electronic devices	1,350	1,305	NA	-
		Ethanol	3	3	NA	-
	2. Auxiliary ingredient	Test reagent	20	20	NA	-
	3. Packaging	Crates	450	435	NA	-
		Plastic bottle	1	1	NA	-
		Nylon membrane	1,595	1,353	NA	-
Yaneng Bio	1. Raw material	TAQ	34	34	NA	-
		PCR tube	456	411	NA	-
	2. Auxiliary ingredient	2mL centrifuge tube	667	570	NA	-
		Box	8,747	7,183	NA	-
		Paper box	14,640	13,440	NA	-
Long March Medical	1. Raw material	Raw chemical materials	2,400	2,000	NA	-
	2. Auxiliary ingredient	Medical consumables	90,000	87,000	NA	-
	3. Packaging	Paper packaging materials	160,000	15,000	NA	-
		Foam packaging materials	350	300	NA	-
Fosun Biolog	1. Raw material	96-hole microplate	3,600	2,400	NA	-
		Carbohydrate reagent	10	8	NA	-
	2. Auxiliary ingredient	Vial	500	800	NA	-
		MH broth powder	10	8	NA	-
		Corrugated packing box	2,100	2,000	NA	-
	3. Packaging	Aluminum plastic packaging bag	366	300	NA	-
Foshion Medical System	1. Raw material	Dental casting alloys for sale (abrasive)	13,099	0	NA	-
		Ceramic alloys for sale (280)	3,636	0	NA	-
		Dental digital impression machine (unit)	24	0	NA	-
		Ceramic alloys for production (cobalt-chromium alloy powder)	1,350	850	NA	-
		Zirconia ceramic blocks for production (LL1, LL2) (14mm)	74	70	NA	-
	2. Auxiliary ingredient	Cutter, molybdenum wire, cutting fluid for production	500	500	NA	-
	3. Packaging	Packaging box for sale	300	300	NA	-
		Packaging box for production	260	260	NA	-



The purchase, utilization and recycle of materials by some subsidiaries of Fosun Pharma Group in 2015

Name of company	Type of material	Name of materials	Purchased quantity (Kg)	Actual utilization (Kg)	Recycled quantity (Kg)	Recycled rate (%)
Huaiyin Medical	1. Raw material	Strip blade steel	13,452	13,452	NA	-
		Surgery suture wire	6,529	6,529	NA	-
	2. Auxiliary ingredient	Resin grinding wheel	19,068	18,389	NA	-
	3. Packaging	Packaging aluminum foil	525,585	525,585	NA	-
		Dialysis bag	360,450	360,450	NA	-
		Packing paper box	52,503	52,503	NA	-
Chindex (Beijing)	3. Packaging	Stretch film	450	400	50	12.5%
		Bubble film	56	50	5	10.0%
		Transparent duct tape	68	60	NA	-
Chindex Shanghai International	2. Packaging	Transparent duct tape	25	20	NA	-
		Paper box	15	10	7	70.0%
		Bubble film	5	5	3	60.0%
Shanghai Transfusion	1. Raw material	PVC pellets	470,000	436,000	NA	-
	2. Auxiliary ingredient	Medicinal charcoal	193	200	NA	-
	3. Packaging	Composite bag	63,506	57,190	NA	-
		Paper box	128,000	115,000	25,000	21.7%
Laishi Transfusion	1. Raw material	PVC pellets	545,000	540,000	NA	-
	2. Auxiliary ingredient	Auxiliary ingredient	18,350	18,350	NA	-
	3. Packaging	PE packaging bag	3,450	3,250	NA	-
Alma Lasers	1. Raw material	Plastic box	865,000	713,500	NA	-

Note: All calculated by kg except for the stated units in this table.

## Environmental pollutants control and disposal

The Group values environmental protection. The Group's minimum requirement of operations and development is that all subsidiaries shall comply with applicable laws and regulations. Sewage discharge, air pollutants emission, circumstance noise and industrial waste (general waste and hazardous waste) produced during production and operation shall fully comply with all relevant national and local requirements. In addition to simultaneous construction of pollution control devices and facilities at the preliminary stage of the construction projects, adequate organizational guarantee and technical support are provided for environment management such as manpower allocation, operational procedures, monitoring and control, and environmental emergency response plan, to ensure the sustainable development of enterprises and to prevent and eliminate the occurrence of pollution incidents.

Under the premise of fulfilling regulation requirement, the Group actively explores measures and ways to reduce the emission of pollutants, and strives to reduce the impact of its operations on the environment.

In 2015, each subsidiary switched their furnaces from coal-fired to clean diesel and oil-and gas-fired, adopted centralized gas supply in industrial park, upgraded sewage treatment devices, increased subsequent advanced treatment units, and adopted intermediate water recycling measures, in order to constantly reduce the impact of the Group on the environment, so as to strive for low-carbon and green operation and to create an ecological community.

Fosun Pharma Environment Pollutants Emission Comparison

Year	Total wastewater discharged (Unit: cubic meter/year)	Total COD emissions (Unit: ton)	Total NH3-N emissions (Unit: ton)	Total waste gas emissions (Unit: cubic meter/year)	Nitrogen oxide (Unit: ton/year)	Sulfur oxide (Unit: ton/year)	Soot particles (Unit: ton/year)	Total solid waste (Unit: ton/year)
2014	5,677,448	440	60.94	1,773,160,913	90	318	130	50,258
2015	6,285,061	488	56.00	2,051,712,082	411	408	110	65,597

Summary of three wastes treatment facilities of some subsidiaries of Fosun Pharma Group in 2015

Subsidiary	Sewage treatment and discharge	Air emission and pollution control measures	Disposal and discharge of waste
Wanbang Biopharma	Discharge into city sewage pipe after pre-treated by sewage treatment station of factory		Domestic waste is disposed of by property companies; hazardous waste is disposed of by qualified company
Wanbang Jinqiao	Discharge after internal pre-treatment	The factory has five exhaust vents. Two chemical synthesis workshops and two test platforms are treated with activated carbon.	Domestic waste is disposed of by property companies; hazardous waste is disposed of by qualified company
Zhaohui Pharma	Sewage reach criterion is discharged after the treatment of sewage treatment station	Furnaces are replaced by central heating (steam)	Entering into contract for emission compliance
Chemo Biopharm	Piped discharge after internal pre-treatment		Sanitation companies are commissioned to dispose of general waste
Wanbang Folon	Piped discharge after treated by internal wastewater station	New gas-fired furnaces greatly reduce emissions of pollutant compared to the original coal-fired boilers.	Hazardous waste is disposed of by qualified company; recyclable waste is recycled and reused; general solid waste is disposed of by government
Wanbang Sainuokang	Piped into sewer network of development zone		Domestic waste is disposed of by sanitation department regularly
Dongting Pharma	Treated by internal wastewater treatment station		Hazardous waste is disposed of by qualified company
Guilin Pharma	Piped discharge after internal pre-treatment	Furnace gas emission: A cloth bag and swirl water film helped dust removal and desulfurization of the boiler flue gas. Waste gas was emitted through a 45m high chimney. Waste gas emission: adopt acid fog absorption tower and discharged through a 20m height	Hazardous waste is disposed of by qualified company; cinder of the general solid waste is disposed of by building materials company
Shine Star	Discharge into sewage treatment plant after internal pre-treatment	Desulfurization inside the furnace and wet ammonia desulfurization outside the furnace	Hazardous waste is disposed of by qualified company
Huanghe Pharma	Piped discharge after internal pre-treatment	Waste gas generated in the operations is mainly dust, which is filtered after collection via negative pressure laminar cover. The emission of dust not collected is unorganized and inspected by SEPA. The company does not discharge gas pollutants.	General waste is transported to municipal area; hazardous waste is disposed of by qualified company





Summary of three wastes treatment facilities of some subsidiaries of Fosun Pharma Group in 2015

Subsidiary	Sewage treatment and discharge	Air emission and pollution control measures	Disposal and discharge of waste
Aohong Pharma	Sewage reaching criterion is discharged after treatment of tube Company's sewage treatment station	The furnaces of the company are fuel- and coal-fired, and the emission is up to standard	Hazardous waste is disposed of by qualified company
Hongqi Pharma	Discharged after the pre-treatment of the company's wastewater treatment station	Wast gas emitted after being filtered by bags	Domestic waste discharge compliance; recycled solid waste is disposed of consistently
Hexin Pharma	Discharged after the pre-treatment of the company's wastewater treatment station	Waste gas from natural gas furnace was emitted through an 8m high chimney.	Hazardous waste is disposed of by qualified company
Erye Pharma	Discharged after the pre-treatment of the company's wastewater treatment station	Air-conditioning system of workshop is filtered by bags, emission from incinerator is absorbed via combustion control method and lye spray, vacuum exhaust is separated via condensation	Waste solvents and liquid waste are incinerated; hazardous wastes (such as activated sludge and waste pharmaceuticals) are transported to qualified company for treatment
Carelife Pharma	Discharge into Sino French Water Development after treatment in sewage treatment station	Lye+paraffin+activated carbon absorption, emission at a height of 20 meters	Hazardous waste is disposed of by qualified company
Kaixing Pharma	Discharged into city sewage pipe after treated by sewage treatment station of factory	Centralized discharge of waste gas from natural gas furnaces via an 8-meter exhaust cylinder. There is no excessive emissions	Hazardous waste is disposed of by qualified company
Yao Pharma	Piped discharge after internal pre-treatment	Discharge via a 15m exhaust cylinder after removing dust with bags	Hazardous waste is disposed of by qualified company
Shanghai Henlius	The Clone park where it locates have wastewater treatment devices. It is now constructing another wastewater pre-treatment system	Furnaces use clean energy 0#diesel as fuel. Improvement of furnaces and replacement of low nitrogen burner, to reduce the discharge of air pollutants.	Industrial waste disposed by the sanitation of the park
SunTech Pharma	Discharged into the Park sewage system	—	Hazardous waste is disposed of by qualified company
Chongqing Research Institute	Piped discharge after internal pre-treatment	Direct discharge of furnace gas (natural gas is a clean fuel)	Domestic waste is disposed of by municipal sanitation department
Ruizhe Pharma	Discharge after internal pre-treatment	Lye spray+paraffin absorption+activated carbon absorption	Deliver from workshop to solid waste dump site, then contact recycling unit for disposal; domestic waste is disposed of by industrial park consistently; medical waste is disposed of by qualified company
Zhongwu Hospital	Treated by sewage treatment station of hospital	—	Hazardous waste is disposed of by qualified company
Chancheng Hospital	Discharge after internal pre-treatment	—	Hazardous waste is disposed of by qualified company
Jimin Cancer Hospital	Treated by its own sewage treatment devices	—	Hazardous waste is disposed of by qualified company
Changxing Medical	Treated by a third-party disposal company of the park	—	Domestic waste is disposed of by sanitation bureau and hazardous waste is disposed of by qualified company
Fosun Med-Tech	Piped discharge after internal pre-treatment	—	Domestic waste is disposed of by qualified company
Yaneng Bio	Into the sewage network of the park	—	Solid waste disposed by property management of the park
Huaiyin Medical	Piped discharge after internal pre-treatment	—	Scrap iron is sold, sanitation department is commissioned to dispose of domestic waste
Shanghai Transfusion	Into the sewage network of the park	Procurement of quality diesel	general industrial waste disposal is entrusted to the third party
Laishi Transfusion	Discharge up to standard and discharged into city sewage pipe	Switching coal to natural gas	Solid waste is recycled by fixed enterprises;

## Discharge of wastewater among some subsidiaries of Fosun Pharma Group in 2015

Name of subsidiary	Total water Discharged for the year (ton)	COD for the year (ton)	NH3-N (ton)	If pretreated by internal treatment (yes/no)	If discharged into the city sewage pipe (yes/no)	If meeting the local discharge requirement (yes/no)	Discharge destination and method (Add the discharge situation of enterprises that do not fill in the piped discharge information)
Wanbang Biopharma	178,500	30.791	0.267	Yes	Yes	Yes	Wastewater discharge into designated sewage treatment plant via city sewage pipe
Wanbang Jinqiao	97,750	7.380	0.031	Yes	Yes	Yes	Wastewater discharge into designated sewage treatment plant via city sewage pipe
Zhaohui Pharma	79,570	4.138	0.009	Yes	Yes	Yes	Discharged into the city sewage pipe
Chemo Biopharm	62,568	5.459	0.32	Yes	Yes	Yes	Discharged into the city sewage pipe
Wanbang Folon	7,200	0.302	0.016	Yes	Yes	Yes	Wastewater discharge into designated sewage treatment plant via city sewage pipe
Wanbang Sainuokang	9,900	-	-	No	Yes	Yes	Wastewater discharge into designated sewage treatment plant via city sewage pipe
Dongting Pharma	367,824	22.069	8.129	Yes	Yes	Yes	Discharged into the city sewage pipe into designated sewage treatment plant ultimately
Aleph	35,000	3.255	-	Yes	Yes	Yes	Discharged into the city sewage pipe
Guilin Pharma	476,417	47.165	-	Yes	Yes	Yes	Discharged into the city sewage pipe and discharge to the designated wastewater treatment plant in the end
Shine Star	3,500,000	269.850	41.650	Yes	Yes	Yes	Discharged into the city sewage pipe and discharge to the designated wastewater treatment plant in the end
Huanghe Pharma	32,370	1.036	0.010	Yes	Yes	Yes	Discharged into the city sewage pipe
Aohong Pharma	48,000	4.704	0.067	Yes	Yes	Yes	Discharged into the city sewage pipe
Hongqi Pharma	41,712	1.376	0.100	Yes	Yes	Yes	Discharged into the city sewage pipe
Hexin Pharma	14,105	0.649	0.003	Yes	Yes	Yes	Discharged into the city sewage pipe
Erye Pharma	248,794	15.699	0.784	Yes	Yes	Yes	Wastewater discharge into designated sewage treatment plant via city sewage pipe
Carelife Pharma	85,455	24.283	0.250	Yes	Yes	Yes	Discharged into the city sewage pipe and discharge to the designated wastewater treatment plant in the end
Kaixing Pharma	22,308	1.205	0.204	Yes	Yes	Yes	Discharged into the city sewage pipe
Yao Pharma	70,256	3.984	0.295	Yes	Yes	Yes	Discharged into the city sewage pipe
Shanghai Henlius	16,838	-	-	No	Yes	-	City sewage pipe
SunTech Pharma	1,450	0.073	0.007	No	Yes	Yes	Discharge into the sewage system of industrial area
Chongqing Research Institute	7,200	0.734	0.003	Yes	Yes	Yes	Discharged into the city sewage pipe
Ruizhe Pharma	4,550	1.911	0.002	Yes	Yes	Yes	Discharged into the city sewage pipe and discharge to the designated wastewater treatment plant in the end
Guangji Hospital	213,242	-	-	Yes	Yes	Yes	Reasonable and compliance
Zhongwu Hospital	116,219	4.939	0.854	Yes	Yes	Yes	Discharged into the city sewage pipe
Chancheng Hospital	245,193	15.938	0.508	Yes	Yes	Yes	Discharged into the city sewage pipe
Jimin Cancer Hospital	185,036	9.733	1.850	Yes	Yes	Yes	Reasonable and compliance
Changxing Medical	672	-	-	No	Yes	-	Discharge to sewage pipework of industrial area
Fosun Med-Tech	1,731	0.282	0.007	Yes	Yes	Yes	Discharged into the city sewage pipe
Yaneng Bio	4,989	-	-	Yes	Yes	-	Discharged into the city sewage pipe
Long March Medical	6,140	0.878	0.043	Yes	Yes	Yes	Discharged into the city sewage pipe
Fosun Biolog	610	-	-	Yes	Yes	Yes	Discharged into the city sewage pipe
Foshion Medical System	315	-	-	No	Yes	-	Discharged into the city sewage pipe
Huaiyin Medical	27,375	2.096	-	Yes	Yes	Yes	Discharged into the city sewage pipe
Chindex (Beijing)	175	0.018	0.002	No	Yes	Yes	Discharged into the city sewage pipe
Qinada Company	165	-	-	No	Yes	-	Discharged into the city sewage pipe
Shanghai Transfusion	35,390	7.786	0.563	No	Yes	Yes	Discharged into the city sewage pipe
Laishi Transfusion	35,800	0.032	0.0265	No	Yes	Yes	-
Alma Lasers	4,242	-	-	NA	NA	NA	NA

Individual subsidiary of Fosun Pharma Group was in compliance with rules and regulations and continuously reached the standard in discharging water pollutants. No incidents of polluting surrounding environment was reported to the Company in 2015.



Air emission and the pollutants of partial subsidiaries of Fosun Pharma Group in 2015

Name of enterprise	Total annual waste gas emissions (m <sup>3</sup> )	Nitrogen oxides (NO <sub>x</sub> )	Sulfur oxides (SO <sub>x</sub> )	Soot particles	Non-methane hydrocarbon	VOC (Volatile Organic Compounds)	Types and methods of emission source
		Total annual emissions (ton)	Total annual emissions (ton)	Total annual emissions (ton)	Total annual emissions (ton)	Total annual emissions (ton)	
Zhaohui Pharma	1,211	-	0.09	0.12	0.03	-	Fuel boiler gas emission
Wanbang Folon	3,910	5.67	1.04	0.91	-	-	Fuel boiler gas emission and gas emission
Dongting Pharma	1,678	1.40	18.63	3.06	-	-	Fuel boiler gas emission and gas emission
Guilin Pharma	16,338	30.88	14.64	17.16	-	-	Removal of dust in boiler: removal of dust using dust bag, adding water film for desulfurization. Emission of waste gas through 45-metre high chimney. Emissions: the use of acid mist absorber to absorb emissions from 25-metre high.
Shine Star	146,520	363.37	372.16	87.91	-	-	Desulfurization in boiler, wet desulfurization by ammonia outside boiler
Aohong Pharma	7,358	0.15	0.01	-	-	-	Fuel boiler gas emission
Hongqi Pharma (boiler + canteen)	163	4.34	1.20	-	-	-	Waste gas produced be filtered and emitted using filter bags which remove dust
Erye Pharma	1,556	0.78	-	0.08	-	-	Air-conditioning system of workshop is filtered by bags, emission from incinerator is absorbed via combustion control method and lye spray, vacuum exhaust is separated via condensation
Carelife Pharma	13,579	-	-	-	2.30	10.30	Alkaline solution+paraffin oil+activated carbon adsorption, emission into 20-metre high
Kaixing Pharma	651	0.46	0.02	0.09	-	-	Waste gas from natural gas boiler primarily discharged through 8-metre high emission cylinder
Yao Pharma	4,282	3.56	0.09	0.88	-	-	Waste gas from natural gas boiler primarily discharged through 8-metre high emission cylinder; waste gas with dust from solid workshop discharged through 15-metre high emission cylinder upon removal of dust by dust bags
Chongqing Research Institute	73	0.02	0.01	0.01	-	-	Vertical emission of boiler fume
Ruizhe Pharma	7,200	-	-	-	9.29	13.68	Spraying alkaline solution+paraffin oil absorption+activated carbon adsorption
Shanghai Transfusion	651	0.01	0.02	0.02	-	-	Fuel boiler gas emission

Individual subsidiary of the Group was in compliance with rules and regulations and continuously discharged air pollutants under the standards. None of incidents of pollution having effect on the quality of the atmospheric environment due to waste gas emission occurred in 2015.

Some Data of waste among some subsidiaries of Fosun Pharma Group in 2015

Name of enterprise	Annual total amount of solid waste	Amount of household garbage (ton)	Industrial waste (nonhazardous waste) (ton)	Package material included (ton)	Total hazardous waste (ton)	Treatment for hazardous waste				Disposal and comprehensive utilization of waste
	(ton)					Recycle/ Reused (ton)	Incinerate (ton)	Land-filled (ton)	Other (ton)	
Wanbang Biopharma	143.00	125.00	0.00	0.00	18.00	0.00	0.60	0.00	17.40	Consumer waste removed by Property Management Co., Ltd. ( 物业管理有限公司 ), hazardous wastes be outsourced to qualified unit for disposal
Wanbang Jinqiao	1,728.00	12.00	1,700.00	0.00	16.00	0.00	0.10	0.00	15.90	Consumer waste removed by Property Management Co., Ltd. ( 物业管理有限公司 ), hazardous wastes be outsourced to qualified unit for disposal, 1,700 tons of pancreas slag used as animal feeds additive
Zhaohui Pharma	138.40	60.00	70.00	0.00	8.40	0.00	8.40	0.00	0.00	Signing of contract regarding emission compliance
Chemo Biopharm	27.06	17.70	4.53	0	4.83	0.00	4.83	0.00	0.00	Ordinary waste be outsourced to sanitation companies for disposal. Hazardous waste be outsourced to qualified unit for disposal
Wanbang Folon	89.04	40.00	48.65	6.45	0.39	0.00	0.00	0.00	0.39	Ordinary solid waste to be rationally disposed by County Urban Management Bureau; recyclable waste collected for recycling; hazardous waste be outsourced to qualified unit for disposal; 42 tons of coal cinder be outsourced to construction companies for use as construction materials
Wanbang Sainuokang	7.03	3.00	4.00	0.30	0.03	0.00	0.00	0.00	0.03	Hazardous waste be outsourced to qualified unit for disposal, consumer waste processed by the Environmental Sanitation Institute on regular basis
Dongting Pharma	2,872.83	120.00	2,620.00	20.00	132.83	0.00	66.74	66.09	0.00	2,600 tons of coal cinder as raw materials used in construction be outsourced to qualified unit for disposal
Aleph	42.45	9.00	20.00	16.00	13.45	0.00	8.45	5.00	0.00	Hazardous waste be outsourced to a qualified unit for disposal
Guilin Pharma	6,076.86	930.00	5,143.60	83.30	3.26	0.00	0.00	0.00	3.26	Hazardous waste be outsourced to qualified unit for disposal 4,060 tons of boiler coal cinder delivered to construction material manufacturers for use
Shine Star	51,118.00	164.00	50,816.00	0.00	138.00	138.00	0.00	0.00	0.00	Hazardous waste be outsourced to qualified unit for disposal; 50,816 tons of coal cinder delivered to cement plants for producing construction materials
Huanghe Pharma	181.60	15.00	163.00	7.00	3.60	0.00	0.00	0.00	3.60	Ordinary waste shipped to municipal station; hazardous waste be outsourced to qualified unit for disposal
Aohong Pharma	187.00	100.00	86.00	40.00	1.00	0.00	1.00	0.00	0.00	Hazardous waste be outsourced to qualified unit for disposal
Hongqi Pharma	61.57	27.00	30.00	29.53	4.57	0.00	0.00	0.00	4.57	Consumer waste be discharged in compliance; hazardous waste be outsourced to qualified unit for disposal; solid waste recycled for centralized disposal
Hexin Pharma	4.25	4.00	0.15	0.05	0.10	0.00	0.00	0.10	0.00	Hazardous waste be outsourced to qualified unit for disposal
Erye Pharma	304.50	150.00	125.00	75.00	29.50	0.00	0.00	0.00	29.50	Waste solvents and solution produced be processed by incineration, hazardous waste such as activated sludge and abandoned drugs etc. be disposed of by qualified company
Carelife Pharma	254.07	0.00	9.00	0.00	245.07	0.00	42.96	202.11	0.00	Hazardous wastes be outsourced to qualified unit for disposal
Kaixing Pharma	37.80	15.00	22.75	20.00	0.05	0.00	0.05	0.00	0.00	Wastes produced mainly include ordinary solid waste and hazardous waste, both entrusted to qualified service providers for processing
Yaoyou Pharma	406.49	333.00	57.00	0.00	16.49	0.00	0.00	0.00	16.49	Hazardous wastes be outsourced to qualified unit for disposal
Shanghai Henlius	25.00	10.00	15.00	2.00	0.00	0.00	0.00	0.00	0.00	Industrial waste (non-hazardous) generated will be collected and stored in centralized manner, then disposed by the Environmental Sanitation Institute
SunTech Pharma	2.05	0.00	1.00	0.30	1.05	0.00	1.05	0.00	0.00	Hazardous waste be outsourced to qualified unit for disposal H



Some Data of waste among some subsidiaries of Fosun Pharma Group in 2015

Name of enterprise	Annual total amount of solid waste	Amount of household garbage (ton)	Industrial waste (nonhazardous waste) (ton)	Package material included	Total hazardous waste (ton)	Treatment for hazardous waste				Disposal and comprehensive utilization of waste
	(ton)			(ton)	(%)	Recycle/ Reused (ton)	Incinerate (ton)	Land-filled (ton)	Other (ton)	
Chongqing Research Institute	36.20	2.00	0.50	0.50	33.70	0.00	33.70	0.00	0.00	Collected centrally and delivered to qualified service providers for disposal
Ruizhe Pharma	11.97	3.00	2.00	1.00	6.97	0.00	6.97	0.00	0.00	Workshop relocated to solid waste dumps sites, followed by contacting recycling service providers for processing
Guangji Hospital	406.89	356.24	35.00	2.00	15.65	0.00	15.65	0.00	0.00	
Zhongwu Hospital	267.14	183.00	0.00	0.00	84.14	0.00	84.14	0.00	0.00	Hazardous wastes be outsourced to qualified unit for disposal
Chancheng Hospital	530.00	360.00	0.00	0.00	170.00	0.00	170.00	0.00	0.00	Hazardous wastes be outsourced to qualified unit for disposal
Jimin Cancer Hospital	102.09	89.43	0.00	0.00	12.66	0.00	0.03	12.63	0.00	Hazardous wastes be outsourced to qualified unit for disposal
Changxing Medical	0.55	0.20	0.10	0.10	0.25	0.00	0.25	0.00	0.00	Hazardous waste be outsourced to qualified unit for disposal, consumer waste removed by the Environmental Sanitation Institute
Fosun Med-Tech	19.01	18.00	1.00	0.50	0.01	0.00	0.01	0.00	0.00	
Yaneng Bio	14.90	11.00	3.00	1.80	0.90	0.00	0.90	0.00	0.00	
Long March Medical	8.50	7.00	0.00	6.00	1.50	0.00	1.50	0.00	0.00	
Foshion Medical System	1.50	1.00	0.50	0.50	0.00	0.00	0.00	0.00	0.00	
Huaiyin Medical	133.00	120.00	13.00	0.00	0.00	0.00	0.00	0.00	0.00	Sale of scrap iron, consumer waste be outsourced to the Environmental Sanitation Institute for processing
Chindex (Beijing)	15.08	12.55	2.51	0.00	0.02	0.02	0.00	0.00	0.00	
Chindex Shanghai International	2.39	2.00	0.38	0.00	0.01	0.01	0.00	0.00	0.00	
Shanghai Transfusion	10.00	5.00	5.00	3.00	0.00	0.00	0.00	0.00	0.00	Consumer waste collected by environmental hygiene divisions for centralized processing; waste produced during production processed by specialized waste recycling organizations; packaging materials being looped for usage
Laishi Transfusion	325.00	0.00	325.00	0.50	0.00	0.00	0.00	0.00	0.00	All solid waste be recycled by designated companies; 220 tons of coal cinder delivered to a third-party for manufacturing bricks

Among the ordinary solid waste generated by individual subsidiary of the Group, most of the external packing materials were comprehensively utilized to reduce discharge and to avoid secondary pollution of the environment in 2015. For hazardous waste, individual subsidiaries have been able to follow the requirements of the Environment Department by completing the whole environmental protection procedure that includes application, review and approval, transfer, and destruction. All are outsourced to qualified service providers for compliance disposition.

## Investment in environmental protection of subsidiaries of Fosun Pharma Group in 2015

Name of enterprise	Capital for environment protection (RMB0,000)	Expense for Environment protection (RMB0,000)	Detailed description
Wanbang Biopharma	2.78	5.75	On-line monitoring of sewage treatment plant, waste treatment and environmental monitoring etc.
Wanbang Jinqiao	-	31.50	Sewage treatment plant operation, environmental monitoring, etc.
Zhaohui Pharma	-	34.36	Processing of sewage, hazardous waste and waste
Chemo Biopharm	26.00	28.24	Expenses of transformation of sewage treatment system, operation and maintenance of waste water and air treatment system, sewage piped discharge, waste disposal and environmental monitoring
Wanbang Folon	111.50	20.50	-
Wanbang Sainuokang	1.00	-	Newly constructed cofferdam
Dongting Pharma	6.00	194.65	Newly constructed sewage plant control room, environmental monitoring, maintenance on online monitoring devices, disposal of hazardous waste, removal of dust in waste gas through water film
Aleph	0.00	7.41	-
Guilin Pharma	430.16	98.00	Operation of sewage treatment plant, environmental monitoring, sewage discharge, greening and cleaning of factory area
Shine Star	256.00	189.00	-
Huanghe Pharma	170.00	4.60	Transformation of sewage treatment plant
Aohong Pharma	-	4.80	-
Hongqi Pharma	0.88	4.39	-
Hexin Pharma	-	1.00	Disposal of hazardous waste, environmental cleaning
Erye Pharma	2.00	122.26	-
Carelife Pharma	3.25	105.56	-
Kaixing Pharma	1.00	5.00	Environmental monitoring
Yao Pharma	257.27	11.42	Investment in environmental protection facilities: water reuse system within factory area, sewage reuse system in water and soil factory area, sewage treatment plant, anti-rodent in factory area Operation of environmental protection facilities: maintenance on sewage treatment plant within factory area, maintenance on hazardous waste, maintenance on sewage reuse system in water and soil factory area
Shanghai Henlius	76.00	9.00	Costs of newly constructed sewage plant, transformation of sewers, transformation of boilers with low nitrogen burners; maintenance and repair on environmental protection facilities
SunTech Pharma	-	3.04	Costs for processing waste solution
Chongqing Research Institute	45.98	14.00	Transformation of sewage treatment system and disposal fees for hazardous waste
Ruizhe Pharma	537.50	16.45	Investment in environmental protection refers to facilities and installation costs for specialized environmental protection facilities (including construction of sewage treatment plant and tail gas treatment system); Operation costs of environmental protection facilities include electricity costs for sewage treatment plant, fees of processing sewage at a later stage; costs of activated carbon, paraffin oil and alkaline solution used in processing tail gas
Guangji Hospital	20.00	42.00	Project transformation, third party maintenance
Zhongwu Hospital	15.00	-	Transformation of projects, maintenance and repair by third-party
Chancheng Hospital	60.10	-	Environmental redevelopment within hospital area
Jimin Cancer Hospital	1.95	16.90	Sewage disposal materials and maintenance of environmental equipment
Changxing Medical	-	0.30	Processing solid waste etc.
Fosun Med-Tech	-	22.00	Filling production equipment; various maintenance costs
Yaneng Bio	0.01	3.79	Costs for processing waste
Long March Medical	32.00	-	Procurement and operation of environmental equipment
Huaiyin Medical	12.97	2.24	Upgrading of environmental sewage treatment facilities, operating costs, sewage fees imposed
Chindex Shanghai International	-	4.73	Compiling costs of an environmental impact report etc.
Shanghai Transfusion	2.00	2.00	Operation of environmental equipment
Laishi Transfusion	85.00	5.00	Coal-fired boiler transformation, operation of environmental equipment





# Popularity

eCME, the online medical training program of Guilin Pharmaceutical, commenced eCME project in 2014. It was a medical training programs aimed at achieving cross-region multi-point remote real-time interactions through Internet technologies for authoritative international academic and scientific personnel in Africa and front-line medical workers in the medical field to build a platform for academic exchange in the African region.

In 2015, Guilin Pharmaceutical entered into cooperation jointly with the world's top experts in the field of malaria control, and implemented two projects on "eCME Multimedia Online medical training". Caption: eCME project in Ghana at the venue, where the participants received medical training through the Internet.

Figure note: Ghana session of eCME project, students are having medical training thorough internet.



Total expenses on occupational health and safety in 2015: RMB **45.05** million

**2.1** times as compared with that of in 2014

Decreased the exposure proportion in occupational hazard factors with

**12.58%** exposure in 2015, representing

an decrease of **2.30%** as compared the 14.88% in 2014

## Occupational health and safety

The Group undertakes to provide employees with a healthy and safe working and premises. In 2015, the Group continuously and comprehensively embarked on the pursuit of health and safety. Based on the EHS system promulgated in 2014, the Group propelled forward to internationalisation, specialisation and sophistication. These elements include a series of improvement work on safety leadership building, three-tier management network, inter-departmental special committee, EHS personnel inventory and enforcement, classified inspections, integrated audits with full coverage, hidden risks discovering and tracking, demerit record requiring rectification before deadlines set, thorough inspections on hazardous equipment and chemicals, point-to-point remote professional support and training etc., which effectively lowered their operational safety risk and produced continual improvements.

Based on its own operational risk characteristics, individual subsidiaries also actively identify, evaluate and control all types of health and safety risk factors, which are to be controlled and eliminated by taking various measures such as construction improvement and administrative controls. In 2015, in the aspects of safety management, mechanical guarding, lockout-tagout, job process safety analysis, safety observation, emergency preparation and response, firefighting, visualization, 5S, high-risk operation, driving safety, and IH & Safety training/propagate, subsidiaries conduct various kinds of optimization and enhancement on process flows, contributing to continuous advancement and ongoing improvement of all employees' awareness on health and safety.

In 2015, except for normal incident reports received, the Group had not experienced any major safety incidents and major occupational and fire accidents. The overall health and safety condition is favorable.

### Safety

In 2015, the Group has increased its investment in the safety equipment among subsidiaries. All subsidiaries have actively conducted evaluations and upgrades towards the factories' fire equipment, safe & medical emergency facilities and devices, safety control hardware of places using flammable and combustible chemicals. Since April, the Group has also initiated the machine guarding assessment towards all the mechanical equipment, devices and production process lines in factories and workshops. These measures have reduced the rate of personal injury accidents efficiently and improved the safety of facilities. In 2015, the Group has invested a total number of RMB450,500,000 in its facilities and operations in safety area, which is 2.1 times of the investment in 2014. The continuous investment on safety played a significant role on providing employees a safe workplace and enterprise sustainable development.

In 2015, the Group started the exploration of the "Incident Pyramid" global standard (fatality, recordable injury, first-aid injury, near miss incidents and unsafe acts), and began to set up safety indicators of the Group took more active preventative measures, to use proactive indicators for monitoring security process risks instead of the lagging indicators, and to move towards the advanced safety culture of active discovery from the passive prevention.

Key performance comparison on health and safety of Pharma Group in 2015

Year	Total number of employees	Serious injury rate	Major injury rate	Minor injury rate	Lost-time case rate	Recordable case rate	Exposure rate for IH	H&S capital cost & expense	Total duration of training (hours)	Duration of training per person (hours)
2014	15,757	0	0.006	0.46	—	—	14.88%	2,060	No statistics	No statistics
2015	15,187	0.006	0.026	0.392	0.424	0.533	12.58%	4,505	71,474	4.71

Summary of EHS Expenses of Fosun Pharma Group

	Capital for Safety (RMB0,000)	Expense for Safety (RMB0,000)	Capital for firefighting (RMB0,000)	Expense for firefighting (RMB0,000)	Capital for environment protection (RMB0,000)	Expense for environment protection (RMB0,000)
Pharmaceutical industry	781	520	1,548	225	1,927	911
Medical services	55	345	622	65	97	59
Device	126	44	87	31	32	26
Diagnosis	9	10	21	16	100	14
In aggregate	971	919	2,278	337	2,156	1,010



Safety Indicators of Fosun Pharma Group partial subsidiaries in 2015

Name of enterprise	Employee number	Working hour (hour)	Indicators of injuries statistics in China							International indicators of injuries statistics					
			Major incident	Serious injury case	Major injury case	Minor injury case	Total injury case	Injury rate	Fatal rate	Lost-time case	Recordable case	Lost-time case rate	Recordable case rate	IH disease case	Day for LTC
Wanbang Biopharma	738	1,381,536	0	0	0	1	1	0.14	0	1	1	0.14	0.14	0	9
Wanbang Jinqiao	163	305,136	0	0	0	0	0	0	0	0	0	0	0	0	0
Zhaohui Pharma	305	607,560	0	0	1	3	4	1.32	0	4	4	1.32	1.32	0	255
Chemo Biopharm	155	360,523	0	0	0	1	1	0.55	0	1	4	0.55	2.22	0	7
Wanbang Folon	207	399,096	0	0	0	0	0	0	0	0	0	0	0	0	0
Wanbang Sainuokang	86	177,504	0	0	0	0	0	0	0	0	0	0	0	0	0
Dongting Pharma	798	1,666,224	0	0	0	2	2	0.24	0	2	2	0.24	0.24	0	50
Aleph	328	189,724	0	0	0	3	3	3.16	0	3	3	3.16	3.16	0	232
Guilin Pharma	1,062	2,124,000	0	0	0	6	6	0.56	0	6	6	0.56	0.56	0	-
Shine Star	1,700	4,487,588	0	1	2	19	22	0.98	0.04	22	22	0.98	0.98	0	-
Huanghe Pharma	280	560,000	0	0	0	2	2	0.71	0	2	2	0.71	0.71	0	-
Aohong Pharma	577	876,908	0	0	0	3	3	0.68	0	3	3	0.68	0.68	0	43
Hongqi Pharma	375	742,604	0	0	0	5	5	1.35	0	5	6	1.35	1.62	0	122
Hexin Pharma	69	138,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Erye Pharma	722	1,507,536	0	0	0	7	7	0.93	0	7	11	0.93	1.46	0	159
Carelife Pharma	324	592,000	0	0	0	3	3	1.01	0	3	4	1.01	1.35	0	3
Kaixing Pharma	80	167,040	0	0	0	0	0	0	0	0	0	0	0	0	0
Yao Pharma	958	2,153,184	0	0	0	3	3	0.28	0	3	3	0.28	0.28	0	127
Shanghai Henlius	198	366,000	0	0	0	0	0	0	0	0	0	0	0	0	0
SunTech Pharma	72	146,160	0	0	0	0	0	0	0	0	0	0	0	0	0
Chongqing Research Institute	252	504,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Ruizhe Pharma	84	168,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Guangji Hospital	587	1,060,970	0	0	0	0	0	0	0	0	0	0	0	0	0
Zhongwu Hospital	628	1,264,164	0	0	0	0	0	0	0	0	0	0	0	0	0
Chancheng Hospital	1,684	3,516,192	0	0	1	0	1	0.06	0	1	9	0.06	0.51	0	112
Jimin Cancer Hospital	345	645,840	0	0	0	0	0	0	0	0	0	0	0	0	0
Changxing Medical	17	30,480	0	0	0	0	0	0	0	0	0	0	0	0	0
Fosun Med-Tech	148	290,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Yaneng Bio	314	655,632	0	0	0	0	0	0	0	0	0	0	0	0	0
Long March Medical	321	636,864	0	0	0	0	0	0	0	0	0	0	0	0	0
Fosun Biolog	18	35,712	0	0	0	0	0	0	0	0	0	0	0	0	0
Foshion Medical System	69	138,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Huaiyin Medical	577	1,149,384	0	0	0	2	2	0.35	0	2	2	0.35	0.35	0	43
Chindex (Beijing)	53	102,066	0	0	0	0	0	0	0	0	0	0	0	0	0
Chindex Shanghai International	123	241,177	0	0	0	0	0	0	0	0	0	0	0	0	0
Shanghai Transfusion	229	461,644	0	0	0	1	1	0.43	0	1	1	0.43	0.43	0	264
Laishi Transfusion	226	613,600	0	0	0	0	0	0	0	0	0	0	0	0	0
Alma Lasers	315	657,720	0	0	0	0	0	0	0	0	0	0	0	0	0

Note: (Total, Lost-time, Recordable) Case Rate = (Total, Lost-time, Recordable) Case Number x 200,000 ÷ Total Working Hour



## Investment in health and safety of subsidiaries in 2015

Name of enterprise	Investment in safety facilities		Operation of safety facilities	
	Description of project	RMB (RMB0,000)	Description of project	Amount (RMB0,000)
Wanbang Biopharma	Firefight transformation, system relocation and safety transformation of freight elevators	20.86	Procurement of labour protection supplies, emergency materials, EHS training, special equipment testing, safety monitoring facilities maintenance	88.97
Wanbang Jinqiao	Construction of pilot firefight platform Fence monitor transformation	81.86	Procurement of labour protection supplies, emergency materials, EHS training, special equipment testing	37.59
Zhaohui Pharma	Safety facilities	0.70	Maintenance and network of fire systems, purchase of labour protection equipment, safety facilities and maintenance costs	44.09
Chemo Biopharm	People and vehicles shunt, electrical facilities, climbing facilities, fire equipment and emergency preparedness	8.71	Expenses on labour protection equipment, pressure container of special equipment, elevator maintenance, relevant compliance testing, security status assessment, security visualization, partial protective equipment, training, firefight and maintenance, firefight part replacement, and the firefight network terminal service	62.82
Wanbang Folon		2.80		21.60
Wanbang Sainuokang	Newly constructed cofferdam	0.80		0.00
Dongting Pharma	Transformation of fire control systems in raw material factory area	177.46	Visualization in factory area, emergency supplies, emergency medication, safety assessment on major hazards, current status examination of occupational hazards, monitoring of occupational hazards, training fees for special operations personnel, training fees for administrators of hazardous chemicals, firefighting facilities in eight refining-drying-packing workshops, replacement of firefighting facilities in five to six workshops, fire equipment in factory area like fire extinguishers, smoke sensor facilities of integrated warehouse in preparation factory area, related labour costs, utilities etc.	60.24
Aleph		1.84		2.35
Guilin Pharma	Purchase of safety facilities	2.39	Purchase of labour protection equipment, fire inspection and maintenance	115.75
Shine Star		198.00	Ensure safety production	113.00
Huanghe Pharma	1.Transformation of fire safety workshop in solid lozenges workshop 2. Improvement in centralized management of fire control room in solid lozenges and Chinese medicine workshop 3.Transformation of fire pump room	777.00	Carrying out "Three Simultaneity" of safety on transformation of solid lozenges workshop	41.00
Aohong Pharma		15.21		7.13
Hongqi Pharma	Facilities of firefight, water supply and ventilation	12.00	Safety facility maintenance, detection of occupational hazardous and lift/generator maintenance	21.96
Hexin Pharma		0.00	Safety training, detection of occupational hazards in workplace, physical examination for employees, maintenance costs on firefighting equipment	3.88
Erye Pharma	Investment on fire safety facilities	20.35	Investment, maintenance, replacement and detection on fire safety facilities	47.43
Carelife Pharma		44.94		2.76
Kaixing Pharma		1.50	Costs regarding transformation, maintenance, repair of spare parts, inspection of special equipment and other emergency drills etc.	1.00
Yao Pharma	Alarm device for natural gas, lifting platform in solid workshop, site monitoring, investment in fire facilities in water and soil factory area	540.71	Labour protection equipment; maintenance on video surveillance of factory area; regular maintenance on fire system	20.42
Shanghai Henlius	Construction costs for building firefighting systems in newly constructed factory	200.00	Costs for transformation between gas cylinders, safety checks and rectification; elevator inspection charges, maintenance and repair costs for boilers; repair and replacement of firefighting systems	6.63
SunTech Pharma	Purchase of new reagent cabinet withstanding explosion	3.30	Purchase of fire equipment	6.55
Chongqing Research Institute	Transformation of safety hardware in laboratory	3.31	Costs for security service, maintenance on fire alarm system, fire drills, fire equipment	32.87
Ruizhe Pharma	Costs for purchasing facilities such as video surveillance systems, flammable toxic gas detection systems, DCS control system and pressure gauges, safety valves and rupture discs; installation fees of firefighting and control systems, fire pumps, fire hose, fire extinguishers, fire hydrants, and diesel generator	215.40	Inspection and maintenance fees for pressure gauge and safety valve; firefights' training and subsequent maintenance costs	7.23
Guangji Hospital	Replacement of firefight facilities and procurement of safety facilities	11.00	Firefight check expenses, maintenance of safety monitoring facilities	22.70



## Investment in health and safety of subsidiaries in 2015

Name of enterprise	Investment in safety facilities		Operation of safety facilities	
	Description of project	RMB (RMB0,000)	Description of project	Amount (RMB0,000)
Zhongwu Hospital	Safety transformation	36.40	Third-party firefight maintenance	8.50
Chancheng Hospital	fire engineering and facilities	551.21	Costs for security staff, safety facilities; fire service costs, maintenance costs, replacement of accessories;	325.68
Jimin Cancer Hospital	Transformation of old building firefight facilities, procurement of firefight facilities and safety monitoring devices	78.00	Firefight facility maintenance and security expenses	52.82
Changxing Medical	Safety devices	0.10	Safety protection equipment, checks on safety valve, fire maintenance, safety education and training	3.20
Fosun Med-Tech	Potttype equipment	25.00	Various maintenance expenses	4.00
Yaneng Bio	Safety rectification	0.35	Firefight record Consulting	0.25
Long March Medical	Safety rectification	187.00	Firefight V, safety parts	68.00
Fosun Biolog	Safety rectification	0.50	-	0.00
Huaiyin Medical	Update of firefight facilities	4.30	Maintenance costs on fire systems, repair, fire training, fire equipment; identification on safety condition of equipment;	2.23
Chindex (Beijing)	Fire improvement project of Guangzhou Office	4.18	Annual inspection fees for fire extinguishers in Beijing Office	0.79
Shanghai Transfusion	Update of firefight and safety facilities	14.00	Maintenance of firefight and safety facilities	15.00
Laishi Transfusion	Procurement of safety facilities	8.00	Firefight maintenance expenses	8.00

## Industrial Hygiene

The Group cares about the health of its employees and provides employees with optimal offices and operating sites for them to perform daily tasks and employees that are directly or indirectly exposed to the production process with annual health examinations. Fosun Pharma Group Group shows its care for its employees' health by launching platforms with respect to health examination management service, which allows employees to select their own qualified medical institutions, embodying a humanized management on health services.

In 2015, in accordance with PRC relevant laws and regulations on occupational health requirements, individual subsidiaries have also set up effective dust collectors, gas exhausters, and acoustic screens, among other facilities at front line production operating sites likely exposed to dust, offensive odor, or noise and equip them with personal protection articles such as goggles and breathing filters such as dust and organic vapor respirator and protective

suit to minimize potential unfavorable effects of hazardous factors existing in production operating sites on employees' health and to ensure the physical health of employees at work. The responsible management department at individual subsidiaries performed major occupational hazards identification in accordance with the production process and the properties of materials used. Employees at risk of occupational hazards periodically completed health examinations performed at occupational hazard prevention and treatment institutions that help ensure physical health, whilst health examination files for each of their employees are established.

Individual subsidiaries of the Group continue to normalize their occupational health and safety management system and files. The Environment, Health and Safety management department of individual subsidiary holds periodical occupational health training to further reinforce employees' awareness of their own health.

## EHS training for some subsidiaries of Fosun Pharma Group in 2015

Name of enterprise	Employee exposed to IH factors	Percentage for exposed employee vs total employee	Employee for IH health check	Complete rate of occupational hazardous examination	abnormal occupational related examination number	Proportion of Abnormal occupational health examination number(%)	Number of employee taking industry-examination	Annual proportion of employees taking industry examination among the total number of employees	major occupational hazardous factors
Wanbang Biopharma	97	13%	97	100%	0	0%	654	89%	Manganese and its inorganic compounds, welding fumes, ultraviolet rays, acetone, furosemide four hydrogen furan, methanol, acetonitrile, diethyl ether, phenol, n-hexane, chloroform, noise
Wanbang Jinqiao	116	71%	116	100%	0	0%	139	85%	Manganese and its inorganic compounds, welding fumes, ultraviolet rays, acetone, four hydrogen furan furosemide, toluene, methanol, ethanol, acetonitrile, ethyl ether, petroleum ether, hydrochloric acid, ammonia, methylene chloride, mercaptoethanol, DMF, noise, dust

EHS training for some subsidiaries of Fosun Pharma Group in 2015

Name of enterprise	Employee exposed to IH factors	Percentage for exposed employee vs total employee	Employee for IH health check	Complete rate of occupational hazardous examination	abnormal occupational related examination number	Proportion of Abnormal occupational health examination number(%)	Number of employee taking industry-examination	Annual proportion of employees taking industry examination among the total number of employees	major occupational hazardous factors
Zhaohui Pharma	8	3%	8	100%	0	NA	269	88%	Noise, dust, sodium hydroxide
Chemo Biopharm	39	25%	39	100%	0	NA	155	100%	Noise, sodium hydroxide, drug dust, fur dust, hydrogen sulfide, ammonia
Wanbang Folon	19	9%	19	100%	0	NA	153	74%	Noise, drug dust
Wanbang Sainuokang	10	12%	10	100%	0	NA	86	100%	Physical factors, special operations
Dongting Pharma	164	21%	164	100%	6	NA	678	85%	Toluene, chlorine, ammonia, noise
Guilin Pharma	199	20%	199	100%	0	NA	960	93%	Dust, noise, hydrochloric acid, methanol, sodium hydroxide, chloroform, sulfuric acid etc.
Shine Star	386	23%	386	100%		NA	551	32%	Infectious diseases, dust, noise
Huanghe Pharma	67	24%	67	100%	0	NA	220	79%	Dust, noise, heat, methanol, acetonitrile, tetrahydrofuran, hydrochloric acid, sulfuric acid, acetic acid, ammonia, triethylamine, ethyl acetate, chloroform, dichloromethane, diethyl ether, illuminance, welding, smoke dust
Aohong Pharma	8	1%	8	100%	0	NA	577	100%	Heat, noise, ethanol, hydrochloric acid, sulfuric acid
Hongqi Pharma	86	23%	48	100%	0	NA	281	75%	Noise, dust, acid anhydride, inorganic mercury compounds
Hexin Pharma	3	4%	3	100%	0	NA	39	57%	Noise
Erye Pharma	54	7%	54	100%	0	NA	480	66%	Ethanol, acetone, sulfuric acid, butyl acetate
Carelife Pharma	232	72%	232	100%	0	NA	232	72%	Chloroform, methylene chloride, acetone, ethanol, acetic acid, triethylamine, phosphorus oxychloride, sulfuric acid, hydrochloric acid, bis-trichloromethyl carbonate, dust
Kaixing Pharma	2	3%	0	NA		NA	80	100%	
Yao Pharma	22	2%	8	100%	0	NA	958	100%	Noise, welding fumes
Shanghai Henlius	–	–	–	NA	0	NA	198	100%	
SunTech Pharma	58	83%	58	100%	0	NA	72	100%	Noise, chemical substance
Chongqing Research Institute	99	39%	–	NA	0	NA	252	100%	Chemical substance
Ruizhe Pharma	57	68%	57	100%	0	NA	84	100%	Noise, heat, welding arc, power frequency electric field, chemical substance
Guangji Hospital	16	3%	16	100%	0	NA	523	89%	Radiation
Zhongwu Hospital	29	5%	29	100%	0	NA	232	37%	Radiation
Chancheng Hospital	49	3%	49	100%	0	NA	200	12%	Radiation
Jimin Cancer Hospital	14	4%	14	100%	0	NA	156	45%	Radiation
Changxing Medical	0	0	0	NA	0	NA	17	100%	
Fosun Med-Tech	2	1%	2	100%	0	NA	148	100%	Welding fumes
Yaneng Bio	0	0	0	NA	0	NA	260	83%	
Long March Medical	6	2%	6	100%	0	NA	321	100%	Hydrochloric acid, dust, noise, sodium carbonate
Fosun Biolog	0	0	0	NA	0	NA	18	100%	
Foshion Medical System	0	0	0	NA	0	NA	65	94%	
Huaiyin Medical	0	0	0	NA	0	NA	530	92%	
Chindex (Beijing)	0	0	0	NA	0	NA	52	98%	
Chindex Shanghai International	0	0	0	NA	0	NA	85	69%	
Shanghai Transfusion	18	7%	18	100%	0	NA	0	0%	Noise, heat
Laishi Transfusion	–	–	–	NA	0	NA	226	100%	





Total training hour amount to **71,474** hours  
Participants amount to **25,534** person time



Average training participation **1.68** times  
Average training hour **4.71** hours

A significant increase compared with that of the year 2014

## EHS training

The Group highly values the EHS training provided to employees and carries out related educational campaigns, which are essential for the sustainable development of enterprises, and focuses on enhancing the awareness of health and safety across employees to society. In 2015, the Group completed the statutory training requirements, increased series of professional training in health and safety aspects, in an attempt to execute by a multi-form, multi-subject and multi-angle approach through a combination of classroom lectures and other forms of training, such as watching videos, short films on safety, sand table exercise etc. In terms of training programme, combined with the improvement in management system, the Group gradually implemented mechanical protection, high-risk operation control (restricted entry, fire operation, high operation, lockout-tagout etc.), hazard identification, monitoring of employee safety, elementary Red Cross first aid etc.

The enhancement in professional competence of EHS personnel is crucial to improving health and safety of the Group and subsidiaries. In 2015, the Group organized three extensive EHS trainings for subsidiaries from all sectors to participate in mid and late-May and mid-December respectively. In addition, with ongoing professional skill seminars and sharing using online communication channels, like WeChat and FosunLink, the EHS professional management level of the Group, sectors and subsidiaries is continuously enforced.

In 2015, the total duration of EHS training of the Group's subsidiaries last for 71,474 hours, with an aggregate of 25,534 participants, including 1.68 training per person and 4.71 training hours per person, a substantial increase compared to the corresponding period in 2014.

EHS training for some subsidiaries of Fosun Pharma Group in 2015

Subsidiary	Number of participants required	Actual number of participants	Mandatory training			Awareness training			Special training		
			Completion %	Time (hour)	Training programme	Time (hour)	Training programme	Time (hour)	Training programme	Time (hour)	Training programme
Wanbang Biopharma	80	80	100%	120	New employee orientation	600	1,200	EHS general training	800	1,550	JSA work safety analysis, cylinder safety management, operation with use of fire, ladder safety management, hand-held power tools, electrical safety, confined space, working at heights, etc.
Wanbang Jinqiao	-	-	-	-	-	150	300	EHS general training	210	355	JSA work safety analysis, cylinder safety management, operation with use of fire, ladder safety management, hand-held power tools, electrical safety, confined space, working at heights, etc.
Zhaohui Pharma	10	10	100%	10	-	441	776	EHS general training	295	490	Chemical operations, first aid training, accident investigation, hazard identification, firefighting skills
Chemo Biopharm	-	-	-	-	-	820	1,230	EHS general training	-	-	-
Wanbang Folon	7	7	100%	14	New employee orientation for special equipment operator	87	191	EHS general training	187	315	Contractor safety, lockout-tagout, high-risk operations, chemical operations, clean production, electric hand tools, accident investigation, fire firefighting skills

EHS training for some subsidiaries of Fosun Pharma Group in 2015

Subsidiary	Mandatory training					Awareness training					Special training	
	Number of participants required	Actual number of participants	Completion %	Time (hour)	Training programme	Time (hour)	Training programme	Time (hour)	Training programme	Time (hour)	Training programme	
Wanbang Sainuokang	-	-	-	-		-	-			20	30	Chemical operations
Dongting Pharma	-	-	-	-		310	6,649	EHS general training		-	-	
Aleph	-	-	-	-		481	481	EHS general training		135	141	Chemical operations, firefighting skills
Guilin Pharma	311	311	100%	632	New employee orientation for Chief executive officer	352	683	EHS general training, laws and regulations		186	304	PPE, lockout-tagout, first aid training, emergency evacuation
Shine Star	-	-	-	-		7,928	11,892	Laws and regulations		-	-	
Huanghe Pharma	-	-	-	-		98	245	EHS general training		-	-	
Aohong Pharma	-	-	-	-		500	10,000	EHS general training		77	1,540	Training on hazardous chemicals safety, hazard identification, use of forklift truck, lockout tagout, elevator safe operation
Hongqi Pharma	-	-	-	-		422	484	EHS general training laws and regulations, occupational health training, system training		1,189	1,643	Hazard identification, firefighting skills
Hexin Pharma	-	-	-	-		69	1,150	EHS general training		-	-	
Erye Pharma	-	-	-	-		1,191	7,146	EHS general training		-	-	
Carelife Pharma	-	-	-	-		1,241	4,446	EHS general training		-	-	
Kaixing Pharma	-	-	-	-		80	740	EHS general training		-	-	
Yao Pharma	30	30	100%	832	New employee orientation	39	624	EHS general training		-	-	
Shanghai Henlius	50	50	100%	100	New employee orientation	150	300	EHS general training		110	525	Contractor safety, chemical operations
SunTech Pharma	-	-	-	-		312	156	EHS general training		410	240	PPE, electrical safety, waste, sewage, accident investigation, emergency evacuation
Chongqing Research Institute	-	-	-	-		1,050	2,625	EHS general training		-	-	
Ruizhe Pharma	-	-	-	-		968	2,904	EHS general training		-	-	
Guangji Hospital	-	-	-	-		2	4	EHS general training		2	4	Firefighting skills
Chancheng Hospital	-	-	-	-		2,198	2,000	EHS general training		-	-	
Jimin Cancer Hospital	-	-	-	-		2.5	37.5	EHS general training		-	-	
Changxing Medical	-	-	-	-		45	225	EHS general training		-	-	
Fosun Med-Tech	-	-	-	-		600	300	EHS general training		-	-	
Yaneng Bio	-	-	-	-		27	540	EHS general training		-	-	
Huaiyin Medical	5	5	100%	472	Special operations and permits	500	750	EHS general training		276	414	Electrical safety, firefighting skills
Shanghai Transfusion	-	-	-	-		458	3,664	EHS general training		-	-	



## Employees' Engagement

The Group encourages employees to actively participate in activities and management of health and safety, organizing activities with great variety and enrichment content regarding employees' autonomy, so as to ensure full protection of health and safety interests entitled to them. In 2015, a majority of subsidiaries have set up health and safety committees by senior management, middle management in coalition with front-line employees, as well as special sub-committees or working groups as collaborated across departments with

respect to specific health and safety risk factors, with corresponding EHS full-time or part-time personnel in place. Subsidiaries continuously improve the "plan-do-check-act (PDCA)" on a regular basis. In the meantime, by actively exploring the aspects of health and safety accountability systems, performance assessment, safety monitoring and inspection, hazards identification and evaluation, emergency drills, medical response, personal protection, safety operational norms etc., health and safety management has been gradually propelling forward to specialization and sophistication, whereas corporate safety culture is evolving from "passive performance" to "active autonomy".

Employees' Engagement in health & safety activities of some subsidiaries in 2015

Subsidiary	Dedicated body	Management status
Zhaohui Pharma	Safety Committee	Firefighting drills; hazardous waste leaking drills; health examination
Chemo Biopharm	EHS management committee	Ankang Cup campaign
Wanbang Folon	Power equipment department	Fire emergency evacuation drills
Wanbang Sainuokang	EHS management team	Emergency drills; emergency drill planning regarding chemicals
Dongting Pharma	EHS management committee	Safety recognition
Aleph		Safety Production Liability Certificate for person-in-charge; firefighting drill by volunteering firefighters and supplies unit
Guilin Pharma	Safety Committee	Emergency drills; regular inspections; safety production accountability systems; regular meeting of safety committee; monthly activities for safety production
Shine Star	Safety and environmental protection department	
Huanghe Pharma	EHS	Firefighting drills like fire escape, emergency rescue, emergency evacuation etc.
Aohong Pharma	EHS operation department	EHS contest
Hongqi Pharma	EHS management department	Monthly safety campaigns; Environment, occupational health and safety certification
Hexin Pharma	EHS	Emergency drills for disposal of leaking hazardous goods
Erye Pharma	Safety production committee	Monthly safety inspection
Carelife Pharma	EHS department	Establishment of safety standardization team; inspection on safety hazards
Yao Pharma	EHS department	Monthly safety campaigns; first-aid training; fire campaigns; emergency response to environment events
Shanghai Henlius	Health and safety committee	EHS quarterly meeting; EHS health examinations; accident investigation for all employees and emergency response drills
SunTech Pharm		Occupational health examination for all employees
Chongqing Research Institute	EHS department	Safety inspection; monthly safety and environment campaigns; fire drills and contest
Ruizhe Pharma	EHS department	Safety inspection; monthly safety campaigns
Changxing Medical	Safety management committee	Assessment on safety and occupational health
Fosun Med-Tech		EHS quarterly meeting; safety inspection
Huaiyin Medical		Safety inspection
Laishi Transfusion		Occupational health examination for all employees

## Green Office and Travel

The Company practices green office. For office process flow control, paperless OA management is basically adopted to reduce the use of a large quantity of paper. The Company promotes reduced use of disposable supplies in order to minimize the throughput of trash. In terms of information exchange, the Company has the intranet and bulletin board, email and video to facilitate information exchange.

The culture of energy saving grows in the office every day. Employees are encouraged to turn off office equipment, such as computers, air-conditioners, lights, and the drinking fountain before they leave offices at the end of the day. It has assigned the duty person to assure of electrical equipment switching-off via office tour after work. Energy saving mode is turned on for all of the shared equipment such as printers, typewriters, and other equipment with the energy-saving mode. In terms of water saving throughout the office building, there are employees in charge of regulating the optimal water volume to guarantee reduced water use that is sufficient to satisfy water consumption needs. Faucets and the use of flush cisterns are checked from time to time. Any impairment is serviced in time to avoid water leakage. Maintenance plan for facilities and equipment was formulated at the beginning of the year to extend the service life of facilities and equipment. To cope with extreme weathers, measures are adopted in advance to protect facilities and equipment, ensure their normal operations and prevent loss. Used batteries are recycled separately. Separation of dry trash from wet trash is adopted. For electronic trash, the lifespan is adequately extended. Professional service providers are asked to recycle them for related treatment. In 2015, an agreement has been signed with Shanghai Zhonggu Charity Youth Development Center to dispose used computers in a way that features environmental protection, public welfare and recycling economy, while helping to build Green IT Classrooms for rural schools.

On the basis of experiences in 2014, some adjustments are made towards the office building management: air curtains are added to reduce the air convection; light out time is changed, all lights are switched off half an hour after work and emergency lights will be turned on; air conditioning time is adjusted according to the actual temperature; responsible person is sent on an inspection round of offices and meeting rooms, report and record situations of leaving with lights or projectors on. During the national day holiday, all the air condition pipes and vents were cleaned up to prevent secondary pollution and save energy.

In terms of vehicle management, on the basis of the real situation, the Company adopted certain incentive measures to formulate the fuel saving goal for every drivers. Drivers were rewarded once they achieved the monthly goal. This measure has immensely reduced the fuel consumption and reckoned to the Company's requirement of saving energy and reducing emission.

## Green Supply Chain

In 2015, the Company organized active discussions on green supply chain among subsidiaries. We advocate paying attention to suppliers' codes of

conduct while focusing on their products quality and procurement costs. The codes of conduct include the environment impact of operation, offering a healthy, safe work environment, labour relations, etc.

We promote the judgment standards of green supplier, including environmental qualifications, product materials, and so on. For those suppliers who have environmental authentications, actively take environmental loading reduction actions, or use recyclable and less-polluting materials, Fosun Pharma Group regard them as the same enterprises with us who supports sustainable development. We vigorously advocate purchasing from green suppliers first under the same conditions. Through real case discussions, we have analysed the causes of the problems, and reached the management consensus on the importance of green supply.

Fosun Pharma Group will continue to promote the construction of green supply chain within the enterprise. In 2016, we plan to include the supplier environment indicator in the supplier assessment items for annual supplier evaluation. Meanwhile, Fosun Pharma Group will also collaborate with the supply chain upstream and downstream enterprises on improving the environment management of industry supply chain, so as to make contributions to CSR.

## Security

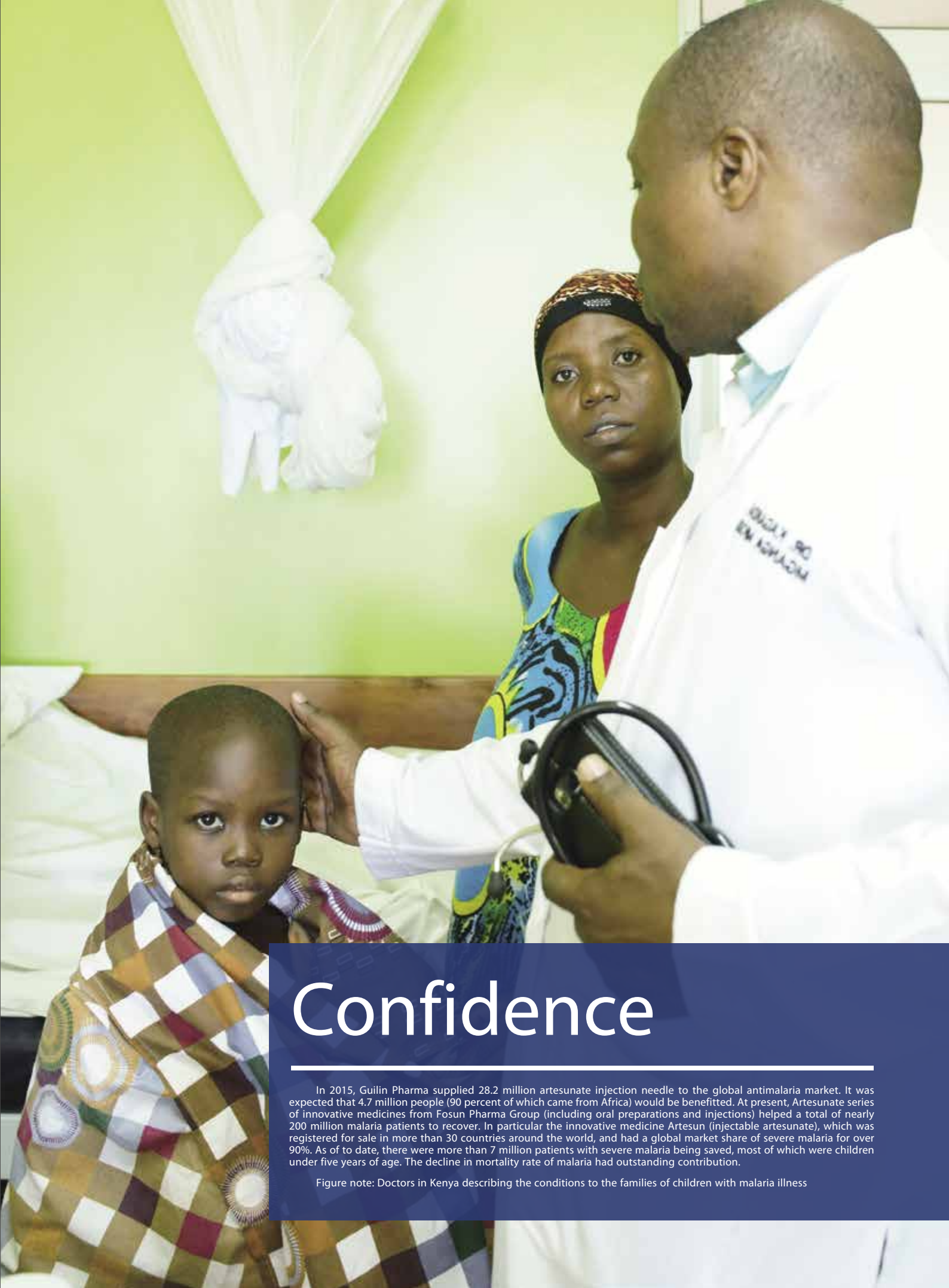
During 2015, Fosun Pharma established the Security Work Committee (hereinafter referred to as "Security Committee"), which enhanced the security protection work of Fosun Pharma in a comprehensive manner. Security protection measures were deployed and finalised, which completed various security protection mission. Fosun Pharma continued to improve the response rate and overall coordination capabilities to contingent matters by the security management authorities, which maintained the normal order handling office procedures of the Company. Specific measures include strengthening safety training, consolidating the safety supervision of site construction, improve security and protection management and service.

In 2015, the Security Committee organized many routine security and protection inspections, which timely eliminated insecure or hidden hazards, and enhanced the contingency management ability in firefighting. At the same time, the committee organized to improve flood and typhoon prevention drills and annual fire drill, universal escape skills, as well as inspected for hidden loopholes. In 2015 the Company invited Xuhui Fire Brigade, Hongmei Street police station together to participate in appraisal, and reviewed the whole drill process together with the Company's EHS management authorities. By strengthening the management and monitoring inspections, maintaining the normal state of the firefighting equipment, all types of equipment are ensured ready for use.

The security and protection team at Fosun Science and Technology Park is managed jointly by the security department of Clonbiotech and the property company, which continuously enhanced the park management. In 2015, Clonbiotech was awarded the "Advanced Unit for Security and Protection in Xuhui District". Only more than 30 enterprises were awarded such honour in this district.

Disclosure description: The report discloses the health, safety and environmental protection quality, which is part of the working environment quality and has important effect on the Group. They include the related important performance indicators. For some key indicators which have general effect on the Group, the report has also made voluntary disclosure to some extent. The report does not cover greenhouse gas emission, which is not mandatory to be under control in mainland China and has no appropriate statistics methods, and will cover in due course.

(Data description: the statistics of the data disclosed in the above sections and each table in the EHS report are conducted in accordance with related state or local regulations, industrial standards, administrative requirements or practices formulated by subsidiaries. They are derived after reasonable verification. For the data whose validity or completeness cannot be confirmed due to various objective reasons, they are denoted with "-". For the appropriate data, they are denoted with "NA".



# Confidence

In 2015, Guilin Pharma supplied 28.2 million artesunate injection needle to the global antimalaria market. It was expected that 4.7 million people (90 percent of which came from Africa) would be benefitted. At present, Artesunate series of innovative medicines from Fosun Pharma Group (including oral preparations and injections) helped a total of nearly 200 million malaria patients to recover. In particular the innovative medicine Artesun (injectable artesunate), which was registered for sale in more than 30 countries around the world, and had a global market share of severe malaria for over 90%. As of to date, there were more than 7 million patients with severe malaria being saved, most of which were children under five years of age. The decline in mortality rate of malaria had outstanding contribution.

Figure note: Doctors in Kenya describing the conditions to the families of children with malaria illness





Employees

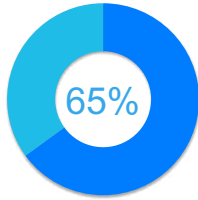


Fosun Pharma Group cares about the sustainable development of talent. Since its establishment, Fosun Pharma has been holding the talent perspective of "attracting people with development, condensing people with career, cultivating people with challenge, and recognizing people by their performance". Right now, the entrepreneurship-based team has been at the core of the Group's development. While the Group is developing rapidly, it provides more outstanding talents with room for growth by Talent Retention Program and Succession Management Program, and we also provide them a platform to discover their value and improve themselves.





### Young talent



Employees under the age of 40

Fosun Pharma Group has more and more young talents and they are becoming the backbone of the Group.

- ▶ In 2015, over **65%** of employees were under the age of 40.



### Personnel Incentive



**18.45%**

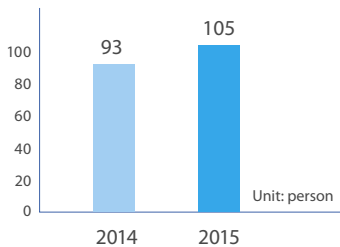
Promotion rate of group employees

Established an incentive mechanism and shared the fruits of development with its employees.

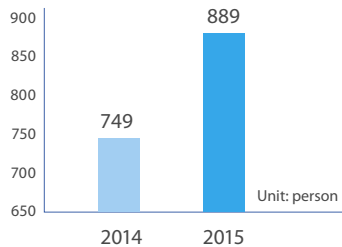
- ▶ In 2015, the promotion rate of Fosun Pharmaceutical Group employees was **18.45%**



### Highly educated professionals



The number of PhDs

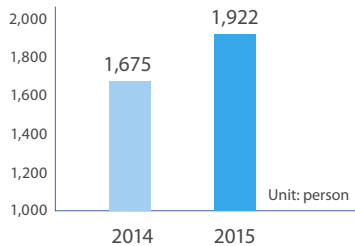


The number of employees with master degree

- ▶ Fosun Pharmaceutical Group continued to increase the introduction of highly educated professionals. The number of PhDs has reached **105**, increasing by **12.9%** as compared to 2014.
- ▶ The number of employees with master degree was **889**, increasing by **18.7%** as compared to 2014.



### Value R & D staff



The number of R & D staff

- ▶ The Company focused on technological innovation and increased the introduction of R & D staff.

In 2015, the number of R & D staff has reached **1,922**, increasing by **14.7%** as compared to 2014.



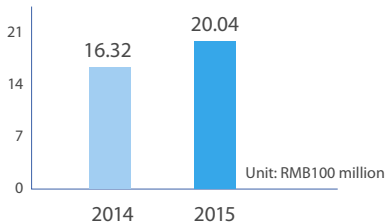
### Talent Development

- ▶ Initiate a series of Succession Management Program by reviewing the talents and build several talent pools.

Department Involved: investment, R&D, marketing, finance, Internet, EHS, human resources, brand and public relations



### Staff salaries are higher than the local minimum wage.



Amount paid to employees and cash paid for the employees



### Employee rights

- ▶ Fosun Pharmaceutical Group advocated a fair competition and fighting against discrimination. The female employees, disabled employees and employees of ethnic minority accounted for **51.50%**, **0.36%** and **2.20%**, respectively.
- ▶ Retain job positions for **100%** of female employees when they are pregnant, during childbirth and breast-feeding period and their returning to work is **100%** guaranteed. **100%** of male employees whose spouse gives birth will enjoy paternity leaves.



## Sustainable Development of Talent

The sustainable development of talent is an important step in the accomplishment of Fosun Pharma's goals. Adhering to external introduction and internal development, the Group does not only proactively attract outstanding talents from outside, but also reinforces its internal development and promotion, so that we can build a team that recognizes the company's culture, and full of entrepreneurship, which will contribute to establish a talent highland.

The Group cares about the talent acquisition and development in the affiliated companies. In the acquisition, development, and promotion of talents, men, women, minorities, and disabled employees are entitled to equal rights.

## Talent Acquisition

Fosun Pharma Group advocates "attracting people with development".

Driven by two wheels "investment and operations" the industrial chain of the Group was further improved and extended in the macro-health sector. There had been sustainable growth in business, with the scale and platform expanding further. Internationalization allowed us to move out from China and tapped into the rest of the world, thereby attracting a growing number of local and overseas talent to join.

## Optimized Structure

The Group had a total of 17,842 employees in all areas with presence combined as of December 31, 2015, a decrease of 0.98% from 2014, which remained flat basically.

All employees of Fosun Pharma Group are widely distributed in Eastern, Southern, Central, Southwestern and Northeastern China. The Group has provided a lot of job opportunities.

In 2015, more than 65.0% of the Group employees were below 40 years old, and more and more young talents have become the backbone of the enterprises.

The Group continued to hire talents with advanced education in 2015. There were up to 105 employees holding a doctorate degree, an increase of 12.9% from the last year. Those holding master's degrees surged by 18.7%. Fosun Pharma further focused on enhancing the overall education qualification of employees. Employees holding qualifications of college degree or above accounted for 56.5%. There were up to 1,922 technical R&D employees, representing an increase of 14.7% as compared with that of the last year.

## Internal Referral

The Company actively encourages internal staff to recommend external personnel (Bole Plan) for enriching the reserve of human resources, which helped the Company to build a first-class team.

The employees of the Company actively participate in talent acquisition plan. In 2015, 34% of the new employees joined the Company through internal referral channels, which helped the Company to find talents that fit its needs.

Structure of Human Resources of Fosun Pharma Group

Unit: person

Year	Total	Gender	
		Male	Female
2015	17,842	8,653	9,189
2014	18,081	8,800	9,281
2013	16,791	8,246	8,545
2012	14,357	7,222	7,135
2011	13,192	6,794	6,398

Educational Background of Fosun Pharma Group

Unit: person

Year	Doctorate	Master	Bachelor	Higher education	Higher education and lower
2015	105	889	4,453	4,643	7,752
2014	93	749	4,229	4,693	8,317
2013	80	637	3,794	4,368	7,912
2012	50	472	2,931	3,364	7,540
2011	48	441	2,778	2,910	7,015



## Talent Education

Fosun Pharma concerns "cultivating people with challenge"

The Group provides an open platform and a variety of career choices, so that the staff can display their talent in the growing stage to achieve a successful career.

In 2015 we launched a series of Succession Management Programs. We conducted the Talent Review for Investment, R&D, Sales, Finance, Internet, HR, Branding and Marketing workforce, which helps to build several talent pools.

Meanwhile, Fosun Pharma proactively cares about the incubation of young talents. In 2015, we organized several on-line and off-line activities for our MTs (management trainees), to accelerate the inclusion and development of those young talents by setting a number of challenging tasks.

In addition, when new opportunities open, we will consider the internal talents as priority. By accelerating the mobility of talents, and pro-actively promoting the internal high-potential staff, our talents can obtain sustainable development in this broad platform.

Functional Structure at Fosun Pharma Group

Unit: person

Year	Management	Management	Distribution	Technical Research and Development	Finance and Audit	Administration and Logistics	Health Care Professional
2015	605	7,950	2,956	1,922	436	1,345	2,628
2014	666	7,547	3,938	1,675	462	1,396	2,397
2013	635	6,468	3,927	1,570	436	1,552	2,203
2012	512	6,272	3,829	1,545	349	1,177	673
2011	661	5,049	3,088	1,923	379	1,555	511

Age Structure of Staff at Fosun Pharma Group

Unit: person

Year	16~20 years old	20~30 years old	30~40 years old	40~50 years old	50~55 years old	55~60 years old	Over 60 years old
2015	582	5,802	5,396	4,363	1,044	509	146
2014	462	5,850	5,445	4,325	1,110	670	219
2013	488	5,885	5,354	3,044	1,097	715	208
2012	141	4,963	4,448	3,392	793	521	99
2011	513	4,506	3,854	3,000	765	467	87

Regional coverage of employees of the Group: (based on the location of the company)

Region	No. of employees in 2015
Eastern regions of China (Shandong, Jiangsu, Anhui, Zhejiang, Fujian, Shanghai)	7,803
Southern regions of China (Guangdong, Guangxi, Hainan)	3,144
Central regions of China (Hubei, Hunan, Henan, Jiangxi)	3,110
Northern regions of China (Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia)	176
Northwest regions of China (Ningxia, Xinjiang, Qinghai, Shaanxi, Gansu)	—
Southwest regions of China (Sichuan, Yunnan, Guizhou, Tibet, Chongqing)	2,038
Northeast regions of China (Liaoning, Jilin, Heilongjiang)	1,256
Hong Kong, Macao and Taiwan	—
Overseas	315
Total	17,842

Statistics of Male, Female, Disabled, and Minority workers at Fosun Pharma Group

Unit: person

Item	Total number of employees	Male	Female	Disabled	Minority
Number of persons	17,842	8,653	9,189	65	393
Ratio to total	100%	48.50%	51.50%	0.36%	2.20%

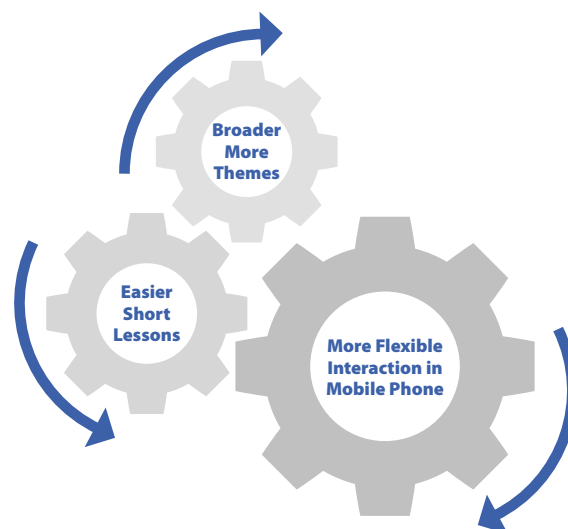
## Positioning of Learning & Development Center

**The Ambassador for Culture Advocate:** Everlasting Enterprises have an excellent, historic, updated corporate culture. The Group is a diversified company, the unity and consensus of culture is important to the cohesion of the enterprise.

**The Expert of Knowledge Management:** To collect and share Fosun Pharma's knowledge and practices, which contributes to the transfer and heritage of our excellence, especially in the ever-changing era it's quite important for us to extract and refine the successful stories, as well as absorb and convert new knowledge.

**The Cradle of Talent Development:** With the rapid internationalization process, the improvement of Internet System, as well as the deeper evolution of marco-health ecosystem, We need to accelerate the progress of Succession Management Programs, so we provide sorts of professional and managerial training, which will enable our talents to get sustainable development.

**The Platform of Resources Integration:** The Group actively promote the sharing platform among Headquarter, Business Units and Affiliated Companies in learning and development, so that the resources (such as: vendors, internal trainers, training materials, cases, etc.) are widely spread and leveraged, which will reduce the training cost, obtain internal resources and improve the efficiency and effectiveness.



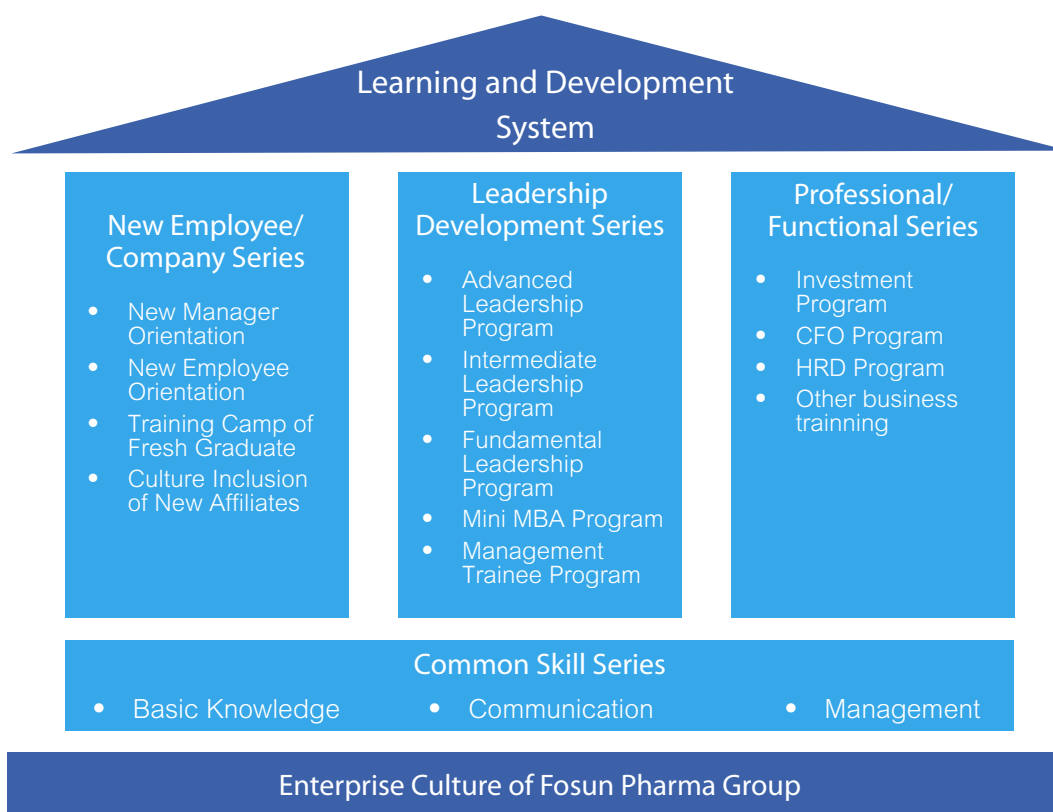
## Learning and Development

In 2015, the Group continued to further develop drugs, medical devices, innovative research and development of medical diagnostic technology and manufacturing. At the same time, the Company is also actively developing high-quality medical service area, optimize the integration and transformation of drug distribution and retail pro-actively participate in mobile medical area. With the rapid development of business, the curriculum has become broader (multi-themes), lighter (short lessons), more flexible interaction in mobile phone. So we can easily cover more targeted groups, participants from different companies, positions and levels pro-actively enroll and participate.

In 2015, the training system of Fosun Pharma continued to root in its culture, We have four series of training courses/programs, namely "New Employee/Company Series", "Leadership Development Series", "Professional/Functional Series" and "Common Skill Series".

**New Employee/Company Series:** Fosun Pharma provide informative orientation to newly-join employees and continue to care about their work and life within two months since the Day 1, to help newcomers better integrate into Fosun Pharma's family. In 2015, we design and implement the "The First 60 Days" we organize the 7-day training camp for fresh graduates, we also host the Summer Camp — "Future Entrepreneur".

**Leadership Development Series:** we provide management and leadership program to those experienced and senior talents, which will accelerate the development of managers and leaders and reserve excellent talents for the whole company. In 2015, we initiated the "Fosun Pharma Star Program" to our management trainees. Through regular meet-ups, mobile learning tools, mentorship, and action learning, we created an atmosphere for the young talents to be passionate, conduct brainstorm, collect intelligence, and growing together.





## 2015 Learning and Development Highlights:

When designing the training courses and programs, we always comply with the "70-20-10" principle, which emphasizes "learning from work" during personal growth and promotion.

### Highlights 1: Internal Trainer

Internal Trainer is an essential part of the Learning and Development system in Fosun Pharma Group. They play a critical role in all the four series of courses/programs which helps to broadcast corporate values, corporate culture, business operation and managerial witness.

In 2015, there were nearly 40 internal trainers, accounting for 10% of the whole Company. Each of which delivered 2.4 courses per year.

### Highlights 2: Lunch & Learn

Given the diversified needs of participants and the updating of knowledge, the learning and development center's curriculum, method, and delivery style put forward new requirements.

In 2015, we launched a new training series Lunch & Learn which utilized participants' lunch time and involved Company's senior executives and professionals to share company's major strategic topics. 17 sessions were held during the year, with nearly 500 attendance.

**Professional/Functional Series:** a combination of courses and programs were designed to meet the development needs of target groups in different functions, which helped to cultivate systematicness and depth of those professionals.

In 2015, each function pro-actively participated into all kinds of learning activities, especially through visiting external benchmarking companies. This was proven to be effective in learning and leveraging knowledge and experience. Such as Internet talent visiting Huawei, HR visiting Tencent and Baidu, etc.

**Common Skill Series:** The new staff genuinely cared about their self-improvement, so we organize a wide variety of common skill course. The

participants were mostly from affiliated companies, and what's more several courses were also conducted within enterprise. In 2015, we developed a new group of internal lecturers and added many courses. Meanwhile we pro-actively recommend some of the excellent internal trainers to our affiliated companies.

**Corporate culture:** were promoted through various activities, so that the corporate culture of "Fosun" was being felt every where. In 2015, a reading month was launched, birthday celebrations were held for staff and there was the New Year climb relay, retired workers gathering and many other activities.

Major Training indicators of Fosun Pharma Group<sup>\*4</sup>

Training Indicators		Unit	2012	2013	2014	2015
Total Training Expenses <sup>*1</sup>		RMB(0,000)	813	931	879	557
Training Hours	Per employee	Hour/Person	–	–	36	28
	Of which: per male employee	Hour/Person	–	–	37	29
	Of which: per female employee	Hour/Person	–	–	34	30
Training for Senior Management <sup>*2</sup>	No. of senior management	Person	118	154	180	226
	Total person hours trained <sup>*3</sup>	Person Hours	4,610	5,844	20,815	6,627
Training for Other Staff (including fresh graduates)	Total number of staff not including senior management	Person	8,971	14,050	18,278	20,697
	Total personal hours trained <sup>*3</sup>	Person Hours	405,406	543,758	652,405	577,366
Of which: Training for Fresh Graduates	No. of fresh graduates (including those resigned)	Person	317	434	714	924
	Total personal hours trained	Person Hours	23,392	44,080	44,681	53,994

<sup>\*1</sup> It included training inside and outside the enterprise. Including sending employees to participate in various external training courses and external training by outside lecturers in House division or business within the enterprise to do the training of internal staff to House.

<sup>\*2</sup> Vice President or above.

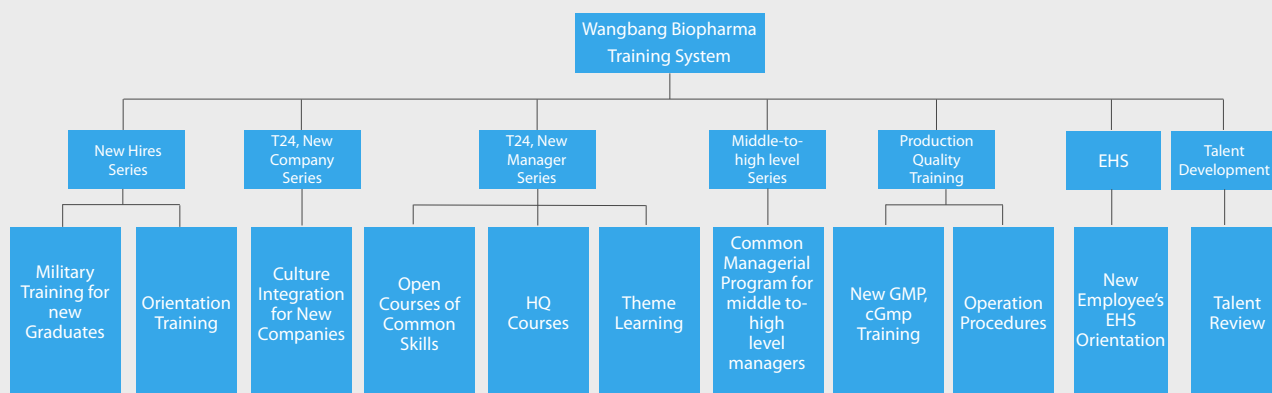
<sup>\*3</sup> When the product of the number of people participating in the training and the number of the total number of hours of training

<sup>\*4</sup> This is not included in the training data of Quality and EHS training.

Note: The training data excluded Alma Lasers' data..

## Case: Wanbang Biopharma Training Program for R&D Talents

Wanbang Biopharma liaised with Fosun Pharma R&D Institute to provide training programs with theory and practice combined to the R&D talents, according to "Training Policy of R&D Talents in Fosun Pharma's Affiliated Company" and they attended classroom training as well as action-learning activities, which are good methods to cultivate R&D talents.



Training Program of Wanbang Biopharma

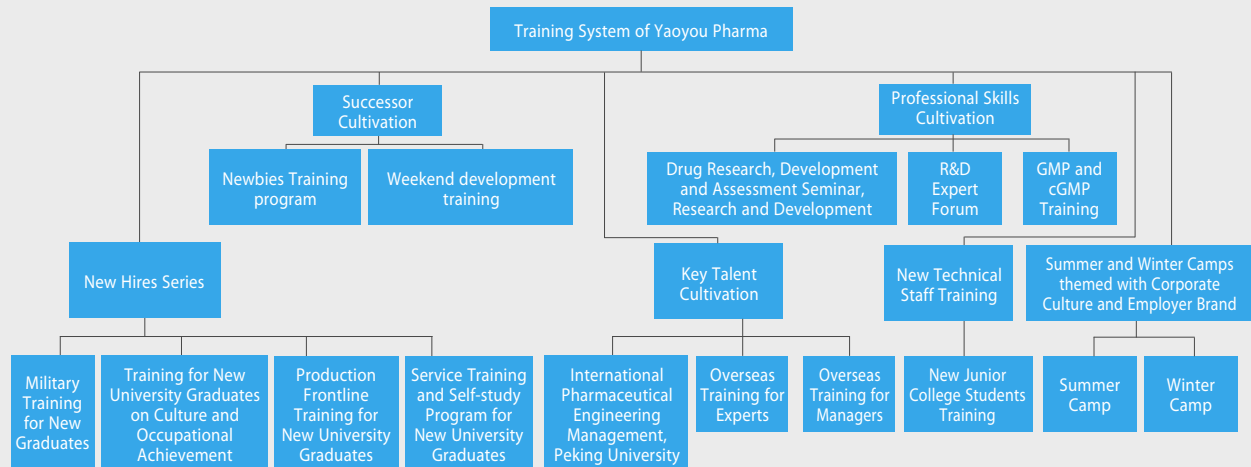
Category	Name	Contents
Talent Development	Talent Review	The annual promotion plan, elimination plan, adjustment plan and key talent development plan are defined based on assessments and analyses of the quantity and quality of talents in accordance with the Company's strategies and business demand.
New Hires Series	Military training for new graduates	It helps enhance the physical performance and awareness of mutual assistance among new hires so that they can better adapt themselves to the military-like culture of the Company.
	orientation training	Orientation training targets on new hires who entered Wanbang Biopharma at different stage. It helps new hires understand the basic information, policy and regulation and systems covers training on basic working skills and occupational competency, and helps employees quickly adapt to the job requirements.
New members series	New Company Culture Inclusion	It accelerates the culture inclusion of Wanbang Biopharma and the management of new enterprises joining the alliance. The arrangements include the integration of culture and bridging of three major areas (strategy, performance, and budget).
T24, New Managers Series	Open Courses of Common Skills	This external program is provided to outstanding T24 and new backbones in order to enhance their common abilities. Employees can choose courses on their own and get the approval from the superiors. The company will pay for the cost, with subsidies from the Company.
	HQ Courses	It connects the training and resources sharing system established with Fosun Pharma Industrial Research Institute, and invites professionals to exchange ideas and provide guidance on the R&D technology management and project progress of Wanbang. It also participates in expertise research seminars and trainings held by research institutes; Outstanding key employees are screened to participate in position exchange program with corresponding departments in Fosun Pharma.
	Theme Learning	Theme training programs are organized on a yearly basis to enhance their mental level according to the characteristics of T24 and new managers. Learning for related staff is organized through forums on topics such as knowledge of psychological health and the workplace.
Middle-to-high level series	Common Managerial Program for middle to-high level managers	Training programs on common management capabilities targeting middle-to-higher ranking managers are held periodically to meet the needs of the Company. Training topics, which stick to the latest trend, are finalized on the basis of 360 degree feedback, management highlights of the Company, strategies, culture and business orientation. The training programs are conducted by means of experience sharing, discussions, and lectures. Subsequently, trainings focused on different topics, such as "Implementation of new innovative minimally invasive technology", "Distribution and management mode of pharmaceutical enterprises under the mobile internet world" and "Customer-oriented working culture", were held. Moreover, selected middle-to-high ranking managers had participated in various courses, including "Art of leadership for technical senior management" and "EMBA training class of China-Europe International Business School".
Production Quality Training	New GMP and cGMP Training	The training focuses on the learning, recording, and examination on new GMP documents for production quality organizations.
	Operating procedures	Learning the documents and process & procedure of SOPs for operating positions as well as equipment maintenance.
EHS	New Employee's EHS Orientation	Employees should receive training on knowledge of tertiary safety documents, required technical knowledge and skills, and safety protection in accordance with applicable EHS system documents at the company, workshop (department), and shift levels, respectively. Fire drill will be held at least once a year, and EHS quizzes for all staff are held.





## Case: Training Programmes of Yao Pharma in 2015

Yao Pharma has established a perfect training system that covers professional trainings such as safety education and production quality; corporate culture training such as new hires training, new enterprises training and MA PhD summer camp; as well as core talent development training such as management skills training for different positions and overseas learning.



### Training projects at Yao Pharma

Category	Name	Contents
New Hires Series	Military training for new graduates	The extensive military training helps refine will, break through oneself, and fortify implementation and group awareness.
	Training for new university graduates on culture and occupational achievement	It helps with a comprehensive and advanced understanding of Yao Pharma, have professional knowledge of the pharmaceutical industry, and nurture the sense of mission and honor in pharmacy practitioners by learning corporate culture, strategic planning, and related management system. It helps develop occupational train of thought and basic skills among employees and facilitate transformation in the roles students play in order to adapt to the corporate demand in the midst of rapid development.
	Production frontline training for new university graduates	New university graduates can work at the production frontline, thereby having a better understanding on production procedures and experiencing the actual medicine production procedures. It also develops their awareness on product quality and the social responsibility of pharmacy practitioners.
	Service training and self-study program for new university graduates	It helps the acquisition of required skills for the specific position and quick devotion to related tasks once qualified through the training. New hires will establish project teams to conduct research and summary on industry projects and develop independent learning ability.
	New Junior College students training	All-rounded training and enhancement programs are provided for new workers in order to build up a new professional technical team.
Reserve Talent Cultivation Series	Eagles training program	It provides basic management training to the backbone employees of the Company.
	Weekend development training	Extensive training for frontline managers will be held once a month, aiming to develop their professional skills and boost team spirit.
Key Talent Cultivation	International Pharmaceutical Engineering Management, Peking University	Middle-ranking managers and core backbones in the business section of Yao Pharma are selected to attend the two-and half-year master's program on international pharmaceutical engineering management offered at Peking University.
	Overseas training for experts	Excellent technical talents are selected to attend overseas industry summits and new technology learning programs etc.
Manager Cultivation	Management training program	It provides management training and seminar to the Company's managers at each level.
Professional Skills Cultivation	Drug Research, Development and Assessment Seminar, Research and Development	Related employees in the research and development section are sent to attend the drug research, development, and assessment seminar held by the Center for Drug Assessment to meet their training needs and help enhance their business skills.
	R&D expert forum	External R&D experts are invited to expert forums with R&D personnel on an irregular basis.
	GMP and cGMP training	GMP and cGMP professional trainings are held for production staff based on the actual requirement.
Summer Camps themed with Corporate Culture and Employer Brand	Summer camp	The Summer Camp for Doctors and Masters was held in July. High school students were able to get closer to Yao Pharma and understand its culture.

### Case: High-performance Team training for Managers of Guilin Pharma

Given the needs of team building training for department heads and certain mid-level management of the Company, the Company carried out special training for team building in 2015. The theme of such training was "the Way to Success for Efficient Managers". The training program enabled the participants to understand their leading style and roles from various perspectives such as social style, leading role, development phase of the team and leadership skills. The program also provided detailed introduction of new management tools such as Asch working method, ABC behavioral analysis and OBI incentive and deepened the understanding of such tools through the simulation of actual working scenarios. In addition, the program demonstrated the scientific management skills and effects in easy-to-understand approaches such as role playing and case study and the participants enjoyed great benefits from it. After the class, most of the participants were of the view that such training program was the most interactive one they had ever participated in, and they had learnt many new management tools, which will be passed on to their departments and applied to daily work.

#### Training Program at Guilin Pharma

Category	Name	Content
Talent Development	Talent Review	The annual promotion plan, elimination plan, and adjustment plan are defined respectively and customized development plan is established for outstanding key talent by performing assessments and analyses on the quantity and quality of talent at key positions from various perspectives such as value system, leadership, work performance and development potential in accordance with the Company's strategies and business demand.
	Successors	Internal open selection and training for third-echelon reserve talents are performed and special development plan is established (external training, tutoring, position exchange program and project management) based on the Company's demand for echelon talent cultivation.
New Hires Series	Orientation Training	Induction training targets on new hires who entered the Company at different stage and the college graduates who entered the Company in July. It helps new hires understand the basic status, regulations and systems of the enterprise, covers training on basic working skills and occupational attainments, and helps employees fit in the team and quickly adapt to the job requirements for them.
T24, New Managers Series	Team Building-Welcome Party	It helps enhance the cooperation, creativity, physical performance and awareness of mutual assistance among new hires so that they can better adapt themselves to the Company's group culture and innovative culture.
	Open class for common skills	This external program is provided to outstanding T24 and new backbones in order to enhance their common abilities. Employees can choose courses on their own and get the approval from the superiors. The company will pay for the costs with subsidies from the company.
Mid-to-high level series	HR Course	It connects the training and resources sharing system established with Fosun Pharma Industrial Research Institute, and invites professionals to exchange ideas and provide guidance on the R&D technology management and project progress of Guilin Pharma. It also participates in expertise research seminars and trainings held by research institutes; Outstanding research staff are screened to participate in special study and training at Fosun Pharma Industrial Research Institute.
	Theme learning	For T24 members, we organized regular activities focused on topics such as work attitude, forum and professional skills.
	Comprehensive ability program for middle to-high ranking managers	Training programs on comprehensive capabilities (such as leadership skills and team building) targeting middle-to-higher ranking managers are held periodically to meet the needs of the Company. Moreover, selected middle-to-high level managers had participated in various courses such as international business administration training program organized by Tsing Hua University.
Production Quality Training	New GMP and cGMP training	A series of events including knowledge contest were held for all the staffs in the Quality Month. The training focuses on the learning, recording, and examination on new GMP contents.
EHS Training	Training for process improvement and deviation	Re-learning and examination are organized for relevant staff on projects that need to be improved during the checking of GMP.
	Operating procedure	Learning the documents and process & procedure of SOPs for operating positions as well as equipment maintenance.
	New Employees' EHS Training	Employees should be trained on knowledge of three-level of safety documents, required technical knowledge and skills, and safety protection in accordance with applicable EHS system documents at the Company, workshop (department), and shift levels, respectively. Fire drill will be held at least once a year, and EHS quizzes for all staff are held.



### Case: 2015 training programs of Chancheng Hospital

Compared with 2014, Chancheng Hospital further improved each procedure of the training project, further carried out various works including integrated planning, organization and arrangement, cost management, reporting and assessment and summarizing, which brought the training of Chancheng Hospital to a more standardized management stage. Based on the statistics from the training project in last year, Chancheng Hospital focused on competent departments in this year, and divided the training project into various modules including healthcare, safety, scientific education and service etiquette, which were managed by corresponding departments. Such measure enhanced the effectiveness and precision of the training project, the data collected from the project also became more precise and comprehensive, and the employees were of the view that the training was more effective.



New hires training



Nurse General Skill nurse training



High-quality service training



Medical quality and patient safety training



Fire drill



Hospital trainer high-end training of SGP International Management Academy

#### Training Programmes of Chancheng Hospital

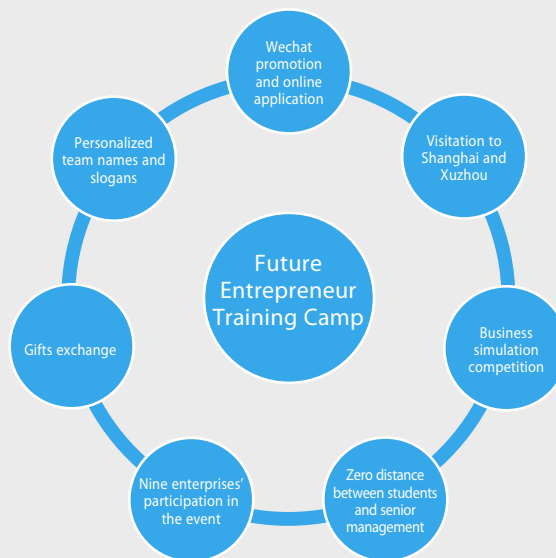
Category	Name	Content
New Hires Series	Orientation training-common compulsory course	Special training on hospital culture, management system, sanitary related regulations and safety production was held for new hires.
	Orientation training-professional compulsory course	Serial professional training was held for new hires which included operation standard for medical workers, nosocomial infection, continuing education and administrative effectiveness-execution.
Service Training Series	Quality service training	Training for quality service concept and service standards was provided to the employees.
Internal Trainer Series	Internal trainer training	In order to help the new hires quickly fit into the culture of Chancheng Hospital, in addition to the three major classes lectured by the internal trainer at the pre-job training every year, small-scale classes were held once a week and significantly improved the training quality for new hires.
EHS Series	New Employees' EHS Training	Employees should receive training on knowledge of tertiary safety documents, required technical knowledge and skills, and safety protection in accordance with applicable EHS system documents. Safety training and EHS management targets were also provided.
	Safety drill and test	Fire drill, fire extinguishing training and safety knowledge test were provided to the employees.
	Certification training	Training for various special equipment certifications and training for adverse drug reaction were provided.
Further Study Series	Further study for health professionals	Relevant series of personnel were arranged to participate in further study training held by external institutes regularly so as to enhance the professional skills of health professionals. The term of further study ranged from three months to over one year.

Case: "vitality-development"the 5<sup>th</sup> Fosun Pharma "Future Entrepreneur Training

In order to further connect the schools with the enterprises and provide opportunities for students to know about the industry, the enterprises and the workplace, Fosun Pharma began to hold the "Future Entrepreneur Training Camp" summer camp event since 2010. The event for this year (the 5th one) lasted from 20 July to 26 July and covered the headquarter and various subsidiaries of Fosun Pharma Group.

There were seven features in the summer camp for the year: the first one was Wechat micro show and online application. With the extensive use of mobile internet in the campus, we made a delicate Wechat micro show and published on Wechat. After scanning the QR code, people can receive relevant information and make application directly through the mobile phone. Secondly, personalized team names and slogans. Three teams from three universities made their respective personalized team names, slogans and team uniforms, such as "Starry Sky and Glorious Light" from Fudan University, "Black Swan" from China Pharmaceutical University and "Glory Youth" from Shenyang Pharmaceutical University. Thirdly, gifts exchange. Three teams had provided unique gifts to each other, such as school crest and bookmarks from Fudan University, notebooks with cloud-pattern brocade from China Pharmaceutical University and special edition USB drives from Shenyang Pharmaceutical University. The fourth feature was that nine enterprises had participated in the event. With the continuous growth of Fosun Pharma, we had invited nine enterprises to the event and enabled the students to know more about the enterprises. Enterprises participated in the event included various pharmaceutical enterprise and research institutes, large-scale distributors and logistics providers, diagnostic reagent manufacturers and modern comprehensive hospitals. Fifthly, zero distance between students and senior management and alumni. It was a great opportunity for the students to have direct conversation with senior management and alumni from the enterprises. We invited many leaders and alumni from various business segments and functional areas to have direct conversation with students, which covered various topics such as industry trend, advanced technology, vocational counsel, career development and personal growth. Sixthly, business simulation competition. 18 outstanding students from different universities had joined together and divided into three teams for the competition. Three teams only took 15 hours to finish business case studies with relatively high quality and report to experienced professionals for review and assessment.

The members of the winner team were given a 2015 Fosun Pharma Management Collected Works. Lastly, visitation to Shanghai and Xuzhou. During the summer camp, we arranged the visitation to scenic spots in Shanghai and Xuzhou and team development activities. It was worth mentioning that the whole process of our team building activity was managed through the Wechat platform, the multi-tasking mode and constraint of timeline amazed the students a lot.



## Learning feedback:

The summer camp kept me thinking even after it ended. In the northern region of China, one kind of bamboo only grows 3cm in height in its first four years, but meanwhile its roots expand several hundred meters underground. In the fifth year of its life, such bamboo will thrive to be the tallest among the bamboo forest within only six weeks. It was only after visiting the workplace and experiencing the real pharmaceutical industry that I realized dozens instead of several decades were required before embracing the success someday in the future. Also, during the process of accumulation, I may have to keep constantly reminding myself to keep calm and be patient. As a student who is yet to step into the workplace, I still have a long way to go.

– Yang Lei,  
Shenyang Pharmaceutical University

The summer camp was arranged based on the overall structure of biomedical industry, which was also a reflection of Fosun's healthcare concept. It provided me with a better understanding on the current and future development of the industry by going into the society from the lab and campus. Young, energetic, free, tolerant and farsighted were what Fosun Pharma impressed me with in this week.

– Zhao Sunxiang, Fudan University

The Fosun Pharma "Future Entrepreneur Training Camp" summer camp enabled us to have a real and intuitive understanding on various aspects of the enterprises through seminar, conversation, visitation and outreach activities. In addition to the upbeat and encouraging activities, Fosun Pharma also brought me warmth, touched my heart and made me believe that I can grow with the company and achieve success. I think I will see you again, Fosun Pharma!

– Zhang Xiuqin,  
China Pharmaceutical University





Female Employees: **51.50%**



Disabled Employees: **0.36%**



Ethnic Minority Employees: **2.20%**



**18.45%**  
Group Employee  
Promotion Rate:

## Employee Development

Fosun Pharma Group emphasizes "rating people by their key performance indicators (KPI)".

### Performance management

The design, implementation and utilization of the results obtained from the Group's KPI management system are based on the comprehensive and objective assessment of employees' overall performance, and are meant to improve the matching among employees' quality, capability, performance and functional requirements and facilitate constant perfection in terms of sustainable development between employees and the corporation.

The Group assesses the management teams at respective enterprises to ensure effective relay of KPI and advancement and consolidation of the performance culture. In hospital management, for example, the superintendent responsibility system under the leadership of the Board of Directors of the hospital is adopted. Each year, the Board of Directors of the hospital reviews and activates amendment of mid-term to long-term strategic plans of the hospital, deliberates on the annual operation and development goals for the hospital, and confirms the superintendent performance rating proposal. Apart from financial results, among performance rating indicators, the enterprises pay more attention to patient and employee satisfaction, medical quality and safety, medical characteristics, service process flows, talent cultivation, employee development, etc. For medical liability incidents, the one-vote down system is adopted. Efforts are made to ensure that operation of the hospital is not meant to pursue short-term interest. Instead, it is focused on long-term, sustainable, and benign developments that answer to the social and community charity nature of the hospital.

Department-based normal distribution is enforced on the performance results of employees at Fosun Pharma. With reference to the 360-Degree Feedback System, it is meant to tailor personalized enhancement and improvement solutions for each of the employees in order to enhance their specific performance and capabilities. In 2015, senior management team of Fosun Pharma also carried out a comprehensive assessment of the Group's annual results attainment level following the principle of normal distribution, so as to facilitate better management improvement and achieve the overall corporation performance goals.

## Employee Incentives

Fosun Pharma Group values "mobilizing people with a career".

The Group has established an incentive system to share development accomplishments with all employees so that employees can feel a sense of success while working for the Group and be willing to devote themselves, helping the Group grow over the long term.

### Long-term incentives

Currently, the framework of a long-term incentive system at Fosun Pharma Group was formed preliminarily based on the properties in the Group's business development, including the "Long-term Incentive Solution for Management", "Restricted Stock Incentive Solution", "R&D System Incentive Solution", "Incentive Solution for Strategic Investment Items", and "Incentive Solution for Pre-IPO Investment Items". Constantly perfected, the long-term incentive system of Fosun Pharma Group realizes the strategic support and innovation

in terms of business development. Since it was established in 2007, the system mentioned above has been practiced by the management over the years. The current compensation and incentive system of Fosun Pharma effectively supports investment and operation strategies and comprehensively covers the Company and individual subsidiaries to successfully facilitate the fulfillment of long-term performance goals by the Company and its subsidiaries. It has also helped inspire and retain talent management goals. In addition to enhancing R&D quality and efficiency, it also promotes and stimulates the incentive of the staff.

## Employee Benefits

The Group promotes fair competition, disapproves of discrimination and respects freedom of religion. Its 2015 employee structure consisted of 51.50% female employees, 0.36% disabled employees, and 2.20% minorities. Regulated by the Company's employee handbook, working overtime shall be compensated after passing the application according to the law.

The remuneration of all employees of the Group in all operating location is higher than local minimum wage and complied with local labour laws and regulations. The Group strives to fair principle and opposes discrimination. It implements the policy of same starting salary for employees with different gender. It also complies with minimum wage standard, and achieves same salary at same position.

The Group complies with the labour laws and regulations in operating locations. It has contributed social security and public accumulation fund and provided statutory holidays for all employees. Employees are entitled to have statutory paid annual leave and home leave. The Group has provided holidays and benefits in accordance with national and local laws and regulations for all female employees during their three stages in pregnancy (i.e. pregnancy period, birth period and breastfeeding period). The working position of pregnant employees retains unless the employee resigns, and she can go back to her position after pregnancy holidays. For male employees, they are entitled to paternity leave.

The Group has entered into collective labour contract with all of its employees through the labour union. The collective agreement stipulates relevant terms on notification period for negotiation and discussion. In the event of significant operational changes which seriously affect employees, employees and their representatives will be informed in advance.

The Group encourages employees to proactively participate in various activities of the Party, the League and the Labour Union. Employees' right of participating and organizing labour union is written into the Group's regulations and systems and is implemented. Necessary facility and outlay on activities are provided by the Company. The Group 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.

The Group values the protection of personal information and privacy of employees. Basic information of employees is managed by designated personnel and is strictly confidential. We respect the hearing and appeal rights of employees and offer unimpeded channel for them to complain and express their opinions by ways of mail, seminars and so on. We also take measures to keep confidentiality and safeguard employees from retaliation.

The Group strives to hire legal labour. There is no child labour being hired or forced labour. When selecting supplier, Fosun Pharma conducts assessment on supplier. Some of the enterprises have included the existence of child labour hire and forced labour under the scope of supplier assessment indicator. The number of juvenile workers employed is strictly controlled and the employment of juvenile workers complies with the requirements of laws relating to labour protection and working hours.

## Staff change at Fosun Pharma

Unit: person

Table of staff change at Fosun Pharma	2013	2014	2015
Total number of person-in-charge and vice general managers throughout departments	49	52	64
In which, new hires comprise	7	3	5
In which, new promotions comprise	9	5	4
Total number of supervisors and general managers	159	193	233
In which, new hires comprise	37	32	54
In which, new promotions comprise	30	21	46

## Promotion Rate of Fosun Pharma

Unit: person

Category	2010	2011	2012	2013	2014	2015
Total	24.31%	24.10%	20.60%	19.12%	11.48%	18.45%

Note: Promotion/mean at the start and end of term

## Staff outflow change at Fosun Pharma Group

Year	2011	2012	2013	2014	2015
Outflow rate	14.50%	18.90%	17.57%	17.05%	17.12%
Loss rate	13.31%	17.21%	14.76%	14.5%	13.24%

Note: The outflow rate=The total number of employees leaving the company\*2/(totals at the start + end of term). The loss rate = The number of employees spontaneously leaving the company\*2/(totals at the start + end of term)

## Labour Union

All the subsidiaries of Fosun Pharma Group are equipped with labour unions. All employees are members of labour unions and are protected by the agreement on group negotiations.

## Democratic Management

In 2015, in face of the rapid and new development trends, the Fosun Pharma Labour Union further strengthened its own constructions and fully exercised the bridging and pivotal functions as Labour Union to comprehensively improve the overall level of its responsibilities that closely surround the Fosun Pharma's development strategies featuring research and development innovation and international expansion together with the Group's working centers for production, operation, management, and service. With the creation of a role-model family of workers as the carrier, it closely focuses on employees' rights, corporate management, protection of labour safety, diversification of

employees' sideline cultural life, promotion of corporate cultural constructions, and precise fulfillment of the various functions of the Labour Union. It acts to be the pioneer, promoter, and practitioner of Fosun culture. The Labour Union fully exercises its function in the construction of a "Fosun family" and "harmonious Fosun" and the promotion of Fosun corporate culture.

## EHS staff labour safety

Fosun Pharma Labour Union is dedicated to liaise with Red Cross. With the arrangement for employees to attend first aid training in July 2015, 40 employees enrolled and 29 employees eventually passed the examination to receive the Elementary Red Cross First Aid Certificate. Along with the commencement of the first elementary first aid training course of Red Cross, more than forty staff subsequently formed a "medical emergency response team", gradually followed by a medical advisory team comprised of professionals possessing physician license. Under strong promotion and support by Fosun Pharma Labour Union and EHS department, the care center for Fosun Pharma was established.





## Employee Activities

Employee activities are important to the corporate cultural construction of Fosun Pharma. The Corporate Culture Working Committee ("Culture Working Committee") of Fosun Pharma fully utilizes the resources of the organization, proactively organizes and coordinates among individual departments and individual subsidiary by with the support from various aspects such as the labour union, human resources and branding and joins efforts in the organization of various events that help invigorate employees' cultural life and jointly proceed corporate cultural constructions.

In 2015, the Fosun Pharma's Labour Union organized over 80 cultural and sports activities, including various festival caring events for employees such as International Women's Day, Chung Yeung Festival, Children's Day, high temperature allowance, birthday parties and employee physical examination, as well as employees' club activities. Fosun Pharma Group has so far established ten employees' clubs which will organize various activities welcomed by the employees regularly. Meanwhile, each club proactively participates in neighborhood activities and community interaction through the labour union and significantly enhances the influence among the employees and the community. In 2015, the badminton, darts and fitness clubs of Fosun Pharma participated in several regional competitions and achieved good results such as the champion won by the united team of Fosun Group and Fosun Pharma in the open badminton championships organized by the badminton association of Shanghai biomedical industry, the second place in the Xuhui 9th Setting-up Exercises Competition cum sports games, the third place in freestyle relay in the Sinopharm "Le Kang Cup" swimming competition and the ninth place in the Shanghai Soft Darts Competition.

So far, Xinglong Library, the library of Fosun Pharma, has become a representative of Fosun Pharma in Hong Mei neighborhood. Xinglong Library held a total of 101 events in 2015 with 4,450 participants. The employees had borrowed 1,316 books and the labour union had bought over 3,000 books covering 22 different categories. The library also participated in the book floating activity and was given 200 books from the neighborhood and 1,300 books from Shanghai Library and Xuhui District Library. It was also equipped with e-book readers, and online reservation for borrowing books from Xuhui District Library can be made by scanning the QR code. With the platform provided by Xinglong Library, Fosun Pharma interacted with Hongmei neighborhood and provided cultural showroom, digital cinema and self-service reading room in order to enrich the employees' life.

In addition to the measures at group level, the Culture Working Committee also proactively promoted the corporate culture construction of subsidiaries with open minds and the interaction between the Group and subsidiaries. Firstly, we established the platform to support the business. In order to create the atmosphere of "enhanced, integrative, quality and safe" among the healthcare service subsidiaries of Fosun Pharma, in 2015, Fosun Pharma held "the meeting in memory of 5.12 International Nurses Day, commendation of outstanding nurses and establishment of nursing academic committee"

at its headquarter, which further encouraged the nursing workers to strive to be better based on their duties and achieve new heights. Secondly, we adopted innovative culture training methods with mobile internet. In 2015, the Culture Working Committee of Fosun Pharma adopted innovative working methods. According to the latest requirement of the Group's "Mobile Fosun" strategy, from 11 November 2015 to 20 November 2015, the Culture Working Committee organized the headquarter and controlling subsidiaries to conduct the "FosunLink" corporate culture knowledge contest. Such activity received strong support from subsidiaries such as Aohong Pharma, Wanbang Biopharma, Yaneng Bio, Zhongwu Hospital and Suzhou Erye Pharma with 1,667 participants from the headquarter and controlling subsidiaries and was well-received by the employees. Thirdly, we organized various "Fosun family" activities to inherit the Fosun culture and integrate with Fosun Group. On 25 October 2015, 2015 "Fosun Cup" Shanghai Jinshan Langxia Half Marathon was held in Langxia. 12 employees from the headquarter, industrial companies, Wanbang Biopharma, Shanghai Henlin Biotech and Chemo Wanbang Biopharma participated in the happy run covered approximately 5.6 kilometers, and the volunteers from the Company provided strong support throughout the event. The Fosun Pharma team was honoured the group award in happy run on top of the excellent personal results. Liang Xinjun, the vice chairman and chief executive officer of Fosun Group, handed out the medals to individual and group winners. Fourthly, we encouraged the subsidiaries to organize employee activities so as to enrich the life of employees. On 2 September 2015, the construction of the employee recreation centre of Chemo Biopharm was completed, which provided a relaxing place for the employees to work out and improve physical performance and further enriched the employees' leisure activities.

The Labour Union of Fosun Pharma organises employee blood donations every year, which is actively responses by employees. Labour Union of Shine Star (Hubei) organised the employee blood donation, donated a total of 40,000ml blood during the year, and received the "Advanced Blood Donation Promotion" award by the blood donation center of Jinzhou city. Blood donation activities were also jointly organised by labour unions of Chancheng Hospital and Foshan blood center with about 160 participants. The Chanchen Hospital labour union received the "Outstanding Organiser of Blood Donation".

## Volunteer Team

Over 80 volunteers from Fosun Pharma participated in five volunteer activities in 2015, which included "Hold my hand" free scientific education campaign, run for public welfare and health activity, "Shanghai United Walkathon" volunteer event, 2015 "Fosun Cup" Shanghai Jinshan Langxia Half Marathon and the "Heart-warming" clothing donation campaign for people in need in Yunnan Province.

The volunteers from Fosun Pharma proactively participated in the "Hold my hand" free scientific education campaign and showed the volunteer spirit of selfless dedication during the campaign. A total of 80 lessons were given with approximately 200 participants for the past three years.



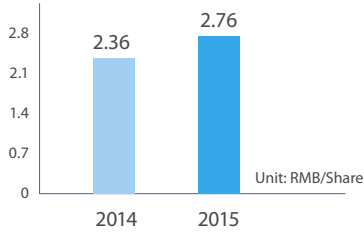


Society

We constantly fulfill our commitment as a corporate citizen and serve society with sincerity. Since Fosun Pharma was established, it has been creating wealth for society and providing employment opportunities to live up to the motto of “teaching one to fish”, supporting education, aiding African countries in the fight against malaria, helping sick orphans, and proactively undertaking its duties as a corporate citizen at the same time.



### Social contribution value per share



► Social contribution value per share is a comprehensive reflection of the contribution made by the company to all sectors of society interest groups and is of great significance in promoting corporate social responsibility.



### Public welfare contributions

> **RMB8.47 million**

Total donations to the community

► Currently, Fosun Pharma Group has established a complete system of public welfare, the Weilaixing plans. The Group bore its corporate social responsibility and contributed to the community by supporting education, funding scientific research, providing medical and health community services, helping sick orphans, donating the poor and disaster assistance.



### Community service

> **60 times**

Large scale volunteer team activities

> **60 times**

Public welfare health talks and health consultation

► Fosun Pharma Group actively carried out community service, including volunteer team activities, special health talks, health counseling, health knowledge promotion, health monitoring, to provide professional services to the public.

► The healthcare service member companies under Fosun Pharma Group held over **60** large scale volunteer team activities and over **60** public welfare health talks and health consultation, continuing to highlight the medical welfare.



### Foreign aid training

**Over 100**

Africa aid projects

**Two**

► Actively cooperated with the aiding Africa and anti-malaria projects of Chinese government. Since 2006, we have undertaken over **100** Africa aid projects of Ministry of Commerce, involving more than **30** countries and regions.

► In 2015, Hosted two training programs for Ministry of Commerce.



### Honours

**Ranked first**

in the disclosure evaluation of environmental responsibility for Chinese listed companies

**Best Innovation Award for Public Welfare**

**Ranked first**

in the social responsibility development index evaluation of Shanghai listed companies

**Ranked first**

in the corporate social responsibility report assesses of Shanghai listed companies

**Golden Bee Award**

**Top ten**

companies of Corporate Social Responsibility Ranking in China pharmaceutical companies



Social contribution value per share is  
RMB**2.76**.



Endorsed Convention on Anti-Fraud Alliance China Enterprises.



In 2015, Fosun Pharmaceutical Group  
has made contribution over RMB**8.47**  
million to the society.



We were awarded with Best Innovation Award for Public Welfare and one of the top ten companies of Corporate Social Responsibility Ranking in China pharmaceutical companies.

## Social Contribution Value per Share

In 2015, the social contribution value per share of Fosun Pharma Group was RMB2.76.\*

Being the overall demonstration of the contributions that a corporation has made to all stakeholders in society, social contribution per share is significantly important in terms of a corporation undertaking its social responsibilities. Shanghai Stock Exchange released the "Notice on Enhanced Undertaking of Social Responsibilities for Listed Companies and Release of the 'Guidelines to Environmental Information Disclosure of Listed Companies at Shanghai Stock Exchange'" on 14 May 2008, to encourage respective listed companies to disclose social contribution per share in their annual social responsibility report, and accordingly to help society and the general public with a comprehensive understanding of the real value that the Group has created for its shareholders, employees, customers, creditors, communities, and the overall society.

\*Note: Social contribution value per share = earnings per share + (tax revenue, employee cost, interest expenditure, devotion to community charity)/total share capital at the end of term

## Corporate Citizen Commitment

### Anti-corruption management

Fosun Pharma has always been implementing the establishment of honest culture as its strategic effort. To protect normalized and orderly management in the company, and boost awareness and spontaneous compliance with local laws and regulations and the various requirements and systems of the company, honest fulfillment of duties, and honest practice, in accordance with the spirit of "Shanghai Fosun Pharmaceutical (Group) Co., Ltd. Anti-corruption Supervision and Management System" implemented by Fosun Pharma and as required by "Honest Practice and Management Requirements for Employees of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.", as one of the important measures in establishing honest culture, new hires of Fosun Pharma headquarter must sign the "Letter of Undertaking for Honest Employee Practice of Shanghai Fosun Pharmaceutical (Group) Co., Ltd." upon employment. Basically, the letter of undertaking covers all of the employees with a signing rate of 100%. The letter of undertaking stipulated that employees of Fosun Pharma may not take advantage of their duties and work to seek illegitimate interest and undermine corporate interest.

To reinforce the ideological education on the anticorruption initiative, enhance the awareness of anticorruption and honesty promotion and spontaneous resistance to corrupt ideas, and ensure smooth development of the company. In 2015, the Fiduciary Administration Supervision Department of the Company conducted a series of anti-corruption and honesty practice promotion and education for its new hires in Shanghai. Training programs on creating an honest culture were held, with the participation of approximately 15 new hires. The company required new hires to comply with national laws and rules and regulations of the Company, with an aim to achieve integrity and compliance regarding their respective duties.

In addition to the setup of portals to the Disciplinary Committee and its Fiduciary Administration Supervision Department on the company's OA network, Fosun Pharma proactively conducted promotion and education on anti-corruption and honesty promotion regulatory system, with the number of target employees expanded. During the year, under the existing four columns, namely news on anti-corruption and honesty promotion, case analysis, honesty culture and relevant laws and regulations, the company proactively conducted promotion and education on anti-corruption and honesty promotion regulatory system through this platform. A total of 17 articles on various topics were released throughout the year. Furthermore, leveraging on the upgrade and optimization of Fosun Pharma's information management platform, the integrated database system of Fosun Pharma is looking for replacement. In the following year, the Company will cover a broader and deeper information management system. By then, the system will be effectively established, which shall enhance the benefits and communication among employees.

### Fiduciary Administration Supervision Department

To fortify the immunity of the corporation, guide employees through honest practice, further enhance the corporate management level on Fiduciary Administration construction, prevent employees from violating laws and rules with the power they have, eradicate corruption at the source, the Company focused on the construction of anticorruption and honesty-promoting systems and establishment of Fiduciary Administration supervisory systems and other related works during 2015.

In 2015, under the leadership of the Company's Board of Directors, the Fiduciary Administration Supervision Department quickly established a normalized system for the discipline and prevention of corruption following the principle of "addressing both the signs and the root cause, applying comprehensive governance, taking care of both discipline and prevention, and emphasizing prevention." The emphasis was particularly placed on the prevention of corruption at the source. In January 2015, the Fiduciary Administration Supervision Department of Fosun Pharma attended the joint session of discipline inspection and supervision and Fiduciary Administration supervision work organized by "Fosun family", strengthened the business communication with the Fiduciary Administration supervision departments of Fosun Group and





its business sectors, embarked on joint construction of Fiduciary Administration and accelerated the development of Fosun Pharma's Fiduciary Administration construction, which embodied the main idea of "strengthen the anti-corruption network, safeguard the development of the Group".

In addition to the internal effort and self-development from the enterprises, external experience is also required for the implementation of honest practice which upholds anti-corruption and honest promotion. On 18 June 2015, ten renowned private enterprises, which include, among others, Fosun Group and Alibaba, held a conference on the establishment of anti-fraud alliance at Hyatt on the Bund Hotel in Shanghai. Representatives of the participants shared experience with each other and entered into the "Treaty of China Enterprise Anti-Fraud Alliance", which required that the allied enterprises shall remember their social responsibility, be honest and fight against the fraud. It also required that the allied enterprises shall coordinate and cooperate with each other to defense against fraud together. Subject to the relevant laws of the countries where employees belong to and where the allied members operate, allied members shall create their respective internal lists of dishonest employees (which refer to the employees who, confirmed by allied members, have dishonest practices such as offering and/or taking bribery, embezzlement, selling and/or disclosure of trade secret of the company and abuse of power for personal gains, and resulted in the termination of labour contracts and internal open investigation) and provide relevant support when required by other allied members.

Supervision and inspection are important tasks of the Fiduciary Administration Supervision Department. In 2015, after the establishment of centralized procurement and procurement management department, based on the previous experience and real situation, Fosun Pharma formulated the "Notice on Regulating the Non-Production Procurement Contracts of Fosun Pharma's Subsidiaries" and other operational management documents. The Fiduciary Administration Supervision Department proactively supervised on construction projects of subsidiaries, production material procurement, equipment procurement and other relevant issues, and participated in biddings. As recorded, there were a total of 48 biddings in 2015. Enterprises and departments involved include, among others, Shanghai Henlius, Fosun Diagnosis Division, Aohong Pharma, Aleph, Hongqi Pharma, Chemo Biopharma, SunTech Pharma, clone science park, internet business development department and Brand and Public Relations Department. Bidding projects include, among others, tablet press machine, fluidized-bed granulator, decontamination project installation, automatic chromatography system, automatic ultrafiltration system, air compressor, diesel generator unit, joint bidding project for packaging material by three enterprises in northeast region and Party A representative or supervisor of construction projects. Hence, corruption can be eradicated at the source through participating in biddings.

In 2015, pursuant to the requirement of the "Provision on Personal Issue Reporting of Important Management Executives" of Fosun Group, the Fiduciary Administration Supervision Department made first attempt to ask the heads of functional departments in Fosun Pharma and the major leaders of core subsidiaries to report important personal issues on a voluntary basis and received a total of 21 important personal issues reports. Such first attempt as mentioned above laid a foundation for subsequent improvement and promotion.

In 2015, the three complaints and reported cases received by the Fiduciary Administration Supervision Department involved miscellaneous construction project, equipment procurement bidding project, process pipe installation bidding project and other issues. Two were complaints caused by imprudent practices in the process and operation during the bidding process of subsidiaries and were rectified subsequently in a timely manner. One was a reported case: an employee of our subsidiary reported a suspected fraud made by a bidder during the procurement of high-speed tablet press machine. As an employee of the user (workshop) of equipment to be procured as well as a member of the bid evaluation group, such employee reported the fraud to the management despite the bribe of "5% return" verbally promised by the sales representatives of the bidder and prevented illicit competition, which fully reflected the fairness of open bidding.

The Fiduciary Administration Supervision Department frequently organizes benchmarking and exchange activities with top enterprises in the industry. They share experience and learn from each other. The Fiduciary Administration Supervision Department learns from strengths of others and improved its own insufficient, to optimize its works.

Looking forward, the Fiduciary Administration Supervision Department will adhere to the corporate culture of "integration" and the internationalization development strategy, assist in the economic work of the Group and serve as the "4th defense line" to protect the rapid, healthy and sustainable development of the Group.

## Community Charity

Fosun Pharma has been proactively participating in community charity events along with its subsidiaries to demonstrate their love to the neediest people in society. In 2015, the Fosun Pharmaceutical Group donated more than RMB 8.47 million in total to society (including physical donation and individual donation).

### Increased devotion to community charity charities to continue perfecting the "FUTURE STAR" community charity system

Fosun Pharma Group upholds the principle of sustainable development, and actively fulfills the corporate social responsibility with an aim to build up a more harmonious industry ecosystem. Fosun Pharma Group has been participating in and organizing a large number of community charity events in fields such as education and research, environmental protection, health care and social needs, and culture since it went public in 1998. Fosun Pharma Group has now formed a perfect community charity system, the "FUTURE STAR" community charity program. It is hoped to fulfill its corporate social responsibilities and return to society by supporting education, sponsoring scientific research, providing health care services to communities, helping sick orphans, making donations to help the poor, and providing assistance in disasters, etc.

In 2015, Fosun Pharma was granted various awards in the area of community charity, such as the charity innovation award and "Top 10 Listed Pharmaceutical Enterprises by Corporate Social Responsibility in 2015".

### Supporting Education

Fosun Pharma started to offer scholarship at medical schools throughout China since 2010 in order to cultivate more talent for the medical industry. The scholarship is meant to create a better schooling environment for students, encourage them to remain passionate about their studies, promote education in the medical industry of China, nurture and find talent for the industry.

On 23 June 2015, "Fudan University School of Life Sciences Fosun Pharma Scholarship" award ceremony was held in School of Life Sciences located at Jiangnan Campus, Fudan University. The scholarship is designed to award the outstanding undergraduates with excellent academic performance and high moral character as well as teachers with great achievement in education and scientific research, to create a strong academic atmosphere and encourage the teachers and students in School of Life Sciences to engage in biology-related scientific research and works. In addition to Fudan University, Fosun Pharma also offer teaching grants and scholarship at medical schools throughout China to award the outstanding teachers and students in various higher education institutions including, among others, China Pharmaceutical University, Shenyang Pharmaceutical University, Sichuan University and Huazhong University of Science and Technology, and to nurture more talent for the pharmaceutical industry. The Group also provides practicing and development opportunities to outstanding students through various ways such as management trainee program, college summer camp and campus recruitment.

### Fosun Foundation

In 2015, Fosun Pharma donated RMB5.00 million to Fosun Foundation for various charitable projects, including Fosun Technology Award of Chinese Association Plastics and Aesthetics and C.C. Tan Life Sciences Development Foundation. "Fosun Foundation" is a non-publicly raised fund. The initial value of the foundation was RMB10,000,000. The foundation is meant to help disadvantaged people in society, aid in natural disasters, provide medical assistance, support the poor and the disabled, sponsor cultural and educational enterprises, and sponsor young people expecting to start a business for the sake of community charity.

From 2014 to 2015, Fosun Pharma consecutively donated RMB700,000 to Chinese Association Plastics and Aesthetics, and announced the establishment of "Fosun-Chinese Association of Plastics and Aesthetics Science Technology Award", which is the most honorable award in PRC medical aesthetics industry. In October 2015, after the assessment for the first Technology Award, 4 innovation awards, 6 progress awards and 5 achievement awards were granted. Through the support to Fosun-Chinese Association of Plastics and Aesthetics Science Technology Award, the group intends to form a mechanism to encourage the technology innovation in medical aesthetics industry, to facilitate the clinical application of technological achievements, and to improve the quality of medical aesthetics industry services.

The Tan jiazhen Life Science Award presentation ceremony was held in November 2015. Fosun Pharma is in full support of C.C. Tan Life Science Award and specifically sponsors the "Tan jiazhen Life Science Award — Industrialization". Fosun Pharma donates RMB500,000 annually to award the scientists with outstanding achievement in life sciences study.

### Case: The Donation From Healthy Running Event Was Allocated to Puzhi Charity To Support The Caring And Rehabilitation Project For Abandoned Babies With Diseases And Disability



In order to help the children in need to grow healthily and happily and to embody the fairness, justice and transparency of the use of donation from the "Climb for Charity Competition" at the 20th anniversary of Fosun Pharma, on 20 March 2015, Fosun Pharma held a meeting to allocate the donation from the "Climbing for Charity Competition" at the 20th anniversary of Fosun Pharma in Xinglong Library.

Such donation was from the Healthy Running Event held by Fosun Pharma on 27 December 2014. Stakeholders sent out a total of 28 teams to participate in the competition and made charity bets, and finally raised a total donation amount of RMB84,000.

21 voting representatives from the climbing completion and 5 project leaders of the public welfare projects which applied for the donation participated in the donation allocation meeting. After the voting, the "Caring and Rehabilitation Project for Abandoned Babies with Diseases and Disability" by Puzhi Charity got the highest number of votes and was granted the donation from the

"Climb for Charity Competition" at the 20th anniversary of Fosun Pharma.

Puzhi Charity is a children caring service center located at Wujing in Minhang District, Shanghai. Puzhi Charity strives to improve the living conditions of abandoned babies and provide abundant reading resources to children in poverty. Currently, the fund donated by Fosun Pharma has been used to provide daily foods, suppliers and childcare expenses to 35 children from Baofeng county, Pingdingshan City of Henan province through Puzhi Charity. It is reported that four of these children has been adopted by foreign families, three children waited to be adopted by American families and one child has already go to the foster home.

Fosun Pharma hopes to help those children with demands through this charity project and takes its social responsibilities. Meanwhile, Fosun Pharma also hopes that all stakeholders can offer a help to build a more harmonious industrial ecosystem.

#### Xu Pu, Organiser of Puzhi Charity The Caring And Rehabilitation Project For Abandoned Babies With Diseases And Disability Project



Thanks for your caring. It is your support that enables us to hire enough childcare staff, to provide our children necessities. Because of this, these children can feel more caring, giving them more opportunities to be adopted after recovery. Puzhi Charity is willing to continuously improve the living conditions of abandoned babies with diseases and disability with our down-to-earth effort and support from all walks of life.





### Case: Support the Love and Care for Children Through Charity

#### – The First “Growing Happily and Healthily” Fosun Pharma Children Summer Camp Held by in 2015



During the summer of 2015, the first “Growing Happily and Healthily” Fosun Pharma Children Summer Camp joint organized by Shanghai International Youth Cultural Center, Shanghai Children’s Welfare Institute and Fosun Pharma was held at Building A in Fosun Hi-tech Park. Over 190 people participated in the activity, including junior reporters from Shanghai International Youth Cultural Center, children from the welfare institute, children of employees of Fosun Pharma subsidiaries in Shanghai, some of the parents and volunteers. The three sponsors jointly planned various wonderful activities such as flag-raising ceremony, books giving, wish making, fly your dream, multi-stage game and on-the-spot interview by junior reporters so as to help the participated children find their own advantages through the games, enjoy the happy moment and light up the passion for life.

Fosun Pharma has long-term partnership with Shanghai Children’s Welfare Institute and has been jointly organizing various community charity events such as “Dreams Come True – Visitation of Shanghai Jiao Tong University” and “Oriental Land Future Star” event. In order to better hold relevant events that help the children from welfare institute and attract more attention and participation from the society, Fosun Pharma started to invite Shanghai International Youth Cultural Center to such charity event in 2015, and explored a healthy and happy model suitable for the physical and mental development of the children from welfare institute, with an aim to build a more harmonious community together.



### Case: “Fosun Love to Children Rehabilitation Program” – Endless Love and Care

The “Fosun Love to Children Rehabilitation Program” continued in 2015. The United Foundation used generous donation from Fosun Pharma to help two children with complex congenital heart disease. One of the children comes from Morning Star Orphanage, and the other comes from a poor family. With the help from Fosun Pharma, the surgeries of the children went well, and the poor family had gone through the difficulty and regained the confidence in happy life.



**Fu Bo-Xue**  
Project Director, United Foundation

Donations from Fosun Pharma are vital for the ordinary operation of the foundation and its relief works for children from poor families. The Orphan Center of United Foundation, patients from poor families and their parents, and staff of United Foundation would like to express their sincere appreciation to Fosun Pharma for its contribution to the children’s future. Because of you, the children’s future is full of hope.

### Case: Creating Happiness by Ensuring Safety and Building a Home Filled With Love and Care – Establishment of Fosun Pharma “Employees Care Center”



The first Red Cross junior first aid training session was held in July 2015. Subsequently, over 40 employees formed a “medical emergency response task group”, and professionals with medical licenses also stepped out and formed a medical consultation group. In November 2015, with the promotion and support from the labour union and EHS department of Fosun Pharma, the craving plan of establishing the Fosun Pharma Employees Care Center was becoming a reality. Through the combination of “safeguard” and “treatment”, they are trying their best to care the employees. In addition to the daily operation, the care center will start to organize some beneficial and delightful events for employees. The Fosun Pharma Employees Care Center is also willing to take advices from the employees. Let's create happiness by ensuring safety and build a home filled with love and care.

### Case: Walking for Love – the “Shanghai United Walkathon” Volunteer Event



On 16 May 2015, the “Shanghai United Walkathon” Volunteer Event took place in Fengjing Ancient Town with 3,300 charity enthusiasts participated in the walkathon event. Particularly, 12 coworkers from the Fosun Group and Fosun Pharma finished the whole walkathon in the name of love. The walkathon covered a distance of nearly 50 kilometers, participants had to walk through 17 villages and 6 neighborhood committees in Fengjing Ancient Town. Fosun Pharma volunteers have participated in the runaway event for four successive years. Thousands of people and volunteers had participated in such charity event. More than RMB200,000 was raised in such event to support many other community charity events.

“Shanghai United Walkathon” is a platform-based community charity fund-raising event and it is meant to raise money for several private charity projects that benefit children. During the first three events, the number of participants increased from 61 to over 2000, and the fund raised increased from approximately RMB70,000 to RMB4,340,000. During the past five years, “Shanghai United Walkathon” had expanded from raising an egg for the mountain children to a charity fund to support 82 charity projects of 63 charity institutions in 18 provinces of China, and over 190,000 children had benefited from it. “Have you participated in the Shanghai United Walkathon for the year?” even becomes a hot topic in Shanghai.

### Feedback from Participants in the Running Event



Xu Lei, Chemo Wanbang Biopharma

On 16 May, the ancient town was ready for its guest when the sun started to shine. The 12 people from Fosun team had properly warmed up. With the first beam of sunlight shed on Fengjing Ancient Town, we shouted the slogan out loud and started our journey. We walked through the Wuyue ancient city with over 700-year history and covered a distance of 50 kilometers on foot. Fengjing Ancient Town expressed its warmest welcome to us with endless and splendid scenery such as the four delicacies of Fengjing, the interesting doodles, the stream flowing through the delicate bridge and the fascinating pavilion, all of which amazed us again and again. Let us sit still and reminisce such a memorable day we spent together, and share the joys of victory which belonged to all the participants. We will follow the step of sunshine and continue to contribute to charity.



Liu Yuqi, Fosun Pharma R&D Center

At the first weekend after the beginning of summer, in the ancient town, the two teams from Fosun finished the whole walkathon by the sunset. Thanks to such fund-raising event for the children in the west region which covered a 50 kilometers walking distance. Through such an event, we showed our love, our perseverance and our passion. As a participant in the walkathon, I would also like to express my gratitude to the Fosun family for its support to us: the help from teammates, the supplies from the logistics support team, the cheers from coworkers and the donation from all of us. The walkathon left me a tired body, sore muscles and unforgettable memory, but more importantly, I am proud of being part of the Fosun family.



## Community Service

In 2015, each segment of the Group actively participated in around 100 community serviced events, including free healthcare consultancy and seminars, free blood pressure and sugar tests and charity clinic, to serve the people in the community.

Guilin Pharma and the Lidong Community Office in Qixing District, Guilin jointly organized the commemoration activities to mark the 70th anniversary of the victory of the war of resistance against Japanese Aggression. The aim of such activities was to honor all those who laid down their lives for peace, bear history in mind and encourage the residents and employees to promote great national spirit with the core of patriotism. Through such activities, the community residents and employees will be better inspired to love the Party, love the country, never forget the national humiliation, realize the Chinese dream and try to be the best in the future.

Wanbang Biopharma conducted monthly seminar on gout to raise awareness for the prevention and treatment of gout and hyperuricemia, and provide professional and comprehensive medical services to the patient with gout and hyperuricemia.

In December 2015, Yao Pharma "Sunset Glow Elderly Care" association launched the "Sunset Glow Care Free Clinic" campaign in Jiazhou Community Service Hospital. Through the campaign, the association got to know about the health of retired employees and formed a better understanding on the corporate culture of the Company. The campaign not only moved us, but also brought us a spiritual strength.

The healthcare service subsidiaries are active in public welfare services. They continuously highlight medical public welfare by holding many over 60 large-scale free medical consultations and above 60 talks on public health and health consultancies, and providing fee reduction to patients with financial difficulties, continuously showing the medical public welfare.

Zhongwu Hospital, together with Suqian Overseas Chinese Affairs Office and the US Liang's Cultural Exchange Foundation jointly launched a cataract extraction project for the poor family. During the project, the doctors from Zhongwu Hospital gathered information about the patient's medical history, conducted vision test, slit-lamp examination and fundus examination. The nurses checked the blood pressure of the patients, delivered information pamphlets and gave detailed on the prevention, treatment and recovery of cataract.

The opening ceremony of the first "Jimin Health Room" was held in September 2015, under the "Care for Life, Pass the Health" campaign jointly launched by Jimin Cancer Hospital and Fangqiaoshe Neighborhood Committee in Yaohai Community. The "Jimin Health Room" is designed to improve the health of the community residents in the first place and encourage self-involvement and self-management in health so as to achieve early prevention, early discovery, early intervention and early treatment of disease. In 2015, the "Jimin Health Room" conducted over 10 free clinic consultation and health seminars to support the cancer patients and community patients with love and care.

Chancheng Hospital organized the Chancheng Hospital Art Corner "Sound of Chancheng" charity campaign. Starting from 14 February 2015, the shows were held on a monthly basis, and 11 shows had been held so far. Through the diverse presentation of arts, Chancheng Hospital had delivered a message that the hospital is not only a place for treatment, but also a place filled with love that deeply touches the heart of patients. As such, Chancheng Hospital provides great experience to the patients.

### Case: the "Bang Program" Let Love Never Stop!



At the beginning of 2014, Wanbang Biopharma commenced the "Bang Program". The program aims to promote reasonable medication of the grassroots, improve the medication standard in remote area, subsidize in the construction of education facilities in poverty area and make donation to support the study of poor students.

In 2015, by adhering to the core value of "all for one and one for all", "Bang Program" focused on the support to healthcare and education, and explored new ways to develop the program in a prudent manner.

In February and September of 2015, the project team revisited the Kongkeshu Elementary School in Sangzhi County, to grant the scholarship and subsidies to the students and to keep the promise of continuous support. In early November, a voluntary medical team organized by the project team went to the southeast area in Guizhou and cooperated with the People's Hospital of Rongjiang County to launch various medical charity events. Meanwhile, the projected team donated various supplies to Shangxian Elementary School in Rongjiang County and Liliang Elementary School in Liping County, and established supporting relationship.

The support from the "Bang Program" has delivered the message of love and care to the society, and attracted more people to participate in the program. People began to voluntarily donate to the schools supported by the "Bang Program". We are gratified by such sweet development and firmly believe that, we will go through the long and winding road with determination and perseverance and let love never stop.



## Donations made by Fosun Pharma and subsidiaries (including individual employees) in 2015

Enterprise	Project name	Recipient	Amount (RMB0,000) (including yuan worth materials)	Brief description and purpose
Fosun Pharma	2015 Fosun Pharma Charity Project	Shanghai Fosun Foundation	500.00	Fosun-Chinese Association of Plastics and Aesthetics Science Technology Award was set up in support of Chinese Association of Plastics and Aesthetics to promote the progress and innovation of medical cosmetic science and technology in China. The Group have donated RMB700,000 each year for two consecutive years from 2014.
				Donated RMB 500,000 to Tan Jiazhen Life Science Foundation
				Donated RMB100,000 to the Tie-die playroom project of the Youth Center in Shache County of Xinjiang province supported by the United Front Work Department of the CPC Shanghai Municipal Committee
				Held Fosun Pharma Health Running Event, raised RMB 84,000 for donating to the rehabilitation project of sick, disabled and abandoned infants of Puzhi Charity
				Donated RMB 200,000 to the Rural Education Candlelight Project held by the Committee of The China Democratic League
				Donated RMB 250,000 to the China Pharmaceutical Industry Association for establishing the information platform of medicine safety
				Donated RMB100,000 through establishing scholarship at China Pharmaceutical University
Wanbang Biopharma	"Wanbang Medical Scholarship"	Medical students in Xuzhou Medical College	2.00	Funded the China Medical Pharmaceutical Material Association through the Red Cross and donated RMB 200,000
				Sponsored the "Wanbang Medical Scholarship" for Xuzhou Medical School, aiming to encourage and praise students with outstanding academic performance
				Donated a total of 12 hosts, and some keyboard and mouse, ensuring to be delivered to poor families and people in need
				Sponsored by the China Medical Pharmaceutical Material Association, offering help with education, health, relief and other assistance to poor areas in China through donation to "Growth and Caring Foundation" of the Red Cross Society
				Sponsored the "Bang Program – Scholarship for Kongkeshu Elementary School" for Kongkeshu Elementary School in Sangzhi County, aiming to encourage and praise students with outstanding academic performance
				Provided scholarship to subsidized students of Kongkeshu Elementary School in Sangzhi County to finance their learning experience
				Provided scholarship to subsidized students of Kongkeshu Elementary School in Sangzhi County to finance their learning experience
Wanbang Marketing & Distribution	The "Bang Program" for scholarship to Shangxian Elementary School in Rongjiang County, Guizhou	Shangxian Elementary School in Rongjiang County	4.82	Donated more than 2,000 books to Shangxian Elementary School in Rongjiang County in order to build a library; provided scholarship to subsidized students of Shangxian Elementary School in Rongjiang County to finance their learning experience; donated sports equipment, bedding, flagpoles, school bags and caring supplies to Shangxian Elementary School in Rongjiang County
				Organized nationally-renowned experts on kidney disease to the People's Hospital in Rongjiang County in carrying out various kinds of medical charity activities for grassroots, such as education, patients education, public free clinical treatment, hospital consultation etc.
				Donated to Laliang Elementary School in Liping County for school maintenance and renovation; donated 80 school bags to students
				In 2015, through its drug stores in Xuzhou, Nanjing, Zaozhuang, Bangbu, Huainan, Shijiazhuang, Baoding, Jinan, Qingdao, Beijing and Tianjin, Wanbang provided free blood glucose and blood pressure test for local patients. Meanwhile, free education books and brochures were distributed to patients, as well as 500 blood glucose meters donated
Wanbang Folon	Employee "One-day Donation" campaign	Employees in Linxi County who are facing difficulties	5.86	Hebei Province Federation of Trade Unions initiated the donation of one-day wage campaign to help our employees who are facing difficulties. Employees of Hebei Wanbang Folon Pharmaceutical Co., Ltd. voluntarily donated RMB5,860 in aggregate, which will be used to provide financial aids to employees who are facing difficulties
				Visited and offered financial aids to poor families within the street area
Wanbang Sainuokang	Financial aids to poverty	Getabu street	1.00	



## Donations made by Fosun Pharma and subsidiaries (including individual employees) in 2015

Enterprise	Project name	Recipient	Amount (RMB0,000) (including yuan worth materials)	Brief description and purpose
Wanbang Tiansheng	Financial aids to poverty	Huishan street	0.50	Visited and offered financial aids to poor families within the street area
Yao Pharma	Healthcare	Primary Health Care Foundation	11.62	Fees for national primary healthcare
	Foundation for poverty	Chongqing Foundation for poverty Alleviation	7.00	Aids to poverty
Hexin Pharma	"Bag to Help" campaign	Red Cross of Rangtang County	20.00	Designated to be used under the "Bag to Help" campaign of Sichuan Provincial Commission of Health, and focused on the three-year poverty assistance planning for 2013-2015 in Puxi County
Dongting Pharma	Poverty alleviation	Huanghugang Village, Suojiaxiang, Shimen County, Changde City	0.50	Donation by Changde City Trade Union for the infrastructure of Huanghugang Village
	Jinqiu scholarship	Chen Li Yuan, the child of an employee working in workshop II	0.50	As expenses for studying abroad
Erye Pharma	Erye pharmaceutical scholarship	Suzhou Health and Vocational Institution	6.00	Suzhou Health and Vocational Institution donated to "Erye pharmaceutical scholarship", aiming to encourage and praise students with outstanding academic performance, as well as finance underprivileged students
Chongqing Research Institute	Poverty donation	Municipal Health and Family Planning Commission	15.00	As support for the government's aid to poverty targets
	Charity donation to employees	An individual employee	2.30	The employee's father was seriously ill due to cancer. In view of his heavy financial burden for medical treatment, Chongqing Research Institute called for voluntary donation by employees, raising money in order to care and help alleviate the economic difficulties faced by that employee
	Charity donation	Red Cross of Foshan Chancheng District	3.80	In September 2015, Chancheng Hospital donated RMB38,000 to the "Poverty Alleviation Campaign" organized by Foshan Chancheng District Federation of Trade Unions. This donation matches the theme of "Let's contribute to alleviate poverty" with an aim to make contribution in eliminating poverty and achieving common prosperity as soon as possible
Chancheng Hospital	Charity donation	Red Cross of Foshan Chancheng District	0.80	Participated in the "Ten dollar donation for sisterhood" organized by Women's Federation in September 2015
Guangji Hospital	Capital funding	Committee of Shangshushan community residents in Yueyanglou Sanyanqiao Road Office	2.00	Funding medical expenses of villagers (community residents)
	Poverty alleviation	Two war veterans	0.20	Donated to war veterans to commemorate the 70th anniversary victory of Anti-Japanese War
Yaneng Bio	8th May World Thalassemia Day	Hechuan People's Hospital, Shaqu Maternity & Child Healthcare Hospital, Yubei Maternity & Child Healthcare Hospital, Tongnan Maternity & Child Healthcare Hospital, Qijiang Maternity & Child Healthcare Hospital	0.48	Donated 120 conventional screening reagents for thalassemia to five hospitals in Chongqing, for the purpose of promoting the importance of screening for thalassemia
Chindex (Beijing)	"Over the hill to grassland hand in hand" - a charity walk for family and donation activity	Dahedong Village, Fengning Yuershan Town, Chengde City in Hebei Province	0.50	Donated items such as autumn and winter clothing, school supplies, reading materials, etc. to national poor village - Dahedong Village, Fengning Yuershan Town, Chengde City in Hebei Province
Shanghai Transfusion	Poverty aid campaign for Chongming Miaozhen Xindong Village	Chongming Miaozhen Xindong Village	0.30	Helped farmers in need
	"Sunshine Home" of Shenzhuang Town	"Sunshine Home" of Shenzhuang Town	0.10	Helped the disabled in "Sunshine Home" of Shenzhuang Town, aiming to encourage their self-care ability



28.2 million Artesunate for Injection  
Benefit 4.7 million people



12 Foreign Aids Materials Projects (FAMP)  
Equivalent to RMB 17,333,335

## Aid to Africa in the Fight against Malaria

The Group is known for the country's first innovative drug, Artesunate, which was independently researched and developed. In 2015, Guilin Pharma provided 28.20 million injectable artesunate to the international market in the fight against malaria. It is expected 4.70 million people (90% of which are African) would benefit.

With this product, the Group proactively cooperates with the Chinese government in aiding African countries in the fight against malaria. Since 2006, it has undertaken more than a hundred aid projects to Africa under the

Ministry of Commerce of the People's Republic of China, benefiting more than 30 countries. In 2015, the Group undertook two human resources training program under the Ministry of Commerce, in which a total of 17 students from seven countries participated in the Seminar on Drug Regulatory Sector for Ministry in Developing Countries, including two deputy ministerial students who are the Vice-minister of the Ministry of Health of the Republic of Armenia and the Commissioner of the Nigerian State Food and Drug Administration; a total of 33 students from seven countries participated in the Seminar on Establishing and Management of Disease Prevention and Control System for Developing Countries.

As a supplier, Guilin Pharma has participated in 12 FAMPs under the Ministry of Commerce in 2015, equivalent to RMB17,333,335.

### Some free support campaigns of Guilin Pharma

#### Campaigns

On World Malaria Day in 2015, Guilin Pharma cooperated with the Ministry of Health of Tanzania in producing the world's first-ever promotional cartoon for public awareness on malaria prevention.

In addition to Tanzania, the project has also been kicked off in Uganda, Kenya, Nigeria, and will be implemented in Malawi, Zambia, Ghana as well as several French-speaking African countries in the first quarter of 2016. Of which, promotional versions of different countries were endorsed by local state health departments, with this promotional cartoon for public awareness on malaria prevention being the largest charity campaign carried out by Guilin Pharma in 2015-2016. It reflected that Guilin Pharma is not merely a manufacturer for anti-malaria drugs, but also an important member of the international family in the fight against malaria.

The company launched two "eCME multimedia online medication training" program with experts in malaria prevention and control. Online learning and experience sharing platform, which conducted in online interactive mode such as video conferences, was established for health care professionals in Africa with respect to hot topics like malaria control in Africa. This helps them learn the latest medical knowledge and improve their skills. Meanwhile, they can have the opportunities to have face-to-face exchange with top experts. Thus, the medical standard in Africa will improve.

During the World Malaria Day in 2015, Guilin Pharma donated some anti-malaria drugs to Accra Psychiatric Hospital in Ghana, helping mentally-ill patients to fight against malaria.

Countries such as Tanzania and Zambia jointly organized the free clinic day on malaria with local NGOs, sponsoring drug products, so as to help enhance public awareness of malaria prevention and provide aids to patients.



A young boy is lying in a hospital bed, wearing a green patterned shirt and a blue blood pressure cuff on his right arm. He has a white rectangular sticker on his forehead. Medical equipment, including a clear oxygen hood and various tubes, is visible around him. The background shows a hospital room with a metal bed frame and some equipment labeled 'MILLENNIUM'.

# Rescue

Since April 2015, severe malaria epidemic has broken out in northern Uganda. 400,000 Artesun (Artesunate for injection) were delivered urgently by Guilin Pharma to Uganda for the severe malaria patient treatments in the affected area, so as to help with the epidemic control and mortality reduction. As one of the major antimalarial medicine manufacturers in the world, Guilin Pharma always actively takes its CSR as "antimalarial partner" and well-prepared to fight malaria together with African people.

Figure note: 2 year-old boy WES GATSHA from Mozambique was saved after using Artesun in China.



## Rewards and Recognitions

### Industry Ranking Categories

April	Ranked 11th among the Top 100 Companies in China Medication Industry, ranked third among Top 20 Pharmaceutical Companies Listed in the PRC Awarded by the China Federation of Industry and Commerce Medical Pharmaceutical Chamber
July	Top 100 Pharmaceutical Industry Enterprises of China in 2014 Awarded by the Ministry of China Pharmaceutical Industry Information Center, China Food and Drug Administration Southern Medicine Economic Institute of Medicine, and Medical Economic Journal Agency
July	Ranked 14th among the Top 100 Companies in China Pharmaceutical Industry Awarded by the CFDA South Medicine Economic Research Institute and Medicine Economic News
August	Most Influential Pharmaceutical Companies in China Awarded by China Board of Directors Network, and the China Information Center
November	Top Ten Pharmaceutical Industry Enterprise Group of China in 2015 Awarded by China Chemical Pharmaceutical Industry Association, China Pharmaceutical Commerce Association, China Nonprescription Medicines Association, China Pharmaceutical Enterprise Development

### Market Credentials Categories

February	Top 100 Listed Companies Best Respected by Investors Awarded by the China Listed Companies Association, the Securities Association of China, China Fund Industry Association
May	Annual Outstanding Pharmaceutical Companies of the China Healthcare Industry Investment Value Award Awarded by Reed Sinopharm and The Economic Observer Exhibitions
June	Top 100 Gold Bull Listed Companies in 2014 Awarded by China Securities News
October	Top Ten Listed Pharmaceutical and Medical Companies in 2015 Awarded by "Value Line" Magazine
December	Best Investor Relations Companies in Pharmaceutical Industry of Greater China Region Awarded by the 《IR Magazine》

## Corporate Social Responsibilities Recognitions

- January** First in the Disclosure and Evaluation of Information on Environmental Responsibilities among Listed Companies in China  
Awarded by the China Association of Environmental Journalists
- March** Best Innovation Award for Public Welfare  
Awarded by media namely China Finance Net, China News, Huanqiu, China Daily, Sohu Focus Public Funds
- June** Golden Bee Award  
Awarded by WTO Economic Journal
- December** Ranked First in the Appraisal Results for the Shanghai Corporate Social Responsibility Development Index for Companies Listed in Shanghai  
Ranked First in the Appraisal of Corporate Social Responsibility Report for Companies Listed in Shanghai  
Awarded by Shanghai Securities Regulatory Bureau, Shanghai Stock Exchange, Shanghai Association of Listed Companies
- December** Best Ten Enterprises for Corporate Social Responsibility for Pharmaceutical Enterprises in China 2015  
Awarded by China Pharmaceutical Industry Information Center, "Southern Weekly"
- December** Fosun Pharma 2014 CSR Report ranked No. 2 among 708 A share listed companies with the score of 87.18, and No.1 in the pharmaceutical industry RKS

## Municipal Recognitions

- July** Enlightened Unit in Shanghai  
Awarded by CPC Shanghai Municipal Committee, and the Municipal People's Government

## Personal Honour

- March** Chen Qiyu, the Chairman of Fosun Pharma, was awarded China Federation of Industry Science and Technology Innovation Entrepreneur Award.



## Performance Indicators

Major accounting data and financial indicators set out in the annual report of Fosun Pharma Group

Item	2011 (Upon retrospective adjustment)	2012 (upon retrospective adjustment)	2013 (upon retrospective adjustment)	2014	2015
Net asset value per share that belong to shareholders in listed companies (RMB/share)*	5.13	6.05	6.84	7.21	7.86
Basic earnings per share (RMB/share)	0.61	0.80	0.90	0.92	1.07
Basic earnings per share after non-recurring profits and losses are deducted (RMB/share)	0.30	0.44	0.46	0.58	0.72
Net return on weighted average assets after non-recurring profits and losses are deducted	6.32%	8.24%	6.22%	8.43%	9.57%

\* Net asset value per share that belongs to shareholders in listed companies = Total equity that belongs to shareholders of parent company/Number of share as at the end of the period

Comparison of economic indicators throughout Fosun Pharma Group

Unit: RMB0,000

Item	2011 (upon retrospective adjustment)	2012 (upon retrospective adjustment)	2013 (upon retrospective adjustment)	2014	2015
Revenue	648,554	734,078	999,641	1,202,553	1,260,865
Investment Income	168,539	186,598	214,062	192,501	234,662
Operating Profit	158,051	203,599	281,883	239,435	329,717
Plus: non-operating income	17,197	9,725	10,436	34,047	10,666
Less: non-operating expenses	2,581	1,020	1,692	1,676	3,200
Of which: loss on disposal of non-current assets	–	282	1,045	85	362
Total profit	172,666	212,304	290,627	271,805	337,183
Less: income tax expenses	34,182	28,376	50,632	34,821	50,117
Net profit	138,484	183,927	239,995	236,984	287,066
Net profit that belongs to shareholders of the parent company	116,561	156,392	202,706	211,287	246,009
Minority interests	21,924	27,536	37,289	25,697	41,057
Tax liability	68,500	78,900	105,080	126,821	143,449
Donations	311	333	424	735	847

Note: When preparing the financial statements for 2015, the Company had fully implemented the nine Accounting Standards for Enterprises promulgated during January to July 2014. Due to changes in accounting policy, the Group had retrospectively adjusted the performance indicators and social indicators set out in the above table.

## Social Indicators

### HR and Social Indicators of Fosun Pharma Group

Item	2011	2012	2013	2014	2015
Social Contribution per Share	No statistics	No statistics	1.90 (upon retrospective adjustment)	2.36	2.76
Total number of employees (persons)	13,192	14,357	16,791	18,081	17,842
Total number of male employees (persons)	6,794	7,222	8,246	8,800	8,653
Total number of female employees (persons)	6,398	7,135	8,545	9,281	9,189
Total number of employees with master and doctor degrees	489	522	717	842	994
Labour contract conclusion rate	100%	100%	100%	100%	100%
Cash paid to or paid for workers (RMB0,000)	65,682 (upon retrospective adjustment)	76,594 (upon retrospective adjustment)	124,594 (upon retrospective adjustment)	163,190	200,435
Union coverage rate	100%	100%	100%	100%	100%
Employment rate of people with disabilities	0.51%	0.52%	0.38%	0.41%	0.36%
Employment rate of ethnic minority employees	3.00%	2.80%	2.39%	2.30%	2.20%
Total training person hour(s)	196,104	410,016	549,602	673,220 (upon retrospective adjustment)	583,992
Employee promotion rate	24.10%	20.60%	19.12%	11.48%	18.45%
Employee outflow rate	14.50%	18.90%	17.57%	17.05%	17.12%
Ration of female employee returning to work and job positions retained till after the completion of the maternity leave	No statistics	No statistics	100%	100%	100%

### R&D indicators of Fosun Pharma Group

Item	2011	2012	2013	2014	2015
Under investigation items (Unit: item)	118	107	119	125	161
Items under clinical trials (Unit: item)	3	3	8	11	13
Research and development expenses (including capitalized expenses; Unit: RMB hundred million)	3.10	3.70	5.05	6.85	8.30
Number of patent application	70	70	72	86	89
Number of patent granted	No disclosure	33	32	36	15
Research and development staff	559	766	779	856	887



## Core Indicators

Environmental Health and Safety (EHS) Key Indicator of Foshan Pharma Group

Item	2014	2015
Total water consumption (Unit: cubic meters / year)	8,377,364	8,716,937
Total power consumption (unit: kWh / year)	421,765,752	424,467,622
Electricity of standard coal equivalent (Unit: kilograms / year)	51,835,011	52,209,518
Total consumption of other energy (in addition to electricity, converted into standard coal) (Unit: kilograms / year)	122,713,255	121,204,106
Comprehensive energy consumption (converted into standard coal) (Unit: kilograms / year)	174,548,266	173,413,623
Energy consumption for every RMB10,000 output value (in terms of standard coal)	171	157
Water consumption for every RMB10,000 output value (cubic meters/ RMB10,000)	8.23	7.89
Investment on environmental protection facilities (including construction and upgrading) (RMB10,000)	1,200	2,156
Operating investment on pollutant treatment facilities (RMB10,000)	2,000	1,010
The total water recycling (cubic meters)	136,637	871,063
Total displacement (tons / year)	5,677,448	6,285,061
The total amount of solid waste (tons / year)	50,258	65,597
Total number of employees (person)	15,757	15,187
Loss of work rate	No statistics	0.424
Recordable injury rate	No statistics	0.533
Occupational disease exposure ratio	14.88%	12.58%
Health and Safety investment (RMB10,000)	2,060	4,505
The total length of of training (hour)	No statistics	71,474
Duration of training per capita (hour)	No statistics	4.71

## Feedback Form

Dear Readers,

Thanks for reading this report! It has been the eighth year since the first Corporate Social Responsibility Report was released to public. We would appreciate it if you can give us 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:

Contact person: Sun Li Telephone: +86 21 33987125

Postal mail: Please send it to the Brand and Public Relations Department (the recipient) in Building A, Clone Technology Park, No. 1289 Yishan Road, Shanghai

Postal code: 200233

Email: sunl@fosunpharma.com Website: www.fosunpharma.com

"Shanghai Fosun Pharmaceutical (Group) Co., Ltd. 2015 Corporate Social Responsibility Report" Feedback Form

Name: \_\_\_\_\_

Employer: \_\_\_\_\_

Responsibility: \_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

Feedback and Opinions Survey:

- 1 Have you found the information you need in this report?
- 2 Has the report fully reflected the economic responsibilities of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.?
- 3 Has the report fully reflected the environment, health, and safety responsibilities of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.?
- 4 Has the report fully reflected the social responsibilities of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.?
- 5 Has the report fully reflected the product and service responsibilities of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.?

## Feedback from on the "2015 Fosun Pharma Social Responsibility Report"

Zhang Hao-Er, Founder of Ranking CSR Ratings (RKS)

The 2014 Social Responsibility Report of Fosun Pharma is rated 87.18 out of 100 in total, ranking the first in the pharmaceutical industry 7 times successively and the second among 708 A-share companies. This is the 8th year of the RKS social responsibility report rating project. Over the last 8 years, as the convener of A-share All samples CSR Report Rating Project, we have deep impression on Fosun Pharma's high standard and high efficiency about non-financial performance disclosure. Hope this perseverance and sincerity will be everlasting. CSR project will be rooted and a bright future for national pharmacy with long-term competitiveness will be built.

Zhang Wang, Secretary General of Chinese Listed Company CSR Research Centre, Securities Times

In August 2015, China Association for Public Companies and Chinese Listed Company CSR Research Centre of Securities Times published the Annual Report on Social Responsibility Information Disclosure of Chinese Listed Company, evaluating the CSR reports of 708 Chinese A-share companies comprehensively. Fosun Pharma is rated A and entered into Top 20. The report obtains the highest comment on its integrality, communication with stakeholders and essence. Fosun Pharma strives to innovate and upgrade, and to benefit the people's livelihood. The Company's idea of sustainable development and responsible development strategy are always indicated in the CSR report.

Chen Weizhang, General Manager of Golden Bee CSR Consulting

The 2014 Social Responsibility Report of Fosun Pharma has an integrate structure in general, it makes a clear and comprehensive disclosure of information with comparability and balance. Meanwhile, it discloses heated topics in the pharmaceutical industry such as adverse drug reactions and the recovery of expired drugs, as well as the social contribution value per share for two consecutive years in accordance with the requirement of Shanghai Stock Exchange, which made a better response to the expectations and concerns of our stakeholders.

In order to enhance the quality of the report, the following suggestions have been made: Firstly, to conclude and streamline the core social responsibility value of Fosun Pharma, to further highlight the ideological nature of the report through a clear flow of logic in organizing the content. Secondly, since the largest difference of G4 lies in the participation of stakeholders in identifying actual issues, Fosun Pharma is recommended to incorporate this item in the management of responsibility, to further identify the industry topics the stakeholders are concerned with, such as intellectual property right, animal welfare, and to make targeted management and information disclosure on actual issues identified. Thirdly, to enrich the presentation of the report through diversified presentations that are closely related to the dissemination on internet such as 悦動報告 and H5, to achieve better communication with stakeholders and improve the readability of the report.

Table of Company Names

Full name of enterprise	Short name of enterprise
Jiangsu Wanbang Biopharmaceuticals Co., Ltd.	Wanbang Biopharma
Shanghai Chemo Wanbang Biopharma Co., Ltd.	Chemo Biopharm
Hebei Wanbang Folon Pharmaceutical Co., Ltd.	Wanbang Folon
Shanghai Zhaohui Pharmaceutical Co Ltd.	Zhaohui Pharma
Xuzhou Wanbang Jinqiao Pharmaceutical Co., Ltd.	Wanbang Jinqiao
Shandong Wanbang Sainuokang Biochemical Pharmaceutical Co., Ltd.	Wanbang Sainuokang
Jiangsu Huanghe Pharmaceutical Co., Ltd.	Huanghe Pharma
Chongqing Yao Pharmaceutical Co., Ltd.	Yao Pharma
Sichuan Hexin Pharmaceutical Co., Ltd.	Hexin Pharma
Chongqing Carelife Pharmaceutical Co., Ltd.	Carelife Pharma
Chongqing Kaixing Pharmaceutical Co., Ltd.	Kaixing Pharma
Shine Star (Hubei) Biological Engineering Co., Ltd.	Shine Star
Guilin Pharma Co., Ltd.	Guilin Pharma
Shenyang Hongqi Pharmaceutical Co., Ltd.	Hongqi Pharma
Jinzhou Aohong Pharmaceuticals Co., Ltd.	Aohong Pharma
Dalian Aleph Biomedical Co., Ltd.	Aleph
Hunan Dongting Pharmaceutical Co., Ltd.	Dongting Pharma
Chongqing Pharmaceutical Research Institute Co., Ltd.	Chongqing Research Institute
Shanghai Henlius Biotech Co., Ltd.	Shanghai Henlius
Shanghai SunTech Pharmaceutical Co., Ltd.	SunTech Pharma
Suzhou Erye Pharmaceutical Co. Ltd	Erye Pharma
Sinopharm Group Co., Ltd.	Sinopharm
Anhui Jimin Cancer Hospital	Jimin Cancer Hospital
Yueyang Guangji Hospital Co., Ltd.	Guangji Hospital
Suqian Zhongwu Hospital Co., Ltd.	Zhongwu Hospital
Foshan Chancheng Central Hospital Co., Ltd.	Chancheng Hospital
Shanghai Fosun Long March Medical Science Co., Ltd.	Long March Medical
Shanghai Fosun Med-Tech Development Co., Ltd.	Fosun Med-Tech
Shanghai Fosun Biolog Biotech Co., Ltd.	Fosun Biolog
Yaneng Bioscience (Shenzhen) Co., Ltd.	Yaneng Bio
Taizhou Changxing Medical Technology Co., Ltd.	Changxing Medical
Chindex (Beijing) International Trade Co., Ltd.	Chindex (Beijing)

Full name of enterprise	Short name of enterprise
Chindex Medical Limited	CML
Alma Lasers Ltd.	Alma Lasers
Huaiyin Medical Instruments Co., Ltd.	Huaiyin Medical
Shanghai Transfusion Technology Co., Ltd.	Shanghai Transfusion
Suzhou Laishi Blood Transfusion Equipment Co., Ltd.	Laishi Transfusion
Shanghai Foshion Medical Systems Company Limited	Foshion Medical System
Shanghai Fosun High Technology (Group) Company Limited	Fosun Group
Fosun Industrial (HK) Co., Ltd.	Fosun Industrial
Shanghai Fosun Pharmaceutical Co., Ltd.	Fosun Pharmaceutical
Saladax Biomedical, Inc	Saladax Biomedical
IMS Health Inc.	IMS
Pharmaceutical Technology	Shanghai Fusheng
Development Company Limited	Shanghai Fusheng
Agilent Technologies Inc	Agilent Technologies
Waters Technology (Shanghai) Co., Ltd	WATERS
Shimadzu Management(China) Co.,Ltd	Shimadzu
Lenovo Group	Lenovo
Amerigen Pharmaceuticals	Amerigen
Sovereign Health System	SHS
Ambrx Inc	Ambrx
Shanghai Hequan Pharmaceutical Inc	Hequan Pharma
Maxigen Biotechnology Co., LTD	Maxigen Biotech
Suzhou Admera Health Co.,Ltd	Admera Health
HOPU Investment Co.,Ltd	HOPU Investment
China Everbright Limited	Everbright
Wuxi Pharmaceutical Technology Co., Ltd	WuXi PharmaTech
German TUV Rheinland Group	TUV Rheinland
Chongqing Fuchuang Pharmaceutical Research Co., Ltd	Pharma Fuchuang
We Doctor (Hangzhun) Group Limited	We Doctor Group
Chongqing Ruizhe Pharmaceutical Co., Ltd	Ruizhe Pharma
Chindex Shanghai International Trading Company Limited	Chindex Shanghai International
Shanghai Fosun Hospital Investment (Group) Co., Ltd.	Fosun Hospital Investment
Chindex Shanghai International Trading Co., Ltd.	Chindex Shanghai International
Shanghai Fosun Hospital Investment (Group) Co., Ltd.	Fosun Hospital Investment

## Definitions of Other Terms

Full name	
Company Law	Company Law of the People's Republic of China
Securities Law	Securities Law of the People's Republic of China
CSRC	China Securities Regulatory Commission
SEHK	Stock Exchange of Hong Kong Limited
Listing Rules of SEHK	Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
SSE	Shanghai Stock Exchange
Listing Rules of SSE	Shanghai Stock Exchange Listing Rules
Listed Company Information Disclosure Management System Guidelines of SSE	Shanghai Stock Exchange Listed Company Information Disclosure Management System Guidelines
AoA	Articles of Association of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
Information Disclosure System	Information Disclosure System of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
System for the Submission and Management of External Information	System for the Submission and Management of External Information of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
Insider Information Management System	Insider Information Management System of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
Accountability System for Major Errors on Information Disclosed in Annual Report	Accountability System for Major Errors on Information Disclosed in Annual Report of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
Diversity Policy of the Board	Diversity Policy of the Board of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
Investor Relations Management Measures	Investor Relations Management Measures of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
Chinese Academy of Social Sciences	Chinese Academy of Social Sciences

## List of Major Enterprises Disclosed in this Report

### Pharmaceutical Manufacturing and Research and Development Subsidiaries

Yao Pharma	Wanbang Biopharma	Wanbang Tiancheng	Aleph	Shanghai Fuchuang
Hexin Pharma	Wanbang Marketing	Shine Star	Zhaohui Pharma	Shanghai Henlius
Carelife Pharma	Wanbang Jinqiao	Guilin Pharma	Chemo Biopharm	SunTech Pharma
Kaixing Pharma	Wanbang Folon	Guilin Pharma	Hongqi Pharma	
Heisman Pharma	Wanbang Sainuokang	Erye Pharmaceutical	Chongqing Research Institute	
Aohong Pharma	Huanghe Pharma	Dongting Pharma	Ruizhe Pharma	

### Healthcare Service Subsidiaries

Jimin Cancer Hospital	Guangji Hospital	Zhongwu Hospital	Chancheng Hospital	Zhedong Hospital
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### Medical Diagnosis Subsidiaries

Long March Medical	Foshion Med-Tech	Fosun Biolog	Yaneng Bio	Changxing Medical
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### Medical Devices Subsidiaries

Chindex (Beijing)	Foshion Medical System	Huaiyin Medical	Chindex Shanghai International
Shanghai Transfusion	Fuji Medical Instrument	Laishi Transfusion	Alma Lasers

## Terminologies

Term	Definition
GRI	Acronym for Global Reporting Initiative
FSC	Acronym for Forest Stewardship Council
EHS	Acronym for Environment, Health and Safety, which means the environmental health and safety system standard
O2O	Acronym for Online To Offline (Logoff Online/from Online to Offline), which refers to the integration of commerce opportunities offline with the Internet, so that the Internet becomes the platform for transaction offline
CAPA	Acronym for Corrective Action & Preventive Action
FDA	Acronym for Food and Drug Administration (US)
ADR	Acronym for Adverse Drug Reaction
MSD	Merck Sharp & Dohme Corp., which is known as "Merck" in the US
Gedeon Richter PLC	Richter of Hungary
Bayer	Bayer & Co.
PMDA	Acronym for Japanese Pharmaceuticals and Medical Devices Agency
WHO-PQ	World Health Organisation PQ Qualification, that is Prequalification, which is referred to as PQ. It is an appraisal standard formulated by WHO in 2001, which is targeted to review drugs that treat AIDS, malaria, and tuberculosis
WTO	Acronym for World Trade Organisation
ECM	Acronym for Enterprise Content Management
ERP	Acronym for Enterprise Resource Planning
GMP	Acronym for Good Manufacturing Practice, which requires a pharmaceutical or a food product manufacturer must have good manufacturing equipment and rational manufacturing process, improved quality management and strict testing system to assure that the final production process meets the requirements of laws and regulations and the product quality meets quality requirements
cGMP	Acronym for Current Good Manufacture Practices, which is a world leading good manufacturing practice that requires the whole process of products manufacturing and logistics must be verified
OOS	Acronym for Operation Support System
CFDA	Acronym for China Food and Drug Administration
IDA	Acronym for International Development Association
ICU	Acronym for Intensive Care Unit
SOP	Acronym for Standard Operation Procedure
GCP	Acronym for "Good Clinical Practice", which is the standard specification of the whole process of clinical trials of drugs, the aim of which is to ensure that the process of specification of clinical trials, so that the results are scientifically reliable, and protect the interests of the subject and keeping them safe
CSR	Acronym for Corporate-Social-Responsibility
RBM	Roll Back Malaria, a project to contain malaria disease
Artesun	Artesunate for injection
eCME	The new Online Medical Training Project initiated by Guilin Pharma in 2014 aimed to break the geographical restrictions, cooperate with global/regional top academic expert in medical related fields. Providing a online academic exchange platform for medical staff in African via internet multimedia interaction such as video conference, helping them to understand the state-of-art medical knowledge, improve themselves while communicate with top experts face to face, so as to improve the local medical progress in Africa
NMCP	Acronym for National Committee to Combat Malaria in Uganda
IT	Acronym for Information Technology, which is mainly used for general management and processing of information through the adoption of various technologies



Term	Definition
ERP	Acronym for Enterprise Resource Planning
NGO	Acronym for Non-Governmental Organizations
VEGF	Acronym for Vascular Endothelial Growth Factor, also known as vascular permeability factor (VPF)
AACC	Acronym for Annual Meeting and Clinical Lab Expo
MEDICA	The international medical equipment and instruments trade fair held in Dusseldorf, Germany
CE	Acronym for "European Conformity" in French. "CE" certification is a safety certification and is regarded as a passport for entry in European market by manufacturers. A product with the CE marking indicates its compliance with European Union safety, health, environmental protection and consumer protection directives.
TUV	TUV is a safety certification widely-received in Germany and Europe for parts and components set up by T?V at Germany
ISO13485	The Quality Management System for Medical Devices, representing the particular requirements of International Organization for Standardization (ISO) for a comprehensive quality management system for medical device manufacturers. The system effectively helps the medical devices to reach the "safe and effective" quality standards
Unseen Inspection	It is known as a form of tracking examination, which refers to unannounced spot checks to be implemented by the inspection department
Social contribution value per share	<p>It refers to added value per share created by an enterprise for society, calculated on earnings per share created by the enterprise for shareholders, plus tax paid to the State for the year, salaries for staff, interests on borrowings from creditors such as banks, and donations by the Enterprise, then deducting other social costs caused by environmental pollution.</p> <p>Social contribution value per share = earnings per share + (tax + staff cost + interest expenses + social investment)/total costs as at the end of the period</p> <p>Formula: Social contribution value per share = earnings per share + added value per share</p> <p>Added value per share = (tax paid during the year + salaries paid to staff + interests on borrowings paid to creditors + external donations by the enterprise other social costs caused by environmental pollution) ÷ shares</p>
OA Net	It enables internal staff of an enterprise to conveniently share information and effective coordination by adopting Internet/Intranet technology based on working flow concept, so as to realize fast and all-around information collection and handling instead of the past complicated and low-efficient manual office, providing scientific basis for management and decision-making of an enterprise
Monoclonal antibody drug	If the plasma cell of a specific antibody is extracted for culture, single cells will divide and duplicate to form cell mass, i.e. monoclonal. Monoclonal cell will undergo synthesis and form antibody for a specific antigenic determinant
Artesunatum	It is a kind of anti-malaria drug which control the symptoms of malaria
Cloud platform	This platform allows developers to write programs or run them on the "cloud", or use the service provided by the "cloud", or both
Public opinion monitoring	It refers to the integration of internet information gathering technique and intelligent information processing. Though the automatic search, automatic categorization, theme detection and main theme focus of massive information from the internet, the company monitors the opinion of users and understands users' needs for information such as news focus. It will prepare analysis result in form of presentation, report and charts etc. Customers can grasp the latest trend of the public. The company will make appropriate public opinion monitoring and provide basis for analysis.
PCR test	Polymerase Chain Reaction. A technique that is used to amplify trace amounts of DNA. It is a nucleic acid amplification technique that have been developed since the mid-1980s
Internal audit	The process for verifications and assessment on the effectiveness of internal control, which comprises of verification and assessment on the design of control measures, control of operating deficient and deficient level, analysis on reasons for the deficient, as well as provision of recommendation on internal control improvement
Piped discharge	Waste water will be collected at a waste water collector and discharge after centralized waste water treatment
Target	Medically, when conducting some radioactive therapies, the part collected and exposed by radioactive rays is called a target.
Restricted share(s)	Certain amount of the company's A shares is given to particular employees inside the company as an incentive. However, employees must fulfill certain conditions (such as term and performance) in order to sell the shares
4 R&D Platform	4 pharmaceutical R&D platforms in areas of generic drugs with high value, small molecular innovative chemical drugs, monoclonal Biological similar drugs and technology of special formulation
ISO14001	Environmental management system. Focusing on the increasingly severe problems of global environment pollution and destruction of ecosystem, ozone depletion, global warming, biodiversity loss, which threatening the future survival and development of mankind, it is formulated on the demand of international economic and trade development
OHSAS18001	Occupational Health and Safety Management Systems. A international standard promulgated by 13 organizations including BSI and DNV on 1999

Term	Definition
COD	Acronym for Chemical Oxygen Demand, using chemical methods to measure the amount of reducing substances needed to be oxidated in water. The epoxy equivalent of substances (normally organic) that can be oxidated by strong oxidants in waste water, disposed water of wastewater treatment plant and polluted water. It is an important and fast-measured organic pollution index in researches of river pollution and properties of industrial waste water, as well as in the operation management of wastewater treatment plant
NH <sub>3</sub> -N	Ammoniacal Nitrogen, is a measure for the amount of ammonia in water (waste water), has standard control value
SS	Acronym for Suspended Substance
Mineral Oil	Any of various colorless, odorless, light mixtures of higher alkanes from a mineral source, particularly a distillate of petroleum.
VOC	Acronym for Volatile Organic Compounds, are organic chemicals that have a high vapor pressure, environmentally referring to a kind of volatile organic chemical, i.e. volatile organic compounds that can cause danger
Acid Fog	Normally refers to the vaporous acids. The particles of acid fog is smaller than the water-mist particles, the humidity is higher than that of smoke. Acid fog is a highly corrosive substance between smoke and water-mist with the particle size of 0.1 ~ 10 μm. It was formed by inorganic acid such as sulfuric acid, nitric acid and hydrochloric acid, as well as organic acids like methane acid, acetic acid and propanoic acid
SO <sub>x</sub>	Sulfur oxides
NO <sub>x</sub>	Nitrogen oxides
PVC	Acronym for Polyvinyl Chloride
BOPP	Acronym for Biaxially Oriented Polypropylene
LED	Acronym
RO	Acronym for Reverse Osmosis
5S	Acronym for Seiri, Seiton, Seisou, Seiketsu, Shitsuke. The effective scene management for factors of production such as personnel, machine, material and method
DCS	Acronym for Distributed Control System
PPE Training	Acronym for Distributed Control System
JSA	Acronym for Job Safety Analysis. Simple-structured Analysis method for evaluating any potential risks related to the specific activities and ensuring the risk minimization
Standard Coal	Also known as Standard Coal Equivalent. Reference unit for the energetic evaluation of various energy carriers. 1 kg coal equivalent corresponds to a value specified as 7,000 kilocalories in China. The calorific value of energies of different types and contents will be converted
Energy consumption for every RMB10,000	The unit of total energy consumed on average for manufacturing or selling RMB10,000, measuring in the equivalent of standard coal.
Water consumption for every RMB10,000	The unit of water consumed on average for manufacturing or selling RMB10,000, measuring in cubic meter.
ECC	Energy-saving heat pipe
EDI	Frequency Conversion Technology
Reactive power compensation	In the electronic power supply system, enhance effects of the power factor, reduce the loss of power transformers and transmission lines, improve the power supply efficiency and improve the power supply environment.

## Third Party Evaluation

(Only provided in a print edition after publishing the CSR Report)

## Guidance on classifying social responsibility performance (GB 36002)

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## Guidance on classifying social responsibility performance (GB 36002)

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## Guidance on classifying social responsibility performance (GB 36002)

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G4-1*	Compliance Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	6-7
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G4-9*	Report the scale of the organization	13, 27-28
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G4-16*	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization	24-26
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\*Note: The tern marked with "\*" under the GRI4 General Standard Disclosures indicate that the item belongs to the compulsory disclosure of GRI4 card standards. Subject to the requirements of the core standards, at least one indicator shall be disclosed for each certain substantial aspect under the GRI4 Specific standard disclosures.

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G4-33*	a. Report the organization's policy and current practice with regard to seeking external assurance for the report b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided c. Report the relationship between the organization and the assurance providers d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report	4, 125, 143-144

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G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	17
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G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders	17
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G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	17
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G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	No Statistics
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	No Statistics

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G4-EC9	Proportion of spending on local suppliers at significant locations of operation	46-48
ENVIRONMENTAL		OCED/UNGC
Materials		
G4-EN1	Materials Used By Weight Or Volume	57, 69
G4-EN2	Percentage Of Materials Used That Are Recycled Input Materials	61-69
Energy		
G4-EN3	Energy Consumption Within The Organization	56-58
G4-EN4	Energy Consumption Outside Of The Organization	No Statistics
G4-EN5	Energy Intensity	56-58
G4-EN6	Reduction Of Energy Consumption	59-61
G4-EN7	Reductions In Energy Requirements Of Products And Services	56-59
Water		
G4-EN8	Total Water Withdrawal By Source	56-57, 61
G4-EN9	Water Sources Significantly Affected By Withdrawal Of Water	Similar Events
G4-EN10	Percentage And Total Volume Of Water Recycled And Reused	61
Biodiversity		
G4-EN11	Operational Sites Owned, Leased, Managed In, Or Adjacent To, Protected Areas And Areas Of High Biodiversity Value Outside Protected Areas	Similar Events
G4-EN12	Description Of Significant Impacts Of Activities, Products, And Services On Biodiversity In Protected Areas And Areas Of High Biodiversity Value Outside Protected Areas	Similar Events
G4-EN13	Habitats Protected Or Restored	Similar Events
G4-EN14	Total Number of IUCN Red List Species And National Conservation List Species With Habitats In Areas Affected By Operations, By Level Of Extinction Risk	Similar Events
Emissions		Total Species Number of the Red List & List of National Protection
G4-EN15	Direct Greenhouse Gas (Ghg) Emissions (Scope 1)	No similar Events
G4-EN16	Energy Indirect Greenhouse Gas (Ghg) Emissions (Scope 2)	58
G4-EN17	Other Indirect Greenhouse Gas (Ghg) Emissions (Scope 3)	86

## Global Reporting Initiative G4 Indicator Index

Number	Content	Page
G4-EN18	Greenhouse gas (ghg) emissions intensity	No Statistics
G4-EN19	Reduction of greenhouse gas (ghg) emissions	No Statistics
G4-EN20	Emissions of ozone-depleting substances (ods)	No Statistics
G4-EN21	Nox, sox, and other significant air emissions	73
<b>Effluents and Waste</b>		
G4-EN22	Total water discharge by quality and destination	72
G4-EN23	Total weight of waste by type and disposal method	74-75
G4-EN24	Total number and volume of significant spills	No Similar Events
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the basel convention <sup>2</sup> annex i, ii, iii, and viii, and percentage of transported waste shipped internationally	No Similar Events
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	No Similar Events
<b>Products and Services</b>		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	55
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	62-69, 74-75
<b>Compliance</b>		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No Similar Events
<b>Transport</b>		
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	58
<b>Overall</b>		
G4-EN31	Total environmental protection expenditures and investments by type	78
<b>Supplier Environmental Assessment</b>		
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	No Statistics
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	No Statistics
<b>Environmental Grievance Mechanisms</b>		
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	No Similar Events

### SOCIAL

#### LABOR PRACTICES AND DECENT WORK

OCED/UNGC

#### Employment

G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	91, 100
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or parttime employees, by significant locations of operation	36, 99-101



## Global Reporting Initiative G4 Indicator Index

Number	Content	Page
G4-LA3	Return to work and retention rates after parental leave, by gender	99, 117
Labor/Management Relations		99
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	
Occupational Health and Safety		
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	85
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	79, 81-82
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	81-82
G4-LA8	Health and safety topics covered in formal agreements with trade unions	78-82
Training and Education		
G4-LA9	Average hours of training per year per employee by gender, and by employee category	83-84, 93, 117
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	92-98
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	99
Diversity and Equal Opportunity		
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	90-91
Equal Remuneration for Women and Men		
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	36, 99
Supplier Assessment for Labor Practices		
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	No Statistics
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	No Similar Events, 99
Labor Practices Grievance Mechanisms		
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	99-100
HUMAN RIGHTS		
Investment		
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	No Statistics
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	92-98
Non-discrimination		
G4-HR3	Total number of incidents of discrimination and corrective actions taken	No Similar Events, 99
Freedom of Association and Collective		
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Not Applicable

## Global Reporting Initiative G4 Indicator Index

Number	Content	Page
Child Labor		
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Similar Events
Forced or Compulsory Labor		
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	99
Security Practices		
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	83-84
Indigenous Rights		
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	No Similar Events
Assessment		
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	Not Applicable
Supplier Human Rights Assessment		
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Not Applicable
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	Not Applicable
Human Rights Grievance Mechanisms		
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	Not Applicable
SOCIETY		
Local Communities		
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	23-27, 109
G4-SO2	Operations with significant actual and potential negative impacts on local communities	No Similar Events
Anti-corruption		
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	18-19, 104-105
G4-SO4	Communication and training on anti-corruption policies and procedures	18-19, 104-105
G4-SO5	Confirmed incidents of corruption and actions taken	105
Public Policy		
G4-SO6	Total value of political contributions by country and recipient/beneficiary	Not Applicable
Anti-competitive Behavior		
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	No Similar Events
Compliance		
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No Similar Events

## Global Reporting Initiative G4 Indicator Index

Number	Content	Page
Supplier Assessment for Impacts on Society		
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	No Statistics
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	24, 46-48
Grievance Mechanisms for Impacts on Society		
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	No Similar Events
PRODUCT RESPONSIBILITY		
Customer Health and Safety		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	No Statistics
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	No Similar Events
Product and Service Labeling		
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	40-43, 48
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	No Similar Events
G4-PR5	Results of surveys measuring customer satisfaction	23, 28, 44-45, 50
Marketing Communications		
G4-PR6	Sale of banned or disputed products	No Similar Events, 44
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	No Similar Events
Customer Privacy		
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No Similar Events, 44
Compliance		
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No Similar Events

## Assurance Statement



### ASSURANCE STATEMENT

#### **SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. SHANGHAI BRANCH'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SHANGHAI FOSUN PHARMACEUTICAL (GROUP) CO., LTD.'S CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2015**

##### **NATURE AND SCOPE OF THE ASSURANCE**

SGS-CSTC Standards Technical Services Co., Ltd. Shanghai Branch was commissioned by Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (hereafter as "FOSUNPHARMA") to conduct an independent assurance of the 2015 Corporate and Social Responsibility Report (2015 CSR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text and data in accompanying tables, contained in the Chinese version of the 2015 CSR Report. Data and information for companies other than the three companies including located at No. 1289, Yishan Road, Shanghai City named FOSUNPHARMA's Headquarters, located at Jinshan Industry Zone, Shanghai City named Shanghai Chemo Wanbang Biopharma Co. Ltd. And located at Changde Economic & Technology Development Zone, Hunan Province named Hunan Dongting Pharmaceutical Co., Ltd. are not included in this assurance process.

The information in the 2015 CSR Report of FOSUNPHARMA and its presentation are the responsibility of the directors and the management of FOSUNPHARMA. SGS has not been involved in the preparation of any of the material included in the 2015 CSR Report.

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

SGS sustainability report assurance procedure was based on accredited guidance, including GRI report guidance accurate and reliable principle and assurance level by AA1000 series.

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

- evaluation of content veracity; and
- evaluation of the report against the Global Reporting Initiative Sustainability Reporting Guidelines(G4 2013).

The assurance comprised a combination of pre-assurance research, site assurance, and interviews with relevant employees at FOSUNPHARMA's Headquarters, Shanghai Chemo Wanbang Biopharma Co. Ltd. and Hunan Dongting Pharmaceutical Co., Ltd. Documentation and record review and assurance 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.

## Assurance statement

### STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing, verification and certification, providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm 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 auditors registered with Sustainability Reporting Assuror, SAI Registered SA 8000 Lead Auditor, CCAA ISO 14001 Lead Auditor, CCAA OHSAS 18001 Lead Auditor etc.

### ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within 2015 CSR Report verified is accurate, reliable and provides a fair and balanced representation of FOSUNPHARMA's sustainability activities in 2015. The assurance team is of the opinion that the Report can be used by the Reporting Organization's Stakeholders.

Regarding 2015 CSR report, the FOSUNPHARMA refer to the principles and performance categories in GB36000, Assurance team think this is a good practice, which shows the organization highly pursue CSR application.

In our opinion, FOSUNPHARMA has chosen an appropriate level of assurance for this stage in their reporting.

### GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES (G4 2013) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

#### Materiality

FOSUNPHARMA has considered reasonably disclosing issues and indicators with materiality to reflect the organization's significant economic, environmental and social impact or substantively influencing the assessments and decisions of stakeholders. SGS recommended that FOSUNPHARMA should strengthen involvement much more materiality topics and indicators into internal enterprises' management.

#### Reliability

Through information and data collecting, recording, analyzing and disclosing methods managing and controlling in CSR report, the data and information was reliable. SGS recommended that the FOSUNPHARMA should enhance the internal verification reliability with data and information by itself.

#### Signed:

For and on behalf of SGS-CSTC Standards Technical Services Co., Ltd. Shanghai Branch



Ben Tsang  
Director, China and Hong Kong

#### Certification and Business Enhancement

29 March 2016

B-11/F, No.900, Yishan Road, Xuhui District, Shanghai, China

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## 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. Various known or unknown risks, uncertainties, and other factors might lead to significant differences between the substantial results, financial condition, assets, development, or performance of the company in the future and those indicated implicitly or explicitly in the aforementioned forward-looking statement. These factors include but not limited to:

- The sluggish business period we experience;
- Increased overhead or reduced profitability as a result of new laws and regulations or amendments of the existing ones;
- Price increase of raw materials, particularly when it is impossible for us to transfer the cost to customers;
- Reduced or loss of product patent protection;
- Debts, particularly when they have something to do with environmental laws and regulations or are caused by product liability lawsuits;
- International currency exchange rate fluctuations and changes of the overall economic environment;
- Other factors indicated in this social responsibility report;

These factors include the details mentioned in the public reports submitted to the Shanghai Stock Exchange, the Stock Exchange of Hong Kong Limited, China Securities Regulatory Commission, and their branch institutions. In light of these uncertainties, we would like to remind readers not to rely on the forward-looking statement. The company will not take any responsibility for this.





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