

2020 Corporate Social Responsibility Report

Message from Chairman

董事長致辭

Wu Yifang
Chairman and CEO



The year of 2020 marked as an extraordinary year. In fighting against coronavirus, full-scales epidemic prevention efforts has been carried out. Being one of active participants, many enterprises spared no efforts in fighting against the virus. Fosun Pharma, as the leading pharmaceutical and healthcare group in China, by comprehensively utilizing its industrial resources and global operational capabilities, respond timely to fulfill its social responsibilities as a corporate citizen.

Upon outbreak of the pandemic, Fosun Pharma joined hands with Fosun International in allocating medical supplies and resources for frontline treatment. Many doctors and nurses set up as Fosun medical units to the front line. Further, Fosun Pharma independently developed COVID-19 RT-PCR Detection Kit, manufactured and dispatched medical equipment such as ventilators, negative pressure ambulances and mobile CT for sufficient supply. Vaccines are recognized as the ultimate means to fight against the pandemic. In searching for vaccines, Fosun Pharma decided to cooperate with BioNTech in developing mRNA vaccine, and proactively initiated the development of mRNA vaccine BNT162b2 in China.

Innovation is the most important social responsibility for a pharmaceutical enterprise. In response to unsatisfied medical demands, Fosun Pharma aims to provide better, more convenient and more affordable products and services for more patients and customers through continuous innovation.

We are glad to see that we have achieved outstanding innovation results in 2020. The innovative medicine Artesun® is recommended by WHO for the treatment of severe malaria, which has saved more than 30 million patients in Africa. Till the end of 2020, Fosun Pharma had successfully launched three biosimilars—Han Li Kang®, Han Qu You® and Han Da Yuan®; the new medicine Avatrombopag Maleate tablets (commodity name: Su Ke Xin®) has been approved by China NMPA for launch and included into the national medical insurance reimbursement list. Meanwhile, CAR-T cell therapy product Axicabtagene Ciloleuce injection product was granted priority review for the launch.

Quality is the lifeline of a pharmaceutical enterprise. Adhering to the quality principle and concept of "Respect for Life, Focus on Quality, Commitment to Perfection, and Pursuit of Excellence", we have established the production management and quality system in compliance with international standards. Since the launch of operation excellence (FOPEX) in 2017, we have continuously enhanced the internal operation efficiency. We continued to implement FOPEX 2.0 system in 2020, achieving good results. In terms of environment, health and safety, we have continuously strengthened investment in environmental protection, and promoted the atmospheric pollution treatment following the concept of sustainable development, in order to reach goals in aspects of energy conservation, emission reduction and environmental protection.

As our corporate culture manifested, Self-improvement, Teamwork, Development and Contribution to Society, we always remember to be grateful and give back to the society, and fulfill our responsibility as a corporate citizen by supporting social welfare activities such as education, scientific research innovation and healthcare.

In the future, adhering to the brand concept of "Innovation for Good Health", Fosun Pharma is committed to enabling every family to enjoy high-quality pharmaceutical products and healthcare services in a sustainable way, to bring good health to families worldwide.

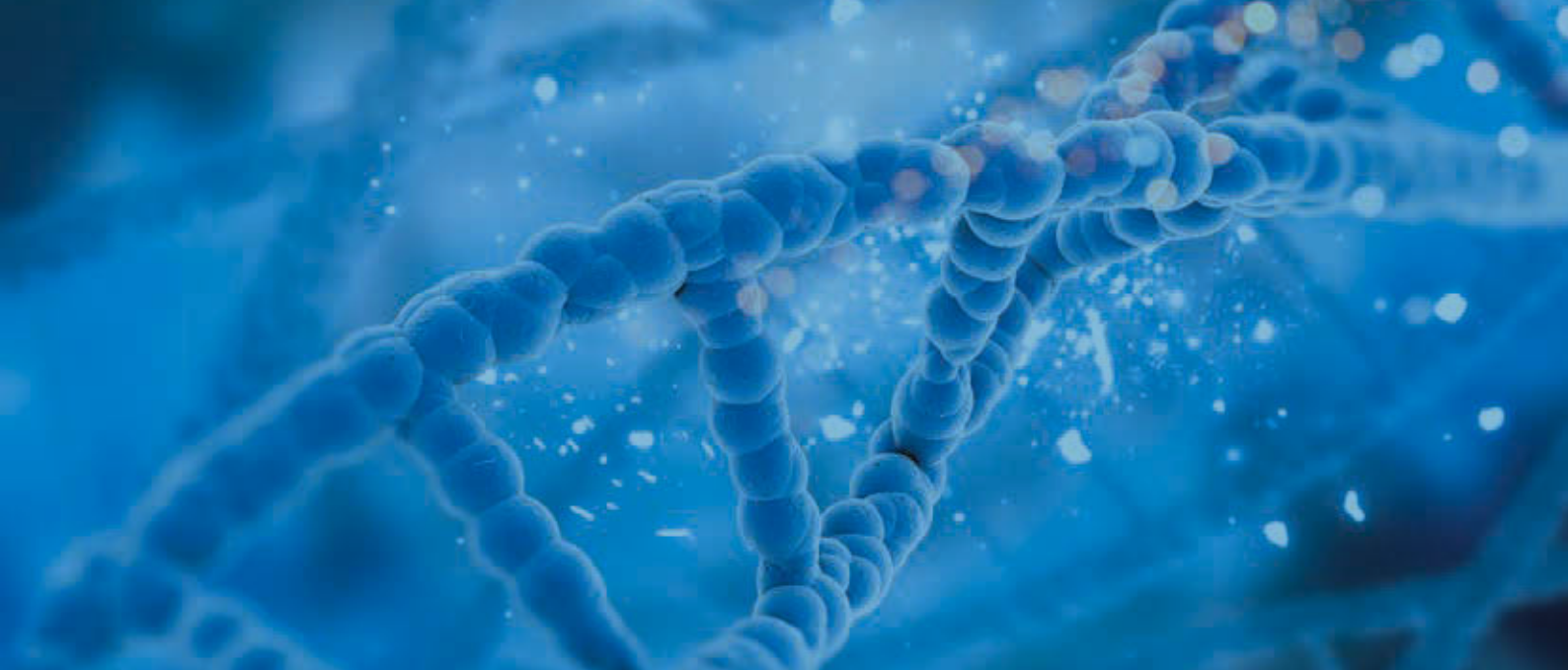
Wu Yifang

Chairman and CEO of Fosun Pharma



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About This Report

關於本報告

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

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

Basis of Report:

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

Reporting Period:

1 January 2020 to 31 December 2020

Scope of Report :

The scope of enterprises disclosed in this report is consistent with that of the 2020 Annual Report of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.

Data Description:

This report is published at the same time with 2020 Annual Report of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.. The financial data in this report is consistent with the 2020 Annual Report of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. published for A shares. In this report, all amounts are presented in Renminbi ("RMB") unless otherwise specified.



Definitions:

For the convenience of expression and reading, Fosun Pharma may be referred to, according to the context, as “the Company”, “Fosun Pharma” or “the Listed Company” in the report; Fosun Pharma and its subsidiaries included in the consolidated report may be referred to as “the Group”, or “Fosun Pharma Group”; the wholly-owned subsidiaries of the Fosun Pharma are described as “member enterprises”; Shanghai Fosun Pharmaceutical Industrial Development Limited may be referred to as “Fosun Pharmaceutical Industrial Company” or “Industrial Company”. For more description of company names, please refer to the Definitions of enterprise name.

Access to the Report:

The report is prepared and printed in simplified Chinese, traditional Chinese and English and is available in both hardcopy and electronic versions. The latter may be downloaded from the website of Fosun Pharma (<https://www.fosunpharma.com/about/CSR.aspx>). In case of any disparity between different versions, the version in simplified Chinese shall prevail.

Report Assurance:

An external institution has been commissioned by Fosun Pharma to perform third party verification of the Chinese CSR report and issued an Assurance Statement. The Assurance Statement covers the head office of Fosun Pharma as well as the on-site assurance of pharmaceutical subsidiaries Fosun Long March and Yaneng Bio.

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

Key Performance In 2020

2020年關鍵績效





Revenue for 2020
RMB30.307
billion

Net profit (after deduction of non-recurring profit or loss) attributable to the shareholder of the Listed Company for 2020
RMB2.718
billion

Tax payment in 2020
RMB2.486
billion

R&D expenditures for 2020
RMB4.003
billion
(including capitalized expenditures) representing a YoY increase of
15.59%

325 FOPEX lean projects
Annual saving of approximately
RMB51.45
million



At the end of 2020, **247** projects on innovative drugs, generic drugs, biosimilars and consistency evaluation

Member hospitals of Fosun Healthcare Group have
4,610
beds, their average satisfaction of outpatients and inpatients exceeded
95%

Total donation of **RMB40.38** million to the society in 2020
Total investment of nearly **RMB11** million in targeted poverty alleviation



The Group proactively participated in the "Rural Doctor Poverty Alleviation Project" and accumulatively donated drugs worth approximately **RMB3** million

Artesunate for injection, an innovative drug, has saved more than **30** million patients with severe malaria over the world, most of whom are children under **5**

7,399 tons of greenhouse gas emissions was reduced,
7.13 million kWh of electricity and **950** thousand of natural gas were saved in 2020

Emissions from hazardous wastes was decreased as compared to 2016
NO_x was reduced by **308** tons
SO₂ was reduced by **380** tons



About Fosun Pharma

An innovation-driven international pharmaceutical and healthcare industrial group with strategic coverage of the whole industrial chain of pharmaceutical and health care

Founded in 1994, Fosun Pharma (stock code: 600196.SH, 02196.HK) is a leading healthcare group in China. In accordance with relevant national laws and regulations and listed company governance requirements, Fosun Pharma has improved the corporate governance structure, continued to optimize internal management, and established a sound risk control management system, to proactively promote responsible business practices.



Company Profile

Founded in 1994, Shanghai Fosun Pharmaceutical (Group) Co., Ltd. ("Fosun Pharma"; stock code: 600196.SH, 02196.HK) is a leading innovation-driven international healthcare group in China. Fosun Pharma strategically operates businesses in the pharmaceutical and health industry, including pharmaceutical manufacturing, medical devices and medical diagnosis, and healthcare services. Through equity participation in Sinopharm Co., Ltd., Fosun Pharma's business extends to pharmaceutical distribution and retail.

Fosun Pharma takes pharmaceutical manufacturing as its core business and sticks to innovative research and development. Through in-house R&D, co-development, in-licensing and incubation, Fosun Pharma had established platforms for small molecule innovative drugs, antibody drugs and

cell therapy, focusing on major therapeutic areas, including oncology, immunology, "4 hypers" (hypertension, hyperlipidemia, hyperglycemia and hyperuricemia) and their complications, as well as central nervous system. In the meantime, Fosun Pharma keeps close track of cutting-edge technologies, such as targeted protein degradation, RNA, oncolytic virus and gene therapy to enhance its innovation ability.

Looking forward, under guidance of 4IN strategy (Innovation, Internationalization, Integration and Intelligentization), Fosun Pharma practices innovation and transformation, integrated operation and steady development, as well as the concept of sustainable development. Fosun Pharma is committed to becoming the first-class enterprise in the global mainstream healthcare industry.

Please visit the official website and official WeChat of the Company for more details.

Official website: www.fosunpharma.com

Official WeChat:



Mission

Better Health for Families Worldwide

Vision

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

Values



Care for life



Continuous innovation



Pursuit of excellence



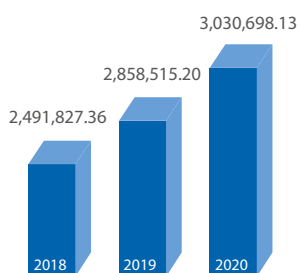
Sustainable partnership

Financial Performance

In 2020, Fosun Pharma Group upheld the business philosophy of “Innovation for Good Health” by continuously promoting innovation and transformation, integrating operations, stabilizing internationalization, and achieving steady growth in performance.

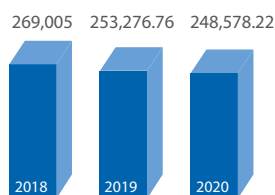
Revenue

(Unit: RMB'000)



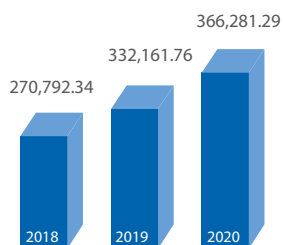
Tax payment

(Unit: RMB'000)



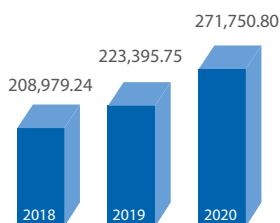
Net profits attributable to shareholders of the Company

(Unit: RMB'000)



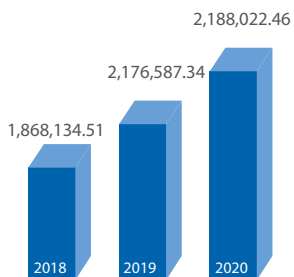
Net profits (after deduction of non-recurring profit or loss) attributable to the shareholders of the Company

(Unit: RMB'000)



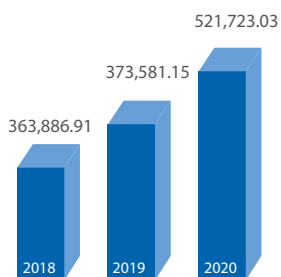
Revenue from pharmaceutical manufacturing

(Unit: RMB'000)



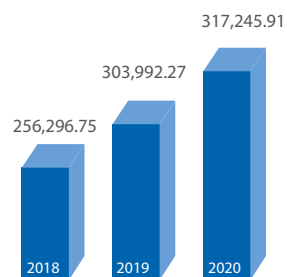
Revenue from medical devices and medical diagnosis segment

(Unit: RMB'000)



Revenue from healthcare services segment

(Unit: RMB'000)



Company Honors

Industrial status

Ranked the sixth in China Top 100 Pharmaceutical Manufacturing Company for 2019 (Menet)

Ranked the seventh in China Top 100 Healthcare Company for 2019 (China Pharmaceutical Industry Information Center)

China Top 10 Pharmaceutical Industry Enterprise Group for 2020 (China chemical pharmaceutical industry association, China pharmaceutical business association, China non-prescription drug association, etc.)

HSSCB50 (Hang Seng Index)

"Top 50 Smart Companies" of the Year (MIT Technology Review)

Social responsibility

CSI 800 ESG rating BBB Level (RKS CSR Ratings)

"Award of Overseas Expansion" of Outstanding Social Responsibility Fulfillment Achievement in 2020 (Shanghai Federation of Economic Organizations)

"Pioneer Enterprise" of Environmental Responsibility Information Disclosure of Chinese Listed Companies (China Forum of Environmental Journalists)

Golden Bee 2020 Excellent CSR Report -Evergreen Award (China Sustainability Tribune)

Outstanding Enterprise with Innovative Fight against Pandemic (Tencent)

2020 ESG Golden Award - Annual Sustainability Award (Sina Finance)

Market appraisal

2019 Golden Bull Award Most Investment Value (China Securities Journal)

2020 Top Ten Valuable Company (Sohu Finance)

Individual Honors

Wu Yifang, President and CEO of Fosun Pharma, won the Pioneer Figure of the Pharmaceutical Industry in 2020 (Sina Medicine)

Wu Yifang, President and CEO of Fosun Pharma, won the 3rd Quality Award of Putuo District (Putuo District Government)

Co-president and Chief Investment Officer of Fosun Pharma and Co-chairman of Industrial Company Wang Kexin won National Labor Model in 2020 (CPC Central Committee, State Council)

Industrial Associations

List of associations/social institutions Fosun Pharma Group involved

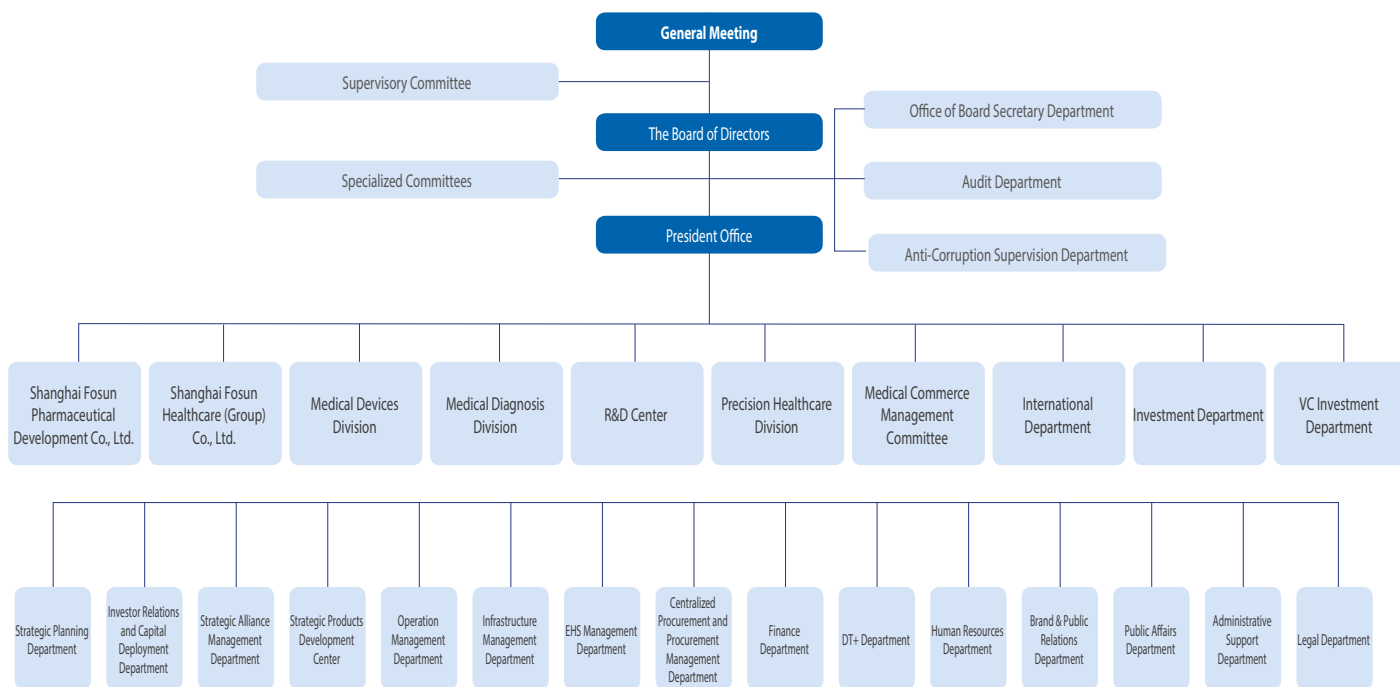
Name of association		Provincial and municipal associations	
Name of association	Position held	Name of association	Position held
China Pharmaceutical Industry Association	Vice chairman	Health Industry Association of Zhejiang Province	Vice chairman
China Pharmaceutical Enterprise Management Association	Vice chairman	Shanghai Biopharmaceuticals Industry Association	Honorary chairman and chief supervisor
China Medical Pharmaceutical Material Association	Chairman	Shanghai Health Insurance Association	Vice chairman
China Pharmaceutical Innovation and Research Development Association	Vice chairman	Shanghai Pharmaceutical Profession Association	Vice chairman
National Medical Technology Market Association	Vice chairman	Shanghai Genetics Society	Vice chairman
China Non-Prescription Medicines Association	Vice chairman	Shanghai Hospital Association	Standing director
China Medical Media Association	Vice chairman	Shanghai Pharmaceutical Association	Standing director
China Society for Drug Regulation	Vice chairman		
China Pharmaceutical Staff Ideological and Political Work Research Association	Standing vice chairman		
China Non-Public Hospital Association	Standing director		
China Price Association	Standing director		

Standard Corporate Governance

Organizational Structure

Fosun Pharma Group embarks on transformation in response to market changes and improves organizational structure in a timely manner. The Company has also built a corporate governance structure comprising Shareholders' Meeting, Board of Directors (including specialised Committees), Supervisory Committee and management. 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 specialized committees composed of senior managerial officers, heads of functional departments and other specialists. The specialized 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.



Note: This is the organization chart as at the end of 2020

Corporate Governance

In the reporting period, the Company further improved its corporate governance structure and internal management in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies issued by China Securities Regulatory Commission, the Stock Listing Rules of the Shanghai Stock Exchange, and the Corporate Governance Code in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and other requirements under laws and regulations and normative documents.

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 of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (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 of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.. The Articles of Association clearly defines the rules of procedures for Board meetings. The Company has formulated the Board Diversity Policy of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.. As at the end of the reporting period, the Board had eleven directors (including one female director), four of which were independent nonexecutive directors who are respectively professionals in accounting, management and strategic fields, which comply with the provisions of the Code of Corporate Governance for Listed Companies and development needs of the Group. The Board governs Strategic Committee, Audit Committee, Nomination Committee, Compensation and Appraisal Committee, and Environmental, Social and Governance Committee. The Company has also set the scope of authority and implementation rules for respective specialized committees.

During the Reporting Period, the Company has, in accordance with the requirements under the ESG Reporting Guide, set up the Environmental, Social and Governance Committee under the Board of the Company in 2020, in order to reinforce the management of the development and implementation of ESG strategies, evaluate internal and external impacts of ESG work, obtain feedbacks and recommendations on ESG works from internal and external advisers or experts, consider relevant results reports, review the progress on ESG goals, and put up improvement recommendations on the next ESG works.

3

As to supervisors and the Supervisory Committee: 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 Supervisory Committee are in conformity with the applicable laws, regulations and the Articles of Association. Supervisors of the Company act independently and effectively exercise their supervision and examination rights over the directors and senior management of the Company. The Supervisory Committee 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 Supervisory Committee.

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 according to the actual conditions in a timely manner. Meanwhile, in order to promote long-term and stable development of the Group, the incentive mechanisms for senior management personnel and key personnel has been further improved.

5

As to stakeholders: The Company fully respects the legal rights of shareholders, employees, clients and 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 fulfilled its information disclosure obligation as a listed company in strict compliance with applicable laws and regulations as well as the requirements stipulated in the Administration Measures for Information Disclosure of the Listed Companies issued by China Securities Regulatory Commission, the Guidelines for Management System of Information Disclosure of the Listed Companies issued by the Shanghai Stock Exchange, the Articles of Association, and the Regulation on Information Disclosure of the Company, in order to ensure the disclosure of information is timely, fair, true, 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 has formulated relevant 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. According to the relevant requirements of the Measures for the Evaluation of Information Disclosure of Listed Companies of the Shanghai Stock Exchange, the Company's information disclosure has been awarded the "A" rating for four consecutive years by the Shanghai Stock Exchange since 2016.

7

As to compliance training: Directors, supervisors and senior management of the Company proactively attended professional training and learning of the standardized operation of the securities market, to continuously enhance the ability to perform duties.

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.

Diversified Governance

The Board of the Company governs Strategic Committee, Audit Committee, Nomination Committee, Compensation and Appraisal Committee, and Environmental, Social and

Governance Committee. The Company has also set the scope of authority and implementation rules for respective specialized committees.

Strategic Committee

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

During the Reporting Period, the Strategic Committee of the Board of the Company held 1 meeting to review the Group's medium-term and long-term development strategies and plans for 2020 to 2024, and effectively fulfilled the duties of the Strategy Committee.

Audit Committee

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and periodic reports, to review and supervise the internal control procedures and risk management system, to examine and supervise the effectiveness of internal audit function, to review and inspect the appointment and dismissal of external auditors, to formulate and review the Company's corporate governance and practices and to make recommendations thereon.

During the Reporting Period, the Audit Committee of the Board of the Company held 19 meetings including 2 meetings with the external auditors without the presence of the executive directors to review periodic reports, audit plan, internal control implementation, major and ongoing related party/connected transactions, and make recommendations to the Group on strengthening internal control system. It has effectively fulfilled the duties of the Audit Committee.

Nomination Committee

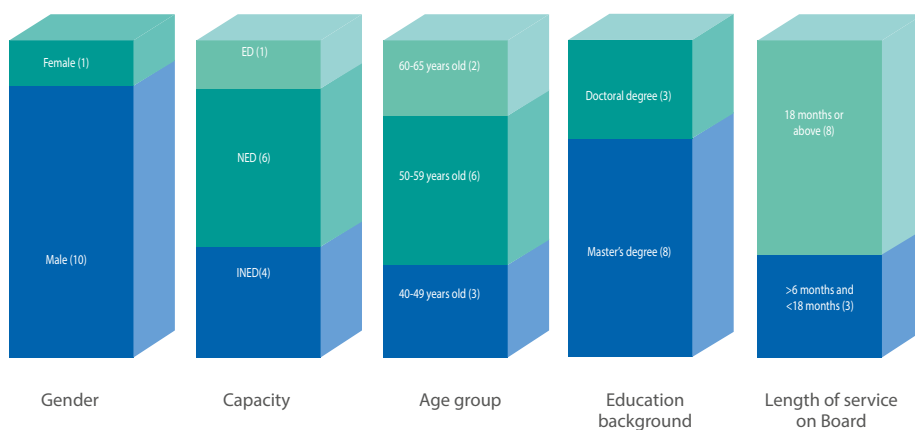
The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors and senior management, making recommendations to the Board on the appointment and succession planning of Directors, assessing the independence of independent non-executive Directors and reviewing the training and sustainable professional development of Directors and senior management.

During the Reporting Period, the Nomination Committee of the Board of the Company held 6 meetings to discuss and approve matters

relating to the selection of Directors and senior management. It has effectively fulfilled the duties of the Nomination Committee.

The Nomination Committee, in nominating and appointing new Board members, shall consider a range of diversity perspectives pursuant to the Board Diversity Policy, including but not limited to gender, age, culture and education background, professional experience, skills, knowledge and term of service.

An analysis of the Board's diversity as at the end of the Reporting Period is set out as follows:



Remuneration and Appraisal Committee

The primary functions of the Remuneration and Appraisal Committee include formulating and inspecting the remuneration policy and structure of Directors and senior management and making recommendations to the Board thereon, inspecting the performance of duties by Directors and senior management, and reviewing the annual performance assessment and remuneration packages.

During the Reporting Period, the Remuneration and Appraisal Committee of the Board of the Company held 1 meeting to review and make recommendations to the Board on the performance appraisal and remuneration packages of the executive Directors and senior management of the Company and the implementation thereof in the prior year. It has effectively fulfilled the duties of the Remuneration and Appraisal Committee.

Remuneration Policy

The executive Directors who are also the senior management of the Company are not entitled to remuneration for their services as being executive Directors, but entitled to remuneration for their services as the senior management of the Company, and such remuneration will be assessed and determined by the Board. The remuneration for the full-time Directors should be determined by the general meetings based on the economic benefits received by the Company and by reference to other factors including the responsibilities and performance of the Directors and the remuneration standards of the industry. The allowances for the independent non-executive directors of the

Company are based on the relevant provisions of the Guiding Opinions on the Establishment of Independent Director System in Listed Companies issued by China Securities Regulatory Commission and the Independent Non-executive Director System of the Company and are determined based on the role of the independent nonexecutive directors in the Board of the Company and the actual performance of their duties with reference to the allowance for independent non-executive directors of listed companies of the same size, and have been reviewed and approved at the general meeting in 2015.

Environmental, Social and Governance Committee

Main functions of the Environmental, Social and Governance Committee include formulation of social and governance vision, objective strategy and structure, examination of the implementation

thereof, review of annual ESG reports, and proposing for specific actions or decisions for the Board of Directors for deliberation.

Convening of Meetings

The Board, the Supervisory Committee and the specialized committees carried out the work diligently, lawfully and efficiently in accordance with the Articles of Association of Shanghai Fosun Pharmaceutical (Group) Co., Ltd., the Rules of Procedures for the Board of Directors of Shanghai Fosun Pharmaceutical (Group) Co., Ltd., the Rules of Procedures for the Supervisory Committee of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. and the implementation rules of specialized committees.

During the Reporting Period, the Company organized 23 meetings of the Board and 6 meetings of the Supervisory Committee.

During the Reporting Period, the Company organized and convened 19 meetings of the Audit Committee of the Board, 6 meetings of the Nomination Committee of the Board, 1 meeting of the Remuneration and Appraisal Committee of the Board, 1 meeting of the Strategic Committee of the Board and 1 meeting of the Environmental, Social and Governance Committee.








During the Reporting Period, the Board of the Company also convened 1 annual general meeting, 3 extraordinary general meetings, and 1 A-share class meeting and 1 H-share class meeting in accordance with the Articles of Association of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. and the actual needs.

Comprehensive Risk Management

Fosun Pharma Group always focuses on corporate risks, and attaches great importance to risk management and control. Fosun Pharma's internal control construction, internal audit and anti-corruption functions have jointly composed a sound risk control system.

In the daily operations involving risk-related projects of operation functional departments including procurement, capital construction, quality, and informatization, the internal control department is introduced to conduct prior approval control and in-event counseling; in terms of post-event control, on the one hand, the breadth and depth of the internal audit business

are strengthened, in order to ensure the warning of the bottom line of risk control. Meanwhile, the Anti-Corruption Supervision Department (ACSD) makes public the whistle-blowing channels to train and educate employees of the Group through internal and external cases, continuously maintains the deterrence of anti-corruption, proactively builds an all-round, multidimensional and hierarchical empowering risk control system to support the Group's achievement of strategic and operational goals under the national laws and regulations and the governance framework for listed companies.

 <p>Centralized procurement and procurement risk management</p>	<ul style="list-style-type: none"> The Company improved the basic standards for management. In 2020, the Company completed a total of 15 centralized procurement and strategic bidding projects, including production materials, production equipment, and medical equipment to empower member companies to purchase and further reduce costs and increase efficiency. The cooperation with audit and integrity efforts ensured transparency in procurement. The Company initially promoted the construction of digital procurement business platform, and further advanced the closed-loop, transparent, visible, comparable, and traceable procurement business.
 <p>Management of capital construction projects</p>	<ul style="list-style-type: none"> The Company formulated and released the Administrative Measures for Project Approval and Process Management of Shanghai Fosun Pharmaceutical (Group) Co., Ltd., which further enhanced the standardization of project approval and process management, guaranteed the strategic compliance of engineering project construction, and enhanced the scientificness, advancement, sustainability and whole-process management level of engineering projects. The Company established the communication mechanism for major engineering projects, and organized mutual communication for OSD and API projects for several times, which enhanced the overall level of the project design and construction. The Company set up requirements for collection and classification of legal engineering documents for the engineering project management teams of various enterprises to guarantee the advancement and compliance of projects; formulated construction drawing review requirements, organized the design review of various phases of key projects, and strengthened the whole-process design management to enhance the design level and quality of projects. The Company strengthened the project cost management, compared the actual cost with approved budget and the payment progress with the engineering image progress via the monthly dynamic project cost breakdown, and promptly controlled the usage and payment of total budget expenses for capital construction projects to achieve the management objectives of the whole-process cost control.
 <p>Internal control construction</p>	<ul style="list-style-type: none"> The Company fulfilled the responsibility system of holders, strengthened full life cycle quality management, and promoted continuous quality improvement. The Company improved the quality audit system for member enterprises, and conducted a total of 10 quality audits in 2020. Critical support was given to member enterprises' international certification projects, such as Yaopharma's FDA certification and Henlius' EU cGMP certification and etc., to continuously promote the construction of the international quality system.
 <p>Information security management</p>	<ul style="list-style-type: none"> The Company formulated the Fosun Pharma Group Information Security System Building Planning, which provided guidelines for information security work. The Company continuously carried out, promoted and implemented the national classified protection of cybersecurity. The Company further improved the IT system standardization such as ISO27001. The Company continuously promoted and improved the scientific Fosun Pharma Group Information Security System Building Planning, carrying out work centered on 17 items and approximately 68 specific working tasks related to security protection of three systems, i.e. security management system, supervision and compliance system, and security technology system.
 <p>Internal audit</p>	<ul style="list-style-type: none"> The Audit Department of Fosun Pharma independently carried out work, exercised the right of internal supervision, and gave play to functions of supervision, appraisal and service in accordance with the Internal Auditing System and various requirements and systems of the Company, as well as relevant national laws, regulations and policies. In 2020, Fosun Pharma totally completed 20 audit projects, covering all the business segments of major wholly-owned subsidiaries/units such as pharmaceutical manufacturing and R&D, healthcare services, medical devices and diagnosis. The Company carried out special audit on several engineering projects under construction with high investment amounts, promptly discovered important management and control defects in the project implementation, and provided compliant and efficient rationalized suggestions; continuously carried out special management audit on key businesses such as R&D, purchase and expenses, and focused on key problems such as R&D efficiency, tendering and bidding risks and expense control. The Company strengthened the comprehensive audit on new enterprises to help them rapidly integrated into the Group's management system, and effectively convey the corporate culture and values of Fosun. The Company carried out in-depth investigation into the malfunction found in the audit, and handled according to investigation results. The Company provided guidance and assisted member companies to carry out internal control evaluation to continuously improve the quality of internal control self-evaluation. The Group conducted continuous tracking for the improvement of internal control defects, and counseled to ensure good rectification results. The Company promoted the better performance of internal supervision by the auditing via various means such as appointing talents as the person in charge of audit of wholly-owned subsidiaries, extending functions or designating staff to segments.
 <p>Anti-corruption</p>	<ul style="list-style-type: none"> The Company revised and optimized relevant anti-corruption and compliance documents to further improve the anti-corruption system of Fosun Pharma. The Company provided anti-corruption training, including special anti-corruption training on directors and senior management once, publicity and education of anti-corruption and integrity in practice and induction training on the construction of clean culture for new employees of Shanghai head office for three times, and anti-corruption publicity training on infrastructure lines and member enterprises for three times. Fosun Pharma set up the integrity and compliance column on the home page of its official website, established the portal website of the ACSD for OA; the ACSD totally published 57 articles related to anti-corruption in 2020. The Company strengthened daily integrity supervision. In 2020, two employees received the punishment of rescission of labor contract, two received the disciplinary punishment including warning due to violations of relevant integrity regulations; four were imposed with compulsory criminal measures due to violation of criminal laws; losses totaling RMB11.98 million were recovered for the Company through case investigation.
 <p>External results evaluation</p>	<ul style="list-style-type: none"> The scope of the external auditor Ernst & Young's annual internal control audit for the Group includes 21 enterprises subject to comprehensive audit and 7 enterprises subject to specific audit. Internal control audit was performed based on the different characteristics of each enterprise's business types in terms of company-level control, investment business, sales business, procurement business, inventory management, capital activities, R&D activities, asset management, financial reporting, human resources, tax management, information system and other business modules, and no major defects or significant defects were identified during the year.

Crisis Management

Fosun Pharma has a press spokesman mechanism and a sound public opinion monitoring and crisis response mechanism. It keeps dynamic real-time follow-up and understanding of public opinions for 7x24 hours through the public opinion monitoring and pre-warning system and working group mechanism. For crisis emergencies, a crisis public relations response working group will be set up to formulate crisis response plans as soon as possible, and proactively communicate with the public and investors according to the progress of events and information disclosure supervision requirements through announcements or media

communication, telephone conference or offline communication in a timely manner, to safeguard the Company's reputation.

The Company regularly publishes its information on we-media platforms, such as the official WeChat and official website, to let the public keep abreast of the Group's developments. The Company's Brand & Public Relations Department has a fulltime public relations person in charge of interviews and communications. At the same time, Fosun Pharma has further strengthened communication with Hong Kong and overseas media through

cooperation with professional public relations consulting companies to help the Company's international business development. According to incomplete statistics, throughout 2020, the number of media coverage amounted to 274,772 articles, and the overall dissemination was positive, establishing a good brand image for the Company.



同心抗“疫”

Concerted Efforts for Fight against Pandemic

On March 3, 2020, in the ICU of Foshan Chancheng Central Hospital, the couple of the Director of Department of Respiratory Medicine Zhong Xiangzhu and ICU Executive Deputy Director Huang Xiangling helped each other to wear the three-level protection equipment for the front-line fight against the pandemic. Upon the outbreak of COVID-19, Foshan Chancheng Central Hospital immediately set up an anti-COVID-19 expert team, which included the above couple.

"The history is always astonishingly alike. We two also fought shoulder to shoulder against SARS 17 years ago. At that time, I had further study at Guangzhou Respiratory Diseases Research Institute, and Xiangling worked in the Emergency Department of a hospital. We didn't stay together, but we fought against the pandemic at the frontlines, during which we grew up and accumulated rich experience. Therefore, upon outbreak of the pandemic, we unanimously chose to work at the frontlines and share our experience among more young medical staff."

—— Zhong Xiangzhu, Director of Foshan Chancheng Central Hospital

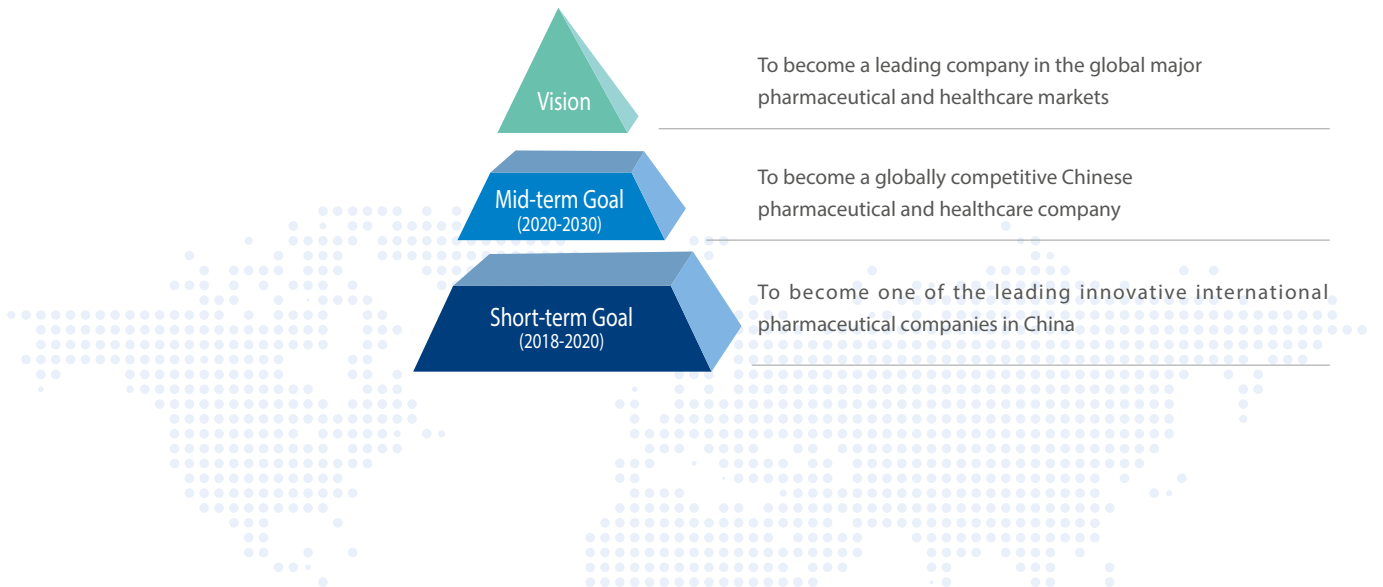
CSR Management

Pursuit of sustainable development of talents and products

"Pursuit of sustainable development of talents and products" is the social responsibility concept of Fosun Pharma. Fosun Pharma has incorporated the social responsibility strategy into its overall development strategy, and promoted the sustainable development through social responsibility practices and management system; it has established a comprehensive stakeholder communication mechanism, to continuously improve stakeholder satisfaction.



Corporate Strategy



Social Responsibility Strategy

The social responsibility strategy of the Group is inseparable to its overall strategy. The Group formulates the short-term goal, mid-term goal and vision of the social responsibility strategy to proactively improve sustainable development management.



To gradually keep up with international norms and become the leading enterprise in China's pharmaceutical and healthcare industry in terms of social responsibility and sustainability



To be a part of the global sustainable development system, and become a Chinese pharmaceutical health company with international social responsibility awareness and reputation



To become a Chinese pharmaceutical health company with global social responsibility influence



Strategies and Goals

To achieve the Company's vision of social responsibility, we have formulated the following social responsibility strategies to review and manage the Company's impact on the environment, society and economy, and integrate the concept of social responsibility into each operating aspect.

Four strategic pillars

The brand values of "care for life, continuous innovation, pursuit of excellence, win-win partnership" have, from the beginning to the end, closely linked the development of individuals and enterprises to the welfare of society.

Brand values are the norms for every staff of Fosun Pharma in work, and also a social responsibility commitment of Fosun Pharma.



Care for life

We respect life, provide safe, convenient and high-quality healthcare products and services, and continuously strive to improve the quality of human life.
We cherish individual living environment and promote public health and environmental improvement with the concept of sustainable development.
We are enthusiastic about social welfare and help poverty-stricken patients and vulnerable groups, in order to proactively bear corporate social responsibility.

Key management topics

product/service quality, healthcare accessibility, occupational health and safety, environment and community public welfare



Continuous innovation

We persist in innovation and R&D and bring new possibilities to public health through original breakthroughs and application of technology improvements.
We bring together global innovation resources and follow up on cutting-edge R&D technology, to build an international R&D platform.
We promote management innovation and continuously improve the efficiency of operations, to become a continuously evolving intelligent entity.

Key management topics

R&D and innovation, intellectual property protection and healthcare accessibility



Pursuit of excellence

We prioritize quality, and have established a production management and service system that meets international standards.
We continuously improve manufacturing processes and optimize service experience, to provide high-quality products and services.
We pursue excellent and do the right things, the difficult things, and the things taking time to develop.

Key management topics

product/service quality and safety, energy conservation and environment protection, and sustainable supply chain management



Win-win partnership

We adhere to the entrepreneurial ideal and advocate entrepreneurship, and advocate the enterprise culture of team work.
We integrate industrial resources and promote integration and synergy, to create value and share development.
We promote the sustainable development of the industry and create long-term value with excellent partners and strive to build a harmonious and healthy business ecosystem.

Key management topics

compliant operation, responsible marketing, and emissions management

CSR Management

CSR Management Committee and ESG Committee

Fosun Pharma Group has continuously improved the CSR management system, to instruct and coordinate the action plans of the member enterprises of the Group in the aspect of social responsibility, as well as, to promote the CSR management via refined indicator assessment system.

In 2020, Fosun Pharma updated the mandates of CSR Management Committee to continuously improve the corporate social responsibility work system, standardize corporate social donation and public welfare project management, and promote the Company to continuously improve the social responsibility capacity building and information disclosure to ensure scientific and efficient decision-making for various social responsibility affairs of the Group. The Chairman and CEO of Fosun Pharma chairs the committee, the co-Chairman, the Executive President and CFO of Fosun Pharma acts as the deputy directors and

the committee members are composed of relevant heads of various segments and departments of Fosun Pharma.

In 2020, in order to further improve the corporate governance structure and enhance ESG management, the Board of Fosun Pharma established the Environmental, Social and Governance (“ESG”) Committee to emphasize and promote ESG management. Meanwhile, in a bid to fully understand the appeals and expectations of stakeholders and specify the development direction of ESG work, Fosun Pharma carried out interviews with internal and external stakeholders. In full response to the requirements of the capital market and regulatory agencies, Fosun Pharma learnt from leading counterparts in the industry to further identify potential risks, formulate risk response plans, and proactively respond to index rating questionnaire.

CSR Task Force

The Fosun Pharma CSR Committee governs a CSR Task Force, which is responsible for coordinating and planning of the Group’s social responsibility work, and completing Fosun Pharma’s annual CSR report in accordance with company management and information disclosure requirements. Through the smooth operation of the social responsibility framework, the Group has strengthened supervision and management to continuously improve corporate social responsibility construction.

The Company has continuously published CSR report annually since 2009. The Brand and Public Relations Department is responsible for leading and coordination as well as compiling the report.

In 2020, the task force appointed 39 members in charge of various key functions including EHS, HR, product quality and centralized purchasing, to instruct and implement the CSR affairs of Fosun Pharma Group, and further carry out CSR work via the enhancement of indicators of assessment. Meetings are convened regularly every year to implement specific CSR work.



ESG Tendency of Capital Market and Subsequent Actions of Fosun Pharma by Ernst & Young expert



Photo of CSR Task Force

Capability Building







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

Training on social responsibility reporting for members on CSR Task Force is organized each year to elevate qualities for the report. Meanwhile, the persons in charge of ESG of the Company

actively participate in external training on social responsibility to continuously enhance the social responsibility management level of the Group.

In November 2020, at the kick-off meeting of 2020 Corporate Social Responsibility Report, Fosun Pharma invited the experts of Ernst & Young to conduct special trainings on the ESG Tendency of Capital Market and Subsequent Actions of Fosun Pharma for members of the Fosun Pharma CSR report task force.

Stakeholders

Stakeholders	Expectation to Fosun Pharma	Response from Fosun Pharma	Highlights of communication with stakeholders
 Shareholders	<ul style="list-style-type: none"> * Compliance Operation * Risk management 	<ul style="list-style-type: none"> • Improvement of corporate governance system • Timely disclosure of information in relation to daily operation • Establishment of feedback platforms such as telephone, e-mail and website • Convening of meetings with investors 	<ul style="list-style-type: none"> • The Company received about 10 on-site visits and surveys of institutional investor groups, held more than 70 online/telephone conference calls with domestic and overseas investors, participated in more than 50 domestic and overseas forum, and communicated with institutional investors via various channels to convey the medium and long-term strategic planning of the Company; • The Company held online R&D open days in May to comprehensively display the rich R&D pipelines and excellent R&D teams of the Group to investors, and reported the progress of R&D transformation of the Group; • The Company listened to and answered questions and suggestions from small and medium investors via investors' hot line; • It participated in the "2020 Online Open Day of Listed Companies in Shanghai" hosted by the Listed Companies Association of Shanghai in June, having extensive communication with small and medium investors via online platform of SSE. • The Company convened 23 meetings of the Board of Directors and 6 meetings of the Supervisory Committee; 19 meetings of the Audit Committee of the Board of Directors, 6 meetings of the Nomination Committee of the Board of Directors, 1 meeting of the Remuneration and Appraisal Committee of the Board of Directors, 1 meeting of the Strategic Committee of the Board of Directors, 1 meeting of the ESG Committee, 1 annual general meeting, 3 extraordinary general meetings, 1 A share class meeting and 1 H share class meeting.
 Clients and consumers	<ul style="list-style-type: none"> • Provision of quality products and services • Protection of interests of consumers • Responsible marketing R&D and innovation • Intellectual property protection • Protection of the privacy of clients 	<ul style="list-style-type: none"> • Participating in academic seminars such as academic institutions and industry associations, academic exchanges and industry forums • Maintaining good doctor-patient relationship • Conducting customer satisfaction survey • Establishing comprehensive customer service process and customer compliant handling process • Establishing comprehensive information exchange mechanism • Protecting user information security 	<ul style="list-style-type: none"> • The Group has a business team of nearly 6,000 people, covering more than 2,000 tertiary hospitals and 10,000 primary and secondary hospitals, with focus on business team to create innovative drugs, new retail team for OTC and online channels, and marketing team for Africa, Europe and the United States • The Company proactively held academic conferences in the field of tumors, anti-infectives, cardiovascular diseases, endocrine and other fields to strengthen communication with clients • Leading diagnosis and treatment programs and disease management models were introduced through professional medical support • No complaints about infringement of customer privacy and loss of customer information • No related violations in terms of product and service labeling • The average satisfaction of outpatients and the average satisfaction of inpatients of the major member hospitals of Fosun Pharma Group exceeded 95%
 Media and public	<ul style="list-style-type: none"> • Transparent information disclosure • News interview 	<ul style="list-style-type: none"> • Establishing comprehensive information disclosure mechanism • Media communication mechanism • Timely disclosing information through websites, WeChat and other platforms 	<ul style="list-style-type: none"> • News was regularly published through official WeChat, official website and other channels • The "Press Spokesman Mechanism" was developed, and complete public opinion monitoring and crisis response mechanism were established • Daily media communication and interview mechanism was established • In 2020, 274,772 articles related to the Group were published on the global media, disseminating positive news • Media science salons related to explorations into mRNA technology and knowledge about immune cell therapy were held to enhance the communication between the Company and the media
 Employees	<ul style="list-style-type: none"> • Protection of employees' rights and interests • Provision of training and development platform to employees 	<ul style="list-style-type: none"> • Establishing labor union • Entering into collective contracts • Establishing long-term talent training mechanism and HealthCare Management Institute • Organizing regular employee caring activities • Solicitation of employees' opinion and suggestion on rationalization • Safety management 	<ul style="list-style-type: none"> • Labor union coverage rate of 100% • Signing Collective Contract of Shanghai Fosun Pharmaceutical (Group) Co., Ltd., the Agreement on Collective Negotiation on Salary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. and the Collective Agreement on Protection of Special Rights and Interests for Female Employees of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. • The Company protects employees' rights and interests in terms of labor remuneration, labor security and health protection • Four series of training programs, namely New Employee Series, Leadership Development Series, Professional Development Series and Common Skill Series, were offered • 0 occupational disease hazard case and 0 diagnosed case of COVID-19 of domestic employee
 Suppliers	<ul style="list-style-type: none"> • Sustainable development of supply chain 	<ul style="list-style-type: none"> • Establishing regulated and transparent supplier procurement, tender and management procedures • Conducting on-site audit on suppliers • Green supply chain management 	<ul style="list-style-type: none"> • Strictly implementation of the issued procurement system and improved the current management system • The Company continued to promote strategic and centralized procurement projects for production materials, services, equipment, medical equipment and other items within the Group • As at the end of 2020, the Group implemented 398 green supply chain audits for its suppliers
 Government	<ul style="list-style-type: none"> • Compliance operation • Payment of tax • Leading the healthy development of the industry 	<ul style="list-style-type: none"> • Operation in accordance with the laws • Continuous innovation, research and development • Participating in policy formulation and providing suggestion • Actively participating in government projects • Participating in industry association platforms 	<ul style="list-style-type: none"> • Government reception: According to incomplete statistics, the Company received more than 20 provincial and ministerial leaders and over 40 bureau and department leaders. The leaders had high recognition on the Group in terms of fight against pandemic, production resumption, R&D and innovation, poverty alleviation, occupational education, industrial style building and medical treatment development • Policy suggestions: The Group actively participated in the proposal for relevant industrial policies and formulation of standards, and offered suggestions for the industrial development and transformation and upgrading of industrial structure, including the "Investigation Report of Corporate International Business" and the "Analysis on Reflow of Transnational Pharmaceutical Enterprises" of National Development and Reform Commission, and the Suggestion "Analysis on Current Situations and Countermeasures of COVID-19 mRNA Vaccine Technology", and submitted relevant proposals and suggestions during the local two sessions • Government projects and external cooperation: In 2020, the Group's projects obtained support from local and national governments in terms of anti-pandemic innovation, including strategic emerging industrial projects, MIIT industrial cluster projects, key R&D plans and technical reform and innovation projects of local commission of economy and information technology, as well as more than 30 special projects such as anti-pandemic innovation, anti-pandemic emergency materials guarantee system building and employment stabilization and business circulation and development.
 Communities/ non-governmental organizations	<ul style="list-style-type: none"> • Community service • Charity and public welfare • Environmental protection 	<ul style="list-style-type: none"> • Actively participating in community services • Participating in various activities of public welfare organizations • Actively carrying out various public welfare activities • Actively reducing emission and pollution of production environment 	<ul style="list-style-type: none"> • Many public welfare activities were carried out including support for education, scientific research and innovation, targeted poverty alleviation, care for children, and patient education • Donation of RMB40.38 million to the society in 2020 • Investment of approximately RMB11.00 million for targeted poverty alleviation • Expansion in new construction, upgrading and transformation of environmental protection facilities of manufacturing enterprises, leading to reduction of 123 tons of COD emission intensity and a reduction of 41.5 tons of ammonia nitrogen emission and accumulative reduction of 7,399 tons of greenhouse gas emission throughout the year
 Partners/Peers	<ul style="list-style-type: none"> • Exchanges and cooperation 	<ul style="list-style-type: none"> • Visiting and conducting research on enterprises • Industry exchanges • Benchmarking study 	<ul style="list-style-type: none"> • The Company cooperated with medical experts to actively share Chinese experience in fight against pandemic and held several international seminars on fight against COVID-19 • The Company invited AstraZeneca and other pharmaceutical companies for exchange and communication

Feedback from Some Stakeholders



Since the outbreak of COVID-19, Fosun Pharma proactively took rapid actions, fully mobilized various resources, strengthened scientific research, deeply explored production capacity, and greatly supported the supply of emergency drugs and medical devices and materials, which played an important role in stabilizing the market and firming the confidence, and gave full play to its strong sense of social responsibility and mission. At present, the pandemic situation is still severe. We hope that Fosun Pharma could continue to perform its social responsibilities, strengthen quality safety management and make new contributions to the pandemic prevention and control.

—Extract from the Letter of Gratitude from Shanghai Medical Products Administration to Fosun Pharma

February 10, 2020

In 2020, in order to further improve the corporate governance structure and promote ESG management, Fosun Pharma established the ESG Committee of the Board of Directors to emphasize and promote ESG management, improve ESG governance system, make active response to capital market, and gradually form normalized management, which reflected the expansion of responsibilities and deepened management of Fosun Pharma.

—Tang Jiabin, Managing Partner of Climate Change and Sustainable Development Service of Ernst & Young Greater China

The public welfare project “Doctors Go to the Countryside Project” is of great help to the implementation of the national policy of “treatment of serious illness within the county”. I find it meaningful to answer relevant questions from the county hospitals and help them enhance their treatment and diagnosis level.

—Lan Jun, Director of Vasculocardiology Department of Dongguan No.3 People's Hospital and Director of Specialized Committee for Vasculocardiology of Dongguan Medical Association

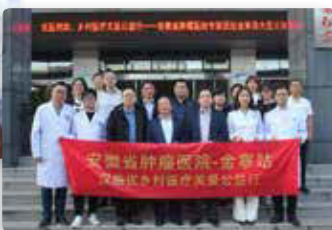
Letter of Gratitude from Shanghai Medical Products Administration



“Knowledge of Immune Cell Therapy” and 2020 Fosun Pharma Media Science Salon



Public Welfare Project “Doctors Go to the Countryside Project”



Han Qu You Public Welfare Medical Care Trip in Rural Areas

I am truly grateful to the medical staff and anesthetists who were responsible for delivery in the maternity ward on the date of birth (at 7:30-15:00 on November 1). At the maternity ward, I deeply felt that they not only provided professional technology for patients, but also offered their best patience and empathy. Confronted with great working intensity, they always treated lying-in women gently, and offered effective help and psychological relief for lying-in women during the delivery process.

—A lying-in woman at the Department of Obstetrics of Foshan Chancheng Central Hospital

Grassroots doctors require establishing standardized diagnosis and treatment concept and enhancing the diagnosis level. For instance, in the Han Qu You Public Welfare Project, we regularly dispatched expert teams to publicize the guidelines and standardize the treatment of breast cancers by grassroots doctors.

—Cao Yali, Leader of Early Breast Cancer Diagnosis Technology Team of Jiangxi Province, Vice-president and Director of Breast Center of Nanchang No.3 Hospital, and Expert of Han Qu You Public Welfare Medical Care Trip in Rural Areas

As the bell rang, we received the gift packs from Fosun including Spring Festival articles, roasted nuts, edible fungus and tea. I want to thank the Company and the Trade Union for their concern despite a busy schedule. I will firmly remember the words of the leaders and stay at home without going out. I will face the music during the pandemic prevention and control!

—Letter of gratitude from retired employees of Fosun Pharma upon reception of anti-pandemic materials provided by the Trade Union of Fosun Pharma

The “Knowledge of Immune Cell Therapy” activity enabled me to further understand the professional knowledge of the immune cells and have a more comprehensive knowledge of the field, and provided objective information for our report in this aspect.

—Media invited to the activity “Knowledge of Immune Cell Therapy” and 2020 Fosun Pharma Media Science Salon

Among top 20 enterprises in respect of the evaluation results of environmental responsibility information disclosure by Listed Companies in 2019, 10 were from Shanghai Stock Market and 10 were from Shenzhen Stock Market, and others but one were in the first and secondary industries. Ten out of the top 20 enterprises were at the level of four and a half stars in the pioneering phase of environmental information disclosure, which was basically the same as 2018, and other ten enterprises were at the four-star level. Only Fosun Pharma ranked top 20 for eight consecutive years.

—Liu Xuezhi, Director of the Low Carbon Economy and Management Research Center of Beijing University of Chemical Technology



Substantive Issue Analysis

Substantive issues

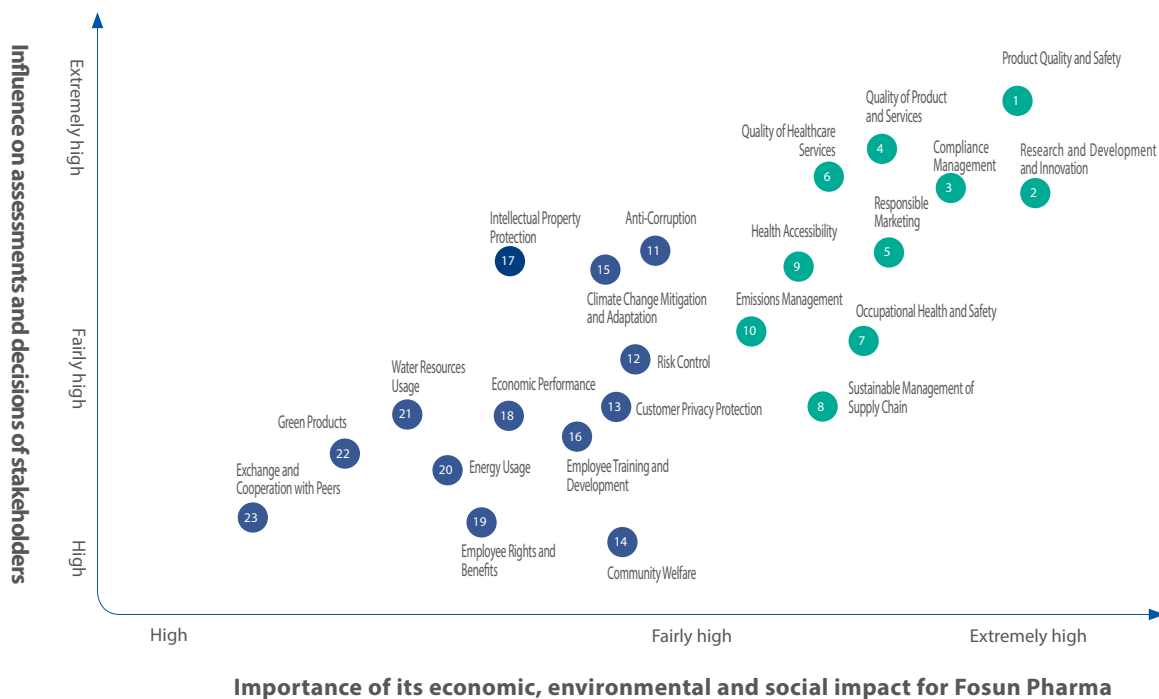
Substantive issues are issues that reflect the Company's impact on the economy, environment, and society; or issues that have a substantial impact on stakeholders' assessments and decisions.

Process of Substantive Issue Analysis



Results of the Substantive Issue Analysis

Substantive issues of Fosun Pharma include product quality and safety, quality of healthcare services, quality of product services, research, development and innovation, compliance management, responsible marketing, health accessibility, emissions management, occupational health and safety, sustainable supply chain management, anticorruption and risk control.



Practices of Business Ethics

In accordance with the requirements of the Regulations on Management of Anti-Corruption Supervision by Shanghai Fosun Pharmaceutical (Group) Co., Ltd., Fosun Pharma adhere to the principles of “investigating every case, learning from past mistakes to avoid future ones, prevention as the first priority and addressing

both the symptoms and root causes of a problem” and vigorously promote the integrity values. Fosun Pharma has continuously improved the “prevention-monitoring-penalty” anti-corruption compliance control system through optimizing

the management system and strengthening risk prevention and control, to achieve the goals of strengthening supervision, improving governance and practicing good business ethics.

Improve Anti-corruption System

In terms of anti-corruption system, Fosun Pharma has issued 7 basic anti-corruption documents including the Anti-Corruption Regulations, the Anti-Commercial Bribery Agreement, Provisions on Integrity Administration of Engineering Construction Projects, the Whistle-blowing

Management Regulations, the Regulations on Protection and Reward for Whistle-blowers and Witnesses, the Regulations on the Management of Integrity in Practice, and the Administrative Measures for Cash and Gifts Received in Official

Activities (Trial Implementation), which compose the anti-corruption System of Fosun Pharma Group.

Promote Public Awareness and Training on Anti-Corruption

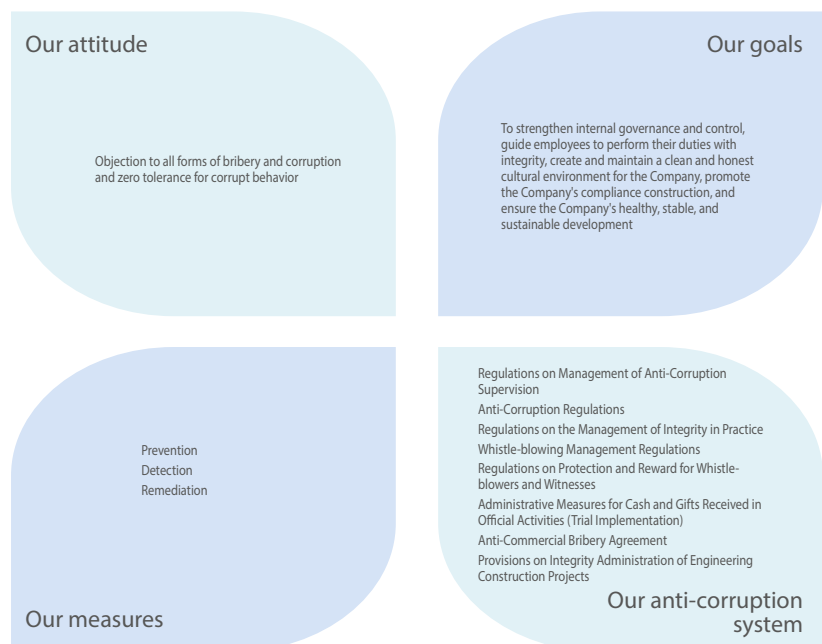
Fosun Pharma Group has always regarded the establishment of Integrity culture as its strategic effort. To protect normalized and orderly management in the Group, and boost awareness and spontaneous compliance with national laws and regulations and the various internal requirements and systems of the Company, honest fulfillment of duties, and honest practice, as one of the important initiatives in combating corruption and upholding integrity, new hires of Fosun Pharma 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 stipulates that employees of Fosun Pharma may not take advantage of their duties and work to seek illegitimate interest and undermine corporate interest.

In 2020, the ACSD of Fosun Pharma conducted one special anti-corruption training for directors and senior management, anti-corruption and honesty practice promotion and education and induction training on honest culture construction for its new hires in Shanghai head office for 3 times, and anti-corruption publicity training on infrastructure lines and member enterprises for 3 times, and opened the integrity column on the Fosun Pharma Newspaper.

In order to guarantee the accessibility of anti-corruption publicity, Fosun Pharma sets an integrity and compliance column on the home page of the official website, and establishes a portal site of ACSD for OA to update anti-corruption news, cases, laws and regulations on a weekly basis, and proactively provide legal publicity and education on anti-corruption and integrity. In 2020, the ACSD totally published 57

articles related to anti-corruption; focused on anti-corruption news of the pharmaceutical and healthcare industry, interpreted domestic and international anti-corruption laws and regulations, and pertinently revealed risk points in combination with specific cases for education and prevention of violations of employees.

In order to enhance the anti-corruption awareness of all employees, Fosun Pharma produces integrity publicity poster and three-fold leaflets on integrity for publicity to publicize integrity in the head office and member enterprises of Fosun Pharma. In order to prevent possible interest conflicts and benefit transfer in the business activities, the ACSD requires that the senior management and persons in charge of sensitive positions of the pharmaceutical head office and its member enterprises should declare the potential interest conflicts.



Strengthen supervision

The supervision on bidding projects is also routine work of the ACSD. In 2020, the ACSD participated in the supervision open tender of 30 projects, discovered and held down some nonconforming acts, and eliminated certain potential risks.

With complaint and whistle-blowing, the ACSD has laid stress on the investigation of relevant cases. In 2020, it accepted 14 cases, and reviewed or investigated all leads. The ACSD has found out the truth through investigation and punished the persons who held accountable for the wrongdoings, which strengthened the deterrence anti-corruption and effectively prevented potential risks and major losses to the Company.

Capital construction projects and centralized procurement projects are subject to high risks of corruption, which is under key supervision by the ACSD. In recent years, Fosun Pharma Group had a large number of capital construction projects and centralized procurement projects involving a huge amount of money. In order to effectively prevent fraud and corruption in aforesaid projects, the ACSD closely cooperated with the centralized procurement and procurement management department, capital construction department and other relevant functional departments, to identify problems or potential problems, and exchanged information in a timely manner to complement with each other for cross supervision to build a comprehensive antifraud firewall, striving to eliminate fraud risks in the bud.

According to actual situations of Fosun Pharma Group, the ACSD has established the "prevention-monitoring-penalty" anti-corruption compliance control system with prior prevention, in-event control and post-event remedy to investigate and handle cases, and focus on breakthrough of completed cases and recovery of losses, which effectively prevents various illegal corrupt behavior. According to statistics of whistle-blowing contents, more than 80% of the reported cases are related to the capital construction, procurement and bidding, which indicates that the capital construction projects and procurement and bidding are subject to high risks of corruption. Therefore, the ACSD chooses to focus on the in-event control and prevention of corruption in the capital construction, procurement and bidding projects with high amounts and high corruption risks, and carry out real-time corruption supervision on key engineering, procurement and bidding projects, which effectively prevents losses and major risks, and achieves obvious economic and social benefits. For instance, the ACSD intervened in the general construction bidding project of the comprehensive building of the member hospital Yueyang Guangji Hospital to break the bidding collusion of external suppliers, which prevented tens of millions of economic losses and major operating risks, and guaranteed the normal operation and healthy development of Yueyang Guangji.

The Company emphasizes the compliance of business cooperation for third-party suppliers and partners in its business activities. The Company has formulated and promulgated the Anti-Commercial Bribery Agreement for third-party suppliers or partners. When the Company and its member enterprises sign the contract, they must sign the Anti-Commercial Bribery Agreement as an annex to the contract. The agreement requires that the Group's staff shall not solicit or accept improper benefits from others, requires the counterparty to the contract not to seek benefits by bribery or give improper benefits to the staff of the Group. In case of deliberate obstacles or solicitation of bribery, it is required to proactively report thereof. The Group guarantees the legal rights of whistleblowers and the contract counterparties. During the procurement process, the Company requires suppliers participating in the bidding to sign the Letter of Commitment on Integrity before signing up and undertakes that in the bidding process, they will not have fraudulent behavior or offer unjust benefits to the staff in charge of tender.

In 2020, two employees received the punishment of rescission of labor contract, two received the disciplinary punishment including warning due to violation of anti-corruption regulations; four were imposed with compulsory criminal measures due to violation of criminal laws; losses totaling RMB11.98 million were recovered for the Company through case investigation.

Perfect anti-corruption governance

In 2020, in response to the management problems found during the investigation and handling of cases, the ACSD of Fosun Pharma issued an Integrity Supervision Proposal to relevant member enterprises in accordance with the relevant provisions on integrity, put forward rectification opinions, and requested relevant member enterprises to implement rectification and provide feedback. It played an active role in improving

management, establishing rules and regulations, plugging loopholes, and preventing risks for the units with problems.

In the future, Fosun Pharma Group will further improve the Company's anti-corruption and compliance system, continue to strengthen routine supervision and special inspection and to learn from the anti-corruption practice by some transnational enterprises, enhance the research

on the FCPA and the UKBA, in a desire to meet the strategic requirements of the Group's globalization and to provide strong compliance support for the Group's rapid, healthy, and sustainable development.

PURE AND CLEAN, INSIDE OUT

We can not only provide clean products and services but also provide products and services in a clean way





紧急驰援

Emergency Rescue

At 19:30pm on February 11, 2020, medical materials urgently purchased from all over the world including 5,000 pieces of rubber strip protective clothing, 10,000 ICU masks, 30 non-invasive ventilators and one negative pressure ambulance were sent to Wuhan Leishenshan Hospital. On January 24, 2020, Fosun immediately initiated the global allocation plan of medical materials to transport back to China within the shortest time. Fosun Pharma Group eagerly participated and transported the medical materials from all over the world to the anti-pandemic frontlines in need, and successfully donated several batches of medical materials such as protective clothing and masks to the frontlines of the pandemic-stricken areas such as Wuhan and Huanggang, Hubei.

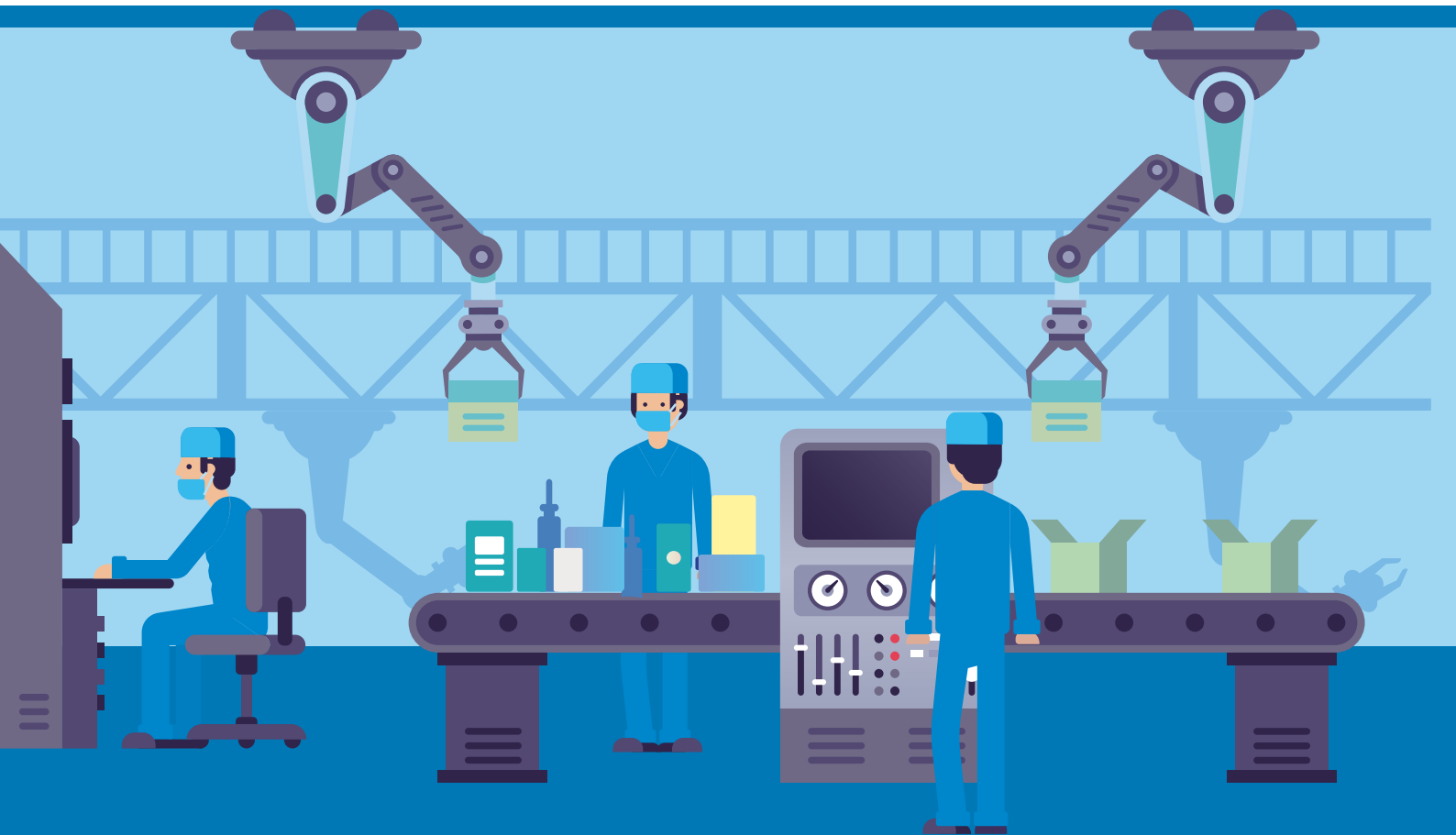
"As the front-line key treatment hospital, Leishenshan Hospital undertakes the heavy task of patient treatment and pandemic prevention. We hope that we can provide assistance for the Leishenshan Hospital in the treatment with the best equipment. At present, nearly 200 medical staff from Fosun Healthcare Group are working at the frontlines in Wuhan. We believe that we can win the battle through concerted efforts!"

—Co-president of Fosun Pharma and Chairman of Fosun Healthcare Chen Yuqing

Responsible Operation

Provision of accessible, affordable and trustworthy products and services

Fosun Pharma Group integrates social responsibility practices into every business aspect of its operations, and continues to promote social responsibility practices in terms of efficient innovation, research and development, ensuring product quality and safety, medication safety, providing quality medical service, and marketing system construction. It is committed to providing patients and clients with accessible, affordable and trustworthy products and services.





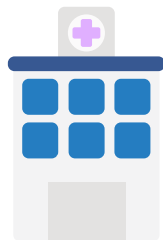
- In 2020, Han Li Kang® obtained approval for its additional production scale (2,000L) and added 2 indications
- Han Qu You® and Han Yuan Da® was approved for launch
- Su Ke Xin® was admitted in the national medical insurance reimbursement list



Fosun Pharma continued to promote FOPEX and the project income in 2020 reached approximately **RMB51.45** million. Fosun Pharma cultivated **202** people with green belt and **36** with black belt.



As of the end of 2020, over **10** APIs received GMP certification from national health authorities including the US FDA, EU, Ministry of Health, Labor and Welfare of Japan and Federal Ministry of Health. Guilin Pharma's **1** production line of oral solid formation and **3** injection production lines passed the WHO-PQ certification. Yaopharma's **1** production line of oral solid formation passed the certification of FDA of USA and **1** injection production line passed the Health department of Canada. Wanbang Pharma's **1** freeze dried aseptic production line passed the cGMP certification of EU and **1** oral dosage production line passed the FDA cGMP of US. Shanghai Henlius' **1** aseptic production line passed the cGMP certification of EU and a number of aseptic production lines at **3** pharmaceutical manufacturing sites of Gland Pharma, an Indian pharmaceutical company, passed GMP reviews/certifications in the United States, EU, Japan, Australia, Brazil and other countries.



Average satisfaction of outpatients and inpatients of the member hospitals of Fosun Pharma Group **>95%**



As of the end of 2020, **398** green supply chain audits have been conducted for suppliers

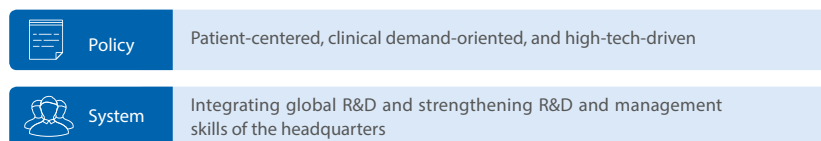
Enhancement of Health Accessibility

In light of the unmet clinical needs, Fosun Pharma provides its own products and services relying on technological innovation through open and win-win innovation models such as independent R&D innovation and license-in and is committed to improving the health accessibility to Chinese patients.

R&D Innovation

Fosun Pharma considers R&D Innovation as the most important responsibility in the sustainable development of the Company. The major unmet clinical needs of Chinese patients are the priority of the Group's innovation focus. Fosun Pharma has continuously enhanced its R&D and innovation

capabilities and accelerated the launch of palliative and disease-modifying drugs through multi-level innovation, and is committed to providing patients with better, more accessible and more affordable products and services.

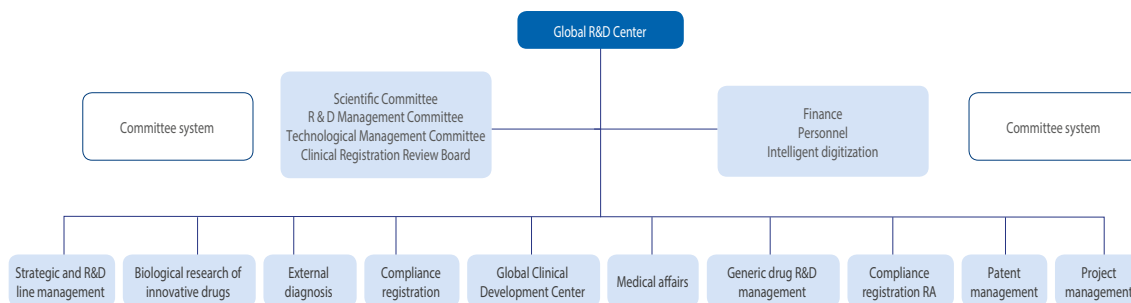


Innovation System

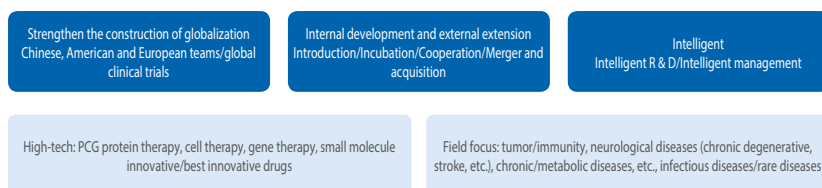
Since 2009, the Group established international R&D platforms such as Chongqing Fochon and Shanghai Henlius respectively in China and the U.S. The Group continuously strengthens its independent R&D system with 24-hour global R&D. The global CMO office has been established to manage the global clinical registration in recent years. The global R&D center was also upgraded and established at the beginning of 2020 to coordinate new projects as well as the internal and external resources, prioritize the promotion of strategic products, strengthen global clinical and registration capabilities, and improve R&D efficiency. At the same time, a global business development (BD) team was nurtured to have access to the leading products and technology platforms in the industry for commercialization. Through independent R&D, cooperative development, license-in and in-depth incubation, the Group has built and formed small molecule innovative drugs, antibody drugs and cell therapy

technology platforms centering on tumor and immune modulation, four hypers (hypertension, hyperlipidemia, hyperglycemia and hyperuricemia) and their complications, central nervous system and other major therapeutic areas, and actively explored cutting-edge technology fields such as Protac, RNA, oncolytic viruses and gene therapy to enhance its innovation capabilities.

In respect of R&D practices, Fosun Pharmaceutical Research Center and its subsidiaries have established systematic new product R&D Management Practice and Standard Operating Procedure (SOP) in accordance with industrial standards. All trials in the drug development have complied with related state standards. All clinical trials involving human bodies have complied with Good Clinical Practice (GCP) and passed by the Ethics Committee, and all researches involving animals have complied with the related requirements of laboratory animal management.



Optimization: Project initiation, value evaluation and life cycle management



Structure and Strategy Chart of Fosun Pharmaceutical Research Center

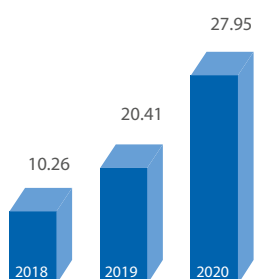
R&D Investment

The R&D investment (including capitalized investment expense) of Fosun Pharma Group in 2020 was RMB4.003 billion, with a year-on-year increase of over 15.59%, of which the R&D expenses were RMB2.795 billion, with a year-on-year increase of 36.94% for actual R&D expenses. In particular, the R&D investment in pharmaceutical manufacturing segment amounted to RMB3.670 billion, with an increase of 17.21% as compared

with that of 2019. After Fosun Pharma announced the Restricted Share Incentive Scheme, the Group's percentage of R&D expenses were included in its major appraisal in the long term. In 2020, Fosun Pharma Group's R&D expenditure on pharmaceutical manufacturing segment amounted to RMB2.468 billion, accounting for 11.28% of the sales revenue of the pharmaceutical business.

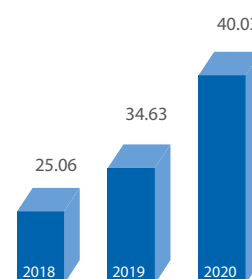
R&D expense

(Unit: RMB100 million)



R&D investment (including capitalized investment expense)

(Unit: RMB100 million)



R&D Progress and Achievements

By the end of 2020, the Group had 247 projects on pipeline innovative drugs, generic drugs, biosimilars and consistency evaluation of generic drugs. Among which, 56 are projects on innovative drugs (including 18 on self-developed small-molecule innovative drugs, 25 on self-developed biopharmaceutical innovative drugs, and 13 on licence-in innovative drugs), 19 on biosimilars, 121 on generic drugs, and 42 on consistency evaluation.

The Group continued to promote the registration of sales of drugs (products) (including import registration, and approval for overseas sales), the consistency evaluation of generic drugs, and the centralized and bulk purchase of drugs. During the Reporting Period, certain self-developed and license-in products, including Han Qu You®, Han Da Yuan® and Su Ke Xin® were approved for launch within China.

Licence-in and Licence-out

While further improving its independent R&D capabilities to promote the launch of pipeline products, the Group also actively sought cooperation opportunities with leading global pharmaceutical companies for its products to connect with global leading technologies and high value products, diversify product pipelines and enhance market expansion capabilities.

In terms of license-in project: Fosun Pharmaceutical Industrial, a subsidiary controlled by the Company, and BioNTech entered into an agreement in March 2020, pursuant to which the former was granted a license to exclusively develop and commercialize its COVID-19 mRNA vaccine developed based on BioNTech's proprietary mRNA technology platform targeting COVID-19 in Mainland China, Hong Kong, Macau and Taiwan. Fosun Pharmaceutical Industrial shall be responsible for carrying out the clinical trials, marketing applications and sales for the product in Mainland China, Hong Kong, Macau and Taiwan.

For license-out projects: Chongqing Fochon, a subsidiary controlled by the Company, reached an agreement with Lilly to grant Lilly the exclusive right to develop, produce and commercialize its self-developed small-molecule inhibitor targeting BCL-2 in regions outside China in October 2020. In accordance with the agreement, Lilly shall pay the Group not exceeding US\$440 million in license fees (including upfront payment of US\$40 million, development and regulatory milestone payment of not exceeding US\$340 million, and sales milestone payment of not exceeding US\$60 million). In addition, HLX02 (trastuzumab injection) has also been launched for sales in, among others, the United Kingdom and Germany through license cooperation with Accord.

Intellectual Property Protection

Patent Protection

The Group has established, improved and continuously implemented the “blockbuster product intellectual property strategy”, carried out the national standard of Enterprise Intellectual Property Management Standards, improved patent quality with high standards, and comprehensively used intellectual property systems such as patents, technical secrets and trademarks to build an intellectual property moat for pharmaceutical R&D and innovation achievements. Combining intellectual property operation with the whole process of project initiation, R&D and marketing of new products, the Group has carried out dynamic technical and legal analysis of project-related intellectual property rights during the project initiation and the whole research and development process, and identified and warned intellectual property risks, using independent research

and development, cooperative research and development or license-in to develop blockbuster products. The Group has established intellectual property portfolios including patent portfolios for key products to prolong the life cycle of products and ensure the realization of the economic and social value of research and development investment.

Patent Results

During the Reporting Period, the pharmaceutical manufacturing and R&D businesses of the Group submitted 176 patents applications, all of which are invention patent applications, including 12 American patents applications, 16 PCT applications, and the Group has obtained 70 patents for invention.

R&D and License-in of Innovative Drugs for Rare Diseases

Fosun Pharma Group actively responds to the country's vigorous promotion of developing clinically urgently needed and orphan drugs. At present, through independent R&D, license-in, etc., it has a number of orphan drugs under development in the fields of oncology,

ophthalmology, respiratory system, and hematology, and is committed to improving the accessibility of innovative treatments to patients with rare diseases. At the same time, it actively carries out the "Star Bud" public welfare project of caring for children's rare diseases.

Drug	Indications	Model
Avatrombopag tablet	Thrombocytopenia in adult patients with chronic immune thrombocytopenia (ITP), thrombocytopenia in adult patients with chronic liver disease who undergo elective diagnostic operation or surgery (CLDT)	License-in
hPRC	Retinal pigment degeneration	License-in
SurVaxM	Glioblastoma	License-in
Aminohexanoic acid oral liquid	Infantile spasms and refractory epilepsy	License-in
FS1502	HER2 positive/mutant non-small cell lung cancer HER2 positive advanced gastric cancer HER2 positive advanced urothelial carcinoma HER2 positive advanced colorectal cancer	License-in
FCN159	NF1 related plexus neuropathy in children NF1 related plexus neuropathy in adults Melanoma with NRAS mutation	Independent R&D
FS1501	FLT3 mutant acute myeloid leukemia	Independent R&D
FCN411	EGFR mutant, T790M- advanced non-small cell lung cancer	Independent R&D
FCN338	Chronic lymphoblastic leukemia after failure of BTK inhibitor therapy	Independent R&D
FCN011	Advanced solid tumor with positive NTRK	Independent R&D
SAF189	Relapsed and refractory ALK positive non-small cell lung cancer ROS1 positive non-small cell lung cancer	Independent R&D

Note *: Fosun Pharma's product line for rare diseases is based on the definition of rare diseases in the United States (diseases with less than 200,000 patients).



Enhancement of Health Accessibility with Innovative Drugs Benefitting More Patients

In 2020, China's first biosimilar Han Li Kang continues to benefit more patients with hematological malignancies. In February 2019, Han Li Kang was approved by the NMPA for the marketing. The drug is mainly used for the treatment of non-Hodgkin's lymphoma and becomes the first biosimilar approved for marketing in China in accordance with the guidance of national biosimilar drugs, filling the gap in the domestic biosimilar drug market and enriching the treatment options for patients with hematological malignancies.

In 2020, Fosun Pharma actively promoted Han Li Kang's medical insurance implemented in all provinces of China. As of the end of 2020, the medical insurance access in 30 provinces in China had been completed, with the products covering a wider group of patients. In

addition, in 2020, the production scale of Han Li Kang's 2000L was approved, and two new indications were added to further expand applicable patient groups while improving the market supply of Han Li Kang and providing effective guarantee for patients' drug accessibility.

In 2020, Fosun Pharma's 2 biosimilar drugs Zercepac and Handayuan were marketed, and Doptelet, a small molecule innovative drug, was approved by the NMPA for the marketing and included in the National Medical Insurance Drug Catalogue. The marketing of these drugs and their introduction into medical insurance drug catalogue have further increased options of drugs for doctors and patients, while reducing the medical economic burden of patients.



Since China's first biosimilar Han Li Kang was marketed, it has brought good news to the majority of patients with lymphoma by virtue of its quality without clinical difference from the originally developed drug, provided clinicians with more drug options with high quality and low price, and resulted in effective savings in medical insurance expenses. In April 2020, Han Li Kang's the production scale of 2000L was approved for higher production capacity, which provided a strong guarantee for the subsequent product supply and was exciting news for patients with hematological malignancies.

--- Professor Ma Jun, Director of Harbin Institute of Hematology and Oncology



The approval of Han Li Kang 2000L is timely good news for us. Next, the Company will accelerate the commercial production of Han Li Kang in an all-round way, expand the market supply, and at the same time continue to increase innovative research and development to promote the marketing process of other products. We will benefit the vast number of patients with more high-quality biological drugs as soon as possible.

--- Zhang Wenjie, CEO and President of Shanghai Henlius



Doptelet, as an innovative variety newly marketed by Fosun Pharma in 2020, can be quickly included into the national insurance drugs, which will help more patients reduce the economic burden of treatment and improve the accessibility of drugs. Focusing on unmet clinical needs, Fosun Pharma has always taken innovative research and development as the core driving force, hoping to provide patients with higher quality and more accessible innovative therapeutic drugs and treatment programs.

--- Wu Yifang, President and CEO of Fosun Pharma





Artesunate for injection, an innovative drug of Fosun Pharma, has saved more than 30 million patients with severe malaria

Serving patients worldwide

With the help of product advantages, Fosun Pharma Group continues to serve customers and patients around the world. In the area of anti-infectives, artesunate for injection Artesun®, an innovative drug of Fosun Pharma, has saved more than 30 million patients with severe malaria;

frontline anti-tuberculosis drugs have served more than 13.6 million tuberculosis patients; in 2020, Fosun Pharma has served nearly 14 million patients in the fields of chronic diseases such as hyperuric acid, hyperglycemia, hyperlipidemia and hypertension.

Number of patients with severe malaria saved by artesunate for injection



Improve primary medical care

In 2020, Fosun Pharma carried out a number of activities mainly in its own advantageous business areas including chronic diseases, tumors, and anti-infectives, and is committed to improving primary medical care, including active participation in the "Rural Doctor Poverty Alleviation" project sponsored by Shanghai

Fosun Foundation and China Population Welfare Foundation, development of "Mutual Assistance Among Excellent Doctors- Zercepac® Rural Medical Care Public Welfare Event", and continuous implementation of the "Double Thousand Action" project for tuberculosis in poor areas. (For details, please refer the section headed "Responsibility and Public Welfare" of this Report)

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



Number of patients with chronic diseases served in 2020



Quality First – Operation Excellence

Quality policy and strategy

As a medical and health industry group with pharmaceutical manufacturing and R&D as its core, Fosun Pharma regards quality as the lifeline of the enterprise and is committed to building a "quality operation system with domestic leading advantages, compliance to mainstream international regulations, and international competitiveness". Fosun Pharma has clearly defined the quality policy, i.e., Respect for Life, Focus on Quality, Commitment to Perfection, and Pursuit of Excellence. In 2020, Fosun Pharma has formulated a stable, mature, and efficient quality strategy for the next five years.



A Five-year Quality Strategy (2021-2025)



Stable

Continue to carry out quality system evaluation, improve quality in-depth compliance, and strengthen quality capacity growth and quality culture construction



Mature

Develop a full life-cycle quality management system, build a group quality management platform, and promote international quality management



Efficient

Develop the Group's digital information system and carry out the quality talent promotion plan

Product quality and safety

Pharmaceutical manufacturing and research and development subsidiaries, medical diagnosis subsidiaries and medical devices subsidiaries under Fosun Pharma Group are located in 12 provinces, autonomous regions, and municipalities in China as well as India, Israel, Sweden, etc. Subsidiaries were established in Europe and the United States.

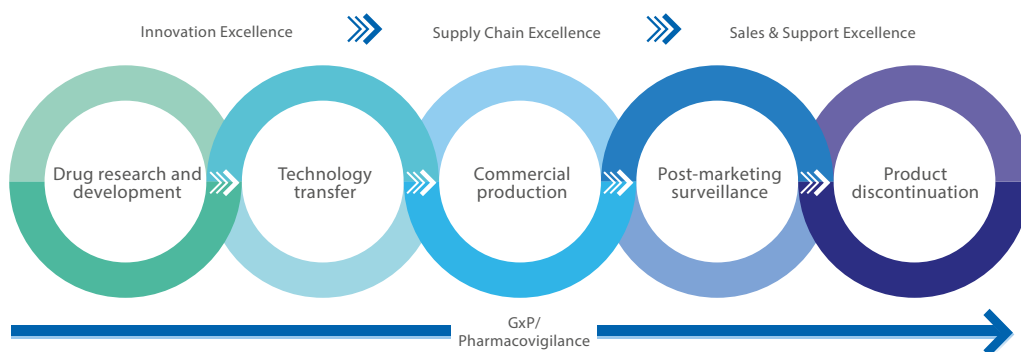
The products produced by pharmaceutical manufacturing and research and development subsidiaries include biological products, TCMs, chemical drugs, biochemical drugs, etc. The produced medicinal products cover most of the ordinary categories and dosage forms such as small volume parenteral solution, lyophilized powder for

injection, powder for injection, tablet, hard capsule, soft capsule, granule, Chinese medicine pills, etc. related to the treatment of diseases in terms of cardiovascular system, central nervous system, hematology, metabolic and digestive system, and anti-infectives. Medical diagnosis subsidiaries and medical devices subsidiaries are mainly engaged in research and development, production and sales of diagnostic reagents, medical device consumables and distribution of high-end medical devices, e.g. Da Vinci surgical robotic system leading the world in respect of minimally invasive surgery system, Breas, a professional brand in the global respiratory field, Alma Lasers, a cosmetic medicine laser product from Israel, etc.

Full Life Cycle Management

The “life cycle of drugs” refers broadly to the whole process from the beginning of drug development, registration evaluation, marketing and use, reevaluation, to discontinuation due to market and other reasons, and narrowly refers to all measures taken after the development and marketing of the first dosage form and adaptation in order to maintain and increase the sales and profit of the drug and to protect the sales and profit of the drug from the impact of competitive drugs.

Fosun Pharma Group has established a continuous improvement management system over the entire life cycle of products (drug development, technology transfer, commercial production, and product discontinuation) through the establishment of the research and development system prior to marketing of drugs, the production supply chain management system and the post-marketing service system. GXP regulations are complied with during the life cycle. In addition, it has also established a pharmacovigilance system throughout the life cycle to provide comprehensive and effective assurance for the quality and safety of products.



Lean Management

Fosun Pharma adheres to focus on quality, establishes a production management and service system that meets international standards, continuously improves manufacturing processes, optimizes service experience and provides high-quality products and services.

In June 2017, Fosun Pharma Operation Excellence (FOPEX) was officially launched.

FOPEX, i.e. Fosun Pharma Operation Excellence, is the operational excellence of Fosun Pharma and is committed to unifying the internal operation management language, promoting the improvement of enterprise management level, improving the operational efficiency of enterprises, and establishing an excellent operation system with comprehensive competitive advantages and integrated agile supply network to support product innovation and business growth.

In 2020, Fosun Pharma continued to promote FOPEX among subsidiaries and used PMO management platform to promote FOPEX project management, so as to realize online project management in an information-based way. The member enterprises of all segments participated in the activities of lean improvement. In 2020, there were 407 new FOPEX lean operation projects,

including efficiency projects, cost projects, quality projects and R&D projects. As of the end of 2020, a total of 325 projects were completed, with an annual saving of about RMB51.45 million. Among them, FOPEX was imported by 3 enterprises in the medical device segment, and 18 new lean projects were added in 2020, involving production capacity, cycle, quality, cost, R&D, etc.

Talent is the key to the continued advancement of FOPEX. In 2020, Fosun Pharma further strengthened the training of FOPEX talents. Black belt training courses were established in Shanghai, Xuzhou, Guilin and Chongqing, training a total of 36 people. Subsidiaries independently organized green and yellow belt training courses, benefiting 202 people with green belt and 609 people with yellow belt. In 2020, the Group newly granted 121 people with green belt and 3 people with black belt. With the further advancement of FOPEX, the application of lean tools, theories and methods in all aspects of work has helped Fosun Pharma cultivate a group of outstanding talents with logic and data thinking and laid a solid foundation for the continuous implementation of FOPEX in Fosun Pharma and its subsidiaries.

Annual income of Fosun Pharma Operation Excellence (FOPEX) about

 **RMB51.45**
million

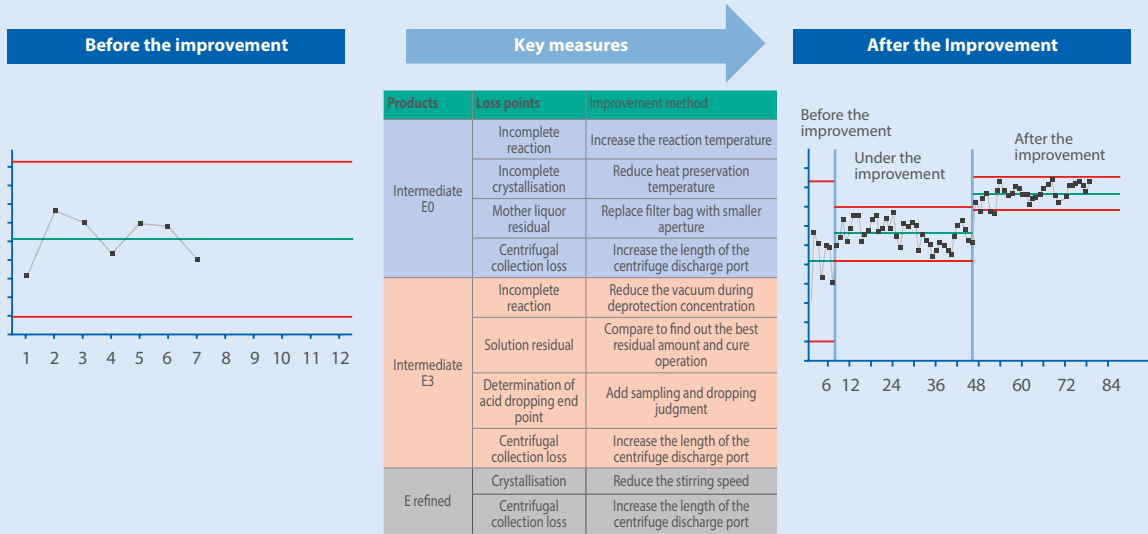


Black belt certification

Case

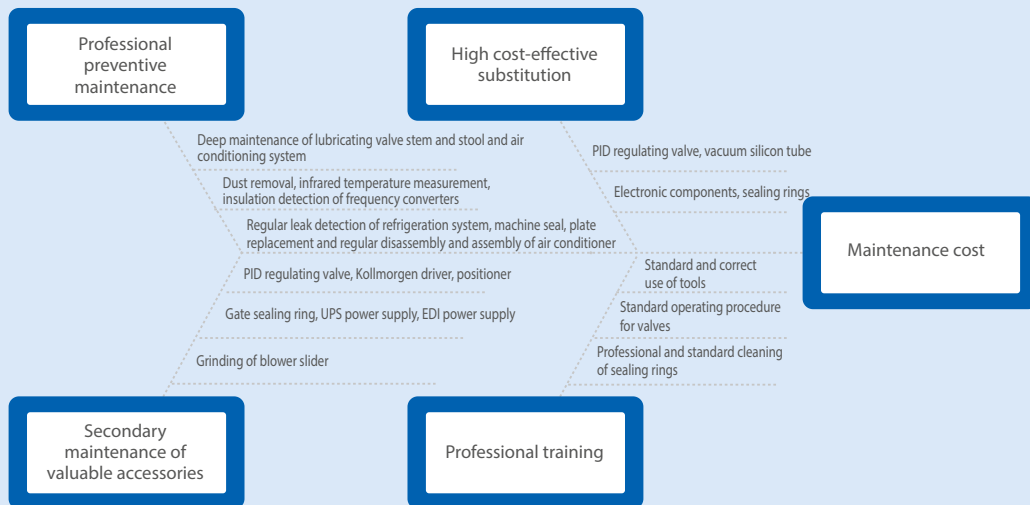
Wanbang Pharma Increased the Yield of Raw Material Drugs

Wanbang Pharma identified and measured the losses in each stage of the production process of raw material drugs, analyzed the root causes, and took corresponding improvement measures through the improvement idea of DMAIC (i.e. Define, Measure, Analyze, Improve, Control). After the improvement, the yield is greatly increased and more stable, generating economic benefits of several millions of RMB every year.



Yaopharma's Cost Optimization of Maintenance Consumables

Yaopharma disassembled and analyzed the maintenance costs of the workshop, and sorted out the core cost subjects. It focused on four major improvement points: professional preventive maintenance, high cost-effective substitution of accessories, secondary maintenance of valuable accessories and professional training. It analyzed each improvement point and sought for improvement plans. After the implementation of the improvement plan, the annual cost of maintenance consumables was significantly reduced.





Aohong Pharma's production workshop

Quality System Audit

The Group implements a four-level quality system architecture system (quality manual, GMP guidelines, management procedures, and documents of enterprises), and provides top-down guidance to help improve enterprises' quality system. As of 2020, the Group has issued a total of 19 GMP technical guides and the process of key quality elements is becoming more and more standardized. The Group continued to follow the update pace of domestic and international regulations and continued to provide technical support for the quality improvement of member enterprises, to promote the construction and management of quality system with a global perspective and height.

In 2020, the Group continued to quantitatively evaluate the quality system of pharmaceutical enterprises. According to the FDA requirements, it comprehensively evaluated and multi-dimensionally scored six systems of quality, manufacture, documents, materials, laboratories and equipment and facilities to quickly identify weaknesses of enterprises' quality system and urge enterprises to conduct self-improvement. The Group is equipped with a professional quality audit team. The team members have at least 10 years of experience in the pharmaceutical industry. They are professional and experienced and insist on attending industry training, seminars and self-learning, to ensure quality system evaluation in an objective, fair and realistic way. In 2020, audit was conducted for 6 times among pharmaceutical manufacturing subsidiaries, with an excellent rate of 80%; audit was conducted for 4 times among medical devices subsidiaries, including 3 for the secondary audit, which had higher scores. At the same time, system investigation, operation investigation, special inspection, and special regulation investigation were conducted to promote the member enterprises to establish a quality system that meets domestic and international requirements, to continuously improve the compliance level.

In 2020, Fosun Pharma Industrial Company adhered to the drug marketing authorization holder responsibility system, proactively improved the quality management system of drug marketing authorization holder (MAH) in accordance with the requirements of the Drug Administration Law (revised in 2019) and the Measures for the Supervision and Administration of Drug Production (issued in 2020), and obtained the Pharmaceutical Production License in August 2020; upgraded product technical documents according to the requirements of Chinese Pharmacopoeia (2020 Edition); at the same time, it continued to evaluate the quality system of contract manufacturers and sellers to ensure the quality and supply of the products.

For the construction of drug manufacturing quality systems, based on the requirements of the latest domestic GMP, relevant regulations and international cGMP, the Group comprehensively implemented the idea of quality risk management throughout the Group, and focused on the establishment of quality assurance systems such as annual product quality review, change management, deviation management, OOS investigation, supplier audit and risk management etc., thereby comprehensively improving the awareness of quality and compliance standards of the subordinate enterprises. While constantly enhancing the systems, Fosun Pharma also encouraged its enterprises to prioritize advanced equipment and technology in the production of

drugs and proactively introduce various quality information management systems to meet the requirement of data integrity. At the same time, Fosun Pharma emphasized process validation and daily monitoring, and strictly abided by applicable state requirements and international standards to conduct change management so as to ensure that production process met registered technology requirements and drug quality met registered standard requirements.

In 2020, the Group's domestic pharmaceutical subsidiaries accepted and successfully passed inspection by authorities for 86 times in total. In 2020, domestic pharmaceutical subsidiaries were sampled 620 times, which were qualified in test. During the fight against COVID-19 in 2020, Fosun Pharma's subsidiary Long March Medical obtained the registration certificate of nucleic acid detection reagent, and subsidiaries Changsha Zhongshengzhongjie and Huaiyin Medical obtained the registration certificate of medical mask, and Beiling Auto organized the production of negative pressure ambulances across the board, all of which passed various inspections at the national, provincial and municipal levels. In 2020, 12 domestic medical device member enterprises of the Group accepted and successfully passed 50 official inspections in total.

Pass rate of official inspection/sampling



100%

Quality System Certification

In 2020, all pharmaceutical subsidiaries of the Group meet the Edition 2010 GMP requirements. As of the end of 2020, the production lines of the Group's holding subsidiaries of pharmaceutical business that passed GMP compliance inspection included 34 sterile preparation production lines, 38 oral preparation production lines and 67 APIs and all the holding subsidiaries of the pharmaceutical business met the requirements of the Edition 2010 GMP requirements of the PRC. While the production line meets the Edition 2010 GMP requirements, the Group actively promotes the internationalization of pharmaceutical companies and encourages enterprises to participate in the implementation of international cGMP and other quality system certifications such as the United States, European Union, and WHO. For the Year of 2020, over ten APIs received GMP certification of national health authorities including the U.S. FDA, EU, PMDA and Federal Ministry of Health. Guilin Pharma's 1 production line of oral solid formation and 3 injection production lines passed the WHO-PQ certification. Yaopharma's 1 production line of oral solid formation passed the certification of FDA of US and Health department of Canada. Wanbang Pharma's 1 freeze dried aseptic production line passed the cGMP certification of EU and 1 oral dosage production line passed the FDA cGMP of US. Shanghai Henlius'1 aseptic production line passed the cGMP certification of EU. A number of aseptic production lines at 3 pharmaceutical manufacturing sites of Gland Pharma, an Indian pharmaceutical company, passed GMP reviews/

certifications in the United States, EU, Japan, Australia, Brazil and other countries.

In 2020, while the medical device subsidiaries of the Group met the new Specification for Production Quality Control of Medical Devices of the PRC and nine enterprises also accepted the international ISO13485:2016 certification, three of which passed the ISO9001:2015 certification and six of which passed the CE certification with several products. The COVID-19 nucleic acid detection kit of Long March Medical has obtained EU CE certification, U.S. FDA emergency authorization, and Australia TGA certification and entered WHO Emergency Use List. At the same time, the Long March Medical Laboratory passed the annual recognition re-certification by CNAS Laboratories.

After the implementation of the new version of the Drug Administration Law on 1 December 2019, the separate GMP certification has been cancelled. Supervisory authorities will strengthen preapproval inspections and daily supervision and inspection, but maintaining and continuously improving the GMP system is still the quality responsibility of enterprises. The Group will continue to strengthen corporate compliance operation control, and increase normalized GMP irregular inspections and technical supervision, to ensure corporate compliance operations, continuously improve GMP quality system construction and steadily improve quality management.

GMP certification of domestic pharmaceutical subsidiaries of Fosun Pharma in terms of production lines as of the end of 2020

Certification type	Certification agency	Certification status
China GMP certification	NMPA and drug administration of provinces	67 APIs 34 sterile preparation production lines 38 oral dosage production lines
US FDA certification	US Food and Drug Administration	13 APIs 2 production lines of oral solid formation
EU certification	Drug administration of the members of EU	3 APIs 2 aseptic production lines
WHO certification	World Health Organization	4 APIs 1 production line of oral solid formation 4 injection production lines
Japan PMDA certification	Japan Pharmaceuticals and Medical Devices Agency	3 APIs

International system certification of the domestic medical devices and medical diagnosis subsidiaries of Fosun Pharma as of the end of 2020

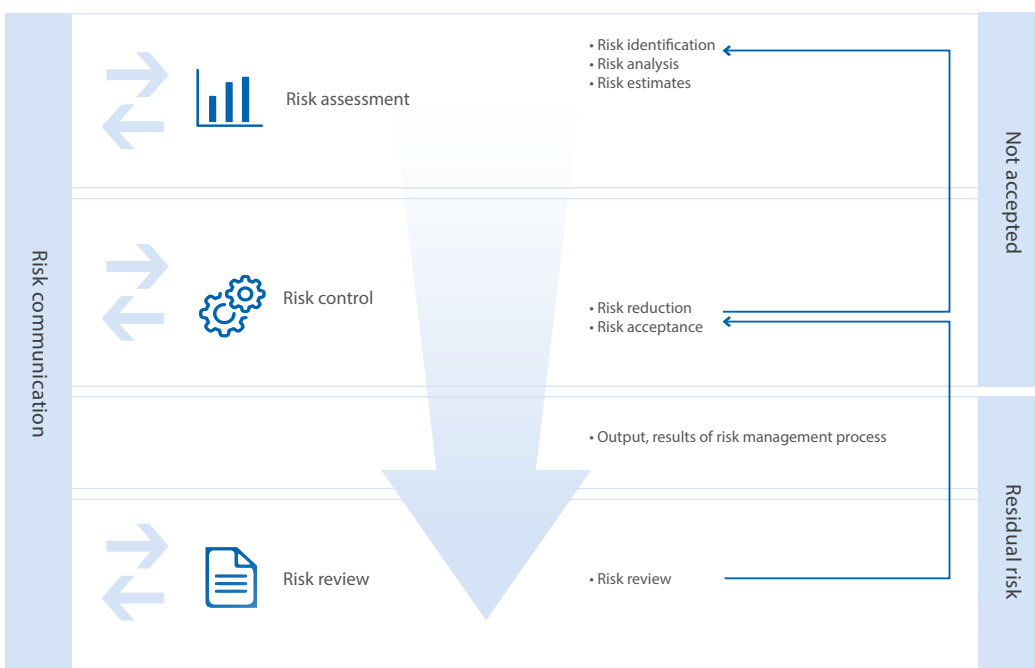
Certification type	Certification agency	Certification status
ISO 13485:2016	TUV SUD, TUV Rheinland, DNV.GL, BSI	9 enterprises passed
ISO9001:2015	Shanghai Quality System Certification Center, TUV Rheinland, Beijing Xingyuan Authentication Center	3 enterprises passed
CE product certification	TUV SUD, TUV Rheinland, DNV.GL	6 enterprises with several products passed

Quality Risk Management

The Group attaches great importance to medication safety of patients and has developed quality risk management procedures according to the regulatory requirements of the Edition 2010 GMP, World Health Organization (WHO), ICH Q9, etc., to identify quality risks and potential hazards and use the forward-looking or review ways to conduct scientific assessment and analysis of quality risks. Measures including elimination or reduction are implemented for risks that cannot be accepted or not fully judged, and further assessment and analysis are performed for residual risks. In addition, the Group summarized quality risk management activities and conducted communication and risk review to ensure that the management activities for the quality risks occurred or existed during the life cycle of products are in line with the GMP and relevant

laws and regulations to ensure that product quality can protect all persons involved and always meet patients' requirements.

The Group uses potential failure mode and effect analysis (FMEA), fault tree analysis (FTA), hazard analysis and critical control points (HACCP), brainstorming, checklists, cause and effect diagram, 5why analysis, process control charts, experimental design, histograms, pareto diagrams, process capability analysis, and other assessment and analysis tools to conduct risk assessment and risk classification management. Corresponding countermeasures are developed for risk control, and periodic audit and review are conducted for the effectiveness of risk measures.





Poster of Fosun Pharma's Quality Management Month

Quality Culture Construction

In 2020, in order to implement Fosun Pharma's quality policy of "Respect for Life, Focus on Quality, Commitment to Perfection, and Pursuit of Excellence", improve the awareness of quality risks and quality management capabilities of all employees, and implement Fosun Pharma's quality culture of quality first, in September and October 2020, the Group launched a quality management month event covering all pharmaceutical and medical device subsidiaries. The theme of the Quality Management Month, i.e., "Implement the main responsibility of the holder and Strengthen the quality management of the full life cycle", aims to strengthen the main responsibility of the holder in the full life cycle, emphasize doing things well once, promote continuous quality improvement, continuously improve quality and technology, gather the strength of groups and enterprises and the wisdom of all employees, and promote the standardization of quality management. The event of this management month is still rich and meaningful in contents. The Group released posters on the theme of the event, and organized online knowledge contest on quality laws and regulations and quality technology forums, and member enterprises organized a series of quality activities such as publicizing quality culture, quality people selection and technical competitions.

The online knowledge contest on quality laws and regulations is the highlight of this Quality Management Month. This knowledge contest is provided with two modules: pharmaceutical and medical devices. The question bank is designed and developed by the Operation Management Department of Fosun Pharma Group, and the question bank is uploaded to WeChat interface for enterprise personnel to answer questions. A ranking list is made according to the correct rate and answer time. The event was officially launched on September 27, and ended on October 15. The enterprises had very high enthusiasm in participation, reaching more than 25,000 person-times. There were many participants with a correct rate of 100%, and the answer time was refreshed again and again. Finally, three outstanding groups including Hongqi Pharma, Erye Pharma and Huaiyin Medical and 20 outstanding individuals stood out and won prizes from the Group. This contest on laws and regulations promoted the upsurge of learning laws and regulations by all employees of enterprises, which plays a leading role in learning and understanding laws and regulations.

Quality Training

In order to continuously enhance the standards for quality management systems, facilitate the employees to absorb the latest quality ideas, and consolidate standard operating procedures, subsidiaries under the Group highly value the training related to quality and further enhance the awareness of conforming operation through regulations promotion in combination with internal and external training. In response to the laws and regulations collectively promulgated in 2020, the Group and member enterprises proactively sent staff to attend various publicity trainings, and implemented transfer training and targeted training within the enterprises. In 2020, the Group invited industry experts to hold quality technology forums, and invited internal and external experts to continuously carry out a training course for the Excellent Production Quality Directors; provided

support for the internationalization needs of member enterprises. Key production quality managers were offered professional forums, trainings and education opportunities on specific topics such as risk management, the production, change of techniques, verification and change management of sterile preparations on the one hand, and all staff within these enterprises participated in management training on the 2010 GMP and training of standard operation procedure on the other hand. In 2020, the employees of pharmaceutical subsidiaries received quality training of more than 48 hours per capita on average and the employees of medical diagnose and medical device enterprises received a total of 25,203 hours of training, representing an average of 23.8 hours per capita.

Quality Training of Major Pharmaceutical Enterprises of Fosun Pharma Group in 2020

Unit: Hours

Item	Wanbang Pharma	Yaopharma	Guilin Pharma	Aohong Pharma	Erye Pharma	Hongqi Pharma	Aleph	Shanghai Henlius
Average training time per capita	45.5	45.8	40.1	31	50.7	45.7	47.4	104

Quality Training of Medical Diagnosis and Device Enterprises of Fosun Pharma Group in 2020

Unit: Hours

Enterprise Category	Total Class Hours	Class Hours per Capita
Medical Diagnosis Enterprises	12335	26.2
Medical Device Enterprises	12869	21.8

Annual quality training hours per capita of pharmaceutical subsidiaries exceeded



48 hours

Medication Safety

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, clinical trial, technical transfer, production and manufacturing, marketing and sales, etc. to ensure the safety in the process of research and development, production, sales, recall or market withdrawal of medicinal products and medical devices. The Group has formulated

management systems including the GMP Management Regulations for Production and R&D of Products at Workshops and the Management Regulations for Clinical Trial Drug Audit, to guide member enterprises to pay attention to compliance at the R&D stage and participate in audits and investigations by R&D units. As a result, product quality risks were better controlled at the early stage of the life cycle.

Pharmacovigilance

The Group has deployed pharmacovigilance management covering the full life cycle from the development of new drugs to the marketing of drugs. The Group has established a comprehensive pharmacovigilance system with reference to international standards, which is equipped with the pharmacovigilance management related data of advanced global pharmacovigilance system to improve efficiency and compliance.

The Group pays continued attention to the requirements and changes of pharmacovigilance related regulations, and assesses the safety of drugs by continuously collecting information to ensure that the clinical benefit of drugs to patients overwhelms the risk of medication.

In 2020, the Group improved its pharmacovigilance operations, pharmacovigilance scientific support, pharmacovigilance compliance and education-related functions in terms of organizational construction, process system construction, pharmacovigilance data management system construction, and quality system construction.

In 2020, the Group strengthened the construction of the pharmacovigilance data management system, strengthened the deployment, setup and training of the advanced global pharmacovigilance system ArisG at the group level. On the one hand, the use of the pharmacovigilance system realized the PV process standardization and standardized

operation, has the autonomy of data, and improves the data quality. The system makes data scientific, and connects with the data of NMPA, FDA and EMA, realizing the electronic submission of PV data. On the other hand, it achieved PV work informatization and data management electronicization of the Group, to improve work efficiency, while meeting international regulatory requirements and the needs of internationalization strategy.

In terms of pharmacovigilance management throughout life cycle, the Group improved scientific support for pharmacovigilance during the drug development phase. In 2020, the Group improved the risk control plan during the research and development period, regular update of reports in a safe way, and the process of preparing the risk management plan after the drug was launched, so that the scientific support for pharmacovigilance was provided in a more deeply way throughout the entire life of drugs from research and development to marketing, to better ensure patients' medication safety.

In 2020, the Group improved the construction of its pharmacovigilance quality system. It continued to implement the regular pharmacovigilance communication mechanism for pharmaceutical subsidiaries and the mechanism for regular delivery of pharmacovigilance newsletters, established

the pharmacovigilance field investigation and pharmacovigilance training course mechanism, and transmitted regulations and relevant requirements on internal pharmacovigilance of the Group in a timely manner through a series of measures. In addition, the Group also provided training and sharing of professional knowledge to strengthen communication and interaction among subsidiaries.

The Group continued to implement key monitoring on varieties that need special attention and require pharmaceutical member enterprises to regularly summarize the adverse reaction data information of the varieties according to a certain frequency, and conduct analysis and evaluation and signal detection to form written reports while actively taking measures to formulate adverse reaction risk management plans, promoting them as scheduled, regularly conducting benefit risk re-evaluation and submitting summary analysis reports to the Group headquarters on time.

Protecting the health of patients and public is the ultimate goal of our pharmacovigilance work. The Group will continue to strengthen the construction of pharmacovigilance system according to international standards to convoy patients' medication.

Adverse Drug Reaction Report

The Group cares about medication and device usage safety for patients and values the strict monitoring and reporting of adverse drug reactions and adverse events of devices as well. In 2020, the Group continued to strictly implement the "Drug Administration Law", the "Adverse Drug Reaction Reporting and Monitoring Management System" and the "Measures for Monitoring and Reevaluation Management of Adverse Events of Medical Devices", fully implemented the drug marketing authorization holder system and asked each of its pharmaceutical subsidiaries to report adverse drug reactions and adverse events of medical devices as soon as they become aware thereof.

Pharmaceutical subsidiaries and medical device subsidiaries implement "zero-reporting" management for adverse reactions and adverse events of medical devices according to the requirements of the adverse reaction monitoring procedures of the Group. That is, pharmaceutical subsidiaries shall submit the adverse reaction information sheet to the Group in the beginning of every month even if there is no adverse reaction to report the number and situation of adverse reactions and adverse events of the Group for the current month. For new or serious adverse reactions, reporting must be completed within prescribed period, pharmaceutical subsidiaries are required to report to the management department

of the Group within prescribed period to ensure that all information of adverse drug reactions are collected and handled in a timely manner. In 2020, pharmaceutical subsidiaries of Fosun Pharma Group have, in accordance with the national requirements, collected adverse drug reactions information and have reported all the information to the national adverse reaction reporting system in a timely manner with a 100% compliance rate of reporting. Member enterprises strengthened training and expanded the proportion of report of self-collected adverse drug reactions. In 2020, the proportion of adverse drug reaction reports collected independently by the Group in the total reports increased significantly, indicating that member enterprises had better fulfilled the obligation of drug marketing authorization holder and better collected drug safety information, which provided more professional support for patients' medication safety. There were no adverse reactions events caused by drugs with quality defects in 2020. In 2020, no adverse event occurred with the medical devices manufacturing enterprises of the Group.

Pharmaceutical and medical devices subsidiaries attached great importance to the monitoring and management of adverse reactions and actively arranged relevant training sessions related to adverse reactions and implemented effective risk control measures.

Product Recall

The pharmaceutical subsidiaries of the Group have prepared the "Procedures for Management of Product Recall" in accordance with the "Administrative Measures for Drugs Recall" and other regulations and relevant management systems of China. The subsidiaries regularly conduct drug recall drills to systematically verify the effectiveness of the existing recall system

and ensure that drugs can be quickly recalled in case of quality concern and to protect consumers' interests. In 2020, the domestic pharmaceutical subsidiaries of the Group conducted a total of 16 drug recall drills without any product recall incidents. In 2020, there were no quality-related adverse events and no product recalls at any of our medical devices subsidiaries.

Pharmaceutical subsidiaries proactively collect information on adverse drug reaction



100% report

Group adverse reaction caused by drug quality defects



0

Reporting compliance rate of the adverse drug reaction collected by Fosun Pharma's member enterprises



100% reported

Adverse events of Fosun Pharma's medical devices subsidiaries



0



Group photo of medical rescue team of Fosun Healthcare Group

Healthcare Services Quality and Patient Safety

Fosun Healthcare Group, a subsidiary of Fosun Pharma, adheres to the mission of “well-respected medical practice and better health for families worldwide” and strives to build a medical service industry platform that “serves the health of families around the world”. The Group’s member hospitals

are committed to the principle of “patient safety as the center and medical quality as the core” and are constantly improving their clinical services to provide world-class expertise, innovative services and health management for every family.

Mission

Well-respected medical practice
Better health for families worldwide

Vision

The industry leader in serving global family health
Goal: Industry first, one billion families, the first growth platform for professionals

Values

Integrity, care, excellency, innovation, collaboration

Strategic Plan 2020-2024

Become a leading international first-class medical industrial group in China; create core medical ecosystems in regions like the Pearl River Delta and the Greater Bay Area region, the Yangtze River Delta, Huaihai Economic Zone, Chengdu-Chongqing Economic Zone; make breakthroughs in the construction of key disciplines, reaching 3 national key disciplines, 10 provincial key disciplines and more than 100 municipal key disciplines.

Fight against the pandemic in the front line

In 2020, when the COVID-19 broke out, Fosun Healthcare’s member hospitals rushed to the front line to fight against the pandemic, showing the responsibility of private medical forces with practical actions.

On 23 January 2020, Wuhan Jihe, a member of Fosun Healthcare, named “Wuhan Caidian Infectious Disease Ward” served as the designated hospital for febrile patients in Caidian District, Wuhan; in Foshan, Fosun’s flagship hospital, Foshan Chancheng Central Hospital, also became one of the designated hospitals in Foshan to join the front line of the fight against the pandemic. On the night of 23 January, Fosun Healthcare set up a 10-member medical expert group, headed by Professor Jia Xiaomin, director of the Department of Respiratory Medicine of General Hospital of XZCMG; on 25 January (the first day of the Lunar New Year), Chen Yuqing, chairman of Fosun Healthcare (then President of Fosun Healthcare), Bao Qingui, executive president and chairman of Wuhan Jihe Hospital (then Chairman of Wuhan Jihe Hospital) and Professor Jia Xiaomin, head of

the medical expert group, went to Wuhan. On the evening of 6 February, nearly 30 elites from Fosun Healthcare gathered in Wuhan as the first batch of Fosun Healthcare’s medical team to help fight the pandemic in the front line.

Since January 2020, all member medical institutions of Fosun Healthcare have been involved in the fight against the pandemic in varying degrees. During the 51 days of the fight against the pandemic, Fosun Healthcare’s medical institutions treated 550 patients with COVID-19 and observed a total of 1,079 patients in the hospital. Amid the pandemic, 299 staffs from Fosun Healthcare participated in the front-line battle against the pandemic in Wuhan. Fosun’s anti-pandemic medical team supported 23 medical and nursing staffs. The Group’s hospitals achieved a mortality rate of 0, an infection rate of 0, and 515 hospital discharges.

(For more information on Fosun’s fight against the pandemic, please refer to the section of this report titled Responsible Communities)

Case

Anti-pandemic Notes “My lungs have also been injured, but it is our job to heal the sick and save people”

Sun Mengbing, assistant director and resident physician of the Department of Internal Medicine II, Wuhan Jihe Hospital

The most beautiful doctor in Hubei in 2020 who fought against the pandemic as a glorious individual

19 February 2020
Sunny

On New Year's Eve, I received a note from the hospital that my hospital, Wuhan Jihe Hospital, had been requisitioned as an infectious disease ward in Caidian District, Wuhan City, and that doctors from other departments had to be recruited as infection doctors. I said yes without hesitation. I love this city and I want to help her overcome the pandemic as soon as possible.

After a day of training, I was on duty. The scene in front of me made me anxious. Patients with fever kept coming in and once the department opened, it was full of patients and some of new patients went untreated. In addition, we could only write the cases by hand due to some doctors who are assigned from Hubei Provincial People's Hospital and other hospitals to support us use different computer systems and diagnosis and treatment process which resulting the computers could not be used. Every day when we entered the isolation ward, we had to put on thick protective clothing, wear masks and protective masks and sometimes we had to work continuously for more than 10 hours when we were busy. My chest was stuffy, like a stone pressing down, and my head hurt because of the lack of oxygen.



When I was 20 years old, I had an operation to remove the lower lobe of my left lung for congenital reasons, and my lung function was weaker than normal, which made my family worry more about me. But when I saw the anxious faces of the patients through my goggles, which were blurred with sweat, I had to keep going even though it was difficult. It is our job to heal the sick and save people. My thoughts were simple: I hope we can work together to bring the pandemic under control as soon as possible so that the people living in Wuhan can stop suffering from the disease.

List of Fosun Healthcare's anti-pandemic honors

Name of hospital	Honors
Foshan Chancheng Central Hospital	Awarded the titles of “Foshan Advanced Group in the Fight against the COVID-19” and “Foshan Advanced Grassroots Party Organization” The hospital's medical team to assist the Hubei won the “2020 Moving-Chancheng Moral Character Team Award” Chen Zhichang received the Certificate of Appreciation from the Leading Group of Pandemic Prevention and Control of China Association of Non-public Medical Institutions
Shenzhen Hengsheng	Yang Yong was awarded the title of “Advanced Individual in the Fight against the COVID-19 in Guangdong Province”
Yueyang Guangji	Peng Lin was honored as an advanced individual in the fight against the COVID-19 by Hunan Provincial People's Government
Anhui Jimin	Awarded “Advanced Team” by Anhui Association of Socially-Organized Medical Institutions for anti-pandemic efforts Xu Yuliang, Zhu Jiaojuan, Hu Chengdi and Zhu Huizi were awarded “Advanced Individuals” by Anhui Association of Socially-Organized Medical Institutions Awarded “Advanced Unit of 2020” by Anhui Health Service Association
Suqian Zhongwu	Wang Jiameng was awarded “National Advanced Individual in Combating the COVID-19” by the CPC Central Committee, the State Council and the Central Military Commission Wang Jiameng was awarded the title of “Excellent Communist Party Member of Jiangsu Province” by the CPC Jiangsu Provincial Committee Han Tao was awarded the honorary title and certificate of “Heroes in Harm's Way” by the CPC Hubei Provincial Committee and Hubei Provincial Government Han Tao's family was awarded the honorary title and certificate of “Most Beautiful Family” of Jiangsu Province for fighting against the pandemic by Jiangsu Women's Federation Han Tao was notified by Jiangsu Provincial Committee of the Communist Youth League on the performance of outstanding youth groups and youth league members in prevention and control of the COVID-19 (the third batch), and awarded as an advanced youth league member Hu Yichuan was awarded the title of “Top 100 Stars of Medical Ethics” of Jiangsu Province by the Propaganda Department of the Communist Party of China, Jiangsu Provincial Civilization Office and Jiangsu Provincial Health Care Commission
Wuhan Jihe	Li Jiasheng was awarded the Wuhan City People's Government as an advanced individual to fight against the COVID-19 in Wuhan Sun Mengbing was awarded the Glorious Individual Title of 2020 Most Beautiful Physicians in the Fight against the Pandemic by Hubei Provincial Hospital Association The Department of Emergency Medicine was awarded the Glorious Group Title of 2020 Most Beautiful Physicians in the Fight against the Pandemic
Qilu Clinical Laboratory	Cheng Shiliang and Yu Miao received the honorary certificate of “Xinjiang Anti-pandemic Battle”



Foshan Chancheng Central Hospital was awarded the license of "China Atrial Fibrillation Center"

Medical service capacity

Fosun Healthcare's member hospitals offered a total of 4,610 beds in 2020, with a total of 3,403,800 outpatient and emergency visits and 1,571,000 hospital discharges; the capacity of each member medical institution will continue to improve.

By the end of 2020, Fosun Healthcare's member hospitals and Huaihai Medical Management, which has a stake in Fosun Healthcare, have been awarded 6 provincial key specialties, 37 municipal key specialties and 5 district key specialties. For the third consecutive year, Foshan Chancheng Central Hospital was awarded the top ranking of China's socially run hospitals by Ailibi and was awarded the national atrial fibrillation center, national heart failure center and national residency standardized training base; the Precision Radiotherapy Center of Chancheng Central Hospital became a member of the International Radiosurgery Society (RSS member). Suqian Zhongwu was approved as Suqian City Cancer Hospital. On the basis of the original Grade IIA general hospital, it focused on building a regional oncology specialty brand, while building a county and city-level chest pain treatment center, trauma treatment center, stroke treatment center, with the Department of Intensive Care Medicine and the Department of Infection added as municipal key specialties. The Qilu Clinical Laboratory continued to increase its investment in technology research and development, passed the ISO15189 laboratory accreditation review, obtained

four inventions and new patents, three software copyrights, and four enterprise technology innovation projects in Shandong Province.

In October 2020, Chongqing Xingrong (the first tertiary plastic surgery hospital in Chongqing) was officially opened, with President Li Shirong, chairman of the Medical Aesthetics and Beauty Branch of the Chinese Medical Association, as the chief director, to build Fosun's flagship brand in medical aesthetics and plastic surgery specialties.

The Department of Imaging, Department of Radiotherapy and Department of Gastroenterology were added to the General Hospital of XZCMG and became provincial key specialties. Foshan Chancheng Central Hospital and Shenzhen Hengsheng were approved as the projects of the National Natural Science Foundation of China. In 2020, Fosun Healthcare's member hospitals successfully declared 9 projects of Fudan University Nursing Research Fund and published more than 10 SCI articles.

In 2020, based on the construction of the original nine specialty alliances, Fosun Healthcare fully integrated the group's specialty advantages, built three new specialty alliances, including nephrology specialty alliance, pediatrics specialty

alliance and Chinese medicine specialty alliance, built training bases for obstetrics, stroke and hemodialysis specialty nursing and expanded the total number of specialty alliances to 12. In the management of specialty alliances, the Group improved the incentive and assessment mechanism of the alliance, standardized the internal working mechanism of the alliance, made clear requirements from the formulation of annual plans, regular evaluation of the work progress, and improvement of the biennial/annual summaries, and focused on improving the four major capabilities of specialty medicine, management, teaching and research, emphasized problem-solving orientation and visualization of results. At the same time, it made full use of the Internet platform to promote in-depth cooperation among hospitals that break through the boundaries of geographical space.

In 2020, Fosun Healthcare actively expanded its business service model, and five hospitals, including Foshan Chancheng Central Hospital, Suqian Zhongwu, Wenzhou Geriatrics, Shenzhen Hengsheng and Huaihai Medical Management, were granted Internet medical licenses, which helped Fosun Healthcare launch overall medical services online and carry out Internet+ medical service projects, with an annual Internet consultation volume of more than 4 million and an annual service volume of nearly 5,000 home extended care projects.

Customer-centered, improving medical quality and safeguarding patient safety and rights

In 2020, Fosun Healthcare actively responded to the test of the COVID-19, while fully grasping the trend of medical policies and market changes. Adhering to the original intention of returning to the essence of medical care, it valued the quality and safety of member medical institutions and building management capacity, and continuously strengthened quality and safety management. The Group focused on academic building, talent training, and management innovation, and took the president's performance goals as the effective means to further strengthen the foundation of hospital quality and safety management and empower the construction and development of its member institutions by following the national healthcare reform.

With the normalization of pandemic management, the government continued to promote the legal practice of hospitals, regulate the management of health insurance funds and other key work, and promote the sustainable healthy and standardized development of socially run medical institutions. Fosun Healthcare, in accordance with the Notice on the Launch of the Year of Private Hospital Management (GWYH [2020] No. 347) has organized a 3-year "Year of Hospital Management for Member Hospitals" activity since August 2020, with the theme of "standardization for development, quality for better connotation", to strengthen legal practice, improve rules and regulations, standardize treatment behavior, strengthen quality management, and disclose hospital affairs.

The Group consolidated group-hospital-department three-level quality management structure and the medical quality management organizations of member medical institutions were complete with overall medical quality remaining safe and stable. The three-level quality control system of each member hospital has been established and is functioning and each quality management committee is functioning and playing a systematic role in medical technology access and authorization management.

The overall medical quality of member hospitals continued to improve in 2020. Fosun Healthcare has achieved post-facto monitoring, analysis and feedback of core quality/efficiency indicators such as DRG management performance indicators, intraoperative management indicators, hospital infection control indicators and medical efficiency indicators through the information system of member hospitals.

Foshan Chancheng Central Hospital, in conjunction with the training and guidance from the review experts from top three hospitals, revised and updated individual medical core systems, especially putting forward higher requirements for medical technology management, physician authorization management, and critical value management, to continuously improve medical

management quality; the General Hospital of XZCMG participated in the Quality Management Circle Competition in Jiangsu Province and achieved two second prizes and one third prize; Shenzhen Hengsheng formulated the MDT Management Measures, carried out nearly 30 MDTs, formulated comprehensive treatment plan and followed up treatment effects of patients. Wenzhou Geriatrics refined medical quality management multi-link quality control, promoted the continuous improvement of medical record quality. In 2020, the Group's CMI increased by 9.54% on a year-on-year basis; the percentage of Class IV surgical patients increased by 19.53% on a year-on-year basis; the antibiotic utilization rate decreased by 17.73% on a year-on-year basis, the average hospital stay decreased by 1.53% on a year-on-year basis, the rate of preventive antibiotics for Class I incisions decreased by 17.50% on a year-on-year basis and the average number of preoperative waiting days decreased by 25.85% on a year-on-year basis.

The Group also attached great importance to medical quality, hospital management and nursing training and held several centralized training sessions to summarize the work.

Customer first

Fosun Healthcare's member medical institutions have always attached great importance to customer/patient experience. In order to continuously understand and improve the patient satisfaction of each hospital, in 2020, based on the patient experience survey of the National Quality Control Center and the actual requirements of the Group, a homogeneous patient satisfaction survey system was established for the whole Group in addition to the independent satisfaction survey system of each medical institution. At the same time, the Group attached great importance to the

relationship between doctors and patients and set up special departments responsible for the construction and management of health ethics and adopted various forms such as satisfaction surveys, third-party surveys, the president's mailbox, online letters and visits, and hospital leadership reception days to open up channels for patients' rights and demands, and is committed to establishing a positive interaction and friendly and trusting doctor-patient relationship with the majority of patients.

Satisfaction scales for outpatients of major member hospitals of Fosun Healthcare

Name of medical institution	Foshan Chancheng Central Hospital	Shenzhen Hengsheng	Suqian Zhongwu	Yueyang Guangji	Wenzhou Geriatrics	Wuhan Jihe
Outpatient satisfaction	94.8%	90.4%	96.8%	97.8%	98.2%	95%

Satisfaction scales for inpatients of major member hospitals of Fosun Healthcare

Name of medical institution	Foshan Chancheng Central Hospital	Shenzhen Hengsheng	Suqian Zhongwu	Yueyang Guangji	Jimin Cancer Hospital	Wenzhou Geriatrics	Wuhan Jihe
Inpatient satisfaction	98.6%	95.2%	96.8%	94.2%	95.3%	96.7%	96.1%

Note: formula: % satisfaction = (very satisfied x5 + satisfied x4 + average x3 + dissatisfied x2 + very dissatisfied 1)/1250



Fosun Health+ Platform invited nearly 100 academicians and leading doctors to give "Famous Doctor Lecture Hall" Online Health Lectures

Arranging an Internet medical platform to bring medical services within reach

With the outbreak and continued spread of the COVID-19, the most rigid new product demand in 2020 was to integrate medical, pharmaceutical and insurance resources to establish a unified digital outlet and export online medical services to a larger volume of users. In this context, Fosun Healthcare has quickly launched an online project for offline medical resources. On 29 April, "Fosun Health+", a family-centric healthcare service platform, was launched. The platform covers health records management, expert consultation, chronic disease management, specialty services and health testing. With the help of Fosun's internal and external medical resources, tens of thousands of doctors have registered on the platform by the end of 2020 and more than 30 departments covering chronic diseases and common diseases have been rapidly established.

Mission	To build an authentic and effective Internet medical platform
Vision	A medical service network within the reach of 100 million families in China
Star products	Online consultation and health management, medical center treatment and services, specialized self-examination services (e.g. HPV, chronic disease monitoring, remote ECG monitoring) hardware empowerment, as well as cloud medical offices for enterprise services, enterprise intelligent terminal auxiliary equipment.

Key performance

- Built an integrated online and offline medical platform with annual business revenue of 3 billion and annual consultation volume of 4 million
- The platform has registered 16,000 doctors and has established more than 30 departments for chronic diseases and common diseases. Registered users have exceeded 2.1 million
- Fosun Health+ online clinic received over 300,000 visitors in 3 days, linked more than 10 member hospitals across the country, invited the team of doctors and arranged nearly 500 experts to have online "cloud consultation"
- More than 100 health lectures and lectures by famous doctors were held during the 515 Fosun Family Day, and a popular science book "Health+ Quotes, Live Past 120 Years Old" was published
- The "People's Good Doctor" client and Fosun Health+ launched a multi-city online appointment service for nucleic acid testing, compressing the health confirmation process to one day. The first batch covered 20 cities nationwide, providing over 1 million people with testing services

Enhancing customer value

Customers are the key stakeholders of Fosun Pharma Group, including patients, doctors, distributors, agents, medical experts, etc. Fosun Pharma Group's mission is to "Better Health for Families Worldwide" and is committed to providing high-quality products and services to customers around unmet medical needs.

The Group continues to maintain good communication with its customers, to continuously, timely and accurately understand their needs and

expectations, to build trusting customer service relationships and smooth communication bridges, and to continuously enhance customer value. At the same time, the Group will continue to explore intelligence, make use of the Internet and other means to deeply empower the Group, integrate the Group's global resources, unlock the synergistic value of Fosun Pharma, optimize the user service experience and provide more health solutions to customers.

Customer Management System

Each member company of the Fosun Pharma has established a comprehensive CRM (customer relationship management) system based on its actual situation and introduced leading medical treatment and disease management models through professional medical support to help customers and benefit patients. At the same

time, each member company conducts customer satisfaction surveys, analyzes customer needs through questionnaires and customer interviews, identifies customer needs and expectations and provides differentiated services according to the needs of different customers.

"Digital and Intelligent" Customer Service

Against the background and trend of China's Internet + healthcare, China's medical industry is actively promoting digital transformation. Fosun Pharma Group uses digital technologies and

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

Case

"O2O model improves drug accessibility across the board" -- Breaking through the "last mile" to ensure home delivery of medicine and contribute to China's health dream

Centering on unmet "patient demand", to improve the accessibility of medicines and give consumers a better consumer experience, in 2020, Wanbang Pharma joined hands with Meituan, ELEME, JDDJ and other O2O platforms to explore the full range of O2O pharmaceutical cooperation channels and realize the "double engine" operation online and offline, greatly improving the accessibility of medicines, expanding the breadth and depth of consumer services, breaking through the "last mile" and helping consumers to buy urgently needed drugs without leaving home. The project has now covered more than 80,000 pharmacy terminals nationwide, represented by four major listed chains, providing quality products and services to more than 300,000 people.

Wanbang Pharma further implemented the digital intelligence of pharmaceutical retailing and promoted both "service upgrading" and "professionalism enhancement". By holding a large-scale online patient education live broadcast, it provided high-quality knowledge on health and disease management. On 3 July 2020, Wanbang's new retail team collaborated with Meituan platform to provide online patient education services for gout patients, becoming the first company in China to conduct a live broadcast of pharmaceutical patient education on O2O channels, covering O2O platforms of a total of 55 chains and 14 provinces in China with more than 6,000 online viewers at the same time.



Responsible Marketing

Fosun Pharma has continued to strengthen the marketing system at home and abroad. As of the end of 2020, Fosun Pharma has formed a marketing team of nearly 6,000 people. In African countries and regions, Fosun Pharma has established a mature drug sales network, specializing in the promotion and sales of anti-malarial products and other generic drugs, and has formed a sophisticated international marketing platform.

During the market promotion and publicity in 2020, no subsidiaries of Fosun Pharma Group were reported and investigated by the regulatory authorities for illegal advertising or promotion. In market promotion, the subsidiaries strictly implemented the measures on compliant operation for marketing and sales team to ensure that the respective company entered into compliant operation agreements with its business units and implemented the compliance operation responsibility system. Approval procedures

for marketing plans and relevant contracts were formulated. All responsible departments coordinated with each other in order to achieve prevention in advance, process monitoring and post audits and ensure operational compliance with requirements of national laws and regulations. In 2020, no subsidiaries of Fosun Pharma Group had related violations in terms of product and service labeling.

In line with national laws and regulations, subsidiaries of the Fosun Pharma Group actively carry out responsible marketing activities, and take active actions in providing professional medical consultation, improving the level of doctors' diagnosis and treatment, expanding patients knowledge on diagnosis and treatment, and promoting professional medical concepts, and organises online and offline marketing activities, marketing training, patient education, etc.

Customer Complaints

The pharmaceutical subsidiaries of the Group highly values the reasonable needs of users and continuously strengthen the handling of customer complaints; they have dedicated personnel for this regard and the complaints hotline can be put through around the clock. We also have built a customer complaint and consulting system at the Group level. The subsidiaries record complaints to every detail and give satisfactory reply to customers with thorough explanation after investigation, analysis and responding actions. They also record the batch number of the products in question. The handling of complaints is led by the quality control department and supported by relevant functional departments. Complaints are replied to and properly resolved within prescribed period. Remedial and preventive actions will be implemented to ensure high customer satisfaction. In 2020, the pharmaceutical subsidiaries of the Group at home received a total of 42 complaints related to product quality, and all of which were replied to and handled with the active 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.

The medical device subsidiaries of the Group value product quality and handling of product complaints. Full-time product managers or marketing personnel are responsible for recording of the complaints related to product quality. Full-time processing staff for product complaints will obtain the detailed information about the complaints by end users about product problems via telephone or on-site service and report to the management representative or quality manager after determining the reason for the complaints through preliminary assessment so as to earnestly conduct investment and handle the quality defects. All relevant complaint records and investigation information are summarized and registered in time to carry out corrective and preventive measures. In 2020, a total of 207 customer complaints were received, all of which were responded, and the response rate of user complaints was 100%.

Customer complaint response rate



100%

Case

Working Together for the Building of Healthy China ——“420 Gout Awareness Day” Large-scale Online Clinic and Disease Explanation Course

The fifth “420 Gout Awareness Day” fell on 20 April 2020. The number 420 is the diagnostic threshold for hyperuricemia, which can be confirmed if the blood uric acid level exceeds 420umol/L on two different days. Currently, the number of people suffering from hyperuricemia in China exceeds 180 million, making it the “fourth highest” chronic disease after hypertension, hyperlipidemia and hyperglycemia.

On the occasion of the “420 Gout Awareness Day”, Wanbang Pharma joined hands with Health Times and many experts in the fields of rheumatology, cardiology, nephrology, diabetes, cardiovascular and cerebrovascular to advocate for the “multidisciplinary and comprehensive management” of gout, hyperuricemia diagnosis and treatment under the theme of “Working Together for the Building of Healthy China”. The Academician Ge Junbo from Zhongshan Hospital of Fudan University, Professor Zeng Xiaofeng from Peking Union Medical College Hospital, Professor Zou Hejian from Huashan Hospital of Fudan University,

Professor Gu Jieruo from the Third Hospital of Sun Yat-sen University, Professor Guo Lixin from Beijing Hospital, Professor Huo Yong from Peking University First Hospital and Professor Mei Changlin from Changzheng Hospital of Naval Medical University joined hands with authoritative experts from the fields of rheumatology and immunology, cardiology, nephrology, diabetes, cardiovascular and cerebrovascular diseases. From April 17 to 22, the experts conducted online medical consultations and disease explanation courses for five consecutive days through the “Youyibang Internet Hospital” and “Youyi College” platforms. The experts explained online the prevention and treatment of gout and hyperuricemia, as well as the management and prevention and control of various complications caused by the disease, such as kidney disease, diabetes and cardiovascular disease and delivered correct knowledge and scientific treatment of the disease.

Isolating virus but keeping love flowing, contributing to the standardize treatment for lymphoma patients

The outbreak of the COVID-19 has shattered all normalcy in life. What is of particular concern is that the medical resources available to patients have been greatly reduced and patients with lymphoma and other tumors are at higher risk of contracting the COVID-19 than normal people due to the disease itself, surgery, radiotherapy and chemotherapy treatment. Therefore, they should strengthen protection and seek proper medical treatment.

In this context, Fosun Pharma has set up a comprehensive e-broadcast platform for lymphoma patient education; actively joined hands with the CSCO Anti-Lymphoma Alliance to develop the first Chinese Expert Consensus on Biosimilars and the first Chinese Handbook on Biosimilars; and joined hands with the CSCO Anti-Lymphoma Alliance to launch the “CSCO Healthy China Tour”.

Since February 2020, a series of online lymphoma patient education e-broadcast activities, “Isolate virus but keep love flowing” organized by the Anti-Lymphoma Alliance & Anti-Leukemia Alliance of the Chinese Society of Clinical Oncology and supported by the hematology oncology team of Fosun Pharma, have been launched nationwide. 200+ patient education events were organized in 2020, with more than 1,000 experts and over 10,000 patients participating.

The rapid development of biopharmaceutical technology and the increasing demand for clinical treatment in China have led to extensive discussions on biosimilars in China. To further help clinicians and patients answer various questions about biosimilars, Fosun Pharma has joined hands with the CSCO Anti-Lymphoma Alliance to develop the first China Expert Consensus on Biosimilars and the first China Handbook on the Explanation of Biosimilars and has conducted more than 30+ lecture tours across China, which have greatly enhanced clinicians’ and patients’ knowledge and confidence in biosimilars. It has provided a good evidence-based reference for the standardized application of biosimilars in China.

In response to the huge difference between the long-term survival rate of lymphoma in first-tier cities and grassroots cities in China, Fosun Pharma has integrated multiple resources to make more experts available to the grassroots level and promote the standardization of overall diagnosis and treatment in China. Through the CSCO Anti-Lymphoma Alliance, Fosun Pharma has actively launched the CSCO Healthy China Tour with 15 grassroots lectures nationwide, involving more than 1,000 experts.

Information Security and Privacy Protection

As the leading pharmaceutical and healthcare industry group in China, Fosun Pharma fully realizes the importance of information security and privacy protection to the protection of national cyber security, corporate image and customer privacy. The Group strictly abides by the relevant rules and regulations on privacy protection and information security in the countries/regions where it operates, such as the Cybersecurity Law, Measures for the Management of Internet Information Services and the Law of the People's Republic of China on the Protection of Consumer Rights and Interests. As the department

responsible for the information security and IT compliance, the Digital Technology Innovation Department of Fosun Pharma formulated the brand-new Fosun Pharma Group Information Security System Building Planning in 2020, which provided guidelines for the information security, and put forward new requirements in advance in response to the requirements and expectations of the country and the society on Fosun Pharma in terms of information security and privacy protection after the outbreak of COVID-19.

Information Security

Fosun Pharma has comprehensively established a security management system related to important assets and user data of the Company, including scientific management organization, comprehensive system building, fine corporate security culture and employee safety training and personnel safety management mechanism. In addition, Fosun Pharma continued with the classified protection of national cybersecurity, and several member enterprises including Fosun Pharma Head Office, Henlius, Foshan Chancheng Central Hospital, Jimin Cancer Hospital, Huaihai Hospital Management Group, Shenzhen Hengsheng Hospital and Suqian Rehabilitation Hospital completed the evaluation and registration of classified protection of relevant important

information system. Meanwhile, Fosun Pharma further improved IT system standards such as ISO27001 in 2020, and strengthened protection of the Company's data assets including COVID-19 vaccine data from three dimensions, namely, confidentiality, integrity and availability. According to the planning, in 2020, Fosun Pharma will fully promote the security technology system building, consolidate the supporting capability for information security and compliance, and comprehensively guarantee the safe and stable operation of the information system of the Company, in order to guarantee the smooth operation of various businesses, and help the Group better serve the society and clients.

Classified protection of Fosun Pharma and its member enterprises

Enterprise/department	Classified protection
Fosun Pharma Head Office DT+	OA system (Level 3), official website system (Level 2)
Henlius	Email system and official website system (Level 2)
Foshan Chancheng Central Hospital	HIS, OA, WEB system (Level 3)
Jimin Cancer Hospital	Hospital information management system (Level 3)
Huaihai Hospital Management Group	Hospital information management system (Level 3)
Shenzhen Hengsheng Hospital	Networked hospital system (Level 3), HIS system (Level 3), medical technology system (Level 2), Hengsheng official website (Level 2)
Suqian Rehabilitation Hospital	Internet hospital information system (Level 3)

Privacy Protection

In 2020, Fosun Pharma Group did not receive any complaints about leakage of user data privacy, nor has any relevant incident occurred. On such basis, Fosun Pharma still made unremitting efforts to continuously promote and improve the scientific Fosun Pharma Group Information Security System Building Planning, carrying out work centered on 17 items and approximately 68 specific working tasks related to security protection of three systems, i.e. security management system, supervision and compliance system, and security

technology system, in order to guarantee the systematic protection of sensitive data such as user data, prevent the leakage or disclosure without authorization, or sharing or transferring important business information of partners and privacy data of users to other companies, organizations or individuals without the consent from the regulatory authority or users involved, and fulfill the social responsibilities and obligations as the leading healthcare industry group in China.

Case

Patient Privacy Protection Measures of Foshan Chancheng Central Hospital



Conceal one character from the patient information on public occasions (such as the big screen of pharmacy)



Guarantee one patient a time in one clinic and female patients shall be examined with the presence of female family members or female staff



Check the treatment curtain



Warning "Female Only" in the area of the department of Gynaecology



Automatic lock of computer screen to prevent the leakage of patient information



Any documents containing patient information shall be put into the shredder when discarded



Warning in the public area for medical staff not to discuss about patients' illness (such as elevator)



Warning "Female Only" for the baby care room

Responsible Supply Chain

Win-win sustainable business partnership

Fosun Pharma adheres to the procurement principle of "transparency and quality first", and works with upstream and downstream supply chains to build harmonious partnership. It advocates and promotes the green and healthy development of the industry supply chain, to create a sustainable business ecosystem, complement each other's advantages, and be mutually beneficial, thus finally achieving the goal of win-win cooperation.





Continuous promotion of green supply chain project

As of the end of 2020, the Group implemented **398** green supply chain audits to suppliers

A total of **6,683** suppliers accepted the "Proposal of Green

Supply Chain for Fosun Pharma"

In 2020, **40** suppliers of raw materials, auxiliary materials and packaging materials had green supply chain audits



With "transparency and quality first" as the procurement principle, the suppliers of Fosun Pharma Group are located in more than

31 provinces, autonomous regions, municipalities or special administrative regions in China and many overseas countries



Establishment of an annual quality review system for suppliers to ensure drug quality and safety from the source

In 2020, member enterprises of the Group rejected **46** suppliers



To continuously promote lean management of the supply chain, Fosun Pharma Group emphasizes supply stability, agility, and synergy in the end-to-end supply chain

Supplier Management System

Fosun Pharma Group adheres to the procurement principle of "transparency and quality first", and works with upstream and downstream suppliers to build harmonious partnership, create a sustainable business ecosystem, complement each other's advantages, and be mutually beneficial, thus finally achieving the goal of win-win cooperation. The Group strictly abides by relevant national and local laws and regulations. By establishing a sound procurement and supplier management system, it reduces procurement risks, saves procurement costs, and improves management efficiency, creating value for the Group's sustainable development.

Fosun Pharma strictly implemented the procurement system that had been issued, perfected the current management system, and further standardized procurement management. Fosun Pharma Group institutionalizes supplier evaluation, and evaluates suppliers in terms of quality, EHS, etc. At the same time, it uses information technology to identify suppliers that violate regulations and keeps a "blacklist" of suppliers to continuously strengthen the risk control system for supplier management.

Fosun Pharma continuously promotes the strategic centralized procurement of commonly purchased materials within the Group, and further optimizes the purchase management of the Group in terms of quality, supply stability, cost control and efficiency optimization to empower member enterprises. In 2020, the Group totally completed 15 projects, covering manufacturing materials, equipment, instruments, medical equipment and non-production fields.

Procurement principle

transparency and quality first

Partial management systems

Basic Standards for Procurement and Tender Management of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (Trial Implementation)

Basic Standards for Green Supplier Management of Fosun Pharma Group and Its Controlled Subsidiaries (Trial Implementation)

Notice on Regulating the Management of Procurement and Tender Process Documents of Fosun Pharma Group

Management Measures for IT Procurement of Fosun Pharma Group (Trial Implementation)

Notice on Issue and Implementation of Procurement and Tender Document Templates for Medical Services of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.

Supplier Integrity Management

In order to further standardize supplier management and improve the quality of supplier services, on the one-chain network procurement platform established by Fosun, the supplier information is subject to structured management, and third-party credit reports are introduced during the tender process based on actual conditions. The Group requires suppliers not to disrupt the normal

procurement organization order in participating in the procurement process or to seek benefits by improper means such as falsification, malicious fraud, etc., and it is prohibited to conduct acts in violation of laws, regulations and rules, etc. without proper reasons including failure of performance of contract. For suppliers' violation of the principle of Supplier Management System integrity, different

punishment measures including warnings and bans have been formulated. For serious cases, cooperation will be permanently prohibited. In order to monitor suppliers' behaviors, we have announced complaint channels, hoping that more stakeholders will participate in the supervision and build good business practices with us. The Group handled 73 violations of suppliers in 2020.

Compliance Management of Suppliers

All member enterprises of Fosun Pharma Group have formulated their supplier management procedures and established the supplier quality annual review system, adopting the principle of fair price competition, tendering for purchase and quality-first. The member enterprises perform various supplier audits (such as on-site quality audits, questionnaire audits and phone audits) prior to determining a qualified supplier, to ensure the quality and safety of drugs at the source.

In terms of supplier management, the member enterprises of the Group adopt supplier audit procedures, supplier management regulations, quality agreements entered into with suppliers, supplier assessment guidelines, etc. to facilitate the scientific assessment of suppliers in terms of qualification, production environments,

production technique standards, and quality assurance systems, etc. The Group implements classification management for suppliers based on the risk in relation to the influence of supply of goods by suppliers on product quality. Prior to the commencement of supply by a new supplier, the member enterprises of the Group perform audit on supplier's qualification, quality system, production techniques and operation of production site, perform quality testing and small-scale inspection on the sample received, and conduct further verification of production techniques, stability inspection and filing of supplier. The supplier must meet all requirements to be qualified. During the supplying period, comprehensive assessment is conducted on the quality, delivery time and service attitude of suppliers. In case of problems,

the member enterprises will communicate and exchange with and provide feedback to suppliers, in order to urge suppliers to make necessary quality improvement, which is necessary for them to be incorporated into the list of qualified suppliers. The suppliers whose quality does not meet requirements will be subject to downgrading, rejection, etc. In 2020, the member enterprises of the Group rejected 46 suppliers.

Geographical Distribution of Suppliers of Domestic Member Enterprises of Fosun Pharma in 2020

Province	Number of suppliers	Province	Number of suppliers	Province	Number of suppliers	Province	Number of suppliers	Province	Number of suppliers
Beijing	148	Heilongjiang	21	Shandong	237	Chongqing	117	Qinghai	5
Tianjin	69	Shanghai	668	Henan	56	Sichuan	99	Ningxia	8
Hebei	158	Jiangsu	611	Hubei	82	Guizhou	6	Xinjiang	15
Shanxi	27	Zhejiang	277	Hunan	201	Yunnan	13	Hong Kong, Macao, Taiwan	10
Inner Mongolia	16	Anhui	108	Guangdong	379	Tibet	4	Foreign suppliers	308
Liaoning	115	Fujian	34	Guangxi	71	Shaanxi	29		
Jilin	30	Jiangxi	49	Hainan	13	Gansu	13		

Review of Suppliers of Major Pharmaceutical Member Enterprises of Fosun Pharma Group in 2020

	Wanbang Pharma	Yaopharma	Aohong Pharma	Hongqi Pharma	Aleph	Erye Pharma	Guilin Pharma	Shanghai Henlius
Number of suppliers under annual review	888	325	44	84	24	113	158	34
Number of suppliers involved in business for the year	958	449	44	116	24	131	158	34
Number of suppliers under annual review/ Number of suppliers involved in business for the year	92.7%	72.4%	100.0%	72.4%	100.0%	86.3%	100.0%	100.0%

Note: Member enterprises reviewed core suppliers, Hongqi Pharma and Erye Pharma reviewed suppliers of raw and auxiliary materials and internal packaging materials; Yaopharma reviewed suppliers of raw and auxiliary materials and internal packaging materials.

Explanations:

1. The data of Wanbang Pharma include the data of all member enterprises within the system.
2. The data of Yaopharma include the data of all member enterprises within the system.
3. Products provided by suppliers mainly include: raw materials, auxiliary materials, packaging materials and auxiliary consumables

Sustainable Supply Chain Management

Fosun Pharma values the construction and investment of sustainable development of the supply chain. Through the implementation of lean supply chain projects and green supply chain projects, Fosun Pharma has enhanced the competitiveness of the supply chain, and made good achievements in terms of ensuring supply,

improving efficiency, and building green supply chain ecology. It expects to promote innovation in business management and build a benign ecosystem composed of customers, enterprises and suppliers through exploring innovations and changes in the supply chain.

Case

“Openness and Cooperation for Mutual Benefits” Fosun Pharma Held the Global Ecological Supply Chain Summit Pharmaceutical Industry Forum

In order to promote the post-pandemic industrial recovery and the sustainable and healthy development of China's pharmaceutical industry, and boost the confidence in the industrial and economic development, on 7 September 2020, Fosun Pharma hosted the 2020 Fosun FC2M Conference & Fosun Global Ecological Supply Chain Summit Pharmaceutical Industry Sub-forum with the theme of “Openness and Cooperation for Mutual Benefits” in Atlantis, Sanya, Hainan Province under the guidance of China Chamber of Commerce for Import & Export of Medicines & Health Products.

Under the macro-environment of severe economic situations and uncertain global and domestic economic development due to the pandemic, Fosun Pharma held the first Global Ecological Supply Chain Summit Pharmaceutical Industry Forum in 2020, which was attended by nearly 100 global partners of the pharmaceutical industry chain. The forum had in-depth explorations into topics such as how to coordinate supply and demand and build an ecological supply chain through openness and cooperation under new situations. The Group expects to cooperate with upstream and downstream enterprises of the industrial chain to build an efficient and win-win supply chain ecology and benefit global patients through sustainable development.

The Forum invited nearly 100 supplier representatives of Fosun Pharma at home and abroad, covering key links of the pharmaceutical industrial chain including manufacturing materials, equipment and business circulation.

Wu Yifang, Chairman and CEO of Fosun Pharma, introduced the industrial chain strategy of Fosun Pharma. He said that Fosun Pharma has been



Picture: Strategic purchase signing ceremony of Global Ecological Supply Chain Summit Pharmaceutical Industry Forum

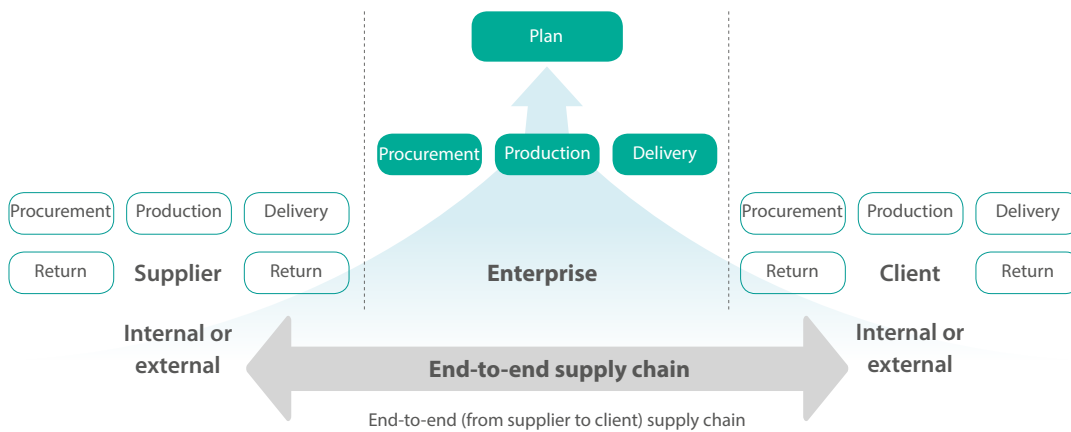
stressing that supplier management should be included in the green indexes. The green chain project was initiated in 2016 to build a more stable and sustainable qualified supplier system.

At the conference, Fosun Pharma and Sinopharm Group entered into strategic logistics cooperation of BioNTech mRNA vaccine to jointly promote the commercialization and supply chain service of vaccines. Meanwhile, Fosun Pharma also entered into strategic purchase cooperation agreements with Thermo Fisher Scientific (China) Co., Ltd., SHINVA Medical Instrument Co., Ltd., Shandong Linuo Technical Glass Co., Ltd., Danaher China Life Science Platform, Agilent Science & Technology (China) Co., Ltd. and Sinopharm Group Chemical Agents Co., Ltd., in order to continuously strengthen cooperation, promote ecological win-win and build an FC2M ecological system.

Lean Supply Chain

Fosun Pharma has continuously deepened its operation excellence (FOPEX) in terms of scope and influence and made overall planning starting from the supply chain on the basis of production management and service system in compliance with international standards. Since 2018, it has started the integration, optimization and lean management of the supply chain. Taking Gartner as the benchmark, the Group realized overall optimization, covering four pillars of the supply chain, i.e. procurement, plan, production and logistics, supplemented by relevant other business management.

Fosun Pharma strives to achieve quality, low-price, agile and stable supply. In terms of quality, it strictly controls the quality of incoming materials, processes and finished products from suppliers to the manufacturing process. In terms of cost, cost reduction and efficiency enhancement are achieved by reducing the cost of raw materials, auxiliary materials, packaging materials and centralized procurement and lean production. In terms of agile and stable supply, it coordinates end-to-end plans, makes rapid response to market fluctuations, and makes lean optimization of production and release cycle, in order to reduce the delivery time to the largest extent.



In 2020, the member enterprises achieved outstanding achievements in terms of the lean supply chain. Erye Pharma improved the accuracy of sales forecasting, improved the material delivery punctuality rate from a deviation of six days to two days, and shortened the warehousing release of raw, auxiliary and packaging materials by 30-45%.

Guilin Pharma enhanced the blister packaging production capacity by 50% through equipment

transformation, reduced the waiting period for the package of bare tablets by 4 days through end-to-end planned and integrated management in agile and stable response to the continuously increasing demands for SPAQ-CO dispersible tablets. Yaopharma reduced the release cycle by 15-20% and decreased the repeated deviation by half through lean labs. Wanbang Pharma reduced costs, improved production capacity, shortened delivery time and guaranteed a stable supply of centralized purchase varieties through the comprehensive diagnosis of key varieties.

Stability

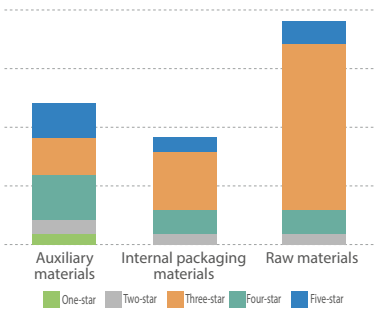
Fosun Pharma ensures a stable supply of raw materials, auxiliary materials, and packaging materials, supplies goods promptly, and optimizes production capacity and order forecast and evaluation, to ensure stable supply to downstream customers.

Agility

It refers to reducing delivery time, optimizing MOQ, flexibly responding to large and small orders, and responding quickly to urgent orders.

Synergy

Fosun Pharma optimizes the information flow from the sales end to the production end and to the logistics end, and exchanges data to improve forecast accuracy.



Note: Scoring of green supply chain audit in 2020

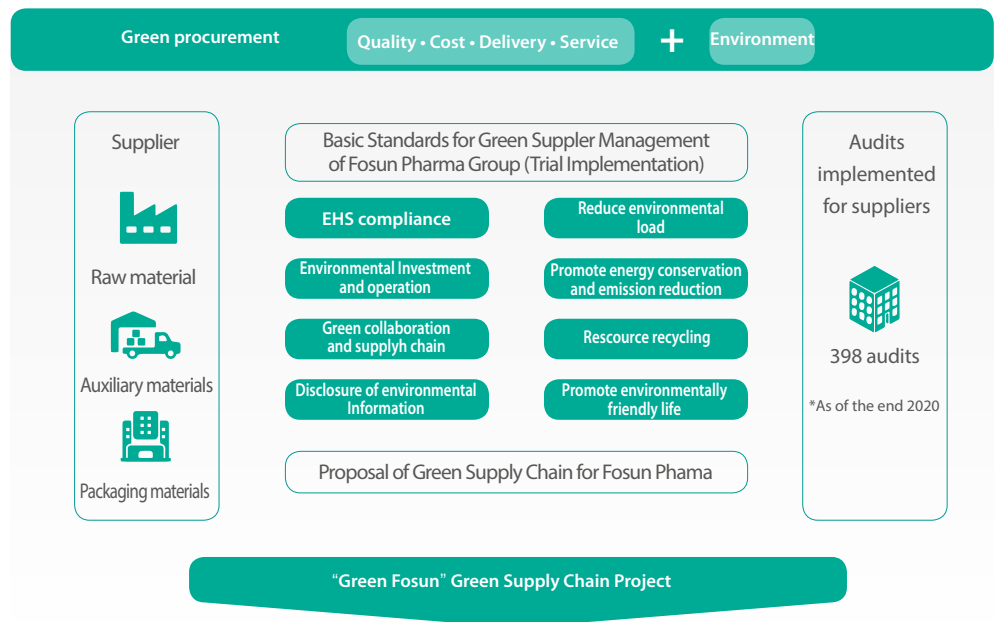
Green Supply Chain

In 2016, Fosun Pharma jointly launched the green supply chain project called "Green Fosun" together with its member enterprises and upstream and downstream suppliers aiming at guiding the member enterprises to raise EHS standards and drive suppliers to strengthen self-control and self-regulation on EHS in the industry, to promote the supply chain ecology healthier and more sustainable in the industry.

In 2016, Fosun Pharma released the Basic Standards for Green Supplier Management of Fosun Pharma Group and the Controlled Member Enterprises (Trial Implementation) and the Proposal of Green Supply Chain for Fosun Pharma (the Proposal).

As of the end of 2020, a total of 6,683 suppliers accepted the Proposal. The project was awarded the "Green Supply Chain Star Award" by a number of authorities including Shanghai Environmental Protection Bureau and was awarded the title of "Outstanding Case Award of Shanghai Green Supply Chain" for the second consecutive year.

As of the end of 2020, the member enterprises of Fosun Pharma implemented 398 audits on the green supply chain to their suppliers. In 2020, member enterprises carried out green supply chain audits on 40 raw materials suppliers, auxiliary materials and packaging materials, and member enterprises communicated with suppliers on rectification program for disqualified items identified in documents and on-site audits.

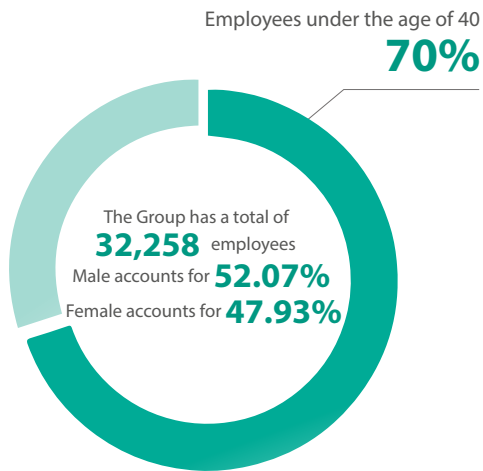




Responsible Employer

- Attracting Talents Through Development
- Building Our Team Through A Common Cause
- Training Talents Through Their Works
- Evaluating Talents Through Their Performance

"Attracting Talents Through Development, Building Our Team Through A Common Cause, Training Talents Through Their Works, Evaluating Talents Through Their Performance" is the talent value of Fosun Pharma. While proactively attracting external outstanding talents, Fosun Pharma Group focuses on strengthening internal cultivation and promotion and has built a talent team that recognizes corporate culture and has entrepreneurship, building the talent highland of the Group.



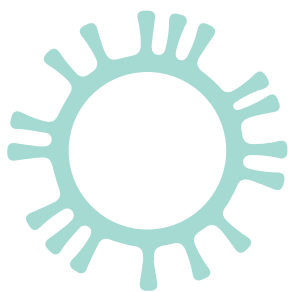
411 employees holding doctorate degrees, representing a year-on-year increase of **17.43%**
3,613 employees holding master's degrees, representing a year-on-year increase of **9.09%**



The Group's overseas employees reach **5,253** and are distributed in the United States, India, Israel, Switzerland, Cote d'Ivoire and other countries



Fosun Pharma University continues to carry out the New Employee Series, leadership development series, professional/functional series and common skill series training programs to provide employees with a platform for continuous growth and development.



The Group focused on pandemic prevention and control in active response to COVID-19, guaranteed the health and safety of all employees, and realized **zero** confirmed case



In 2020, the Group reported **zero** confirmed occupational disease, **zero** major injury incident, rate of lost time injury case of **0.313**, recordable incident rate of **0.494**, EHS training hours per employee of **14.99h**, EHS training times per employee of **5.47**

HR Strategic Objectives and Policy Objectives

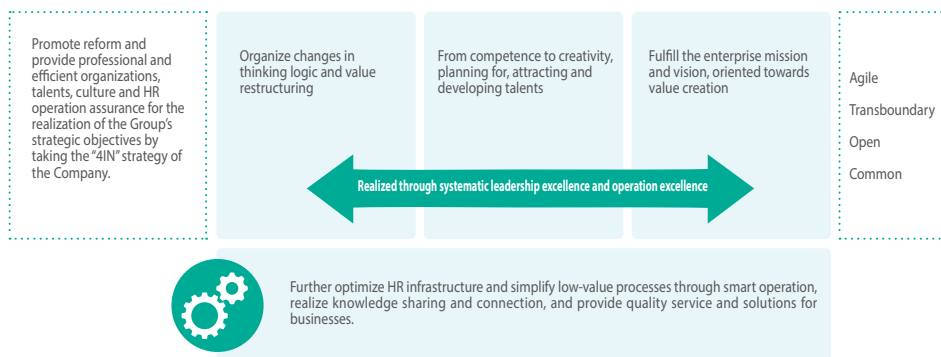
By taking the "4IN" strategy of the Company, HR objective is to promote reform, provide professional and efficient organizations, talents and culture for the realization of strategic objectives, and guarantee the sustainable development of talents. In terms of HR strategy, Fosun Pharma Group has established and improved the HR management system comprising performance appraisal, remuneration and incentive, recruitment allocation, employee relationship, organization structure and HR due diligence investigation according to business development needs since 2008. Work was divided among HR teams based on their respective specializations: HR business partners cooperate with each segment and enterprise to manage their controlled subsidiaries; HR professional teams are in charge of the HR

work of the Group; teams responsible for talent cultivation; consulting team is to enhance the HR management level of the enterprise.

Fosun Pharma Group regards employees as the most valuable assets, and highly values the development and training of talents. Based on the concept of serving the Company's strategy and corporate culture, it promotes the common growth of employees and the Company by helping employees improve work performance and personal capabilities. Adhering to the combination of external introduction and internal training, Fosun Pharma Group proactively attracts external

outstanding talents. At the same time, it has always focused on strengthening internal training and upgrading, to create an entrepreneurial talent team that recognizes the Company's cultural values to build a talented highland for the Group.

Fosun Pharma Group HR Strategy



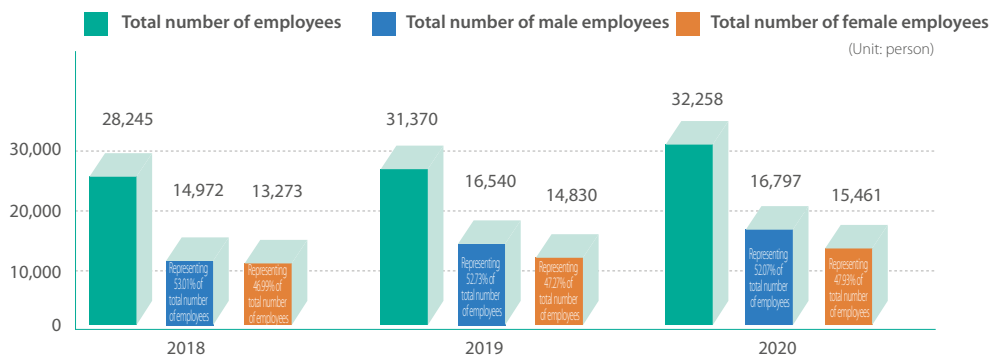
Talent Value

"Attracting Talents Through Development, Building Our Team Through A Common Cause, Training Talents Through Their Works, Evaluating Talents Through Their Performance" is the talent value of Fosun Pharma. The Group is committed to continuously training talents with outstanding

performance and high potential, bringing together the world's most entrepreneurial talents: who identify and practice the cultural values of Fosun Pharma and are featured by self-motivation, rapid learning and continuous value creation.

Staff Structure

As at 31 December 2020, the Group had a total of 32,258 employees, representing an increase of 2.83% as compared to 2019.



Younger talents

The Group attaches great importance to young talents and the construction of a new generation of talent team. In order to better match the Group's future business development, more and more young people have taken up the Company's core positions to inject more vitality into the Company.

As of December 31, 2020, the number of employees aged under 40 of the Group reached 22,441, representing nearly 70% of the total number of employees of the Group.

Year	Aged 16~20	Aged 20~30	Aged 30~40	Aged 40~50	Aged 50~55	Aged 55~60	Aged above 60	Total
2020	29	9,828	12,584	6,383	1,953	1,118	363	32,258
2019	51	9,975	11,639	6,441	1,894	1,037	333	31,370
2018	140	9,768	9,964	5,886	1,486	711	290	28,245

*Engagement with juvenile workers between 16-18 years old shall be subject to relevant national regulations on the protection of minors

Highly educated talents

As of December 31, 2020, the number of doctors in the Group reached 411, a year-on-year increase of 17.43%. The number of masters reached 3,613, an increase of 9.09% year-on-year, and the proportion

of personnel with bachelor's degrees or above reached 47.59%. The overall education level of talents has further improved.

Year	Doctor	Master	Undergraduate	Junior college student	Secondary school student and below	Total
2020	411	3,613	11,329	8,516	8,389	32,258
2019	350	3,312	10,242	8,236	9,230	31,370
2018	328	2,922	9,137	7,183	8,675	28,245



Training of corporate culture lecturer of Fosun Group

Globalized talents

Globalized talents: The Group's employees are widely distributed. The Group provides more job opportunities in Eastern China, Southern China, Central China, Southwest China, and Northeast China. Globally, the Group has 5,253 employees in the United States, Switzerland, Poland, India, France, Israel, Cote d'Ivoire and other countries in 2020.

Region	Number of employees in 2018	Number of employees in 2019	Number of employees in 2020
Eastern China (Shandong, Jiangsu, Anhui, Zhejiang, Fujian, Shanghai)	11,094	12,590	10,637
Southern China (Guangdong, Guangxi, Hainan)	4,812	4,929	5,570
Central China (Hubei, Hunan, Henan, Jiangxi)	3,853	4,081	4,718
Northern China (Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia)	280	292	1,249
Northwest China (Ningxia, Xinjiang, Qinghai, Shaanxi, Gansu)	0		212
Southwest China (Sichuan, Yunnan, Guizhou, Tibet, Chongqing)	1,869	2,584	2,540
Northeast China (Liaoning, Jilin, Heilongjiang)	1,493	1,638	2,079
Hong Kong, Macao and Taiwan	0	0	0
Overseas	4,844	5,256	5,253

Note: More accurate region classification was adopted for 2020, which classified each employee according to the actual working region; the classification was made prior to 2019 as per the region where the company is located.



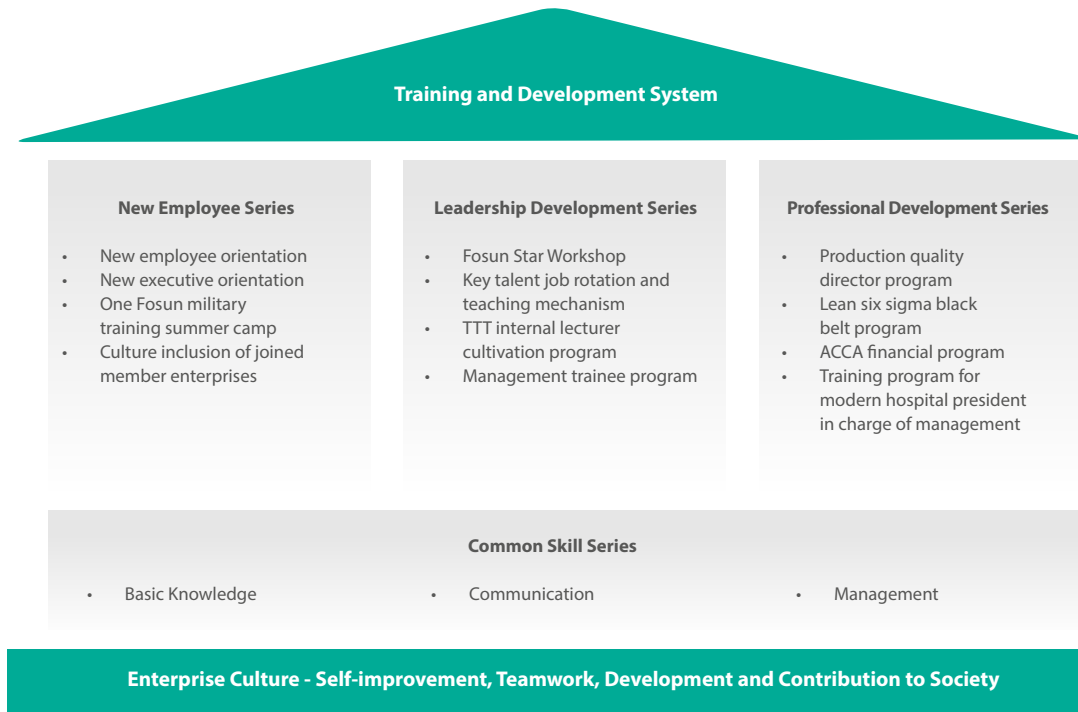
Training of corporate culture lecturer of Fosun Pharma

Training and Development

The Group established a training and development center in 2009 and set up its own corporate university, Fosun Pharma University, in 2017, which gave it the functions of "four platforms", namely the headquarters leadership and functional training platform, platform of professional skills training base for member enterprises, platform for the inheritance of knowledge and experience, and platform for dissemination of cultural concepts, let everyone learn in work and grow in learning

through effective resource integration, to boost the Company's continuous development.

In 2020, relying on the Group's corporate culture and development strategy, we continued to develop four series of training programs, namely "New Employee Series", "Leadership Development Series", "Professional Development Series" and "Common Skill Series".



1 New Employee Series

Fosun Pharma provides informative orientation, executive luncheon and panel discussion to fresh employees in headquarter and continued to care about their work and life within three months since Day 1, to help newcomers integrate into the Group's culture and environment smoothly. In addition to immersion training for new employees, we also organized "One Fosun Military Training Summer Camp" for fresh graduates.

2 Leadership Development Series

Leadership Development Series: We provide pertinent management and leadership program to experienced and senior managers as well as key talents, which will accelerate the development of leadership and reserve excellent talents for the Group. In 2020, we expanded the training scope for management by organizing a leadership enhancement program for the management of each subsidiary; in addition, we further formed the learning atmosphere by practicing knowledge skills through training by internal lecturers.

3 Professional Development Series

Professional Development Series: Fosun Pharma University cooperates with subsidiaries to provide training courses which are in line with the professional development of critical positions in specialized fields including quality, lean management, finance and medical treatment. The "Production Quality Director Program", "Lean Six Sigma Black Belt Program", "Financial Program", "President Program" conducted in 2020 have become an important way for the Group to cultivate leaders in key businesses.

4 Common Skill Series

Common Skill Series: A "Lunch Sharing Session" is held for all employees in headquarter, at which company executives, leaders of subsidiaries and external professionals are invited to share fresh and interesting hot topics. Meanwhile, the Group continuously promotes several series of common skill training such as FoTED internal lecturer program and battlefield gas station to provide professional, refined and comprehensive training programs and help employees apply the knowledge learned in work, improve their personal soft skills, broaden their horizons and increase their knowledge.

Training indicators	Unit	2018	2019	2020	
Total Training Expenses	RMB0'000	993	1,480	904	
Average Training Hours Per Person	All employees	hours/person	34	31	21
	of which: Female employees	hours/person	37	28	20
	of which: Male employees	hours/person	32	34	21
Training for Senior Management	Number of trainees	Person	376	1,193	482
	Total training time	Hour	15,412	33,356	20,712
Training for employees other than senior management	Number of trainees	Person	25,144	30,012	30,260
	Total training time	Hour	839,581	960,008	646,849

*Note: Affected by the pandemic in 2020, approximately 60% of the offline training was changed into online training. The training data of the current year exclude the online training hours.



Case

The Group Realized Boundless Dissemination of Knowledge—FoTED Internal Lecturer Program in Guilin Pharma

FoTED internal lecturer program is an internal lecturer incubation and knowledge dissemination platform continuously developed by Fosun Pharma University in 2020. Based on the actual situations of the Company, FoTED program actively encourages students with professional skills in various fields to share their knowledge and understanding, and shares such knowledge to more students via the platform, in order to realize boundless dissemination of knowledge and promote the further integration and development of the organization. Since its launch, the platform has successfully held several internal lecturer training activities, which have won great recognition.

As the member enterprise of Fosun Pharma, Guilin Pharma organized an internal lecturer growth training camp from July 24 to 25, in order to further promote the development of the internal lecturer team, and rapidly enhance their teaching and curriculum development skills. The Organization Development and Training Director of Fosun Pharma, Ma Jun, brought an excellent course TTT Teaching Skills and Curriculum Development to internal lecturers of Guilin Pharma. TTT, namely, Training the Trainer, aims to help internal lecturers enhance their teaching skill and curriculum development ability. The course illustrates the teaching skills of internal lecturers, and acquaints internal lecturers with the relevant knowledge of curriculum design and common teaching methods of trainers. Finally, new internal lecturers from Guilin Pharma classified and absorbed the contents learnt, applied theories into practice,



Picture: Course site of TTT Teaching Skills and Curriculum Development

and demonstrated the knowledge during the courses. With the help of comments of Mr. Ma and suggestions of other students, students managed to find the shortcomings and improvement points of the courses, further determine the subsequent direction of adjustment, and accumulate valuable teaching experience.

With the great promotion of FoTED internal lecturer program of Fosun Pharma, more and more lecturers will internally disseminate knowledge and experience without boundaries. More people are encouraged to create and share quality courses through the platform as lecturers, which reflect the vigour and corporate culture of the enterprise.

Lean Six Sigma Black Belt Training Program

Fosun Pharma Group emphasizes the practice and enhancement of the lean operation capability of the Head Office and core member enterprises. In 2020, Fosun Pharma customized the Lean Six Sigma Black Belt Training Course for employees on the basis of Green Belt Program. Fosun Pharma University cooperated with member enterprises to organize the black belt course for 37 potential employees for lean management selected from different segments and different member enterprises.

The course was offered by the black belt masters that have passed ASQ certification in combination with teamwork, individual projects, on-site enterprise visit and investigation within member enterprises in Shanghai, Xuzhou, Guilin and Chongqing. The course came to a successful end after four months.

The Lean Black Belt Program shortened the distance between the Head Office and member enterprises and between enterprises as the platform for mutual exchange and resource sharing. It enables enterprises to maintain a dynamic lean management talent pool and better understand the current situations of high-efficiency and high-potential talents.

After the course, trainees generally expressed that the course was practical with professional teachers and considerate arrangements, and they were able to appreciate the demeanor of brother enterprises. Meanwhile, they hope that more courses will be organized in future to enable more manufacturing operation and quality management colleagues and management staff to realize self-enhancement through learning and achieve more results in work.



Picture: Group photo of trainees of Black Belt 1st Session of Lean Six Sigma



Picture: Training site of Black Belt 1st Session of Lean Six Sigma

Fosun Pharma University—Building a Huangpu Military Academy for Fosun Medical Talents

In December 2020, Fosun Healthcare Group formally established Fosun Pharma University in combination with the Group's strategic planning, in order to cultivate talents, accelerate talent allocation, and promote more rapid business development. Fosun Healthcare Group always emphasizes that the allocation of excellent talents requires not only the introduction of external talents, but also the cultivation of internal talents. In future, Fosun Pharma University aims to become a Huangpu Military Academy for Fosun medical talents comprising five functions, namely, cultural disseminator, talent cultivator, business development partner and resource integrator.

After the founding of the institute, the first course was the modern hospital president seminar of Fosun Healthcare. The course not only had the cooperation and attempt with Fosun Star Future Research Institute, but also integrated relevant resources of the industrial chain such as GE Healthcare Management Institute to realize the integration of external resources. Comprising nine modules, the course offers more practical learning experience for each trainee by means of culture + theories + practice + master teaching + benchmark visit + workshop. The seminar had 46 trainees in total from the Head Office and 12 member hospitals. Their average age was 40 and the youngest was only



29, which actually complied with Fosun Young Talents Cultivation Strategy. Following the mission of "realizing the respectable healthcare industry and healthy families", Fosun Pharma University will help more young talents grow up to contribute to the development of Fosun and China's healthcare industry.

Making Innovations in EHS Education and Training Mode

Wanbang Pharma: Most of the sales personnel are scattered all over the world, so it is difficult and not practical to gather them for special EHS training, but the safety management of these sales personnel is also an important part of EHS work of the enterprise. Therefore, Wanbang launched the development of an online EHS training system and expanded the system from the EHS training of grassroots sales

personnel to EHS training of all employees. Lecturers may record courses and upload to the learning platform, and create test paper with enterprise WeChat with random questions and answers, which can greatly prevent cheating. Scores can be exported with one key, which solves the difficult and complicated statistics of offline trainees.

Anti-riot Skill Training

Foshan Chancheng Central Hospital, in cooperation with Foshan Shiwan Police Substation and Foshan Police School, conducted anti-riot skill training for medical staff with the theme of "linkage of police and hospitals to jointly prevent violence against medical staff and build a safe and harmonious hospital". During the training process, lots of practical cases and actual combat teaching were combined with the treatment and diagnosis environment of the outpatient department to illustrate in detail how to make unarmed protection and protection skills against sudden attacks or attacks with choppers, daggers and sticks under certain circumstances. Several medical staff actively mounted onto the stage to cooperate with the demonstration and experience in person the skills and actions to break loose. 350 medical staff and security guards expressed their great benefit from the training.



Occupational health and safety training protects employees' safety

The development of people-oriented EHS culture participated by all the staff is an important part of EHS work. Fosun Pharma Group highly emphasizes the occupational health and safety of employees, organizes different forms of EHS training, carries out several safety culture activities, and further strengthens employees' safety awareness. Member

enterprises of Fosun Pharma completed 434,130 hours of EHS training in 2020, including a total of 158,521 person-times, the number of trainings per capita was 5.47 times and the time of training per capita was 14.99 hours.

Segment	Total number of person-times	Total hours (hour)	Average hours per person (hour)	Average times per person (time)
Pharmaceutical manufacturing and R&D	121,372	370,116	18.04	5.92
Medical devices and diagnosis	25,923	43,582	20.65	12.28
Healthcare services	11,226	20,433	3.23	1.77
Total	158,521	434,130	14.99	5.47

Employee Development

Talent is the core competitiveness and important asset of an enterprise. The team with an entrepreneurial spirit is the core of Fosun Pharma's development.

Fosun Pharma Group has always regarded the mutual development of the Company and its employees as one of the most important responsibilities of the Company and continuously strives to provide employees with more and better career development opportunities and

working environment. Through the continuous growth of organizations and the optimization of organizations, Fosun Pharma has promoted team cooperation and jointly created value and continued to build elite cultural organizations to achieve the vision of mutual development of the Group and its employees.

At the same time, Fosun Pharma Group proactively creates value and shares development with teams through the partnership mechanism. Through an

open and win-win innovation mechanism, Fosun Pharma Group directly introduces outstanding scientists or technical teams for internal incubation and encourages and supports teams to start and re-start a business together with Fosun Pharma.

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 Group pays more attention to hospital strategies, discipline construction, healthcare quality and safety, medical characteristics, patient and employee satisfaction, 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 the operation of the hospital is not meant to pursue short-term interest. Instead, it focuses on long-term, sustainable, and benign developments that answer to the social and community charity nature of the hospital.

A department-based normal distribution is enforced on the performance results of employees at the Group. With reference to the 360-Degree Feedback System, it is meant to tailor personalized enhancement and improvement solutions for

each employee in order to enhance their specific performance and capabilities.

The Group always attaches importance to the guidance, coaching and motivation provided by leaders and managers to employees during the performance implementation process. Through the performance management cycle of goal setting, monthly / quarterly review, and continuous coaching and communication, managers give employees the most authentic and direct opinions and suggestions through evaluation, thereby helping employees to continuously improve their knowledge, skills, and capabilities, and achieve sustainable career development and continuous growth.

Employee Incentives

We have established a diversified and multi-dimensional 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.

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 Plan for Management of Member Enterprises/Hospitals", "Restricted Stock Incentive Plan", "R&D

System Incentive Plan", "Incentive Plan for Strategic Investment Items", and "Incentive Plan 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 systems effectively support investment and operation strategies and comprehensively cover the Company and individual member enterprises to successfully facilitate the fulfillment

of long-term performance goals by the enterprises. It has also helped inspire and retain talent management goals. In addition to enhancing R&D quality and efficiency, it also fully promotes and stimulates the incentive of the staff.

Talent Acquisition

With the continuous improvement and extension in the field of big health, the Group's business has maintained steady growth and its scale and platform have further grown. The pace of internationalization has enabled us to move out of China and tap into the rest of the world, attracting more and more local and overseas talents to

join us. Talent is the core competitiveness and important asset of Fosun Pharma. The team with an entrepreneurial spirit is the core of Fosun Pharma's development. Fosun Pharma proactively creates value and shares development with teams through the partnership mechanism. Through an open and win-win innovation mechanism, Fosun

Pharma directly introduces outstanding scientists or technical teams for internal incubation and encourages and supports teams to start and re-start a business together with Fosun Pharma.

Internal Referral

The Group actively encourages internal staff to recommend external personnel for enriching the reserve of human resources, which helped the Company to build a first-class team. Our employees actively participate in the talent acquisition plan.

In 2020, 29% of the new employees joined the Company through internal referral channels, which helped the Company to find talents tallying with development needs.

Salary and Benefits of Employees

Fosun Pharma Group's member enterprises are located in many countries and regions around the world. We adhere to the construction of all human resources policies in strict accordance with the requirements on salaries and layoffs, recruitment and promotion, work and rest timetable of employees, equal opportunities, diversity, working hours, holidays and other benefits and other relevant provisions of the countries/regions where we operate.

The remuneration of all employees of the Group in all operating location is higher than the local minimum wage and complies with local Labor laws and regulations. The Group upholds fair principle and opposes discrimination. It implements the policy of the same starting salary for employees of a different gender. It also complies with minimum

wage standard and achieves the same salary at the same position. Regulated by the Company's employee handbook, working overtime shall be compensated after passing the application according to the law. The Group complies with the Labor laws and regulations in operating locations. It has contributed to social security and public accumulation fund for all employees. In certain regions, the Group provides additional commercial medical insurance (100% coverage), supplementary provident fund, etc. 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 encourages employees to proactively participate in various activities of the Party, the League and the Labor Union. Employees' right to participate and organize Labor 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.

Diversity and Equal Opportunity

The Group stresses the introduction and cultivation of local talents of member enterprises. In terms of talent introduction, cultivation and promotion, all employees are not subject to restrictions such as gender, age, race, colour and religion, and all employees have equal rights. The Group promotes fair competition, disapproves of discrimination, respects freedom of religious belief and offers equal employment opportunities for the disabled. For newly acquired member enterprises, the Group focuses on retaining local talents and has prepared a talent retention plan and implemented the same according to law.

Compliance with provisions on the prohibition of child Labor and forced Labor. The Group strives to hire legal Labor. All employees of the Group meet the minimum working age requirements under relevant laws in the countries/regions where we operate, and child Labor or forced Labor is prohibited. Meanwhile, when selecting a supplier, Fosun Pharma conducts an assessment on the

supplier. The number of juvenile workers employed is strictly controlled and the employment of juvenile workers complies with the requirements of laws relating to Labor protection and working hours.

Channels for employee communication and appeals, signing of collective agreements of the Labor Union, and holding of employee representatives congresses: The Group always respects the hearing and appeal rights of employees and offers an unimpeded channel for them to complain and express their opinions. We also take measures to keep confidentiality and safeguard employees from retaliation. In respect of system, the Company revised the "Reward and Punishment and Appeal Management System" in 2019, and set up a disciplinary committee and a secretariat of the disciplinary committee to improve the appeal mechanism and appeal process involving disciplinary incidents; the Company provides necessary convenience for employee

appeals and protects the complainant's reasonable claims and legitimate rights and interests, and keep the relevant information and content of the complainant confidential. The Company respects the hearing and appeal rights of employees and offers an unimpeded channel for them to complain and express their opinions. We also take measures to keep confidentiality and safeguard employees from retaliation.

The Group respects the political rights of employees, which is clarified in the overseas employee handbook.

Number and proportion of female employees, disabled employees and minority employees of Fosun Pharma Group

Year	Item	Female employees	Disabled employees	Minority employees
2020	Number	15,461	72	934
	Proportion	47.93%	0.22%	2.90%
2019	Number	14,703	74	1114
	Proportion	47.12%	0.24%	3.57%

Staff outflow change at Fosun Pharma Group

Year	2018	2019	2020
Outflow rate	21.22%	17.70%	18.76%
Loss rate	17.69%	16.13%	15.40%

Note: The outflow rate = The total number of employees leaving the company*2/(totals at the beginning + end of term);
The loss rate = The number of employees voluntarily leaving the company*2/(totals at the beginning + end of term)

Party Committee and Labor Union

In 2020, upon the outbreak of the pandemic, the Party committees and Labor unions at various levels appealed to all the Party members and employees to shoulder the mission to overcome difficulties together with the country in active response to the decision and plan of the Party Central Committee and important instructions of the General Secretary Xi Jinping. On one hand, they participated in the fight against the pandemic by rescuing and treating patients, developing detection reagents and vaccines, and showing concern for clients and employees; on the other hand, while grasping both pandemic control and production resumption, they maintained the stable business operation, gave priority to the production supply for the anti-pandemic medical materials, conducted analysis and research on the domestic and overseas pandemic situations and policies, promoted the anti-pandemic medical materials such as reagents, antibodies, masks and ventilators to participate in the global pandemic prevention and control, and contributed to the pandemic prevention and control in Hubei, Wuhan and China as the mainstay.

While enhancing the pandemic prevention and control and production resumption, the Labor unions at various levels also consolidated the infrastructure despite the pandemic effect. The participation in the democratic management of the enterprise, cultivation of a culture of innovation, the launch of employee care program and enriching the spiritual and cultural life of employees helped the enterprises to fulfil their social responsibilities and conducted a series of characteristic works, giving full play to the role of Labor unions in increasing cohesion and promoting harmony and development.

In 2020, the Labor unions at various levels obtained nearly 100 municipal, provincial and national honours as follows: Chairman of Aohong Pharma Wang Kexin and Director of Suqian Zhongwu Hospital and Director of Department of Internal Medicine Wang Jiameng were honoured as the Advanced Individual in the Fight against COVID-19; Guilin Pharma obtained the honour of the National Advanced Unit of Open and Democratic Management of Factory Affairs in 2020; several hospital departments, enterprises and individuals such as Foshan Chancheng Central Hospital, Wuhan Jihe Hospital and Shanghai Henlius were honoured as the advanced groups and individuals in the fight against the pandemic, the most beautiful heroes in harm's way, municipal Labor model groups and individuals awarded by local governments.



Party members of Fosun Pharma visited the theme exhibition of the 30th anniversary of the development and opening of Pudong to feel the speed, height and warmth of the hometown



Case

Fosun Pharma Head Office Set up Three Defense Lines for Pandemic Control to Fully Guarantee the Safety in Production Resumption

The park where Fosun Pharma Head Office is located—Fosun Science Park has formulated a series of preventive measures and set up three defence lines for pandemic control, ready for comprehensive work resumption of employees.

The first and second defence lines are at the gate of the park. All the employees that enter the park for work must wear masks with the normal temperature detected. Those with abnormal temperature are persuaded to return. If any employee has an objection to the temperature result at the gate, he may recheck the temperature at the second defence line at the gate.

The third defence line is established inside each building of the park, with security guards of the park and property management on duty. All the employees that enter the office building shall undergo the secondary confirmation, and external visitors are not allowed to enter the floor; elevators are under control with no more than three persons per time, one-meter guard bar is established within the elevator hall with security guards maintaining the order; disinfection articles are added at the front desk of each lobby for employees; employees working below the 6th floor should go upstairs and downstairs via



the fire stair. Meanwhile, the park disinfection is carried out internally and externally, air-conditioners inside the building are turned off and ventilation is strengthened.

The considerate Labor Union of Fosun Pharma Head Office has prepared an anti-pandemic caring pack for all the employees, including disposable medical mask, hand sanitizing spray and TCM anti-virus pack provided by the Labor Union of Wanbang Pharma. The pack will be offered to the employees with resumed work and sent by express delivery to the employees working at home.



Fosun Pharma's Inauguration for Corporate Culture Management

Cultural Activities

"Caring employees" is one of the cornerstones of the corporate culture of Fosun Pharma. The Group advocates a healthy, harmonious and pleasant working atmosphere, striving to build a

working environment filled with love by fostering an innovative culture, building a learning-type organization and carrying out employee care activities.

Management Innovation Expanding the Ecological Circle

Innovation culture is the DNA of Fosun Pharma's corporate culture and the source of corporate development. Each year, Fosun Pharma will carry out FOPEX Operation Excellence Management Month, Quality Management Month and EHS Management Month activities, and expand the ecological circle of the culture of Fosun Pharma through internal and external integration. In 2020, the FOPEX Operation Excellence Management Month initiated covered 20 member enterprises, and cultivated a batch of elites proficient in FOPEX methods and tools for enterprises.

In September 2020, Fosun Pharma initiated the Corporate Culture Month in active response to the cultural battle of Fosun Enterprise, which updated the code of behaviour of Fosun employees on basis of mission, vision and values, and indicated the new chapter of the corporate culture of Fosun Pharma. At the launch ceremony, all the senior vice presidents of Fosun Pharma were honoured as the "Ambassador of Corporate Culture of Fosun Pharma" and awarded the first batch of corporate culture lecturer certificates.

Self-enhancement for Creation of A Favourable Learning Environment

Fosun Pharma attaches great importance to the self-learning of employees and strives to create a favourable learning environment for employees. In 2020, Fosun Pharma continued to build a "never graduated university" and carried out training and sharing activities including special training courses,

general vocational skills training, Lunch Sharing Session, weekend lectures, etc., which promoted the internal borderless flow of knowledge and assist employees in their career growth in an all-round way.

Multi-dimensional care for employees during pandemic control



Upon the outbreak of the pandemic, Fosun Pharma urgently purchased materials such as medical masks and Redoxon to provide "health gift pack" for employees to fight against the pandemic



Internal and external resources were coordinated before and after the work resumption to purchase more than 220,000 pieces of anti-pandemic materials such as masks, hand disinfectors, alcohol and disinfecting wet tissue, which were sent to employees at work to fight against the pandemic



With the hike in the number of flu patients in winter, the Head Office Labor Union cooperated with the Center for Disease Prevention and Control of Qingpu District, Shanghai to vaccinate nearly 200 employees against flu in order to show better concern for the health of employees



Labor unions at various levels provide regular medical examination services to keep employees informed of their health status promptly, which facilitates early detection and early intervention to maintain physical health



Tai Chi classes, yoga classes and dance classes were set by the Head Office Labor Union throughout the year; more than 10 clubs including dancing, running group and basketball were established to hold diversified club activities on a weekly/monthly basis. Meanwhile, the management of employee gym, ping pong room, basketball court and tennis court of Fosun Science Park and Fosun Sci-tech Innovation Center was strengthened, health facilities were updated, and Shanghai Henlius Songjiang Base Fitness Center was initiated and completed, for the convenience of health exercise of employees in their spare time



Emphasizing the traditional Chinese culture, and overcoming the effect of the pandemic, Labor unions at various levels integrated diversified online live broadcasting and offline entertainment activities to celebrate festivals such as the Lantern Festival, Women's Day, Children's Day, Chinese Valentine's Day, Chung Yeung Festival, Family Day and birthday parties, in order to enrich employees' spiritual life



Labor unions at various levels visited employees for children birth, illness, funeral, assistance for poverty alleviation or school attending, coolness in summer and warmth in winter as considerate family members of employees

Employee Safety and Health Protection

Accident control



Proactive action strategy management

- Risk assessment, the establishment of SOP and emergency response system, planning and implementation of employee training
- Troubleshooting and rectification, promotion of good practices, and building safety culture



Five-year strategic goals of EHS

- Zero fatality, zero major injury incident
- Lost time injury rate in 2020 was 0.290, representing a decrease of 50% as compared to 2016
- Recordable incident rate in 2020 was 0.525, representing a decrease of 50% as compared to 2016



Performance in 2020

Performance indicator	Current target value in 2020	Actual value completed in 2020
Fatality, major injury incident	0	0
Lost time injury rate	0.290	0.313
Recordable incident rate	0.525	0.494

The key performance of Fosun Pharma Group's safety

	Major injury rate per million man-hour	Minor injury rate per million man-hour	Loss time injury rate per million man-hour	Recordable incident rate per million man-hour
2016	0.220	0.360	0.580	1.050
2017	0.030	0.385	0.415	0.915
2018	0.038	0.188	0.226	0.433
2019	0	0.343	0.343	0.395
2020	0.033	0.280	0.313	0.494

Note:

1. GB6441-86 The classification for casualty and injury accidents of enterprise staff and workers and OSHA standard is applied to the classification of incidents. The data disclosed in this report includes OSHA Lost time injury and recordable incident (an incident that requires a prescription from a hospital or more serious incident).
2. Incident rate = number of incidents / Total working hours * 1,000,000 hours.

We adhere to the accident prevention principle for both employees and contractors. Contractors shall complete working procedures including pre-entry safety qualification pre-examination, forewarning of safety requirements, safety training, audit and supervision of on-site work, and post-event evaluation and assessment. Whole-process safety supervision is adopted for contractors. Supervisors shall fully conduct whole-process on-site supervision on all high-risk operations (fire

operation, limited space and work high above the ground) of contractors.

During the reporting period of 2020, the Group had no major safety incidents or major fire incident occurred and the overall security situation remained stable. Among 30 recordable incidents of the Group in the year, there were 13 female employees, accounting for approximately 43%. Contractors didn't have any deaths, or safety incidents and secondary disasters arising from natural disasters.

As compared to 2016, recordable incident rate in 2020 decreased by

 **↓53.0%**

Safety of Segments of Fosun Pharma Group

Segment	Total working hours (hours)	Number of Lost Time Injury (LTI) case	LTI rate	Including		Lost time*	Number of Recordable Incident (RI)	RI rate	Contractor fatality incident
				Major injury case rate	Minor injury case rate				
Pharmaceutical manufacturing and R&D	42,721,916	14	0.328	0.047	0.281	684	23	0.538	0
Medical devices and diagnosis	5,725,205	0	0	0	0	0	0	0	0
Healthcare services	12,296,121	5	0.407	0	0.407	112	7	0.569	0
Total	60,743,242	19	0.313	0.033	0.280	796	30	0.494	0

Note: For the accidents that kept work unresumed by the end of 2020, the lost time is counted up to December 31, 2020



Prize-awarding Ceremony of "2020 EHS Management Annual Meeting of the Pharmaceutical Industry"

All Employees of Chemo Biopharm Participated in Hazard Identification

Chemo Biopharm identified relevant hazards and located the existing risks in the position by inquiring, communicating and analyzing hazards involved in the working task during the hazard identification process. Department superintendents dominated the hazard identification of the department, located the major hazards of the department, and visualized each hazard and management measure, which strengthened the local independent EHS management and EHS culture participated by all the employees on one hand, and consolidated the emergency response capacity of employees

on the other hand. On the basis of identification of aforesaid hazards, Chemo Biopharm further established closed-loop hazard management in accordance with its safety management requirements. The output case Closed-loop Hazard Management for Enhancement of Effectiveness of Risk Control was honored as the Excellent Case in the "2020 EHS Management Annual Meeting of the Pharmaceutical Industry" hosted by the China Pharmaceutical Enterprises Association.



Measures When washing bottles: wear sound insulation earmuffs

Effects Reducing noise



When clearing exploded bottles in a bottle-washing machine: Turn off the machine, wear goggles and use tweezers

Preventing glass fragment from entering eyes or hurting hands



When blowing with compressed air: Wear goggles

Preventing glass fragment from being blown into eyes



When preparing disinfectant: Wear goggles

Preventing disinfectant from entering eyes



Measures When preparing sodium hydroxide solution: Wear goggles

Effects Preventing lye from entering eyes



When cleaning and disinfecting: Wear goggles

Preventing disinfectant from entering eyes



After cleaning and disinfecting: Be careful with the slippery ground

Preventing falling



Avoid high stacking

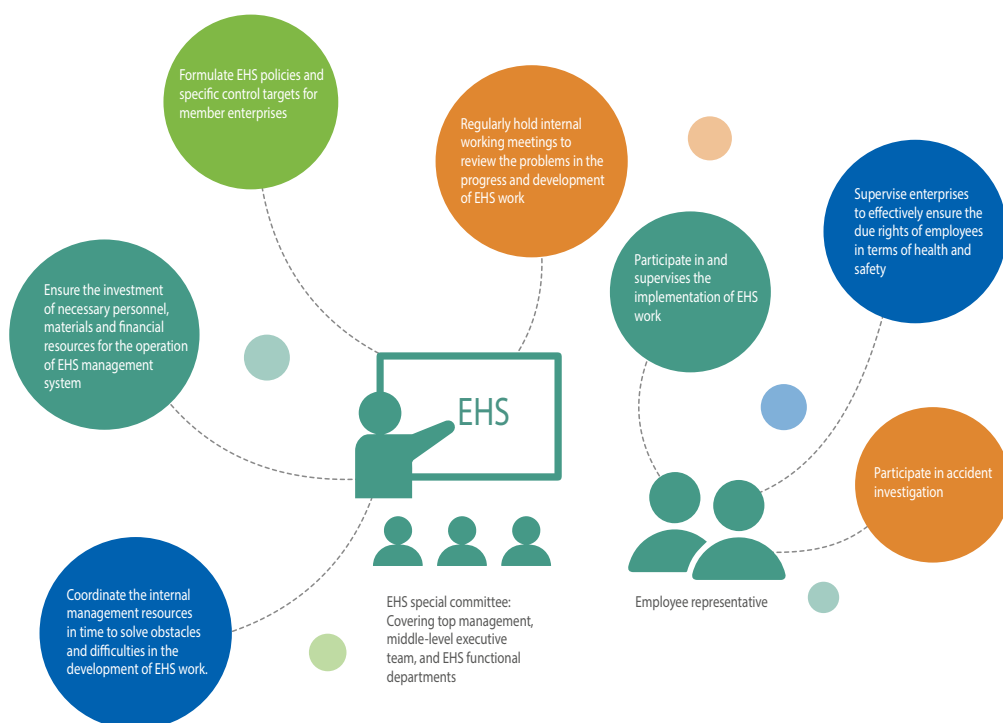
Preventing toppling

EHS Employee Representative

EHS work is not just the responsibilities of EHS department and full-time personnel within Fosun Pharma Group. Each manager is well aware that production management is inseparable from EHS management. From the overall safety management to the regional EHS responsibility system, the Group and member enterprises determine and fulfill EHS responsibilities at all levels, and establish the employee representative supervision mechanism. As part of the EHS committee and EHS elements group, employee representatives are

entitled to put forward opinions and suggestions on EHS working mechanism.

By the end of the Reporting Period of 2020, all the 55 member enterprises subordinate to the Group (including all the manufacturing and healthcare service enterprises) had established the EHS special committee and EHS elements group with 1,252 members, accounting for approximately 4.3% of the total number. 406 employee representatives supervised and/or participated in EHS work, accounting for approximately 1.4% of the total number.



Safety Control

Following the principle of "safety first, prevention-foremost, comprehensive treatment", Fosun Pharma Group and all member enterprises strengthen and fulfill their safety production responsibility, and establish the mechanism featuring enterprise accountability and employee participation; abide by relevant local and national laws, rules, regulations and standards on safety production, strengthen safety production management, establish and improve safety production rules, improve safety production conditions, enhance standardization of safety production, and enhance safety production level to ensure safety production.

Member enterprises strictly implement classified risk prevention and control and hidden danger investigation and management systems, conduct strict monitoring and management on safety risk factors in all the workplaces, organize hidden danger investigation for dangerous operations, and promptly eliminate hidden dangers for safety production; conduct hazard and operability analysis (HAZOP) of in-service facilities and evaluate their mechanical integrity, and improve management measures for safety risks of key equipment; release the disaster forecasting and early warning such as flood season, high temperature, low temperature and strong wind,

and promptly remind the possible safety risks. There were not any safety incidents and secondary disasters arising from natural disasters throughout the year.

Yaopharma Improved Mechanical Protection

Yaopharma gave priority to mechanical protection when introducing equipment, and checked the defects and strengthened upgrading and transformation of the existing mechanical equipment. In 2020, more than RMB600,000 was accumulatively invested to make more than 40

improvements in mechanical protection, covering the addition of shields, mechanical interlock and emergency stop, which continuously improved the safety level of mechanical protection.



Addition of Anti-leakage Shield onto the Pipe Flange of Zhaohui Pharma



Zhaohui Pharma proactively sought equipment improvement opportunities through on-site safety risk identification. Transparent and anti-corrosion and anti-leakage flange covers were installed onto all the flange interfaces of an in-use sulfuric acid pipeline. Its advantages lie in that: firstly, it can visualize the leakage risks. Once the flange gasket leaks due to damage, the leaking part can be rapidly located for repair through the transparent flange protective cover; secondly, it can thoroughly eliminate the environmental pollution and personnel damage by an accidental splash of sulfuric acid materials, which is the typical case of improvement in mechanical integrity.



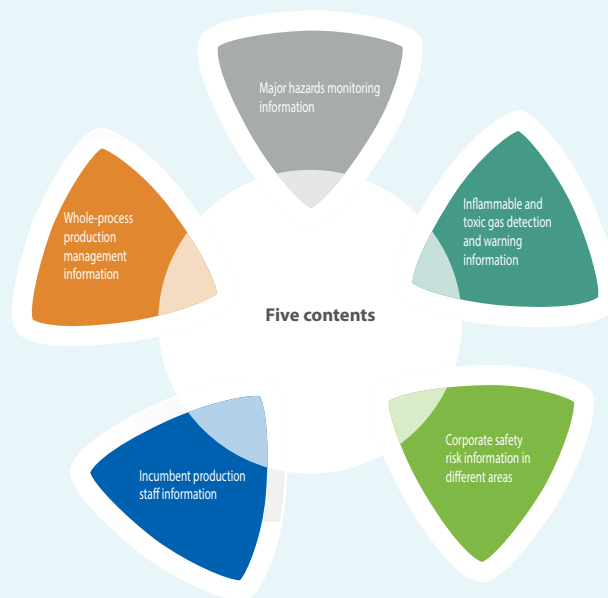


Case

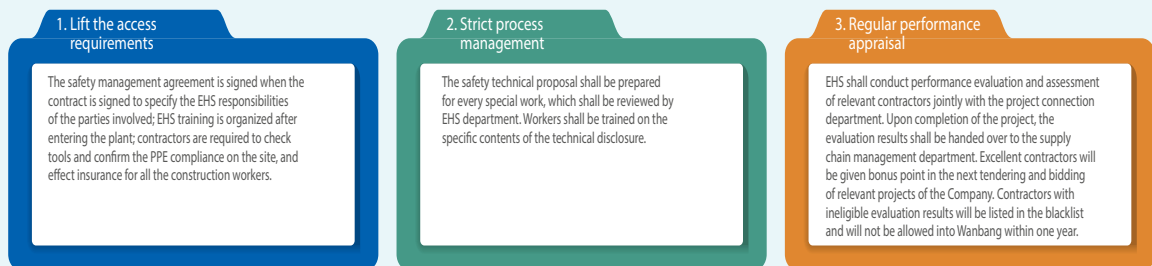
Suzhou Erye Promoted the Building of Safety Informatization Platform

Suzhou Erye established the safety management informatization platform with mutual connectivity and resource sharing by internal users centered on the standardization of safety production, safety objective management, fundamental safety files, and double prevention mechanism integrating classified risk control and hidden danger investigation and governance, in order to realize the standard and complete fundamental information of safety production, random acquisition of dynamic information, convenient retrieval of hidden danger investigation and governance process, rapid and visualized emergency treatment and scientific rules of

incidents, and comprehensively enhanced the efficiency of the safety management informatization. Incumbent production staff management system: It can effectively identify and track the position and behaviour of operators and vehicles through biological identification, intelligent access control and real-time positioning, which can be used to manage the IOT information including the duty performance by operators of chemical enterprises per hour or per position. One full set of Bluetooth positioning system includes Bluetooth beacon, positioning label, base station, aggregation gateway, positioning and map server, PC access port, etc.



Wanbang Pharma Contractor Management and Control System



Response to Public Health Events by Fosun Pharma Group

Fosun Pharma Group established the leading group and working group for pandemic prevention and control, and formulated Coronavirus Prevention and Control Manual and Notice on Plans and Arrangement for Employees of Member Enterprises to Return to Work. Pandemic prevention and control was mainly conducted in the following aspects:

1. Personnel health thorough investigation: Establish tracking archives for four categories (personnel returning from regions susceptible to pandemic risks, personnel in contact with infected zone, personnel in contact with suspected/confirmed cases, personnel with abnormal health), set up daily reporting mechanism upon work resumption, and check the changes in the aforesaid four categories;
2. Health supervision: The temperature and health conditions of employees shall be reported before working daily. All the external personnel (contractors, logistics providers and visitors) shall be reported before entering the factory, and entry may be allowed

upon elimination of health risks. They will be under control as internal employees;

3. Facilities supervision: Areas within the factory and facilities are disinfected daily, and facilities that will facilitate infection such as elevators and central air-conditioners will be suspended for usage.

From the work resumption at the beginning of February to the end of March, all the member enterprises submitted 56 daily health reports in total and had a thorough investigation and follow-up of 201 employees returning from or stranded in key regions, 41 employees passing key regions, 101 contacts, 124 employees with abnormal health, 620 construction workers, 237 on-site service staff, 5,581 external visitors, 6,172 external transport staff, and 989 external visitors to the dining hall.

During the pandemic prevention and control in 2020, Fosun Pharma Group had zero confirmed case among all domestic employees, which guaranteed the normal production and operation of the enterprise, as well as the health and safety of employees.



Psychological Counseling for Employees during the Pandemic Period

During the pandemic period, employees in most of the member enterprises were nervous, panic and anxious, especially some unmarried employees who were scared when separately quarantined in the leased room. We initiated psychological counselling to offer correct guidance to satisfy the psychological demands of these employees in the special period, for instance, multi-media means such as telephone and WeChat are adopted to maintain communication with separately quarantined

employees, understand their living demands, and help them solve actual life and mental difficulty. We also launched psychological counselling courses through enterprise WeChat or internal training tools to adapt all employees to all the temporary management measures during the pandemic period.



Employee Health Protection

Employees are the most valuable asset of Fosun Pharma Group, and employee protection is one of the important contents of our EHS work. All the member enterprises of Fosun Pharma Group proactively fulfill the occupational health responsibilities, establish the responsibility management system for the occupational disease prevention of all employees, pursue a healthy operation environment on the basis of occupational health appraisal and occupational preventive measures in the beginning phase of the project, follow the national requirements on occupational health risk warnings, individual protection, on-site supervision and sampling, and employee health examination in daily supervision, in order to realize the closed-loop management of occupational health in member enterprises.

In 2020, the government launched the occupational disease publicity week with the theme of "My actions for occupational health protection", emphasizing the importance of employee health protection during the manufacturing process all over the country, and putting forward 12 specific measures and requirements on the protection of laborer's health, which enhanced the systematic management of occupational health of the enterprise. All the member enterprises subordinate to the Group organized enterprise management staff to learn the legal spirits and specific working requirements of occupational health control, and publicized the core contents of occupational disease prevention and employee health protection regulations

During the reporting period, for the positions exposed to occupational disease hazard factors, the medical examination coverage rate of employees was 99.94%. 2 female employees of the member enterprises were in pregnancy and childbirth period during the physical examination for 2020 and were not suitable to undergo the

in active response to the occupational disease publicity week organized by the government, in order to enhance the effectiveness of occupational health protection through lots of publicity and training.

The Group strengthened the "three simultaneous" management of occupational disease prevention facilities for construction projects in accordance with national laws and standards, and gave priority to new technology, new technique, new equipment and new materials favorable to protection of employee health; conducted risk evaluation for toxic and harmful positions, regularly arranged occupational health examinations for employees in daily work and in contact with occupational hazards, strengthened the management of protective facilities and articles for occupational health, improved the establishment of warning signs, Chinese warnings and notice cards for occupational disease hazards in various workplaces, and provided comprehensive safety protective measures for employees, in order to build a hygienic, healthy, comfortable and personalized working environment; meanwhile, efforts were made to offer occupational health publicity, guidance, education and training, enhance employees' self-protection awareness, improve the occupational hazard emergency capability, install warning devices in toxic and harmful workplaces exposed to acute occupational hazards, formulate emergency plans, and include the occupational health emergency work into the overall safety production work.

occupational health examination of that year. They had temporarily left the positions exposed to occupational health hazards after pregnancy until the end of their lactation period. There were no newly increased confirmed or suspected occupational diseases in 2020.



The occupational disease publicity week with the theme of "My actions for occupational health protection" launched by the government

Occupational Health Performance by Segment of Fosun Pharma Group

Segment	Number of employees exposed to occupational hazards	Occupational hazard factor exposure percentage	Number of employees required for occupational health examination	Completion rate of occupational health examination	Completion rate of occupational health examination
Pharmaceutical manufacturing and R&D	3,043	14.83%	3,029	99.9%	Chemical, dust, noise, high temperature, electric radiation
Medical devices and diagnosis	265	12.55%	253	100%	Chemical, dust, noise, high temperature, ionizing radiation, biohazard, blood infection
Healthcare services	261	4.12%	141	100%	Ionizing radiation, bio-hazard
Total	3,569	12.33%	3,423	99.94%	-

Note: The number of employees required for occupational health examination is less than the number of employees exposed to occupational hazards is because the cycle of some health examinations (radiation and acid) is more than once a year;



Cases

Yaopharma Reduced Noise from Source through Engineering Design

Yaopharma gave full consideration to the working environment of employees and safety design preventing occupational hazards following the people-oriented principle during the source design of major engineering. During the equipment model selection of freeze dryer machine room in the injection workshop, vacuum pumps with low production noise and silencers were adopted to reduce the noise in the area and form Level I noise

reduction. Sound insulation colour steel plates were used between the machine room and personnel passageway to form Level II noise reduction. Information technology and remote control were utilized to establish a centralized control room with a good environment, and glass was used to isolate the passageway, forming Level III noise reduction. Finally, the position noise was reduced to max69dB (A), realizing noise reduction from the source.



Aohong Pharma Prepared Safe Bottle Caps for Waste Liquid Collection in Labs



The bottles/barrels used for the waste liquid collection system of labs are generally placed under the testing bench, while the universal shield can only take away a small part of the volatile gas due to limited power, which may lead to the spread of the volatile gas in the room, and threaten the personnel health in labs. Therefore, Aohong Pharma added safe sealing caps onto all the waste liquid bottles/barrels of labs, which included high-efficiency activated carbon absorber with micropore filtering membrane on upper and lower ends inside the exhaust filter to absorb 99% of the filtered waste gas. Organic or acid waste gas filters may be adopted according to the type of waste liquid, which can insulate and collect organic solvent or other volatile chemical hazards, and protect the health and safety of operators.

Shanghai Henlius Customized Goggles for Short-sighted Employees

Due to the risk of splashing acid and alkali during the chemical experiments, experimenters shall wear safety goggles, which bring much convenience and difficulty to short-sighted employees, since they shall wear two pairs of glasses during the experiment. Considering the discomfort in wearing and individual disparity of short-sighted employees, Shanghai Henlius specially organized

ophthalmologists and specialized safety goggles manufacturers to customize goggles with both refractive function and safety protection, which guaranteed employee safety and realized the comfort when wearing goggles.





Responsible Environmental Protection

Joint construction of an environment-friendly community

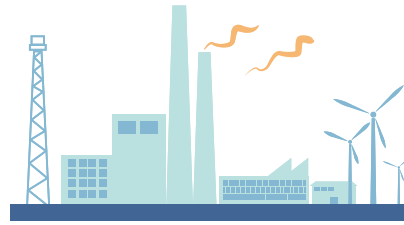
"Committing to environmental and social sustainable development, preventing pollution from occurring, actively promoting energy conservation and emission reduction, securing biodiversity and building an environment-friendly community" is the environmental protection policy of Fosun Pharma Group. Fosun Pharma Group continuously increases investment in environmental protection and promotes air pollution control, energy conservation and emission reduction, protection of ecological diversity and harmonious development of enterprise, society and environment.



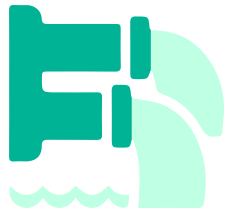
Implementation of the concept of low-carbon green development

Carbon emission intensity **0.27** tons/RMB10,000 of output value Year-on-year with a YoY decline of **22.9%**

Carbon emission of **7,399** tons was reduced by energy-saving measures



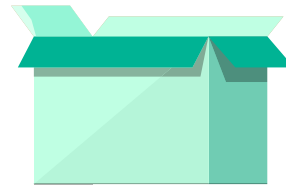
RMB10.75 million was invested in total for the implementation of energy-saving measures in 2020



Total sewage discharge decreased by **585,554** tons with a YoY decline of **8.26%**

Total COD emission decreased by **123** tons with a YoY decline of **15.8%**

Total ammonia nitrogen emission decreased by **41.5** tons with a YoY decline of **31.9%**



Total consumption of packaging materials reached **20,237** tons with a YoY decline of **14.3%**



Enhancement of water use efficiency

Water-saving **282,923** m³

Water consumption intensity **3.1** m³/RMB10,000 of output value with a YoY decline of **7%**



Improvement of energy use efficiency

Electricity saving **7.13** million kWh

Natural gas-saving **950,000** m³

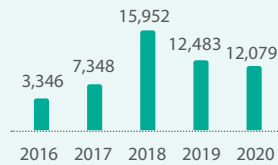
Purchased steam **2,341** tons

Comprehensive energy consumption intensity **2.53** GJ/RMB10,000 of output value with a YoY decline of **4.5%**

Review of environmental indicators for the first five-year EHS strategic cycle (2016-2020)

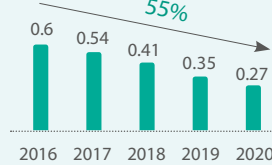
Investment in environmental protection

Unit: RMB10,000



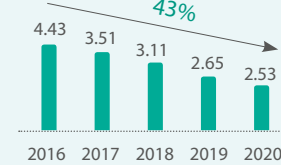
Carbon emission intensity

Unit: ton/RMB10,000



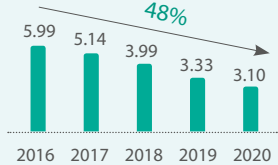
Comprehensive energy consumption intensity

Unit: GJ/RMB10,000



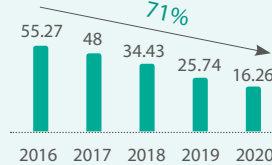
Water consumption intensity

Unit: m³/RMB10,000



Solid waste intensity

Unit: kg/RMB10,000



EHS Strategic Objective

Strategic Objective

As a group with long listing history, Fosun Pharma Group deeply understands that environmental protection and employee health and safety are some of the social responsibilities that an accountable listed company should perform. In addition to strengthening environmental pollution prevention and control in the production and operation process, attaching importance to production safety, and conducting EHS management, Fosun Pharma Group started to accept the supervision and guidance of the Company's EHS work from the public and related media by insisting on the disclosure of social responsibility reports since 2009. It also hoped that under the supervision of the public, the EHS management of Fosun Pharma Group can meet the requirements of relevant parties and achieve continuous improvement, striving to fulfil the commitments in its EHS policy that "Fosun Pharma upholds the concept of integrity and sustainable development, and advocates and guarantees the harmonious development of enterprise, society and environment, and insists on sustainable developments of both environment and society, by preventing contaminants and pollutions, saving energies and reducing emissions, protecting ecological civilization, and building environment-friendly communities".

Safety Culture

In terms of EHS cultural construction, Fosun Pharma Group further strengthened the pyramid-shaped EHS cultural layout of "attention of the senior level, promotion of the middle level, and participation of the junior level", to arouse full attention and enhance the EHS execution. From May to July, Fosun Pharma Head Office and member enterprises jointly carried out EHS management month with the theme of

After more than 20 years of development, Fosun Pharma Group's business scale has continued to expand, the business types of member enterprises have continued to change, and the risk complexity and management difficulty faced in the Group's EHS have become more apparent. How to carry out EHS management and improve environmental management performance continuously and continue to provide employees with a healthy and safe working environment are the problems that Fosun Pharma's EHS management department is thinking about in the course of the development and growth of the Group's business. In the "13th Five-Year Plan" (2016~2020), the state clearly states that highspeed growth of the national economy is based on a sustainable basis and the core requirement of improving the overall quality of the ecological environment during the "13th Five-Year" period. In light of changes in internal business and external policy environment, Fosun Pharma analysed the current status of EHS management in 2016, and output the EHS risk map analysis and SWOT analysis of member enterprises of Fosun Pharma, which further determined the strategic goals of EHS management of Fosun Pharma Group for the first five years (2016-2020).

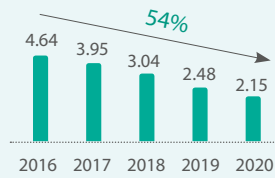


EHS management month

"building safety defence lines and jointly creating a green enterprise", including the launching ceremony, safety VR experience and DingTalk online EHS learning platform of the Group; and EHS committee meeting, safety inspection under the leadership of the person in charge of the enterprise, hidden danger investigation by the regional superintendents and directors, and the emergency drilling with full participation.

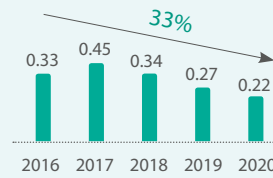
Sewage discharge intensity

Unit: ton/RMB10,000



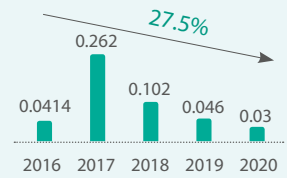
COD emissions intensity

Unit: kg/RMB10,000



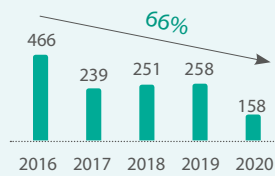
Ammonia nitrogen intensity

Unit: kg/RMB10,000



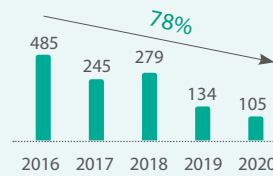
Total ammonia nitrogen emission

Unit: ton



Total sulfur oxides emission

Unit: ton



EHS Management System and Certification

Fosun Pharma put forward detailed requirements on EHS management and control from five dimensions, i.e. environmental protection, safety, fire control, occupational health and system, established internal EHS operation evaluation system, and offered appraisal and enhancement guidance for EHS work in member enterprises. Enterprises were divided into "primary phase of EHS management, dependent management phase, independent management phase and interactive phase" based on the maturity of EHS system operation with the appraisal scores ranging from 0 to 5. In 2017, a special HOPES system standard for healthcare service system was established on the basis of EHS management system, and detailed requirements were raised on EHS management of the healthcare service from three aspects, namely, "conforming license, standardized hardware and normalized operation". As of the end of 2020, all domestic member enterprises (manufacturing and healthcare service enterprises, excluding sales platform) of Fosun Pharma had completed the implementation of EHS system with the

full coverage, among which, five preparation manufacturers and two API manufacturers got the highest score in the internal self-appraisal, and excellent manufacturers accounted for approximately 12%.

In order to guarantee the rapid coverage and implementation of Fosun EHS management system in the pharmaceutical enterprises, Fosun Pharma Group adopted three-level EHS management review system, namely, cross-audit within Fosun Pharma Group and self-appraisal and review of member enterprises. Fosun Pharma Group carried out internal cross-audit for more than 80% of the core manufacturing member enterprises on an annual basis; while all the enterprises shall complete the self-appraisal at least once a year with the full coverage.

Strategic Core Goals of EHS Management of Fosun Pharma Group for the First Five Years (2016-2020)



To establish a quantitative evaluation mechanism for indicators such as environmental emissions and safety accidents, and maintain continuous improvement trend in the strategic year;



To complete the implementation of the EHS management system of manufacturing enterprises, and formulate a EHS management system for different types of risk enterprises such as healthcare services and API enterprises to help enterprises in systematic management of EHS risk control;



To complete the construction of EHS professionals team within Fosun Pharma Group and complete the internal EHS talent pool;



To strengthen Fosun Pharma's Group central EHS supervision capabilities, and shift EHS management from extensive management to central supervision model;

In order to guarantee the quantitative management and continuous improvement of Fosun EHS management system in the pharmaceutical enterprises, the Group issued the Notice on Control Targets of EHS Management System at the beginning of 2020, requiring that each member enterprise should confirm their respective EHS control targets and formulate relevant EHS management plans following the two principles of "EHS quantitative management" and "continuous improvement". Meanwhile, each member enterprise should determine the person in charge of target assessment on the basis of relevant requirements on targets and factors in the system operation and regularly review the completion. In case of any deviation, corrective measures or plans should be promptly formulated to realize the strategic objective of Fosun Pharma Group in the environmental health and safety management and guarantee the sustainable improvement in EHS management objectives of the Group.

While accelerating the establishment and review of the internal EHS system of the Group, the member enterprises have also proactively promoted and carried out external third-party

system certification/appraisal. As of 2020, a total of 14 member enterprises of the Group have passed the third-party certification of ISO14001 and/or OHSAS18001 system. In particular, 4 member enterprises completed the exchange of certification of OHSAS18001 and smoothly transitioned from OHSAS18001 to ISO45001 system, and other enterprises that have passed the OHSAS18001 certification will complete the exchange of certification prior to March 31, 2021. During the reporting period, another 21 member enterprises passed the third-party review of national safety production standardization, and 13 member enterprises proactively responded to the national green manufacturing and clean production policy requirements and carried out assessment and certification of clean production.

As a result of the standards Implementation of its internal and external systems, as of the end of 2020, the Group and all its member enterprises had not been punished for environmental protection issues, and no external environmental pollution incidents occurred during an operation in the year. Ten member enterprises were commended and awarded by local environmental protection, safety supervision and/or fire authorities.



21 member enterprises passed the third-party review of national safety production standardization

14 member enterprises passed the third-party certification of ISO14001 and/or OHSAS18001 system

Certifications on EHS Management Systems and Standard Certification of Major Member Enterprises of Fosun Pharma Group

Enterprise name	Type of certification	Enterprise name	Type of certification
Wanbang Pharma	ISO14001, OHSAS18001 Class III Safety Standardization	Yaopharma	ISO14001, OHSAS18001
Wanbang Jinqiao	ISO14001, OHSAS18001 Class II Safety Standardization, clean production	Carelife Pharma	Class III Safety Standardization, clean production
Zhaohui Pharma	ISO14001, ISO45001 Class II Safety Standardization, clean production	Guilin Pharma	ISO14001, OHSAS18001 Class II Safety Standardization, clean production
Chemo Biopharm	ISO14001, OHSAS18001 Class II Safety Standardization, clean production	Aohong Pharma	Class III Safety Standardization, clean production
Wanbang Folon	ISO14001, ISO45001 Class III Safety Standardization, clean production	Erye Pharma	ISO14001, ISO45001 Class II Safety Standardization, clean production
Huanghe Pharma	ISO14001, OHSAS18001 Class II Safety Standardization	Dongting Pharma	Class III Safety Standardization, clean production
Wanbang Tiansheng	Class III Safety Standardization	Hongqi Pharma	ISO14001, OHSAS18001
Long March Medical	Class II Safety Standardization	Shine Star	ISO14001, OHSAS18001 Class II Safety Standardization, clean production*
Shanghai Transfusion	ISO14001 Class III Safety Standardization, clean production	Gland Pharma	ISO14001, ISO45001
Laishi Transfusion	Class III Safety Standardization, clean production	Shanghai Henlius	Class III Safety Standardization
Jiyou Chengye	ISO14001, ISO45001 Class III Safety Standardization	Research Institute Pharma	Class III Safety Standardization
Hexin Pharma	Class III Safety Standardization*, clean production	GSK (Suzhou) Pharma	Class III Safety Standardization*
Total	ISO14001 certification: 14 enterprises; OHSAS18001 (ISO45001) certification: 13 enterprises;	Safety standardization review: 21 enterprises; Clean production certification: 13 enterprises;	

Note: * indicates newly passed certification during the Reporting Period.

Wanbang Pharma Scored 4.0 in EHS Audit

In November 2019, Wanbang Pharma successfully passed the audit with an excellent score of 4.0, which was the highest score in the internal EHS audit of Fosun Group. “Legal compliance, prevention-oriented, green and environment-friendly, energy conservation and emission reduction, people-oriented, damage prevention, full participation and continuous improvement” has always been the EHS principle of Wanbang Pharma. The top management of Wanbang Pharma highly focused on EHS work, realizing top leadership project with good achievements in EHS cultural construction and risk control, full integration of application of advanced tools and Internet +, and more advanced and international EHS management.



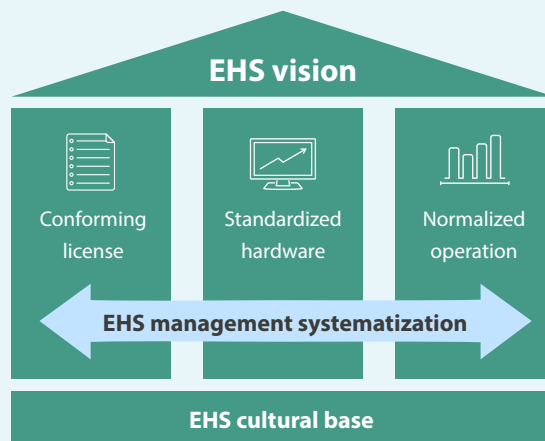
Yaopharma Shuitu High-tech Industrial Park Branch Scored 4.0 in EHS Audit

In November 2020, Yaopharma Shuitu High-tech Industrial Park Branch scored 4.0 in EHS audit, which was the second enterprise with the highest score of Fosun Group so far. Under the guidance of the concept of “EHS originates from design”, Yaopharma continuously enhanced the intrinsic safety and green development level. Meanwhile, following the EHS principle of “corporate governance in accordance with the law, energy conservation and emission reduction; care for employees and the society; continuous improvement and green development”, responsibilities were implemented at all levels, and EHS culture of “attention of the senior level, promotion of the middle level, and participation of all employees” was gradually formed. Under the guidance for EHS audit by Fosun Group, the company achieved qualitative improvements in the system building, safety, environmental protection, occupational health & chemicals, and fire control.



HOPES — Hospital EHS System Framework Model

- One vision:**
Sustainable EHS development of the hospital
- One cultural base:**
EHS cultural base (internal integration + external image)
- One horizontal linkage:**
EHS management system
- Three vertical pillars:**
Conforming license, standardized hardware and normalized operation



EHS Operating Investment

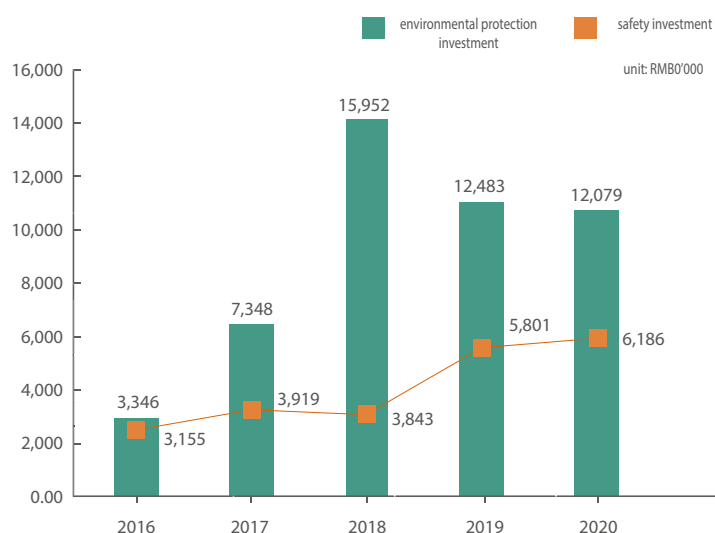
In order to effectively control various environmental pollutions during the operation of the Group, reduce or improve the environmental impacts, and ensure the environmental protection management in line with regulations, in 2020, the Group accumulatively invested RMB24.2623 million in environmental protection facilities, which mainly focused on construction/upgrading of environmental protection facilities such as purification engineering facilities, sewage treatment facilities, heat pipe transformation facilities and boiler transformation facilities; RMB96.5238 million was invested in the

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

There were 14 subsidiaries in total paid taxes on environment protection RMB620.4 thousand, and the taxes mainly covered pollutions as COD, ammonia nitrogen, NOx, SOx and particulate matters.

In terms of safety investment, in 2020, the entire group's investment in occupational health and safety of RMB61.86 million was used to upgrade

and renovate various safety facilities of member enterprises, to improve the intrinsic safety of equipment and ensure the normal operation and maintenance of various safety and fire facilities and the protection of employees' occupational health. Among which, RMB18 million was dedicated for the individual protective articles during the pandemic period.



EHS investment by segment

Segment	Capital expenditure of environmental facilities		Operation expenditure of environmental facilities		Capital expenditure of safety facilities		Operation expenditure of safety facilities	
	Amount (RMB'000)	Description	Amount (RMB'000)	Description	Amount (RMB'000)	Description	Amount (RMB'000)	Description
Pharmaceutical manufacturing and R&D	1,817.9	VOCs treatment project Wastewater treatment facilities Upgrade and renovation Replacement of oil with gas for boilers	9,168.9	Operating costs of environmental facilities Hazardous waste disposal costs	1,761.8	Rectification of dangerous goods warehouse, the rectification of safety and fire facilities	1,465.2	Personnel protective equipment Occupational health test Maintenance cost of fire facilities
Medical devices and diagnosis	62.0	Hardware renovation	60.1	Hazardous waste disposal	67.3	Alarm, fire equipment replacement	221.8	Personnel protective equipment Occupational health test Maintenance cost of fire facilities
Healthcare services	546.4	Upgrade and renovation of waste water treatment station	423.4	Medical waste treatment	630.25	Elevator replacement, road reconstruction	2,039.7	Personnel protective equipment Occupational health test Maintenance cost of fire facilities
Total	2,426.2	-	9,652.4	-	2,459.3	-	3,726.7	-



Cases

Guilin Pharma Optimized and Enhanced EHS Operation Management Mode

During the enhancement of intelligent operation management, Guilin Pharma established an intelligent platform database for environmental protection management, set up and detailed key regulatory indicators in the environmental protection management unit, displayed key indicators and data in each operation unit via digitalized indicators, and strengthened the platform analysis and processing function of various environmental protection management indicators and data, starting from the environmental protection management. Such mode changed the previous extensive management of environmental protection featured with "obscure boundary and inestimable treatment cost", realized refined management, effectively reduced the operation cost of each segment, and enhanced the management level of the department.



Intelligent Hospital Logistics System

Foshan Chancheng Central Hospital took the lead in the exploration into intelligent hospital logistics. At present, the hospital launched the intelligent logistics system, and established a one-stop platform for management of water, electricity and equipment, forming the rudiment of fire control IOT. The system integrated all the equipment and facilities within the hospital that require maintenance service including public facilities, mechanical and electrical equipment, fire control and security equipment, medical equipment and information equipment to the unified port for maintenance. The maintenance service scope includes: capital construction, mechanical & electrical, fire, security, medical and information equipment.



Continuous Investment of EHS Special Expenses for Building a New Green Production Base

Following the concept of clean production and green operation, Fosun Pharma continuously enhanced the intelligent manufacture and EHS management level, implemented green, environment-friendly and personalized design during the construction planning for new production base, proactively adopted clean production technology or harmless or low-harm new technology and processes, and minimized the impacts on social environment while creating economic values, in order to maximize the comprehensive value of environmental protection and production efficiency. Learning from the advanced equipment and technology of advanced enterprises in terms of employee health and safety protections, the new base guaranteed maximum employee health and safety during the production and R&D activities. In 2020, the Group accumulatively invested more than 100 million of EHS special expenses in several new bases that had been established.



Green Manufacture and Continuous Improvement

Climate Response

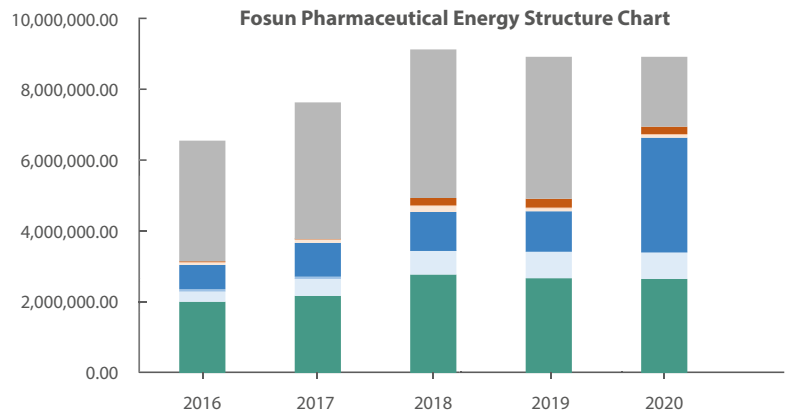
Climate change risks and response

Climate change risks of Fosun Pharma are mainly divided into entity risks and transformation risks: entity risks refer to relevant risks that have impacts on real assets, including acute risks and chronic risks; transformation risks refer to those related to

the transition to a low-carbon economy, including regulatory risks, litigation risks, market changes arising from climate changes, technical risks and reputation risks.



- Corresponding energy consumption of electricity (GJ)
- Corresponding energy consumption of natural gas (GJ)
- Corresponding energy consumption of liquefied natural gas (GJ)
- Corresponding energy consumption of city gas (GJ)
- Corresponding energy consumption of purchased steam (GJ)
- Corresponding energy consumption of diesel (GJ)
- Corresponding energy consumption of gasoline (GJ)
- Corresponding energy consumption of fuel oil (GJ)
- Corresponding energy consumption of raw coal (GJ)



1

- **Emergency plan:** Establish emergency response group to promptly understand the climate information, master weather changes and maintain communication with relevant government authority in disastrous weather. In addition, strengthen the daily inspection during daily operation, comprehensively inspect the parts susceptible to effects on the site, and promptly take measures to eliminate hidden dangers. Strengthen the inspection and protection of outdoor fixed facilities, equipment, possible falling objects and electric meters. Focus on the storage situations of storage yards and warehouses for raw materials, and warehouses for finished products, inspect the water drainage system, and prepare the emergency water drainage facilities.

2

- **Energy:** Greatly develop distributed renewable energy to promote the low-carbon energy structure by setting an objective to eliminate fossil energy or high-proportion renewable energy.

3

- **Buildings:** The refrigeration and heat supply of buildings are the main sources of energy consumption. Different climate zones have different energy consumption, for instance, the northern region needs heat supply in winter, and the buildings in the southern region need refrigeration. Firstly, we can conduct energy-saving transformation, and update the energy efficiency of refrigeration, lighting and equipment of existing buildings; in terms of heat supply, eliminate the fossil energy, and reduce the emission of heat supply system with rapid electrification; in addition, low-carbon energy such as solar power, heat pump system and biomass energy may be used as the alternative of heat supply with fossil energy; increase the energy efficiency of air-conditioners to rapidly reduce the refrigeration energy consumption of buildings.

4

- **Logistics:** Reasonably allocate vehicle resources by adopting the intelligent cyclic distribution, and reduce the empty-loading ratio by enhancing the cargo transportation efficiency; apply GPS system to conduct comprehensive and real-time visualized management (real-time positioning, historical route) of transportation vehicles, make reasonable layout and planning of the transportation routes, shorten the transportation route and enhance the vehicle loading ratio; promote the new energy-saving and emission-reducing transportation vehicles and new-energy transportation vehicles.



Countermeasures

Greenhouse Gas Emissions and Energy Management



Proactive action strategy management

- Continuously deepening carbon management to achieve the goal of greenhouse gas emission reduction
- Enhancing energy utilization efficiency, adjusting energy structure, and promoting renewable energy



Five-year strategic goals of EHS

- Carbon emission intensity: The intensity for 2020 decreased by 50% as compared to 2016 i.e. 0.30 ton/RMB10,000 of output value
- Carbon emission reduction of energy-saving projects: The cumulative carbon reduction amounted to 3% of annual carbon emissions in 2016, i.e. 22,000 tons
- Comprehensive energy intensity: The intensity for 2020 decreased by 45% as compared to 2016 i.e. 2.44GJ/RMB10,000 of output value



Performance in 2020

Performance indicator	Current target value in 2020	Actual value completed in 2020
Carbon emission intensity	0.30ton/RMB10,000 of output value	0.27ton/RMB10,000 of output value
Carbon emission reduction of energy-saving projects	4,200 tons*	7,400 tons*
Comprehensive energy intensity	2.44 GJ/RMB10,000 of output value	2.53 GJ/RMB10,000 of output value

Note: * indicates the sum of the values for 2017 to 2020

The greenhouse gas emission sources within the physical boundary of the production, operation, and office of member enterprises of the Group, i.e. carbon emission sources, include direct emission sources and indirect emission sources. Direct greenhouse gas emissions (such as the burning of fossil fuels including natural gas, liquefied gas, raw coal, diesel, gasoline, and fuel oil) and indirect greenhouse gas emissions (purchased electricity and steam) are all closely related to the Group's energy consumption in the manufacturing process.

Therefore, the main way to reduce the Group's greenhouse gas emissions is to reduce the Group's energy consumption.

Fosun Pharma Group always focuses its attention on the impacts of the corporate operation on the ecological environment. In active response to Paris Agreement, it proactively mitigates and adapts to climate changes, and continues to implement the concept of low-carbon and green development.

- Conducted the first self-calculation of carbon emissions, and disclosed the total carbon emissions to the public in the social responsibility report for the first time.

2016

- Gradually reduced and minimized greenhouse gas emissions within its controllable scope, and encouraged the selection of clean energy

- Continued to increase the carbon emission management pilots, and gradually expanded the scope and intensity of carbon emission calculation of the whole Group.

2017

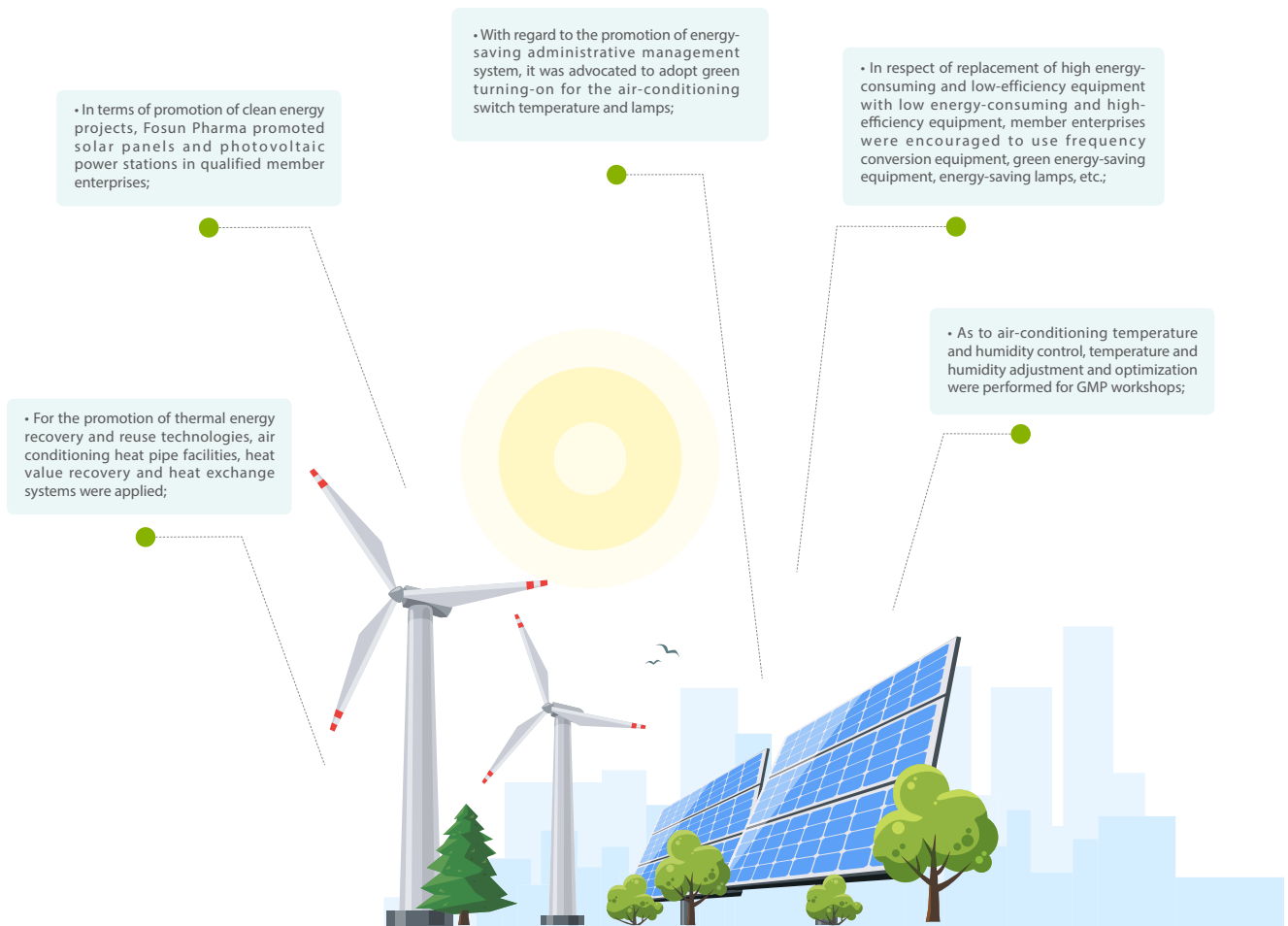
- Gradually reduced and minimized greenhouse gas emissions within its controllable scope, realized energy conservation and emission reduction through technological transformation, and continuously optimized the internal production and operation management.

- Gathered EHS staff of important carbon emission enterprises of the Group, and invited carbon check experts to offer systematic training on carbon check. Member enterprises such as Wanbang Pharma, Guilin Pharma and Aohong Pharma rechecked the carbon emission of the enterprise after participation in the carbon emission training.

2018

- Proactively promoted and implemented energy-saving and emission reduction projects, and urged enterprises to proactively implement the energy-saving and emission reduction projects by formulating and assessing the energy-saving and emission reduction objectives of member enterprises.

The core strategic initiatives identified by Fosun Pharma in terms of energy conservation and emission reduction include the following five aspects. In the previous reporting period, the following initiatives were promoted in an orderly and step-by-step manner:



- The Group issued two documents on energy saving and efficiency improvement, requiring member enterprises to pay attention to and strengthen energy conservation and emission reduction and improve energy efficiency.
- At the beginning of the year, the pre-declaration and collection of member enterprises' energy-saving and carbon-reduction management schemes were started. Member enterprises were required to refine the annual energy-saving and emission-reduction target indicators, formulate specific energy-saving and emission-reduction management schemes and strengthen and ensure the realization of preset energy-saving goals from the introduction of energy-saving equipment and the establishment of energy-saving and emission-reduction systems to the intensified implementation and other aspects.

- Enhance the energy management system certification, guarantee the standardized and effective operation of the energy management system, continuously make optimization through refined management and energy efficiency diagnosis, integrate low-carbon operation and circular economy development concept into planning, design, construction, production, operation, selection of construction materials and equipment installation, constantly reduce energy and resource consumption, and improve the recycling rate of energy and resources. At present, two enterprises (Erye Pharma, Shine Star) under the Group have passed the energy management system certification.

- Continuously focus on relevant policies on the management of total greenhouse gas, trading system and possible energy tax or carbon tax.

2019

- An energy consumption data tracking mechanism was established to track and analyze key indicators in energy-saving and carbon-reduction schemes to ensure that the schemes prepared at the beginning of the year were stably realized at the end of the year.

2020

- Encourage enterprises to improve the coverage of intelligent energy monitoring, regularly conduct diagnosis, analysis and benchmarking management of major energy-consuming facilities, process system and energy usage, determine the energy-consuming level, seek for energy-saving potential, and specify energy-saving direction, in order to provide a scientific foundation for the improvement in energy management, energy-saving technical transformation and improvement energy usage ratio. The intelligent energy monitoring system was successively established and promoted within the Group.
- Enhance supervision and assessment, specify emission reduction objectives and include into the annual assessment of enterprise management staff, promote the internal energy target indicators and management schemes, and provide guidance for energy consumption planning, process and reduction by setting energy management target indicators.


Future

- Purchase green power (such as electricity generated by wind power or solar power) to replace thermal power by means of renewable energy certificate, direct investment, distributed energy (photovoltaic and wind power), market-based trading of distributed energy (direct electricity sales to consumers) and direct electricity purchase, inquire local electricity trading centers or electricity sales companies for the latest information, formulate green power purchase plans and objectives, focus on the market-based trading of green power, expand the scale at the proper time, grasp the opportunity for green power purchase, strengthen greenhouse gas management, and display the climate leadership of Fosun Pharma.

In order to effectively consolidate the normalized energy-saving work and continuous cost reduction, comprehensively arrange and enhance the implementation and feedback efficiency of power and energy-saving projects, and reduce the greenhouse gas emissions, the Group issued Notice on Carrying out Energy-saving and Emission Reduction of Member Enterprises of Fosun Pharma Group at the beginning of 2020 to carry out energy-saving data statistics and formulate plans. Enterprises were encouraged to improve the intelligent energy monitoring and pass the energy management system certification at the proper time, including energy management and control into the annual assessment of enterprise

management staff, and promote the effective implementation and stable realization of internal energy target indicators and management schemes.

According to final calculations, Fosun Pharma Group adopted various energy-saving and emission-reduction measures through member enterprises in 2020, and thus saved a total of 7.13 million kWh of electricity, 950 thousand m³ of natural gas, 2,341 tons of purchased steam and reduced 7,399 tons of carbon emissions. A total of RMB10.75 million was invested in the implementation of various energy-saving measures throughout the year.

 Amount of energy conservation and emission reduction

7.13 million kWh of electricity

950 thousand m³ of natural gas

2,341 tons of purchased steam

7,399 tons of carbon emissions



Summary of key energy-saving projects of certain members of Fosun Pharma Group

Name of member	Energy-saving measures			Energy saved	Carbon reduction
	Application of new technologies and equipment	Optimization of production process and layout	Energy management system		
Wanbang Jinqiao	1. Permanent magnet variable frequency air compressor; 2. Chilled water purification	-	1. Utility system operation optimization; 2. Ethanol recycling parameter optimization	Electricity: 363,000 kWh Outsourced steam: 200t	320.74
Zhaohui Pharma	Photovoltaic power generation	The distributed photovoltaic power generation system	-	Electricity: 810,000 kWh	569.8
Chemo Biopharm	-	-	Ventilation times and air-conditioner humidity and temperature control	Electricity: 555,000 kWh Outsourced steam: 2,105t	1,077.8
Wanbang Folon	Replacement of lithium bromide chiller with a water-cooling chiller	Combined QC inspection	-	Electricity: 93,000 kWh Natural gas: 186,000m ³	484.2
Wanbang Tiansheng	Replacement of Roots fan with air suspension fan in the sewage treatment plant	Replacement of 3 sets of 75KW Roots fans with 2 sets of 75KW air suspension fans	-	Electricity: 657,000kWh	510.4
Yaopharma	-	1. Energy-saving optimization and improvement for 301 high warehouse humidity and temperature control; 2. Energy-saving renovation of chilled circulating water system for Shuitu 204 workshop	1. Optimization of Ke Rui Te freeze-drying cycle; 2. Enhancement of manual packaging efficiency of tranexamic acid tablets;	Electricity: 2.051 million kWh	1078
Carelife Pharma	-	-	Reduction of wastage of low-load equipment operation, intensified management of usage of power-consuming equipment	Electricity: 21,000kWh	10.8
Guilin Pharma	Installation of one set of low-power gas-fired boiler for off-peak gas consumption	-	-	Natural gas: 566,000m ³	1223.2
Aohong Pharma	-	1. Optimization of the air-compressing system management; 2. Recycling of waste hot water to soften the water tank in the front end of the boiler;	Turning on the transformer on demand	Electricity: 234,000kWh Natural gas: 56,000m ³	302.8
Erye Pharma	Control of quantity of fans in operation according to set temperature	Reasonable arrangement of time to turn on and off the exhaust fan	Reasonable control of chilled water temperature	Electricity: 67,000kWh	47.4
Dongting Pharma	CRK-800/0.4 intelligent energy-saving control cabinet	-	-	Electricity: 141,000kWh	73.9
Hongqi Pharma	Operation optimization of cooling water tower of B3 freezing system	1. Adjustment of BIN barrel cleaning method; 2. Optimization of clean-in-place water for Jianan equipment;	Operation optimization of B3 purification air-conditioner	Electricity: 586,000kWh	455.3
Aleph	Replacement of waste embryo burner and diesel burner with natural gas burner	Replacement of steam heat exchange with heat supply with the residual heat of steam condensate at the gate post and sewage station	-	Outsourced steam: 36t	11.8
Gland Pharma	Replacement of LED lamp	Change of 1,000 TR freezing unit into variable frequency driving	-	Electricity: 861,500kWh	452.8
Hexin Pharma	Replacement of LED lamp	-	-	Electricity: 27,000kWh	14.2
Zhongwu Hospital	Establishment of 55 sets of vacuum tube solar thermal collector on the roof of the new hospital	-	-	Natural gas: 23,000m ³	49.3
Chancheng Hospital	Energy-saving renovation of central air-conditioner	Addition of cooling towers, valves, sensors and energy-saving system	Renovation of lamps and central air-conditioners	Electricity: 60,000kWh	31.6
Jimin Cancer Hospital	Installation of solar energy hot water supply system + daily maintenance	Heating water to 50-65 °C firstly with solar energy then with gas boiler for the supply of domestic hot water in comprehensive building	Publicity and supervision of employees to save energy	Natural gas: 60,000m ³	129.7
Qilu Clinical Laboratory	-	-	Prohibited usage of high-power electrical appliances such as mobile heating equipment and electric boilers	Electricity: 1,000kWh	0.9
Hengsheng Hospital	1. Replacement of LED lamps; 2. Installation of central air-conditioners in some departments	-	Daily energy-saving publicity and inspection	Electricity: 37,000kWh	19.2
Suqian Rehabilitation Hospital	1. Photovoltaic power generation; 2. Solar energy water heater + air energy auxiliary heating system	Selection of excellent equipment with outstanding energy-saving effects to enhance system operation efficiency	-	Electricity: 105,000kWh Natural gas: 62,000m ³	208
Long March Medical	Replacement of energy-saving lamps	Series connection of 7 purification units, which shall be turned on half an hour later and turned off half an hour earlier	Optimization of on and off time of VRV air-conditioners	Electricity: 166,700kWh	117.3
Yuntao Optoelectronic	Replacement of energy-saving bulbs	-	-	Electricity: 2,500kWh	1.8
Bohao Laboratory	-	-	Power consumption safety responsibility system	Electricity: 140kWh	0.1
Foshion Dental	Equipment upgrading (air compressor)	-	-	Electricity: 85,100kWh	59.9
Huaiyin Medical	-	-	Turning on air-conditioners on demand	Electricity: 50,000kWh	35.2
Shanghai Transfusion	1. Replacement of LED lamps; 2. Change of air cooler into automatic control	-	Turning on air-conditioners on demand	Electricity: 155,000kWh	109.1
Tianjin Qianda	-	-	Power consumption in daily work and warehouses	Electricity: 4,000kWh	3.5
Fosun Beiling	Replacement of solar power street lamps in the workshop	-	Intensified education on electricity conservation for employees	Electricity: 530kWh	0.3

The Group's total energy consumption in 2020 was 7,655,768 GJ, which was 79,218 GJ higher than that in 2019, and a year-on-year increase of 1.05%. The total energy intensity is 2.53 GJ/RMB10,000 of output value, representing a decrease of 0.12 GJ/RMB10,000 of output value as compared to 2019. The Group's operating sites in China emitted a total of 744,000 tons of greenhouse gases, a decrease of

1.87% from 2019. The Group had a total of 827,900 tons of carbon emission during the Reporting Period, which included 83,867 tons of greenhouse gases emission from overseas enterprises.

Energy Use and Carbon Emission of Fosun Pharma Group

	Total electricity consumption (kWh/year)	Direct energy consumption (GJ/year)	Indirect energy consumption (GJ/year)	Total energy consumption (GJ/year)	Total energy consumption intensity (GJ/RMB10,000 of output value)	Total carbon emissions (ton)	The proportion of carbon emission sources		Carbon emission intensity (ton / RMB10,000 of output value)
							Direct greenhouse gas emissions (ton)	Indirect greenhouse gas emissions (ton)	
2016	478,175,186	3,281,502	2,300,429	5,581,931	4.43	746,179	288,447	457,732	0.60
2017	513,272,112	3,839,551	2,657,132	6,496,683	3.51	822,786	338,285	484,501	0.54
2018	655,108,860	4,466,930	3,286,332	7,753,262	3.11	786,371	397,106	389,265	0.41
2019	631,436,019	4,344,819	3,231,731	7,576,550	2.65	758,143	381,580	376,563	0.35
2020	637,986,028	2,604,950	5,050,819	7,655,768	2.53	827,858	225,622	602,236	0.27

Note:

1. This data does not include greenhouse gas emissions from biological and chemical sources within the boundaries of responsibility (i.e. within the physical boundaries of production, operations and office);
2. Direct greenhouse gas emission sources include the combustion of natural gas, liquefied gas, raw coal, diesel, gasoline, fuel oil, and other fossil fuels, and indirect greenhouse gas emission sources include net purchased electricity and steam;
3. The carbon emission data in 2020 included the carbon emissions of overseas enterprises, which was inconsistent with the basis for previous data.
4. The reason for the sharp decline in direct energy consumption and great rise in indirect energy consumption in 2020 was that the member enterprise Shine Star adjusted its energy structure, and changed the self-made steam into outsourced steam.

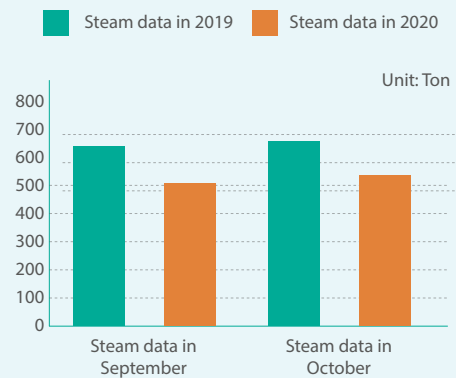
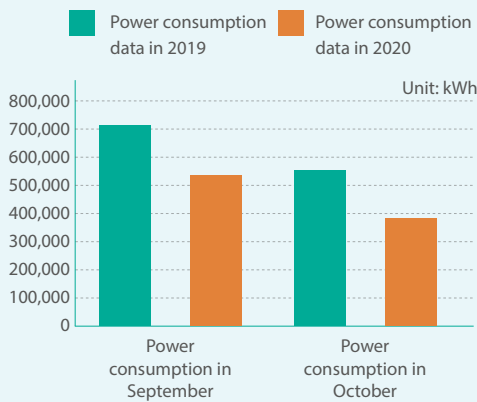
Energy Consumption of Segments of Fosun Pharma Group

Segment	Total electricity consumption (kWh/year)	Natural gas (m ³)	Liquefied gas (kg)	Steam (ton)	Raw coal (ton)	Diesel (litre)	Gasoline (litre)	Fuel oil (ton)
Pharmaceutical manufacturing and R&D	582,054,593	17,316,236	36,665	731,881	79,958	1,649,854	211,532	4,111
Medical devices and medical diagnosis	15,392,998	227,510	5,295	0	0	402,462	132,191	0
Healthcare services	40,538,437	1,250,317	2,250	0	0	78,886	143,586	0
Total	637,986,028	18,794,063	44,210	731,881	79,958	2,131,202	487,309	4,111

Chemo Biopharm — Adjustment of Times of Ventilation

The frequency of fans of air-conditioning units was adjusted to reduce the wind speed in the workshop while guaranteeing that the air-conditioning system complies with legal requirements and production demands. This

mode was found to be useful in energy conservation through comparison of the power consumption and steam data in 2019 with that in September and October 2020.



Guilin Pharma — Boiler Renovation

Guilin Pharma found that the gas-steam ratio during boiler operation was higher than the designed boiler standard. After lots of data statistics and mathematical analysis, it was found that the steam consumption for production was approximately 4-5 tons/hour in May to October, at nighttime, weekends or holidays, while the existing boilers are 10 tons/hour with great disparity between steam output and gas consumption, so that boilers operate at low load for a long time. Therefore, Guilin Pharma added a 4 ton/hour gas boiler on the site according to actual operating conditions, on one hand, to realize the minimum

gas consumption in all periods and the best operating conditions of boilers, and reduce the gas consumption; on the other hand, the key indicators of boiler operation were under control by real-time mastering the key operation data, summarizing and analyzing the possible reduction in the monthly energy consumption and managing the key indicators of boiler operation. The natural gas consumption per month was decreased by around 15% as compared to previous year thanks to the above measures, and a total of 566,000m³ natural gas was saved in 2020.

Aohong Pharma — Optimization of Air Compressing System and Hot Water Recycling

Optimization of the air-compressing system: Aohong Pharma optimized the management of the air-compressing system, and improved the turning-on time through pipeline renovation, especially saving electricity by reducing the turning-on time of fixed frequency air compressor in 2020. A total of 228,600 kWh of electricity was saved through optimization from April to the end of the year.

Equipment hot water recycling: There are two injection water preparation systems, two pure steam generators, three injection water distribution systems, and one purified water distribution system in the water preparation room of the comprehensive preparation building of Aohong Pharma. The waste hot water produced from the above equipment was recycled to the front end of the boiler to soften the water tank, which saved a total of 6,423 tons of water and 55,900 m³ of natural gas consumed by boilers in 2020.

Wanbang Jinqiao Reduced Steam Consumption through Both Hardware and Software

In 2020, Wanbang Jinqiao set up the steam consumption reduction group to conduct a comprehensive investigation of the steam consumption unit on the site and drafted several measures to reduce the steam consumption on the basis of investigation. Three measures were mainly targeted at the hardware optimization for on-site steam supply, distribution and consumption, including leakage detection and heat insulation inspection of steam pipelines of the workshop, optimization of the distillation process of alcohol recovery towers and purity of the recycled, reasonable adjustment of steam heat

supply period, and leakage stoppage and optimization of steam hardware. In addition to hardware improvement, Wanbang Jinqiao also established the steam consumption assessment responsibility system, decomposing the steam consumption management target and assigning responsibilities onto specific units and persons. Through aforesaid improvements, the steam consumption of the whole workshop was reduced by 5,000 tons, equivalent to the reduction of carbon emissions of 2,777kg while the annual output remained unchanged.

Water Consumption Management



Proactive action strategy

Improvement of the comprehensive utilization rate of water



Five-year strategic goals of EHS

Water consumption intensity: The intensity for 2020 decreased by 50% as compared to 2016, i.e. 3.00m³/RMB10,000 of output value for 2020



Performance in 2020

Performance indicator	Current target value in 2020	Actual value completed in 2020
Water consumption intensity	3.00m ³ /RMB10,000 of output value	3.10m ³ /RMB10,000 of output value

During the reporting period, the total water consumption of Fosun Pharma Group was 9,381,818m³, representing a decrease of 146,109m³ or 1.53% as compared to 2019. The water consumption intensity was 3.10m³/RMB10,000 of output value, representing a decrease of 6.9% as compared to 2019.

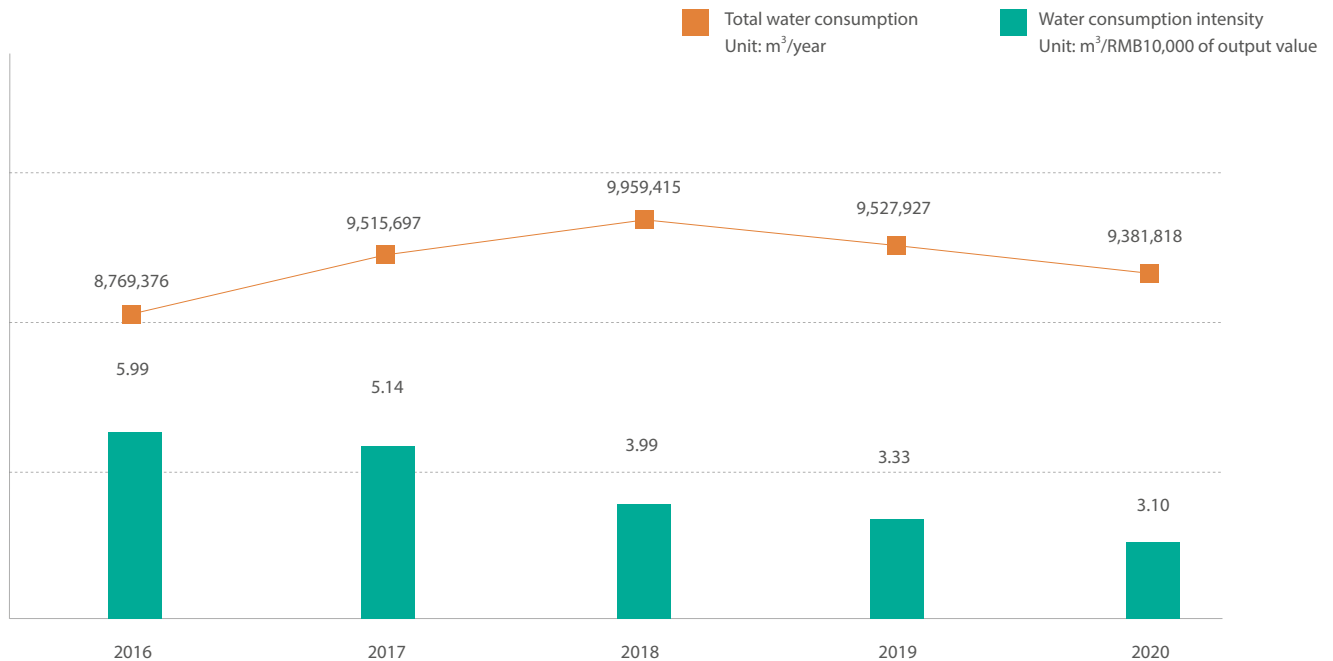
In 2020, the Group invested RMB1.74 million of special funds in carrying out and implementing the following water-saving measures, achieving total water saving of 282,923m³, representing 3% of the total water saving for the year.

A total water saving of
282,923m³

Summary of Key Water-saving Projects of Certain Member Enterprises of Fosun Pharma Group

Enterprise name	Water-saving measures		Water-saving volume (10,000 m ³)
	Water-saving engineering measures	Administration management measures	
Wanbang Pharma	Optimizing pre-treatment and flushing time, resetting of over-heated water sterilization liquid level, reducing salt melting time, and automating of TK50 cushion valves	-	0.375
Wanbang Jinqiao	Recycling of cooling water (soften water), recycling of steam condensate and improvement in control of TCU cooling water	-	4.872
Zhaohui Pharma	Recycling of reclaimed water	-	1.387
Chemo Biopharm	Recycling of reclaimed water	-	0.7
Huanghe Pharma	-	Reasonable arrangement of opening hours of bathroom	0.228
Yaopharma	Recycling of rainwater for greening	-	0.1
Carelife Pharma	-	Reduction of energy consumption of the public water system and check of leakage and venting	2.556
Guilin Pharma	Recycling of concentrated water	-	1.729
Aohong Pharma	Recycling and utilization of waste hot water	-	0.642
Erye Pharma	Recharging of concentrate water from water treatment for chilling towers of air-conditioning units	-	0.462
Hongqi Pharma	Recycling of concentrate water and waste pure water	-	1.634
Aleph	Recycling of purified water and concentrate water for water consumption by cooling towers	-	0.12
Shanghai Henlius	Recycling of reclaimed water	-	5.261
Hexin Pharma	Recycling of steam trap water	-	0.26
Gland Pharma	Recycling of condensate water boiler, and reduction of the number of oil tanks outside drilling well	-	2.044
Foshan Chancheng Central Hospital	Water-saving renovation of toilets and faucets	-	5.1
Laishi Transfusion	-	Maintenance of the cooling tower	0.5

Total water consumption and water consumption intensity of Fosun Pharma Group



Cases

Several Measures Adopted to Optimize Water Charging for Cooling Water Tower

Cooling water is the main source of the production water of the enterprise. The cooling water has a long operation period, and large drainage and evaporation base. In the past, freshwater was mainly used to supplement the wastage of cooling water, causing a considerable amount of water consumption. In the past year, 28 member enterprises implemented 39 energy-saving measures, 20 of which were related to the recycling of circulating water of cooling towers. The equipment upgrading and renovation achieved the circulating water charging for cooling water tower on the basis of the recycling technology of concentrate water from purified water preparation and recycling technology of reclaimed water from production and wastewater station, which greatly reduced the water charging amount of tap water. In 2020, the total water consumption of the whole group was 9,381,818 tons, among which the water charging amount of cooling tower was accumulatively saved by 613,619 tons throughout the year, accounting for 6.54% of the total water consumption of the Group throughout the year, which realized mutual benefits of resource conservation, cost reduction and efficiency enhancement.

Carelife Pharma used the concentrate water produced by purified water preparation equipment upon filtration and purification for water charging for circulating water, which could save more than 2,900 tons of water a year; Chemo Biopharm newly built a reservoir to collect the water drained from the water room. The pipelines of the reservoir were connected with the cooling water pipelines, and lift pumps of the reservoir and circulating water pumps of cooling water were utilized for water charging of cooling water towers, which could save more than 50 tons of water per day.



Picture: Purified water recycling of Carelife Pharma



Picture: Recycling of reclaimed water of Chemo Biopharm

Pollutant Emission

Wastewater discharge management



Major action strategy

- Increase in hardware investment in sewage treatment facilities, the addition of sewage treatment facilities or upgrading and renovation of sewage treatment facilities



Five-year strategic goals of EHS

- Sewage discharge intensity: The intensity for 2020 decreased by 30% as compared to 2016, i.e. 3.25 tons/RMB10,000 of output value for 2020;
- COD emission intensity: The intensity for 2020 decreased by 30% as compared to 2016, i.e. 0.25 kg/RMB10,000 of output value for 2020;
- Ammonia nitrogen emission intensity: The intensity for 2020 decreased by 30% as compared to 2016, i.e. 0.039 kg/RMB10,000 of output value for 2020;



Performance in 2020

Performance indicator	Current target value in 2020	Actual value completed in 2020
Sewage discharge intensity	3.25 tons/RMB10,000 of output value	2.15 tons/RMB10,000 of output value
COD emission intensity	0.25 kg/RMB10,000 of output value	0.22 kg/RMB10,000 of output value
Ammonia nitrogen emission intensity	0.039 kg/RMB10,000 of output value	0.03 kg/RMB10,000 of output value

The sewage drainage of Fosun Pharma included production wastewater, domestic sewage, rainwater and clear water, which was classified and collected following the principle of “classified treatment by the quality”, and discharged into the sewage pipe network as designated by the industrial park and was not directly discharged into the surface water body. The Group established the preliminary rainwater collection pool and accident emergency pool as required including an emergency gate (valve). All the member enterprises realized up-to-standard discharge. During the reporting period, 9 member enterprises including Wanbang Jinqiao, Zhaohui Pharma,

Wanbang Folon, Aohong Pharma, Erye Pharma, Hongqi Pharma, Aleph, Zhongwu Hospital and Xingrong Cosmetic Surgery Hospital upgraded or added sewage treatment facilities.

As compared with the sewage data of 2019, in 2020, the Group’s total sewage discharge decreased by 585,554 tons (or 8.26%), the total chemical oxygen demand (COD) emissions decreased by 123 tons (or 15.8%), and the total discharge of ammonia nitrogen decreased by 41.5 tons (or 31.9%).

Total sewage discharge decreased by

279,921 tons

A decrease of

↓ 4.1%

as compared with 2016

Water Pollutants Discharge by the Member Enterprises of Fosun Pharma Group

	Total wastewater discharge (ton/year)	COD (ton/year)	Ammonia nitrogen (ton/year)	Sewage discharge intensity (ton/RMB10,000 of output value)	COD emission intensity (kg/RMB10,000 of output value)	Ammonia nitrogen emission intensity (kg/RMB10,000 of output value)
2016	6,785,400	490	60.55	4.64	0.33	0.041
2017	7,315,890	841	486	3.95	0.45	0.262
2018	7,565,178	847	254	3.04	0.34	0.102
2019	7,091,033	778	130	2.48	0.27	0.046
2020	6,505,479	655	88.5	2.15	0.22	0.03

Water Pollutants Discharge by the Segment of Fosun Pharma Group

Segment	Total wastewater (ton)	Annual discharge of COD (ton)	Annual total discharge of ammonia nitrogen (ton)
Pharmaceutical manufacturing and R&D	5,411,851	590.66	79.8
Medical devices and diagnosis	136,837	8.67	0.41
Healthcare services	956,791	55.5	8.28
Total	6,505,479	654.85	88.49

Cases

Newly Built or Renovated Sewage Treatment Facilities



Wanbang Jinqiao

Renovation: The sewage treatment aeration tanks and aerating systems of catalytic oxidation tanks were renovated, covering an area of 320m². The bottom disc aerator of the aeration device that cannot be lifted was replaced with micropore aerator that can be lifted. The diffusion film of the aerating system adopted Germany-imported aeration membranes, and main aeration pipelines, branch pipelines, lifting pipelines and stainless-steel valves adopted 304 stainless steel with a service life over 10 years.

Effects: Facilitated later replacement and maintenance, enhanced the sewage treatment efficiency of the sewage station, improved the impact resistance of active strains, and effectively reduced the output of biochemical sludge of the sewage station.



Erye Pharma

Processes: Renovated the aeration renovation of aerobic tanks, and replaced former bottom aeration with vertical pipeline aeration.

Effects: After renovation, the aerobic tanks had even aeration distribution, sufficient aeration quantity, colourful activated sludge and normal sludge growth. The maintenance only needed to be carried out by the section or area without the necessity of production suspension for maintenance, which enhanced the oxygen supply more effectively without any impacts on normal production.

2020 Corporate Social Responsibility Report 101

Air Emission Management



Major action strategy

Proactive promotion of terminal emission reduction of volatile organic gases to reduce total VOCs emissions



Five-year strategic goals of EHS

- 100% coverage of VOCs terminal processing equipment in 2020;
- VOCs removal rate >90%



Performance in 2020

Current target value in 2020	Actual value completed in 2020
100% coverage of VOCs terminal processing equipment;	100% coverage
VOCs removal rate >90%	VOCs emissions of 24.2 tons

The air pollution sources of Fosun Pharma mainly come from various types of organized and unorganized volatile organic compounds (non-methane total hydrocarbons, etc.) during the manufacturing process of manufacturing enterprises and nitrogen oxides/sulfur dioxide/dust particles produced by boilers in full and incomplete combustion.

With the advent of the end of Three-year Plan on Defending the Blue Sky, Fosun Pharma Group, in active response to the requirements of local and

national environmental protection authorities, strengthened the source management, and encouraged the substitutions for technology adopting volatile substance such as organic solvent and cleaning agent, in order to prevent the production of waste gas pollution from source. For the emission of different air pollutants by member enterprises, Fosun Pharma has separately formulated the requirements on air pollutant emission reduction and treatment measures for member enterprises to ensure that the treatment facilities are effective and stable to meet standards.

Air Pollutant Emission by the Segment of Fosun Pharma Group

Segment	Nitrogen oxides (ton/year)	Sulfur oxides (ton/year)	Particles (ton/year)	Non-methane total hydrocarbons (ton/year)
Pharmaceutical manufacturing and R&D	155.8	105	36.5	24.2
Medical devices and diagnosis	0.3	0.0	0.0	0.0
Healthcare services	1.9	0.0	0.2	0.0
Total	158	105	36.7	24.2

Compared with the air pollution data for 2019, in the Group's air pollutants in 2020, the total emissions of nitrogen oxides decreased by 99.8 tons (38.7%), the total emissions of sulfur dioxide decreased by 28.7 tons (21.5%), and the total emissions of particles increased by 0.95 tons (2.66%). The sharp decline of nitrogen oxides and sulfur dioxide in 2020 was mainly due to the adjustment of steam production and replacement of part of former coal-fired boilers with steam

energy source by Shine Star. During the Reporting Period, the annual emissions of non-methane total hydrocarbons by means of organized emission by the Group was 24.2 tons.

Air Pollutant Emission of Fosun Pharma Group

	Nitrogen oxides (ton/year)	Sulfur oxides (ton/year)	Particles (ton/year)	Non-methane total hydrocarbons (ton/year)
2016	466	485	19	-
2017	239	245	41	-
2018	251	279	44	-
2019	258	134	36	-
2020	158	105	37	24.2

Specific Measures for the Treatment of Air Pollutants by Member Enterprises of Fosun Pharma Group

Enterprise name	Type of air pollutants	Configuration of air pollution treatment facility
Wanbang Jinqiao	Non-methane total hydrocarbons	Zeolite wheel + catalytic oxidation, activated carbon adsorption + steam desorption, acid wash + alkaline wash + biofilter + activated carbon adsorption, acid wash + alkaline wash + biofilter + sodium hypochlorite spray
Zhaohui Pharma	Particles, non-methane total hydrocarbons	Filter cartridge dust removal + alkaline wash + dehydration and demisting + activated carbon adsorption, water spraying device, activated carbon adsorption, water spraying alkaline wash, filter cartridge dust removal + activated carbon adsorption, bag dust removal, oil fume purifier
Wanbang Biopharma	Non-methane total hydrocarbons	Activated carbon adsorption, ceramic micropore adsorption, activated carbon adsorption
Wanbang Folon	Nitrogen oxide, sulfur dioxide, particles	Low-nitrogen combustion of natural gas boiler
Yaopharma	Nitrogen oxide, particles, non-methane total hydrocarbons	Activated carbon adsorption + bag dust removal + activated carbon adsorption
Carelife Pharma	Non-methane total hydrocarbons	Lye spray + paraffin oil absorption + activated carbon adsorption
Guilin Pharma	Nitrogen oxide, sulfur dioxide, particles, non-methane total hydrocarbons	Spray + RTO incineration
Aohong Pharma	Nitrogen oxide, sulfur dioxide, particles, non-methane total hydrocarbons	Water leaching + activated carbon adsorption, biological filter bed deodorization
Erye Pharma	Nitrogen oxide, sulfur dioxide, particles, non-methane total hydrocarbons	Two-level water spray + RTO incineration + first-level alkaline spray, activated carbon adsorption and desorption
Dongting Pharma	Nitrogen oxide, sulfur dioxide, particles, non-methane total hydrocarbons	Chimney and organic waste gas treatment facilities
Hongqi Pharma	Nitrogen oxide, sulfur dioxide, particles, non-methane total hydrocarbons	Bag filter, closure of production process Spraying tower + photocatalytic oxidation + activated carbon adsorption
Shine Star	Nitrogen oxide, sulfur dioxide, particles	Ammonia—ammonium sulfate wet dedusting and desulfurization+ two-level water leaching spray tower treatment + treatment by optical microwave waste gas purification equipment Burning of combustion furnace + granite water film dust removal
Shanghai Henlius	Nitrogen oxide, sulfur dioxide, non-methane total hydrocarbons	Activated carbon adsorption
SunTech Pharma	Particles, non-methane total hydrocarbons	Activated carbon adsorption
Research Institute Pharma	Non-methane total hydrocarbons	Lye spray + paraffin oil absorption + activated carbon adsorption
Chancheng Central Hospital	Nitrogen oxide, particles	Installation of oil fume filter in the exhaust dust of kitchen, and usage of natural gas for boilers
Shanghai Transfusion	Nitrogen oxide, sulfur dioxide, particles	Low-nitrogen combustion, oil fume filter
Fosun Beiling	Non-methane total hydrocarbons	Activated carbon adsorption

Cases

Unorganized Waste Gas Collection and Treatment



Guilin Pharma

- Process:** Sodium hypochlorite spray + lye spray + activated carbon adsorption + high-altitude emissions, meanwhile, regional pipelines were improved in collection and renovation, system pattern was adjusted, and collection of waste gas emission points was improved.
- Effect:** Reduced unorganized waste gas emissions to reduce environmental pollution by waste gas.

Low-nitrogen Combustion Renovation of Boilers



Yaopharma

- Process:** Low-nitrogen combustion renovation was made for each of the 10t/h natural gas boiler in Renhe Workshop and Shuitu Workshop.
- Effect:** The emission concentration of nitrogen oxides of boilers was reduced from 100mg/m³ to 24mg/m³, and emissions of nitrogen oxides were reduced by 4 tons.

Jimin Cancer Hospital



- Process:** Low-nitrogen combustor was replaced with flue gas recirculation, high-temperature flue gas at the entrance of gas duct was used as the coolant of flames to cool the combustion of flames in different areas and reduce the production of nitrogen oxides.
- Effects:** The nitrogen oxides detected under low, middle and high loads of boilers were lower than 30mg/m³, and the annual emissions of nitrogen oxides were reduced by 3.5 tons.

Wastes Management



Proactive action strategy management

Promotion of the recycling of industrial solid waste and promotion of the reduction of hazardous waste



Five-year strategic goals of EHS

Total solid waste intensity: The intensity for 2020 decreased by 30% as compared to 2016, i.e. 38.69 kg/RMB10,000 of output value for 2020;



Performance in 2020

Performance indicator	Current target value in 2020	Actual value completed in 2020
Total solid waste intensity:	38.69 kg/RMB10,000 of output value	16.26 kg/RMB10,000 of output value

Fosun Pharma listed the recycling and comprehensive utilization of internal wastes as the five-year strategic goals of EHS. Following the principle of “reduction, recycling and harmless treatment”, in order to effectively solve the large quantity and difficult disposal of hazardous wastes, the Group carried out a series of optimization projects of hazardous wastes in 2020. Firstly, three enterprises with a large number of hazardous wastes including Wanbang Jinqiao, Guilin Pharma and Dongting Pharma were encouraged to identify hazardous wastes, and finally, the biochemical sludge of Guilin Pharma was identified as the general industrial solid wastes; secondly, Wanbang Jinqiao, Dongting Pharma and Hongqi Pharma were promoted to newly increase sludge drying machine on the basis of successful implementation of the sludge drying project by Erye Pharma and Carelife Pharma.

In 2020, the total solid waste generated by the Group's domestic enterprises was 49,286 tons, representing a decrease of 24,297.6 tons (or 33.0%) over 2019, mainly due to the sharp decline in boiler waste residue arising from adjustment of steam production mode and replacement of former coal-fired boilers with steam heat source of the park by Shine Star. In the total amount of hazardous waste of 5,914.5 tons in solid wastes, 91.9 tons of hazardous wastes were recycled, 5,652 tons of hazardous wastes were incinerated, 41.1 tons of hazardous wastes were subject to landfill disposal and 129.1 tons of hazardous wastes were treated in other ways (including storage for later treatment). In the industrial solid waste, 37,060 tons of wastes were recycled and delivered to third-party qualified units for compliant treatment and recycling including recycling of discarded packaging materials, animal pancreas, coal cinder and TCMs filter residue with a recycling rate of 82%.

Refilling of hazardous wastes in 2020



0 Landfill

Solid Wastes Emission of Fosun Pharma Group

	Total solid waste (ton)	Hazardous waste (ton)	Total solid waste intensity (kg/RMB10,000 of output value)	Hazardous waste intensity (kg/RMB10,000 of output value)
2016	80,848	1,626.8	55.27	1.11
2017	88,967	2,396.9	48.01	1.29
2018	85,796.6	2,683.2	34.36	1.07
2019	73,583.6	4,320.8	25.74	1.51
2020	49,286	5,914.5	16.26	1.95

Solid Wastes Emission by Segment of Fosun Pharma Group

Segment	Domestic waste	Industrial solid waste (non-hazardous waste) (ton)	Hazardous waste (ton)
Pharmaceutical manufacturing and R&D	2,585.8	36,909.6	5,013.2
Medical devices and diagnosis	102.3	150.7	45.7
Healthcare services	3,623.3	N/A	855.6
Total	6,311.3	37,060.2	5,914.5



Cases

Process Optimization for Improvement in Yield and Realizing Reduction of Wastes of Packaging Materials



Wanbang Pharma

Since the yield of a certain product had fluctuations, in a bid to enhance yield and reduce wastes, the Company measured and analyzed the pelletizing, moulding and internal packing, sought for factors influencing the yield, formulated relevant measures, reduced the production speed of tailings, determined the shutdown judgment standards, solidified the substrate position to prevent material leakage during production, and increased electric eyes for laying-off. After the process optimization, the average product yield reached 97.99%, up by 3.63% as compared with previous years, which reduced wastes.

Sludge Identification for Reduction of Cost and Quantity of Hazardous Wastes

Guilin Pharma

Biochemical anaerobic and aerobiotic sludge produced in the sewage treatment were previously treated as hazardous wastes. But the large quantity, difficult management, high environmental risks and high cost of disposal are the pain spots and difficulties in environmental management. Therefore, the Company organized personnel and sought for identification organizations to identify and confirm the toxicity, response, inflammability, corrosion and infectivity of biochemical sludge in accordance with Technical Specifications on Identification for Hazardous Waste HJ298-2019. Finally, the biochemical sludge was

determined as the general solid wastes upon unanimity of the expert team. Meanwhile, the Company proactively communicated and coordinated with the Bureau of Ecology and Environment of Guilin City, and obtained the official document issued by the Bureau of Ecology and Environment determining the biochemical sludge as the general solid wastes. At present, the biochemical sludge of Guilin Pharma has been disposed of as the general industrial solid wastes, which greatly reduces the disposal expenses, and lowered the environmental management risks and difficulties. In 2020, biochemical sludge totalling 420.4 tons were disposed of as general industrial solid wastes.

Sludge Drying for Reduction of Emission of Hazardous Wastes

Dongting Pharma



A low-temperature airtight sludge drying machine is used for low-temperature drying. The Company lifted the former pressure filter on the ground and placed it onto the drying machine. The sludge after pressure filtration directly fell into the feed hopper of the drying machine, which would automatically enter the drying machine for drying. The vapour produced during drying was condensed into water and the released heat energy would be used for sludge drying. After drying, the sludge collection part would be connected with the existing VOCs treatment system of the Company using an enclosure device. The above measures were used to reduce sludge and realize clean production. Meanwhile, the Company improved the sludge flocculation technology, which reduced the sludge moisture content filtered by the pressure filter from 90% to 80% and below, and satisfied the usage requirements of the drying machine. After the improvement in pressure filtration, the frequency of replacement of filter cloth was changed from 8 times to 32 times of pressure filtration.

Hongqi Pharma

Hongqi Pharma: The company designed and made a self-circulation sludge drying device with the utilization of residual heat and low-temperature drying. In the whole system, electrical equipment such as motors and compressors were installed in the low-temperature and low-humidity area, and the heat energy released by motors and compressors also provided certain heat source for the operation of the whole system. During operation, the

system energy consumption only included the heat energy required for moisture evaporation of the sludge, cooling energy required for moisture condensation in the high-humidity air, and the heat dissipation during the system operation, which required extremely low operation cost. Meanwhile, the system has self-heating and self-circulation air without waste gas emissions.

Material Circulation and Reduction

In the process of product manufacturing, transportation and sales and provision of healthcare services, Fosun Pharma Group directly and/or indirectly consumes various types of packaging materials. The total consumption of packaging materials in 2020 was 20,237 tons, representing a decrease of 3,375 tons (14.3%) as compared to 2019.

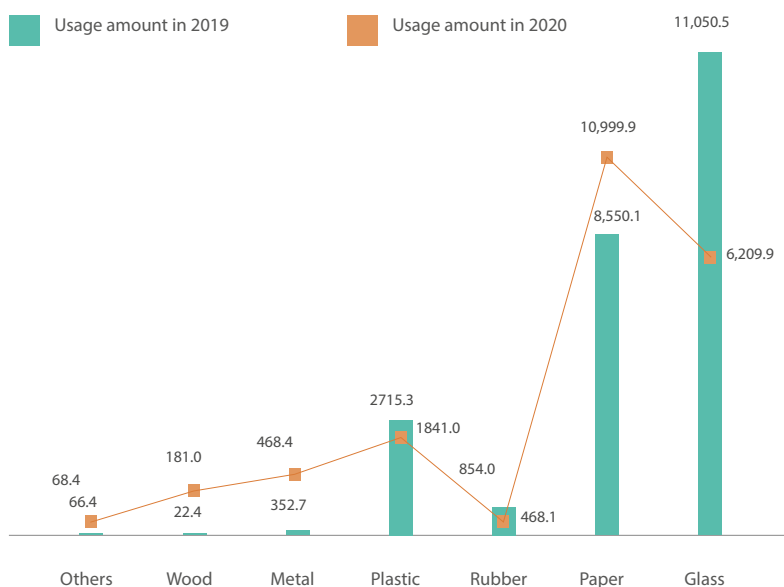
The Group adheres to the principle of "source control, optimized use, reduction of resource consumption and pollutant emission", and strengthens the management and control of various packaging materials used other than those that cannot be recycled due to the use for pharmaceutical products. On the one hand, the Group

proactively promotes the reduction of packaging materials and controls the source of product packaging to reduce excessive and unnecessary packaging. In addition, some member enterprises cooperate with upstream and downstream customers to use material turnover boxes to replace disposable materials boxes to reduce the loss of turnover boxes in materials transportation. On the other hand, the Group proactively promotes the recycling of packaging materials, and the packaging materials arising from unpacking for incoming materials are subject to classified management and certain packaging materials can be recycled for internal use. For those that cannot be reused internally, they are sold to the resource recycling and

reuse department, and social resources are used to complete the reuse of recyclable packaging materials. In 2020, 46.5 tons were recycled for internal use, and 19,519 tons were reused externally with the respective recycling rate of 0.2% and 96.4%.

Types of Packaging Materials Consumed by Fosun Pharma Group

Unit: Ton



Cases

Optimization of Operation Control for Reduction of Discarded Packaging Materials from Source

Wanbang Pharma: Considering that there would be non-conforming aluminium caps produced during the manufacturing process, the Company checked and made data analysis on the discharging rotating discharge plates, vibrating pots, aluminium cap tracks and capping tracks, and reformulated the feeding standards for aluminium feed bin and vibrating pots. After the stable operation of equipment, the bottle inversion and elimination of non-defective products were greatly reduced, the total number of capping rejects was decreased, and the number of defective products per batch was lowered by 86.8%.

Recycling of Packaging Materials for Reduction of Social Resources Consumption

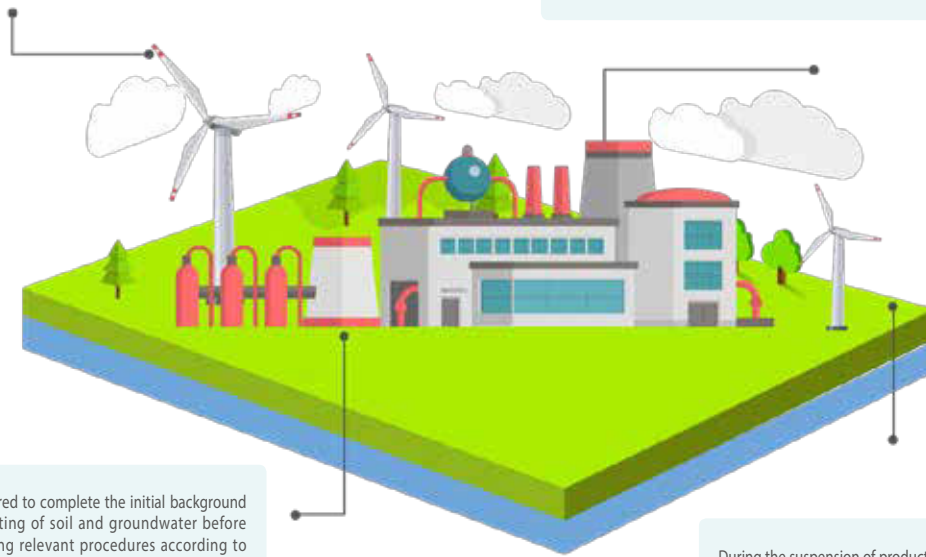
Yaopharma: In 2020, recycling and optimization of packaging cartons were implemented. The Company formulated the carton recycling standards, stipulating the type of recycled cartons, pallet loading requirements, and standardizing the carton recycling processes, which were then distributed to workshops. The part of external packaging cartons that were originally used to load and transport unrecyclable wastes can be recycled. According to estimates, it is predicted that more than 110,000 cartons can be recycled per year.

Soil and Groundwater Management

The Group adheres to the principle of ecological protection throughout the life cycle of the project, and continuously strengthened the management of soil and groundwater pollution risks.

During the preparation for entry into the site, the Group requires EHS due diligence before the acquisition of all acquired enterprises (manufacturing enterprises) to identify environmentally sensitive targets around the project and to avoid environmental risks early, including but not limited to risk assessment of soil and groundwater. If the acquired enterprises have high-risk hidden dangers in terms of biodiversity, soil and groundwater, or are classified as conditional acquisition projects, or rejected for acquisition, the Group strives to achieve harmonious interaction between enterprises and the environment through practical actions.

During daily operation, the Group conducts investigations of hidden hazards to prevent soil and groundwater pollution caused by chemical substance leakage, seepage, spillage, etc.. It has prepared the hidden danger classification standards in line with enterprises according to the characteristics of the production activities and potential pollutants of member enterprises. Corrosion prevention and leakage prevention facilities are built and installed for production areas, storage areas, wastewater treatment stations, waste storage areas, logistics and transportation of chemicals and other facilities, and leakage protection is timely improved and device leakage management is enhanced in these areas in daily supervision. The prevention of soil and groundwater pollution has been included into the emergency plan for emergency environmental pollution accidents, and measures are taken according to the emergency plan to prevent or reduce soil and groundwater pollution. In 2020, a total of 15 member enterprises conducted preventive tests on the soil and groundwater at the site of the plant based on the actual conditions of daily operations.



It is required to complete the initial background value testing of soil and groundwater before completing relevant procedures according to regulations for newly purchased/new leased land, and include an environmental risk analysis of soil and groundwater in the project environmental assessment including site background, site characteristics and potential pollution, and prepare necessary environmental protection measures to reduce potential pollution risks after the project is put into operation.

During the suspension of production and withdrawal from the site, it is required to properly dispose of the remaining solid wastes, residual materials, chemicals, pollutants, polluting equipment and facilities upon suspension of production. The hazardous wastes shall be entrusted with the qualified units for safe disposal. Prior to the dismantlement of facilities, equipment or buildings, soil pollution prevention work plans including emergency measures shall be formulated. And the post-dismantlement environmental protection report and records of dismantlement shall be made upon completion of dismantlement.

Biodiversity

Fosun Pharma Group has always attached great importance to the protection of ecological diversity around the enterprise. All activities, products and services have no significant impact on biodiversity, and all offices, business premises and industrial plants are not located in nature reserves or biodiversity-rich areas outside the protected areas and do not damage the original vegetation and the ecosystem, do not use protected animals to complete animal experiments, and the production process does not use protected plants and protected animals as raw materials.

Laboratory animals are basic factors and important supporting conditions for life science research, and animal experiments are the basic means for life science research. The laboratory animal management by Fosun Pharma includes the management of laboratory animals, animal

experiments and operation of facilities, i.e., the breeding, reproduction, raising, quality control, disease prevention and diagnosis of laboratory animals; research on the reaction and performance of laboratory animals during experiments, and their occurrence mechanism, development rules and supporting conditions, as well as the operating conditions of the environmental facilities for laboratory animals. During the reproduction and experiments of laboratory animals, Fosun Pharma raises and uses laboratory animals scientifically and humanely, proactively improves animal raising environment, protects rights of laboratory animals, continuously explores and carries out refined animal experiment technology, and reduces and replaces the use of laboratory animals, in active response to the animal ethics and animal welfare protection requirements.

Cases

Yaopharma Signed the Letter of Commitment of "Wildlife-friendly" Pharmaceutical Enterprise



Signing Ceremony of the Letter of Commitment of "Wildlife-friendly" Pharmaceutical Enterprise

Yaopharma joined the public welfare project "Protecting Endangered Animals by Charitable Pharmaceutical Enterprises" initiated by World Animal Protection, and signed the Letter of Commitment of "Wildlife-friendly" Pharmaceutical Enterprise. At the signing ceremony, Yaopharma promised that it would refuse the elements of endangered wild animals in the raw materials and production, R&D and sales of preparations, and persuaded consumers not to purchase or use drugs or healthcare products containing elements of endangered wild animals.

The scientist Dr. Sun Quanhui of World Animal Protection expressed that, Yaopharma signed the Letter of Commitment of "Wildlife-friendly" as the leader in API and preparation fields, which not only displayed its social responsibility to protect wild animals but also played a guiding and demonstration role in promoting more enterprises to support the animal protection.

Wanbang Pharma's Laboratory Animal Management Won Recognition from the Department of Science and Technology of Jiangsu Province for Four Consecutive Years



Picture: Strict disinfection on padding and cages of laboratory animals and internal and external parts of facilities by Wanbang Pharma during the pandemic period

Considering that many animal experiments were involved in drug R&D and production, Wanbang Pharma fulfilled the requirements of the Department of Science and Technology of Jiangsu Province on animal laboratory performance assessment to realize standardized and humane animal management during experiments, which won recognition from relevant departments for four consecutive years. The assessment system could prevent the selection of species under protection for experiments and standardize the humane treatment of laboratory animals. In future, Wanbang Pharma will continue to make refined explorations into animal experiment technology, improve the standard operating system of laboratory animals, and enhance the integration of the technology and management system with advanced foreign laboratory animal platforms.

守望相助

Helping and Supporting Each Other

In 2020, with the worldwide spread of the pandemic, Fosun Pharma proactively held several global seminars to make concerted efforts with all the other people to fight against the pandemic. In order to support the African medical institutions to fight against the pandemic, Fosun Pharma cooperated with Fosun Foundation, Fosun Healthcare and Tridem Pharma to hold the eCME on COVID-19 Case Management, sharing experience in fighting against COVID-19 with the health system officials and medical experts from more than ten African countries.

"At present (April 2020), COVID-19 ran rampant in African countries. After more than ten years' development in Africa, Fosun Pharma Group has nearly 1,000 employees in Africa. We hope that we could provide support and help in various forms for African countries as much as possible. I am glad to participate in this online seminar, and only by making concerted efforts can we finally conquer the pandemic!"

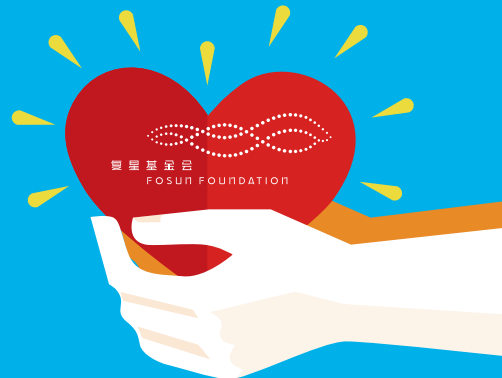
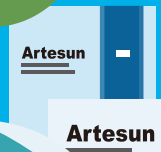
—Chairman and CEO of Fosun Pharma Wu Yifang





Responsible Community

While achieving rapid development, Fosun Pharma Group is also paying enthusiastic effort to public welfare and repaying the society. The Group proactively fulfills its commitment as a corporate citizen by carrying out many public welfare activities including support for education, scientific research & innovation and care for health through Shanghai Fosun Foundation.





As at the end of 2020, **400** negative pressure ambulances and more than **18,000** ventilators were donated to the anti-pandemic frontlines



Fosun Pharma Group donated cash, medical supplies and daily supplies worth over RMB**30** million including surgical masks, protective clothing, medical non-invasive ventilators and negative pressure ambulances to the epidemic-affected areas



Fosun Pharma worked on the frontlines. During the fight against the pandemic by Fosun Healthcare Medical Team in Support of Hubei Province, **515** patients were cured, with **zero** mortality rate of patients and **zero** infection rate of medical workers.



In 2020, Fosun Pharma Group invested a total of nearly RMB **11** million in targeted poverty alleviation



Fosun Pharma Group assumed its corporate social responsibility and contributed to the community, and donated a total of RMB**40.38 million** to the community in 2020



As at the end of 2020, Fosun Pharma Group supplied more than 0.15 billion doses of Artesun® for injection for the international market, saving more than **30 million** patients with severe malaria in the world



Concerted Efforts to Fight against COVID-19

In 2020, the whole society was concerned about COVID-19. As the leading pharmaceutical and healthcare group in China, Fosun Pharma fulfilled its social responsibilities in combination with its own business characteristics and global resources, in active response to the campaign.

The cumulative value of cash, medical supplies, and living supplies donated by Fosun Pharma to epidemic-affected areas exceeded

 **>RMB30** million

Global Allocation of Medical Supplies in urgent need for Pandemic Prevention and Control

Fosun Pharma immediately set up the leading and working group for pandemic prevention and control in active response to the government appeal, maintaining stable business operation and giving priority to production and supply of anti-pandemic medical supplies while guaranteeing employees' health and safety.

Fosun Pharma transported the medical materials from all over the world to the anti-pandemic frontlines in need, successively donated several batches of medical materials such as protective clothing and masks to the frontlines of the epidemic-affected areas such as Wuhan and Huanggang, Hubei, and provided support for several medical institutions including the national medical team, Wuhan Union Hospital and Leishenshan Hospital.

Fosun Pharma Group gave priority to the supply of drugs, diagnostic reagents, non-invasive ventilators and negative pressure ambulances urgently needed for pandemic prevention. As at the end of 2020, 319 negative pressure ambulances were put into use on the frontlines. Over 17,460 ventilators were put into use on the global frontlines. Fosun Pharma independently developed 2019-nCoV RT-PCR Detection Kit, which has been successively exported to more than 10 overseas countries for the global fight against the pandemic. The cumulative value of cash, medical supplies, and living supplies donated by Fosun Pharma to epidemic-affected areas has exceeded RMB30 million. The medical supplies include surgical masks, protective clothing, medical non-invasive ventilators, and negative pressure ambulances.



Fosun Healthcare Rushed to the Frontlines

The member hospitals subordinate to Fosun Healthcare resolutely rushed to the anti-pandemic frontlines, displaying their duties and responsibilities as private healthcare force with actual actions. On 23 January 2020, with the signboard of "infectious disease inpatient ward in Caidian District, Wuhan City" hung, Wuhan Jihe Hospital worked as the designated hospital for the centralized rescue and treatment of patients with fever in Caidian District, Wuhan City; in Foshan, the flagship hospital of Fosun Group-Foshan Chancheng Central Hospital joined the anti-pandemic frontlines as one of the designated hospitals of Foshan City.

On the evening of January 23, Fosun Healthcare made arrangements overnight to establish a ten-person COVID-19 medical expert team led by Jia Xiaomin, Director of the Department of Respiratory Medicine of General Hospital of Xuzhou Mining Group Professor; on January 25 (the first day of the lunar new year), Chen Yuqing, Chairman of Fosun Healthcare (the then President of Fosun Healthcare), Bao Qingui, CEO of Fosun Healthcare and the (then) Chairman of Wuhan Jihe Hospital, and Professor Jia

Xiaomin, Leader of Medical Expert Team rushed to Wuhan for rescue. On the evening of February 6, professional teams from specialized departments such as Hospital Infection-Control Department, Department of Internal Medicine, ICU and Department of Integrated Chinese and Western Medicine of General Hospital of Xuzhou Mining Group, Foshan Chancheng Central Hospital, Shenzhen Hengsheng Hospital, Yueyang Guangji, Suqian Zhongwu and Wenzhou Geriatric Hospital, as well as nearly 30 elites from the material logistics team, gathered on the frontlines of Wuhan City as the first medical team in support of Hubei. On February 8, Wuhan Jihe dispatched another 30 medical workers to support the diagnosis and treatment at the centralized quarantine and observation stations on Daji Street, Caidian District.

On March 25, the medical team of Fosun Healthcare in support of Hubei returned to their home upon successful fulfillment of the anti-pandemic task. During the fight against the pandemic, 515 patients were cured, with zero mortality rate of patients and zero infection rate of medical workers.

Global Collaboration in Development for Proactive Promotion of Launch of Vaccines

On March 13, Fosun Pharma became the strategic partner of Germany BioNTech in China. The two parties aimed to jointly develop and commercialize COVID-19 vaccines in Mainland China, Hong Kong, Macau and Taiwan, based on the exclusive mRNA technology platform of BioNTech. At present, Fosun Pharma is carrying out the

BNT162b2 Phase II clinical trial of mRNA COVID-19 vaccines, and actively promoting the launch of such vaccines in China.



Anti-pandemic Events



Fosun Pharma set up the leading and working group for pandemic prevention and control in active response to the pandemic-related work

January 20



Wuhan Jihe Hospital hang the signboard of "infectious disease inpatient ward in Caidian District, Wuhan City"

January 23

January 22

The flagship hospital of Fosun Healthcare-Foshan Chancheng Central Hospital was designated as the exclusive treatment hospital in Chancheng District, Foshan City

January 25

On the first day of the lunar year, Chen Yuqing, Chairman of Fosun Healthcare (the then President of Fosun Healthcare), CEO of Fosun Healthcare and the (then) Chairman of Wuhan Jihe Hospital Bao Qin'gui, and Leader of Medical Expert Team Professor Jia Xiaomin rushed to the frontlines in Wuhan to fight against the pandemic



30 medical workers from Wuhan Jihe Hospital formally transferred to the centralized quarantine and observation stations on Daji Street, Caidian District, Wuhan in the evening

February 10

February 11

The member enterprise of Fosun Pharma-Breas Medical donated 140 medical non-invasive ventilators to 14 hospitals in 11 prefecture-level cities in Hubei Province, which was worth nearly RMB15 million, 30 sets of which were donated to Leishenshan Hospital

February 7

The medical team of Fosun Healthcare in support of Hubei held the settlement ceremony to provide assistance for Caidian District, Wuhan City in cooperation with the medical team of Liaoning Province



February 6

Fosun Healthcare transferred nearly 30 elites from member hospitals to the frontlines to fight against the pandemic

February 14

Fosun Pharma donated RMB500,000 to the "Salutes to Anti-pandemic Medical Workers" Project of Shanghai Respect Doctor Foundation via Shanghai Fosun Public Welfare Foundation, which was used as the reward for medical workers on the frontlines of Hubei Province.

March 25

The medical team of Fosun Healthcare in support of Hubei returned to their home upon successful fulfillment of the anti-pandemic task. During the fight against the pandemic, 515 patients were cured, with zero mortality rate of patients and zero infection rate of medical workers.

March 26

All the medical workers in support of Wuhan City from Fosun Healthcare withdrew from Wuhan and arrived at the quarantine stations of respective cities



Fosun COVID-19 Vaccines: Sino-Germany Scientific Research Cooperation Model

Vaccines are regarded as the “ultimate weapons” to conquer COVID-19. The fight against diseases depends on scientific development and technological innovation. Vaccines are of vital importance to pandemic prevention, and play a vital role in conquering the pandemic by all human beings.

Since the outbreak of COVID-19, the Chinese Government immediately arranged the five technical routes, namely, inactivated vaccines, recombinant protein vaccines, adenovirus vector vaccines, attenuated influenza virus vector vaccines and nucleic acid vaccines. Fosun Pharma developed an advanced nucleic acid vaccine-mRNA COVID-19 vaccine through international cooperation based on the accumulation of its pharmaceutical industry and globalized scientific innovation planning.

On March 13, 2020, Fosun Pharma became the strategic partner of Germany BioNTech in China. The two parties aimed to jointly develop and commercialize COVID-19 vaccines based on the exclusive mRNA technology platform of BioNTech in Mainland China, Hong Kong, Macao and Taiwan.

Since the cooperation, Fosun Pharma committed to in-depth engagement in the R&D of mRNA nucleic acid vaccines. In addition to comprehensive and in-depth exploration with partners into R&D plans and enhancement of clinical trials in China, it also designed and completed animal challenge assays of several selected mRNA vaccines including BNT162b2 in cooperation with Chinese research institutions, and promptly shared experienced with partners.

mRNA COVID-19 vaccine is a new type of nucleic acid vaccine. mRNA, namely, Messenger RNA, is a small piece of genetic information that provides a “building” plan for human cells to make a target protein, or immunogen, which activates the body’s immune response against the respective virus.

BNT162b2 is modified messenger RNA, encoding protein S full length of novel coronavirus; wrapped in lipid nanoparticles, mRNA (Messenger RNA) will stimulate the immune system to identify and damage the virus after injected into the human body. Two injections of “fundamental injection - booster injection” (at an interval of 21 days) are adopted for the immune procedures.



mRNA COVID-19 nucleic acid vaccines have obvious advantages in the safety, immunogenicity, R&D speed and industrialization capability: firstly, it is free of viral proteins, and therefore poses no risk for infection; secondly, mRNA vaccines can be highly immunogenic and induce neutralizing antibodies as well as CD4 and CD8 T cell responses, without the need for an additional adjuvant; thirdly, short R&D cycle. Novel vaccine candidates can be developed rapidly as per the gene sequence of the virus; fourthly, relatively simple production process and easy scale-up of manufacturing aiming for a worldwide supply.

Fosun Pharma and BioNTech are jointly promoting the clinical trial and launch of its first choice mRNA COVID-19 vaccine BNT162b2 in China. The first choice vaccine BNT162b2 underwent the smooth operation of domestic Phase II clinical trial. So far, Fosun Pharma has completed the enrollment and all the immune procedures of the Phase II clinical bridging study, during which 960 patients received two doses of injection with follow-up visits for half a month, and no severe adverse reactions related to vaccines were found.

At present, COVID-19 BNT162b2 vaccines developed based on the exclusive mRNA technology platform of Germany BioNTech have been approved for use successively in more than 50 regions and countries including Britain, Canada, the United States, EU and Singapore, which is the first COVID-19 vaccine approved for emergency use according to Phase III clinical trial results in the world. On January 25, 2021, COVID-19 vaccine COMIRNATY (namely, BNT162b2, Chinese commodity name: 復必泰™) based on mRNA technology of Germany BioNTech was approved for emergency use in Hong Kong, China.

Four advantages of Fosun COVID-19 vaccines



Free of viral proteins, and therefore poses no risk for infection



Short R&D cycle and rapid development of novel vaccine candidates



Highly immunogenic and induce neutralizing antibodies as well as CD4 and CD8 T cell responses, without the need for an additional adjuvant



Easy for mass production, supporting worldwide supply



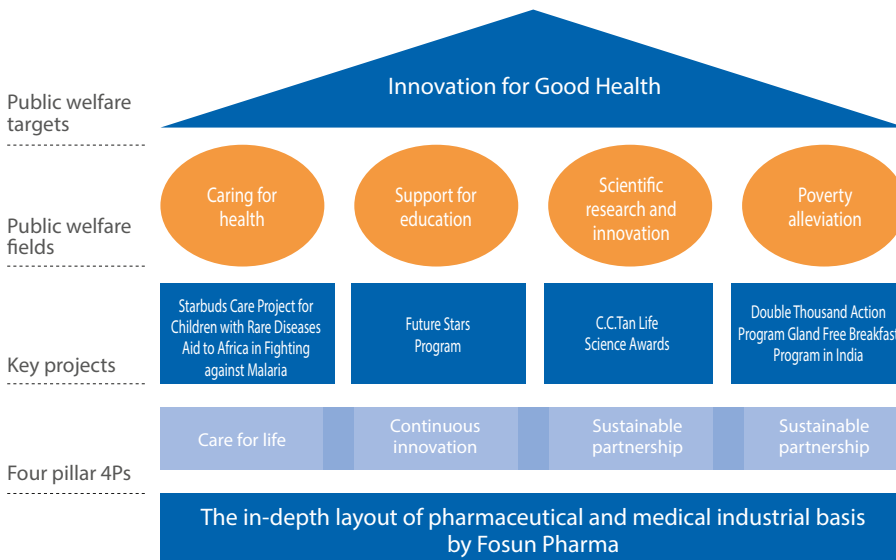
Launching ceremony of the establishment of "Starbuds Care" Special Fund for Children with Rare Diseases

Community Charity

Strategic Objectives

As one of the initiators of Fosun Foundation, in 2020, Fosun Pharma continued its adherence to the public welfare philosophy of "sustainable development of talents and products", striving to create high-quality

public welfare projects. In 2020, Fosun Pharma Group donated RMB40,380,000 in total to society and carried out more than 100 public welfare events/projects.



Social Contribution Value per Share

In 2020, the social contribution value per share of Fosun Pharma Group was RMB4.83.

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. 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 May 14, 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 payment + employee cost + interest expenditure + devotion to community charity)/total share capital at the end of the period.

Targeted Poverty Alleviation

Fosun Pharma Group actively responded to and facilitated the implementation of the Central Government's decision and plan of "targeted poverty alleviation and elimination" by fully utilizing its advantages in pharmaceutical and healthcare industries and adopting various measures. Currently, Fosun Pharma Group carried out targeted

poverty alleviation mainly through education, healthcare, society poverty alleviation and basic support, and achieved certain results.

In 2020, Fosun Pharma and its member enterprises invested nearly RMB11 million in the targeted poverty alleviation.

Poverty alleviation through education

The "Future Stars Program" of Fosun Pharma provided active support for education and motivated teachers and students from nationwide universities for several years. In 2020, Fosun Pharma continued with the "Future Stars Program", and carried out scholarship programs to assist teaching and learning in five universities, i.e., the School of Life Sciences in Fudan University, China Pharmaceutical University, Shenyang Pharmaceutical University, Tongji Medical College of Huazhong University of Science & Technology and Xuzhou Medical University, in order to encourage students excellent in character and learning to seek medical knowledge, and encourage teachers to be devoted to scientific research and cultivation of social talents. The cooperation in university-enterprise scholarship deepened the communication and interaction between Fosun Pharma and universities, and the cooperation in talent cultivation and provision.

Yaopharma provided targeted assistance in Jinyan Village, Jiming Town, Chengkou County, Chongqing, helping students in poverty-stricken areas to receive education by establishing the sponsorship fund for poor students.

Poverty alleviation Through healthcare

In 2020, the "Double Thousand Action" initiated by the Chinese Antituberculosis Association and Fosun Public Welfare Foundation, together with Hongqi Pharma, to help poor tuberculosis patients, came to a successful end. From 2016 to 2020, the program donated public welfare funds totaling RMB5 million covering 31 provinces in China, helping 3,841 poor tuberculosis patients.

Fosun Pharma and its member enterprises actively participated in the "Rural Doctor Poverty Alleviation" project as sponsored by Fosun Public Welfare Foundation and China Population Welfare Foundation with a total investment amount of nearly RMB3 million. In October 2020, Shanghai Henlius, in cooperation with the "Rural Doctor Poverty Alleviation" project of Fosun Public Welfare Foundation, the Health Client Side of People's Daily and Health Times of People's Daily Press, launched the Doctors' Help-Han Qu You Public Welfare Medical Care Trip in Rural Areas. In 2020, the public welfare expert team provided public welfare training on the prevention, diagnosis and treatment methods of cancer diseases including breast cancer for local rural doctors and villagers in several poverty-stricken counties.

Fosun Pharma's hospitals proactively made an investment in poverty alleviation. In 2020, Anhui Jimin Cancer Hospital collected 100 cancer patients from poor families for medical rescue through "Wanhong Patriotic Poverty Alleviation" Project of Anhui Red Cross Foundation. Wenzhou Geriatric Hospital offered aid for uremia hemodialysis patients who couldn't afford the medical expenses due to poverty. Since 2019, public welfare activity "free hemodialysis for nephrotic patients" has been launched, totally rescuing 31 poor nephrotic patients in 2020. Suqian Zhongwu Hospital offered free operations for cataract patients who were from rural and urban low-income families, rural households enjoying five guarantees, suffered from disability or other special difficulties with demands for blindness prevention surgeries and indications of operation in Sucheng District. Qualified cataract patients may be entitled to free operations upon unified free screening by Zhongwu Hospital and registration and application to the Disabled Persons' Federation of Sucheng District. In 2020, 272 patients were covered.

Society poverty alleviation

In August 2020, Guilin Pharma made donations to Baixian Village, Litang Town, Binyang County, Nanning City for the construction of Senior Citizen Activity Center and rural rejuvenation; in September, in active response to the government's appeal for poverty alleviation, the Group made donations to Xiaoheping Village, Dongshan Yao Nationality Town, Quanzhou County for the rural economic development of the village; in December, the Group provided support for the tap water supply in Guanghui Village, Guilin, which solved the difficulty in water usage of villagers. Yaopharma continued to offer targeted aid for Jinyan Village, Jiming Town, Chengkou County, Chongqing.

Basic support

Erye Pharma regularly recruited unemployed disabled people. In 2020, it offered basic support for eight disabled persons.

Fosun Pharma Group Cooperated with World-famous Malaria Experts in Exploration into New Trends in Maternal and Infant Malaria Prevention



On 19 November 2020, Fosun Pharma Group, jointly with two world-famous malaria experts, held an excellent academic webinar through online conference for nearly 700 first-line medical workers in Africa, sharing the latest progress in scientific research on maternal and infant malaria prevention, and conducted brilliant online interactive Q&As on relevant topics.

“eCME Multi-media Online Medical Training” Program provides an online academic platform for medical workers in African regions by means of multi-media interaction based on the Internet such as online video conference, acquainting them with the progress of cutting-edge medicine, enhancing their business level, offering opportunities for face-to-face exchange with international top experts, and improving the medical progress in Africa. At the current session of eCME, 700 doctors, pharmacists, officials from health departments and NGO representatives from 14 African countries gathered at the virtual venue to learn about the advanced progress of malaria prevention and explore how to implement the new plan in Africa.

Since the first eCME in 2014, Fosun Pharma Group has held nine online academic sharing meetings with different themes on hot issues such as malaria in public health in African regions within seven years, which has become one of the most influential public welfare academic projects of the Group. Fosun Pharma Group has always regarded

the fight against malaria as part of the corporate social responsibilities and penetrated the concept through the R&D, production and promotion in the terminal market of anti-malaria drugs.

On such webinar, Fosun Pharma Group formally initiated the public welfare project “Malaria Care Initiative”, integrating continuous science popularization of malaria with community welfare and academic training, in order to help “build a malaria-free world” in the international community, especially African regions.

In area of fighting against malaria, Fosun Pharma Group has been proactively performing its social responsibilities for many years. As at the end of 2020, Fosun Pharma Group supplied more than 120 million doses of Artesunate for injection for the Malaria endemic regions, saving more than 24 million patients, most of who were African children under 5 years old, reducing the mortality rate of malaria in Africa. Riding on the advantages of products, the Group has up to now undertaken 11 seminars on malaria prevention and treatment in developing countries, 6 seminars on quality management in developing countries, and 4 minister-level seminars in the field of drug regulation in developing countries, involving more than 50 countries and regions; the Group has completed a total of 167 foreign material aid projects.

“Rural Doctor Poverty Alleviation” Project: We Support the Village Doctors Who Safeguard Us

The purpose of the “Rural Doctor Poverty Alleviation” is to stabilize the team of rural doctors, improve professional capacity of rural doctors, and effectively reduce the impoverishment and re-poverty rates of national-level poverty-stricken counties. As at the end of 2020, the “Rural Doctor Poverty Alleviation” project covered a total of 70 counties, helped more than 12,545 clinics in administrative villages, supported 22,192 village doctors, and benefited three million poverty-stricken families.

Fosun Pharma Group proactively participated in the “Rural Doctor Poverty Alleviation” project. Yaopharma, Hongqi Pharma and other member enterprises donated urgently needed drugs and related materials to over 10 poor counties, including Cangxi County, Sichuan, Shizhu County, Chongqing, Zizhou County, Shaanxi and Yudu County, Jiangxi Province. In 2020, Fosun Pharma Group donated drugs and materials equivalent to a total of nearly RMB3 million to the “Rural Doctor Poverty Alleviation” project.

“Double Thousand Action” TB Poverty Relief Project

In order to realize the objective of WHO to end tuberculosis all over the world by 2035 and the “Healthy China 2030” planning raised by Chinese government, in 2016, Chinese Antituberculosis Association established “China Antituberculosis Public Welfare Fund”, and cooperated with Shanghai Fosun Public Welfare Foundation and Hongqi Pharma to launch Chinese Antituberculosis Public Welfare Fund- TB Poverty Relief “Double Thousand Action” Project. As at the end of 2020, “Double Thousand Action” donated public welfare relief fund totaling RMB5 million in total, helping 5,400 poor TB patients, covering 31 provinces in China, and carrying out more than ten large patient education and rural visiting activities, which aroused strong reaction among antituberculosis units at various levels, and won the high recognition by relevant leaders of the center for disease control and prevention and antituberculosis association.



Starbuds Provided Full Life-cycle Care and Concern for Children with Rare Diseases

In order to further enhance the general public’s understanding of rare diseases and arouse more concern and care on children with rare diseases, on the evening of 23 December 2020, Shanghai Fosun Public Welfare Foundation, jointly with Children’s Hospital of Fudan University, launched “Starbuds” Care Special Fund for Children with Rare Diseases under the guidance of the project expert team from Shanghai Association for Improving Birth Outcome and Child Development (Shanghai Maternal and Child Health Association), Shanghai Foundation for Rare Diseases and the high-level key innovation team of local universities of Shanghai (maintenance and promotion of children’s health), which indicated the formal launch of Starbuds Care Project for Children with Rare Diseases. The public welfare project was devoted to providing full life-cycle concern and care for more children with rare diseases. The activity was organized by Fosun Pharma, and supported by units and platforms including Fosun Healthcare, Shanghai Xingchen Children’s Hospital (Children’s Hospital of Fudan University Xinhongqiao Branch), Fosun Health + and Children Care in Shanghai and Hubei.



Famous Doctors Go to the Countryside Project Guaranteeing “Treatment of Small Diseases in Rural Areas and Treatment of Severe Diseases in the County”

"Treatment of Small Diseases in Rural Areas and Treatment of Severe Diseases in the County" and "Famous Doctors Go to the Countryside" projects were initiated in August 2018, in order to expand the service radius of excellent medical resources, promote the usage of medical resources at lower levels, improve the diagnosis and treatment level of grassroots hospitals, and help the general public to receive treatment of small diseases in rural areas and treatment of severe diseases in the county. As at the end of 2020, the "Rural Doctor Poverty Alleviation" project helped 11 poverty-stricken counties, carried out online and offline training for more than 20 times, trained over 6,600 grassroots and rural doctors, and offered free treatment for nearly 2,500 patients. In addition, the public welfare project also established a communication platform between grassroots hospitals and national AAA hospitals, which obtained recognition and a good reputation among patients in remote regions, rural doctors, rural health centers, county-level hospitals, local health departments and county government. In 2020, the project was carried



out in the form of online free diagnosis, during which national experts in the cardiovascular and cerebrovascular field were invited to participate in the online remote consultation, chronic disease training course and online public welfare free diagnosis, covering more than 15,000 local doctors and over 2,000 patients.

Han Qu You® Public Welfare Medical Care Trip in Rural Areas Protected the Health of Rural People

Shanghai Henlius, in cooperation with the "Rural Doctor Poverty Alleviation" project of Shanghai Fosun Public Welfare Foundation, the Health Client Side of People's Daily and Health Times of People's Daily Press, launched the "Han Qu You® Public Welfare Medical Care Trip in Rural Areas", aiming to improve the medical treatment conditions, diagnosis and treatment level and hospital management capability in remote rural villages, enhance the awareness of more rural people on severe cancer diseases such as breast cancer, and realize the dream of healthy China. The project invited famous domestic cancer experts and hospital management teams, covering more than 10 towns and counties. In 2020, the public welfare expert team provided public welfare training on the prevention, diagnosis and treatment methods of cancer diseases such as breast cancer for local rural doctors and villagers, conducted consultation and free diagnosis of intractable cases, had communication and offered guidance on hospital management and



department development, paid on-site visits to rural health centers, and helped rural doctors in need, in order to do well in cancer prevention, diagnosis and treatment, and lay foundation for standardized treatment of diseases.

In Support of Education, Fosun Pharma Future Stars Program Provided Continuous Incentives for Teachers and Students in Universities

In 2020, Fosun Pharma continued with the "Future Stars Program", carried out scholarship programs to assist teaching and learning in five universities, i.e., the School of Life Sciences in Fudan University, China Pharmaceutical University, Shenyang Pharmaceutical University, Tongji Medical College of Huazhong University of Science & Technology and Xuzhou Medical University, and held the scholarship awarding ceremony. Over the past year, the program has motivated more than 150 excellent students and teachers, in order to encourage students excellent in character and learning to seek medical knowledge, and encourage teachers to be devoted to scientific research and cultivation of social talents. The cooperation in university-



enterprise scholarship deepened the communication and interaction between Fosun Pharma and universities, and the cooperation in talent cultivation and provision.

健康守护

Health Protection

On October 30, 2020, Professor Lan Jun of the Department of Cardiology of Dongguan No.3 People's Hospital provided free medical consultation in the People's Hospital of Midu County, Dali, Yunnan.

In order to further promote the "Rural Doctor Poverty Alleviation" project of Shanghai Fosun Public Welfare Foundation, "Famous Doctors Go to the Countryside Project" organized by Wanbang Pharma, a member enterprise of Fosun Pharma, was initiated in 2018, dedicated to promoting the usage of medical resources at lower levels, improving the diagnosis and treatment level of grassroots hospitals, and helping the general public to receive treatment of small diseases in rural areas and treatment of severe diseases in the county.

"Famous Doctors Go to the Countryside Project" was of great help to the national policy of "receiving treatment of severe diseases in the county". We could help the county hospitals enhance their diagnosis and treatment level by answering and feeding back relevant questions from county hospitals, which was of great significance in my opinion.

—Professor Lan Jun of
Department of Cardiology
of Dongguan No.3
People's Hospital



Feedback Form

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

I. By postal mail

Contact person: Sun Li Telephone: +86 21 33987125

Address: Brand & Public Relations Department (the recipient) in Building A, No. 1289 Yishan Road, Shanghai

Postal code: 200233

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

“Shanghai Fosun Pharmaceutical (Group) Co., Ltd. 2020 Corporate Social Responsibility Report” Feedback Form

Name: _____

Employer: _____

Responsibility: _____

Telephone: _____

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Feedback and Opinions Survey:

1. Have you found the information you need in this report?
2. Which information do you think should be further disclosed in this report?
3. Do you have any other suggestions on this report?

II. Scan QR code for feedback online



Definitions of enterprise name

Enterprise abbreviation	Enterprise full name
Shanghai Henlius	Shanghai Henlius Biotech, Inc.
Fuchuang Pharmaceuticals	Chongqing Fuchuang Pharmaceuticals Research Co., Ltd.
Fosun Orinove	Fosun Orinove (Suzhou) Medical Technology Co., Ltd.
Fosun Kite	Fosun Kite Biotechnology Co., Ltd.
Fosun Lead	Fosun Lead (Shanghai) Healthcare Technology Co., Ltd.
Wanbang Pharma	Jiangsu Wanbang Biopharmaceuticals Co., Ltd.
Yaopharma	Chongqing Yaopharmaceuticals Co., Ltd.
Guilin Pharma	Guilin Pharmaceutical Co., Ltd.
Aohong Pharma	Jinzhou Aohong Pharmaceutical Company Limited
Hongqi Pharma	Shenyang Hongqi Pharmaceutical Co., Ltd.
Dongting Pharma	Hunan Dongting Pharmaceutical Co., Ltd.
Erye Pharma	Suzhou Erye Pharmaceutical Co., Ltd.
Aleph	Dalian Aleph Biochemical Co., Ltd.
Shine Star	Shine Star (Hubei) Biological Engineering Co., Ltd.
Gland Pharma	Gland Pharma Limited
Tridem	Shanghai Tridem Medical Technology Co., Ltd.
Foshan Chanyi	Foshan Chancheng Central Hospital
Shenzhen Hengsheng	Shenzhen Hengsheng Hospital
Suqian Zhongwu	Suqian Zhongwu Hospital
Wenzhou Geriatric	Wenzhou Geriatric Hospital
Yueyang Guangji	Yueyang Guangji Hospital
Jimin Cancer	Anhui Jimin Cancer Hospital
Zhuhai Chancheng	Zhuhai Chancheng Hospital
Wuhan Jihe	Wuhan Jihe Hospital
Beijing Zhuoerhui	Beijing Zhuoerhui Medical Management Co., Ltd.
Sisram	Sisram Medical Ltd
Intuitive Fosun	Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd.
Long March Medical	Shanghai Fosun Long March Medical Science Co., Ltd.
Yaneng Bioscience	Yaneng Bioscience (Shenzhen) Co., Ltd.
Fosun Beiling	Beijing Beiling Special Automobile Co., Ltd.
Huaiyin Medical	Huaiyin Medical Instruments Co., Ltd

Major Financial Indicators of Fosun Pharma Group

Unit: RMB'000

Item	2018	2019	2020
Net asset value per share attributable to shareholders of listed companies (RMB/share)*	10.92	12.44	14.44
Basic earnings per share (RMB/share)	1.07	1.30	1.43
Basic earnings per share after non-recurring gain or loss (RMB/share)	0.83	0.87	1.06
The weighted average return on equity after non-recurring gain or loss (%)	7.92	7.77	8.04
Revenue	2,491,827	2,858,515	3,030,698
Investment income	181,545	356,550	228,398
Operating profit	353,553	449,356	472,115
Asset disposal income	-299	1,773	571
Other income	27,671	31,305	39,363
Add: non-operating income	8,286	7,737	2,308
Less: non-operating expenses	3,880	4,518	6,639
Total profit	357,959	452,575	467,784
Less: income tax expenses	55,971	78,223	73,786
Net profit	301,988	374,352	393,998
Net profit attributable to shareholders of the parent	270,792	332,162	366,281
Minority interests	31,196	42,190	27,717
Tax liability	269,005	253,227	248,578
Donations	975	1,504	4,038

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

HR and Social Indicators of Fosun Pharma Group

Item	End of 2018	End of 2019	End of 2020
Total number of employees	28,245	31,370	32,258
Total number of male employees	14,972	16,540	16,797
Total number of female employees	13,273	14,830	15,461
Total number of employees with master and doctor degrees	3,250	3,662	4,024
Item	End of 2018	End of 2019	End of 2020
Social contribution per share (RMB)	3.97	4.59	4.83
Labor contract conclusion rate	100%	100%	100%
Cash paid to or paid for workers (RMB0'000)	391,438.90	476,494.17	528,942.14
Union coverage rate	100%	100%	100%
Employment rate of people with disabilities	0.23%	0.24%	0.22%
Employment rate of ethnic minority employees	2.03%	3.57%	2.90%
Number of ethnic minority employees	574	1,114	934
Total training hours (man-hour)	854,993	993,364	667,561
Ration of female employee returning to work and job positions retained till after the completion of the maternity leave	100%	100%	100%

R&D indicators of Fosun Pharma Group

Item	End of 2018	End of 2019	End of 2020
Under investigation items (Unit: items)	215	264	247
Number of R&D staff	1,797	2,147	2,258
Items under clinical trials (Unit: items)	42	32	37
Item	End of 2018	End of 2019	End of 2020
R&D investment (including capitalized investment expenses, Unit: RMB100 million)	25.07	34.63	40.03
Number of patent application	84	136	176
Number of patents granted	25	47	70

Key Environmental Health and Safety (EHS) Indicators of Fosun Pharma Group

Item	2018	2019	2020
Total wastewater (Unit: tons/year)	7,565,178	7,091,033	6,505,479
Emission of COD (Unit: tons/year)	847	778	655
Emission of NH ₃ -N (Unit: tons/year)	254	130	88
Wastewater discharge intensity (Unit: tons/RMB10,000 of output value)	3.04	2.48	2.15
COD emission intensity (Unit: kg/RMB10,000 of output value)	0.34	0.27	0.22
Ammonia nitrogen emission intensity (Unit: kg/RMB10,000 of output value)	0.102	0.046	0.03
Emission of nitrogen oxides (Unit: tons/year)	251	258	158
Emission of sulphur oxides (Unit: tons/year)	279	134	105
Emission of particles (Unit: tons/year)	44	36	37
Total solid waste (Unit: tons/year)	85,796.6	73,583.6	49,286
Hazardous waste (Unit: tons/year)	2683.2	4320.8	5,914.5
Total solid waste intensity (Unit: kg/RMB10,000 of output value)	34.43	25.74	16.26
Hazardous waste intensity (Unit: kg/RMB10,000 of output value)	1.08	1.51	1.95
Investment in environmental protection (Unit: RMB0'000)	15,952	12,483	12,078.6
Total electricity consumption (Unit: kWh/year)	655,108,860	631,436,019	637,986,028
Energy consumption other than electricity (Unit: GJ/year)	5,394,870	5,304,416	-
Direct energy consumption (Unit: GJ/year)	-	-	2,604,950
Indirect energy consumption (Unit: GJ/year)	-	-	5,050,819
Total energy consumption (Unit: GJ/year)	7,753,262	7,576,550	7,655,768
Total energy intensity (Unit: GJ/RMB10,000 of output value)	3.11	2.65	2.53
Total water consumption (Unit: m ³ /year)	9,959,415	9,527,927	9,381,818
Water consumption intensity (Unit: m ³ /year)	3.99	3.33	3.1
Total carbon emission (Unit: ton/year)	786,371	758,143	827,858
Carbon emission intensity (Unit: tons/RMB10,000 of output value)	0.41	0.35	0.27
Loss time injury rate per million man-hour	0.226	0.343	0.313
Recordable injury rate per million man-hour	0.433	0.395	0.494
Occupational hazard exposure rate	12.34%	12.66%	12.33
Investment in health and safety (Unit: RMB0'000)	3,843	5,801	6,186
Total EHS training hours (Unit: hours)	237,572	404,227	434,130
EHS training hours per employee (Unit: hours)	9.42	14.65	14.99
EHS training times per employee (Unit: times)	2.5	2.5	5.47

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	102-54	Claims of reporting in accordance with the GRI Standards	6	
	102-55	GRI content index	114	
	102-56	External assurance	127-132	
	GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	25
		103-2	The management approach and its components	23
		103-3	Evaluation of the management approach	23-24

GRI Standard Indicator Index

GRI standard	Item	Content	Page
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	12
	201-2	Financial implications and other risks and opportunities due to climate change	Not disclosed
	201-3	Defined benefit plan obligations and other retirement plans	71
	201-4	Financial assistance received from government	Not disclosed
GRI 202: Market Presence	201-1	Ratios of standard entry level wage by gender compared to local minimum	None
	202-2	Proportion of senior management hired from the local community	15
GRI 203: Indirect Economic	203-1	Infrastructure investments and services supported	None
	203-2	Significant indirect economic impacts	12
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	59
GRI 205: Anti-Corruption	205-1	Operations assessed for risks related to corruption	27
	205-2	Communication and training about anti-corruption policies and procedures	27
	205-3	Confirmed incidents of corruption and actions taken	28
GRI 206: Anti-Competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None
GRI 301: Materials	301-1	Materials used by weight or volume	106
	301-2	Recycled input materials used	106
	301-3	Reclaimed products and their packaging materials	106
GRI 302: Energy	302-1	Energy consumption within the organization	96-97
	302-2	Energy consumption outside of the organization	96
	302-3	Energy intensity	92
	302-4	Reduction of energy consumption	92
	302-5	Reductions in energy requirements of products and services	92-94
GRI 303: Water	303-1	Water withdrawal by withdrawal source	98
	303-2	Water sources significantly affected by withdrawal of water	None
	303-3	Water recycled and reused	98-99

GRI Standard Indicator Index

GRI standard	Item	Content	Page
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	108
	304-2	Significant impacts of activities, products, and services on biodiversity	108
	304-3	Habitats protected or restored	108
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	None
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	92
	305-2	Energy indirect (Scope 2) GHG emissions	92
	305-3	Other indirect (Scope 3) GHG emissions	92
	305-4	GHG emissions intensity	94
	305-5	Reduction of GHG emissions	94
	305-6	Emissions of ozone-depleting substances (ODS)	Not disclosed
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	100
GRI 306: Effluents and Waste	306-1	Water discharge by quality and destination	98
	306-2	Waste by type and disposal method	99
	306-3	Significant spills	None
	306-4	Transport of hazardous waste	None
	306-5	Water bodies affected by water discharges and/or runoff	None
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	None
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that we rescreened using environmental criteria	61
	308-2	Negative environmental impacts in the supply chain and actions taken	61
GRI 401: Employment	401-1	New employee hires and employee turnover	61
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	70
	401-3	Parental leave	72
GRI 402: Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	72

GRI Standard Indicator Index

GRI standard	Item	Content	Page
GRI 403: Occupational Health and Safety	403-1	Worker representatives in formal joint management-worker health and safety committees	24
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism	80
	403-3	Workers with high incidence or high risk of diseases related to their occupation	80
	403-4	Health and safety topics covered in formal agreements with trade unions	24
GRI 404: Labor/Management Relations	404-1	Average hours of training per year per employee	67
	404-2	Programs for upgrading employee skills and transition assistance programs	69
	404-3	Percentage of employees receiving regular performance and career development reviews	70
GRI 405 : Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	64-65
	405-2	Ratio of basic salary and remuneration of women to men	Not disclosed
GRI 406: Non-Discrimination	406-1	Incidents of discrimination and corrective actions taken	None
GRI 407: Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	None
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	None
GRI 410: Security Practices	410-1	Security personnel trained in human rights policies or procedures	None
GRI 411: Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	None
GRI 4112: Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	None
	412-2	Employee training on human rights policies or procedures	None
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	None
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	116
	413-2	Operations with significant actual and potential negative impacts on local communities	None
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	61
	414-2	Negative social impacts in the supply chain and actions taken	58

GRI Standard Indicator Index

GRI standard	Item	Content	Page
GRI 415: Public Policy	415-1	Political contributions	None
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	37-43
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None
GRI 417: Marketing and Labeling	417-1	Requirements for product and service information and labeling	51
	417-2	Incidents of non-compliance concerning product and service information and labeling	None
	417-3	Incidents of non-compliance concerning marketing communications	None
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None
GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	None

Environmental, Social and Governance Reporting Guide

Subject Areas, Aspects, General Disclosures and KPIs			
	"Comply or explain" Provisions	Recommended Disclosures	Pages
A. Environmental			
	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>		92
Aspect A1: Emissions	KPI A1.1	The types of emissions and respective emissions data.	96
	KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	94
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	102
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	104
	KPI A1.5	Description of measures to mitigate emissions and results achieved.	102-104
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	102
	<p>General Disclosure</p> <p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Note: Resources may be used in production, storage, transportation, buildings, electronic equipment, etc.</p>		92
Aspect A2: Use of Resources	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	93
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	98
	KPI A2.3	Description of energy use efficiency initiatives and results achieved.	93
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	98-99
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	106

Environmental, Social and Governance Reporting Guide

Subject Areas, Aspects, General Disclosures and KPIs

		"Comply or explain" Provisions	Recommended Disclosures	Pages
B. Social				
Employment and Labor Practices				
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	65
		KPI B1.2	Employee turnover rate by gender, age group and geographical region.	71
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	KPI B2.1	Number and rate of work-related fatalities.	74
		KPI B2.2	Lost days due to work injury.	74
		KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	77
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	67
		KPI B3.2	The average training hours completed per employee by gender and employee category.	67
Aspect B4: Labor Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced Labor.	KPI B4.1	Description of measures to review employment practices to avoid child and forced Labor.	71
		KPI B4.2	Description of steps taken to eliminate such practices when discovered.	None
Operating Practices				
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	KPI B5.1	Number of suppliers by geographical region.	59
		KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	58-59

Environmental, Social and Governance Reporting Guide

Subject Areas, Aspects, General Disclosures and KPIs				
		"Comply or explain" Provisions	Recommended Disclosures	Pages
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	36
		KPI B6.2	Number of products and service related complaints received and how they are dealt with.	52
		KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	34
		KPI B6.4	Description of quality assurance process and recall procedures.	45
		KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	54
Aspect B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	28
		KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	27
Community				
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, Labor needs, health, culture, sport).	116
		KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	116-117

Declarations on Forward-looking Statement

This 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.



ASSURANCE STATEMENT

SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SHANGHAI FOSUN PHARMACEUTICAL (GROUP) CO., LTD. FOR 2020

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereafter as "SGS") was commissioned by Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (hereafter as "FOSUNPHARMA") to conduct an independent assurance of the 2020 Corporate Social Responsibility Report. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in this report of FOSUNPHARMA's Headquarters for on-site assurance, which located at No. 1289, Yishan Road, Xuhui District, Shanghai, P. R. China, as well as, Fosun Long March and Yaneng BIO were sampled for assurance. Data and information of other companies were not included in this assurance process.

The information in the 2020 Corporate Social Responsibility Report of FOSUNPHARMA and its presentation are the responsibility of the directors or governing body and the management of FOSUNPHARMA. SGS has not been involved in the preparation of any of the material included in the 2020 Corporate Social Responsibility Report.

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

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

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

- evaluation of content veracity;
- evaluation of the report against the GRI STANDARDS, HKEX Environmental, Social and Governance (ESG) Reporting Guide (2015).

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

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

STATEMENT OF INDEPENDENCE AND COMPETENCE

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

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

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within 2020 Corporate Social Responsibility Report verified is accurate, reliable and provides a fair and balanced representation of FOSUNPHARMA sustainability activities in 2020.

The assurance team is of the opinion that the Report can be used by the Reporting Organisation's Stakeholders.

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

GRI STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

In our opinion the 2020 Corporate Social Responsibility Report is presented in accordance with the core option for GRI STANDARDS and fulfills all the required content and quality criteria.

Principles

Stakeholder Engagement

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

Sustainability Context

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

Materiality

Based on the determined topics concerned by the stakeholders, FOSUNPHARMA has considered reasonably disclosing issues and indicators with materiality, which substantively influencing the assessments and decisions of stakeholders, to reflect the organization's significant economic, environmental and social impacts.

Completeness

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

Balance

The Report disclosed the negative and positive information to some extent, complying with the balance principle.

Comparability

The Report disclosed performance indicators of FOSUNPHARMA in 2020, Some performance indicators were disclosed for the past years for comparison.

Accuracy

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

Timeliness

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

Clarity

The Report used various expression ways such as words, charts, graphs, photos and combination with the case analysis, it was easily understood by stakeholders.

Reliability

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

Management Approach

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

General Disclosures

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

Topic-Specific Disclosures

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

Limitations of assurance

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

The assurance process only involved interviews with the heads of relevant departments and certain employees and consultation with relevant documents didn't involve external stakeholder.

As the financial information in the 2020 financial report has passed independent assurance, the assurance does not contain traceability and assurance of such information.

Signed:



For and on behalf of SGS-CSTC

David XIN Director
16/F Century Yuhui Mansion, No.73, Fucheng Road, Beijing, China
Mar. 24th, 2021

WWW.SGS.COM



Rating Report on Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* 2020 Corporate Social Responsibility Report

Upon the request of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*, the “Chinese Expert Committee on CSR Report Rating” invited experts to form rating team to rate the “Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* 2020 Corporate Social Responsibility Report” (hereinafter referred to as “the Report”).

I. Rating Criteria

Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0) of Chinese Academy of Social Sciences and Rating Standard on Corporate Social Responsibility Reporting for Chinese Enterprises (2020) of “Chinese Expert Committee on CSR Report Rating”.

II. Rating process

1. The rating team reviews and confirms the Process Information Confirmation of Corporate Social Responsibility Report and relevant supporting materials submitted by the Report preparation team;
2. The rating team draws up the rating report based on its appraisal made toward the preparation process and information disclosure of the Report;
3. The vice-chairman of the Expert Committee, the leader and experts of the rating team jointly signed the rating report.

III. Rating results

Process (★★★★★)

The Company established corporate social responsibility management committee while the brand and public communication department took the lead in setting up a social responsibility report working group with the Chairman of the Board serving as the leader to coordinate the preparation of the report, and leaders above the vice-president level responsible for the final review of the report. The report is positioned as compliance information disclosure and an important tool to enhance corporate management, improve the image of responsible brands, and respond to the expectations of stakeholders, with a clear functional value positioning. Substantive issues are identified based on factors such as national macro policies, industry benchmarking, expert opinion solicitation and stakeholder interviews. The Company has actively promoted its subsidiaries such as Sisram Med, Guilin Pharma and Shanghai Henlius to prepare and issue social responsibility report, which has strengthened the fore-and-aft integration of social responsibility. The report is planned to publish through official website, and will present in various forms such as electronic, printing, H5, Chinese and English and video, achieving outstanding performance in the aspect of process.

Materiality (★★★★★)

The Report systematically disclosed key industry issues relating to product quality management, product research and development, product recall, safety production, chemical drug management, product accident emergency response, energy conservation and emission reduction, and concern on community health, and the information was adequate and detailed, achieving outstanding performance in the aspect of materiality.

Completeness (★★★★★)

The main contents of the Report disclosed 90.41% of core indicators of the industry from the aspects of "responsible management", "responsible operation", "responsible supply chain", "responsible employer", "responsible environmental protection" and "responsible community", achieving outstanding performance in the aspect of completeness.

Balance (★★★★★)

The Report disclosed negative data information such as "number of adverse reactions caused by drug quality defects", "number of confirmed cases of occupational diseases", "recordable incident rate", "employee turnover rate", "number of serious injuries", "lost time injury rate", and briefly described the process and results of the enterprises actively carrying out anti-corruption, achieving outstanding performance in the aspect of balance.

Comparability (★★★★★)

The Report disclosed 117 key indicators including “operation income”, “investment income”, “total number of employees”, “rate of signed labor contracts”, “ongoing project”, “total wastewater” and “nitrogen oxide emissions” for more than three years in a row, achieving outstanding performance in the aspect of comparability.

Readability (★★★★★☆)

The Report continued the theme of “Innovation For Good Health” and systematically disclosed the responsibility practices and achievements in terms of operation, supply chain, employer, environmental protection and community, with clear theme and rich content; the cover creatively integrates with the main business elements of the Company, and demonstrates the active action of Company to assist the epidemic prevention and control in the form of cartoon, which not only highlights the characteristics of the industry where the Company operates in, but also enhances the epochal character of the Report; the rich and diverse design elements and the harmonious and elegant pictures and colors make the Report easy to be identified and communicated, achieving leading performance in the aspect of readability.

Innovativeness (★★★★★☆)



The Report actively responds to hot topics such as COVID-19 prevention and control and assistance to targeted poverty alleviation, focuses on highlights of fulfillment of corporate responsibility, and demonstrates the responsibility shouldered by the Company; innovates the report dissemination methods, strengthens the secondary development of the Report through various forms such as WeChat version and video version, and enhances the dissemination effect and communication value of the Report; cites the testimonies of stakeholders to prove the effectiveness of the Company's performance in fulfillment of its responsibilities, which enhances the credibility of the Report, achieving outstanding performance in the aspect of innovativeness.

Overall rating (★★★★★)

According to the assessment of the rating team, the "Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* 2020 Corporate Social Responsibility Report" was awarded a rating of five stars. It is a leading CSR report.

IV. Suggestions for improvement

To further enhancing the readability of the Report by improving the Report's content and design presentation forms.

Vice-chairman of Chinese Expert Committee on CSR Report Rating

Leader of the Rating Team

Expert of the Rating Team

Process evaluator
Wang Zhimin, An Xiaoning



Date of issuance: 26 March 2021

Scan the code to view the enterprise

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