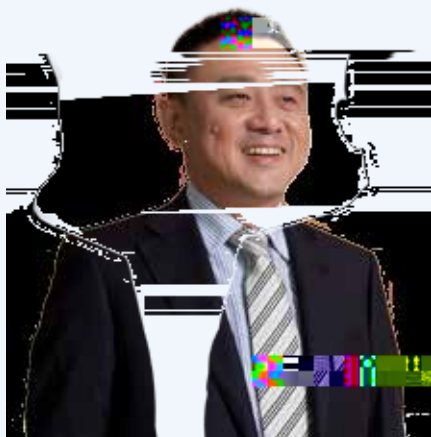


Greetings from Management



陈红



The real innovation is to fulfill the unmet demand, address challenges on human health and help people live better lives. For pharmaceutical industry, innovation is to identify and prevent the diseases at an early date and provide quality products and services so as to safeguard the health of the public. Looking forward, Fosun Pharma will continuously focus on unsolved autoimmune diseases and endeavor to provide better treatment solutions to solve the patients' problems through innovation, so as to bring health to the public.

Wu Yifang, President and Chief Executive Officer of Fosun Pharma

About the Report

This is the 2016 corporate social responsibility (CSR) report published by Shanghai Fosun Pharmaceutical (Group) Co., Ltd.

Dear stakeholders, we hereby present the ninth CSR report of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. This report aims to truthfully present the CSR development and practice of the Group in 2016 and reveal to our shareholders, employees, government agencies, customers and consumers, partners, local communities and other stakeholders of the Group's CSR activities.

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

Time Range: 1 January 2016 to 31 December 2016

Release Cycle: The report is released on an annual basis

Scope of Report: The scope of disclosure of this report is consistent with that of the 2016 Annual Report of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. For the scope of major subsidiaries disclosed, please refer to the List of Major Subsidiaries Disclosed in the Report set out at the end of this report.

Publication of the report: This report is published at the same time with 2016 Annual Report of Fosun Pharma. The financial information contained in this report is consistent with that presented in the 2016 Annual Report of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. issued published in respect of the A Shares. In this report, all amounts are presented in Renminbi (RMB) unless otherwise specified. The financial data disclosed in this report are prepared in accordance with the Accounting Standards for Business Enterprises – Basis Principles issued by the Ministry of Finance of the People's Republic of China.

Terms and Short Names: For the convenience of expression and reading, Fosun Pharma may be referred to, according to the context, as the Company, Fosun Pharma or the Listed Company in the report; Fosun Pharma and its subsidiaries included in the consolidated report may be referred to as the Group or Fosun Pharma Group. Shanghai Fosun Pharmaceutical Industrial Development Limited may be referred to as Fosun Pharmaceutical Industrial Company or Industrial Company, the member enterprises of Fosun Pharma may be referred to as subsidiaries and shareholding enterprises may be referred to as partner enterprises. Please see the Table of Company Names attached to this report for the full names and abbreviations of companies therein. For the convenience of further reading and understanding of the report by stakeholders, a table of definitions on specialized terms mentioned in the report is attached to the last page herein.

Access to the Report: The report is prepared in simplified Chinese, traditional Chinese and English and published in traditional Chinese and English, and is available in both hardcopy and electronic versions. The latter may be downloaded from the website of Fosun Pharma (<http://www.fosunpharma.com/news/file.html>). In the event of discrepancy between each version, the simplified Chinese version shall prevail. The simplified Chinese report is printed by using certified paper production endorsed by Forest Stewardship Council (FSC) certification (FSC), with the intention to advocate for environmental protection through the use of sustainable forest management of wood and paper products.

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

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



The insert pages published in this report show the effort of Fosun Pharma on 2016 in various philanthropy activities, such as facilitating cancer clinical research, raising malaria prevention awareness and helping children in poverty.

Under the guidance of the valuation of self-improvement, Teamwork, Performance and Contribution to Society, Fosun Pharma has always been grateful, devoted to philanthropy, actively contributing to the society, committed to be an enterprise satisfactory to stakeholders such as the society, the government and the employees. Fosun Pharma has always believed that, Contribution to Society.

CONTENTS

04 About the Report

14 Adherence for more compliant management



42 High quality for more customers' confidence in us



90 Care for more happiness of employees



112 Performance Indicators and Social Indicators

115 Feedback Form

116 Table of Company Names

121 Third Party Evaluation

06 Highlights of 2016

32 Enhancement for more efficient operation



56 Improvement for better environment



102 Contribution for a more harmonious society



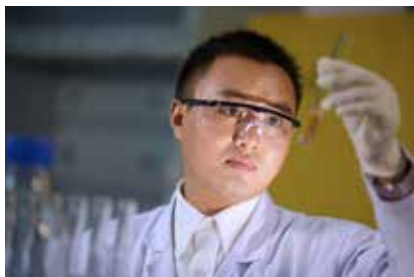
122 Guidance On Classifying Social Responsibility Performance (GB36002)

131 Global Reporting Initiative G4 Indicator Index

140 Assurance Statement of SGS

Highlights of 2016

July	August	September
<p>In July, it was announced by Fosun Pharma that, it intended to acquire about 86% of equity interests in Gland Pharma through its controlled subsidiary. Gland Pharma is the first injection pharmaceutical manufacturing company in India that received approval by FDA of United States. The acquisition will help Fosun Pharma to achieve industry upgrade in its pharmaceutical manufacturing business, to accelerate the internationalization process, and to increase the market share in the injection market.</p>	<p>In August, Fosun Hospital Investment entered into a cooperation agreement with Yulin First People's Hospital for incorporation of Yulin City Cardiovascular Hospital and Yulin City Brain Hospital jointly, which will provide more medical services that are of better quality, safer, more efficient, more professional medical services for the people in Yulin and its peripheral regions. Yulin City First People's Hospital is a Grade A third class</p>	<p>In September, Fosun Pharma announced that it had intended to form a joint venture with Intuitive Surgical of United States. Both parties shall form a joint venture in Shanghai, for which US\$100 million will be contributed by both parties to the joint venture in total. The joint venture will be principally engaged in the research, production and sales of innovative products based on robotic-assisted catheter technology for the early diagnosis and treatment of lung cancer. This is another innovative product line other than the Da Vinci Surgery system products deployed by Intuitive Surgical, which is the leader of the global robot-assisted minimally invasive surgery.</p>



Distinguished Results in R & D and Innovation, fruitful R&D results in monoclonal antibody

As at the end of 2016, Fuhong Hanlin Biopharmaceutical had received ten clinical approvals for six products. Among them, the innovative bio-modified monoclonal antibody HLX07 had received clinical approvals from Mainland China, Taiwan and the United States. HER2 monoclonal antibody from human sources, another biologically similar drug that is suitable for the treatment of breast cancer, also initiated phase III clinical trials. The new drug is suitable for the treatment of breast cancer and metastatic gastric cancer. It is a biologically similar drug based on monoclonal antibody developed by Fuhong Hanlin. A new drug of Xingtai Pharmaceutical, PA-824, received approvals for clinical trials. Such new drug is applied in the treatment of tuberculosis.

Internationalization by Fosun Pharma reached new heights, products of Yao Pharma first tapped into the US market

In September, Yao Pharma, the member enterprise of Fosun Pharma held a ceremony to celebrate the first export of venlafaxine hydrochloride tablets to the United States market, which was the first pharmaceutical product applied for registration in the US that was researched and developed by its own. This event represented a precedent case for the pharmaceutical enterprises in China as Yueyou Pharma tapped into the US market with pharmaceutical products of China. It is also the only one pharmaceutical company in the western China to achieve a forerunning position in the industry. This is another important result achieved by Yao Pharma in terms of internationalization.

December

Creating precedent cases for the reform of the state-owned enterprise hospital system, incorporation of Huaihai Hospital Management Group Co., Ltd.

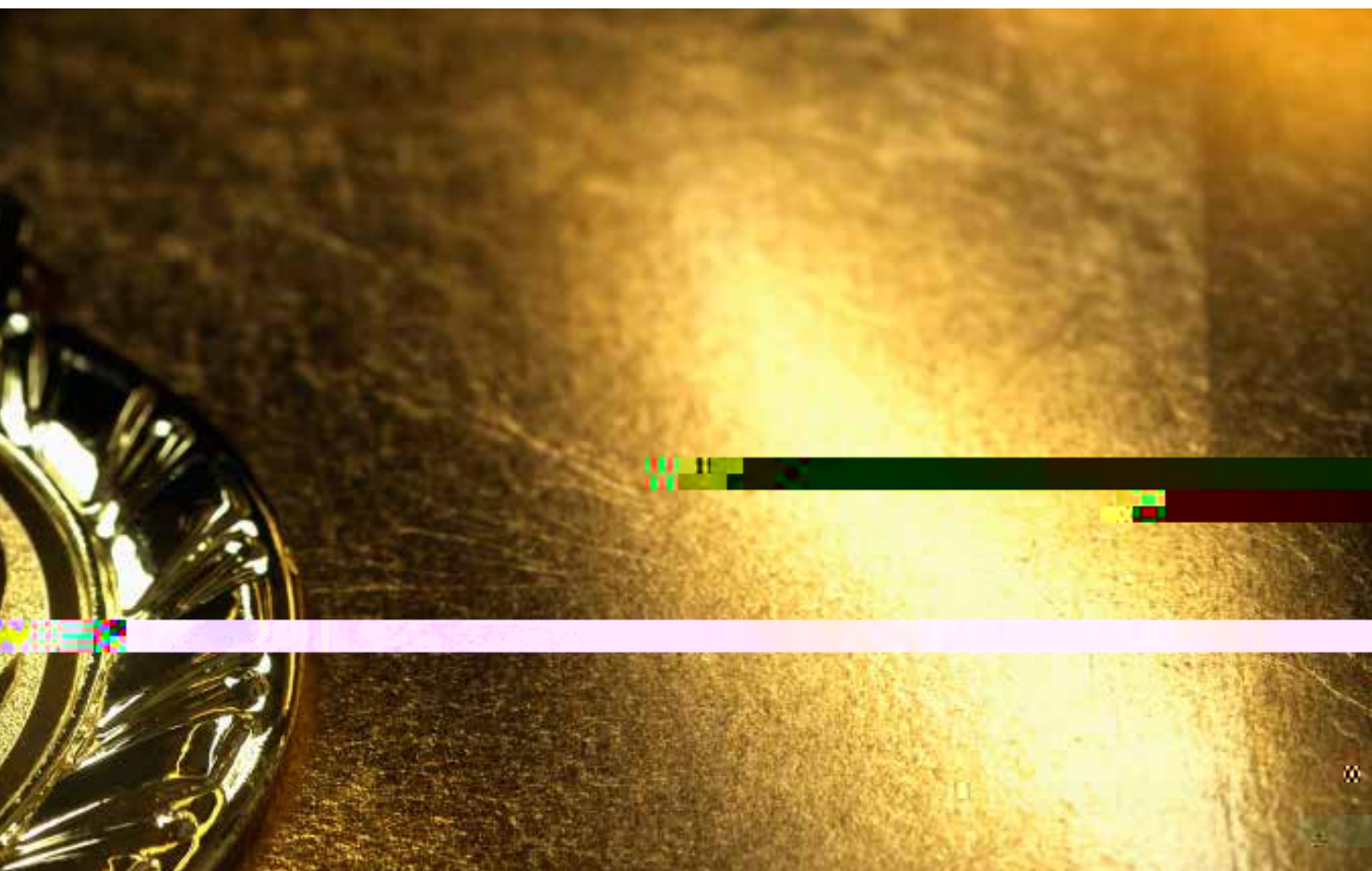
Xuzhou Mining Group, Fosun Pharma Group and Taikang Insurance Group jointly conducted reorganization of all medical institutions affiliated to Xuzhou Mining Group. After the reorganization, Huaihai Hospital Management Group Co., Ltd. was formed on 10 December. This mixed ownership system did not only vitalise the form of ownership for hospitals in the region, but also effectively introduced the competition mechanism for private enterprises.

Rewards and Recognitions



Industry Ranking Categories

- July • **Top 100 Pharmaceutical Industry Enterprises of China**
China National Pharmaceutical Industry Information Center of Ministry of Industry and Information
- September • **Ranked 3rd among the Top 100 Strengths of Pharmaceutical Research and Development in China, ranked 2nd among the Strengths of Biopharmaceutical Research and Development in China**
YAOZH.COM
- November • **Ranked 14th among the Top 100 Companies in China Pharmaceutical Industry**
CFDA South Medicine Economic Research Institute, Medicine Economic News
- November • **Top Ten Pharmaceutical Industry Enterprise Group of China**
China Pharmaceutical Industry Association, China Association of Pharmaceutical Commerce
- November • **Top 100 Future Enterprises in China**
ACCA (The Association of Chartered Certified Accountants)
- November • **Most Innovative Multinational Companies**
Bioclub



Market Credentials Categories

- January • **Best Investor Relations Award**
Awarding Institution: China Financial Market Financial Magazine
- June • **The Best Overseas Medical Investment Enterprises**
Awarding Institution: China Chamber of Commerce for Import and Export of Medicines and Health Products
- October • **Top 20 Most Competitive Listed Pharmaceutical Companies in China, Top 10 Listed Pharmaceutical Companies with the Highest Investment Value**
Awarding Institution: China Pharmaceutical Enterprise Management Association
- November • **Best Listed Companies in Pharmaceutical Industry**
Awarding Institution: Value Line, China Economic Net, China reform Daily

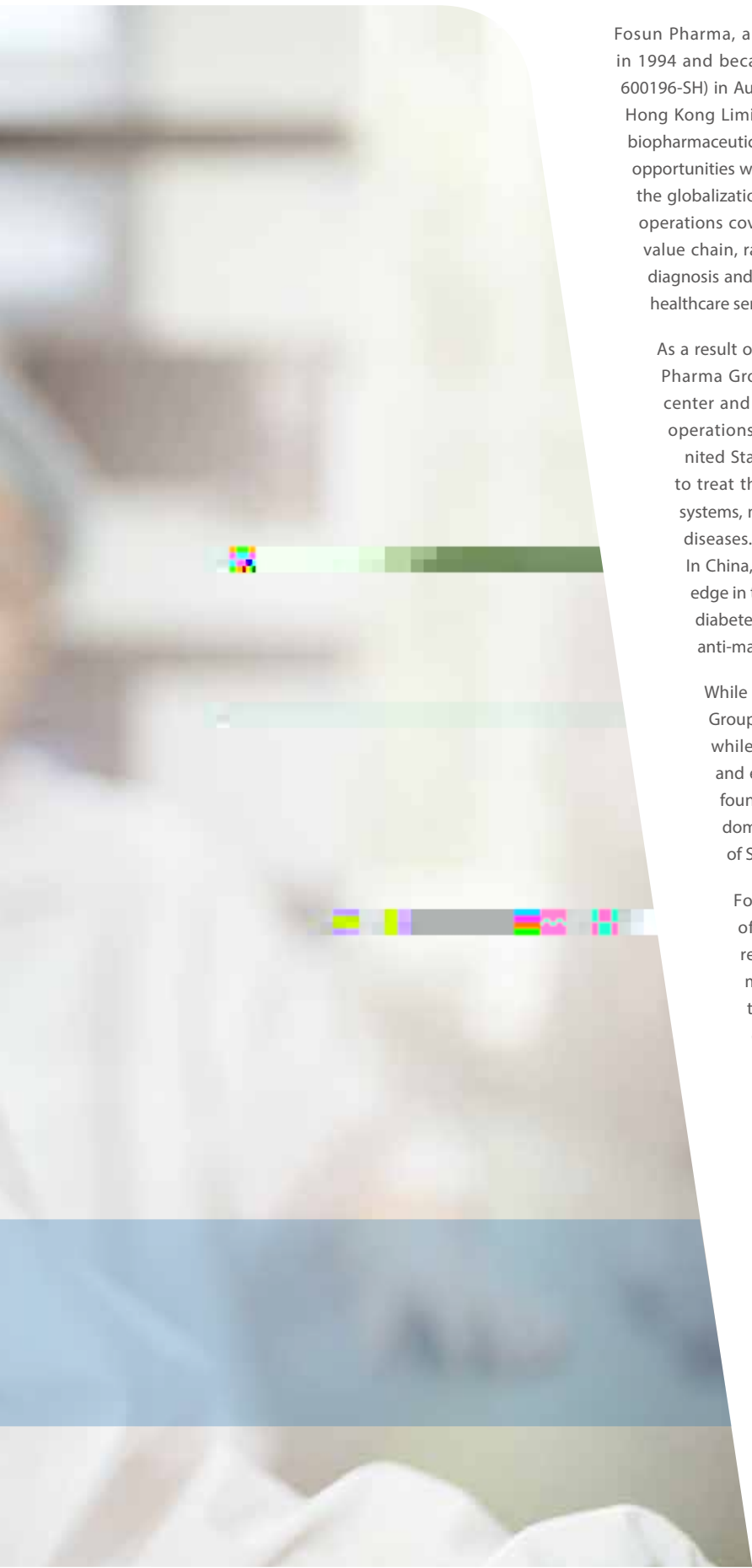
Corporate Social Responsibilities Categories

- January • **The Best Social Responsibility Brand**
Awarding Institution: Media of the Fifth Charity Festival
- July • **Responsibility Innovation Best Case Award for the Year**
Awarding Institution: Jiefang Daily (Shanghai Observer), Shanghai Daily, etc.
- December • **Corporate Social Responsibility of Listed Companies**
Ranked 2nd in CSR Development Index and ranked 1st in Report Appraisal Results
Awarding Institution: SSRB, Shanghai Stock Exchange, Xinhuanet, Shanghai Association of Listed Companies, etc.
- December • **Golden Bee Excellent CSR Report 2016 Leading Enterprise Award**
Awarding Institution: MOC China WTO Tribune



Mission





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

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

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

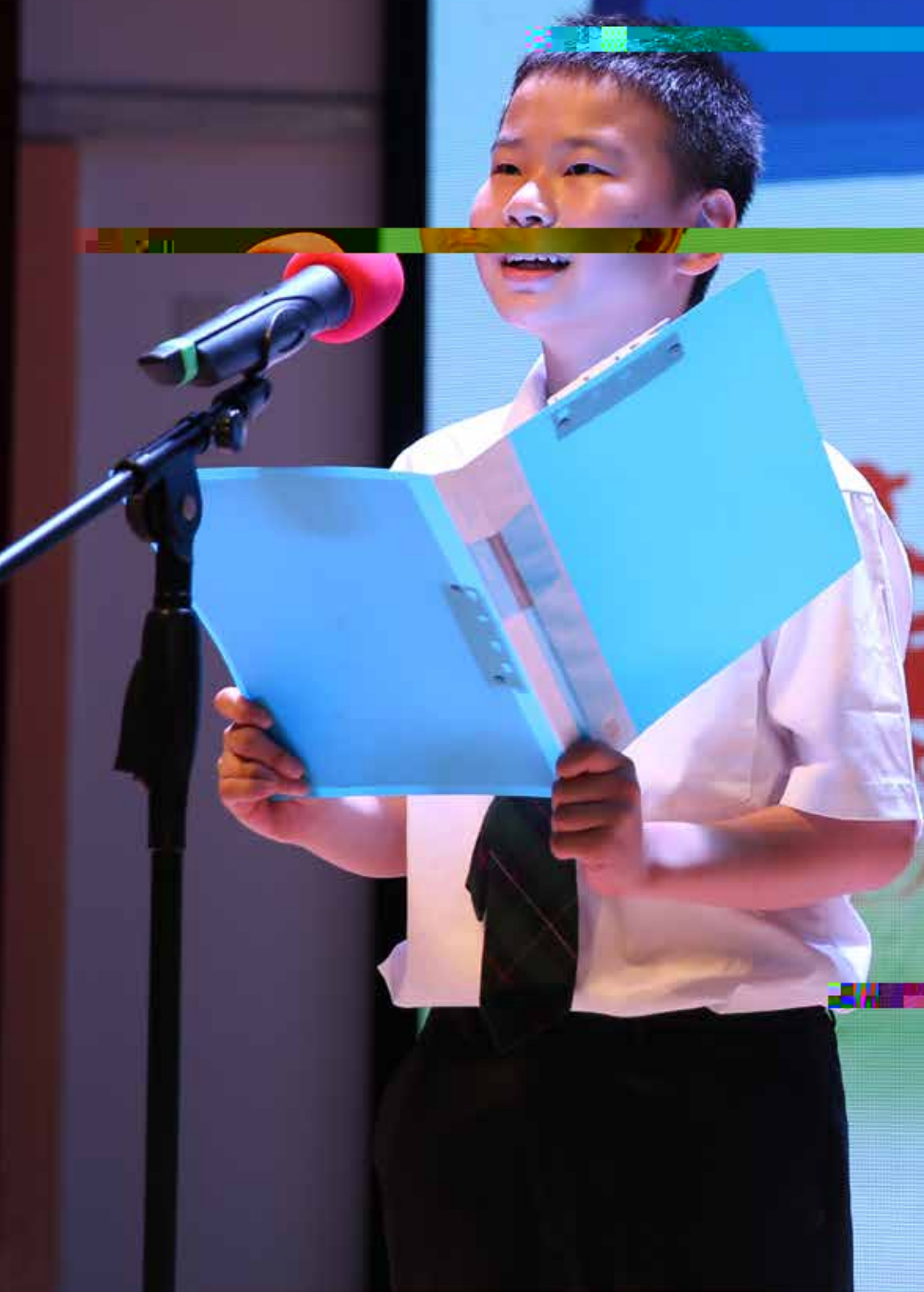
Fosun Pharma Group strongly believes in the principle of sustainable development and has incorporated social responsibility into its long-term business strategy. With a mindset of gratitude, Fosun Pharma has been endeavoring to meet the expectations of society, the government, its employees and shareholders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

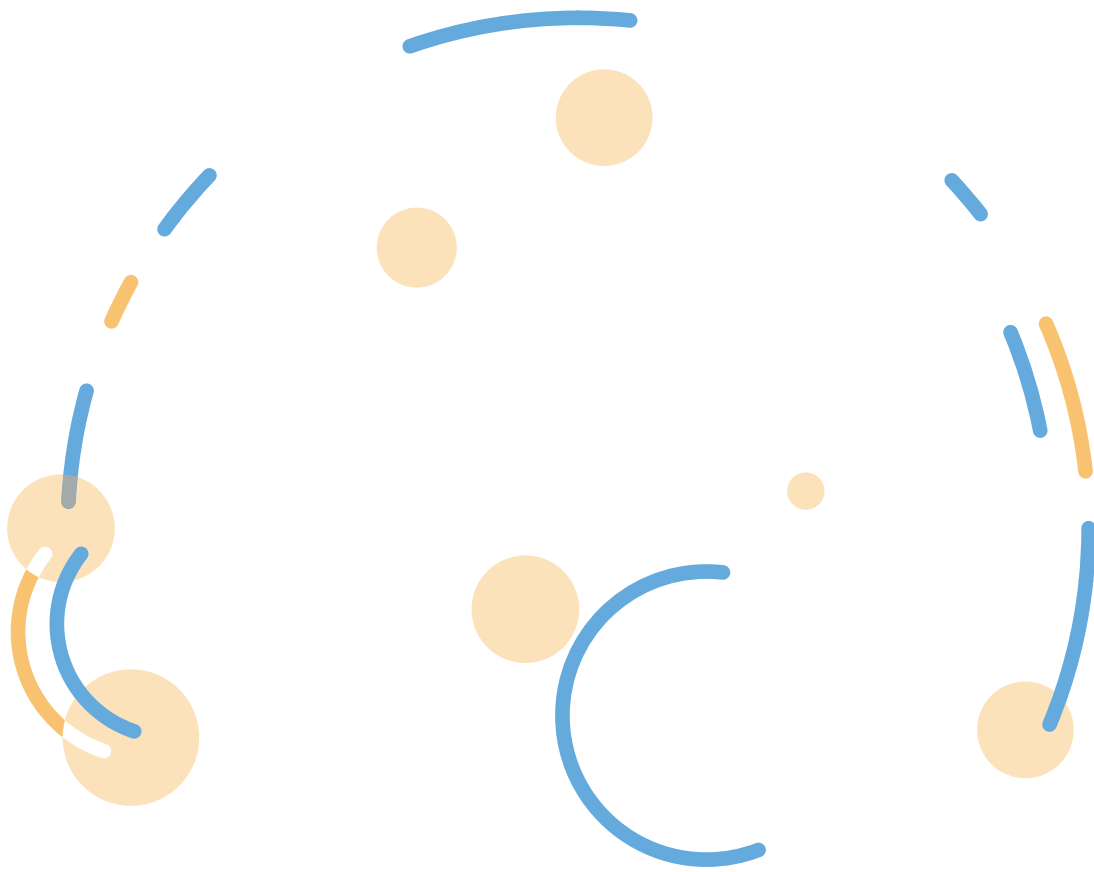
With its commitment to innovation for good health and promoting the health and wellbeing of mankind, Fosun Pharma Group has adopted the strategic approach of organic growth with external expansion and integrated business operation^① to continuously enhancing the capabilities for innovation, service, integration and international operations, and to efficiently operate, manage and invest in outstanding enterprises in the industry. Fosun Pharma is determined to become a leading provider of healthcare products and services.



嘉

为爱飞
向上海市福利





Goals and Strategy

Fosun Pharma Group's strategic development framework focuses on organic growth, external expansion and integrated development, revolving around its mission and strategic objectives. Firstly, we improve the operation capability through integrations in the R&D, manufacturing and marketing of pharmaceutical products, achieving a growth rate higher than the industry average by taking advantage of the synergies created from integration. Secondly, we integrate external resources through merging and acquiring and managing outstanding enterprises in each part of the industry chain, strengthening the existing advantages with fast entry into new areas for a thorough coverage of the industry chain. Lastly, the asset profitability and operating efficiency are improved through integration of internal existing resources and strategic M&As. We benefit from the synergies and competitive advantages of our complete industry chain coverage to become the prominent supplier of healthcare products and services.

Strategic Goals



Short-term Goal

A leading pharmaceutical company in China that advances in internationalization



Medium-term Goal

A Chinese pharmaceutical company with global competitiveness



Vision

Dedicate to becoming a first-tier enterprise in the global healthcare market

Sustainable Development Strategy



Short-term Goals

Continue to promote sustainability strategy with Fosun Pharma Group's overall business strategy and turn ourselves into the most socially responsible leading enterprise in China's pharmaceutical and healthcare industry with sustainable development



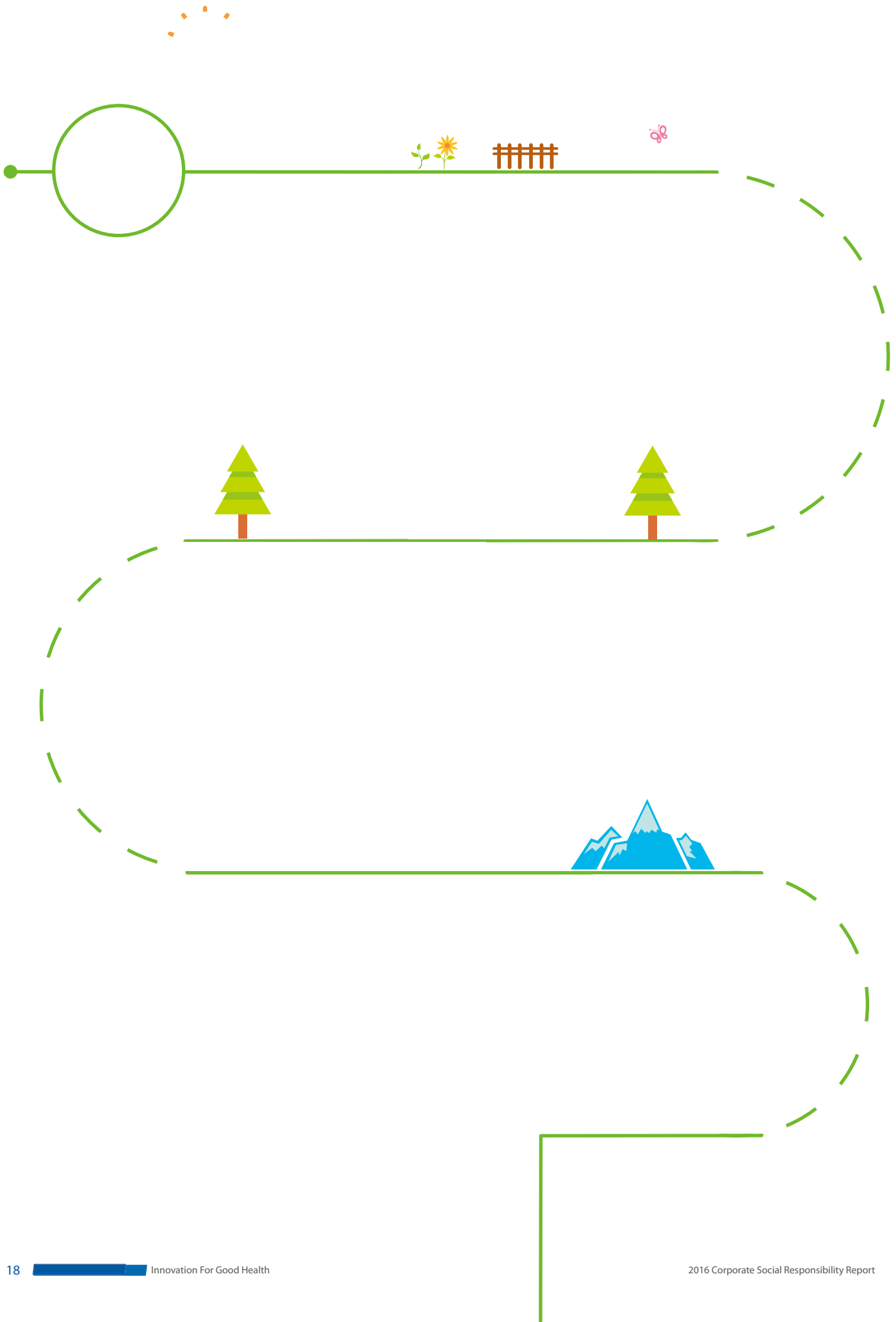
Medium-term Goals

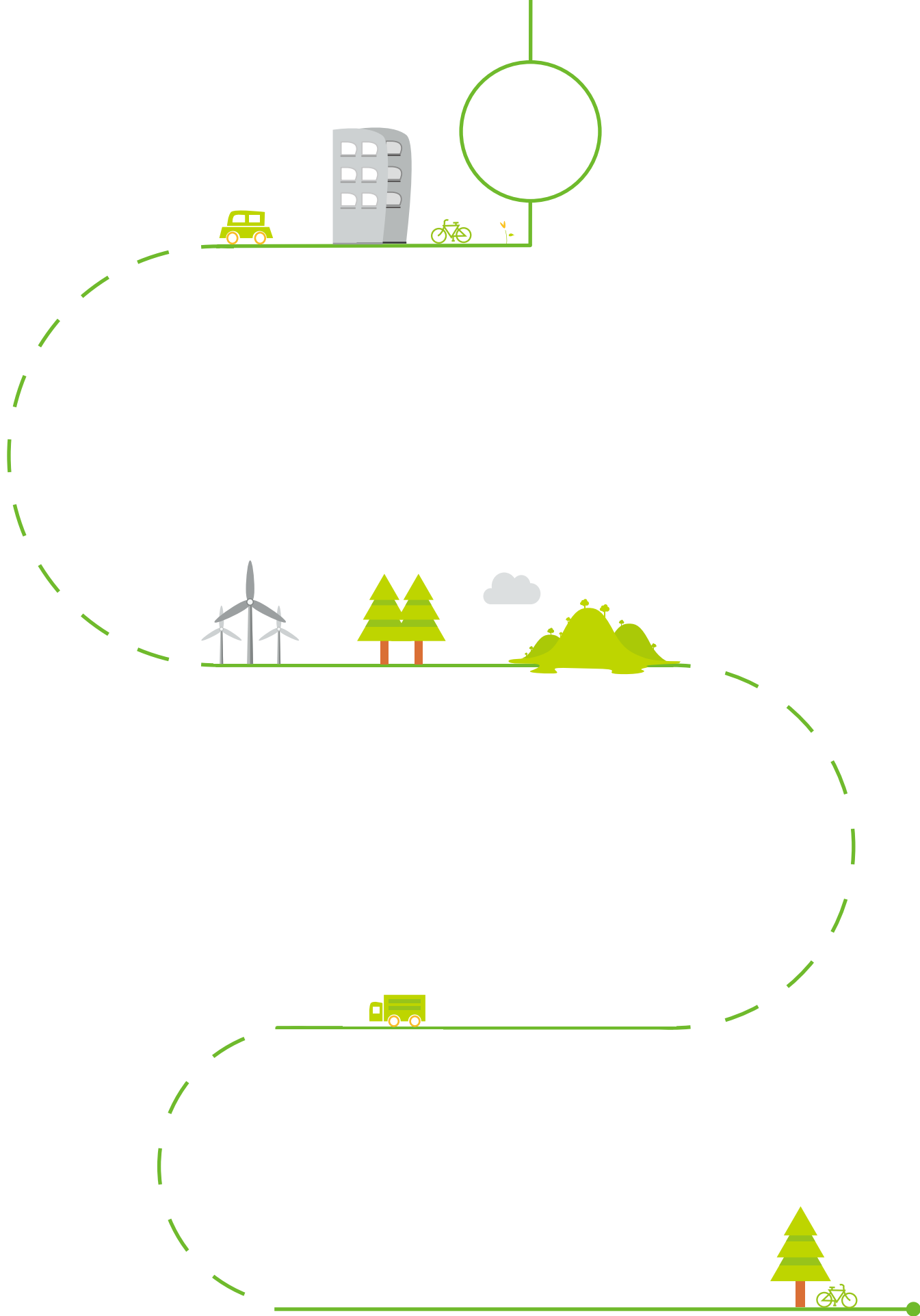
Insist on sustainability to become a corporate with the best sense of social responsibility and keep up with international norms and be a part of the global sustainability system



Vision

Become one of the most admired corporate citizens in the pharmaceutical and healthcare sector; promote the sense of social responsibility and sustainable development in every business segment of Fosun Pharma Group and make it the basic code of conduct for all employees of Fosun Pharma Group





Combining China’s Growth Momentum with Global Resources

Leveraging its strength of industry foundation established by utilizing global thinking and global resources, distribution network and investment experience, Fosun Pharma Group achieves all-round internationalization in products, markets, planning and operation, talents, capital and branding by following the business strategy of organic growth with external expansion, integrated business operation.

For international development, Fosun Pharma Group has built up capabilities for the marketing of innovative drugs to global markets, established the global presence and operational capability for medical devices and is equipped with the capability for integrating global healthcare resources. Fosun Pharma is vigorously building a R&D platform that consolidates local and foreign resources and advantages, which has currently established international presence for R&D with stronger capabilities. Fosun Pharma has four major platforms for research and development, namely Shanghai Henlius, SunTech Pharma, Chongqing g(tl(ossta, Chon9 (ch)2 ()I6 (.9 (wnstitur)-48oper)4.6 Henlius)@Tc 0 -1.143 TD@drugs t)osu448opuchue

equipped fT

Continuous Management Optimization

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

The Company has also built a corporate governance structure comprising Shareholders' Meeting, Board of Directors and its Standing Committees, Board of Supervisors and management. There are 22 departments, including Strategic Planning Department, Legal Department, International Department, R&D Center, EHS Management Department, Finance Department, Centralized Procurement and Procurement Management Department, Construction Management Department, Business Development Department, Human Resources Department, Brand and Public relations Department, Public Affairs Department, Administrative Support Department, Investor Relations and Capital Development Department, Internet Business Development Department, Investment Department, VC (Risk) Investment Department, Manufacturing Management Committee/Industrial Company, Pharmaceutical Commerce Management Committee, Medical Service Management Committee/Fosun Hospital Investment, Medical diagnosis Division, and Medical Devices Division. In 2016, the Company paid more attention to business development, business integration, centralized management of infrastructure projects of member enterprises. Thus, Business Development Department, Operation Management Department and Construction Management Department have been established. 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 inter-departmental working committees. At the management level, the Company has set up a number of working committees composed of senior managerial officers, heads of functional departments and other specialists. The working committees are collectively an inter-department decision making and coordination organization that aims to enhance expertise in decision making and increase the efficiency of decision making and execution. Currently the Company has Execution Committee, Investment Decision Committee, Investment Management Committee, Operation Management Committee, Budget Management Committee, Compensation Administration Committee, Performance Management Committee, Corporate Culture Working Committee, Risk Control Committee, Brand Management Committee, EHS Management Committee and Security Working Committee. In 2016, to improve the operational efficiency and level of expertise of the organization, better integrate internal resources, explore external business and strengthen the integration between departments and business divisions, the Company has set up Operation Management Committee and Investment Management Committee.

Corporate Governance

In the reporting period, the Company further improved its corporate governance structure and internal management in accordance with the Company Law, Securities Law, Code of Corporate Governance for Listed Companies issued by CSRC and Listing Rules issued by SSE, Appendix 14 Corporate Governance Code under Listing Rules of the Stock Exchange and other requirements under laws and regulations and normative documents.

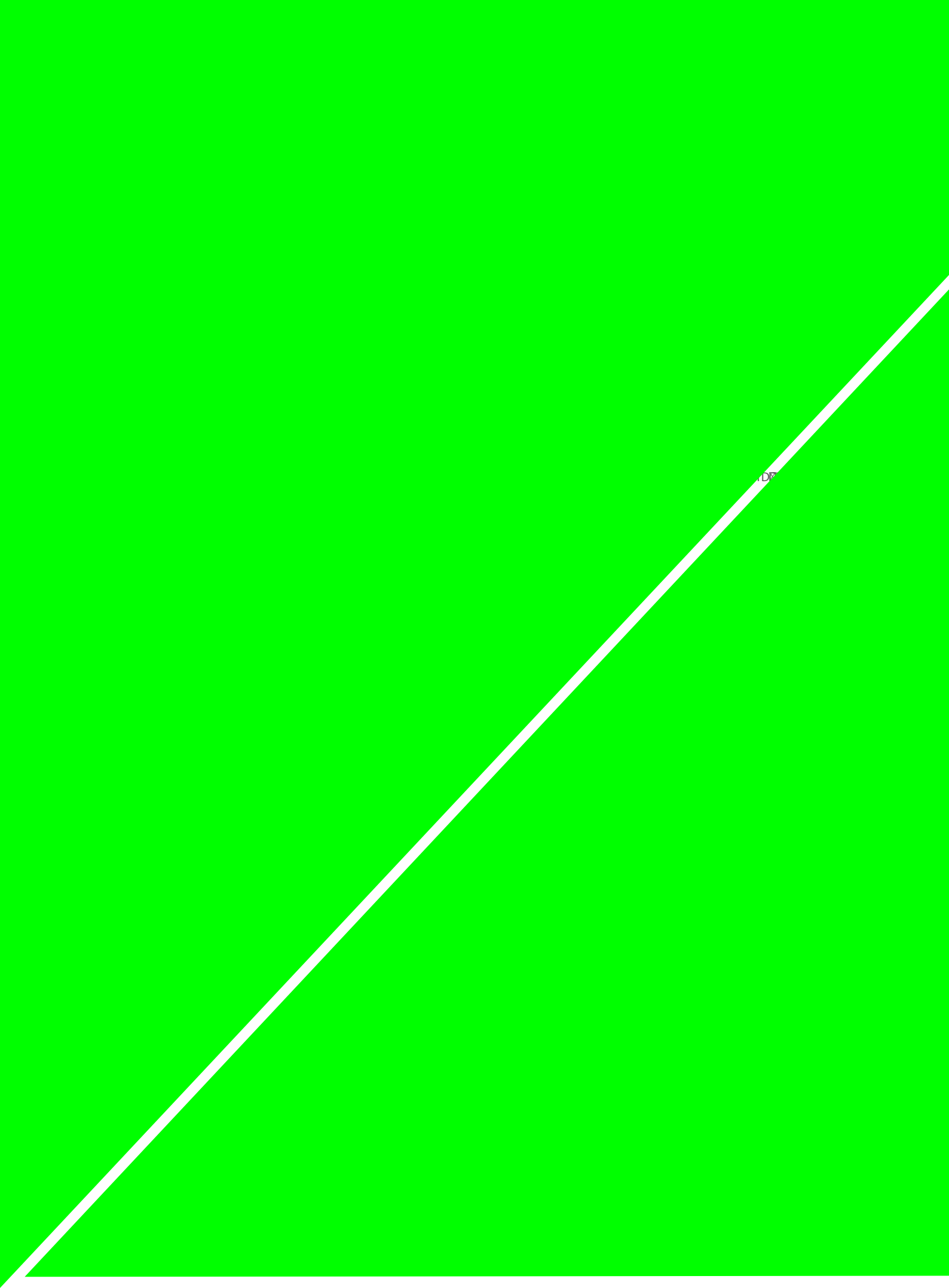
As to controlling shareholders and listed company: The controlling shareholders of the Company have not acted in a way that exceeds the limit of their authority to, directly or indirectly, intervene in the decision-making processes or production and operational activities of the Company, or have performed 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.

As to directors and the Board of Directors: The Company selects and appoints directors in strict compliance with the procedures stipulated in the Articles of Association, and the number of members and composition of the Board of Directors are in conformity with the applicable laws, regulations, and the

and key personnel has been further improved.

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 and ensures adequate communication in multi-channels to jointly push forward the sustained and sound development of the Company.

As to information disclosure: The Company fully fulfills its information disclosure obligation in strict compliance with applicable laws and regulations as well as the requirements stipulated in the Administration Measures for Information Disclosure issued by CSRC, the Guidelines for Management System of Information Disclosure of the Listed Companies issued by SSE, the Guidelines for Suspension and Exemption on the Disclosure of the Listed Companies issued by SSE, the Articles of Association, the Regulation on Information Disclosure issued by the Company and the Regulation on Suspension and Exemption on the Disclosure of the Companies. Meanwhile, the Company has drafted the Management System for External Information Reporting and the Management System for the Insiders of Inside Information, and Accountability System for Material Errors in Annual Report Information Disclosure, and has fully implemented those systems to ensure the disclosure of information is timely, fair, 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



Improvement and implementation of anti-corruption system construction

In 2016, Fosun Pharma formulated the Regulations on Anti-Corruption of Fosun Pharma and revised the Rules on Integrity in Practice of the Group to improve the anti-corruption and compliance system. 42 articles on anti-corruption altogether have been issued on the OA system to enhance the public awareness of the employees and establish the integrity culture environment. In addition, the Anti-Corruption Supervision Department has supervised 23 bidding projects, effectively prevented certain irregularity and removed potential compliance risks so as to safeguard the management of the Company.

Assessment of internal control and external supervision

In the year of 2016, the Group continued to implement the internal control management requirements, kept internal control construction systematic and standardized, strengthened the supervision and inspection and controlled and prevented the related risks. The Group has maintained effective internal control in all material respects in accordance with the internal control standard system and related regulations. There is no material weakness or significant deficiency in this year. The external independent auditing organization has completed the internal control audit and issued the unqualified audit report.

Digital transformation

In line with the development strategy of Internet+[☒], Fosun Pharma integrated IT infrastructure and launched the private cloud of Fosun Pharma; implemented the Forest Plan[☒] and Star Bridge Plan[☒]; built a cloud platform for intelligent manufacturing and medical service; integrated the mobile digital application and enhanced the working efficiency; established the Information Security Management Committee and strengthened the information security control of the Group in 2016.

The Construction and Implementation of of Informationization Safety

[☒] To safeguard healthy and safe operations and the security of important information of users, Fosun

Materiality Analysis

Fosun Pharma considers the expectation and requests of stakeholders as the important factors in the sustainable development strategy of corporate system, and adopts various methods to identify the detailed action areas related to the stakeholders.

In 2016, Fosun Pharma conducted detailed research on the hot topics, national policies and industry trends during the year, compared and studied the topics and materiality matrix in the sustainability reports (CSR reports) of other companies in the same industry based on the Company's actual development status, assessed the materiality of various topics in six aspects (strategic management, economy, product and service quality, EHS, employees and society) from two dimensions (materiality to the Company and materiality to the stakeholders), identified and selected the materiality issues of importance to both the Company and the stakeholders, and determined the following materiality matrix. Materiality topic of CSR work of Fosun Pharma in 2016 were product quality, healthcare service quality, resources conservation and recycling, staff occupational health and safety management, remuneration and welfare as well as career development of employees.

Identification of issues

Selecting more than 30 optional issues from the Company's issue bank based on factors including the standards of preparing international social responsibility report

Formation of issue bank

Interview and exchange

Consulting and meeting major stakeholders, and conducting more than 200 interviews and exchanges and conducting specialized exchanges and interviews with major suppliers and human resources consultancies and distributing survey questionnaires

Assessment and analysis of issues

Screening and assessment

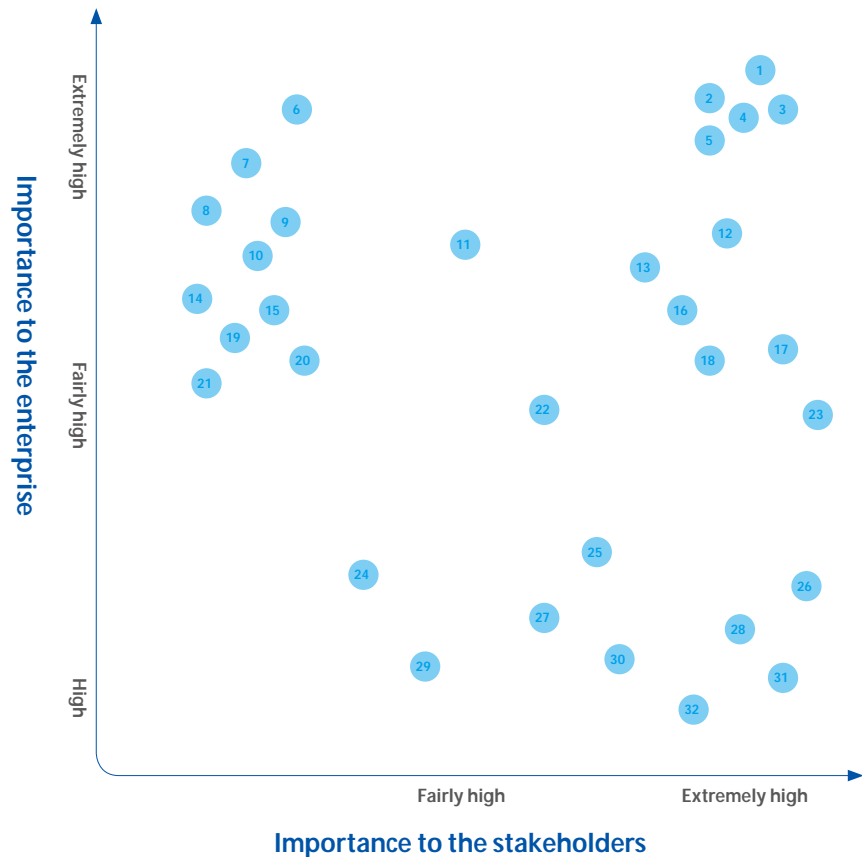
Examining the influence of issues in a objective manner, considering the opinions of stakeholders and screening important issues from the optional issues

Screening of materiality issues

Approval and confirmation

Confirming materiality issues after the approval by the Company's management and experts, formulating and implementing action plans and providing key disclosure

Responding to materiality issues



- | | | | |
|--|--|---|--|
| 1 Product quality | 9 Anti-Corruption supervision | 17 Customer satisfaction | 25 Compliance management of suppliers |
| 2 Resource conservation and recycling | 10 Integrity management | 18 Career development of employees | 26 Customer privacy |
| 3 Occupational health of employees | 11 Quality training | 19 Green supply chain management | 27 Tax payment in compliance with the laws |
| 4 Quality of healthcare services | 12 Transparency of information disclosure | 20 Government relationship | 28 After-sales service management |
| 5 Safety management of employees | 13 Promotion and conveyance of public welfare philosophy | 21 Corporate culture construction | 29 Information disclosure |
| 6 Research, development and innovation | 14 Information security | 22 Remuneration and benefit | 30 Care for employees |
| 7 Clean production | 15 Honest operation | 23 Public welfare donation | 31 Community service |
| 8 Compliance with laws and regulations | 16 Management and discharge of pollutants | 24 Volunteering activities of employees | 32 Disaster aid |

Stakeholder Communication

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

Fosun Pharma actively and timely responded to questions that stakeholders concern through effective communication so as to improve the Group's internal management. In 2016, Fosun Pharma organized the employer CSR interview, carried out the Green Supply Chain Project¹, held the communication meetings with the suppliers such as Agilent, GE and Lenovo, and conducted relevant research to understand their needs and make responses.

In June 2016, at the 12th International Forum of Corporate Social Responsibility, the China WTO Tribune under the Ministry of Commerce of the PRC launched the Golden Bee 2030 Social Responsibility Advocation² project. Fosun Pharma, together with the State Grid Corporation of China, China Southern Power Grid, Intel (China), DuPont China and other enterprises, joined the project, and advocated to endeavor to make contribution to the philosophy and implementation of global sustainable development based on the major goal of common vision, responsible competitiveness, precise implementation, collaborative innovation and share of value³.

Participating in the formulation of CSR Guidelines for Pharmaceutical Enterprises in China⁴

On 10 May, China Pharmaceutical Enterprises Association, China Pharmaceutical Industry Association, China Association for Medical Devices Industry, China Pharmaceutical Commerce Association, China Association of Traditional Chinese Medicine and China Non-Prescription Medicines Association jointly launched the project of CSR Practices Guidelines for Pharmaceutical Enterprises in China⁵ in Beijing. The launch of such project meant that the pharmaceutical industry will establish a scientific and generally recognized CSR indicator system to create a healthy atmosphere of performance of social responsibilities in the industry.

Fosun Pharm actively coordinated and participated in the implementation of such project. On 3 August, the expert panel of the project of CSR Practices Guidelines for Pharmaceutical Enterprises in China⁶ visited Fosun Pharma and carried out research on the CSR practices and results of Fosun Pharma. Fosun Pharma provided the expert panel with information in relation to the Company's EHS management measures and practices, remuneration, benefits and protection of rights and interests of the employees, supply chain management and construction and certification of the product quality system, which offered theoretical and practical guidelines for the establishment of CSR indicator system of pharmaceutical enterprises.



CSR Management

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

CSR Philosophy

Fosun Pharma Group actively assumes its social responsibility. The corporate values of the Group are self-improvement, teamwork, performance and contribution to society⁷, which has fully demonstrated the responsibility principle of the Group. With a mindset of gratitude, Fosun Pharma Group has been endeavoring to meet the expectations of society, the government, its employees, shareholders and other stakeholders throughout its business development.

CSR Management Process



Stakeholders

Stakeholders	Expectation to Fosun Pharma	Response from Fosun Pharma
 Shareholders	<ul style="list-style-type: none"> Standardized corporate governance Protection of minority interests Open and transparent information disclosure mechanism 	<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
 Clients and consumers	<ul style="list-style-type: none"> Provision of quality products and services Protection of interests of consumers 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
 Media/public	<ul style="list-style-type: none"> Maintenance of transparent information disclosure Special interview and communication 	<ul style="list-style-type: none"> Establishing comprehensive information disclosure mechanism Convening news conference Establishing comprehensive media communication mechanism Timely disclosing information through websites, WeChat and other platforms
 Employees	<ul style="list-style-type: none"> Protection of employees' basic rights and interests in accordance with the laws Provision of career development opportunities to employees Caring for the physical and psychological health of employees 	<ul style="list-style-type: none"> Establishing labor union Entering into collective contract Establishing long-term talent training mechanism Organizing regular employee caring activities Solicitation of employees' opinion and suggestion on rationalization Safety management
 Suppliers	<ul style="list-style-type: none"> Adherence to honest operation Joint environmental protection with upstream and downstream in the supply chain to facilitate the harmonious development of ecosystem 	<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
 Government	<ul style="list-style-type: none"> Full payment of tax in accordance with the laws Leading the technology innovation Facilitating the healthy development of the industry with the collaboration of the government 	<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 collaboration
 Communities/non-governmental organizations	<ul style="list-style-type: none"> Community service Support to the aid of disaster and community poverty alleviation Charity and public welfare 	<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
 Partners/subsidiaries	<ul style="list-style-type: none"> Targeted communication and training Corporate culture accommodation 	<ul style="list-style-type: none"> Visiting and conducting research on enterprises Organizing business forum and training sessions Carrying out corporate culture implementation projects
 Peers	<ul style="list-style-type: none"> Friendly communication between enterprises Sharing of outstanding management practicing experience in the industry 	<ul style="list-style-type: none"> Carrying out corporate culture communication Conducting benchmarking analysis Participating in industry exchanges

Stakeholder Engagement

Shareholders (Investors)

Information disclosure of a listed company and investor meetings

The Investor Relations and Capital Development Department of Fosun Pharma is responsible for the exchange and communication with the investors, and handling their opinions and requirements;

Investors can communicate their opinions and requirements via the E-mail address for investors relations, the hotline for investors relations, the official website of Fosun Pharma, the E-communication platform of the SSE and other channels. Meanwhile, the Investor Relations

Suppliers

In 2016, Fosun Pharma continued to implement Pilot Basic Standards of Procurement and Tender Management for Shanghai Fosun Pharmaceutical (Group) Co., Ltd. and Traffic Lights Pilot Management Assessment Indicators for Shanghai Fosun Pharmaceutical (Group) Co., Ltd. Tendering is open and transparent, and procurement channel is uniform, thus procurement cost is reduced effectively;

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

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

Peer interactions

Fosun Pharma communicated with peers through corporate cultural exchange, visits and benchmarking analysis. In 2016, the headquarter of Fosun Pharma carried out a total of nearly hundred important peer exchange activities;

In July, Fosun Pharma, together with CIMC, Midea Group and other enterprise, jointly organized the 2016 Annual Meeting of China Enterprise Anti-Fraud Alliance, and communicated with relevant enterprises;

In September, the member of Fosun Pharma Culture Committee visited various outstanding enterprises such as Bayer to carry out communication and benchmarking study of corporate culture and innovation culture. In November, over a hundred employees visited Alibaba, and carried out in-depth discussion with its brand manager in respect of the implementation of branding and marketing initiatives and construction of corporate culture;

In October, Fosun Pharma organized the 2016 Fosun Pharma Biomedical Innovations Competition at the International Science and Technology Innovation Carnival of Shanghai Caohejing, to boost the recognition of Fosun Pharma's innovative brands by the industry experts and the media, and continuously build up an innovative culture ecosystem for Fosun Pharma;

In December, at the 9th Golden Bee International Forum of CSR Report of China and the 12th International Forum of Social Responsibility organized by the China WTO Tribune, Fosun Pharma shared the best CSR practices as an outstanding representative of the industry.

Partners and subsidiaries

Fosun Pharma and its subsidiaries carried out in-depth corporate culture integration. In 2016, by convening departmental meetings, organizing annual awards selection and carrying out various training sessions, the communication and culture exchange among the subsidiaries of Fosun Pharma were strengthened.

Fosun Pharma actively carried out Party committee activities with its partners or subsidiaries. In September, the Party committee of Fosun Pharma visited Sinopharm Shenyang Company and Sinopharm Jinzhou Company to learn about their business development and shared the best CSR practices. In October, the Party committee of Fosun Pharma and Party members of the Party School of Fosun Pharma, together with other Party construction entities to participate in the symposium of "Two learn one to do learning education".

Communities, non-governmental organizations

In 2016, Fosun Pharma Group completed over 35 charitable donations, including medical rescue, education support and poverty alleviation;

In 2016, each segment of the Group commenced around 100 diversified community services, including free healthcare consultancy and seminars, free blood pressure and sugar tests and charity clinic, to serve the people in the community;

The healthcare service subsidiaries are active in public welfare services. They continuously highlight medical public welfare by holding over 90 public health seminars and health consultations and providing fee reduction to patients with financial difficulties;



Completed over 35
charitable donations



The healthcare service subsidiaries
held over 90 talks on public health
and health consultations

The Public

Fosun Pharma fulfilled its information disclosure obligation in strict compliance with the regulations governing listed companies and strengthened the communication with the public;

The public may get access to the information of Fosun Pharma through the official website of Fosun Pharma, official WeChat platform of Fosun Pharma, social media platforms (such as LinkedIn), news conferences and other channels.

In 2016, Fosun Pharma revised its official website and added a column of sustainable development;

Fosun Pharma published news on its official WeChat account regularly to enable the public to learn about the Group's awards and information related to innovation, internationalization and social responsibilities;

Fosun Pharma attaches great importance to media communications, and enables the public to keep abreast of the latest information of the Group in a timely manner via public media. Fosun Pharma's Brand and Public Relations Department sets up a media communication management post to take charge of media relations management and communication to provide better public media service. In 2016, Fosun Pharma held news conferences including the news conference of strategic cooperation between Fosun Pharma and Intuitive Surgical, Inc. so as to enable the medias to have a better understanding on the latest news and development strategies of the Group;

Fosun Pharma attaches great importance to media communications. In 2016, there were 250,471 pieces of media coverage in relation to Fosun Pharma. Among which, the acquisition of Gland Pharma and the cooperation with Intuitive Surgical received wide media attention.

Relationship with the government

Visit of government

Fosun Pharma hosted the 2016 Practical Chinese Language Workshop for Officials in Developing Countries and the 2016 Ministerial Seminar on International Development and Cooperation for Capacity Building in Developing Countries organized by Ministry of Commerce with the participation of nearly 100 officials from over 30 countries, which built a good image for international cooperation and the Company's brand;

Fosun Pharma was commissioned by Ministry of Commerce to organize the 2016 Workshop on Pharmaceutical Quality for Developing Countries to provide meticulous services for nearly 30 officials and experts in the field of health and drug regulation from over 20 developing countries;

Fosun Pharma received over 20 visits from domestic and overseas officials. It created a favorable environment for the communication and cooperation between enterprises and the government.

Policy consultation and giving advice

Fosun Pharma participated in the consultation for the Pharmaceutical Administration Law, consultation for the Administrative Measures on Registry of Pharmaceutical Products and the communication meeting on pharmaceutical quality consistency evaluation;

The management of the Company, who is an expert member of the 13th Five-Year Plan for Pharmaceutical Industry team of the Ministry of Industry and Information Technology, participated in several planning, formulation and discussion;

Submitted proposals to CPPCC and Shanghai CPPCC regarding the development of elderly care industry and child healthcare;

Participated in the drafting of Development Plan of Universal Healthcare Industry led by the Sichuan provincial government, and made rational recommendations according to the local current situation;

The Devices Registration Division of CFDA organized to draft the Clinical Trial and Spot Check Program for Medical Devices and Essence of Clinical Trial and Spot Check for Medical Devices for public comment. Yaneng Bio, being a leading enterprise in the molecular diagnostic industry, proactively gave advice and suggestions.

Attention from the leaders and government projects

The Report on Establishment of Global Leading Base for Bio-pharmaceutical Innovation, R&D and Production centered in Shanghai by Fosun Pharmaceutical Industrial was approved and encouraged by Han Zheng, a member of the Communist Party's Politburo and party secretary in Shanghai;

Hongqi Pharma proactively undertook the Science and Technology Project of Shenyang City. The operation of the project will also enable Hongqi Pharma to nurture and select talents of various fields who are in line with international standards. It helped the China Antituberculosis Association to organize a seminar on Double Thousand Actions supported by Chinese Anti-tuberculosis Non-profit Foundation in Shenyang to alleviate tuberculosis patients in poverty, which was highly recognized by the China Antituberculosis Association;

The Shenzhen public service platform project of liquid biopsy technology and individualized cancer diagnostic of Yaneng Bioscience was supported by various funding;

Guangji Hospital and the Public Security Bureau of Yueyang City established an imprisonment ward in Yueyang Guangji Hospital, to timely rescue prisoners suffering from diseases and facilitate the centralized management.

Voice and cooperation

Fosun Pharma supported the Enterprise Hospital Branch of Chinese Hospital Association to conduct a survey on the status of plants and mines hospitals in China, to implement the disposal of state-owned enterprises for SASAC, and provide the basis for decision-making in relation to the relevant policies of implementing reforms in the state-owned hospitals.

Employees

Protection of Employees' rights and interest and caring for employees

The labor union of Fosun Pharma and all its subsidiaries proactively safeguard the rights of their employees through various systems. The labor union of the Group, representing the labor union of Fosun Pharma and all its subsidiaries, plays an active role in helping employees in distress solve their problems in a timely manner;

The Company held staff representatives' meetings on schedule. The staff representatives of the labor union signed a collective contract, the collective bargaining agreement on wages, the special agreement on the protection of the collective rights and interests of women workers.

In 2016, the labor union of Fosun Pharma and its subsidiaries organized over 500 recreational and sports activities; the labor union of enterprises undertook diversified activities, which give full play to their own characteristics, such as: adhered to alleviating poverty and offering assistance, consoled employees for childbirth, hospitalization and funeral in a timely manner; consoled and communicated with employees for expatriate; provided medical subsidies or allowances to employees suffering in serious illnesses or living in poverty; set up nursing rooms for female employees when they are pregnant, during childbirth and breast-feeding period, which continuously created an intimate, healthy, comfortable, safe environment for women workers that need to breast feed, rest and communicate; provided all employees with free annual check-up to care about and protect their physical and mental health; provided employees with consolation items (such as high temperature allowance and anti-smog facemask) in hot summer and days with heavy haze, to safeguard their health and safety.

All subsidiaries embark on performing art activities and engage in arts and cultural exchange with each other. The trade union invited the arts group of Guangji Hospital to give a performance to achieve cultural integration within the Group in 2016;

To show concern for retired employees, they were invited back to attend the Company's Double Ninth Festival and Chinese New Year gathering activities and a total of 12 activities for retired employees were organized during 2016.

Suggestions on rationalization

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

For instance, the labor union of Wanbang Biopharma appropriated a budget for the Employees' Micro-Innovation project, to stimulate the business innovation of employees and enhance the operational efficiency of the Company; the labor union of Yao Pharma created special QR code for staff to express opinions via WeChat account APP of the Company and displayed their opinions at places frequented by employees (such as guard houses and canteens). Employees can access the page for employees to make their rational suggestions directly by scanning the QR code and submit their opinions or suggestions anonymously. The system will only show the content submitted by the employees without mobile phone number so as to protect their rights.

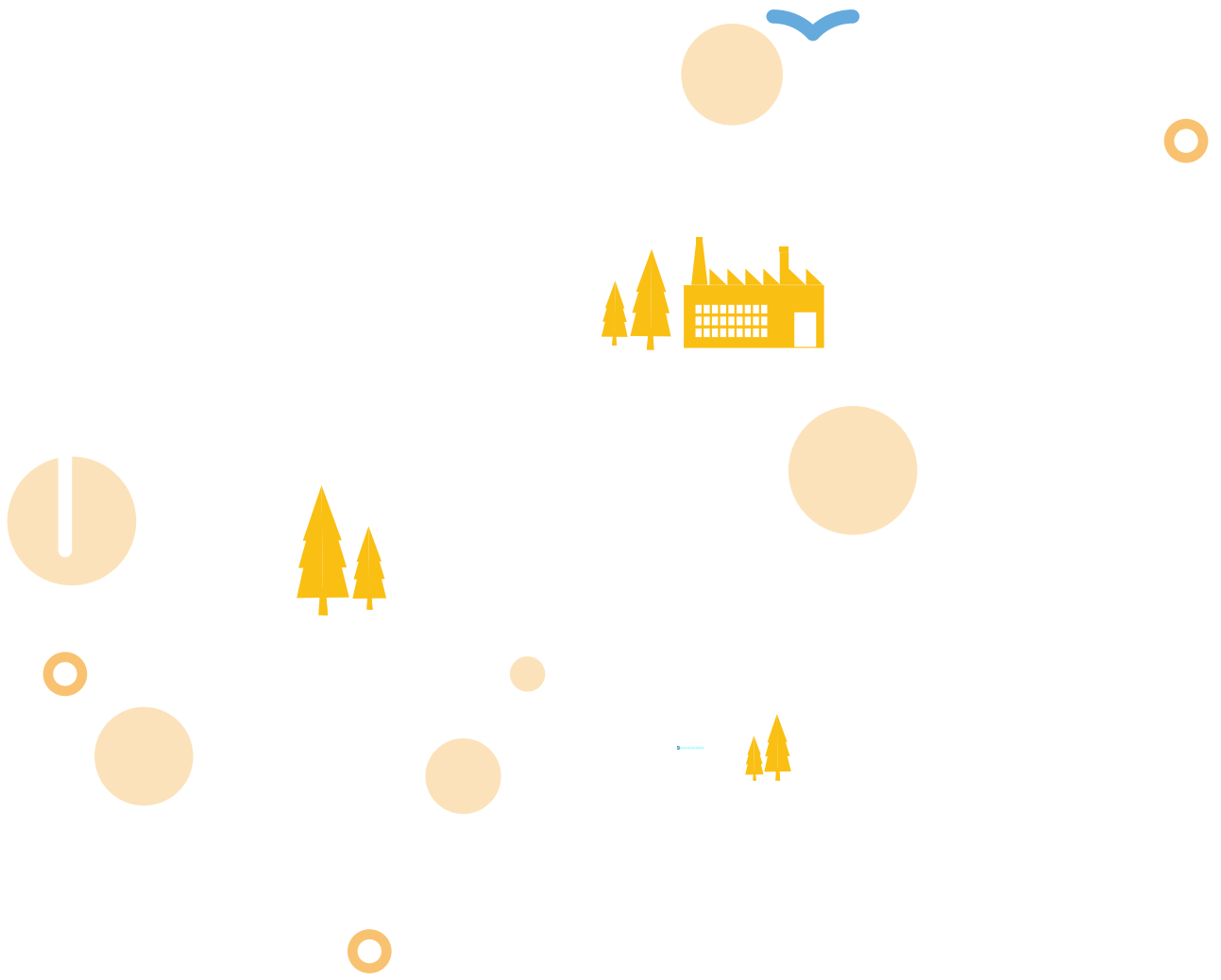
Safety management

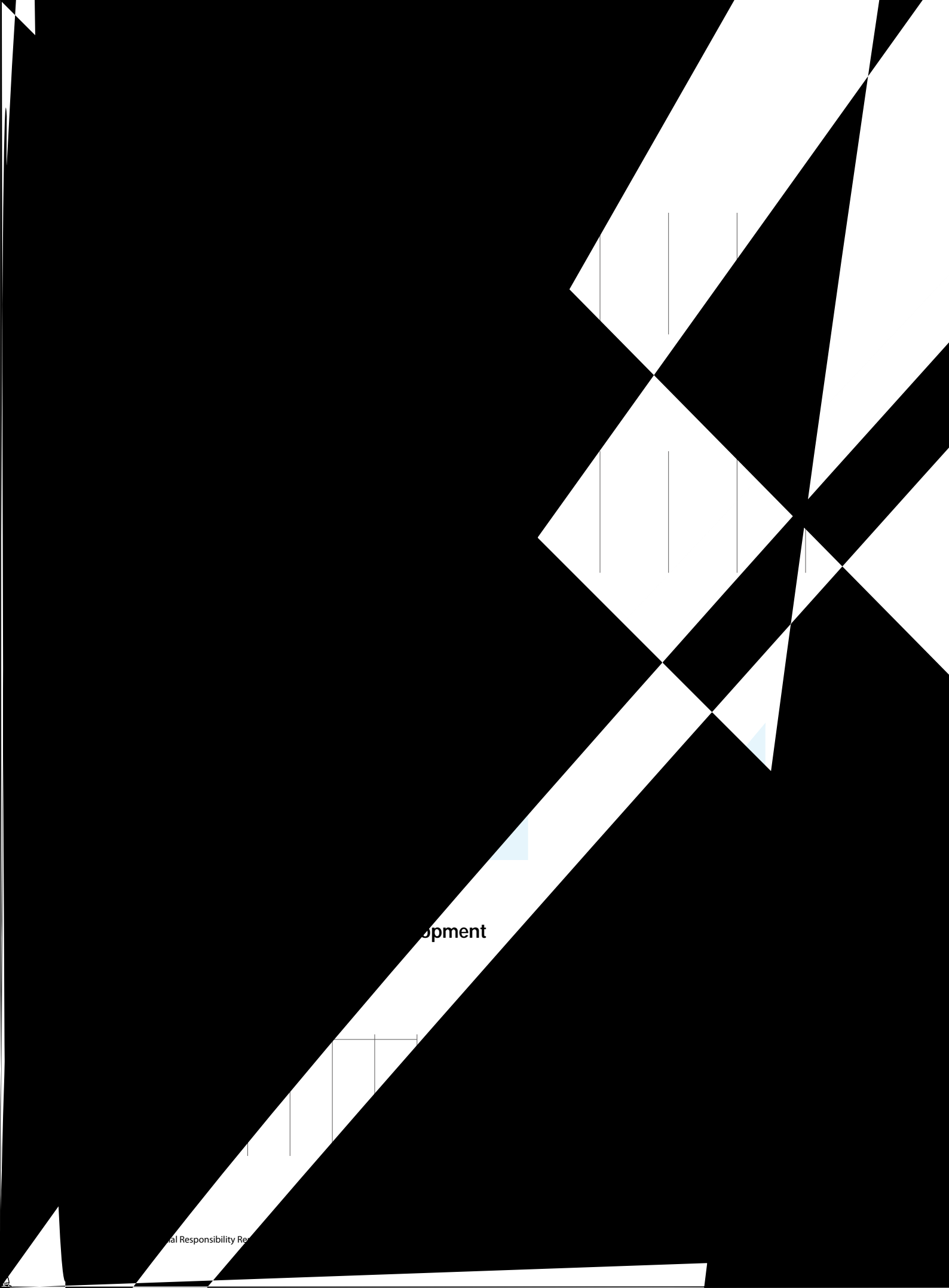
Subsidiaries in the presence of the labor union of the Group play a role in and perform the obligation of keeping the working environment safe to safeguard the lives and properties of employees.

Stakeholder Communication & Feedback

The definition of stakeholder in the 2016 CSR report follows the definition of the one of 2015. In 2015, the Group consulted and held stakeholder interviews and communications over 200 times, and particularly had CSR communications and interviews with stakeholders including Agilent, GE, Hewitt and GoldenBee. The Company made amendments about the core data in the report's disclosed contents according to the opinions of relevant institutions, for instance, added green supply chain management, analysis of materiality issues, the stakeholders' expectation on Fosun Pharma, improved the CSR management description, etc.







Development



Operating Results

In 2016, Fosun Pharma Group continued to promote human health for the mission, upheld the continuous innovation, fun in health as its business philosophy, focused on the core business of pharmaceuticals and medicine, adhered to product innovation and management improvement, and actively promoted endogenous growth, epitaxial expansion, integrated development, and sustained the growth of its principal operations.

In 2016, the Group realized revenue of RMB14,628.82 million, representing an increase of 16.02% as compared with that of 2015; the Group realized revenue of RMB10,259.54 million in pharmaceutical manufacturing and R&D segment, representing an increase of 14.83% as compared with that of 2015. The Group realized total profits of RMB3,571.55 million, net profits attributed to shareholders of the listed company of RMB2,805.84 million and net profits of non-recurring profit or loss attributed to shareholders of the Listed Company of RMB2,092.78 million, representing an increase of 5.92%, 14.05% and 26.36% respectively as compared with that in the consolidated financial statement for 2015 after retrospective adjustments.



Product Innovation

Innovation in R&D System

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

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

Meanwhile, the Group creatively integrated domestic resources to sustainably enhance its R&D capabilities. Through strategic alliance, project cooperation, establish joint-venture company and other methods, the Group conducted diversified innovative researches and continuously increased R&D capability.

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

R&D Performance

R&D Investment of Fosun Pharma Group for 2012-2016 (RMB1,000,000)

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

Four R&D platforms

Generic + new drug + biologics + special preparation delivery technique

986

R&D Research Staff

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

2016

2015

2014

2013

2012

In 2016, R&D investment amounted to RMB1,106 million (including capitalized investment expense), representing a year-on-year increase of 33.23%.

R&D Investment

The R&D investment of Fosun Pharma Group in 2016 was RMB1,106 million, with a year-on-year increase of over 33.23%, of which the R&D expenses were RMB715 million with a year-on-year increase of 6.67% for actual R&D expenses. In particular, the R&D investment in pharmaceutical manufacturing amounted to RMB963 million, with an increase of 38.02% as compared with that of 2015.



After Fosun Pharma announced the Restricted Share Incentive Scheme, the Company's percentage of R&D expenses were included in its appraisal in the long term. In 2016, Fosun Pharma Group's R&D expenditure on pharmaceutical manufacturing segment amounted to RMB572 million, accounting for 5.6% of the sales revenue of the pharmaceutical business.

R&D Progress

The Group intensified the product deployment of anti-tumor medicines. As at the end of 2016, the Group had 173 pipeline drugs, generic drugs, generic biopharmaceutical drugs and vaccine projects. 6 monoclonal antibodies (10 indications) of the Group was approved for clinical treatment in China, and 2 products of which entered clinical trial phase 3. There were 4 small molecular innovative chemical drugs of category 1.1 obtained clinical approval; 6 projects in the process of clinical trial application; 22 projects under clinical trials; 42 projects pending for the approval for launching. During the report period, 50 products were licensed for clinic trial. In particular, the recombinant anti-EGFR human-mouse chimeric monoclonal antibody injection (HLX07) developed by Shanghai Henlius had received the approval for clinical trials in Mainland China, Taiwan and the United States. The small molecular innovative chemical drugs PA-824 of SunTech Pharma, was approved for clinical trials, which is a new drug for treatment of multi-drug resistance tuberculosis. In addition, the Venlafaxine Hydrochloride of Yao Pharma was approved to launch by the SFDA.

Patents and results

In 2016, subsidiaries in the pharmaceutical manufacturing and R&D businesses of Fosun Pharma submitted 103 patent applications, including 21 American patents applications, 3 European patents applications, 2 Japanese patents applications and 6 PCT applications and received 30 patents, including 22 invention patents (including 2 American patent).

Pharmaceutical manufacturing

In 2016, there had demonstrated rapid growth in the pharmaceutical manufacturing. In 2015, there had demonstrated rapid growth in the pharmaceutical manufacturing and R&D segment of Fosun Pharma Group, which achieved business revenue of RMB10,259.54 million representing an increase of 14.83% as compared with 2015; and total segment revenue of RMB1,640.14 million representing an increase of 32.50% as compared with 2015.

The pharmaceutical manufacturing and R&D segment of the Group continued to maintain stable growth. The professional operation team was further consolidated. In 2016, the sales of the Group's major products in therapeutic areas such as cardiovascular system, central nervous system and anti-tumor, and Artesunate and other antimalarial drugs and antituberculous drugs maintained rapid growth. In particular, major products in therapeutic areas of cardiovascular system, central nervous system, blood circulation system, metabolism and digestive system, infectious diseases and anti-tumor recorded a year-on-year growth of 41.76%, 36.46%, 10.14%*, 13.87%*, 16.82% and 35.43%, respectively, among which the sales of You Di Er (Alprostadil Dried Emulsion for Injection) (cardiovascular system) and You Li Tong (Febuxostat Tablets) (metabolism) had experienced prominent growth.

Therapeutic Areas and Major Products

Therapeutic Areas	Product	INN	Indications
Metabolism and digestive system	Atomolan	Reduced Glutathione Preparations	For protective treatment of chronic hepatitis B
	Wan Su Lin	Protamine Zinc Insulin Injection	For treatment of type II diabetes
	Wan Su Ping	Glimepiride Tablets	For treatment of type II diabetes
	Yi Bao	Recombinant Human Erythropoietin for Injection	For treating anemia caused by renal insufficiency and applicable to dialysis patients and non-dialysis patients
	You Li Tong	Febuxostat tablets	For the long-term treatment of hyperuricemia with the symptom of gout
	N/A	Compound aloe capsules	For hyperactivity of heart-liver fire, constipation, abdominal distension
Cardiovascular system	Xin Xian An	Meglumine Adenosine Cyclophosphate Injection	To treat coronary heart disease, cardiac failure, cardiac arrhythmia and sick sinus syndrome
	You Di Er	Alprostadil Dried Emulsion for Injection	To improve cardiovascular and cerebrovascular microcirculation and as chronic hepatitis adjuvant therapy
	Ke Yuan	Dobesilate capsules	To treat microangiopathy and varicose syndrome
	Bang Ting	Hemo-coagulase for Injection	To reduce or stop bleeding
	Bang Tan	Telmisartan	For the treatment of primary hypertension
	Bang Zhi	Pitavastatin	Hypercholesterolemia, familial hypercholesterolemia
	Mileka	Cobamamide for injection	For megaloblastic anemia, malnutrition anemia, anemia in pregnancy, multiple neuritis, radiculitis, trigeminal neuralgia, sciatica, nerve palsy
Blood circulation system	Ao De Jin	Deproteinised Calf Blood Injection	To improve cerebral blood circulation and correct nerve function defect caused by nutrition disturbance (ischemic injury and craniocerebral trauma)
	Qi Wei	Quetiapine Fumarate Tablets	To treat the negative and positive symptoms of schizophrenia
Anti-infection	ARTES NPL S ARTES N	Artesunate Preparation series	Mainly to treat Various malarial diseases, especially Multidrug resistant falciparum malaria
	Xi Chang, Cefmetazon	Cefmetazole Sodium formulation	To treat infections caused by a number of microorganisms
Anti-infection	Sha Duo Li Ka	Yanhuning for injection	Indicated for the treatment of viral pneumonia and viral upper respiratory tract infection
	Yi Nuo Ni Kang	Ethambutol Hydrochloride, Pyrazinamide, Rifampicin and Isoniazid Tablets	For initial two-month short-term intensive tuberculosis treatment
	N/A	Rifampicin capsule	In the treatment of tuberculosis and enterococcus infection
	Qiang Shu Xi Lin, Qin Shu, Gu Shu Xi Lin	Piperacillin Sodium and Sulbactam Sodium	For infectious diseases caused by enzyme producing bacteria
	Er Ye Bi		

Healthcare Services

In 2016, the healthcare services entities controlled by the Group realized total revenue of RMB1,677.56 million, representing an increase of 21.67% as compared to 2015.

In 2016, the Group continued to consolidate the formed strategic layout of combining high-end healthcare institutions in the more developed coastal cities, specialty and general hospitals at second-tier and third-tier cities, formed a healthy regional industrial chain, sought cooperation with large state-owned enterprises, public hospitals and university-affiliated hospitals, accelerated the strategies of internet healthcare development and constantly improved its business scale and profitability.

In 2016, the Phase II district project of Qingdao Qilu Hospital of Shandong University and the alteration and expansion project of Zhongwu Hospital and Guangji Hospital of which the Group took part, commenced respectively, and the Wenzhou Geriatric Hospital started operation and Yulin Guanghai Investment (for the operation and management of Yulin Cardiovascular Hospital and Yulin Brain Hospital) was established, laying foundations of a new model for social enterprises' participation in the healthcare services segment. The Group participated in the reorganization of healthcare operations of relevant medical institutions previously in the Xuzhou Coal Mining Group, which was a breakthrough of the Group in reorganizing healthcare operations of state-owned companies as it would facilitate the exploration of co-operating and managing medical institutions with such large local institutions and large insurers. Such a breakthrough was momentous towards the reformation of hospital with mixed ownership and integration of the healthcare supply chain. Furthermore, the Group explored the cooperation with public hospitals to establish the new model of third-party medical test through investing in Jinan Qilu Clinical Laboratory. Through further involvement in the B2B round financing of Mingyi Zhudao platform, a seamless integration of online and offline services was achieved and a closed circuit of O2O was formed so as to explore the innovation of medical services operation and model.

At present, the total number of beds available from entities (including Chancheng Hospital, Jimin Cancer Hospital, Guanji Hospital and Zhongwu Hospital) controlled by the Group, was 3,018.

Furthermore, the Group vigorously supported and promoted the development and deployment of the high-end medical service leading brand United Family Healthcare, owned by Chindex (CHDX). In 2016, United Family Healthcare continued to keep its brand appeal and leading position in the high-end medical service field in the core cities such as Beijing, Shanghai and Tianjin. United Family Hospital in Qingdao has commenced operation while the construction of Guangzhou United Family Hospital and Shanghai Pudong United Family Hospital were at full steam.

While investing in domestic medical service industry, the Group also paid close attention to exploration in new business models of medical service sectors of overseas mainstream markets.

Medical Devices and Medical diagnosis

In 2016, the Group continued to promote the development of its medical devices and medical diagnosis businesses. The medical devices and medical diagnosis businesses reported revenue of RMB2,663.91 million, up by 18.17% from 2015.

In 2016, Alma Lasers continued to accelerate in developing the international market and especially key emerging markets such as China and India. In 2016, Alma Lasers recorded a revenue of RMB786.21 million, up by 14.19% from 2015. It also strengthened its new product portfolio, in particular, by increasing R&D of medical devices and extending its production line into the clinical treatment area. In 2016, the products of Alma Lasers obtained 6 new ECE certifications in aggregate and 2 new USFDA certifications. While actively fostering the business development of Alma Lasers, in 2016, the Group commenced preparations for the listing of Sisram Group on the Stock Exchange.

In 2016, the Group continued to exert more efforts in expanding CML high-end medical services equipment agent business. Da Vinci surgical robotic system, as a representative of minimally invasive surgery, leveraging on its advantages of high accuracy, less trauma and fast recovery, is widely applied in urinary surgery, thoracic surgery, gynecopathy and treatment for other diseases, and in 2016, its volume of surgery maintained a significant increase in the volume of surgery. In 2016, the volume of surgery of Da Vinci surgical robotic system amounted to approximately 19,000 in Mainland China and Hong Kong, up by approximately 54% from 2015.

Meanwhile, the Company proposed to establish a joint venture with Intuitive Surgical, the owner of the technology and products of Da Vinci surgical robotic system, with a view to incorporate the idea of brands and businesses, facilitate resources allocation, complement each other's strengths with Intuitive Surgical through leveraging the leading position of Intuitive Surgical in the field of

Pharmaceutical Distribution and Retail

In 2016, Sinopharm, an investee of the Group, continued to accelerate the industry consolidation, expanded the pharmaceutical distribution network and maintained rapid growth of business. In 2016, Sinopharm recorded a revenue of RMB258.388 billion, net profit of RMB6,892 million, net profit attributable of RMB4,647 million, up by 12.99%, 20.04% and 23.20%, respectively from 2015. As at the end of 2016, the distribution network of Sinopharm covered 31 provinces, autonomous regions and municipalities in China. The number of its direct customers reached 14,231 (only referring to hospitals with ranking, including 1,991 of the tier-three hospitals, which are the largest and most highly-ranked hospitals). During the Reporting Period, Sinopharm's revenue from pharmaceutical distribution business increased by 13.34% as compared to the corresponding period of 2015 to RMB246.459 billion. Meanwhile, the pharmaceutical retail business of Sinopharm also maintained growth with revenue of RMB10,239 million realized during the Reporting Period, representing an increase of 17.29% as compared to the corresponding period of 2015, while its pharmaceutical retail network further expanded with retail pharmacies owned by GuoDa Drug Store, its subsidiary, amounted to 3,502.

Creation of value through M&A and integration

While promoting the development of subsidiaries, the Group accelerated the pace in acquisitions. In 2016, the Group continued to increase its investment in internal integration, further strengthened the internal communication of the Group and proactively improved operational efficiency. Through internal equity integration and inter-segment cooperation of products and services, the Group enhanced the coordination within and between the segments, further integrated resources, achieved internal accommodation within the Group and promoted business development.

In the meantime, through the use of the Group's resources and control system, the Company achieved synergies in the operation and

Average employee salary of Fosun Pharma Group
(Cash payment to employees and on behalf of employees)

Labor costs of Fosun Pharma Group (RMB10,000)					
Year	Wages and salaries	Employee pension funds	Employee welfare fees	Other expenses*	Total
2016	187,300	2,001	7,614	841	225,356
2015	18,780	6,345	4,962	3	200,597
2014	20,678	4,759	4,850	285	163,190

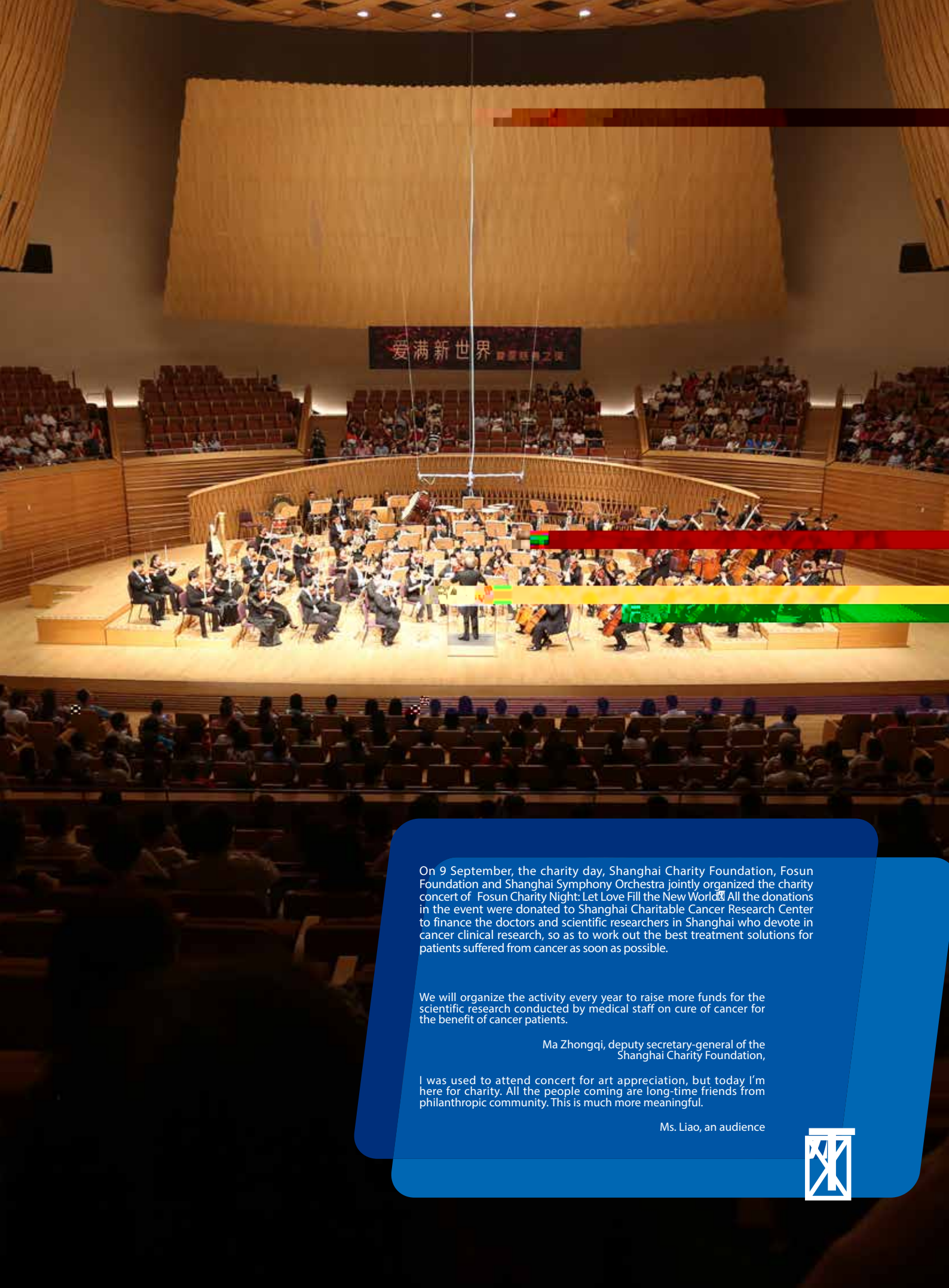
* Notes 5 and 6 refer to other expenses such as post-dismissal welfare.

Wenzhou Geriatrics Hospital

Wenzhou Geriatrics Hospital commenced operation in June 2016, and is managed as a joint stock company. The hospital focuses on traditional Chinese medicine, and facilitates the development of featured subjects through the integration of Chinese and western medicine. The hospital is aimed at becoming a mid-to-high end geriatrics hospital featured with traditional Chinese medicine in the regions of southern Zhejiang and northern Fujian through planning and expansion.

Yulin Guanghai Medical Investment Management Company Limited

Yulin Guanghai Medical Investment Management Company Limited is a comprehensive medical management investment company intended to be jointly financed by Fosun Hospital Investment and the No.1 People's Hospital in Yulin City and held by Fosun Pharma. The company is principally engaged in investment and operation management of medical institutions, medical services consultation and sales of drugs and medical devices. At the early stage, the company mainly focused on the establishment of Yulin Cardiovascular Hospital and Yulin Brain Hospital, which are two specialist hospitals and professional body check centers cover



On 9 September, the charity day, Shanghai Charity Foundation, Fosun Foundation and Shanghai Symphony Orchestra jointly organized the charity concert of Fosun Charity Night: Let Love Fill the New World. All the donations in the event were donated to Shanghai Charitable Cancer Research Center to finance the doctors and scientific researchers in Shanghai who devote in cancer clinical research, so as to work out the best treatment solutions for patients suffered from cancer as soon as possible.

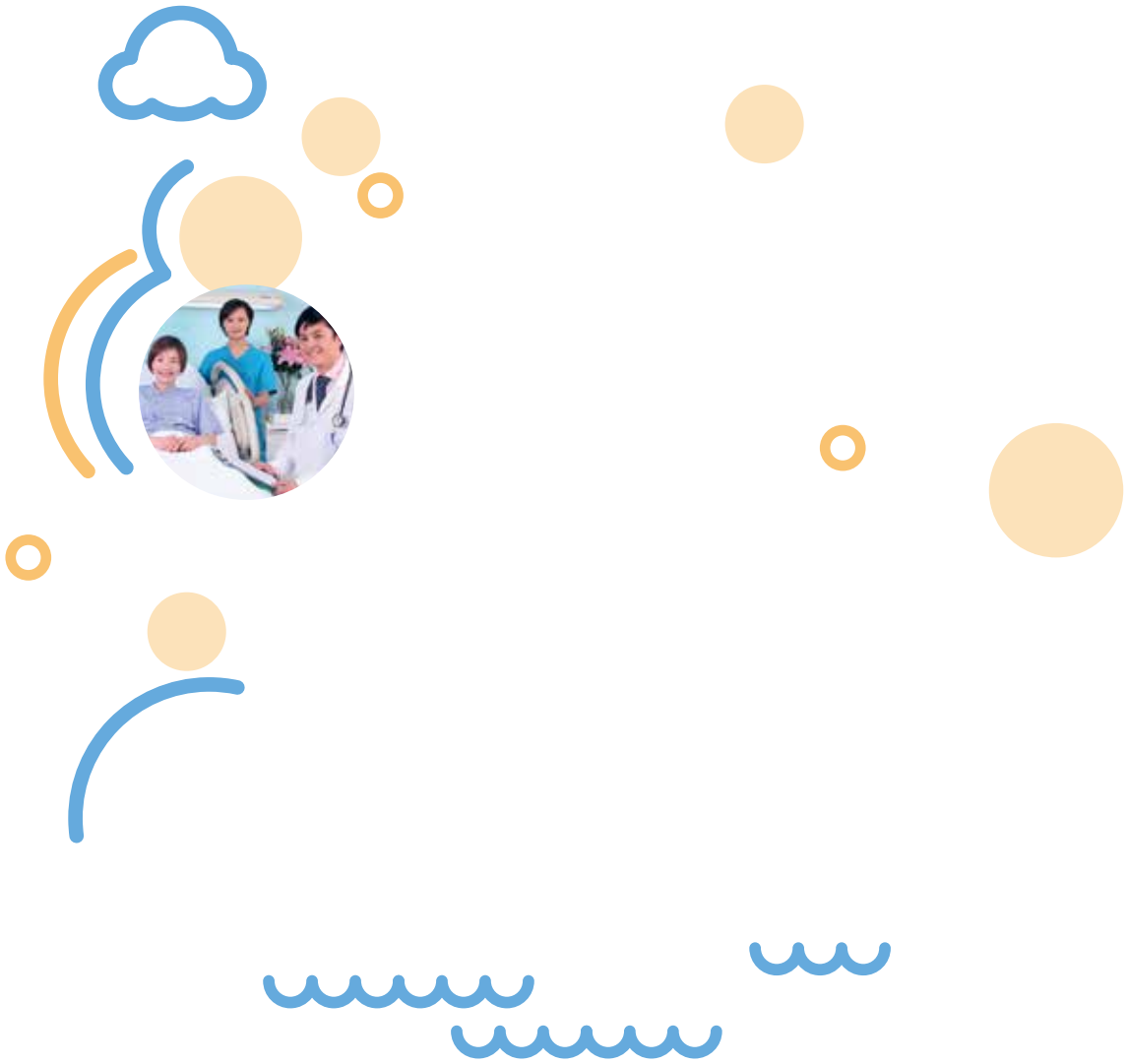
We will organize the activity every year to raise more funds for the scientific research conducted by medical staff on cure of cancer for the benefit of cancer patients.

Ma Zhongqi, deputy secretary-general of the Shanghai Charity Foundation,

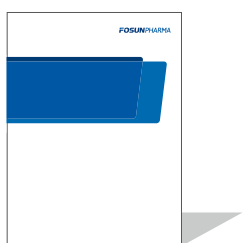
I was used to attend concert for art appreciation, but today I'm here for charity. All the people coming are long-time friends from philanthropic community. This is much more meaningful.

Ms. Liao, an audience





Enhance quality management



In **2016**, we formulated the Operational Procedures on Quality Audit of Industrial Companies of Fosun Pharma with **13** appendices to form a comprehensive assessment system and conducted quantitative assessment on the quality system of **14** subsidiaries.

Improve the quality system Construction

Items	2015	2016
Domestic official inspection/ Suppliers Audits	77	58
Number of sampling of domestic official inspections	358	401

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

Improve the Quality System Certification

13 APIs
certified by
cGMP

Currently, the Group has **13** APIs certified by cGMP from FDA of SA, the EMA, Ministry of Health of Japan, Health Bureau of Germany and other national health authorities. Guilin Pharma has **1** production line of oral solid dosage and **2** production lines of APIs (5 APIs), all of which passed the WHO-PQ certification. Yao Pharma has **1** production line of oral solid dosage, which passed the certification test of Health department of Canada and FDA of SA.



Pay attention to quality training

In 2016, Fosun Pharma Group continued to attach importance to the enhancement of management system level, allowed its employees to accept the latest concept of quality, consolidated the standard operation procedures and paid special attention to the quality training.

Improve customer service

Patient satisfaction survey
results among healthcare service
member companies

Improve healthcare services exemplary hospital

In 2016, Chancheng Hospital was awarded title Exemplary Hospital of Improvement in Medical Services (NHFPC \ Health News)

Supply of quality products and services

Providing more safe, regulated and reliable products and services is the cornerstone of sustainable development of Fosun Pharma brand. Since April 2016, Fosun Pharma officially initiated the launch of brand by Xing Rong Action. Through systematic brand management system, strict quality control system and EHS management system, it unified and improved the brand image of the Group, the business segments, subsidiaries and various products, and substantially raised its product quality and service standard.

Fosun Pharma constantly improves its capability of innovation, services, integration and internationalization. Meanwhile, it provides customers with safe, convenient and quality health products and services and makes continual effort to improve life quality.

Research and development and pharmaceutical manufacturing subsidiaries under Fosun Pharma Group are located in eleven provinces, autonomous regions, and municipalities throughout China. The products produced by such subsidiaries include biological products, prepared crude slices of Chinese medicine, prepared Chinese medicine, pharmaceutical ingredients and their preparations and 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 and traditional Chinese medicine pill related to the treatment of cardiovascular system, central nervous system, hematological systems, metabolism and digestive system and anti-infection.

Fosun Pharma Group's medical diagnostic subsidiaries, all of which are production enterprises possessing business qualifications for medical devices, mainly manufacture in vitro diagnostic reagents and diagnostic devices, mainly involving R&D, manufacturing and sales of biochemical diagnostic reagents, rapid diagnostic test reagents, nucleic acid diagnostic reagents, microbiological diagnostic reagents, nucleic acid chip diagnostic reagents, and diagnostic devices. Medical devices subsidiaries are mainly engaged in sales of medical device consumables and distribution of high-end medical devices, R&D, production, sales and marketing of transfusion equipment and surgical supplies as well as sales and distribution of high-end imported medical devices.

Healthcare services is one of the key business segments in the future development of the Group. Medical services subsidiaries of Fosun Pharma Group adopt the patient-centered service concept, uphold the principle of patient first, quality first and highly concern the medical quality and safety of patient. In 2016, medical services subsidiaries had a total of 3,018 authorized beds.

Construction of quality systems

In 2015, in order to continuously facilitate the improvement in the quality management level of members, the Group formulated and issued ten guidance documents complementary to quality manual, namely the Plants People Documentation Materials Quality Management Facilities and Equipment Laboratory Quality Control Packaging Verification and Validation Production Management, so as to provide technical guidance for enhancing quality of subsidiaries.

In 2016, the Group continued to focus on the construction of quality systems to be introduced to individual pharmaceutical subsidiaries in order to comply with the latest GMP requirements and relevant national regulations. Based on the operational platform of the Group, we facilitated the establishment of quality system of the subsidiaries complying with the latest GMP requirements through GMP pretesting, quality audit, operation survey, special inspection and special survey of regulations, and continuously improved the compliance standard. The regulation surveys carried out in 2016 include production process checking survey project, data integrity survey project and survey project on the appendix of biochemical drugs.

In 2016, the Operational Management Department of the Group focused on the assessment of quality system of the subsidiaries. In order to facilitate the assessment, we formulated the Operational Procedures on Quality Audit of Industrial Companies of Fosun Pharma with 13 appendices to form a comprehensive assessment system. In 2016, 14 subsidiaries underwent quantitative assessment on quality system, among which Yao Pharma and Wanbang Biopharma received Excellent rating, and other subsidiaries received Good or Pass rating. Through the implementation of quantitative assessment on quality system of subsidiaries, we can identify the deficiencies in corporate quality management, issue objective inspection reports based on the findings and require the subsidiaries in question to make rectification and provide feedback by way of CAPA within one month. The Operational Management Department will conduct recurring follow-up or on-site review in order to continuously promote the ongoing improvement of corporate systems.

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 construction of quality warranty systems such as annual product quality review, change management, deviation management, OOS in-depth investigation, supplier audit and risk management etc., thereby comprehensively improving the 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 workmanship in the production of drugs, to emphasize workmanship authentication and daily monitoring, and to strictly abide by applicable state requirements and international standards to conduct change management so as to ensure that production process met registered workmanship requirements and drug quality met registered standard requirements.

In 2016, the Group's pharmaceutical subsidiaries were inspected by domestic government for 58 times in total. All of them successfully passed the audits or inspections, proving that their corporate quality systems were in compliance with 2010 GMP and cGMP regulatory requirements. Throughout the year, pharmaceutical subsidiaries were sampled 401 times by the provincial government level or above and no nonconformity reports were reported. In 2016, none of the products of subsidiaries were disqualified by the government.

Medical diagnosis and medical devices subsidiaries of Fosun Pharma Group continue to reinforce internal management, to regulate production behavior, and to guarantee the safety and effectiveness of their products. They have established corresponding quality control systems with proper documentation and records established in accordance with the Medical Instruments Supervision and Management Regulations and other



Medical services subsidiaries had a total of **3,018** authorized beds

FOSUN PHARMA

Operational Procedures on Quality Audit of Industrial Companies of Fosun Pharma

In 2016, we formulated the Operational Procedures on Quality Audit of Industrial Companies of Fosun Pharma with 13 appendices to form a comprehensive assessment system. 14 subsidiaries underwent quantitative assessment on quality system



100% pass

401 times of official sampling and 58 times of domestic official inspections or supplier audit accepted

relevant regulations. The quality control systems were steadily, constantly, and effectively enforced in each enterprise. Each subsidiaries set up separate quality departments and formulated relevant operating procedures to ensure the performance of quality obligation, and formulated quality policies and quality objectives according to their actual conditions, performed spontaneous inspections or internal reviews, detected problems and timely rectified, and improved preventive measures to further enhance the compliance and effectiveness of respective quality management systems.

In 2016, medical device subsidiaries have obtained quality system certification such as ISO13485 and CE certification for products, and maintained their quality systems in strict compliance with the relevant requirements. According to the requirement on product safety and effectiveness, each medical diagnosis subsidiary of Fosun Pharma has verified the main features of products, production environment, facilities and equipment, major raw material and auxiliary material, procurement, production process, inspection and quality control method and can provide relevant verification information. Also, the record of research and development and verification for self-developed products designed and produced by us can be provided.

Inspection and Sampling on Pharmaceutical Subsidiaries of Fosun Pharma Group by Domestic and Foreign Authorities

Subsidiary	Inspection by Domestic and Foreign Authorities	Sampling by Domestic Authorities	Results of inspection or sample tests
Hongqi Pharma	0	16	Pass
Aohong Pharma	2	14	Pass
Aleph	3	0	Pass
Wanbang Folon	7	5	Pass
Huanghe Pharma	5	33	Pass
Wanbang Biopharma	1	22	Pass
Wanbang Tiancheng	2	15	Pass
Zhaohui Pharma	0	39	Pass
Chemo Biopharm	5	1	Pass
Wanbang Jinqiao	4	0	Pass
Wanbang Sainuokang	3	1	Pass
Shine Star	1	0	Pass
Dongting Pharma	2	13	Pass
Erye Pharma	2	60	Pass
Guilin Pharma	9	39	Pass
Yao Pharma	5	136	Pass
Carelife Pharma	2	7	Pass
Hexin Pharma	0	0	Pass
Ruizhe Pharma	4	0	Pass
Shanghai Henlius	2	0	Pass
Total	58	401	Pass

System Certification and Related Inspection of Medical Device Subsidiaries of Fosun Pharma Group

Subsidiary	Date	Audit Institution	Scope of Audit	Result
Erye Pharmaceutical	February 2016	.S. FDA	Clindamycin ydrochlor (Workshop VI), clindamycin phosphate (Workshop II), granisetron hydrochloride (Workshop IV), mitoxantrone (Workshop III), venlafaxine hydrochloride (Workshop V), limepiride (Workshop V), entecavir (Workshop IV), lindamycin palmitate hydrochloride (Workshop VI)	Obtained EIR and passed inspection
Yao Pharma	April 2016	.S. FDA	Venlafaxine hydrochloride tablets (Workshop for oral solid dosage)	Obtained EIR and passed inspection
Chongqing Research Institute	May 2016	.S. FDA	Iron sucrose, pemetrexed disodium, abiraterone Acetate (Factory in Tushan Road, Nan'an Dsitric)	Pending for review check
Guilin Pharma	March 2016	WHO	Artemether, artesunate, amodiaquine hydrochloride, pyrimethamine, sulfadoxine	Passed on-site check
Guilin Pharma	March 2016		Production lines for oral formulation (OSD-I production line)	Pending for review check
Huaiyin Medical	12~16 July 2016	Det Norske Veritas (DNV)	ISO13485 Certification, CE Certification Class IIa, CE Certification Class IIb, CE Certification Class III	Qualified
Shanghai Transfusion	24~26 August 2016	T V Rheinland	EN ISO9001, EN ISO13485, CE Certification for Products	Qualified
Laishi Transfusion	30~31 May 2016	T V Rheinland LGA Products GmbH	EN ISO 13485, EN I13485:2012/AC	Qualified

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



Medicinal product safety mechanism

The Group values quality risk management throughout the life cycle of its products and has strict quality and safety management mechanisms in place in terms of product research and development, 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 cares about medication safety for patients and values the strict monitoring and reporting of adverse drug reactions as well. In 2016, the Group continued to strictly implement the Adverse Drug Reaction Reporting and Monitoring Management System and asked each of its pharmaceutical subsidiaries to report adverse drug reactions as soon as they become aware of the adverse drug reactions. Pharmaceutical subsidiaries implement zero-reporting management for adverse reactions 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. For new or serious adverse reactions, reporting must be completed within prescribed period, and pharmaceutical subsidiaries are required to report to the management department of the Group and local adverse reaction reporting centers within prescribed period to ensure that all information of adverse drug reactions are collected and handled in a timely manner. The Group also conducts intensive monitoring on key products and requires the pharmaceutical subsidiaries to take proactive measures to minimize the incidence rate of adverse reactions.

In 2016, pharmaceutical subsidiaries of Fosun Pharma Group have collected adverse drug reactions information and have reported all the information in a timely manner. There were no adverse reactions events caused by drugs with quality defects in 2016. A total of 18 adverse drug reactions events collected voluntarily by the Group have been properly handled. Pharmaceutical 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.

Certification of quality systems

In 2016, the subsidiaries of the Group achieved satisfactory results in the improvement of compliance standard by continuously strengthening quality management. As of the end of 2016, 78 formulation production lines and 61 API products of pharmaceutical subsidiaries under Fosun Pharma Group received 2010 GMP certification with a total of 53 certificates.

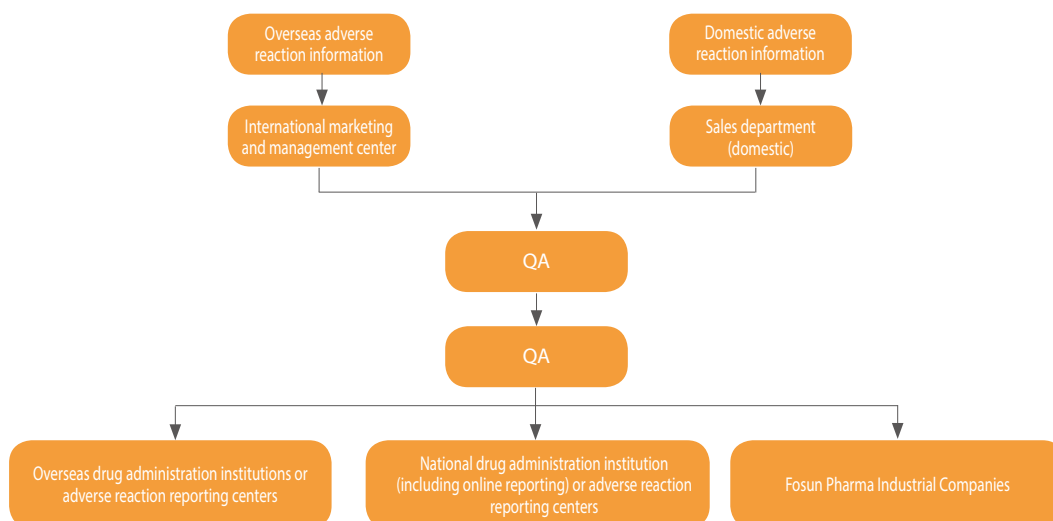
With the implementation of internationalization strategy of the Group, its subsidiaries significantly step up the pace of internationalization.

To date, 13 APIs of the Group have passed the GMP Certification from the health departments of various countries such as the FDA of United States, European Union, Japan's Ministry of Health, Labor and Welfare (MHLW) and Germany's Federal Ministry of Health. 1 solid oral dosage production line and 2 API production lines (5 APIs) of Guilin Pharma passed the inspection of WHO-PQ Certification. 1 solid oral dosage production line of Yao Pharma received the certification from Health Canada and the FDA of the United States.

13 APIs have passed the cGMP Certification

1 solid oral dosage production line and 2 API production lines (5 APIs) of Guilin Pharma passed the inspection of WHO-PQ Certification. 1 solid oral dosage production line of Yao Pharma received the certification from Health Canada and the FDA of the United States.

Flowchart for handling of adverse reactions of Yao Pharma



Handling of Users' Complaints by Medical Diagnosis Subsidiaries of Fosun Pharma Group

Name of subsidiary	Total number of complaints received	Number of complaints handled	Response rate of complaints
Long March Medical Fosun Biolog	5	5	100%
Yaneng Bio	2	2	100%
Changxing Medical	0	0	–
Zhongsheng zhongjie	0	0	–

Handling of Users' Complaints

The pharmaceutical subsidiaries of the Group highly value the handling of users' complaints. There are dedicated personnel for this regard who record complaints to every detail and give satisfactory reply to complainants with thorough explanation after investigation, analysis and responding actions. They also record the batch number of the products in question. The handling 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 and remedial and preventive measures will be implemented to ensure high satisfaction of users. In 2016, the pharmaceutical subsidiaries of the Group received a total of 72 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 guidelines¹ if defects of products with potential safety risk are found in the investigation of complaints.

Medical diagnosis subsidiaries of Fosun Pharma Group value product quality and handling of product complaint. Product manager or marketing personnel is responsible for recording, assessment, investigation and handling of the complaints related to product quality. All information related to the complaint and investigation will be reported to the quality authorised person/quality responsible person of relevant company in a timely manner. All complaints are recorded and verified. Complaints related to quality defect of product will be recorded in detail and investigation will be conducted in this regard. Complaints related to biochemical products and enzyme-linked immune products will be recorded by filling in the user service form². After the receipt of complaint related to product quality from end-user via telephone or on-site service, product manager or marketing personnel will make relevant record of the complaint related to product quality in a timely manner, and handle the complaint related to product quality via telephone or on-site service in a timely manner after determining the reason of the complaint through preliminary assessment.

Product recall

Each pharmaceutical subsidiary under the Group conducts drug recall drills regularly in accordance with state laws and regulations and relevant management systems to ensure that drugs can be quickly recalled in case of quality concern and to protect consumers' interests. In 2016, the pharmaceutical subsidiaries of the Group conducted a total of 8 drug recall drills.

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

In 2016, there was no product recall events occurred in the subsidiaries of Fosun Pharma Group.



100% response

100% of the complaints from customers were replied and handled

8 drug

recall drills

0 recall

In 2016, there was no product recall events occurred in the subsidiaries of Fosun Pharma Group.

Marketing compliance

In 2016, subsidiaries of Fosun Pharma Group strictly complied with national laws and regulations related products and services labeling and there was no non-compliance related to products and services information and labeling.

Subsidiaries of Fosun Pharma Group value customer services. Yao Pharma conducted customer satisfaction surveys among distributors, clinical users and patients in 2016. The survey involved a total of over 6,550 people. Questions raised by customers were answered in a timely manner, and the products and services were well received by the customers.

During the market promotion in 2016, 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 the sales department, sales staff and distributors implemented an accountability system for compliant operation. Relevant administrative measures such as letter of undertaking for operating with integrity and agreement of honest sales and purchases were formulated to prohibit the sales of controversial products.

Meanwhile, there were no violations and non-compliance with marketing and promotion requirements found with pharmaceutical subsidiaries of Fosun Pharma Group in 2016. 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.

Medical device subsidiaries of the Group have established quality management systems and operational guidelines for sales and after-sales services to ensure quality management of sales and after-sale services of products. The production and operation activities of the medical device subsidiaries are conducted in strict compliance with laws and regulations and the requirements of quality management system. The pass rate for qualified products reached pre-set goals and was rising over the years.

Medical diagnosis subsidiaries of Fosun Pharma Group 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 the sales department, sales staff and distributors implemented an accountability system for compliant operation. 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.

During the market promotion in 2016, medical diagnosis subsidiaries of Fosun Pharma Group conducted over 300 customer satisfaction surveys among distributors and hospitals in 2016. Questions raised by customers were answered in a timely manner, and the products and services were well received by the customers.

Medical diagnosis subsidiaries of the Group set up a national service hotline for 24-hour toll-free telephone support. Customer services provided in 2016 totaled over 40,000 hours with a headcount of more than 5,100 people, among which over 2,000 people were provided with on-site services.



Customer services provided by medical diagnosis subsidiaries

>40,000 hours

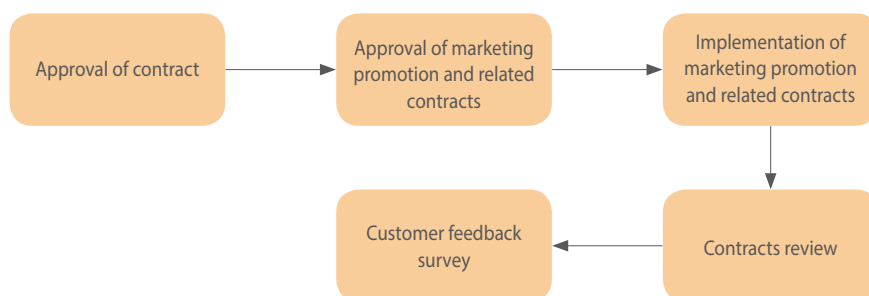
Headcount

>5,100 people

On-site services

>2,000 people

Marketing Compliance Flowchart of Medical Diagnosis Subsidiaries



Quality Safety 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, pharmaceutical subsidiaries under the Group highly value the training related to quality. Key production quality managers are sent to attend professional forums and trainings 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 participate in management training on the latest GMP and training of standard operation procedure on the other.

In 2016, the Group focused on quality safety training. According to the statistics, each person in pharmaceutical subsidiaries received more than 23 hours of quality training on average every year.

In light of the implementation of the latest Regulations for the Supervision and Administration of Medical Devices and its implementation rules by the state, medical device subsidiaries of Fosun Pharma Group provided internal and external staff trainings for all employees to strengthen their

Supplier Management

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

In 2016, in order to further regulate the procurement and tender of its subsidiaries, Fosun Pharma formulated and issued a total of 8 management systems, namely the Basic Guidelines for Green Suppliers Management of Fosun Pharma Group and Holding Subsidiaries (Trial), Measures on IT Procurement Management of Fosun Pharma Group (Trial), Measures on Non-Production Procurement Management of Fosun Pharma Group (Trial), Measures for Management of Construction Projects for Shanghai Fosun Pharmaceutical (Group) Co., Ltd (Revised), Template of Tender Documents for Procurement of Production Supplies of Fosun Pharma, Template of Documents for Procurement and Tender Procedures of Fosun Pharma, Template of Documents for Procurement and Tender of Medical Services and Template of Tender Documents for Infrastructure Projects of Fosun Pharma, so as to further regulate the templates and operating procedures for the procurement of production supplies, construction project and non-production items of the Group.

Some holding subsidiaries gradually completed their trainings and online works throughout 2016 via procurement and tender platform. Currently, the Group has implemented comprehensive management on key control points such as basic principle of supplier selection, scope of tender, procurement method, announcement, supplier entry, evaluation and calibration. The open and transparent tenders and consistent procurement channels help to reduce procurement costs effectively. Meanwhile, it also enhances the capability of Fosun Pharma to coordinate, support and regulate the procurement and tender of the holding subsidiaries. The Group reviews and assesses the procurement and tender completed on a timely basis based on pre-set key management assessment indicators, continues to further optimize the comprehensive management of procurement and tender, and enhances the integrated capability and standard of procurement management. In 2016, Fosun Pharma and its holding subsidiary made 557 procurement projects via Fosun's procurement and tender platform, of which, 447 were open tenders and 110 were invitations for tender. The tenders covered production supplies, infrastructure and non-production items. In 2016, Fosun Pharma has completed the corporate credit checking proposal, and will gradually conduct credit checking on suppliers in the procurement process and further strengthen the risk warning.

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

In 2016, Fosun Pharma coordinated with various segments of holding subsidiaries to commence performance evaluation of major suppliers for 2015 based on uniform supplier assessment indicators (except connected/related transaction), and a total of 671 suppliers were evaluated. The evaluation results of suppliers' performance were disclosed via Fosun's procurement and tender platform to help subsidiaries understand the supplier services in Fosun Pharma and increase the ability of controlling supply quality.

All subsidiaries of Fosun Pharma have formulated their supplier management procedures and established the supplier quality annual review system, and perform various supplier audits (such as on-site quality audits, questionnaire audits and phone audits) prior to determine a qualified supplier based on the principles of fair bidding, procurement through tender and quality as first priority, to ensure the quality and safety of drugs at the source.

In terms of supplier management, pharmaceutical subsidiaries under the Group adopt supplier audit procedures, supplier management regulations, quality agreements entered into with supplier, supplier assessment guidelines, etc. to facilitate the scientific assessment and classification management of suppliers in terms of qualification, production environments, production technique standards, and quality assurance systems, etc.

Prior to the commencement of supply by a new supplier, the subsidiaries 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, subsidiaries perform annual statistical assessment on the quality of products received, delivery time and service attitude to achieve effective supplier management. The Group implements classification management for its suppliers based on the risk level related to the impact of materials from the suppliers on quality of pharmaceuticals. Suppliers in higher class have higher risk of impact on the quality of pharmaceuticals, and hence more field audits on quality in higher standards will be performed. Fosun Pharma enters into internal quality agreements with these suppliers to ensure product quality at the source.

Medical diagnosis and medical device subsidiaries have established supplier quality annual review systems. For suppliers failing to meet the quality requirements, the one ballot veto rule is adopted. Through the review, the subsidiaries communicate with and provide feedback to suppliers, in order to facilitate the improvement of quality of materials from the suppliers. They also provided relevant trainings to the suppliers in every year. Medical device subsidiaries of Fosun Pharma provided a total of 14 trainings to suppliers.

In 2016, through Fosun's procurement and tender platform, Fosun Pharma and its holding subsidiary had

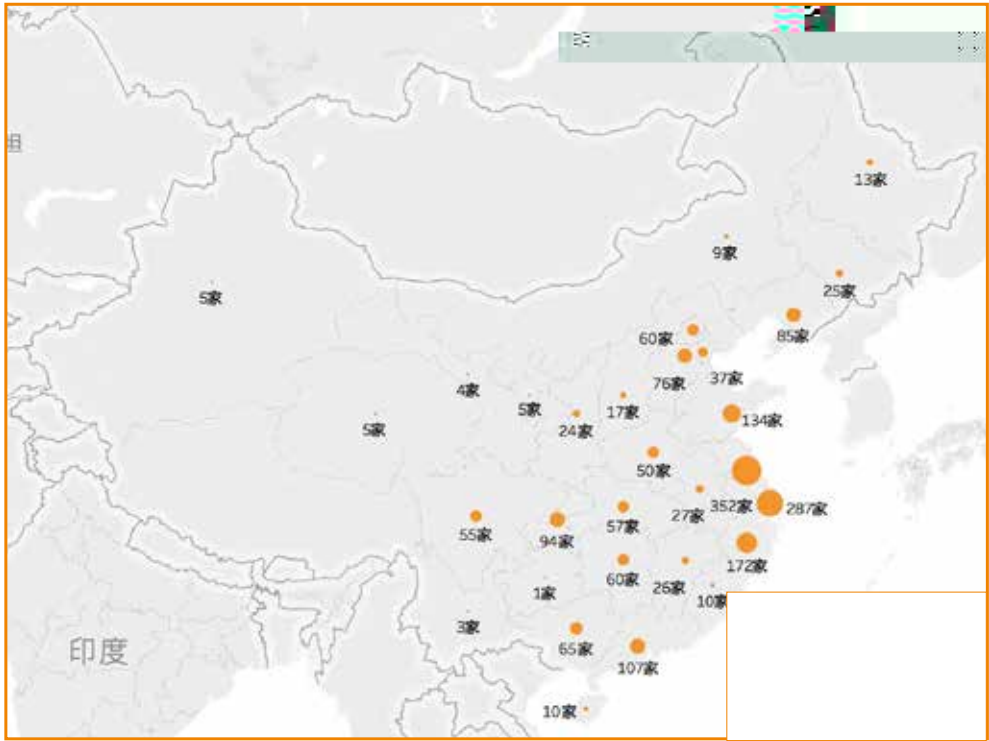
557 procurement projects

447 open tenders

110 invitations for tender

Fosun Pharma coordinated with various segments of holding subsidiaries to commence performance evaluation on

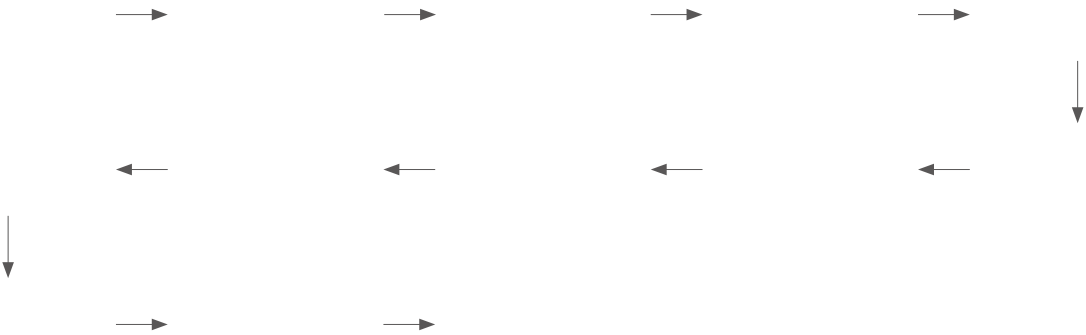
671 suppliers



Supplier Management of Major Pharmaceutical Subsidiaries of Fosun Pharma Group in 2016

Subsidiary	Guilin Pharma	Wanbang Biopharma	Aohong Pharma	Erye Pharma	Yao Pharma

Open Tender Procedure of Fosun Pharma and Subsidiaries



Patient-Centered Medical Services

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

Medical quality system and measures

In order to strengthen the medical care management of medical services subsidiaries, regulate the medical practice, ensure the medical safety, protect the legal rights and interests of hospitals and patients, comprehensively heighten the level of medical quality and improve the quality of medical services, Fosun Pharma has established a medical quality management committee and a nursing management committee and the president of each medical services subsidiary, as the first person responsible, have set up a quality management system which consists of three different levels including the quality management committee, the functional office (quality control department) and the department quality team of the hospital. As such, the organizational construction of medical quality management of the Group has been improved and the medical system established by medical services subsidiaries has been regulated with the focus on 18 key medical systems. Also, the standard for assessment and evaluation has been established, with monthly checks and quarterly analysis evaluation conducted, in order to continuously supervise and improve the medical quality of medical services subsidiaries. At the end of the year, the Group has conducted a comprehensive performance assessment on medical services subsidiaries with the focus on medical quality, and the level of medical quality of each medical services subsidiary has improved significantly.

During 2016, Chancheng Hospital has accepted several inspections conducted by health administrative department at a higher level such as medical affairs, quality control, hospital-acquired infection, emergency rescue, intensive care, surgical anesthesia, medical technology, pharmacy and public health. The result of each inspection has been highly recognized by the inspection team. Meanwhile, Chancheng Hospital also actively carried out rectification on the deficiencies identified in the inspections, which was recognized by the higher authorities.

In addition, Chancheng Hospital has optimized the patient's medical treatment process through various ways and improved the service quality. The hospital has opened a WeChat service platform which provides services in eight aspects: appointment registration, medical payment, appointment inquiries, report inquiries, free wi-fi, customer service, feedback, healthcare insurance settlement. The hospital has opened online appointment registration service and registration can be done on the official website of Foshan Health Bureau using Foshan Health Card. The hospital also provides self-registration service. Laboratory test results can be obtained through self-service. Queue management system has been implemented at the out-patient clinic, auxiliary examination and pharmacy. Each queue number will be called once in Mandarin and once in Cantonese. Monthly appointments made through WeChat reaches 20,000 people. The average number of queue for daily registered payment has decreased by 2,300 people (In 2015, the average number of queue daily has decreased by 400 people, an increase of nearly 6 times).

Guangji Hospital has implemented various initiatives to strengthen the building of inner qualities, strictly maintain quality control of different areas, so as to ensure the implementation of the core system. By enhancing the construction of discipline to a great extent, it was granted with the laboratory for hepatobiliary surgery in Yueyang City. Adhere to hospital management, it ranked first in medical insurance management inspection in Hunan Province, and first in use of emergency funds inspection in Hunan Province. It has achieved outstanding performance when actively participating in contests organized by regional organizations with respect to obstetric first aid, emergency rescue, knowledge in ECG and graph reading. The hospital has been actively providing service to people, organizing community visits by experts in a regular basis, and carrying out precise charity clinic and health education work to alleviate poverty, which is well recognized by the public.

In recent years, Zhongwu Hospital has continuously focused on establishing the Xuzhou Medical University teaching hospital, with an aim to actively comply with the standards of teaching hospitals to develop a relevant teaching system, as well as carry out substantial work on preparation. The Xuzhou Medical University teaching hospital was approved on 30 December 2016.

Jimin Cancer Hospital is awarded the title of first batch of provincial inter-competing advanced social organization party by the Organizational Department of Anhui Provincial Party Committee. With the implementation of quantitative classification management on private hospitals in Hefei city, the hospital is awarded Grade A (the top grade) in the 2016 quantitative inspection in Hefei city.

Wenzhou Geriatrics Hospital is awarded first prize (group) in the 2016 Chinese medical care comprehensive skills competition in Wenzhou City.

Doctor-patient relationship

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

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

Medical complaint and medical dispute

All medical services Subsidiaries of Fosun Pharma Group highly values the prevention and management

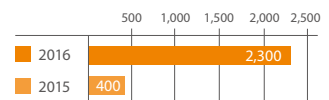


Service training of Chancheng Hospital



In Chancheng Hospital, monthly appointments made through WeChat reaches **20,000 people**. The average number of queue for daily registered payment has decreased by **2,300 people** (In 2015, the average number of queue daily has decreased by 400 people, an increase of nearly **6 times**)

Decrease in the average number of queue for daily registration (people)



of complaint and medical dispute. The hospital has established a two-level (hospital and department) organizational structure for complaint and medical dispute handling, each of them is responsible for handling the complaint and medical dispute of the hospital and the department, respectively. It has also formulated the rules on management of hospital complaint and medical dispute and the implementation procedure of management of hospital complaint and medical dispute and handles the medical complaint and dispute properly in accordance with the system and the procedure. During 2016, the incidence rate of medical dispute of the medical services subsidiaries has been reduced significantly. Medical services subsidiaries have a total of 17 medical disputes and all of which were duly settled.

According to the regular survey of patient satisfaction (including bedside questionnaire, out-patient random sampling survey, discharged patient telephone follow-up and feedback from the mailbox of the president) conducted by each hospital, the patient satisfaction rate of each hospital is over 92%, which an average satisfaction rate of 95.39%. Chancheng Hospital is awarded the title of demonstration hospital with improving medical service (National Health and Family Planning Commission UKB), ranked first in affiliated hospital in Guangdong Province under public satisfaction with third party evaluation on large-scale general hospitals and kept its third rank in top three large-scale general hospitals (Guangdong Provincial Health and Family Planning Commission) in 2016.



Average customer satisfaction rate of medical services subsidiaries of Fosun Pharma Group

95.39%

Customer Satisfaction Survey of Medical Service Subsidiaries of Fosun Pharma Group

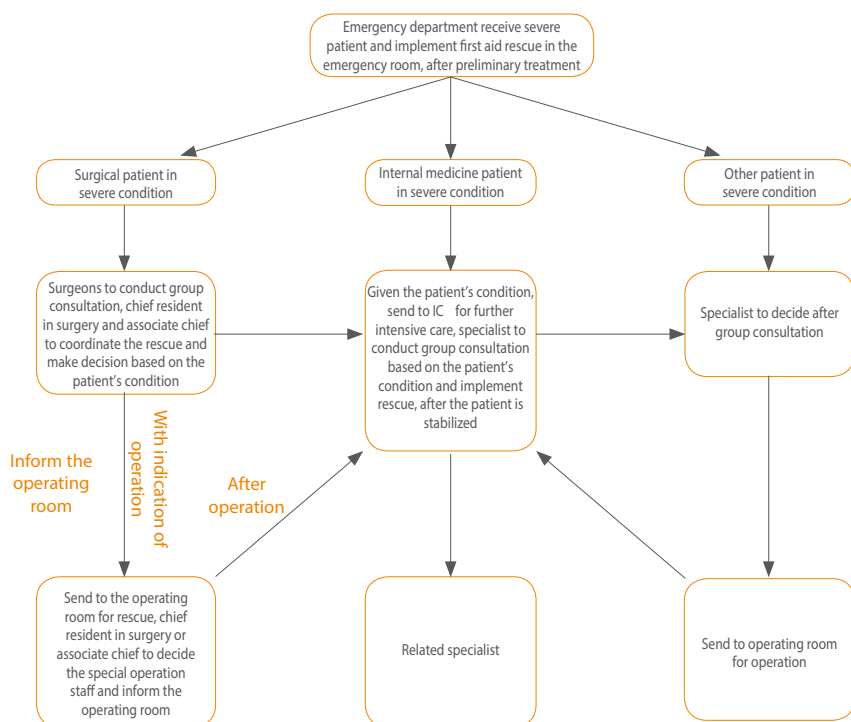
Subsidiary	Jimin Cancer Hospital	Guangji Hospital	Zhongwu Hospital	Chancheng Hospital	Wenzhou Geriatrics Hospital
Satisfaction level of patients	97.8%	95%	95%	96.8%	92.32%

Medical disputes of medical services subsidiaries of Fosun Pharma

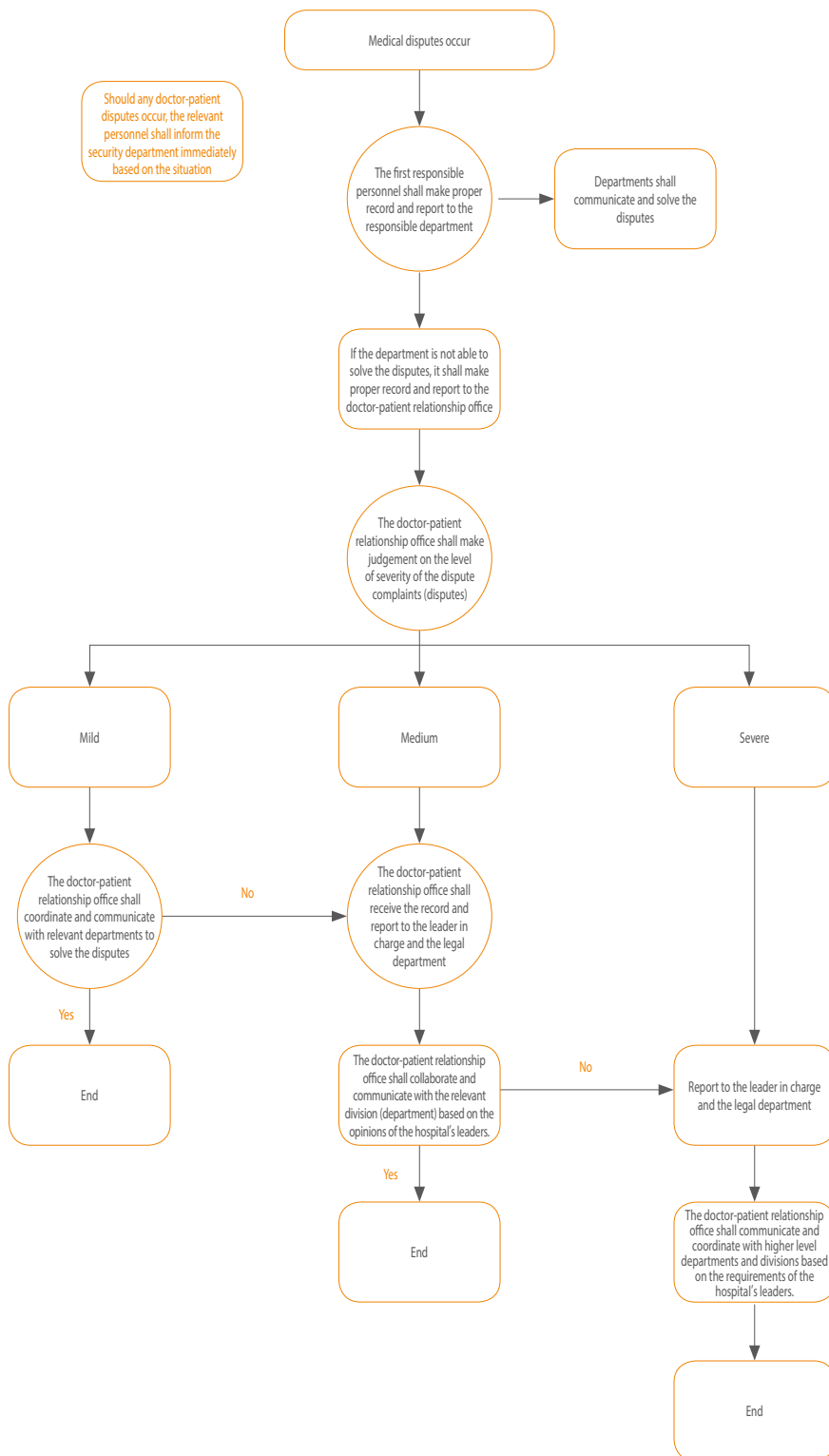
Subsidiary	Guangji Hospital	Chancheng Hospital	Zhongwu Hospital	Jimin Cancer Hospital	Wenzhou Geriatrics Hospital
Medical disputes	9	5	3	0	0

Note: The medical disputes referred here is defined as a medical disputes involving judicial intervention.

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



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





On the Children's Day, volunteers of Fosun Pharma brought their children and



Implement EHS Program

Maintenance of Management System

Fosun Pharma Group highly values the importance of the establishment & maintenance of Environment, Health & Safety (EHS) management system. The Group believes that a corporate citizen is responsible for protecting environment, as well as the physical and mental health, and personal safety for its staff.



Management

At the Moment of the Brand section of the 2016 Fosun Pharma annual meeting, the senior management members of Fosun Pharma (including the Chairman and President) signed the commitment for quality and EHS, and released the commitment to the stakeholders of Fosun Pharma that Fosun Pharma will create better and happier life for the people through innovation.



Measurement System operation & Monitoring

to continue implement the guidelines and basic requirements described in Fosun Pharma The Environment, Health and Safety (EHS) handbook, including EHS seminars, EHS technical & awareness trainings, risk identification and assessment, cross audit, routine & non-routine inspection, EHS concern reported-out, and EHS red/yellow flagged issues. It's the first time to highlight and enhance the reporting-out requirement for EHS accident/incident/potential risks. The relating management team may nally be held accountable for their any violation to the incident report procedure, which aims to enhance the EHS management and control level and to minimize the EHS risks by strengthening the EHS management in a top-down approach.



Group Internal Audit

the EHS audit scope within the subsidiary, with the ve more subsidiaries, two more Business Units being involved in Y2016. Two major business units (medical diagnosis and medical devices) of Fosun Pharma Group for the first time, which marked the extended application of EHS management system on Fosun Pharma Group's subsidiaries in medium and smaller segments, and paved the way for intensive implementation of EHS system in Fosun Pharma Group.



External Certification

The subsidiaries voluntarily took further steps to carry out external third party certification/assessment. By the end of Y2016, totally 10 subsidiaries of the Group received third party certifications of ISO 14001 and/or OSHAS 18001, and 21 subsidiaries passed the third party assessment on safety standardization of the PRC, representing an increase of 1 and 8 subsidiaries, respectively, as compared with last year.

Certifications on EHS Systems and Standardization of Major Subsidiaries of Fosun Pharma Group in 2016

Name of subsidiary	Certification	Name of subsidiary	Certification
Wanbang Biopharma	ISO14001, OHSAS18001, Class III Safety Standardization	Erye Pharma	ISO14001, OHSAS18001, Class III Safety Standardization
Wanbang Jinqiao	ISO14001, OHSAS18001, Class III Safety Standardization	Carelife Pharma	ISO14001, OHSAS18001, Class II Safety Standardization
Zhaohui Pharma	ISO14001, OHSAS18001, Class II Safety Standardization	Yao Pharma	ISO14001, OHSAS18001, Class II Safety Standardization
Shine Star	ISO14001, OHSAS18001, Class III Safety Standardization	Hongqi Pharma	ISO14001, OHSAS18001, Class II Safety Standardization
Wanbang Folon	ISO14001, OHSAS18001, Class III Safety Standardization	Jimin Cancer Hospital	ISO14001, Class III Safety Standardization
Chemo Biopharm	Tier II Safety Standardization	Ruizhe Pharma	Tier III Safety Standardization
Dongting Pharma	Tier III Safety Standardization	Wenzhou Geriatrics Hospital	Tier III Safety Standardization
Aleph	Tier III Safety Standardization	Long March Medical	Tier II Safety Standardization
Guilin Pharma	Tier III Safety Standardization	Fosun Biolog	Tier II Safety Standardization
Huanghe Pharma	Tier II Safety Standardization	Huaiyin Medical	Tier III Safety Standardization
Shanghai Transfusion	Tier III Safety Standardization		



Case: The launch of BBS WeChat version enabled the employees to report the safety hazards conveniently

With the popularity of WeChat among the employees, Wanbang Biopharm developed and established the EHS Hazard Tracking and Rectification System based on the WeChat Official Account platform, to enable the employees to report the potential hazards through the WeChat platform anytime and anywhere. Relevant responsible personnel may make rectification immediately after receiving the information related to the hazards, thereby increasing the level of participation in EHS hazards identification and enhancing the effectiveness of rectification.



WeChat Official Account platform EHS Hazard Tracking and Rectification System

Environment, Health and Safety (EHS) Policy

EHS

Fosun Pharma is dedicated to become a globally recognized healthcare company. Under the philosophy of integrity and sustainability, Fosun Pharma publishes its EHS policy that pursues the common developments of enterprises, environment and societies.

Thus, Fosun Pharma commits to:



EHS



1. Comply with all applicable laws, regulations and standards related to Environment, Health and Safety (EHS) in both China and any other regions/states wherever our business registered;

EHS



2. Implement the strategies for sustainable developments of both environment and society, by preventing contaminants and pollutions, saving energies, protecting ecological civilization, and building environment-friendly communities.



3. Provide safe and healthy workplaces for employees and our business partners, by taking all kinds of efforts to minimize risks, to prevent and eliminate possible hazards and injuries.



4. Care for the well-being of employees, by taking all means of reducing their exposures to occupational risks and hazards.



5. Conduct all necessary training courses, and ensure the completion of trainings and abidance to relevant safety rules that are mandatory for employment. Motivate employees to participate in EHS activities to increase EHS awareness.

EHS
EHS

EHS



6. Construct and enforce EHS management system throughout all business operations, to continuously improve our EHS performance.

EHS

EHS

Fosun Pharma is, and will continually be, enforcing the implementation and proper execution of EHS policy in every business unit. Thank you all for your great supports.

EHS

EHS

Energy Consumption

1) Water consumption and unit consumption intensity: The total water consumption amounted to 8,769,376 ton, representing an increase of 52,439 ton or 0.6% as compared with that of 2015. If compared in the same subsidiary scope, the total water consumption in 2016 decreased by 139,000 ton, decreasing by 1.61% as compared with 2015. The unit consumption intensity was 5.99 ton/RMB10,000, representing a year-on-year decrease of 1.9 ton or 24.1% on an entirely equivalent basis. During 2016, Shine Star enhanced the water recycling efficiency of the cooling tower, which is expected to save 396,000 ton of water within the whole year.

2) Electricity consumption: The total electricity consumption amounted to 478,175,186 kWh, increasing by 53,707,564 kWh or 12.7% as compared with 2015. In 2016, there are three subsidiaries including Dongting Pharma, Wanbang Folon and Laishi Transfusion to replace the coal-fired boilers with electricity (or natural gas)-used ones. Due to the production capacity enlargement of some subsidiaries such as Shine Star, the total electricity consumption of the Group increased significantly in 2016.

3) Overall energy consumption and overall energy consumption intensity: Overall energy consumption amounted to 185,690,272 kg of standard coal, increasing by 12,276,649 kg of standard coal or 7.1% as compared with that of 2015. Overall energy consumption intensity was 126.93 kg of standard coal/

Comparison of Energy/Water Consumption within Fosun Pharma Group

Year	Total consumption of water (m ³ /year)	Total consumption of electricity (kWh/year)	Electricity equivalent to standard coal (kg/year)	Total consumption of energy other than electricity (equivalent to standard coal) (kg/year)	Overall energy consumption (equivalent to standard coal) (kg/year)	Energy consumption for every RMB10,000 generated (equivalent to standard coal)	Water consumption for every RMB10,000 generated (m ³ /RMB10,000)
2012	6,175,823	249,387,502	no statistics	79,928,627	no statistics	no statistics	no statistics
2013	7,777,884	365,006,317	44,859,276	120,177,461	165,036,737	no statistics	no statistics
2014	8,377,364	421,765,752	51,835,011	122,713,255	174,548,266	171.56	8.23
2015	8,716,937	424,467,622	52,209,518	121,204,106	173,413,623	157.01	7.89
2016	8,769,376	478,175,186	58,815,548	126,874,724	185,690,272	126.93	5.99

Conversion of Major Energy Consumption of the Major Subsidiaries of Fosun Pharma Group in 2016 (with Reference to the General Principles for Calculation of Overall Energy Consumption (GBT2589-2008))

Subsidiary	Total consumption of water for the year (m ³)	Total consumption of electricity for the year (kWh)	Electricity for the year equivalent to standard coal (kg)	Total consumption of energy other than electricity for the year (equivalent to standard coal) (kg)
Wanbang Biopharma	204,303	9,100,000	1,119,300	2,431,044
Wanbang Jinqiao	114,315	8,030,000	987,690	2,454,958
Zhaohui Pharma	92,698	6,385,400	785,404	1,051,983
Chemo Biopharm	59,910	7,021,980	863,704	1,102,893
Wanbang Folon	8,960	1,353,675	166,502	512,647
Wanbang Sainuokang	24,310	333,900	41,070	102,515
Dongting Pharma	391,608	9,358,414	1,151,085	8,040,063
Aleph	61,388	5,118,909	629,626	1,214,438
Guilin Pharma	720,702	30,072,609	3,698,931	6,550,133
Shine Star	4,603,314	292,250,000	35,946,750	87,430,320
Huanghe Pharma	39,259	2,634,503	324,044	451,782
Aohong Pharma	123,433	7,078,740	870,685	2,818,551
Hongqi Pharma	45,236	1,021,655	125,664	596,698
Erye Pharma	285,663	16,096,174	1,979,829	3,024,794
Carelife Pharma	123,820	6,018,550	740,282	1,010,622
Yao Pharma	348,581	29,640,192	3,645,744	3,808,225
Wanbang Tiancheng	12,952	29,119	3,582	265,678
Wanbang Tiansheng	109,823	513,300	63,136	272,628
Shanghai Henlius	12,166	2,885,625	354,932	918,496
SunTech Pharma	972	5,768,580	709,535	4,941
Chongqing Research Institute	42,387	1,247,716	153,469	64,617
Ruizhe Pharma	12,543	2,416,970	297,287	422,558
Fuchuang Pharma	2,857	220,420	27,112	—
Guangji Hospital	221,800	2,789,010	343,048	226,003
Zhongwu Hospital	132,141	4,555,651	560,345	29,619
Chancheng Hospital	511,000	11,930,000	1,467,390	1,187,084
Jimin Cancer Hospital	185,316	1,666,000	204,918	95,700
Wenzhou Geriatrics Hospital	136,888	1,942,106	238,879	1,924
Changxing Medical	820	246,443	30,312	531
Yaneng Bio	6,531	804,042	98,897	6,938
Long March Medical	5,613	1,858,608	228,609	21,369
Fosun Biolog	935	309,768	38,101	122
Zhongsheng zhongjie	1,044	158,182	19,456	—
Foshion Medical System	561	157,114	19,325	4,900
Huaiyin Medical	34,500	1,218,783	149,910	36,813
Chindex (Beijing)	335	47,717	5,869	—
Chindex Shanghai	180	20,151	2,479	6,083
Shanghai Transfusion	36,885	2,884,972	354,852	390,632
Laishi Transfusion	50,000	2,060,000	253,380	316,422
Alma	3,623	925,208	113,801	—
Chindex Tianjin	4	5,000	615	—

Breakdown of Energy Consumption of the Major Subsidiaries of Fosun Pharma Group in 2016

Name of subsidiary	Electricity (kWh)	Natural gas (m ³)	Liquefied gas (kg)	City gas (m ³)	Steam (kg)	Raw Coal (kg)	Diesel (L)	Gasoline (L)	Fuel oil (kg)
Wanbang Biopharma	9,100,000	–	15,600	–	27,112,000	–	200	74,300	–
Wanbang Jinqiao	8,030,000	–	8,400	–	28,458,000	–	–	–	–
Zhaohui Pharma	6,385,400	5,338	–	–	11,997,000	–	–	15,080	–
Chemo Biopharm	7,021,980	–	–	–	12,629,320	–	5,301	12,569	–
Wanbang Folon	1,353,675	353,787	2,313	–	–	–	180	35,700	–
Wanbang Sainuokang	333,900	–	1,800	–	955,000	–	–	16,500	–
Dongting Pharma	9,358,414	1,283,596	–	–	–	8,855,000	350	6,898	–
Aleph	5,118,909	–	2,890	–	13,867,860	–	–	18,991	–
Guilin Pharma	30,072,609	805,820	–	–	–	7,649,000	1,078	12,614	–
Shine Star	292,250,000	–	–	–	–	122,400,000	–	–	–
Huanghe Pharma	2,634,503	–	2,400	–	4,983,300	–	400	18,650	–
Aohong Pharma	7,078,740	–	10,617	5,009,029	–	–	139,324	51,484	–
Hongqi Pharma	1,021,655	–	5,550	–	–	–	21,849	28,081	371,530
Erye Pharma	16,096,174	–	831	–	34,829,000	–	4,008	29,705	–
Carelife Pharma	6,018,550	41,846	–	–	11,135,340	–	–	–	–
Yao Pharma	29,640,192	2,835,488	–	–	–	–	5,780	28,233	–
Wanbang Tiancheng	29,119	–	–	–	2,979,000	–	–	9,600	–
Wanbang Tiansheng	513,300	109,820	–	–	–	–	76,393	31,649	–
Shanghai Henlius	2,885,625	–	–	–	–	–	750,000	5,636	–
SunTech Pharma	5,768,580	–	–	–	–	–	–	4,651	–
Chongqing Research Institute	1,247,716	36,020	–	–	–	–	–	15,730	–
Ruizhe Pharma	2,416,970	–	–	–	4,920,300	–	400	100	–
Fuchuang Pharma	220,420	–	–	–	–	–	–	–	–
Guangji Hospital	2,789,010	156,250	–	–	–	–	6,569	9,600	–
Zhongwu Hospital	4,555,651	–	–	–	–	–	–	8,289	14,569
Chancheng Hospital	11,930,000	854,000	–	–	–	–	14,924	31,164	–
Jimin Cancer Hospital	1,666,000	48,985	–	–	–	–	5,900	22,000	–
Wenzhou Geriatrics Hospital	1,942,106	–	–	–	–	–	10	1,800	–
Changxing Medical	246,443	–	–	–	–	–	–	500	–
Yaneng Bio	804,042	–	–	–	–	–	–	6,531	–
Long March Medical	1,858,608	–	–	–	–	–	100	20,000	–
Fosun Biolog	309,768	–	–	–	–	–	100	–	–
Zhongsheng zhongjie	158,182	–	–	–	–	–	–	–	–
Foshion Medical System	157,114	–	–	–	–	–	360	4,200	–
Huaiyin Medical	1,218,783	–	–	–	–	–	12,820	19,970	–
Chindex (Beijing)	47,717	–	–	–	–	–	–	–	–
Chindex Shanghai	20,151	–	–	–	–	–	5,000	–	–
Shanghai Transfusion	2,884,972	–	–	–	–	–	316,000	5,800	–
Laishi Transfusion	2,060,000	237,911	–	–	–	–	–	–	–
Alma	925,208	–	–	–	–	–	–	–	–
Chindex Tianjin	5,000	–	–	–	–	–	–	–	–

Energy Conservation and Pollutants Reduction

In 2016, Fosun Pharma Group continued to carry out energy conservation and emission reduction. According to the energy saving data of the subsidiaries, the total energy saved by the Group amounted to over RMB7 million*. In particular, the Group saved electricity of 5,300,000 kWh, steam of 28,600 ton and natural gas of 461,000 m³.

Major Energy-Saving Measures

Application of new energy-saving technologies	Energy management methods	Awareness of energy-saving Employee Engagement
The equipment of high energy consumption and low efficiency was phased out and replaced to complete the upgrade on production equipment and public facilities (such as energy-saving heating pipes technology, LED lighting, solar power water heater and insulation materials).	We optimized the layout and strengthened the energy management and control measures, such as optimization of energy consumption, zoning controls, reactive power compensation and balancing adjustments between peak-hour and off-hour consumption.	During the implementation of energy saving projects, the subsidiaries put extra effort in the energy saving trainings through various internal training channels, strengthened the awareness of energy conservation and environmental protection among the employees, encouraged green and low-carbon life, provided guidelines and regulated the energy consumption habits of the employees in their daily life.

Measures on Energy Saving and Emission Reduction of the Subsidiaries of Fosun Pharma Group in 2016

Name of subsidiary	Energy saving measures			Amount of reduction in energy consumption	Reduction in energy consumption (RMB10,000)
	Application of new technologies and equipment	Optimization of production process and layout	Energy management		
Wanbang Biopharma		Installation of temperature based automatic start-stop system on the fan of cooling tower	1. start-stop control system of water cooler units 2. strengthening the equipment downtime management system	Electricity: 700,000 kWh	50.4
Zhaohui Pharma	Removal of diesel-fueled boiler and introduction of external steam		Adjustment through peak hour contract	Electricity: 400,000 kWh	91.5
Chemo Biopharm	1. improvement of inverter system of air conditioner 2. HECC heat pipe energy saving improvement			Electricity: 600,000 kWh Steam: 1,500 tons	83
Wanbang Folon		Shortening the time for drying the aloe vera raw material	1. formulating office power consumption management system 2. optimizing production shift to maximize the efficiency of equipment	Electricity: 17,000 kWh Natural gas: 6,000 m ³	3.65
Wanbang Sainuokang			Optimizing the operating procedure, controlling the operating time of cooling water circulating pump	Electricity: 500 kWh	0.7
Dongting Pharma	Installation of variable frequency controller on circulating pump and boiler room	1. enlarging the circulating water cooling pipe in the workshop to reduce the concentration time 2. increasing the thickness of insulation layer in the workshop 3. increasing the heat exchange surface of plate condenser to reduce the usage of steam	Refining the production accountability system for energy consumption	Electricity: 260,000 kWh Steam: 1 tons	21.5
Aleph	1. addition of refrigerator and separation of refrigeration for production and refrigeration for air conditioning 2. HECC heat pipe energy saving improvement	Changing the mixed air surface cooler without moving or running the fresh air surface cooler; moving the heater and humidifier without moving the circulating fan		Electricity: 128,000 kWh Steam: 576 tons	24.84
Guilin Pharma	1. usage of energy saving lamp 2. HECC heat pipe energy saving improvement			Electricity: 780,000 kWh Steam: 3,405 tons	103
Shine Star	Installation of turbine on blower of furnace	Energy saving improvement of compression, composition and gasification of circulating water		Electricity: 660,000 kWh	36.25
Huanghe Pharma	Increase of medium in air conditioning units		Limiting the usage time of heating sheet	Steam: 424 tons	8.61
Hongqi Pharma	1. usage of LED lighting 2. change of variable frequency equipment		Strengthening the power saving measures in daily operation	Electricity: 110,000 kWh	10.2
Erye Pharma	Replacement of high power water pumps with new energy saving water pumps			Electricity: 72,000 kWh	5.98
Yao Pharma	Start-stop control of the fans of cooling tower by PLC based on preset temperature	1. installing temperature controller on blower units of air conditioner to achieve thermostatic control 2. recycling the heat of the steam		Electricity: 580,000 kWh Steam: 22,687 tons	16.08
Wanbang Tiancheng	Change of LED lamps in the workshop	Improving the packaging production line to enhance the production efficiency and save energy		Electricity: 4,604 kWh	7.07
Chongqing Research Institute	sage of energy-saving LED lamps		Setting the temperature control for air conditioner	Electricity: 16,000 kWh	1.12
Guangji Hospital	Addition of modular energy saving boiler			Natural gas: 39,000 m ³	10
Zhongwu Hospital	sage of LED lighting			Electricity: 78,800 kWh	6.8
Chancheng Hospital	1. usage of energy-saving LED lamps 2. addition of solar power water heating system		Reducing the running time of boiler, and lowering the air supply pressure of the boiler	Electricity: 300,000 kWh Natural gas: 416,000 m ³	171.3
Jimin Cancer Hospital	Addition of solar power hot water system			Electricity: 120,000 kWh	10
Yaneng Bio	Purifying air conditioning system	Adjusting the running time of equipment		Electricity: 145,000 kWh	16
Long March Medical			Setting the temperature control for air conditioner	Electricity: 500 kWh	0.1
Fosun Biolog			Setting the temperature control for air conditioner	Electricity: 50 kWh	0.01
Huaiyin Medical			Setting the temperature control for air conditioner	Electricity: 27,000 kWh	2.97
Chindex (Beijing)			Formulating office power consumption management system	Electricity: 376 kWh	0.05
Shanghai Transfusion	Application of variable frequency controller		1. reducing the usage of company vehicles 2. centralized printing and photocopying	Electricity: 300,000 kWh	36

* Note: Deferred reduction of energy saving projects before the reporting period are not included.

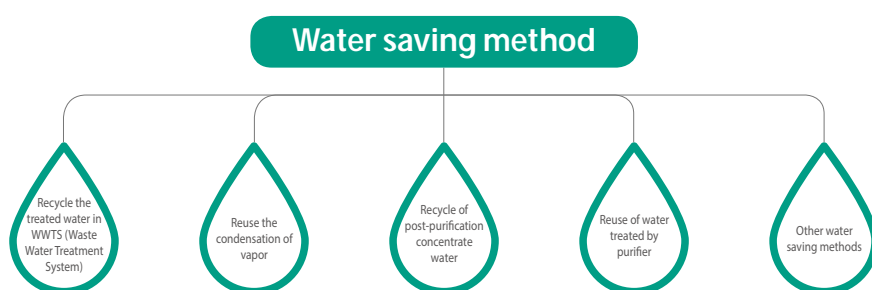
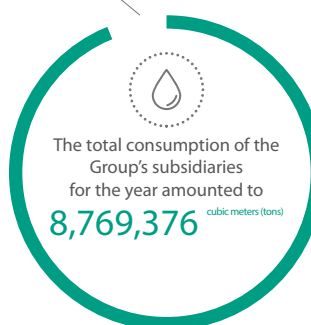
Utilization and resources consumption

In 2016, the total water consumption of Fosun Pharma Group amounted to 8,769,376 cubic meters (tons), which was mainly used for production manufacturing, operational services, water consumption at offices, environment and fire emergency. The Group values the impact of water consumption on the environment, in addition to actively promote the upgrade and application of water-saving devices (such as sensor faucets, energy-saving nozzles, etc.) among enterprises, it also adopts new water-saving technologies (such as collection of concentrate water, recycling of condensate water collected, recycling of intermediate water, etc.) capitalizing on the opportunities of construction projects, expansion and reconstruction of projects to reduce consumption and utilization of water, and continue to reduce costs and improve efficiency via water conservation. For administrative management, measures such as secondary measurement and non-compliance prevention are taken to treasure every drop of water, and to enhance the water-saving and environmental protection awareness of all employees.

The total volume of water saved by the Group in 2016 amounted to 563,081 cubic meters (tons), accounting for 6.42% of total water consumption of the year.

The total volume of water saved accounted for

6.42% of the total water consumption for the year



utilization of water of subsidiaries in 2016

Name of subsidiary	Water-saving measures		Total volume of water saving (tons)
	Water saving engineering measures	Administration management measures	
Wanbang Jinqiao	Collection of post-purification concentrate water		700
Zhaohui Pharma	reusing reclaimed water; Recycling and utilization of secondary reverse osmosis concentrate water; saving water by central heating		31,800
Chemo Biopharm	Collection of post-purification concentrate water of water room		1,300
Wanbang Sainuokang	Adopting cooling tower to cooling the cooling water for further use		2,500
Dongting Pharma	wastewater recycling by water purification system; recycling the insulating sprayer water of workshop as cooling water	Signing Water-saving Liability Certificate	30,000
Aleph	Recycling process cooling water as cooling water for air-conditioning; using cooling tower water as fire pool		450
Guilin Pharma	Supplementing cooling tower water by recycling post-purification concentrate water; recycling steam condensate water to boiler room for secondary use as water for flushing the slag		29,000
Shine Star	Increasing frequency of water recycling through cooling tower recycling		396,000
Huanghe Pharma	Building new intermediate water pool, recycling intermediate water as cooling tower and vacuum pump water, recycling cooling water from horizontal packaging machine		3,552
Aohong Pharma	Recycling steam condensate water to boiler; post-purification secondary concentrate water, recycling EDI concentrate water to original water tank		11,550
Erye Pharma	Draining post-purification concentrate water to the fire pool	Forming water assessment system	6,000
Carelife Pharma	Collection of post-purification concentrate water		960
Yao Pharma	Recycling intermediate water; production wastewater recycling system; condensate recycle facility	Promoting water conservation	32,984
Zhongwu Hospital	Recycling treated wastewater of hemodialysis room in bathroom		300
Changxing Medical	Collection of post-purification concentrate water		120
Long March Medical		sing bottle cleaning water for greening and watering	100
Huaiyin Medical	sing recycling water for air-conditioning in purification room		7,415
Shanghai Transfusion	Adopting water-saving sensor faucets; using push-style flush toilet		30

The purchase, utilization and recycle of materials by major subsidiaries of Fosun Pharma Group in 2016

Name of company	Type of material	Name of materials	Total purchased quantity for the year	Actual utilization	Recycled quantity	Recycled rate
Wanbang Sainuokang	1. Raw material	Crude heparin (hundred million units)	8,000	6,000	-	-
		Calcium chloride	1,030	859	-	-
	2. Auxiliary ingredient	Sodium carbonate	1,030	859	-	-
		Ethanol (tons)	25.4	25.4	25.4	100%
		Aluminum drum (drums)	416	247	-	-
	3. Packaging	Medicinal low-density-polyethylene (LDPE) bags (bags)	2,000	660	-	-
		Corrugated paper box	0	247	247	100%
		Heparin label (packaging inclusive) (sheets)	1,000	500	-	-
Dongting Pharma	1. Raw material	Methyl benzoate	98,500	86,600	-	-
		Liquid chlorine	70,000	62,000	-	-
		Liquid ammonia	42,720	42,720	-	-
		Toluene	67,520	67,520	45,000	66.6%
	2. Auxiliary ingredient	Dextrin	2,000	1,529	-	-
		Lactose	20,300	17,490	-	-
		Corn starch	16,375	11,687	-	-
		Magnesium stearate	2,030	1,450.5	-	-
		Sodium starch glycolate	3,503	3,703	-	-
	3. Packaging	Paper drum (0,000 drums)	1.43	1.42	0.14	9.6%
		Plastic bags (0,000 bags)	18.46	15.87	0.3	1.9%

The purchase, utilization and recycle of materials by major subsidiaries of Fosun Pharma Group in 2016

[illegible]

The purchase, utilization and recycle of materials by major subsidiaries of Fosun Pharma Group in 2016

Name of company	Type of material	Name of materials	Total purchased quantity for the year	Actual utilization	Recycled quantity	Recycled rate
Alma	3. Packaging	Plastic box (tons)	865	865	-	-
		Stretch film	10	5	-	-
Chindex Tianjin	3. Packaging	Bubble film	10	5	1	20.0%
		Duct tape	6	1	-	-
		Paper box	15	10	5	50.0%

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

Generation of Pollutants and Discharge Control

Fosun Pharma Group values environmental protection. Waste water discharge, air pollutants emission, noise at boundary and industrial waste (general waste and hazardous waste) produced during production and operation are discharged in compliance with relevant national and local requirements. In addition to simultaneous construction of pollution control devices and facilities at the preliminary stage of the construction projects, adequate organizational guarantee and technical support are provided for environment management such as manpower allocation, operational procedures, monitoring and control, and environmental emergency response plan, to ensure the sustainable development of enterprises.

Under the premise of meeting the regulation requirement, the Group actively explores measures and ways to reduce the emission of pollutants, and strives to reduce the impact of its operations on the environment. In 2016, each subsidiary switched their furnaces from coal-fired to clean diesel and oil-and gas-fired, adopted centralized gas supply in industrial park, upgraded waste water treatment devices, increased subsequent advanced treatment units, and adopted intermediate water recycling measures, in order to constantly reduce the impact of the Group on the environment. Individual subsidiary started to launch the pilot project of carbon emissions measurement and looked for improvement measures so as to strive for low-carbon and green operation and to create an ecological community.

In 2016, a total of 41 subsidiaries were included in the Group's list of disclosure of environmental pollutants discharge, representing an increase of 3 subsidiaries as compared with 2015. The total volume of pollutants discharged by the Group increased in various extents.

Environmental Pollutants Discharged by Fosun Pharma Group

Year	Total wastewater discharged (cubic meters/year)	Total COD discharged (tons/year)	Total NH ₃ -N emission (tons/year)	Total waste gas emission (cubic meters/year)	Nitrogen oxide (tons/year)	Sulfur oxide (tons/year)	Particles (tons/year)	Total solid waste (tons/year)
2014	5,677,448	440	60.94	1,773,160,913	90	318	130	50,258.24
2015	6,285,061	488	56.00	2,051,712,082	411	408	110	65,597.22
2016	6,785,400	490	60.55	No Statistics	466	485	19	80,848.14

Waste water management

The total annual discharge of COD in waste water was 490 tons in 2016, representing an increase of 0.5% over 2015. The total annual discharge of NH₃-N was 60.55 tons, representing an increase of 8.1% over 2015. Fosun Pharma Group was in compliance with rules and regulations and continuously reached the standard in discharging water pollutants.

During the reporting period, no penalty of excessive waste water discharge or complaint from surrounding communities about subsidiaries' waste water discharge was reported to the Group.



Waste water discharge

0 Administrative penalty

Discharge of wastewater of the major subsidiaries of Fosun Pharma Group in 2016

Name of subsidiary	Total water Discharged for the year (tons)	COD for the year (tons)	NH ₃ -N for the year (tons)	If pretreated by internal treatment (yes/no)	If discharged by municipal pipe (yes/no)	If discharge reaching the standard (yes/no)	Discharge destination and method
Wanbang Biopharma	163,450	23.864	0.670	Yes	Yes	Yes	Piped discharge into municipal waste water treatment plant
Wanbang Jinqiao	91,000	9.282	0.002	Yes	Yes	Yes	Piped discharge into municipal waste water plant
Zhaohui Pharma	18,584	0.855	0.003	Yes	Yes	Yes	Piped discharge into the municipal waste water plant
Chemo Biopharm	53,919	1.941	0.511	Yes	Yes	Yes	Xinjiang Waste water Treatment Plant
Wanbang Folon	7,200	0.504	0.017	Yes	Yes	Yes	Piped discharge into the municipal waste water plant
Wanbang Sainuokang	21,000	0.000	0.000	No	Yes	Yes	Huiquan Waste water Treatment Plant
Dongting Pharma	313,286.4	18.703	2.115	Yes	Yes	Yes	Discharge into Deshan Concentrated Waste water Treatment Plant
Aleph	52,180	3.340	0.000	Yes	Yes	Yes	Piped discharge into the municipal waste water plant
Guilin Pharma	576,562	40.359	0.000	Yes	Yes	Yes	Piped discharge into the municipal waste water plant
Shine Star	3,722,626	279.197	44.672	Yes	Yes	Yes	Discharge into industrial park waste water treatment plant before into the Yangtze River
Huanghe Pharma	36,586	1.463	0.013	Yes	Yes	Yes	Piped discharge into the municipal waste water plant
Aohong Pharma	80,000	9.600	0.000	Yes	Yes	Yes	Piped discharge into the municipal waste water plant
Hongqi Pharma	36,188	0.984	0.090	Yes	Yes	Yes	Piped discharge into the municipal waste water plant
Erye Pharma	197,104	16.872	0.487	Yes	Yes	Yes	Piped discharge into the municipal waste water plant
Carelife Pharma	80,937	3.262	1.531	Yes	Yes	Yes	Sino French Water Development Company Ltd in the Park
Yao Pharma	96,417	3.754	0.329	Yes	Yes	Yes	Piped discharge into the municipal waste water plant
Wanbang Tiancheng	12,952.26	2.590	0.000	Yes	Yes	Yes	Qianjiang Waste water Treatment Company
Wanbang Tiansheng	93,349.65	0.000	0.000	Yes	Yes	Yes	Puhebei Waste water Treatment Plant in Shenbei New District
Shanghai Henlius	6,083	0.274	0.091	Yes	Yes	Yes	The Clone park pipe network
SunTech Pharma	972	0.292	0.010	Yes	Yes	Yes	Piped discharge into the municipal waste water plant
Chongqing Research Institute	33,909.6	3.221	0.458	Yes	Yes	Yes	Piped discharge into the municipal waste water plant
Ruizhe Pharma	12,150	3.038	0.122	Yes	Yes	Yes	Park waste water treatment station
Fuchuang Pharma	2,285.6	0.217	0.031	Yes	Yes	Yes	Piped discharge into the municipal waste water plant
Guangji Hospital	221,800	12.643	0.956	No	Yes	Yes	Dongting Lake
Zhongwu Hospital	118,926.9	3.496	0.035	Yes	Yes	Yes	City pipe network
Chancheng Hospital	332,279	8.307	5.316	Yes	Yes	Yes	Collect at the municipal pipeline
Jimin Cancer Hospital	148,252.8	12.572	1.097	Yes	Yes	Yes	Piped discharge into the municipal waste water plant
Wenzhou Geriatrics Hospital	136,194	9.806	1.634	Yes	Yes	Yes	Piped discharge into the municipal waste water plant
Changxing Medical	656	0.033	0.005	No	Yes	Yes	Piped discharge at the park waste water pipe
Yaneng Bio	6,531	0.000	0.000	No	Yes	Yes	Piped discharge at the municipal waste water pipe
Long March Medical	5,052	0.808	0.019	Yes	Yes	Yes	Piped discharge at the park waste water pipe
Fosun Biolog	842	0.135	0.003	Yes	Yes	Yes	Piped discharge at the park waste water pipe
Zhongsheng Zhongjie	1,043.57	0.000	0.000	No	Yes	Yes	Piped discharge at the park waste water pipe
Foshion Medical System	505	0.000	0.000	No	Yes	Yes	Piped discharge at the park waste water pipe
Huaiyin Medical	27,600	2.208	0.276	Yes	Yes	Yes	Discharge into the park waste water pipe
Chindex (Beijing)	335	0.000	0.000	No	Yes	Yes	Discharge into the park waste water pipe
Chindex Shanghai	180	0.000	0.000	No	Yes	Yes	Discharge into the park waste water pipe
Shanghai Transfusion	33,196.5	16.233	0.050	No	Yes	Yes	Piped discharge into the municipal waste water plant
Laishi Transfusion	40,000	0.000	0.000	Yes	Yes	Yes	Piped discharge into the municipal waste water plant
Chindex Tianjin	4	0.000	0.000	N/A	N/A	N/A	-

Case: Waste Water Treatment System newly constructed

Investing RMB5.11 million, Wanbang Jinqiao built a new 600m³/d waste water treatment station for the terminal waste water treatment of four workshops including the biological products phrase I, biological products phrase II, pilot platform and chemical synthesis workshops. Processing technologies mainly include air flotation + coagulation sedimentation + Fenton pre-treatment + TRIC anaerobic reactor + A/O biological denitrification + biological aerated filter.

Case: Upgrade of Waste Water Treatment System

Low stomatal density of air supply pipeline in aerobic aeration tank resulted in insufficient dissolved oxygen in water, weakening the activity of bacteria and the removal of pollutants. Therefore, Erye Pharma conducted pipeline reconstruction to the original waste water station in 2016, and the aeration pipeline has been rearranged to improve the removal efficiency of COD, BOD and SS in waste water and effectively increase the pollutants removal rate of the waste water station, thereby reducing the discharge of pollutants.



Air emission

Air Emission of some subsidiaries of Fosun Pharma Group in 2016

Name of enterprise	Nitrogen oxides (tons/year)	Sulfur oxides (tons/year)	Particles (tons/year)	Non-methane hydrocarbon (tons/year)	Types and methods of emission source
Wanbang Jinqiao	0.000	0.001	0.000	0.12	Activated carbon adsorption; Biological Filter deodorization
Zhaohui Pharma	0.000	0.010	0.130	0.07	dust collectors, exhaust cylinder
Wanbang Folon	3.359	0.611	0.370	0.00	Fuel boiler gas emission
Dongting Pharma	0.002	0.001	0.000	0.00	Dust removal, desulfurization and denitrification with pocked-stone water film
Guilin Pharma	32.863	23.886	8.817	0.00	Dual-alkali wet dedusting and desulphurization tower and dedusting cloth bag facility
Shine Star	419.839	441.936	6.187	0.00	Desulfurization inside the circulating fluidized bed boiler+ wet ammonia desulfurization
Aohong Pharma	0.000	15.747	1.030	0.00	N/A
Hongqi Pharma	3.384	2.269	1.086	0.00	Emission after being filtered by bags
Erye Pharma	0.869	0.000	0.185	0.00	Emission from 35-meter exhaust cylinder is absorbed via lye spray and combustion control method
Carelife Pharma	0.000	0.000	0.000	1.34	Multi-stage condensation recovery, paraffin oil absorption + lye spray and activated carbon absorption, emission at a height of 20 meters
Yao Pharma	4.007	0.180	0.604	0.00	Direct emission at high altitude and dust removal with cloth bags
SunTech Pharma	0.000	0.000	0.000	0.01	Direct emission at top floor after being extracted by fan
Chongqing Research Institute	0.03	0.038	0.013	-	Direct emission of boiler fume
Ruizhe Pharma	0.000	0.000	0.000	0.55	Outward emission after the treatment of three-stage absorption and treatment device of lye absorption + paraffin oil absorption + activated carbon adsorption
Chancheng Hospital	1.414	0.000	0.007	0.00	1. Installation of soot filter for kitchen exhaust duct 2. sing natural gas for boiler
Long March Medical	0.002	0.000	0.000	0.00	Equipped with acid fog treatment and spray device
Shanghai Transfusion	0.010	0.014	0.014	0.00	N/A

Note: The data of newly merged subsidiaries and subsidiaries which are not involved in the organized discharge are not disclosed.

Case: Boilers Project of Coal-to-Gas Electricity Conversion

The thermal value of coal is relatively low. The coal consumption of coal-fired boilers is larger than the natural gas consumption of gas-fired furnaces by heating hot water of equivalent volume, thus resulting in relatively more carbon emissions. In addition to the greenhouse gases, the burning of coal also generates sulfur oxides, nitrogen oxides, soot particles and other compositions, which pollutes the environment and deteriorates the smog effects. As such, the subsidiaries communicated with the local governmental authorities and actively participated in the transformation of coal-to-gas electricity conversion. During 2016, Dongting Pharma, Wanbang Folon and Laishi Transfusion had completed the transformation.

Case: Transformation project of waste gas collected purification

Guilin Pharma has invested over RMB2 million in the transformation project of open air waste gas collected purification of WWT (wastewater treatment station), which mainly involved the sulfur oxide, organic volatile gases (VOCs) and malodorous gases generated during the process wastewater treatment. The waste gas discharged in the process of wastewater treatment will be collected in a centralized manner. The waste gas will then be purified by using the wet micro-charge spraying system, photocatalytic oxidation device and activated carbon absorption, and will be discharged through a chimney at a height of 30 meters

Solid waste management

In 2016, total solid waste of Fosun Pharma Group amounted to 80,848.14 tons. Dongting Pharma, Wanbang Folon and Laishi Transfusion reduced the coal consumption of 3,158 tons due to the coal to electricity (or natural gas) project, thereby reducing 909 tons of coal cinder.

In 2016, most of the packaging materials in the general solid wastes generated by the Group were comprehensively utilized to reduce the impacts on the environment. Each subsidiary was able to engage qualified companies to dispose of hazardous wastes in compliance with statutory requirements of application, approval, transportation and disposal.

Disposal of solid waste of the major subsidiaries of Fosun Pharma Group in 2016

Name of enterprise	Total solid waste (tons)	Household waste (tons)	Industrial waste (non-hazardous waste) (tons)	Hazardous waste (tons)	Treatment for hazardous waste				Disposal and comprehensive utilization or addition of comprehensive utilization of waste
					Recycle/ Reused(tons)	Incinerate (tons)	Landfilled (tons)	Other (tons)	
Zhongwu Hospital	229.67	146	0	83.67	0	83.67	0	0	Hazardous wastes be outsourced to qualified unit for disposal
Chancheng Hospital	738	535	0	203	0	203	0	0	Hazardous wastes be outsourced to qualified unit for disposal
Jimin Cancer Hospital	23.87	11.91	11.91	0.04	0	0.04	0	0	Hazardous wastes be outsourced to qualified unit for disposal
Wenzhou Geriatrics Hospital	192	75	0	117	0	0	0	117	Hazardous wastes be outsourced to qualified unit for disposal
Changxing Medical	0.67	0.63	0.02	0.02	0	0	0	0.02	Hazardous wastes be outsourced to qualified unit for disposal, consumer waste removed by the Environmental Sanitation Institute
Yaneng Bio	15.3	9.6	0	5.7	0	2.5	0	3.3	Hazardous wastes be outsourced to qualified unit for disposal, consumer waste removed by the Environmental Sanitation Institute
Long March Medical	25.3	12	12	1.3	0	1.3	0	0	Hazardous wastes be outsourced to qualified unit for disposal, consumer waste removed by the Environmental Sanitation Institute
Fosun Biolog	3.37	2.08	1.08	0.21	0	0.21	0	0	Hazardous wastes be outsourced to qualified unit for disposal, consumer waste removed by the Environmental Sanitation Institute
Zhongsheng zhongjie	0.84	0.75	0	0.09	0	0.09	0	0	Hazardous wastes be outsourced to qualified unit for disposal, consumer waste removed by the Environmental Sanitation Institute
Foshion Medical System	1.51	1.5	0.01	0	0	0	0	0	Consumer waste removed by the Environmental Sanitation Institute
Huaiyin Medical	63	60	3	0	0	0	0	0	Sale of scrap iron, consumer waste removed by the Environmental Sanitation Institute
Chindex (Beijing)	13	13	0	0	0	0	0	0	Consumer waste removed by the Environmental Sanitation Institute
Chindex Shanghai	0.5	0.5	0	0	0	0	0	0	Consumer waste removed by the Environmental Sanitation Institute
Shanghai Transfusion	15	5	10	0	0	0	0	0	Consumer waste collected by environmental hygiene divisions for centralized processing; waste produced during production processed by specialized waste recycling organizations; packaging materials being looped for usage
Laishi Transfusion	78	50	28	0	0	0	0	0	Consumer waste removed by the Environmental Sanitation Institute
Chindex Tianjin	0.08	0.08	0	0	0	0	0	0	Consumer waste removed by the Environmental Sanitation Institute

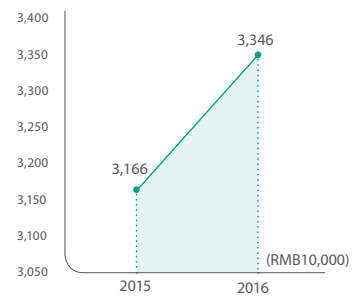
Investment in environmental protection of the major subsidiaries of Fosun Pharma Group in 2016

Name of enterprise	Expense for environment protection		Expense for environment protection	
	Project description	Amount (RMB10,000)	Project description	Amount (RMB10,000)
Wanbang Biopharma	Online monitoring equipment, transformation of sewer network, three simultaneity of project environmental protection	9.30	Disposal of hazardous waste, environmental monitoring, environmental system certification, consultation fee	35.20
Wanbang Jinqiao	Three simultaneity of environmental protection project, newly constructed waste water plant, transformation of hazardous waste warehouse, online waste water monitoring equipment, etc.	519.20	Operation of waste water plant, treatment of hazardous waste, environmental monitoring, environmental system certification, consultation fee	28.50
Zhaohui Pharma	Costs for environmental protection facilities rectification, environmental protection marks and signs, etc.	45.00	Operation of three wastes facilities, treatment of hazardous waste, environmental monitoring	42.00
Chemo Biopharm	Transformation of waste water facilities	0.35	Maintenance of online waste water monitoring system; annual environmental monitoring; environmental system certification; disposal of domestic waste; treatment of hazardous waste; waste water piped discharge; reagent for waste water treatment	29.36
Wanbang Folon	Environmental assessment of new products, replacement of sewer/filler of waste water treatment station, transformation of rainwater pipe and waste water pipe network, maintenance of waste water plant	22.90	Operation and maintenance, solid waste disposal, environmental monitoring, disposal, system audit, training, compiling of discharge permit	17.75
Wanbang Sainuokang	Addition of rainwater and waste water division pipelines, newly constructed alcohol cofferdam	5.00	Treatment of hazardous waste	1.00
Dongting Pharma	Transformation of hazardous waste temporary warehouse in factory area, environmental protection marks and signs, PS online testing equipment, pH meter, conversion and expansion of project's environmental protection facilities, etc.	20.00	Environment testing, discharge right usage, discharge fee, expense of hazardous waste disposal, environmental protection training, expenses of waste water plant operation and boiler fume disposal, etc.	100.00
Aleph	Environmental protection rectification	1.00	Waste water treatment, hazardous waste disposal, environmental monitoring, etc.	13.49
Guilin Pharma	Transformation of waste gas collection and treatment	206.00	Waste water treatment station operation, hazardous waste disposal, environmental monitoring, system certification and consultation fee, etc.	156.00
Shine Star	Refinement and transformation of environmental projection equipment and facilities, etc.	218.00	Education and training, drills and hazards rectification	83.00
Huanghe Pharma	Environmental protection facilities	1.21	Soil testing, waste water disposal, hazardous waste disposal, etc.	7.14

Environmental Investment

In 2016, in order to control the environmental impacts the operation of Fosun Pharma Group, the Group continuously directed more capital into the environmental protection projects with a total investment amount in environmental protection of RMB33.46 million, among which, RMB20.27 million was invested in environmental protection facilities, RMB13.19 million was invested in the operation maintenance, including expenses for pollutant treatment, energy saving and emission reduction and operation maintenance.

Investment in environmental protection facilities



Investment in environmental protection of the major subsidiaries of Fosun Pharma Group in 2016

Name of enterprise	Expense for environment protection		Expense for environment protection	
	Project description	Amount (RMB10,000)	Project description	Amount (RMB10,000)
Aohong Pharma	–	–	Drugs and biological bacteria used for waste water treatment	22.00
Hongqi Pharma	–	–	Expense for operation of environmental protection facilities	14.00
Erye Pharma	Transformation of waste water plant, purchase of analytical instrument, etc.	35.10	Facilities maintenance, waste water treatment, hazardous waste disposal, environmental monitoring, clean production, etc.	168.10
Yaoyou Pharma	Environmental protection facilities	10.40	Hazardous waste disposal, discharge fee, discharge right, etc.	19.50
Carelife Pharma	Including environmental protection facilities rectification, maintenance and repair, consultation fee for project environmental protection completion acceptance	136.59	Expenses of hazardous waste disposal, waste water disposal, discharge fee, environmental monitoring, repair and maintenance of waste water plant and equipment	192.90
Wanbang Tiancheng	Diversion of outdoor rainwater and waste water pipes of workshop	5.31	Disposal of hazardous waste	1.11
Wanbang Tiansheng	Activated carbon deodorization system for waste water treatment station	6.12	–	–
Shanghai Henlius	–	–	Disposal of hazardous waste, annual inspection of three wastes, operation of waste water treatment system, pest control	27.00
SunTech Pharma	Maintenance and replacement of equipment	0.75	Disposal of hazardous wastes	5.20
Chongqing Research Institute	Rectification of liquid waste warehouse	2.00	Disposal of hazardous waste, environmental monitoring, discharge fee, and operation of waste water system	9.84
Ruizhe Pharma	Waste water treatment facilities, exhaust absorption and treatment facilities, noise treatment facilities, temporary warehouse for hazardous waste	622.00	Environmental hazards rectification, capital for operations, waste water discharge, solid/hazardous waste disposal, environmental protection education and training, etc.	145.00
Shanghai Fuchuang	–	–	Treatment of waste water from the hospital	3.50
Guangji Hospital	Cleaning tools	12.00	Operation of cleaning facilities	40.00
Zhongwu Hospital	–	–	Operation and inspection of waste water treatment, exhaust testing	1.48
Chancheng Hospital	Rectification of waste water treatment facilities, addition and transformation of solar power hot water system	116.00	Operation of waste water treatment facilities, medical waste treatment, waste water treatment	103.80
Jimin Cancer Hospital	Greening maintenance	6.00	Operation of waste water treatment	0.60
Wenzhou Geriatrics Hospital	–	–	Environmental certificate, waste water treatment, dangerous goods handling	37.29
Changxing Medical	Environmental protection rectification	0.50	Environmental monitoring	0.88
Long March Medical	–	–	Solid waste treatment, environmental monitoring	7.00
Fosun Biolog	–	–	Solid waste treatment	0.80
Foshion Medical System	–	–	Occupational and environmental health testing	6.00
Huaiyin Medical	Discharge fee	2.40	Operation of waste water treatment	1.50
Chindex (Beijing)	Purchase of air purifier	4.39	Purchase of air purifier filter	0.45
Shanghai Transfusion	pgrade of environmental protection facilities hardware	3.00	Environmental monitoring and facilities operation	3.00
Laishi Transfusion	–	–	Environmental monitoring/certification/clean production	8.05
Chindex Tianjin	–	–	Environmental assessment project	3.00

Green Supply Chain

In 2016, Fosun Pharma and its holding subsidiaries and suppliers jointly launched the green supply chain construction project called Green Fosun. Fosun Pharma Group established the project implementation committee chaired by the Chairman of the Company, and established a general office based on the functional sections and major coordinating departments, so as to

pr604ly chaun P5-1(ha)0(5-1)0(5-1)-4 4 (ma)0(5-1p nf)-1m5-1C 5-1is5-1(hy)0(5-19)0(5-11h)0(5-1)9 1 Tf0 Tc 0 Tw 5.484 0.02n(. F)31.1 (P)1ai4 (ec)-15-11p 5-1(a)0



Alleviation and adaptation to the climate change

Emission of greenhouse gases

In 2016, the Group made its first attempt to disclose the carbon emission data of the whole group, set the physical boundary of the production, operation and office structure of its subsidiaries as the scope of responsibility. It was preliminarily determined that the direct emission sources of greenhouse gases of the Group included natural gas, liquefied gas, city gas, raw coal, diesel, gasoline, biological fuel and other energy consumption, while the indirect sources included the greenhouse gas generated by electricity and steam consumption, biogas generated by waste water treatment, chlorofluorocarbon substance related to air-conditioning and fire extinguishers and so on.

According to internal estimates, the total emissions of greenhouse gases (CO₂) of the Group within the boundary of operation premises in China was 750,000 tons* based on direct and indirect calculations. The Group has committed to continue to record and disclose the carbon emission statistics, and actively facilitate the reduction of emission of greenhouse gases and make active and positive contribution to the sustainable development of the environment.

In 2016, the Group gradually reduced and minimized the emission of greenhouse gases within their control, and encouraged to use clean energy. Chancheng Hospital and Jimin Cancer Hospital satisfied the demand for hot water of staff and patients in the hospitals by heating the water with solar power instead of electricity (steam). In terms of internal management, production subsidiaries gradually regulated the electricity management, optimised the operating time and downtime of electrical equipment and the start and stop temperature of air-conditioners in the office, added insulated materials in the production sites according to seasonal changes or process requirements, reduced the heat loss resulting from heat exchange during the process of pipeline transportation or storage, thereby reducing the energy consumption of heating. Fully-insulated glasses were installed in the conference area on the second floor of Fosun Pharma's, which further prevented the office building from the strong wind phenomenon resulting from hot air effect, effectively maintained the air temperature in the lobby and in the building, and reduced the energy consumption of air-conditioning.

Meanwhile, Fosun Pharma Group persisted in promoting education and training relating to environmental protection to our employees, so that each of them knew how to be environmentally aware in daily work and life and to change habits and behavior, thereby achieving the goal of emission reduction. In terms of vehicle management, on the basis of the real situation, the Company adopted certain incentive measures to formulate the fuel saving goal for every drivers. Saving electricity was also promoted by formulating the conditions under which air-conditioners could be used and setting the temperature of air-conditioners to not less than 26 in summer and not more than 18 in winter. Employees were encouraged to turn off lights before they left offices at the end of the day. For office process flow control, paperless OA management was basically adopted to maximize the utilization of electronic materials and minimize printing in the office, thereby reducing the consumption of paper. Our behavior in daily lives makes great contributions to energy saving, while the reduction in energy consumption in turn contributes to alleviate global warming by reducing the emission of greenhouse gases.

Environmental protection, bio diversities and the recovery of the natural habitats

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



Case: Newly constructed solar power hot water system

The original hot water supply system in the hospital was mainly heated with natural gas furnaces. As the heated water is used for the daily needs of medical staff, the continuous consumption of natural gas has become a fixed emission source of greenhouse gases. In order to eliminate or reduce the emission of greenhouse gases resulting from the activities, the hospital has installed new solar power equipment. The renewable clean energy is used to replace the consumption of natural gas (electricity). Chancheng Hospital and Jimin Cancer Hospital have made such transformation, which reduces the natural gas consumption of 416,000 cubic meters and electricity consumption of 120,000 kWh, equivalent to carbon emission of approximately 998 tons.



Case: Transformation of chemical storage area

The chemicals were mainly stored in small packages originally, resulting in higher risks of ground soil and underground water pollution due to damage of packaging containers or sub-packaging in the process of storage. In 2016, a new storage tank area has been established. Rain sheds has been set up and a layer of sand for absorption has been laid in the cofferdam, which help to prevent leakage spreading to the storage area in case of damage and leakage of tanks. Emergency measures are adopted to control soil and underground water pollution. Also, pipelines are used to transport chemicals between the tanks and the workshops, so that the risk of pollution during the process of sub-packaging can be avoided. The transformation involves two subsidiaries, namely Huanghe Pharma and Wanbang Folon.



* Note: Such data did not include the emission of greenhouse gas from the biological and chemical sources within the responsible boundary, i.e. the physical boundary of production, operation and office work.

In 2016, Fosun Pharma Group enhanced the control on soil and underground water pollution risk and adopted the control of soil and underwater water in the subsidiaries gradually. In regard to risk identification, the risks of polluting soil and underground water of the regions where we operated our business in the process of operation were identified, and banned the construction of new underground storage tanks. All chemical storage areas are built with leakage cofferdam and leakage prevention, in order to prevent secondary pollution to soil and underground water resulting from chemical leakage. Specific training relating to soil and underground water protection are provided for relevant personnel in the process of operation, aiming to enhance the protection awareness and skills of relevant personnel. As of the end of 2016, 9 subsidiaries of Fosun Pharma Group has completed the external test and local investigation of the soil and underground water.

For the mergers and acquisitions in 2016, Fosun Pharma Group requested to perform EHS due diligence on all acquired companies (manufacturing companies), in order to identify the potential environmental risks of the acquired companies. The due diligence included the assessment of soil and underground water risks. If the acquired companies have high potential risks in the aspects of bio diversities, soil and underground water protection, or are classified as conditional acquisitions, or have been rejected for the acquisitions, Fosun Pharma Group will not sacrifice the environment in exchange for economic benefits. We strive to engage in practical actions to dedicate our contributions to the well-being of the society.



Occupational health and safety

Fosun Pharma Group commits to provide employees with a healthy and safe working environment. In 2016, Fosun Pharma continues the implementation of the health and safety management system, and promotes globalization, specialization and delicacy management in the health and safety management among subsidiaries.

In 2016 reporting period, Fosun Pharma achieves 0 major accidents, 703 days of no fatality, a positive performance in healthy and safety.

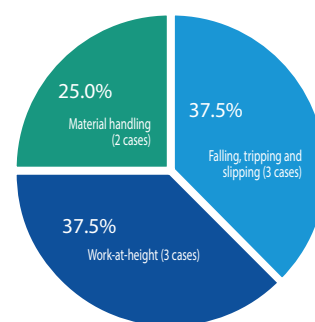
Safety

Fosun Pharma has strengthened the reporting of incidents and mandate subsidiaries to report any injury or fatality incident (including contractor). The corporate EHS department categorizes the incidents according to GB6441-86 <The Standard to Categorize the Injury And Fatality Incident of Enterprise Employees> and OSHA standard. Loss time incident and recordable injury incident (including incident that requires a doctor prescription) have been presented in the report.

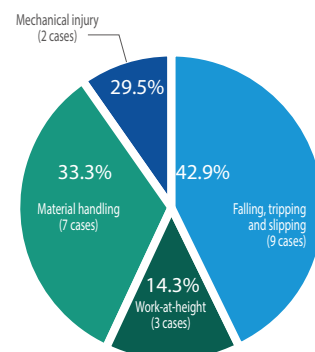
In 2016, the rate of 20 million working hours are 0.044 (8 cases) for serious injury, 0.072 (13cases) for minor injury, 0.116 (21cases) for loss time injury (excluding contractor), and 0.21 (38 cases) for recordable injury. Compared to the rate of 2015, the rate of major injury increased 69.6%, the rate of minor injury decreased 81.7%, the rate of loss time injury decreased 72.7%, the rate of recordable injury decreased 60.7%. All the personnel that suffered major injury have received proper treatment and returned to work without the consequence of amputation or paralysis.

Fosun Pharma has been actively improving performance on safety, including risk assessment on machine hazard and electrical hazard to prevent fatality or major injury.

Fosun Pharma has started process safety management (PSM) in the subsidiaries with API operation and made progress. Assessment and improvement on the control measures in flammable materials operation have been carried out. By the effort, in 2016, 0 fatality incident or explosion is achieved.



Analysis of major injury accidents in 2016



Analysis of loss-time accidents in 2016



Fosun Pharma made efforts to establish safety leadership, three-tier management network, cross-department special committee, EHS

Safety Indicators of key subsidiaries of Fosun Pharma Group in 2016

Name of enterprise	Total number of employees	Total working hours (hours)	Indicators of injuries statistics in China							International indicators of injuries statistics				IH disease case	Day for LTC
			Major incident	Serious injury case	Number of major injury case	Number of minor injury case	Number of injury case	Injury rate per 200,000 working hours	Fatal rate per 200,000 working hours	Lost-time case	Recordable case	Lost-time case	Recordable case		
Wanbang Biopharma	779	1,607,070	0	0	1	0	1	0.12	0.00	1	3	0.12	0.37	0	105
Wanbang Jingqiao	169	344,110	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Zhaohui Pharma	306	708,990	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Chemo Biopharm	157	375,303	0	0	0	1	1	0.53	0.00	1	2	0.53	1.07	0	40
Wanbang Folon	210	443,520	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Wanbang Sainuokang	98	250,880	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Dongting Pharma	943	1,968,984	0	0	1	1	2	0.20	0.00	2	3	0.20	0.30	0	212
Aleph	301	660,030	0	0	0	0	0	0.00	0.00	0	1	0.00	0.30	0	0
Guilin Pharma	1,155	2,310,000	0	0	0	2	2	0.17	0.00	2	3	0.17	0.26	0	84
Shine Star	1,860	4,464,000	0	0	3	0	3	0.13	0.00	3	3	0.13	0.13	0	350
Huanghe Pharma	289	622,104	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Aohong Pharma	613	1,331,090	0	0	0	0	0	0.00	0.00	0	1	0.00	0.15	0	0
Hongqi Pharma	369	734,768	0	0	0	0	0	0.00	0.00	0	5	0.00	1.36	0	0
Erye Pharma	789	1,841,777	0	0	0	2	2	0.22	0.00	2	2	0.22	0.22	0	65
Carelife Pharma	316	740,918	0	0	1	2	3	0.81	0.00	3	5	0.81	1.35	0	160
Yaoyou Pharma	1,195	2,495,160	0	0	0	1	1	0.08	0.00	1	2	0.08	0.16	0	25
Wanbang Tiancheng	88	198,904	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Wanbang Tiansheng	28	6,368	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Shanghai Henlius	292	511,704	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
SunTech Pharma	95	198,360	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Chongqing Research Institute	248	496,000	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Ruizhe Pharma	148	340,000	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Shanghai Fuchuang	31	80,600	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Guangji Hospital	541	1,137,552	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Zhongwu Hospital	660	1,326,480	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Chancheng Hospital	1,700	4,406,400	0	0	1	3	4	0.18	0.00	4	6	0.18	0.27	0	270
Jimin Cancer Hospital	307	677,856	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Wenzhou Geriatrics Hospital	291	584,328	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Changxing Medical	19	30,818	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Fosun Med-Tech	151	280,000	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Long March Medical	321	656,588	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Fosun Biolog	18	36,860	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Zhongsheng zhongjie	67	102,137	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Foshion Dental	89	154,784	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Huaiyin Medical	577	1,505,970	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Chindex (Beijing)	51	96,024	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Chindex Shanghai	126	245,844	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Shanghai Transfusion	231	616,875	0	0	1	0	1	0.32	0.00	1	1	0.32	0.32	0	110
Laishi Transfusion	186	428,544	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0
Alma	213	444,744	0	0	0	0	0	0.00	0.00	0	1	0.00	0.45	0	0
Chindex Tianjin	4	3,392	0	0	0	0	0	0.00	0.00	0	0	0.00	0.00	0	0

Note: 1. 1 minor injury incident in the headquarter of the Fosun Pharma Group was included in the lost-time cases and recordable injury cases;

2. (Total, Lost-time, Recordable) Rate = (Total, Lost-time, Recordable) Number * 200,000 / Total Working Hours

Case: Improvement on process safety in Ruizhe Pharma

Ruizhe Pharma has invested RMB6.05 million to build a new DCS, to monitor the potential risk of chemical runaway reaction and explosion in the API units. Flammable gas and toxic gas detectors are also installed in the plant. In traditional API process, operator surveillance and patrol has been applied in the process control. In Ruizhe, DCS system with alarm and interlock is introduced to replace the traditional approach to improve process safety performance.

Case: Mechanical protection improvement on wire cut equipment

In Foshion Dental Clinic System, wire cutter is traditional key equipment. It is without any machine guarding. The uncovered slicing wires may cause amputation and other major incidents in operation. In 2016, Foshion Dental Clinic System completed the machine guarding improvement on the equipment. The installation of interlock (as shown in the diagram below) ensures that no one can open the protection door and touch the moving wires when the equipment is in operation. Also, the upper and lower axes and left and right axes are equipped with protection to prevent potential crash injury due to the pinching point during the equipment movement.

Occupational Health

Fosun Pharma have been providing employees with good working environment for their daily work to reduce the employees' risk of exposure to occupational health hazards.

Due to Fosun Pharma's business characteristics (pharmaceutical and related industries), our subsidiaries provide employees with annual health examinations who are directly or indirectly exposed to the occupational hazards (such as noise, chemical, dust and radiation) in the workplace. In 2016, 2,417 exposed employees, or 100% are provided with health examination, and the abnormal case is 0. The pass rate of the occupational health examination is 100%.



[illegible]

Investment in health and safety

In order to ensure the safety and health of the employees during the production, operation and office administration, Fosun Pharma have been continuing to invest in the improvement of health and safety with RMB31.55 million in total in 2016, which mainly included expenditure on improvement of fire safety and occupational health equipment and operation cost of these equipment.

Investment in safety of some subsidiaries of Fosun Pharma Group

Name of enterprise	Investment in safety equipment		Investment in operation of safety equipment	
	Project description	Amount (RMB10,000)	Project description	Amount (RMB10,000)
Foshion Medical System	Investment in safety fixed assets (machine guarding, firefighting equipment, fire doors, emergency supplies, etc.)	9.50	Procurement of safety cabinets, safety training	3.80
Huaiyin Medical	Establishment of mini firefighting station, replacement of fire extinguishers	1.10	pressure vessel inspection	2.70
Chindex (Beijing)	-	-	Annual inspection of fire extinguishers and OTC medicine for office	0.08
Shanghai Transfusion	Periodic replacement of firefighting equipment, procurement of emergency supplies, replacement of unsafe equipment	13.00	Safety training, maintenance costs of firefighting facilities, inspection charges, safety facilities decommissioning, etc.	5.00
Laishi Transfusion	Fire extinguishers	0.70	Inspection of elevators/boilers/sterilizers	1.00

Employee Engagement

Fosun Pharma focuses on improving the EHS team's skill and knowledge, not only carrying out technical discussion and knowledge sharing by internet media such as WeChat and FosunLink, but also organizing task force to develop EHS toolbox, including chemical management, confined space, electrical equipment management. The toolbox illustrates the key points in EHS check with graphics and textures.

In 2016, Fosun Pharma devoted more effort to the EHS training of the subsidiaries. The total training hours are 93,431 hours, with total 34,913 person-times, including 2.15 training per person and 5.75 training hours per person. The training time per person increased by 22.2% compared to the corresponding period in 2015.

EHS training for some subsidiaries of Fosun Pharma Group in 2016

Name of enterprise	Mandatory training					Basic training			Special training		
	Number of participants required	Actual number of participants	Completion %	Total duration (h)	Training programme	Number of participants	Duration(h)	Training programme	Number of participants	Duration (h)	Training programme
Aleph	693	693	100%	1,392	New employee orientation	2,989	5,218.5	EHS basic knowledge, training of fire-fighting knowledge	1,205	1,645.5	EHS operating procedures training
Gulin Pharma	260	260	100%	6,392	New employee orientation, safety management certification training for the Business owner, fire safety training	402	603	fire-fighting training for autumn, team safety training	227	303	PPE training, EHS operating procedures training, training for use of seat harness
Shine Star	390	390	100%	1,550	Safety management certification training for the Business owner for chemical production	56	672	Laws and regulations	1,860	1,860	GB30871 and safety and environmental protection training
Huanghe Pharma	64	64	100%	571	New employee orientation, safety management certification training for the Business owner	795	1,745.25	Laws and regulations, system training	911	1,956.25	Lockout-tagout, high-risk operations, firefighting training and first aid
Aohong Pharma	77	77	100%	1,752	New employee orientation	600	2,700	EHS general training, laws and regulations	182	341	Elevator safety training, firefighting training, inspection on safety hazards, hazardous chemical management
Hongqi Pharma	129	129	100%	512	Safety management certification training for the Business owner, new employee orientation, special operation	680	1,902.5	EHS general training, system training	805	1,428.5	Confined space, chemical management program, firefighting, lockout-tagout
Erye Pharma	91	91	100%	3,856	New employee orientation, safety management permit; special operation	2,080	4,835	EHS general training, system training	1,125	2,838.5	LOTO, equipment protection, electrical safety, special equipment, contractors, chemicals
Carelife Pharma	16	16	100%	3,931	Safety management certification training for the Business owner, new employee orientation	330	419.5	EHS general training, system training, laws and regulations	122	126	HAZOP and JHA risk analysis methodology, behavioral safety observation and communication, fire fighting and first aid
Yao Pharma	161	161	100%	1,552	Training for safety management personnel, new employee orientation	1,353	1,731	EHS general training, laws and regulations	108	290	MG&LOTO special training
Wanbang Tiancheng	-	-	-	-	-	96	138.88	EHS general training, laws and regulations	71	98.5	Hazardous chemical, fire fighting and emergency response
Wanbang Tiansheng	-	-	-	-	-	12	1	EHS training	-	-	-
Shanghai Henlius	-	-	-	-	-	650	300	EHS general training, laws and regulations	60	360	First aid training
SunTech Pharma	33	33	100%	792	New employee orientation, training for safety production and management personnel	465	697.5	EHS general training, system training	465	697.5	Electricity safety, lockout-tagout, Hot work
Chongqing Research Institute	72	72	100%	1,154	Safety management certification training for the Business owner, new employee orientation	108	171	EHS general training, laws and regulations	5	5.5	Construction Safety, work at height, hot work
Ruizhe Pharma	136	136	100%	3,600	New employee orientation, safety management personnel permit, special operations and permits	993	4,000	EHS general training	215	1,700	work permit
Shanghai Fuchuang	4	4	100%	3	New employee orientation	-	-	-	26	16	Laboratory safety operation training
Guangji Hospital	42	42	100%	1,008	New employee orientation	50	50	Hospital vulnerability analysis, hazard identification and responses	63	63	Firefighting and hospital violence prevention drills
Zhongwu Hospital	2	2	100%	64	New employee orientation, training for safety management personnel	124	114	EHS general training, system training	166	138	Site safety, high-risk operation, loto training, hot work, fire fighting
Chancheng Hospital	56	56	100%	224	Safety training for new employee, special operation permit	3,006	2,750	fire safety, hazardous chemical safety training	630	1,863	Training in hospital violence prevention, training in security emergency
Jimin Cancer Hospital	50	48	100%	48	Training for safety production and management	100	95	Briefing of EHS basis concept	50	45	Firefighting skills
Changxing Medical	9	9	100%	48	Training for safety production and management, new employee orientation	19	38	EHS laws and regulations training	19	152	Fire training, machine guarding
Yaneng Bio	856	507	100%	277	Training for safety production and management, new employee orientation	-	-	-	18	41.5	Chemical management
Long March Medical	15	15	100%	180	Training for safety production and management, special operations and permits	1,462	3,100	EHS general training	22	55	First aid
Fosun Biolog	2	2	100%	40	Safety production and management, special operation	151	377	EHS general training	2	5	First aid
Zhongsheng zhongjie	12	12	100%	6	Safety	-	-	-	-	-	-
Foshion Medical System	2	2	100%	48	Safety management certification training for the Business owner	258	169	EHS general training	152	268	Firefighting and first aid training
Hualiyin Medical	4	4	100%	48	Special operation	577	577	EHS general training	2	24	Firefighting and emergency response
Chindex (Beijing)	-	-	-	-	-	1	8	EHS basic concept training	-	-	-
Chindex Shanghai	-	-	-	-	-	4	8	EHS general training	-	-	-



Employees' engagement in health & safety activities of some subsidiaries of Fosun Pharma Group in 2016

Subsidiary	Management organization	Management status
Wanbang Biopharma	Wanbang Biopharma EHS committee, site EHS committee	Regular EHS committee meetings, fire emergency evacuation drills, flood control desktop drills, monthly safety campaigns and quizzes
Wanbang Jinqiao	EHS committee	Fire emergency evacuation drills, monthly safety campaigns, Ankang Cup contest, Regular EHS committee meetings
Wanbang Folon	EHS committee	There are 7 special management teams under the committee, namely, high-risk operations, LOTO management, chemical management, environmental protection, firefighting, contractor management and occupational health management. The teams have meetings regularly, discuss the operation of EHS system of the Company and EHS requirements of employees, and strive to improve and enhance EHS performance.
Wanbang Sainuokang	EHS committee	The head and deputy head of the committee are general manager and deputy general manager respectively; members are the Business owner of various departments. At least one EHS meeting is held each month.
Dongting Pharma	EHS management committee	The Changde City Occupational Health Institution was invited to provide training and consultancy in April; 2015 safety production award ceremony was held in June; emergency drill on major hazard (liquid ammonia leaking) in August; Extensive GMP and EHS training for all employees during overhaul period in August; Fire evacuation drill in November; and three-tier safety training for new employees and safety training for transferred employees throughout the year.
Aleph	Safety production and management committee	Safety, firefighting training, contest on safety information
Guilin Pharma	EHS management committee	Conducted safety checks regularly, Safety production month campaign, regular meetings for safety production
Huanghe Pharma	EHS committee	Identification of environmental hazards, EHS system audit, emergency drills, etc.
Aohong Pharma	Safety production committee, hazardous chemical management committee	Safety production month campaign, Ankang Cup campaign, essay competition on safety, training of safety hazards inspection, major inspection and rectification of hazards, training of hazardous chemical management, MSDS card making and training, developing and implementing routine patrol rules in hazardous chemical areas
Hongqi Pharma	EHS committee	Regular EHS meetings, drills of using firefighting equipment, drills on emergency plan of special equipment (i.e. boilers, elevators), fire evacuation drills, training on environment and occupational health and safety, monthly EHS journal on safety, internal newsletter on EHS
Erye Pharma	EHS management committee	Held EHS committee meetings quarterly, established and improved EHS management systems, conducted fire drills and drills on emergency response plan
Yaoyou Pharma EHS committee, Branch of safety committee, etc.	EHS committee, sub-committee of safety committee, etc.	1. held EHS meetings, developed EHS targets and indicators; 2. organized and conducted system certification, internal audit; 3. organized EHS contest, safety month campaign, campaign on environmental day and various special trainings; 4. Conducted emergency drills on safety and occupational health, emergency drills on environmental emergency events; 5. Implemented checks and inspections at all levels.
Wanbang Tiancheng	Safety committee	Conducted inspection and held meetings twice a month
Wanbang Tiansheng	EHS committee of Wanbang Tiansheng	Held a committee meeting once a month
Shanghai Henlius	EHS safety group	Held two meetings for safety personnel every month, communicated with the senior management in charge once or twice a month
SunTech Pharma	EHS committee	Fire drills, safety standardization for small enterprises
Chongqing Research Institute	EHS committee	Attended EHS committee meetings, established EHS systems, participated in incidents investigation and other activities
Ruizhe Pharma	Safety production committee	Held 4 safety committee meetings, organized 3 staff to participate in environmental emergency knowledge contest and 11 staff to participate emergency response plan contest held by the local industrial park, carried out 2 internal hazardous chemical quizzes and 2 firefighting competitions
Shanghai Fuchuang	Laboratory operation committee	Checked safety operation of laboratories from time to time, and made rational suggestions
Zhongwu Hospital	EHS committee	The committee is led by the president and EHS work is managed by a vice president. There are 5 working groups under the EHS committee, namely, system group, environmental group, occupational health group, safety group and equipment group.
Long March Medical	EHS management department	Safety system standardization, EHS system implementation
Fosun Biolog	EHS working group	Safety system standardization, EHS system implementation
Huaiyin Medical	EHS committee	The safety committee organized all employees to participate in a winter fire drill on 11 November 2016
Shanghai Transfusion	Safety committee	Regular EHS committee meetings, fire emergency evacuation drills, flood control desktop drills, safety month campaigns, EHS knowledge quiz
Laishi Transfusion	EHS committee	Fire emergency evacuation drills, safety month campaigns, Ankang Cup contest, regular EHS committee meetings

Disclosure description: 1. The report discloses the health, safety and environmental protection quality, which is part of the working environment quality and has important effect on the Group. They include the related important performance indicators. For some key indicators which have general effect on the Group, the report has also made voluntary disclosure to some extent. 2. Six new subsidiaries, namely Wanbang Tiancheng, Wanbang Tiansheng, Fuchuang Pharma, Wenhou Geriatrics Hospital, Zhongsheng Zhongjie and Chindex Tianjin, were included in the major subsidiaries disclosed. 3. The calculation method of total number of employees in EHS section is different from the calculation method of total number of employees in Employees section in this report, the statistical scope of number of employees for EHS section is the number of employees in service.

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





Young talent

In 2016, over
65.6%
 of employees were
 under the age of 40.

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



Personnel Incentive

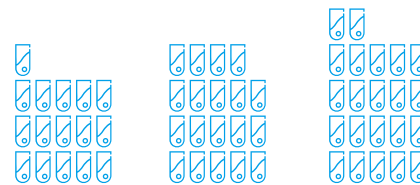
In 2016, the promotion rate of
 Fosun Pharma Group employees
 was

23.92%

An incentive mechanism is established to share the result of development with employees.



Value R & D talents



The Company focused on technological innovation and increased the introduction of R & D staff. The number of R&D staff (including QA and QC employees) has reached 2,194, increasing by

14.2% as compared to 2015.



Talent Development

Employee rights

Female employees **50.96%** Male employees **49.04%**

The Group advocated a fair competition, fighting against discrimination and respecting the freedom of religious. In the composition of employees in 2016, female employees, disabled employees and employees of ethnic minority accounted for **50.96%**, **0.36%** and **2.49%**, respectively.

Retain job positions for **100%** of female employees when they are pregnant, during childbirth and breast-feeding period and their returning to work is **100%** guaranteed. **100%** of male employees whose spouse gives birth will enjoy paternity leaves.

The remuneration of all employees of the Group in all operating location is higher than local minimum wage.

Cash payment to employees and on behalf of employees

(RMB100,000,000)

In 2016, the Group's cash payment to employees and on behalf of employees totaled RMB **2,196** million,

Sustainable Development of Talent

The sustainable development of talent is an important step in the accomplishment of Fosun Pharma's goals. Adhering to external introduction and internal development, the Group does

Structure of Human Resources of Fosun Pharma Group

(People)

Year	Total	Gender	
		Male	Female
2016	19,523	9,574	9,949
2015	17,842	8,653	9,189
2014	18,081	8,800	9,281
2013	16,791	8,246	8,545
2012	14,357	7,222	7,135

Educational Background of Employees of Fosun Pharma Group

(People)

Year	Doctorate	Master	Bachelor	Diploma	Secondary and below
2016	134	1021	5,395	4,977	7,996
2015	105	889	4,453	4,643	7,752
2014	93	749	4,229	4,693	8,317
2013	80	637	3,794	4,368	7,912
2012	50	472	2,931	3,364	7,540

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

(People)

Region	Number of employees in 2015	Number of employees in 2016
Eastern regions of China (Shandong, Jiangsu, Anhui, Zhejiang, Fujian, Shanghai)	7,803	8,869
Southern regions of China (Guangdong, Guangxi, Hainan)	3,144	3,276
Central regions of China (Hubei, Hunan, Henan, Jiangxi)	3,110	3,442
Northern regions of China (Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia)	176	191
Northwest regions of China (Ningxia, Xinjiang, Qinghai, Shaanxi, Gansu)	-	-
Southwest regions of China (Sichuan, Yunnan, Guizhou, Tibet, Chongqing)	2,038	2,001
Northeast regions of China (Liaoning, Jilin, Heilongjiang)	1,256	1,387
Hong Kong, Macao and Taiwan		14
Overseas	315	343

Talent Education

Fosun Pharma concerns cultivating people with challenges.

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

In 2016, the Company further reinforced the Succession Management Programs. We conducted a comprehensive and in-depth Talent Review for the headquarter, business units, affiliated companies and affiliated hospitals. It fully demonstrated the strategic importance of talent to Fosun Pharma and laid an important foundation for the ever-lasting growing business in the future through multifaceted analysis at personal and organizational levels as well as reporting to and discussion with senior management team.

Meanwhile, Fosun Pharma proactively cares about the incubation of young talents. In 2016, the Group organized and commenced specific review and training activities for our MTs (management trainees) and fresh graduates, to accelerate the inclusion and development of those young talents via a number of challenging tasks (such as assignment of expatriate workers).

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

Positioning of Learning & Development Center

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

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

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

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

Learning and Development Center System

In 2016, the Group continued to further develop drugs, medical devices, innovative research and development of medical diagnostic technology and manufacturing. At the same time, the Company is also actively developing high quality medical service area, optimize the integration and transformation of drug distribution and retail, pro-actively participate in mobile medical area. With the rapid development of business, the curriculum has become broader (multi-themes), lighter (short lessons), more flexible (interaction in mobile phone), so we can easily cover more targeted groups, and participants from different companies, positions and levels pro-actively enroll and participate.

In 2016, the training system of Fosun Pharma continued to root in its culture. We have four series of training courses/programs, namely New Employee/Company Series, Leadership Development Series, Professional/Functional Series and Common Skill Series.



In 2016, total training expenses of Fosun Pharma Group amounted to **RMB8.19 million**, representing a year-on-year increase of

↑ **47%**

Training hours per employee was **33 hours/person**, representing a year-on-year increase of **18%**. Of which, training hours per female employee was **37 hours/person**.

↑ **23%**

Total hours/person of training of general employees was **710,701 hours/person**, representing a year-on-year increase of

↑ **23%**



Trainings for new employees helps newcomers to better integrate into Fosun Pharma Group

New Employee/ Company Series

Fosun Pharma provided informative orientation to newly-join employees and continued to care about their work and life within two months since the Day 1, to help newcomers better integrate into Fosun Pharma's family. In 2016, we continued to implement the Training Camp for New Stars, which mainly targeted at the excellent fresh graduates of various affiliated companies.

Leadership Development Series

we provide management and leadership program to those experienced and senior talents, which will accelerate the development of managers and leaders and reserve excellent talents for the whole company. At the end of 2016, we initiated the Seminar on Leadership for the core middle-to-high level managers of Fosun Pharma, so as to further improve their personal leadership and promote the management standard of the entire organization.

Professional/ Functional Series

a combination of courses and programs were designed to meet the development needs of target groups in different functions, which helped to cultivate systematicness and depth of those professionals. In 2016, several dozens of professional trainings targeting key talents such as investment talents and presidents of hospitals were well-received, and the series of training will continue to be carried out in 2017.

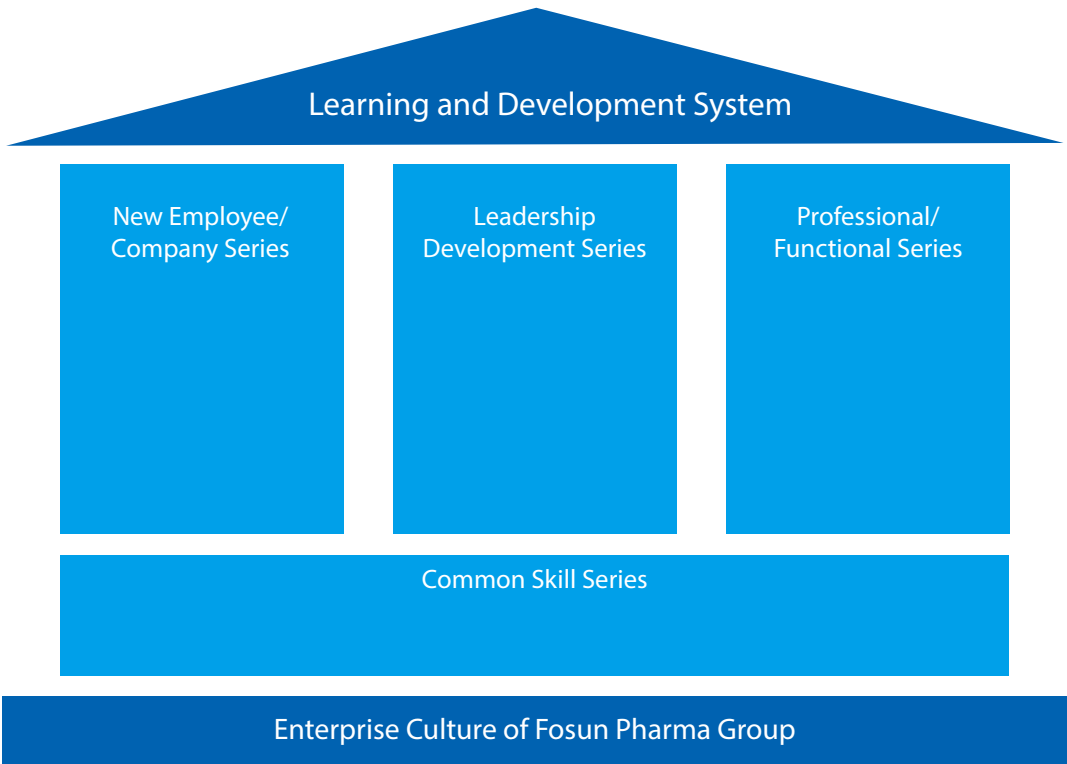
Common Skill Series

The new staff genuinely cared about their self-improvement, so we organized a wide variety of common skill course. The participants were mostly from affiliated companies, and what's more several courses were also conducted within enterprise. In 2016, we continued to explore excellent internal trainers and added many courses, including a dozen of training series of Lunch & Learn conducted by internal trainers.

Corporate Culture

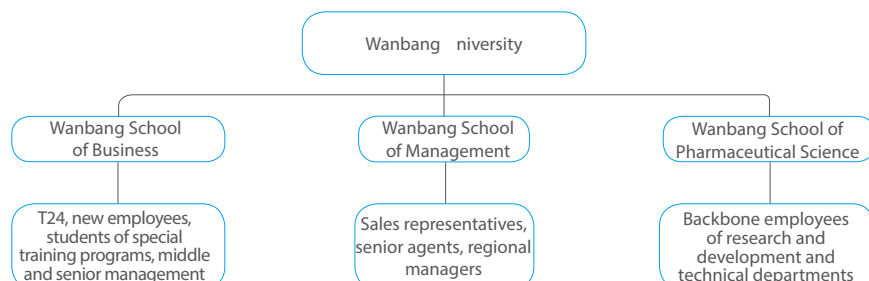
corporate culture were promoted through various activities, so that the corporate culture of Fosun was being felt everywhere. In 2016, a reading month was launched, birthday celebrations were held for staff and there was the club carnival, the New Year climb relay, retired workers gathering and many other activities.

Learning and Development System



Case: Establishment of Wanbang University and commencement of the first production and operation class

During the rapid development progress of the Group, Wanbang Biopharma has accumulated and formed various toolkits and methodologies with specific functions and characteristics. To promote the systematic summarization and extraction of successful experience of each function operated by the enterprise, and to share and spread the experience rapidly, Wanbang University initiated the preparation and the construction of the curriculum system of the university in March 2016.



Based on the research of the corporate university, the resources of Wanbang, the curriculum of the first class of Wanbang University is positioned to provide courses on common professional skills required by typical working missions of the chief officers of workshops. Without the resources of external trainers, the working group of the university managed to invite over 20 experienced core backbones of Wanbang's production and management team to jointly develop seven courses on professional management and run seven courses on common skills and three courses on sharing the experience of senior management. In the course of studying, outreach programme, corporate exchange and seminars, visitation, competency enhancement and other activities were conducted.

The first class of Wanbang University received a total of 30 students who were the backbones from the production team. Three classes were organized during the year. The students have already met the credit requirements set down for 6 established programmes. The purpose is to enhance the operational efficiency via spontaneous improvement of business performance, by strictly refining the professional design of each teaching area, class management before, during and after training, improvement of students' behavioral after training, and the assessment and recognition of the final result by the chief executive officer of the enterprise.

Training System of Wanbang Biopharma

Category	Name	Contents
Talent Development	Talent Review	The annual promotion plan, elimination plan, adjustment plan and key talent development plan are defined based on assessments and analyses of the quantity and quality of talents in accordance with the Wanbang Biopharma's strategies and business demand.
	Military Training for New Graduate	It helps enhance the physical performance and awareness of mutual assistance among new hires so that they can better adapt themselves to the military-like culture of the Company.
New Hires Series	Orientation Training	Orientation training targets on new hires who entered Wanbang Biopharma at different stage. It helps new hires understand the basic information, policy and regulation and systems, covers training on basic working skills and occupational competency, and helps employees quickly adapt to the job requirements.
	Culture Integration for New Companies	It accelerates the culture inclusion of Wanbang Biopharma and the management of new enterprises joining the alliance. The arrangements include the integration of culture and bridging of three major areas (strategy, performance, and budget).
New Members Series	Open Courses of Common Skills	This external program is provided to outstanding T24 and new backbones in order to enhance their common abilities. Employees can choose courses on their own and get the approval from the superiors. The company will pay for the cost.
	HQ Courses	It connects the training and resources sharing system established with Fosun Pharma Industrial Research Institute, and invites professionals to exchange ideas and provide guidance on the R&D technology management and project progress of Wanbang. It also participates in expertise research seminars and trainings held by research institutes; Outstanding key employees are screened to participate in position exchange program with corresponding departments in Fosun Pharma.
T24, New Managers Series	Theme Learning	Theme training programs are organized on a yearly basis to enhance their mental level according to the characteristics of T24 and new managers. Learning for related staff is organized through forums on topics such as knowledge of psychological health and the workplace.
	First Production and Operation Class	The affiliated companies of Wanbang Biopharma mainly engage in production and manufacturing. Based on the research, the curriculum of the first class of Wanbang University is positioned to provide courses on common professional skills required by typical working missions of the chief officers of workshops. Seven courses on production and management were developed and 30 students, who were the backbones of production team, were screened from the affiliated companies. Three classes were organized in 2016.
Specialty Class of Wanbang University		
Middle-to-high Level Series	Common Managerial Program for Middle-to-high Level Managers	Training programs on common management capabilities targeting middle-to-higher ranking managers are held periodically to meet the needs of the Company. Training topics, which stick to the latest trend, are finalized on the basis of 360 degree feedback, management highlights of the Wanbang Biopharma, strategies, culture and business orientation. The training programs are conducted by means of experience sharing, discussions, and lectures. Subsequently, trainings focused on different topics, such as Design and Development of Program, TTT, Amoeba Business Mode of Chinese Style were held. Moreover, selected middle-to-high ranking managers had participated in various courses, including EMBA training class of China-Europe International Business School.
	New GMP, cGMP Training	The training focuses on the learning, recording, and examination on new GMP documents for production quality organizations.
Production Quality Training	Operation Procedures	Learning the documents and process & procedure of SOPs for operating positions as well as equipment maintenance.
	New Employee's EHS Orientation	Employees should receive training on knowledge of tertiary safety documents, required technical knowledge and skills, and safety protection in accordance with applicable EHS system documents at the company, workshop (department), and shift levels, respectively. Fire drill will be held at least once a year, and EHS quizzes for all staff are held.
EHS		



Case: Training Programmes of SunTech Pharm in 2016

SunTech Pharm has established a perfect training management system that improves the entire regime, regulates training procedures and results in a more significant effect of employees' training, by regulating employees' correct understanding of training through systems. It has made remarkable contributions to incubating and developing corporate talents, fostering successors, and establishing the company brand externally.



Training System of SunTech Pharm

Category	Name	Contents
New Hires Series	Position training of department	For each new employee: Departmental pre-job training is conducted. Guidance training is provided based on the specific departmental issues to avoid problems in the subsequent practical operation.
Position Training	Training of staff position qualification confirmation	For new employees and employees after change of positions: Position qualification confirmation training plan is formulated based on the academic and working background of employee and the training of staff position qualification confirmation is completed within a prescribed period of time. The suitability of staff for the corresponding position will be evaluated based on the final training result, and retraining will be provided to the unqualified staff.
Talent Development	Enhancement training	To enable the staff to better understand and apply CGMP and relevant laws and regulations: To analyze the higher-level staff training to be conducted by QA department, such as the application of quality control tools, concerns of FDA audit and scene response, technical guidance and training provided by outsiders to our staff.
	Enhancement training (external)	To select outstanding staff: To participate training of external organizations, and share the contents after the training, so that all of us are benefited.
Management and procedures training	Special training	Specific training are provided in respect of issues identified in the process of day-to-day management and GMP implementation, such as management of experiment record, GDP, management of laboratory samples, management of chemicals and reagent. Learning and development are more specific and training system is improved.

Case: The Convening of the First Seminar on Management of Contemporary Hospitals of Fosun Pharma for the Presidents

In order to inherit and integrate Fosun Pharma's corporate culture, finance for resources of medical industry, prepare for the future development of the medical service subsidiaries of Fosun Pharma and the development needs of the management talents of the affiliated hospitals, Fosun Pharma organized the training program of the First Seminar on Management of Contemporary Hospitals of Fosun Pharma Group for the Presidents

The President Seminar was held in November 2016. Such seminar was a training program customized and designed fully based on the needs of development of medical service business of the Group and integrated powerful resources of internal and external lecturers. It was planned to improve the management level of the management members of affiliated hospitals through 120 hours of teaching, case analysis, benchmark hospital visitations and one-on-one tutorial guidance in one year. Chen Qiyu, the Chairman of Fosun Pharma, gave a speech on The Culture and Entrepreneurship of Fosun to the participants and trainers, encouraging them to be the pioneer of industry reform and uphold the innovative and challenging spirit.



Seminar for the Presidents helps to improve the management of administrators of subsidiary hospitals

Case: The Program of Leadership Enhancement for Middle-Ranking Managers commenced by Chindex (CML)

To align with the development strategies of Succession Management Programs of Fosun Pharma Group, Chindex (CML) commenced the training program of Leadership Enhancement for Middle-Ranking Managers. The program is aimed at demonstrating the role conversion of middle-to-higher ranking managers in the way of thinking and behavior of via a training program taking efficiency as principle, thereby enhancing their leadership qualities in stimulating, incubating and developing the subordinates ultimately.

The team building and training course was comprised of two parts: Prior to the commencement of the program, a 2-day team building activity was conducted to break the line between departments and strengthen teamwork and communication. The training course included leadership cultivation, subordinate cultivation and communication skills, and was effectively integrated with the leadership and communication model assessment. The evaluation gave participants a new understanding of themselves, thereby strengthening the study of management theories. Meanwhile, the management theories were materialized via scenarios simulation, role playing, description of visions and other methods, thus enabling them to review their own leadership skills and team management on the other side of the coin. Every participant was actively involved in the training program, thought seriously in classes and interacted with trainers. Group discussion was conducted in a lively atmosphere. The participants, who have a strong sense of unity, gave advices and expressed their views freely, and were willing to present themselves.



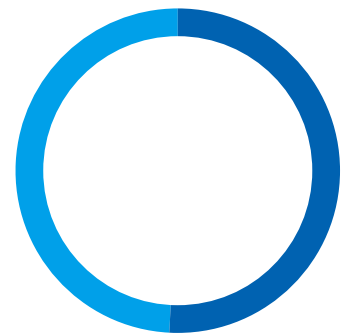
Many of the participants said, they have better understanding of the Chindex (CML)'s visions after the training. They also want to participate in the advanced training so as to improve themselves.

Employee Development

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.

Fosun Pharma 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 pay more attention to hospital strategies, discipline construction, healthcare quality and safety



Staff change at Fosun Pharma

(People)

Staff change at the headquarter of Fosun Pharma	2012	2013	2014	2015	2016
Total number of person- in-charge and vice general managers throughout departments (character)	8.1	8.1	8.1	8.1	8.1





The Me... ai... online

Guilin Pharma, a subsidiary of Fosun Pharma, launched eCME multimedia online medication training program with experts in malaria prevention and control. Online learning and experience sharing platform, which conducted in online interactive mode such as video conferences, was established for health care professionals in Africa with respect to hot topics like malaria control in Africa. This helps them learn the latest medical knowledge and facilitate medical advancement in Africa.

The cartoon promotion launched by Guilin Pharma featuring malaria prevention is a very effective for educating the general public, particularly the children, regarding malaria prevention and treatment, and it will be helpful in enhancing their ability of self-protection against malaria.

Dr. Chilufya, Deputy Health Minister





Social Contribution Value per Share

In 2016, the social contribution value per share of Fosun Pharma Group was RMB2.99.*

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

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



In 2016, the social contribution value per share of Fosun Pharma Group was

RMB2.99

representing an increase of

8.3%

as compared to RMB 2.76 of 2015

Corporate Citizen Commitment

Anti-corruption management

Fosun Pharma has always been implementing the establishment of honest culture as its strategic effort. To protect normalized and orderly management in the company, and boost awareness and spontaneous compliance with local laws and regulations and the various requirements and systems of the company, honest fulfillment of duties, and honest practice, in accordance with the spirit of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. Anti-corruption Supervision and Management System implemented by Fosun Pharma and as required by Honest Practice and Management Requirements for Employees of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. as one of the important measures in establishing honest culture, new hires of Fosun Pharma headquarter must sign the Letter of Undertaking for Honest Employee Practice of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. upon employment. Basically, the letter of undertaking covers all of the employees with a signing rate of 100% basically. The letter of undertaking stipulated that

employees of Fosun Pharma may not take advantage of their duties and work to seek illegitimate interest and undermine corporate interest.

To reinforce the ideological education on the anticorruption initiative, enhance the awareness of anticorruption and honesty promotion and spontaneous resistance to corrupt ideas, and ensure smooth development of the company. In 2016, the Fiduciary Administration Supervision Department of the Company conducted a series of anti-corruption and honesty practice promotion and education for its new hires in Shanghai. Training programs on creating an honest culture were held. The company required new hires to comply with national laws and rules and regulations of the Company, with an aim to achieve integrity and compliance regarding their respective duties.

In addition to the setup of portals to the Disciplinary Committee and its Fiduciary Administration Supervision Department on the company's OA network, Fosun Pharma proactively conducted promotion and education on anti-corruption and honesty promotion regulatory system, with the number of target employees expanded. During the year, under the existing four columns, namely news on anti-corruption and honesty promotion, case analysis, honesty culture and relevant laws and regulations, the company proactively conducted promotion and education on anti-corruption and honesty promotion regulatory system through this platform. A total of 42 articles on various topics were released throughout the year.

Fiduciary Administration Supervision Department

To fortify the immunity of the corporation, guide employees through honest practice and further enhance the corporate management level on Fiduciary Administration construction, in 2016, under the leadership of the Company's Board of Directors, we commenced work by adhering to the principle of taking care of both discipline and prevention, and emphasizing prevention, and focusing on the duties of the Fiduciary Administration Supervision Department, in combination with the key project of the Company this year. We will further improve the Company's compliance system through the establishment of regulations, promote honesty and self-discipline with integrity operation by way of strengthening education and publicity. We also provide business operation management service via compliance consultation, and standardize employees' duties through investigation and reporting, so as to promote the values of integrity and honesty of the Company, ensuring the healthy, stable and sustainable development of the Company.

In 2016, on the basis of modifying and improving the existing system, the Fiduciary Administration Supervision Department established and formed a relatively complete compliance and honest system. The newly formulated Fosun Pharma Anti-Corruption Ordinance has been submitted to the Board of Directors as a fundamental profile of the Company's compliance and honesty. The Honest Practice and Management Requirements for Employees of Fosun Pharma was submitted to the management of the Company as specific guidelines for employees' duties.

Supervision and inspection are important tasks of the Fiduciary Administration Supervision Department. In order to prevent risks on a fundamental basis, the Fiduciary Administration Supervision Department carried out compliance supervision and inspection throughout the whole bidding process, and set up a firewall to centralized procurement activities through monitoring bidding activities. In connection with projects of subordinate enterprises, productive materials procurement and equipment procurement and other matters, the Fiduciary Administration Supervision Department actively participated in the monitoring of bidding activities. According to statistics, it has participated in the monitoring of 23 bidding projects this year, and has identified and effectively halted certain non-compliance incidents, as well as eliminated some potential risks.

The Fiduciary Administration Supervision Department also actively provided compliance consultation to the subsidiaries, participated in the subsidiaries' external compliance meetings and compliance investigation, helped the subsidiaries to improve their compliance system to meet the external compliance requirements and provide effective support to the execution of cooperation agreements.

Moreover, the Fiduciary Administration Supervision Department also commits to anti-corruption against multinational enterprises through participating in compliance forum and other platforms, to absorb, transform and utilize advanced anti-corruption compliance concepts and measures. In 2016, the Fiduciary Administration Supervision Department participates in the national working group of the ISO19600 Compliance Management System – Guide, and involves in the drafting and assessment of the guidelines for compliance management system.

Community Charity

Fosun Pharma has been proactively participating in community charity events along with its subsidiaries to demonstrate their love to the neediest people in society. In 2016, the Fosun Pharma Group donated more than RMB7.97 million in total to society (including physical donation and individual donation).

Increased devotion to community charity to continue perfecting the FUTURE STAR community charity system

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

Fosun Foundation

In 2016, Fosun Pharma donated RMB5.00 million to Fosun Foundation to set up the Shanghai Baiyulan C.C. Tan Life Science Development Fund and carried out the Double Thousand Actions project to alleviate the poverty of those suffered from tuberculosis. Fosun Foundation is a non-publicly raised fund. The foundation is meant to help disadvantaged people in society, aid in natural disasters, provide medical assistance, support the poor and the disabled, sponsor cultural and educational enterprises, and sponsor young people expecting to start a business for the sake of community charity.

Targeted Poverty Alleviation

Fosun Pharma Group actively responded to and facilitated the implementation of the Central



In 2016, Fosun Pharma's donation to Fosun Foundation amounted to

RMB5 million



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 industry development, education, healthcare, basic support and society poverty alleviation, and achieve certain results.

In 2016, Fosun Pharma and its subsidiaries put great efforts in carrying out various poverty alleviation activities based on the overall poverty alleviation strategy of the Group, investing over RMB6.45 million in total.

Fosun Pharma, together with its subsidiary, Hongqi Pharma, donated RMB1,000,000 to Chinese Antituberculosis Association through the Fosun Foundation, to launch the "Double Thousand Actions" project (a project of poverty alleviation for those suffered from tuberculosis) to provide various support such as funds and drugs.

Fosun Pharma set up scholarship programs in certain reputable universities in China such as the School of Life Sciences in Fudan University and China Pharmaceutical University to provide financial assistance and incentives to outstanding university students with good behavior and academic performance. Under the same conditions, scholarship will be firstly granted to students suffered from severe financial difficulties to support their comprehensive development. In 2016, a total of RMB150,000 was granted to finance 29 outstanding students (Fudan University: 4 first prizes and 10 second prizes; China Pharmaceutical University: 15 outstanding post graduates).

Jimin Cancer Hospital under Fosun Pharma provided deduction and exemption of treatment fees in different amounts to 100 low-income elderly persons aged 60 or above who suffered from tumors and other patients in difficulties, with a total amount of RMB5,000,000.

The Party office of Chancheng Hospital expensed certain operation fund in the form of administrative approval fund, which was mainly used to carry out local free medical consultation and holiday caring activities and helped 9 left-behind children, elderly persons and women.

Based on the unified arrangement of Jinzhou government, Aohong Pharma provided support of over RMB30,000 in the form of supplies give away and industrial support to 30 poverty households in Dayetun Village, Liulonggou Town, Yi County, a one-on-one poverty alleviation target. Meanwhile, it donated over RMB50,000 to the Jinzhou Charity Federation and donated school uniforms, school bags, stationary and other educational products to a total of 207 students in two poverty areas in Heishan County. 17 October 2016 was the third national poverty alleviation day. Based on the unified arrangement of the Implementation Plan of "Poverty Alleviation Day" Activities of Guilin in 2016, Guilin Pharma donated RMB60,000 in the poverty alleviation activity of "Join Force to Alleviate the Poverty" to support the local poverty alleviation activities. The Health and Family Planning Commission of Chongqing organized Chongqing Food and Drug Administration, Yongzhou District Government, Chongqing Water Conservancy Investment Group, Chongqing Commercial Group, Chongqing Health Education Center, Chongqing Research Institute and other enterprises to formed a poverty alleviation group to facilitate the agricultural development, construction of infrastructure and support to poverty households in the poverty village in Qianjiang District. In 2016, Chongqing Research Institute provided financial support of RMB150,000 which effectively facilitated the in-depth implementation of poverty alleviation activities in Qianjiang District, and provided contribution to the results of poverty alleviation in Chongqing.



Li Xianlin, the consultant of Pharmaceutical Industry Management Committee of Fosun Pharma presenting an award to the recipient of scholarship of China Medical University



Case: Joined force with Shanghai Charity Foundation to provide support to patients suffered from cancer

On 9 September, the charity day, Shanghai Charity Foundation, Fosun Foundation and Shanghai Symphony Orchestra jointly organized the charity concert of "Fosun Charity Night: Let Love Fill the New World". All the donations in the event were collected through various mobile and internet charity platforms such as Tencent, Alipay, official WeChat account of Fosun Foundation (fosunfoundation) and the official website of Shanghai Symphony Orchestra, and were donated to Shanghai Charitable Cancer Research Center to finance the doctors and scientific researchers in Shanghai who devote in cancer clinical research, so as to work out the best treatment solutions for patients suffered from cancer as soon as possible.



Case: Double Thousand Actions provided timely support and care to all patients suffered from tuberculosis

On 22 March, at the promotion event of World Tuberculosis Day, Chinese Antituberculosis Association established the Chinese Anti-tuberculosis Non-profit Foundation and jointly launched the Chinese Anti-tuberculosis Non-profit Foundation - Double Thousand Actions assistance project for tuberculosis with Fosun Foundation and Hongqi Pharma (a subsidiary of Fosun Pharma). The Double Thousand Actions project will last for five years from 2016 to 2020. At least 1000 needy patients suffering from tuberculosis can be helped each year and the funding for each patient would not be less than RMB1,000. Fosun Foundation collaborates with Hongqi Pharma, a subsidiary of Fosun Pharma, to provide continuous sponsorship in the form of funding and medicine etc.

On 27 April, the 2016 National Academic Meeting of Chinese Antituberculosis Association was held in Zhuhai, Guangdong Province, and the unveiling ceremony of Chinese Anti-tuberculosis Non-profit Foundation took place at the opening ceremony.



Case: Organization of the 2nd Climb for Charity Competition by Fosun Pharma with the donation allocated to Qixiang Institute of Child Development

In February, the Climb for Charity Competition co-organized by Fosun Foundation and Fosun Pharma was held in the headquarter building of Fosun Pharma. About 22 teams participated the activity with participants covering staff of Fosun Pharma and their families, media as well as other stakeholders. All teams completed the competition within required time. The competition finally raised a total donation amount of RMB66,000.

A meeting to allocate the donation from the Climbing for Charity Competition was held in April. Six project leaders of the public welfare projects which applied for the donation presented their projects. After the voting, the Family of Children with Special Needs Rehabilitation Support Program by Shanghai Qixiang Institute of Child Development was granted the donation.



Case: Walking for Love the Shanghai United Walkathon Volunteer Event was held again

In April 2016, the Shanghai United Walkathon Volunteer Event was held again. Participants and volunteers of Fosun Pharma participated the event with full enthusiasm despite of the bad weather. With the support, accompany and encouragement of teammates and the Company's volunteers, the whole 12-hour walkathon covering a total of 50 kilometers was completed successfully with full love. Fosun Pharma volunteers have participated in the Shanghai United Walkathon charity event for four successive years and raised over RMB300,000 for supporting the children nutrition in poor areas, rural children's reading, children with autism, quality training for migrant children as well as other sectors.



Case: the Bang Program Trying the best to participate in public welfare activities

As the extension of the Company's core value of self-improvement, teamwork, performance and contribution to society as well as the inheritance of the public welfare mission of trying the best to participate in public welfare activities, the Bang Program public welfare project team expanded the activity scope in 2016 to further cover more students in poverty and fundamental hospitals in remote areas. Through preliminary study and careful selection, in 2016, the Bang Program public welfare project team of Wanbang Biopharma visited Yuanyang County and Zhengzhou in Henan Province, Jingxing County in Hebei Province and Suining County in Jiangsu Province, carried out in-depth interaction with the grassroots, supported the local education and healthcare, and further improved the local educational and medical conditions and levels, which was well recognized and encouraged by the supported students in poverty areas, fundamental medical works and experts participated in the activities.



Volunteer Team

The headquarter of Fosun Pharma currently has more than 100 volunteers. Since its establishment in 2010, through public welfare service platform provided by enterprises which aligns with various resources of Fosun Pharma, it is committed to carrying out many charitable activities with respect to environmental protection, aids, support to education, health services, etc., in a way to actively assume social responsibility, guide and drive employees of Fosun Pharma to participate in public welfare undertakings, and to serve the community. Various kinds of volunteer activities are held five times a year, including the Hold my hand free scientific education campaign, run for public welfare and health activity, Shanghai United Walkathon volunteer event, and themed activities of the Shanghai Children's Welfare Institute.

Fosun Pharma and Shanghai Children's Welfare Institute are long-term partners. Since 2010, there have been seven years of mutual interaction. Every year, different kinds of charity activities are organized to care for the children of the welfare institute and the mothers who look after them. In July this year, Fosun Pharma Trade Union organized volunteers and employees' children, together with students from the schools of Qibao Town, Minhang District, to visit Shanghai Children's Welfare Institute and hold an event named Fly For Love as a tribute to the mothers of Shanghai Children's Welfare Institute, while alleviating their pressure.

The subsidiaries of Fosun Pharma are active in volunteer activities. Fosun Pharma Medical Diagnosis Division volunteer team liaises with Shanghai Su Min School (school for foreigners' children), and arranges volunteers to give quarterly talks on popular science for primary school students on a regular basis, which is highly popular and well recognized by students. Guilin Pharma organized the Love for Left-behind Children, Love Together activity, embracing left-behind children of Yaji village with love, care and warmth, with a total of 25 participants. The medical service subsidiaries of Fosun Pharma carried out a total of nearly 30 volunteer service activities and served a total of approximately 17,000 people, and carried out themed volunteer activities such as flood relief, giving love to special schools and holiday care. Chancheng Hospital held a total of about 10 volunteer events, including Lunar New Year celebration for Zen medical volunteers, 1 June special event for Zen medical volunteers, with a total of more than 1,100 participants. Guangji Hospital carried out the Special School Volunteer Activity and organized 3 to 5 hospital volunteers to provide care to the special school. The volunteers of Guangji Hospital also participated in the flood rescue activities.

Community Service

In 2016, each segment of the Group actively participated in around 100 community serviced events, including free healthcare consultancy and seminars, public relief and charity clinic, to serve the people in the community.

Aohong Pharma organized the Hand in hand - I dedicate my love for the underprivileged children living in mountains event in October 2016. With the help of Jinzhou Charity Federation, school uniforms, school bags and stationery were donated to a total of 207 students of Gang Zi Cun Primary School in Jiangtun Town, Heishan County and Wang Zhuang Cun Primary School in Xinlituen Town, Heishan County, embracing the underprivileged children living in mountains with love and warmth.

Wanbang Biopharma commenced the Wanbang Diabetic Patient Care campaign throughout the year, providing free blood glucose and blood pressure test for local diabetic patients through its drug stores in Xuzhou, Nanjing, Zaozhuang and Tianjin. Meanwhile, free education books and brochures were distributed to patients. With the help of free testing service and popular science education, the majority of diabetic patients are able to better understand their physical condition as well as protection and treatment towards diabetes.

The healthcare service subsidiaries are active in public welfare services through various medical volunteer activities such as helping needy patients, free clinics, humanistic care and free body check for gynecologic, children, elderly, chronic diseases, special patients, malignant tumor patient in need. During the year, over 90 talks on public health and health consultancies were held, and fee reduction was provided to patients with financial difficulties, continuously highlighting medical public welfare.

Throughout 2016, Guangji Hospital carried out free volunteer campaign for hospitals and villages in various towns, with community residents organization arranging charity clinic by hospital experts for villages 2 ~ 3 times a week, and providing guidance on medical techniques, which benefits more than 5,000 residents. Meanwhile, Guangji Hospital organized the Top Eleven Project free activity jointly with community health service center for community residents, among which includes free medical examination regarding gynecological check, children, elders, chronic diseases, and special patients. Jimin Cancer Hospital organized the Middle-Aged Poverty Relief campaign, which in combination with the 65-year-old Malignant Tumor Patient in Poverty service project under Central Financial Support Society, helps patients with malignancies aged 65 and over in poverty to actively receive treatment towards tumor, embracing the majority of cancer patients with health and warmth. Chancheng Hospital organized the Sound of Chancheng art corner series charity campaign of free performance. In 2016, the shows were continuously held on a monthly basis, and 21 shows had been held so far. Through the diverse presentation of arts, Chancheng Hospital had delivered a message that the hospital is not only a place for treatment, but also a place filled with love that deeply touches the heart of patients. As such, Chancheng Hospital provides great experience to the patients.



The medical service subsidiaries actively participated in public welfare services and held over 90 healthcare seminars and consultations

>90



Guangji Hospital provided free health examination to the children in kindergartens



On the World Hearing Day, Chancheng Hospital and the Royal Danish Consulate General in Guangzhou jointly held the event of hearing aids donation and free clinic services

Donations made by Fosun Pharma and subsidiaries (including individual employees) in 2016

Enterprise	Project name	Time of donation	Recipient	Amount (RMB10,000) (including yuan worth materials)	Brief description and purpose
Fosun Pharma	2016 Fosun Pharma Charity Project		Shanghai Fosun Foundation	500	<p>Main use: Donated RMB1,500,000 to establish the Shanghai Magnolia Tan Jiazhen Life Science Foundation as one of the founding member units to further support the Tan Jiazhen Life Science Award and promote the development of life science study in China under the principle of promoting the innovation and development in Chinese life science study and the application of technological achievements.</p> <p>Donated RMB1,000,000 to the China Antituberculosis Association in 2016. Worked with Fosun Foundation together with Fosun Pharma member enterprises, Hongqi Pharma to sponsor a project of Chinese Anti-tuberculosis Non-profit Foundation TB poverty relief Shuangqian Action. The project can at least help 1,000 poor TB patients and sponsor RMB1,000 for each patient.</p> <p>Donated RMB400,000 to Shanghai Charity Foundation in 2016 for supporting its partner, Shanghai Charity Cancer Research Center to conduct researches on cancer treatment and prevention.</p>
Wanbang Biopharma	Donation of IT Products		Hantang Welfare Development Center	1.5	Donated a total of 7 hosts and some keyboards to Hantang Welfare Development Center for skill training of people with disabilities
	Wanbang Medical Scholarship		Medical students in Xuzhou Medical College	2	Sponsored the Wanbang Medical Scholarship for Xuzhou Medical School, aiming to encourage and praise students with outstanding academic performance
Wanbang Marketing & Distribution	Bang Program charity project		Red Cross Hospital in Yuanyang County, Henan, Dahuzhuang Cun Primary School in Zhulou Town, Mingde Primary School in Xiaozhai Cun, Xiaozuo Town, Jingxing County, Hebei, Jingxing County Hospital, Yuyao Primary School in Weiji Town, Suining County, Jiangsu, People's Hospital in Suining County	30	Provided scholarship to subsidized primary school students living in remote areas to finance their learning experience. Donating sports equipment, bedding, flagpoles, school bags and caring supplies to many schools. Organized nationally-renowned experts on kidney disease to the People's Hospital in Rongjiang County in carrying out various kinds of medical charity activities for grassroots, such as education, patients education, public free clinical treatment, hospital consultation etc.
	Wanbang Diabetic Patient Care campaign		Diabetic patients	60	Through its drug stores in Xuzhou, Nanjing, Zaozhuang, Bangbu, Huainan, Shijiazhuang, Baoding, Jinan, Qingdao, Beijing and Tianjin, Wanbang provided free blood glucose and blood pressure test for local patients. Meanwhile, free education books and brochures were distributed to patients.
Wanbang Sainuokang	Financial aids to poverty		Getabu street	0.5	Visited and offered financial aids to poor families within the street area
Wanbang Tiansheng	Financial aids to poverty		Huishan street	4	Visited and offered financial aids to poor families within the street area, donation to 12 families
Huanghe Pharma	Aids to disaster area affected by earthquake		Red Cross of Funing County	18.8	Huanghe Pharma provided financial aid and donated supplies to Funing County, a disaster area significantly affected by tornado.
Zhaohui Pharma	Financial aids to poverty		Employee	2	Fundraising for Zhu Bo Rong, an employee of the Company diagnosed with cancer
	Financial aids to poverty		7 underprivileged families	0.4	Console and financial aid to families with retired staff and existing employees' families in need
	Academic exchange program on liver diseases		Chinese Foundation for Hepatitis Prevention and Control	6	2017 Asia Pacific academic exchange project for liver disease
	Special study on liver diseases and AIDS		Primary Health Care Foundation of China	11.4	Funds for carrying out special research in liver disease, AIDS, academic exchange, professional training, promotion for popular science
Yao Pharma	Analysis on current status of patients suffered by Hepatitis B and project of analysis and study on mother and infant with positive Hepatitis B		Chongqing Medical Insurance Research Association	13	Research project for analysis of the current condition of hepatitis B patients in Chongqing and analysis of maternal and child livers with hepatitis B
Carelife Pharma	Aids to underprivileged families		Responsible Care Association of Changshou Economic and Technological Development Zone	0.15	Financial aid to community families in difficulty
Erye Pharma	Donation for disaster		Family of Dai Yi Yun	0.6	Donation to family of Dai Yi Yun, an employee of our unit, under 06.23 Fu Ning disaster
Hongqi Pharma	Double Thousand Actions of China Antituberculosis Association Foundation		Donation to 38 hospitals across 20 provinces, such as Shenyang Chest Hospital, Tianjin Haihe Hospital and Dalian Tuberculosis Hospital	12.6	Helped out 100 patients with tuberculosis initially, with each patient receiving RMB1,000 totaling of RMB100,000, while increasing nutritional supplement of RMB20,000
Aohong Pharma	Hand in hand - I dedicate my love for the underprivileged children living in mountains		Gang Zi Cun Primary School in Jiangtun Town, Heishan County and Wang Zhuang Cun Primary School in Xinlituen Town, Heishan County	5	School uniforms, school bags and stationery were donated to a total of 207 students of Gang Zi Cun Primary School in Jiangtun Town, Heishan County and Wang Zhuang Cun Primary School in Xinlituen Town, Heishan County
Guilin Pharma	Join Force to Alleviate the Poverty		Leader Group of Poverty Alleviation and Development of Guilin	6	In order to support the poverty alleviation activities in Guilin, the Qinghao Welfare Project of Guilin Pharma provided warm support to the people in poverty through the Leader Group of Poverty Alleviation and Development of Guilin.
Chongqing Research Institute	City Health and Family Planning Commission Poverty Alleviation Group helping Qianjiang project in 2016		Villages and towns in Qianjiang District, Chongqing	15	For the construction of Qianjiang District



Performance Indicators

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

Item	2012 (on retrospective adjustment)	2013 (on retrospective adjustment)	2014	2015	2016
Net asset value per share that belong to shareholders in listed companies (RMB/share)*	6.05	6.84	7.21	7.86	9.19
Basic earnings per share (RMB/share)	0.80	0.90	0.92	1.07	1.21
Basic earnings per share after					

Comparison of economic indicators throughout Fosun Pharma Group

(RMB10,000)

Item	2012 (on retrospective adjustment)	2013 (on retrospective adjustment)	2014	2015	2016
Revenue	734,078	999,641	1,202,553	1,260,865	1,462,882
Investment Income	186,598	214,062	192,501	234,662	212,540
Operating Profit	203,599	281,883	239,435	329,717	339,942
Plus: non-operating income	9,725	10,436	34,047	10,666	19,511
Less: non-operating expenses	1,020	1,692	1,676	3,200	2,298
Of which: loss on disposal of non-current assets	282	1,045	85	362	974
Total profit	212,304	290,627	271,805	337,183	357,155
Less: income tax expenses	28,376	50,632	34,821	50,117	35,021
Net profit	183,927	239,995	236,984	287,066	322,134
Net profit that belongs to shareholders of the parent company	156,392	202,706	211,287	246,009	280,584
Minority interests	27,536	37,289	25,697	41,057	41,550
Tax liability	78,900	105,080	126,821	143,449	163,136
Donations	333	424	735	847	797

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

201008108513782

R&D indicators of Fosun Pharma Group

Core Indicators

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

Item	2014	2015	2016
Total power consumption (kWh/year)	421,765,752	424,467,622	478,175,186
Electricity of standard coal equivalent (kilograms/year)	51,835,011	52,209,518	58,815,548
Total consumption of energy other than electricity (converted into standard coal) (kilograms/year)	122,713,255	121,204,106	126,874,724
Comprehensive energy consumption (converted into standard coal) (kilograms/year)	174,548,266	173,413,623	185,690,272
Energy consumption for every RMB10,000 output value (in terms of standard coal)	171	157	126.93
Total water consumption (cubic meters/year)	8,377,364	8,716,937	8,769,376
Water consumption for every RMB10,000 output value (cubic meters/RMB10,000)	8.23	7.89	5.99
Investment on environmental protection (RMB10,000)	3,200	3,166	3,346
Investment on environmental protection facilities (including construction and upgrading) (RMB10,000)	1,200	2,156	2,027
Operating investment on pollutant treatment facilities (RMB10,000)	2,000	1,010	1,319
The total water recycling (cubic meters)	136,637	871,123	563,081
Total displacement (tons/year)	5,677,448	6,285,061	6,785,400
The total amount of solid waste (tons/year)	50,258	65,597	80,848.14
Total number of employees (people)	15,757	15,187	16,325
Loss of work rate	No statistics	0.424	0.116
Recordable injury rate	No statistics	0.533	0.21
Occupational disease exposure ratio	14.88%	12.58%	14.89%
Health and Safety investment (RMB10,000)	2,060	4,505	3,155
The total length of training (hours)	No statistics	71,474	93,431
Duration of training per capita (hours)	No statistics	4.71	5.75
Emission of COD (tons/year)	440	488	490
Emission of NH3-N (tons/year)	60.94	56.00	60.55
Emission of nitrogen oxides (tons/year)	90	411	466
Emission of sulphur oxides (tons/year)	318	408	485
Emission of particles (tons/year)	130	110	19

Feedback Form

Dear Readers,

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

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

Contact person: Sun Li Telephone: +86 21 33987125

Postal mail: Please send it to the Brand and Public Relations Department (the recipient) in Building A,
Clone Technology Park, No. 1289 Yishan Road, Shanghai Postal code: 200233

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

Shanghai Fosun Pharmaceutical (Group) Co., Ltd. 2016 Corporate Social Responsibility Report  Feedback Form

Name: _____

Employer: _____

Responsibility: _____

Telephone: _____



Email: _____

Feedback and Opinions Survey:

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

Feedback on the 2016 Fosun Pharma Social Responsibility Report


Li Hefu, Executive Vice-Chairman and Secretary General of the Shanghai Federation of Economic Organization

The 2016 Fosun Pharma Social Responsibility Report  has an integrate structure and contains comprehensive and detailed information disclosure. It concludes and elaborates various social responsibilities work carried out by the enterprise featuring its management, operation, customers, environment, employees and society etc., with strong readability. I hope that Fosun Pharma will continue to uphold the operating vision of innovation For Good Health  enhance research, development and innovation and strictly adhere to quality and safety standards to provide more efficient, more quality and more convenient products and services for patients.

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

As a leading enterprise in pharmaceutical industry, Fosun Pharma has made clear and comprehensive disclosure of its fulfilment of core responsibilities. There is adequate horizontal and vertical quantitative information disclosure, which gives an effective reflection of the fulfilment of responsibilities. The intended focus on disclosure of characteristic of pharmaceutical industry effectively implies Fosun Pharma's attention to industrial responsibilities. For information regarding internal practices, there are effective disclosure of participation of departments and levels relating to social responsibilities and sustainable development as well as information such as systems and mechanisms facilitating subsidiaries to fulfil their social responsibilities, which leave a deep impression on its internal social responsibility management.

Chen Weizheng, General Manager of GoldenBee (Beijing) Management Consulting Co., Ltd.

Through 2016 Fosun Pharma Social Responsibility Report  stakeholders may gain a better understanding of the Company's plans for sustainable development, management measures and management results. Meanwhile, we are pleased to see that Fosun Pharma constantly enhance its influence in accordance with established strategies while maintaining its own records. On the one hand, Fosun Pharma has a try in preparing pharmaceutical standards and, on the other hand, expand its social responsibility to upstream and downstream businesses, in particular achieving positive progress in green supply chain.

For Fosun Pharma, in order to further improving the quality of social responsibility and information disclosure, there are two possible considerations. First, as a pharmaceutical group moving towards internationalization, it has to make better responses to the trend and requirements of global and domestic sustainable development, such as the 2030 Agenda for Sustainable Development of the United Nation and the Five Development Concepts of China, and in this regard adjusting the Company's direction of materiality issues and social responsibilities, and thus helping Fosun Pharma to fulfil social responsibilities in a more long-term and more strategical perspective. Another consideration is to further give play to the function of communication of the report through more detailed and appropriate disclosure of key practices of the Company during the year, with a view to improving the readability of the report.

Table of Company Names

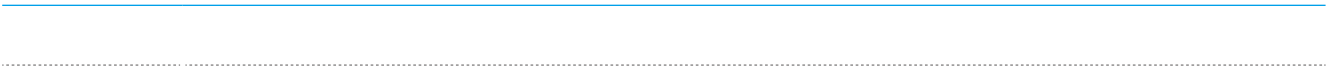
Full name of enterprise	Short name of enterprise
Jiangsu Wanbang Biopharmaceuticals Group Co., Ltd.	Wanbang Biopharma
Shanghai Chemo Wanbang Biopharma Co., Ltd.	Chemo Biopharm
Hebei Wanbang Folon Pharmaceutical Co., Ltd.	Wanbang Folon
Shanghai Zhaohui Pharmaceutical Co Ltd.	Zhaohui Pharma
Xuzhou Wanbang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

Full name of enterprise	Short name of enterprise
Taizhou Changxing Medical Technology Co., Ltd.	Changxing Medical
Chindex (Beijing) International Trade Co., Ltd.	Chindex (Beijing)
Chindex Medical Limited	CML
Chindex International, Inc.	Chindex, CHDX
Alma Lasers Ltd.	Alma
Huaiyin Medical Instruments Co., Ltd.	Huaiyin Medical
Shanghai Transfusion Technology Co., Ltd.	Shanghai Transfusion
Suzhou Laishi Blood Transfusion Equipment Co., Ltd.	Laishi Transfusion
Shanghai Foshion Medical Systems Company Limited	Foshion Medical System
Intuitive Surgical, Inc.	Intuitive Surgical
Shanghai Fosun High Technology (Group) Company Limited	Fosun Group
Shanghai Fosun Pharmaceutical Co., Ltd.	Fosun Pharmaceutical
Saladax Biomedical, Inc.	Saladax Biomedical
Shanghai Fusheng Pharmaceutical Technology Development Co., Ltd.	Fusheng Pharma
Agilent Technologies Inc	Agilent Technologies
Lenovo Group	Lenovo
Ambrx, Inc.	Ambrx
Chongqing Fuchuang Pharmaceutical Research Co., Ltd	Pharma Fuchuang
Chongqing Ruizhe Pharmaceutical Co., Ltd	Ruizhe Pharma
Chindex Shanghai International Trading Company Limited	Chindex Shanghai
Chindex Tianjin International Trading Company Limited	Chindex Tianjin
Shanghai Fosun Hospital Investment (Group) Co., Ltd.	Fosun Hospital Investment
Spirosure, Inc.	Spirosure
General Electric Company	GE
Hangzhou Wanbang Tiancheng Pharmaceutical Co., Ltd.	Wanbang Tiancheng
Gland Pharma Limited	Gland Pharma

[illegible]

Terminologies

Term	Definition
GRI	Acronym for Global Reporting Initiative
FSC	Acronym for Forest Stewardship Council
EHS	Acronym for Environment, Health and Safety, which means the environmental health and safety system standard
CAPA	Acronym for Corrective Action & Preventive Action
FDA	Acronym for Food and Drug Administration (S)
WHO-PQ	World Health Organisation PQ Qualification, that is Prequalification, which is referred to as PQ. It is an appraisal standard formulated by WHO in 2001, which is targeted to review drugs that treat AIDS, malaria, and tuberculosis
WTO	Acronym for World Trade Organisation
GMP	Acronym for Good Manufacturing Practice, which requires a pharmaceutical or a food product manufacturer must have good manufacturing equipment and rational manufacturing process, improved quality management and strict testing system to assure that the final production process meets the requirements of laws and regulations and the product quality meets quality requirements
cGMP	Acronym for Current Good Manufacture Practices, which is a world leading good manufacturing practice that requires the whole process of products manufacturing and logistics must be verified
OOS	Acronym for Operation Support System
SOP	Acronym for Standard Operation Procedure
GCP	Acronym for Good Clinical Practice, which is the standard specification of the whole process of clinical trials of drugs, the aim of which is to ensure that the process of specification of clinical trials, so that the results are scientifically reliable, and protect the interests of the subject and keeping them safe
CSR	Acronym for Corporate-Social-Responsibility
Artesun	Artesunatum for injection
eCME	The new Online Medical Training Project initiated by Guilin Pharma in 2014 aimed to break the geographical restrictions, cooperate with global/regional top academic expert in medical related fields. Providing a online academic exchange platform for medical staff in African via internet multimedia interaction such as video conference, helping them to understand the state-of-art medical knowledge, improve themselves while communicate with top experts face to face, so as to improve the local medical progress in Africa
IT	Acronym for Information Technology, which is mainly used for general management and processing of information through the adoption of various technologies
NGO	Acronym for Non-Governmental Organizations
CE	Acronym for European Conformity, in French. CE certification is a safety certification and is regarded as a passport for entry in European market by manufacturers. A product with the CE marking indicates its compliance with European Union safety, health, environmental protection and consumer protection directives.
T V	T V is a safety certification widely-received in Germany and Europe for parts and components set up by T V at Germany
ISO13485	The Quality Management System for Medical Devices, representing the particular requirements of International Organization for Standardization (ISO) for a comprehensive quality management system for medical device manufacturers. The system effectively helps the medical devices to reach the safe and effective quality standards
Unseen Inspection	It is known as a form of tracking examination, which refers to unannounced spot checks to be implemented by the inspection department
Social contribution value per share	<p>It refers to added value per share created by an enterprise for society, calculated on earnings per share created by the enterprise for shareholders, plus tax paid to the State for the year, salaries for staff, interests on borrowings from creditors such as banks, and donations by the Enterprise, then deducting other social costs caused by environmental pollution.</p> <p>Social contribution value per share = earnings per share + (tax + staff cost + interest expenses + social investment)/total costs as at the end of the period</p> <p>Formula: Social contribution value per share = earnings per share + added value per share</p> <p>Added value per share = (tax paid during the year + salaries paid to staff + interests on borrowings paid to creditors + external donations by the enterprise other social costs caused by environmental pollution) / shares</p>
OA Net	It enables internal staff of an enterprise to conveniently share information and effective coordination by adopting Internet/ Intranet technology based on working flow concept, so as to realize fast and all-around information collection and handling instead of the past complicated and low-efficient manual office, providing scientific basis for management and decision-making of an enterprise



Term	Definition
Water consumption for every RMB10,000	The unit of water consumed on average for manufacturing or selling RMB10,000, measuring in cubic meter.
HECC	Energy-saving heat pipe
EDI	Acronym for electro deionization, which is a type of device and equipment for producing ultra-pure water for industrial use in pharmaceutical industry.
Reactive power compensation	In the electronic power supply system, enhance effects of the power factor, reduce the loss of power transformers and transmission lines, improve the power supply efficiency and improve the power supply environment.
Concentrate Water Collection	The collection of treated waste polluted water from corporate production and operation, after reaching certain standards, for internal low standard water usages such as greening and irrigation, road washing and water supply for fire fighting, so as to reduce water consumption and waste of water resources.
Concentrate water collection	The collection and treatment of a substantial proportion of concentrate water from production and extraction of pure water through using reverse osmosis (RO) equipment in pharmaceutical industry. After reaching certain standards, the concentrate water will be applied in other process water sessions or drinking water, so as to achieve the objective of reducing waste and consumption of water.
Secondary measurement	A more segmented and accurate measurement of energy and water consumption of regions, units or facilities of an enterprise in the light of total measuring data from primary measurement. It serves as the basis and foundation for formulating water-saving measures to realize resource conservation.
CO ₂	Molecular symbol for carbon dioxide, in the context of environmental protection, often refers to greenhouse gases and is considered to be correlated with global warming.
CH ₄	The molecular formula of methane, which is a greenhouse gas and an atmospheric pollutant.
N ₂ O	The molecular formula of nitrous oxide, which is a greenhouse gas
Power frequency electric field	One of the occupational hazards, referring the the electric field generated from power transmission and transformation (e.g. power distribution). Working under radiation of electric field for a longtime may cause neurasthenia.
PPE	Acronym for Personal Protection Equipment, also known as equipment for occupational health, safety and labor protection.
LOTO	Acronym for Lock Out & Tag Out, in the context of safety, refers to a type of safety management professional instrument or elements requiring energy isolation for staff being exposed to energy hazards in production process.
HAZOP & JHA	Acronym for Hazards and Operability Study ^① and Job Hazards Analysis ^② , which are professional instrument or approach for identification and assessment of relevant risks in Health Safety Management System.
5S	Acronym for the Japanese words of Seiri, Seiton, Seisou, Seiketsu, Shitsuke ^③ , which often means the implementation of effective management of the tidiness and order of the production and work premises.
PSM	Acronym for Process Safety Management, which is an advanced safety management system and a series of management methods and practices for comprehensive risk identification, assessment and control with focus on chemical production and other major risk areas.
HRO	Acronym for High Risk Operation, which is a professional term in health and safety management and often referred to the operation and production activities such as welding and working at height which may cause major accidents, fatality or other severe results and require high level of safety management and control.
EIR	Acronym for Establishment Inspection Report, namely factory investigation report.
RDMS	Acronym for Research and Development Management System, namely integrated research and development management platform.
OpenStack	An open source project which provides softwares for setting up and managing public and private clouds and is composed of several main components
ISO27000	Refers to information security management system, which requires organisations the develop its own information security management goals and the approaches of achieving the goals.
EGFR	Acronym for Epidermal Growth Factor Receptor, a multifunctional glycoprotein widely distributed on the cell membrane of human tissues.
PCT	Acronym for Patent Cooperation Treaty.
BOD	Acronym for Biochemical Oxygen Demand, a comprehensive indicator of oxygen demanding substances such as organic matter in water
QBD	Acronym for Quality by Design, mainly refers to the idea of pharmaceutical quality management, which considers the quality of final product from the beginning of research and development of pharmaceuticals.

Third Party Evaluation

Due to demographic changes and economic transformation and upgrade, the pharmaceutical and healthcare industry has become a focused industry of concern in the PRC and the society. The development of the pharmaceutical industry provides a critical solid foundation for protecting the health and well-being of human. In order to enhance growth potentials and drivers, China demands national pharmaceutical enterprises with the capabilities in innovating, performing social responsibilities and sustainable development. We noticed Fosun Pharma's values of self-improvement, teamwork, performance and contribution to society⁴ as well as, the responsibilities and undertakings of the pharmaceutical enterprises in China in marching towards the global excellence and exploring sustainable development when reading this thick corporate social responsibility report of Fosun Pharma Group.

Fosun Pharma adheres to the overall strategic planning of endogenous growth, epitaxial expansion, integrated development⁴ and integrates the strategies and decision-making of sustainable development with each procedures of operations in terms of product research and development, production and manufacturing, marketing, healthcare services and so on by continuously optimizing the internal control system, actively communicating with stakeholders, integrating internal and external resources and other measures. Meanwhile, this report has made detailed and specific disclosure of the key performance indicators of actual issues, such as corporate operating results, investment in research and development, quality control, suppliers management, management of doctor-patient relationship, investment in environmental protection, use and consumption of energy, control and discharge of pollutants, EHS training and career development of employees, community charity, etc. It has demonstrated Fosun Pharma's profound understanding of sustainability management and action plans in performing its responsibilities, which provides an outstanding model in promoting sustainable development for other enterprises to follow.

As a pharmaceutical leading enterprise with strong appeal and influence, Fosun Pharma also proactively participates in the project of aiding African countries in the fight against malaria, to sponsor a dozen African countries the medicines of preventing and controlling malaria, which has benefited malaria patients and has brought the innovative anti-malaria drugs in China to go global, making satisfactory achievement in the internationalization of domestic pharmaceutical enterprises. We would like to suggest that Fosun Pharma conduct indicative quantization for the strategic procedures and measures of sustainable development, include the national target of preliminarily setting up a basic medical and health care system in 2020⁴, the Sustainable Development Goals (SDGs) of the United Nations and other major targets in its procedures and measures, as well as, enrich the action plans by reinforcing the relevant content of the principal operations of the companies in the pharmaceutical and healthcare industries that attracted attention from the stakeholders and the multi-years horizontal performance comparison information. It will help Fosun Pharma in specifying the matters of prime importance in relation to sustainable development more clearly and communicating the impact of operations with the stakeholders more effectively, and also help Fosun Pharma in utilizing its influence to form an innovative business model and exert synergistic effects of various parties, thereby working together in promoting the sustainability of the pharmaceutical industry in China.

Currently, the healthcare reform of China has entered a crucial stage. We expect that Fosun Pharma will continue to endeavour in leading the national pharmaceutical enterprises for sustainable development, make contributions in realizing the national healthcare assurance vision of accessing patients to medical treatment⁴ and promote the well-being of mankind.



China Business Council for Sustainable Development

Zha Qi

Guidance on classifying social responsibility performance (GB 36002)

Serial Number	Content	Page
Decision Making Process and Structure (Z-1)		
Z-1-1	The extent reflecting the undertakings in relation to the social responsibility of the organization in terms of strategies, goals and indicators	15-17
Z-1-2	Proof of the undertakings and commitments of the management of the organization	3
Z-1-3	Measures taken to create and cultivate the environment and culture of compliance in social responsibility principles	17
Z-1-4	Economic and non-economic incentives in relation to social responsibility performance	23-25, 34-39
Z-1-5	Measures ensuring effective utilization on financial resources, natural resources and human resources taken to promote and implement social responsibility principles	23-25
Z-1-6	Measures ensuring the senior positions of the organization which are open and fair to different groups taken to promote and implement the social responsibility principles	24-30
Z-1-7	Measures balancing the needs between the organization and the stakeholders	23, 26-31
Z-1-8	Interactive communication procedures between the organization and the stakeholders	27-31
Z-1-9	Measures taken to encourage employees from different levels to effectively participate in social responsibility activities	24, 100, 105-111
Z-1-10	Measures taken to ensure the power and responsibilities of the decision making employees in alignment with their capabilities	19-20, 24
Z-1-11	Measures taken to monitor the implementation of decisions in relation to social responsibility of the organization	23-25
Z-1-12	Measures of the assessment, adjustment and communication in relation to the governance processes of the organization	19-22
Civil and political rights (R-1)		
R-1-1	Respect for the right to life, measures taken to support and promote the related realization and the results obtained	13, 41, 55, 80-81, 98, 101
R-1-2	Respect for freedom of speech, measures taken to support and promote the related realization and the results obtained	99, 104-105
R-1-3	Respect for right to peaceful assembly and association, measures taken to support and promote the related realization and the results obtained	N/A
R-1-4	Respect for personal property rights or common property rights and the right against arbitrary deprivation of property, measures taken to support and promote the related realization and the results obtained	38-39
R-1-5	Respect for freedom of religion, measures taken to support and promote the related realization and the results obtained	98
R-1-6	Respect for fair hearing right and the right of appeal of employees entitled by law prior to any internal disciplinary proceedings and the right against arbitrary corporal punishment, inhuman or degrading treatment, measures taken to support and promote the related realization and the results obtained	98-99
Economic, social and cultural rights (R-2)		
R-2-1	Due diligence for the prevention of participation in destroying, obstructing and disturbing the entitled economic, social and cultural rights	52-53, 104-105
R-2-2	The contribution of realizing economic, social and cultural rights by the organization	38, 104
Basic principles and rights at work (R-3)		
R-3-1	Respect for the freedom of participation and organization of the labor union and collective bargaining of the employees	99, 104-105
R-3-2	Measures taken to eliminate forced and compulsory labor and the results obtained	92-100
R-3-3	Measures taken to eliminate child labor and the results obtained	98-99
R-3-4	Measures taken to promote equal employment opportunity and non-discriminatory employment and the results obtained	98-99

Guidance on classifying social responsibility performance (GB 36002)

Serial Number	Content	Page
Employment and staff relationship (L-1)		
L-1-1	No illegal employment	98-99
L-1-2	No malicious use of the employment system to reduce its legal obligations	92-99
L-1-3	Proactive workforce plan	92-99
L-1-4	Explanation, consultation and collective discussion in respect of the changes affecting the employment with the labor union or all staff members in advance	98-99
L-1-5	No direct or indirect discriminatory behavior at work	98-99
L-1-6	No arbitrary or discriminatory dismissal	98-99
L-1-7	Protection of the personal information and privacy of the employees	22, 98-99
L-1-8	The sole use of legal employment agencies, measures taken to subcontract the work to legal organizations capable and willing to take organizational responsibilities and provide decent working conditions and the results obtained	98-99
L-1-9	Measures taken to avoid being benefited from business partners, suppliers and subcontractors due to their irresponsible employment and the results obtained	50-51
Working conditions and social protection (L-2)		
L-2-1	The compliance of working conditions	58-60, 80-84
L-2-2	Provision of decent working conditions	80-84, 100
L-2-3	Respect for the ethnical culture and the traditions and customs of the religions	98
L-2-4	Measures taken to realize the work life balance of the employees to the greatest extent and the results obtained	98-100
L-2-5	Direct payments of salaries and other remunerations	38-39
L-2-6	Equal pay for equal work	38-39, 98-99
L-2-7	No malicious increase of workload to evade overtime pay	98-99
L-2-8	Provision of social protection to the employees	92-100
L-2-9	Respect for the rights of standard working hours or contractual working hours, weekly holidays and paid leaves	92-100
L-2-10	Respect for the family commitments of the employees	98-100
L-2-11	Compensation for the overtime work of employees	98-99
Democratic governance and collective discussion (L-3)		
L-3-1	Measures taken to enhance the democratic governance and the awareness of the collective discussion of the organization and the results obtained	99
L-3-2	Establishment of the collective discussion mechanism and effective operation	99, 104-105
L-3-3	Measures taken to respect and proactively support the democratic governance activities organized by the labor union and the results obtained	98-99, 104-105
L-3-4	Establishment and improvement of the democratic governance system	98-99, 104-105
L-3-5	To notify the relevant government authorities and staff representatives when the changes which might materially affect the employment occurs and collectively conduct examinations	21-22, 104-105
Occupational health and safety (L-4)		

Guidance on classifying social responsibility performance (GB 36002)

Serial Number	Content	Page
L-4-1	The establishment, implement and maintenance of occupational health and safety policies	58
L-4-2	Compliance with the basic principles of occupational health and safety management	80-81
L-4-3	The analysis and control of the risks in relation to occupational health and safety	80
L-4-4	Communication and compliance with occupational health and safety procedures	81
L-4-5	Provision of safety equipment to prevent occupational damage, illness, incidents and emergency and provision of necessary personal protective equipment for free	83-84
L-4-6	Record and investigations of incidents and problems in relation to occupational health and safety	81-82
L-4-7	Specific measures taken in accordance with different influence arising from the risks of occupational health and safety and the results obtained	81
L-4-8	Equal provision of occupational health and safety measures to the employees and the results obtained	81
L-4-9	Measures committed to eliminate the sources of social psychological hazards facilitating or resulting in nervousness and illnesses and the results obtained	81
L-4-10	Provision of adequate occupational health and safety trainings for the employees	86-88
L-4-11	Participation of employees in occupational health and safety and environmental management system	89
Development and trainings for workers (L-5)		
L-5-1	Provision of skill development, trainings and apprenticeships in each stage and equal promotion opportunities for the employees	93-97
L-5-2	Measures taken to ensure the assistance is provided to dismissed employees	98-99
L-5-3	Plans developed and implemented to promote the health and welfares of the employees	98-99
Prevention of pollutions (H-1)		
H-1-1	The identification of the influence and relationships between the decisions and activities of the organization and the surrounding environments	58-59
H-1-2	The identification of the sources of pollutions and wastes in relation to the activities of the organization	71-74
H-1-3	Measurements, records and reports on the important sources of pollutions and the decrease in pollutions, water usage, wastes and energy consumption	71-74
H-1-4	Measures implemented with the aim to prevent pollutions and wastes and the results obtained, the result of applying waste management system and the measures taken to manage the inevitable pollutions and wastes and the results obtained	71-74
H-1-5	The communications with the local communities in relation to the prevention of pollutions	71-74
H-1-6	Measures taken to reduce pollutions and the results obtained	71-74
H-1-7	Public disclosure of the quantities and categories of the relevant and important toxic and hazardous materials in use and released	75-76
H-1-8	Systematic identification and refusal of the use in banned chemicals in compliance with the law	75-76
H-1-9	Programs of preventions and preparations for environmental contingencies implemented and the emergency plans developed	60
The use of sustainable resources (H-2)		
H-2-1	The identification of the sources of energy, water and other resources in use	60-63
H-2-2	Measurements, records and reports on the energy, water and other resources consumed in substantial amount	60-63
H-2-3	Resource efficiency measures taken to reduce the consumption of energy, water and other resources and the results obtained	64-65
H-2-4	Measures taken to adopt sustainable and renewable resources with lower impact on the environment to supplement or substitute the non-renewable resources and the results obtained	64

Guidance on classifying social responsibility performance (GB 36002)

Serial Number	Content	Page
H-2-5	Measures taken to use recycled materials and reuse water resources as much as possible and the results obtained	65
H-2-6	Measures taken to manage water resources with the aim to ensure the fair use of water resources by other users within the basin and the results obtained	64-65, 72-73
H-2-7	Measures taken to promote the sustainable procurement and the results obtained	78
H-2-8	Practice of extending the responsibilities of the manufacturers	58-61
H-2-9	Measures taken to promote the sustainable consumption and the results obtained	57-89
Alleviation and adaptation to the climate change (H-3)		
H-3-1	The identification of the direct and indirect sources of accumulated emission of greenhouse gases	79-80
H-3-2	Measurements and records on the major greenhouse gases emitted by the organization	79-80
H-3-3	Measures taken to gradually reduce and minimize the direct and indirect emission of greenhouse gases within its controllable ranges and encourage similar actions within its spheres of influence and the results obtained	79-80
H-3-4	Evaluation of the quantities and categories of major fuels in use and the following measures taken to increase the efficiency and effect of the use in major fuels and the results obtained	60-65
H-3-5	Measures taken to prevent and reduce the emission of greenhouse gases(GHG) as a result of the land in use and the changes in the use of land and craftsmanship or equipment and the results obtained	79
H-3-6	Energy saving measures of the organization and the results obtained	64-65
H-3-7	Measures taken to offset the remaining emission of greenhouse gases and the results obtained	79-80
H-3-8	The identification of the risks based on the forecast of the future climate	60-61
H-3-9	Measures taken to make adjustments with the aim to alleviate and adapt to the climate change and the results obtained	79
H-3-10	Measures taken to be committed in building the capacity of the stakeholders for the adaptation to the climate change and the results obtained	No Statistics
Environmental protection, bio diversities and the recovery of the natural habitats (H-4)		
H-4-1	The identification of the potential negative impact on the bio diversities and ecosystem services arising from the decisions and activities of the organization, measure taken to reduce the negative impact and the results obtained	79
H-4-2	The participation in market mechanism with respect to the internalization of the costs in the impact on the environment and the economic value created from the protection of ecosystem services	79
H-4-3	Compliance with the selection order principle in the protection of ecosystem hierarchy	79
H-4-4	Integrated management strategies developed and implemented for land, water resources and ecosystem	65, 79
H-4-5	Measures taken to protect regional, threaten or endangered species or habitats from negative impact and the results obtained	79
H-4-6	The plan, design and operated mode adopted to minimize the influence on the environment arising from the land use decisions	61-77
H-4-7	Measures taken to protect natural habitats, wetlands, forests, wildlife corridors, nature reserve and agricultural land during the development of constructions and buildings and the results obtained	No similar Events
H-4-8	The adoption of good practices on sustainable agriculture, fishery and forestry	Not Applicable
H-4-9	The gradual increase in use of products made with more sustainable technologies and craftsmanship with the aim to encourage the suppliers to use such technologies and craftsmanship	78
H-4-10	Emphasis and protection of the wild animals and their habitats	79

Guidance on classifying social responsibility performance (GB 36002)

Serial Number	Content	Page
H-4-11	Measures taken to avoid threatening the survival of the species or resulting in extinction of the local species or allowing the propagation or spread of invasive alien species and the results obtained	79
Anti-corruption (G-1)		
G-1-1	The identification of corruption risks and the development and implementation of corresponding corruption prevention policies	104-105
G-1-2	The role model effect of the management, their undertakings, encouragement and measures taken to monitor and implement the anti-corruption policies and the results obtained	105
G-1-3	The support provided to the employees and organization representatives to eliminate corruption and the results obtained, training activities and the incentives for the progress accomplished and the results obtained	105
G-1-4	Measures taken to increase the anti-corruption awareness of the employees, organization representatives, subcontractors and suppliers and the results obtained	104-105
G-1-5	Measures taken to ensure the properness of the legal services remuneration provided to the employees and organization representatives and the results obtained	19
G-1-6	Establishment and maintenance of anti-corruption system	104-105
G-1-7	To encourage employees, business partners, organization representatives and suppliers to report the breaches of law, discipline and the policies of the organization, as well as the protection mechanism for immoral and unfair treatment	104-105
G-1-8	To report to the relevant law enforcement agencies in relation to the offending behavior	No similar Events
G-1-9	To participate and implement the anti-corruption action plans developed by the anti-corruption authorities and in relation to the organization, and the measures taken to support, promote and cooperate during the activities and the results obtained	104-105
G-1-10	Measures taken to encourage others having operational relationships with the organization to adopt similar practices and the results obtained	104-105
Fair Competition (G-2)		
G-2-1	The compliance of relevant competition laws and regulations	48
G-2-2	Procedures established to prevent the participation in anti-competitive practices or other safeguards and the results obtained	No Statistics
G-2-3	Measures taken to increase the awareness of the employees' compliance with relevant competition laws and regulations and the fair competition and the results obtained	48
G-2-4	Measures taken to support anti-monopoly and anti-dumping behavior and the public policies encouraging the competitions and the results obtained	No similar Events
G-2-5	Refusal of use of social conditions such as poverty to obtain the advantage of unfair competition	98-99
Promotion of social responsibilities in the value chain (G-3)		
G-3-1	The inclusion of social responsibilities policies and implementations in purchase, distribution and contracts	50
G-3-2	Measures taken to encourage other organizations to implement social responsibilities policies in the value chain	50
G-3-3	Due diligence and monitoring on the prevention of departing from social responsibilities commitments of associated organizations	28
G-3-4	Measures taken to support and help small medium organizations to realize their social responsibilities goals and the results obtained	No Statistics
G-3-5	Measures taken to increase the awareness of the social responsibilities principles and issues of the associated organizations and the results obtained	No Statistics
G-3-6	Fair and feasible measures with respect to the costs and revenues of the promotion and implementations of the social responsibilities in the value chain	50
Respect for property rights (G-4)		
G-4-1	The policies of promoting property rights and traditional knowledge and its implementations	34
G-4-2		

Guidance on classifying social responsibility performance (GB 36002)

Serial Number	Content	Page
X-3-2	Measures taken to ensure the products and services provided to consumers are beneficial to the society and environment throughout their life cycles and the results obtained	44-46
Consumer services, support and complaints and disputes handling (X-4)		
X-4-1	Measures taken to prevent complaints by offering specific periods to exchange or return the products or offering other appropriate compensations and the results obtained	47
X-4-2	To review and improve the complaints and its handling approach	47
X-4-3	To provide guarantees that matches with the expected life cycle of the product but exceeds the statutory warranty period if feasible	No Statistics
X-4-4	To inform consumers clearly about the methods and channels in receiving the after-sales services and support as well as the dispute settlement and compensation mechanism	48
X-4-5	Adequacy and effectiveness of the provision of after-sales support and the consulting services system	27, 48
X-4-6	Rationality of the price for maintenance services and accessibility of service establishments as well as accessibility of the information in relation to the projected supply of components	27, 48
X-4-7	The disputes, conflicts and compensation mechanism adopted based on national standards, industry standards, local standards and corporate standards	27, 47-48
Consumer Information Protection and Privacy (X-5)		
X-5-1	Restrictions on personal information collection	47-48
X-5-2	No signs of use of any consumer personal information for marketing purposes without approval	47-48
X-5-3	Legitimacy and fairness of the information collection	47-48
X-5-4	Clear statement on its purposes before or during information collection	47-48
X-5-5	No signs of leakage, provision and abuse of any consumer personal information or use of personal information for purposes other than the designated use without consumers' knowledge, approval or if there is no relevant legal requirements	47-48
X-5-6	Measures taken to verify and question whether the consumers possesses the relevant information of the organization and the results	47-48
X-5-7	Adequacy of the protection measures for the safety of personal information	22
X-5-8	Practices of using personal information and the openness of policies, and the convenient method to verify the existence, nature and major purposes of personal information	22
X-5-9	Public disclosures of the contact information of the information protection officers within the organization, and their responsibilities in complying with the above measures and applicable laws and regulations	22
Acquisition of basic services(X-6)		
X-6-1	In the absence of an opportunity for consumers to pay within a reasonable period, prohibition of the provision of basic services due to the default in payment and penalty to the group of consumers by terminating the provision of collective services without consideration of whether the specified consumers have made any payment	48
X-6-2	Provision of allowances for persons in need and adoption of measures in pricing and fee collection, if permitted	98
X-6-3	Transparency of the information in relation to pricing and fee collection	47
X-6-4	Measures taken to expand the coverage of basic services ensure the provision of services to all groups of consumers at same quality and standard in non-discriminatory manner and the results	48
X-6-5	Fair treatment adopted to avoid any diminution or termination of basic services due to discrimination against any group of consumers	No similar Events

Guidance on classifying social responsibility performance (GB 36002)

Serial Number	Content	Page
X-6-6	Service system maintenance and upgrade measures adopted to avoid service termination and the results	47, 53
Education and Awareness (X-7)		
X-7-1	Consumer-oriented education activities in relation to health and safety (including the danger of products)	86-88
X-7-2	Consumer-oriented education activities in relation to information on all applicable laws and regulations, methods of claim, consumer protection bodies	48
X-7-3	Consumer-oriented educational activities in relation to the identification of products and services and the information provided in guidelines and instruction manuals	48
X-7-4	Consumer-oriented educational activities in relation to information on weight and size, price, quality and the conditions for loan approval and necessary information for available services	27
X-7-5	Consumer-oriented educational activities in relation to information on the risk and all necessary alerts on the use	27
X-7-6	Consumer-oriented educational activities in relation to products and services of finance and investment nature	No Statistics
X-7-7	Consumer-oriented educational activities in relation to environmental protection	No Statistics
X-7-8	Consumer-oriented educational activities in relation to the effective use of raw materials, energy and water	No Statistics
X-7-9	Consumer-oriented educational activities in relation to sustainable consumption	27
X-7-10	Consumer-oriented educational activities in relation to the proper disposal of packaging materials, waste and products.	No Statistics
Social Participation (S-1)		
S-1-1	Consultation with different district representatives in the community in determining matters of prime importance in relation to community investment and development	108
S-1-2	For development projects that may affect the community, mutual negotiations with the community on the relevant conditions and circumstances before development	No similar Events
S-1-3	Participation in local institutions and organizations to promote public interest and community development	105, 107
S-1-4	Measures taken to prevent bribery or undue influence and the results	104-105
S-1-5	Incentives and supportive measures adopted for participating in community volunteer service and the results	108
S-1-6	Measures taken to facilitate the establishment, implementation, monitoring and assessment of community development and the results	108
Education and Culture (S-2)		
S-2-1	Facilitation and supportive measures taken for all levels of education to enhance the local cultural standard and the results	106
S-2-2	Measures taken to increase learning opportunities for disadvantaged groups and the results	106
S-2-3	Assistance provided to remove obstacles for children to receive education and the results	107
S-2-4	Promotion and respect for the local culture and traditions	ndisclosed
S-2-5	Assistance provided to preserve and conserve cultural heritage and the results	ndisclosed
Employment opportunities and skills development (S-3)		
S-3-1	Employment opportunities created by direct investment to alleviate poverty.	92
S-3-2	Technological selection for maximizing employment opportunities	93-94
S-3-3	Measures taken to ensure the impacts to employment are considered in the outsourcing policy and the results	50
S-3-4	Measures taken to ensure prior consideration for direct employment opportunities in the community and the results	92

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Global Reporting Initiative G4 Indicator Index

Number	Content	Page
G4 GENERAL STANDARD DISCLOSURES Summary and Index		
STRATEGY AND ANALYSIS		
G4-1*	Compliance Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	3
G4-2	Provide a description of key impacts, risks, and opportunities	3, 4, 16-17, 139
ORGANIZATIONAL PROFILE		
G4-3*	Report the name of the organization	Front Cover, 11, 13, Back Cover
G4-4*	Report the primary brands, products, and services	12, 44
G4-5*	Report the location of the organization's headquarters	Back Cover
G4-6*	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	12, 18
G4-7*	Report the nature of ownership and legal form	4, 11, 19
G4-8*	Report the markets served	18, 35-37, 42, 44
G4-9*	Report the scale of the organization	12
G4-10* NGC	a. Report the total number of employees by employment contract and gender b. Report the total number of permanent employees by employment type and gender c. Report the total workforce by employees and supervised workers and by gender d. Report the total workforce by region and gender e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries)	92-93, 99
G4-11* OECD/ NGC	Report the percentage of total employees covered by collective bargaining agreements	98
G4-12*	Describe the organization's supply chain	50, 78
G4-13*	Report any significant changes during the reporting period regarding the organization's size, structure	14, 27-30, 50
G4-14*	Report whether and how the precautionary approach or principle is addressed by the organization	46, 104-105
G4-15*	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	29-30
G4-16*	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization	31
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17*	a. List all entities included in the organization's consolidated financial statements or equivalent documents b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	4, 116-117
G4-18*	a. Explain the process for defining the report content and the Aspect Boundaries b. Explain how the organization has implemented the Reporting Principles for Defining Report Content	23, 117, 139
G4-19*	a. List all the material Aspects identified in the process for defining report content	23

*Note: The term marked with * under the GRI4 General Standard Disclosures indicate that the item belongs to the compulsory disclosure of GRI4 card standards. Subject to the requirements of the core standards, at least one indicator shall be disclosed for each certain substantial aspect under the GRI4 Specific standard disclosures.

Global Reporting Initiative G4 Indicator Index

Number	Content	Page
G4-20*	For each material Aspect, report the Aspect Boundary within the organization	23
G4-21*	For each material Aspect, report the Aspect Boundary outside the organization	23
G4-22*	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	112-113
G4-23*	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	4, 12, 117

STAKEHOLDER ENGAGEMENT

G4-24*	Provide a list of stakeholder groups engaged by the organization	26-30
G4-25*	Report the basis for identification and selection of stakeholders with whom to engage	26-30
G4-26*	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	26-30
G4-27*	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	26-30

REPORT PROFILE

G4-28*	Reporting period (such as fiscal or calendar year) for information provided	4
G4-29*	Date of most recent previous report (if any)	4
G4-30*	Reporting cycle (such as annual, biennial)	4
G4-31*	Provide the contact point for questions regarding the report or its contents	115
G4-32*	a. Report the 'in accordance' option the organization has chosen b. Report the GRI Content Index for the chosen option (see tables below) c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines	4, 131-138
G4-33*	a. Report the organization's policy and current practice with regard to seeking external assurance for the report b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided c. Report the relationship between the organization and the assurance providers d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report	4, 121, 140-141

GOVERNANCE

G4-34*	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	19-20
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	19-20
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	19-20
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body	23-25
G4-38	Report the composition of the highest governance body and its committees	19-20
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement)	19-20
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	19-20

Number	Content	Page
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders	19
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	17, 44, 58, 104
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	34-39, 56-91, 104
G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice	19-22
G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities	3, 19, 27-30
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	19-22
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	21, 35-38, 104
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	19
G4-49	Report the process for communicating critical concerns to the highest governance body	19
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	19
G4-51	a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives	38-39, 59, 98
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization	19
G4-53	Report how stakeholders' views are sought and taken into account	

Global Reporting Initiative G4 Indicator Index

Number	Content	Page
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	58-59
G4-EC3	Coverage of the organization's defined benefit plan obligations	39, 98
G4-EC4	Financial assistance received from government	ndisclosed
Market Presence		
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	39, 90
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	92-93
Indirect Economic Impacts		
G4-EC7	Development and impact of infrastructure investments and services supported	105-107
G4-EC8	Significant indirect economic impacts, including the extent of impacts	34-35
Procurement Practices		
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	46-48
ENVIRONMENTAL		
Materials		
G4-EN1	Materials Used By Weight Or Volume	50
G4-EN2	Percentage Of Materials Used That Are Recycled Input Materials	61-69
Energy		
G4-EN3	Energy Consumption Within The Organization	65-74
G4-EN4	Energy Consumption Outside Of The Organization	No Statistics
G4-EN5	Energy Intensity	61
G4-EN6	Reduction Of Energy Consumption	64-65
G4-EN7	Reductions In Energy Requirements Of Products And Services	64
Water		
G4-EN8	Total Water Withdrawal By Source	61
G4-EN9	Water Sources Significantly Affected By Withdrawal Of Water	No Similar Events
G4-EN10	Percentage And Total Volume Of Water Recycled And Reused	65
Biodiversity		
G4-EN11	Operational Sites Owned, Leased, Managed In, Or Adjacent To, Protected Areas And Areas Of High Biodiversity Value Outside Protected Areas	No Similar Events
G4-EN12	Description Of Significant Impacts Of Activities, Products, And Services On Biodiversity In Protected Areas And Areas Of High Biodiversity Value Outside Protected Areas	No Similar Events
G4-EN13	Habitats Protected Or Restored	No Similar Events
G4-EN14	Total Number of IUCN Red List Species And National Conservation List Species With Habitats In Areas Affected By Operations, By Level Of Extinction Risk	No Similar Events

Number	Content	Page
Emissions		
G4-EN15	Direct Greenhouse Gas (Ghg) Emissions (Scope 1)	79
G4-EN16	Energy Indirect Greenhouse Gas (Ghg) Emissions (Scope 2)	79
G4-EN17	Other Indirect Greenhouse Gas (Ghg) Emissions (Scope 3)	62, 79
G4-EN18	Greenhouse gas (ghg) emissions intensity	No Statistics
G4-EN19	Reduction of greenhouse gas (ghg) emissions	No Statistics
G4-EN20	Emissions of ozone-depleting substances (ods)	No Statistics
G4-EN21	Nox, sox, and other significant air emissions	71
Environments and Waste		
G4-EN22	Total water discharge by quality and destination	72
G4-EN23	Total weight of waste by type and disposal method	75-76
G4-EN24	Total number and volume of significant spills	No Similar Events
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention annex I, II, III and VIII, and percentage of transported waste shipped internationally	No Similar Events
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	No Similar Events
Products and Services		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	60
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	66-70
Compliance		

Global Reporting Initiative G4 Indicator Index

Number	Content	Page
LABOR PRACTICES AND DECENT WORK		
Employment		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	93, 99
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or parttime employees, by significant locations of operation	38-39, 98
G4-LA3	Return to work and retention rates after parental leave, by gender	98
Labor/Management Relations		
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	98
Occupational Health and Safety		
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	83-84
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	80-83
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	83-84
G4-LA8	Health and safety topics covered in formal agreements with trade unions	86-88
Training and Education		
G4-LA9	Average hours of training per year per employee by gender, and by employee category	95
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	93-97
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	98
Diversity and Equal Opportunity		
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	93
Equal Remuneration for Women and Men		
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	38-39, 98
Supplier Assessment for Labor Practices		
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	No Statistics
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	No Similar Events
Labor Practices Grievance Mechanisms		
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	98
HUMAN RIGHTS		
Investment		
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not Applicable
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	93-97

Global Reporting Initiative G4 Indicator Index

Number	Content	Page
Anti-competitive Behavior		
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	No Similar Events
Compliance		
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No Similar Events
Supplier Assessment for Impacts on Society		
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	No Statistics
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	50, 78
Grievance Mechanisms for Impacts on Society		
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	No Similar Events
PRODUCT RESPONSIBILITY		
Customer Health and Safety		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	No Statistics
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	No Similar Events
Product and Service Labeling		
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	44-46, 48
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	No Similar Events
G4-PR5	Results of surveys measuring customer satisfaction	27, 31, 53
Marketing Communications		
G4-PR6	Sale of banned or disputed products	No Similar Events
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	No Similar Events
Customer Privacy		
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No Similar Events
Compliance		
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No Similar Events



In April, Shanghai United Walkathon event took place. Despite the heavy rainstorm, participants and volunteers of Fosun Pharma were still enthusiastic and completed the 12-hour and 50 km full course with love. Fosun Pharma's volunteer team has participated in the Shanghai United Walkathon volunteer event for four consecutive years, raising funds over RMB300,000 in total for the healthy and happy growth of children in poverty areas.

It is my first time to join this walkathon. Although it rains heavily today, everyone is fighting! Hope that more people will care about public welfare and love sports!

Liu Haizhong, a participant from Fosun Pharma

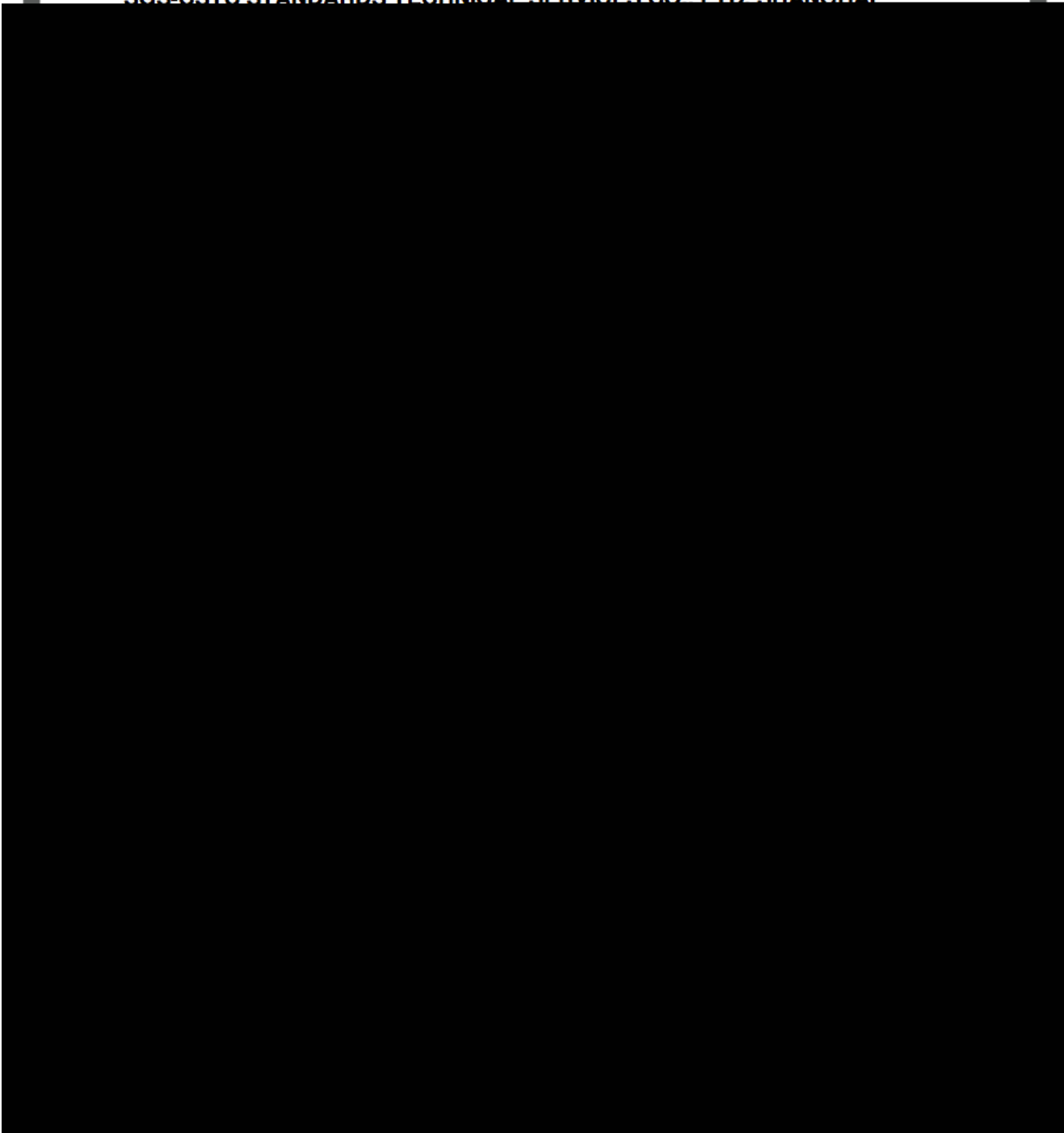
Today's weather is the worst I've ever seen since I joined this event and it was really hard. Hope my teammates will stick it out, and the team members want them to stick to it!

Assurance Statement of SGS



ASSURANCE STATEMENT

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. SHANGHAI



Assurance Statement of SGS

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with Sustainability Reporting Assuror, SAI Registered SA 8000 Lead Auditor, CCAA ISO 14001 Lead Auditor, CCAA OHSAS 18001 Lead Auditor, and pharmaceuticals industry experts etc.

ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within 2016 CSR Report verified is accurate, reliable and

provides a fair and balanced representation of FOSUNPHARMA's relevant performance in 2016. The assurance team is of the opinion that the Reporting Organization's Stakeholders,

In our opinion, FOSUNPHARMA has chosen an appropriate and reliable methodology for their reporting.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES

FINDINGS AND RECOMMENDATIONS

Stakeholder Inclusiveness

FOSUNPHARMA had effectively identified the stakeholder. Established stakeholder's communication and inclusiveness and took different ways to exchange information.

Sustainability Context

FOSUNPHARMA had effectively identified the stakeholder. Established stakeholder's communication and inclusiveness and took different ways to exchange information.

Materiality

FOSUNPHARMA has considered reasonably disclosed the organization's significant economic, environmental and social impacts and their influencing the assessments and decisions of stakeholders. FOSUNPHARMA should strengthen involvement in stakeholder communication.

Completeness

FOSUNPHARMA's report included significant economic, environmental and social impacts of the organization's performance in the reporting period. SGS recommended that the organization should include the coverage of external information.

Balance

FOSUNPHARMA's report included significant economic, environmental and social impacts of the organization's performance in the reporting period. SGS recommended that the organization should include the coverage of external information.

Comparability

FOSUNPHARMA's report included significant economic, environmental and social impacts of the organization's performance in the reporting period. SGS recommended that the organization should include the coverage of external information.

Assurance Statement of SGS

Accuracy

FOSUNPHARMA's information in the report was accurate, capable to reveal more qualitative and quantitative information for stakeholders.

Timeliness

Assurance to know that the data and information was on a regular schedule and available in time. FOSUNPHARMA will report on a regular schedule with one year to assure the good timeliness.

Clarity

Report was presented different ways with words, charts, graphics and pictures, also describe with actual cases as well to ensure the stakeholders understanding easily. SGS recommended that same

Reliability

Through information and data collecting, record controlling in CSR report, the data and information energy saving project do not face the estimates

Signed

For and on behalf of SGS-CSR Standards



Renf Tsang
Director, China and Hong Kong
Certification and Business Enhancement
28-Mar-2017

B-11/F, No.900, Yishan Road, Xuhui District, S
WWW.GNISGS.COM

FOSUNPHARMA



Follow us on WeChat

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.

Building A, Fosun Hi-Tech Park, No.1289 Yishan Road, Xuhui District, Shanghai, P.R. China, 200233

Tel: +86 21 3398 7000

Fax: +86 21 33987020

For more information, please visit www.fosunpharma.com