

Environmental, Social and Governance Report

To comply with the requirements set out in the Environmental, Social and Governance Reporting Guide issued by the Stock Exchange of Hong Kong Limited in December 2015, Sinopharm Group Co. Ltd. (the “**Company**” or “**Sinopharm Group**”, together with its subsidiaries referred to as the “**Group**”) hereby submits its Annual Environmental, Social and Governance (“**ESG**”) Report (the “**ESG Report**”) from 1 January 2016 to 31 December 2016.

The Company’s Board of Directors is responsible for its ESG strategies and reporting, including the assessment and identification of ESG risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. We have appointed our business functional departments to review the Group’s operation and have internal discussions to identify relevant ESG matters and assess the importance of such matters to our business and stakeholders. The management has confirmed the effectiveness of ESG risk management and internal control systems to the Board of Directors. The identified major ESG matters have been included in this ESG Report according to the general disclosure requirements of the ESG Reporting Guide, in order to disclose the ESG performance of the Group’s operation on a balanced basis.

1. Communication with Stakeholders

The Company has a wide range of stakeholders, including shareholders/investors, government/regulators, employees, customers, suppliers/partners, environment and communities/the public. By collecting opinions and fully understanding shareholders’ expectations, it carries out social responsibility practices and balances the interests between the Group and shareholders.

Communication with and Participation of Stakeholders

Stakeholders	Method of Communication	Expectations and Demands
Shareholders/investors	<ul style="list-style-type: none"> • General meetings • News release and announcement • Company report • Website publishing • Meetings of the investors and road show 	<ul style="list-style-type: none"> • Ensuring shareholders’ rights and interests • Information disclosure • Compliance operation and management • Anti-corruption
Government/regulators	<ul style="list-style-type: none"> • Conferences • Compliance report • On-site inspections • Participation in meetings/seminars • Special inquiry/inspection • Proper submission of documents 	<ul style="list-style-type: none"> • Legal and compliance regulation • Quality management system • Drug quality safety • Employee health • Safety management
Employees	<ul style="list-style-type: none"> • Labour contract • Labour union • Employee forum and assembly • Employee party • Manger’s mailbox • Voluntary activities • Daily communication 	<ul style="list-style-type: none"> • Equal employment • Employee benefits • Development of labour union • Employee health • Safety management • Employee training • Assessment and promotion

Stakeholders	Method of Communication	Expectations and Demands
Customers	<ul style="list-style-type: none"> • Daily operation/interaction • Customer satisfaction survey • Regular visits • Industry exhibitions and forums • Customers service center/hotline 	<ul style="list-style-type: none"> • Logistics quality management • Drug quality and safety • Product recovery • Customer satisfaction and compliant handling • Consumer privacy protection
Suppliers/partners	<ul style="list-style-type: none"> • High-level meetings • Seminars and meetings • Marketing summits • Supplier evaluation • Field visit • Daily communication 	<ul style="list-style-type: none"> • Supplier code of conduct • Supplier management
Environment	<ul style="list-style-type: none"> • Environmental inspection • Environmental disclosure report • Implementation of green operation and management 	<ul style="list-style-type: none"> • Environmental protection system • Publicity of environmental protection • Energy saving and emission reduction • Green office
Communities/public	<ul style="list-style-type: none"> • Voluntary activities • Charity activities • Sponsorship of public service activities 	<ul style="list-style-type: none"> • Charitable health care • Concerned about disaster areas • Poverty alleviation

2. Product Liability

As China's largest distributor of pharmaceutical and healthcare products and a leading provider of supply chain service, the Company takes the lead in pursuing product quality, upgrading industry standards, purifying of industry market and developing a health industry.

Quality Management System

The Company has established a sound ISO9001&GSP integrated quality management system since 2006 and prepared the Quality Management Manual as the code of conduct in the quality management system, which increase the transparency and systematic of the process and lay a solid foundation for the Company's rapid development. The Company has signed the Responsibility Letter for Quality Management with every general manager of its sub-secondary subsidiaries who is responsible for their company's operation of the quality management system and for reporting the matters concerning the operation of the quality management system to the quality management representatives and the President of the Company.

Qualification Certificates of the Company



GSP

Implementation of the GSP system is a scientific and advanced management tool to ensure the drug quality and generally adapted to the international trend for drug quality management at the same time. As China's largest distributor of pharmaceutical and healthcare products, as well as a leading provider of supply chain service, the quality management department of the Company's headquarters provides high-quality drugs for the market by GSP management and promotes the quality management of China's pharmaceutical business to become modern and international.



ISO9001

On 1 April 2007, the Company obtained the ISO 9001 Quality Management System Certification from DEKRA company in German which ranks the third in the world in the field of certification, safety and quality inspection. In recent years, the Company's sub-secondary subsidiaries were successively involved into ISO 9001:2008 integrated certification system for integrated quality management. In April 2016, the Company passed DEKRA's certification for ISO9001 certificate renewal.



SA8000

At present, companies have to pass SA8000 certification or the social responsibility audit conducted according to SA8000 to join the global industrial chain of multinational companies. The Company has passed the certification of an external third-party certification authority at the end of 2009.



ISO27001

The Company has established the Information Security Management System (ISMS) according to ISO27000:2005 standard system. After more than one year of continuous and steady operation, Sinopharm Logistics Co., Ltd., the subsidiary of the Company passed the formal audit of the international certification authority in 2011, and obtained certificates issued by UKAS (United Kingdom Accreditation Service) and CNAS (China National Accreditation Service for Conformity Assessment), becoming the first pharmaceutical enterprise in China passing ISO27001 international information security certification.

The Company has set the overall quality goal at the beginning of each year and issued to its subsidiaries, which are required to prepare specific rules for the implementation according to the "decomposition index and implementation plan of policy targets", conduct regular self-examination and assessment of the implementation plan and timely correct problems once found to ensure the effective operation of the quality management system of subsidiaries and the comprehensive implementation of the quality goal of the Company's headquarters. In strict accordance with the audit plan proposed at the beginning of the year and in combination with China's key management and control points, the quality management department of the Company's headquarters has completed the audit of sub-secondary subsidiaries with 100% audit reports issued and required subsidiaries to submit rectification reports against defects, in which rectification measures and estimated time of completion shall be clarified.

In September 2016, the Company organized quality meetings and trainings for more than 300 enterprises (including third-level subsidiaries); in November, it organized a three-day ISO and GSP internal audit training and examination for more than 100 quality personnel and issued certificates to those passing the examination, as the Company's first batch of internal inspectors to carry out cross internal audit.

Logistics Quality Management

As a leading enterprise in the medical logistics industry, the Company regards logistics quality as its top priority. For management of various facilities, equipment, vehicles and information system related to logistics, the Company has developed the Regulations on Management of Facilities and Equipment, Regulations on Safety Management of Transport Vehicles, Regulations on Management of Information System, and Regulations on Management of Evaluation and Control of Third-party Logistics to clearly define the purchase of goods shelves, temperature control system, cooling system, water and electricity supply, fire control system and vehicle, quality supervision on third-party logistics and daily management.

The Company ensures that personnel related to storage and distribution management are qualified and experienced to make sure that goods can be properly handled and stored, and has developed the Regulations on Management of Drug Receiving, Regulations on Management of Drug Storage, Regulations on Management of Drug Maintenance, Regulations on Management of Drug Ex-warehouse Recheck, Regulations on Management of Drug Shipment and Handover and Regulations on Management of Drug Transportation and Delivery for major business processes including goods receiving, acceptance and inspection, storage, delivery, distribution and outsourcing.

Traceability of drugs is an important management issue in the medical industry. To trace the quality status in case of a quality problem or customer feedback and achieve the purpose of source management, the Company has developed the Regulations on Management of Identification and Traceability, in which it is required to distinguish consignors, batch numbers, specifications and dosage forms of drugs by identification and to identify, maintain and recheck the qualification status of drugs at all stages by using various warehouses, regions and color labels.

In 2016, in order to evaluate whether the quality system of subordinate logistics companies meets new GSP requirements for medical appliances, the Company conducted a quality audit in such companies according to the Notice of the China Food and Drug Administration (“CFDA”) on the Implementation of the Rules for Quality Control in Business Activities Involving Medical Equipment (No. 58, 2014), Regulations on the Supervision and Administration of Medical Equipment (Decree of the State Council of the PRC, No. 650), Guidelines for the Rules for Quality Control in Business Activities Involving Medical Equipment, Notice of the Shanghai Municipal Food and Drug Administration on the Implementation Rules of Shanghai City on the Rules for Quality Control in Business Activities Involving Medical Equipment (HSYJYXL [2015] No. 785) and other relevant regulations to check their quality operation and provide the basis for the Company's continuous improvement. No significant nonconformity was found in this audit.

Drug Quality Safety

With strict control of the first-purchasing and quality of drugs, the Company has prepared relevant system documents, such as the Regulations on Management of Introduction, Selection and Assessment of New Drugs, Regulations on Management of First-purchasing Drugs, Regulations on Management of Narcotic Drugs and Psychotropic Drugs of Category I, Regulations on Management of Psychotropic Drugs of Category II and Regulations on Management of Toxic Drug for stringent approval and control the introduction of newly added drugs.

The Company keeps focusing on the industry dynamics, maintains consistent with Chinese laws and regulations, and timely releases notices or announcements, to ensure its operation meets the latest Chinese laws and regulations.

The Company actively cooperate with all inspections conducted by the drug authorities at all levels, timely provided technical support for its subsidiaries, and collected the information reported by each subsidiary in order to meet the requirements of the self-inspection which were stipulated in No.94 Documents (Drugs) and Document No.112 (Devices) issued by CFDA.

Cases

- In 2016, the Company's headquarters successively passed the special examination on the narcotic and psychotropic drugs and the causal investigation on the vaccine by the Shanghai Municipal Food and Drug Administration for 15 times with 100% pass rate of the special examination;
- In 2016, the Company's headquarters passed a special examination on creotoxin conducted by CFDA and two unannounced inspections respectively conducted by the Shanghai Municipal Food and Drug Administration and CFDA (Devices), without any significant nonconformity found;
- In 2016, the Company's sub-secondary subsidiaries were examined by outside inspectors for totally 329 times (298 times on operation and 31 times on production), and they all met the requirements.
- In 2016, the Company's third-level and fourth-level subsidiaries excluding Sinopharm Group Sanming Co., LTD also met local GMP/GSP requirements during the examinations.

Customer Satisfaction and Complaint Handling

With the philosophy of "Customer is the foundation of the enterprise", the Company has committed itself to providing customers with efficient and high-quality services to meet their needs and gain their satisfaction and loyalty to create a competitive brand. The Company has developed the Regulations on Management of Customer Satisfaction. It has gained the customer perception through home visits, written questionnaires and other ways, and indirectly confirmed the customer satisfaction by comparison with other competitors in the industry. In addition, it has periodically prepared the Analysis Report of Customer Satisfaction, and involved the customer satisfaction and customer satisfaction trends into the performance management as important assessment indicators of relevant departments.

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The Company developed a series of management systems related to customer inquiry and complaint, such as Regulations on Management of Quality Inquiry and Regulations on Management of Customer Complaint Handling. When customers have questions or needs in the operation of pharmaceutical products, medical equipment of the Company, they can submit such query to the subordinate companies by visits, writing, fax, telephone, e-mail and other forms. The subordinates shall detailed record the basic information, such as the customer's basic information and the queried variety as soon as they receive a query, and shall timely conduct an investigation and provide feedbacks. When the product quality and quality of service during the operation do not meet the standards and cause the customer's dissatisfaction, the quality management department shall timely take containment measures such as product recall after verification through investigation to prevent further loss to the customer. Relevant departments shall determine jointly the cause of the complaint and make correct measures to better satisfy customers.

Product Recovery

The Company has made active response to the reasonable return request from customers to improve both customer satisfaction and corporate reputation, and formulated the Regulations on Management of Sales Return which puts clear specification on return requirement, return way, acceptance inspection of returned material, system operation process approval authority etc. For products recalled actively by suppliers, the Company has prepared the Regulations on Management of Recall. After receiving notices from the purchasing department, the quality management department will issue recall notices (except for those drugs which cannot be recalled as stipulated by Chinese laws and regulations) to recall relevant varieties. For those recalled by Chinese drug authorities or those unqualified results of spot check, the purchasing department will inform relevant suppliers in a timely manner, and such suppliers shall communicate with manufacturers as soon as possible and actively cooperate to handle those drugs which have quality issues.

Intellectual Property Rights Protection

In order to strengthen the trademark management, standardize the exclusive right to use trademark and give full play to the efficiency of trademark assets, the Company has prepared the Measures on the Management of Trademark to clearly define the issues on trademark application, renewal, authorization management and rights protection and other works. The Office General Manager of the Company is responsible for establishing and perfecting trademark files and database, and implementing dynamic management of trademark. In addition, it takes charge of organizing publicity and learning of legal knowledge related to the trademark, collecting actively evidences against the infringement of trademark rights and timely for handling to the administration authorities for industry and commerce or bringing a lawsuit to the people's court.



China National Accord Medicines Corporation Ltd. – Brand White Paper

From multi-brand to compound brand management, from the two-level control to endorsed brand, China National Accord Medicines Corporation Ltd. subordinated to the Company has been exploring the best practice way in brand management. The Company has promulgated the Brand White Paper of China National Accord Medicines Corporation Ltd., clarified the direction and principle of enterprise brand operation, and stipulated the brand management organization, brand identification, communication and evaluation and brand asset management, while formulating the annual brand work plan and holding quarterly brand meeting.

Consumer Privacy Protection

In order to further strengthen the Company's confidentiality management, standardize the development of the Company's confidentiality system, and better safeguard the security interests of enterprises and consumers, the Company has prepared the Interim Provisions of Sinopharm Group Co., Ltd on the Confidentiality Work. Each departments and each subsidiary at all levels of the Company are responsible for implementing the comprehensive management requirements of the Company's confidentiality work, refining and establishing measures of confidentiality work management of related functions, and clarifying confidentiality requirements according to the actual as well as conducting the assessment, inspection, verification and improvement of the implementation process within the scope of duties. Besides, the labour contract signed by subsidiaries and employees includes confidentiality provisions.

GuoDa Drug Store which is the subordinated to the Company, has prepared the Administrational Measures for Membership which stipulates specifically that to protect the security of membership data, subsidiaries shall conduct authorization management and approval process management of data export for membership information and subordinate stores shall not modify membership information. At the same time, subsidiaries are required to conduct membership data sorting and analysis at least once a month. In case of abnormal situations happening on the number of transactions, amount and discount information, the track management will be performed in order to better protect the privacy and interests of members.

3. Environmental Protection

Following the enterprise philosophy of "Caring for Life and Attending to Health", the Company has always involved the environmental protection and sustainable development into the corporate development strategy, guaranteed the compliance with environmental protection laws and rules, energy conservation, emission reduction, consumption reduction and efficiency enhancement in the production and operation process, strived to reduce the impact of the production activities on the environment and human health and safety, realized the coordinated development between production management and environmental protection, and achieved the harmony between the enterprise and the nature.

Environmental Protection System

Since its establishment, the Company has established the environmental protection management system according to the Chinese laws, regulations, technical specifications, technical standards and systems relating to the environmental protection. The Company provides guidance, assistance, supervision, management and assessment of the environmental protection work of the subordinate enterprises and its subsidiaries of the annual budget goal and the work plan. Each subsidiary of the Company has included the environmental protection, energy conservation and emission reduction into their medium and long-term development planning and annual plan, established and improved the management system and various rules and regulations in relation to the environmental protection, energy conservation and emission reduction, abided by relevant local and national laws, regulations of PRC and emission standards, and fulfilled the measures and responsibilities for the environmental protection, energy conservation and emission reduction. The industrial subordinate enterprises to the Company have established and implemented the ISO 14001 Environmental Management System Certification.

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The Company has formulated a series of management systems including the Administrative Measures for Environmental Protection, the Administrative Measures for Clean Production, the Administrative Measures for Hazardous Waste, and the Emergency Plan for Environmental Accidents, specifying responsibilities of employees at various levels in terms of the environmental protection, energy conservation and emission reduction, and strengthening the environmental protection consciousness of all the companies. The superintendent of the subsidiary shall be primarily responsible for the environmental protection of all the subsidiaries, and the performance shall be involved into the annual appraisal index of the superintendent of the subsidiaries, in order to enhance the environmental protection responsibility and consciousness of the leaders of all the (subsidiaries. The target-oriented responsibility system shall be adopted in the management that the superintendent of the subsidiary would be primarily responsible for the environmental protection. At the beginning of 2016, the Company entered into the Target Responsibility Statement for Quality Management, Safe Production, Energy Conservation and Environmental Protection with all its subsidiaries.

Publicity of Environmental Protection

In order to enhance the environmental protection awareness and capability of the Company and its employees, the Company includes the environmental protection training into its overall training system, actively organizes employees to participate in the training related to environmental protection organized by the external environmental protection organizations, issues the Brief News on Environmental Protection on a regular basis, and conducts the themed activities such as “Energy Conservation Taking a Lead in Green Development”, etc.



Environmental protection publicity and education

In March 2016, participated in the **Special Training for the Revised Law on the Prevention and Control of Atmospheric Pollution** held by the Ministry of Environmental Protection in Xiamen, and obtained the certificate

In July 2016, took part in the **Special Seminar on the Application of the Demonstration and Comprehensive Utilization Project of Special Funds for Energy Conservation and Emission Reduction and Cyclic Economy, and Industrial Transformation, Upgrading and Development** held by National Development and Reform Commission in Guiyang, and obtained the certificate

In August 2016, participated in the **Energy-saving Project Exchange Meeting and Training on Energy-saving and Emission Reduction Technology** held by China National Pharmaceutical Group in Shenzhen

Brief News on Environmental Protection is issued on a regular basis, publicizing the latest Chinese policies and regulations relating to environmental protection, introducing positive and negative cases of environmental protection in key enterprises, and popularizing the basic knowledge and concept of the environmental protection, energy conservation and emission reduction

The **“Energy Conservation Taking a Lead in Green Development”** was conducted in 2016 to publicize the energy conservation and emission reduction knowledge, the sustainable life style and consumption mode, appeal to all the employees to actively participate in the energy-saving activities, and realize low-carbon life with practical action

Energy Conservation and Emission Reduction

With the aim of strengthening the environmental protection, energy conservation and emission reduction, effectively controlling the key pollutant discharge, promoting the sustainable and efficient development, and preventing the adverse impact of the planning and construction projects upon implementation on the environment, the Company has formulated the Detailed Rules for the Implementation of the Environmental Protection, Energy Conservation and Emission Reduction of Sinopharm Holding in accordance with relevant laws, regulations, emission standards and industrial policies such as the revised Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Conserving Energy, and the Interim Measures for the Administration of Overseas State-owned Property Rights of Central Enterprises issued by State-owned Assets Supervision and Administration Commission of the State Council ("**SASAC**").

All the industrial subordinate enterprises to the Company have signed the monitoring contract with the local environmental monitoring authority, entrusting the local environmental monitoring station conducting the regular monitoring of the waste gas, waste water and noise on a regular basis. In order to further standardize the environmental protection management and strengthen the pollution prevention and control, in addition to accepting the supervision by external organizations such as the local environmental protection authority, all the industrial subordinate enterprises have established and improved the statistical monitoring system for the environmental protection, energy conservation and emission reduction, strengthened the statistical monitoring of the energy consumption and pollutant emission in the production and operation, eliminated the possible environmental risks and hidden hazards in the production and operation, and improved the evaluating system as well as reward and punishment measures in accordance with the Administrative Measures for the Supervision and Appraisal of the Environmental Protection, Energy Conservation and Emission Reduction by Sinopharm Holding. In 2016, all the major emissions from the industrial subordinate enterprises including COD and SO₂ were disposed of, and all the sewage and waste gas were discharged in consistency with relevant standards.

The industrial subordinate enterprises have also formulated the Analysis System for Energy Utilization Situations, stipulating that the technical and economic analysis shall be conducted on the main energy-consuming equipment, process system and energy utilization conditions on a regular basis. Necessary tests and statistical analysis of energy consumption are combined to determine the level of energy consumption, explore the potential of energy conservation, define the direction of energy conservation, and provide the scientific basis for the improvement of energy management, transformation of energy-saving technology and enhancement of energy utilization ratio.

The Company encourages its subsidiaries to apply new technology, new material, new process and new equipment in the energy conservation and emission reduction, and obvious energy-saving effect has been achieved through the energy-saving modification works such as boiler retrofitting, energy conservation of motor system, optimization of energy system and utilization of residual heat and pressure.

Case I Sinopharm Group Guorui Medicine Co., Ltd.-Zero Sewage Discharge

Sinopharm Group Guorui Medicine Co., Ltd. has established and perfected the Energy Consumption Management System of the Company, the Metering Management System, and the Environmental Protection Management System of the Company, in order to prevent the environmental pollution in the production, conduct clean production and build a garden-like factory. It has also formulated the Hazardous Waste Management System to prevent the hazardous waste from polluting environment, and guarantee the human health. Currently, the production and domestic wastewater are recycled after the treatment by the sewage treatment station without being discharged outside except the hazardous waste disposed of by qualified outsourced unit. The Company has adopted the offline water quality detection mode and applied for the closure of the external discharge outlet.

Case II China National Pharmaceutical Group Chemical Reagent Co., Ltd.-Replacement of Tetrachloromethane with Tetrachloroethylene

China National Pharmaceutical Group Chemical Reagent Co., Ltd. participated in the environmental protection project in which the tetrachloromethane was replaced with tetrachloroethylene in 2016. Currently, the tetrachloromethane is adopted as the extraction agent for oil determination in the Water Quality-Determination of Petroleum Oils and Animal and Vegetable Oils, but the tetrachloromethane shall be replaced with the tetrachloroethylene due to its great damage to the human body, atmosphere and environment. There was no large amount of stable tetrachloroethylene conforming to the high infrared requirements, so the Company has initiated the development of tetrachloroethylene conforming to the requirements in 2016. At present, the developed tetrachloroethylene has passed the small-scale detection, and the pilot production is under progress.

Green Office

The green office can not only promote energy conservation but also mitigate environmental pollution. It can protect the environmental and also bring low cost to the Company. The Company takes several measures to realize the green office with saved energy and reduced emission as follows: strengthening the management of power conservation in lighting, reducing the power consumption of lighting equipment by making full use of natural lighting, turning off lights before leaving the office to prevent the lighting in the daytime and always-on lighting, and reducing the lighting in the public area in the night; strengthening the daily maintenance and management of the water-consuming equipment, and preventing the running, spillage, dripping and leakage of water to save water; making the general notification and data transmission via the Internet to reduce the data printing (copying) in paper, and making repeated use of the low-value consumables such as document envelopes and clips.

Case I Sinopharm Holding A-Think Pharmaceutical Co., Ltd.-Light Retrofitting

Sinopharm Holding A-Think Pharmaceutical Co., Ltd. actively retrofits the light, popularizes the LED lighting technology, improves the control unit, promotes the smart control system such as voice-dependent control and light-dependent control, in order to reduce the power consumption. In 2016, the Company retrofitted the lights in the laboratory and the corridors of four workshops so that the lights were alternatively on, which not only saved electricity and brought forth economic benefits, but also improved the environment.



4. Protection of Rights and Interests

Regarding employees as the core resources and most precious treasure, following the principle of respecting, cultivating and serving employees, the Company conducts the people-oriented management and strives to provide a safe and healthy working environment and a harmonious cultural environment for all the employees, in order to promote the Company’s development and social progress.

The Company has formulated a set of human resources (“HR”) management systems such as the Administrative Measures for the Employee Remuneration of the Functional Departments of Sinopharm Holding and the Administrative Measures for the Annual Income of the Operators of the Secondary Subsidiaries of Sinopharm Holding in strict accordance with relevant policies, laws and regulations such as the Labour Law of the People’s Republic of China and the Labour Contract Law of the People’s Republic of China, and established a fair, reasonable and competitive remuneration system that can attract and retain core employees of the Company based on the principle of fairness and incentive.

Honors in 2016

“China HR Pioneer Employer Award”	—	TopHR
“2016 Top 100 Employers in China”	—	Zhaopin.com
“2016 Employer with Outstanding Reform”	—	Liepin.com



Equal Employment

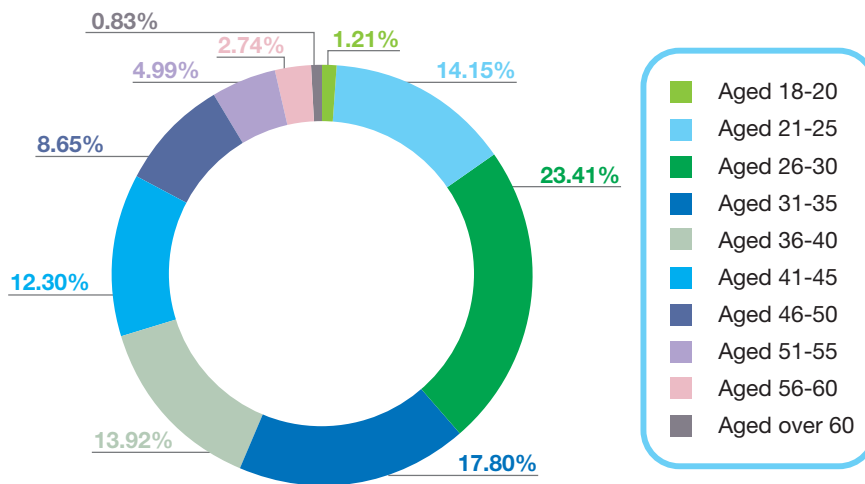
The Company recruits employees on an equal and selective basis and following the principle of openness and fairness, opposes the employment discrimination of various forms, enters into labour contracts with employees, and protects employees from any discrimination due to the race, religion, physical disability, gender, sexual orientation, association member, marital status, etc. Meanwhile, the Company prohibits the employment of child laborers, compulsory work and arrangement of the underage employees with the prohibited work. All the employees comply with the statutory working age.

The Company has established the information management platform based on the HR information system, covering 363 subsidiaries at all levels. As an effective HR management tool, the HR information system has realized the basic HR management in the electronic form, strengthened the supervision on the organization setting, staffing management, employee recruitment and dismissal, and exported five statements of organization and personnel module and analysis of 25 HR indexes on a monthly basis, which prevents any employment in violation of the Labour Law of the People’s Republic of China such as employment of child laborers.

The Company explicitly stipulates that employees may rescind the labour contract at any time when the Company forces the work by means of violence, threat or illegal restriction of personal freedom, fails to pay the labour remuneration in full amount or provide working conditions, or has other circumstances that violate the provisions of the Labour Contract Law of the People’s Republic of China.

Meanwhile, the Company chooses outstanding talents suitable to the Company’s development through multi-channel social recruitment and internal selection, and notifies the newly recruited employees of the recruitment conditions and working situations such as the working contents, qualification, working environment, workplace, occupational hazard, safe production conditions and labour remuneration in the forms of recruitment advertisements, job description and interview before the recruitment procedures. Employees may directly inquire the HR Department in case of any questions.

As of 31 December 2016, the Group had 55,241 employees in total, among whom female employees accounted for 56.51%, while male employees accounted for 43.49%. The proportion of employees in terms of ages is as follows:



Employee Benefits

The Company strictly standardizes the setting and payment standards for the employee benefits, and establishes the secure and competitive benefit system. The benefit system of the Company includes three parts, namely, statutory benefits, caring benefits and incentive benefits.

Statutory benefits	The Company offers various social security benefits for all the employees such as the social insurances and housing provident funds in strict accordance with Chinese policies relating to social security to achieve 100% social security paying rate, and guarantees all the legal holidays for employees.
Caring benefits	The Company provides caring benefits in response to the necessary care of employees, including lunch allowance, high-temperature /environmental allowance, physical examination, festival allowance, labor protection expenses, cash for employees' birthday/marriage/birth as gifts, and consolation money for employees' funeral and hospitalization.
Incentive benefits	The Company offers incentive benefits in order to stimulate employees to fulfill the work tasks and achieve outstanding performance, including the vehicle and travel allowance, communication allowance, supplementary housing benefits, commercial insurances, enterprise annuity and local benefits, etc.

In order to provide a healthy and comfortable working and living environment, the Company conducts various activities for employees to balance their work and life. It organizes the badminton activities on a regular basis, holds basketball, table tennis and swimming contests from time to time, and carries out sports activities such as long running and healthy walking, in order to improve the health of employees, relieve their working pressure, enhance the sense of belonging, and build a happy, open, healthy, friendly and harmonious working and living atmosphere for employees.



Dragon boat regatta on the Dragon Boat Festival on June 5 2016



“Lekang” Cup Swimming Contest



Autumn Disney Energetic and healthy walking

Development of Labour Union

Under the leadership of the Party Committee of the Company, the labour union strengthens the standardized development of the grassroots labour union, promotes the establishment of the labour union organization according to the law, gradually improves the quality of leaders in the grassroots labour unions, and strives to improve the labour union of all-level enterprises to a new level.

Case I The labour Union of the Company Held the Fifth Training Class for Leaders of Grassroots labour Unions in Shanghai in 2016

In August 2016, the labour union of the Company held the Fifth Training Class for Leaders of Grassroots labour Unions in Shanghai, which was attended by 65 labour union leaders from 22 grassroots units in Shanghai. The training provided guidance for the grassroots labour union leaders to enhance their professional skills, make proper use of expenditures, protect the legitimate rights and interests of employees, and provide cohesive force and creativity for the enterprise development.



5. Health and Safety

Employees' Health

The Company strives to build a comfortable and healthy working and living environment for employees. It has continuously improved the health management in strict accordance with the Labour Law of the People's Republic of China, the Law on the Prevention and Control of Occupational Diseases and local regulations related to prevention and control of occupational diseases. Since 2009, the Company has gradually established and implemented the international SA8000 Social Accountability System, and set up the social accountability leading team led by the Party Committee Secretary and President of the Company according to requirements in the Guidelines to Chinese State-owned Enterprises on Fulfilling Corporate Social Responsibilities issued by SASAC, in order to protect the legitimate rights and interests of the employees through the continuous and effective operation and improvement of the system. The Company comprehensively classifies the existing rules, regulations and management archives according to the requirements of the SA8000 Social Accountability System, identifies the health and safety hazards, gives top priority to the physical and mental health of the employees, and establishes the occupation health and safety management system.

In 2016, all the sub-secondary subsidiaries subordinated to the Company finished the occupational health infrastructure and achieved the expected goals according to the requirements in the Occupational Health Infrastructure Inspection Appraisal Form of China National Pharmaceutical Group with the self-evaluation score of over 70 points. No employees were found suffering from occupational diseases in the Company or its subsidiaries in 2016.

Occupational health management

- ✓ Detect the occupational hazards at the workplace on a regular basis, erect signboards at the detection station, and record the detection result into the employees' occupational health archives.
- ✓ Install alarming devices at the poisonous and hazardous workplace susceptible to acute occupational hazards, and formulate emergency plans.
- ✓ Special persons shall be designated for the custody, regular inspection and maintenance of all the safety protection devices.
- ✓ On-site first-aid articles, equipment and protective articles shall be inspected and maintained on a regular basis to guarantee they are in normal conditions.

Notification and warning of occupational hazards

- ✓ Notify the workers of the possible occupational hazards, consequences and protective measures in work, and specify them in the labour contract.
- ✓ Publicize the occupational hazards, preventive and emergency measures among workers and related parties.
- ✓ Erect warning signboards and instructions for the posts with occupational hazards.

Report of occupational hazards

- ✓ The Company and its subsidiaries shall report the existing occupational hazards in the production promptly and faithfully to the local competent authority according to relevant Chinese regulations, and accept the supervision according to the law.

Management of protective articles for occupational hazards

- ✓ Provide protective articles for occupational hazards of employees in accordance with the Rules for Selection of Labour Protective Articles, Chinese standards for allocation of labour protective articles and relevant regulations.
- ✓ Conduct proper management of the purchase, inspection, custody, distribution, usage, replacement and scrapping of labour protective articles according to relevant Chinese regulations.
- ✓ Educate, urge and guide employees to wear and use the labour protective articles in a correct manner according to the usage instructions.

“Three Synchronizations” in the development of occupational health

- ✓ Entrust the qualified technical service organization for occupational health to conduct the pre-assessment of the new engineering construction projects with possible occupational hazards in the phase of feasibility demonstration.
- ✓ The construction unit shall entrust the qualified technical service organization for occupational health to conduct the assessment of the occupational hazard control effect before the completion inspection of the construction project according to relevant regulations.
- ✓ The protective facilities for occupational hazards shall be put into production and operation after they pass the inspection and obtain the approval document when completing inspection of the construction project.

Safety Management

The Company has formulated the Safety Management Standard Manual of Sinopharm Holding, specifying the contents, requirements, specifications, processes and measures of the production safety management of the Company and its subsidiaries in accordance with relevant laws and regulations such as the Production Safety Law of the People's Republic of China and the Interim Measures for the Supervision and Management of Production Safety of Central Enterprises, with the purpose of further strengthening the supervision and management of the production safety of the Company, fulfilling the safe production responsibilities of the enterprise, establishing the long-term mechanism for production safety, preventing and reducing safety accidents in the production, and guaranteeing the personal health and safety of employees and the masses. In response to the needs of production safety, the Company establishes the Production Safety Committee with a subordinate office as the daily agency.

The Company and its subsidiaries have established the production safety emergency management system, emergency management organization and team, formulated and continuously improved the emergency plans, made on-site emergency proposals or measures for key posts and major hazard sources, set up the production safety emergency plan system, and carried out training and drilling on the emergency plans on a regular basis based on their actual situations according to the requirements in the Production Safety Law of the People's Republic of China, in order to strengthen the emergency management of the production safety.

In 2016, except the new companies and newly established logistics, 231 subsidiaries of the Company passed the safety standardization certification, and fully met the requirements on the implementation of the safety standardization of the Company. The Security Department of the Company's headquarters conducted the internal audit of the safety standardization in over 20 subsidiaries including Sinopharm Holding Gansu Co., Ltd., Sinopharm Holding Fujian Co., Ltd., Sinopharm Holding Shanxi Co., Ltd., and Sinopharm Group Southwest Medicine Co., Ltd., in order to guarantee the implementation of the safety standardization in the subsidiaries at all levels.

Case I The first 300 stores passed the safety standardization

At the beginning of 2016, Sinopharm Holding Guoda Drugstores Co., Ltd. required that the standardized safety management shall be outspread in the stores, and formulated the Basic Standards for the Safety Standardization of Guoda Drugstores (Trial Enterprise Standard). In early April, the Company officially issued the Standards and promoted the safety standardization in 300 stores of 25 subsidiaries, and all the subsidiaries organized employees to rectify hidden hazards as per relevant standards on the basis of further study of standards. Since the beginning of July, all the subsidiaries successively submitted the self-appraisal reports, confirming the first stores had passed the safety standardization.

Case II Formulation of the Guidance on Lab Safety Management

The Company attaches great importance to the safety management of the laboratory of the subsidiaries. It has established and improved the safety responsibility system of the laboratory with primary superintendents of the lab as the safety superintendents at all levels, and strengthened the safety management in strict accordance with the requirements of four preventions (prevention of fire, burglary, damage and public security disastrous accidents). In 2016, China National Pharmaceutical Group Chemical Reagent Co., Ltd. established a project team for the formulation of the Guidance for the Laboratory Safety Management, and initially determined the guidance for the safety culture, laws and regulations, safety of lab facilities, safe operation, safety knowledge of chemicals and lab safety assessment, in order to better guarantee the personal safety of the employees in the lab and strengthen the environmental protection.

Meanwhile, the Company also has strengthened the safety publicity and education, enhanced the safety consciousness of all the employees and improved the safety management level of the Company, in order to prevent the occurrence of accidents.

Case III Safety Publicity and Education

- **Release the Brief News on Safety**

The Company has continuously promoted the development of safety culture. The Security Department issues the Brief News on Safety on a quarterly basis, which publishes the focus of safety work of the Group, safety activities of subsidiaries with outstanding achievements, safety protection technology, new laws, regulations and standards related to safety, and promptly acquaints employees with safety management requirements and safety information.

- **Carry out "Safe Production Month Campaign"**

During China National Safe Production Month in June 2016, the Company organized all the subsidiaries to conduct the "six-one" activity with the theme of "strengthening the safe development consciousness and enhancing the safety quality", namely, one lecture with the theme of safe development, one delivery of safety warning education, one safety knowledge contest, one emergency drilling, one activity with the theme of "occupational health comes first in healthy China" and one activity with the theme of "taking photos of surrounding hidden hazards", which completely eliminated all the hidden hazards.

- **Open the WeChat Official Account of "Sinopharm Holding Safety Man"**

In November 2016, the Company opened the WeChat official account of "Sinopharm Holding Safety Man", in order to facilitate and promote the sharing and dissemination of safety knowledge and continuously enhance the safety culture.

- **"119" Fire Control Publicity Activity**

With the advent of the "119" publicity day, the Company conducted "119" fire control activities so as to further implement the fire safety policy of "prevention first and integration of prevention and control", strengthen the fire control publicity in all the subsidiaries, enhance the fire safety consciousness of all the employees, publicize the fire safety knowledge, and eliminate hidden fire safety hazards.



6. Development and Training

Employee Training

The Company always regards human resources as the core resources, and gives top priority to the cultivation and development of employees. Relevant training is offered in response to actual demands of different employees and various positions, following the strategy of the Company. It has formulated the Administrative Measures for Employee Training of Sinopharm Holding Co., Ltd., the Administrative Measures for the Credit System of Employee Training of Sinopharm Holding Co., Ltd., etc., and initially established a set of standardized training management system.

The Company provides training for employees in diversified forms such as on-site teaching, case sharing, on-line study and real-time interaction, and conducts multi-level training activities for the development of general ability, professional ability and management ability. Each year it organizes over 100 training programs for employees, which broadens the insight, enriches the knowledge, and fully enhances the competitiveness of the enterprise.

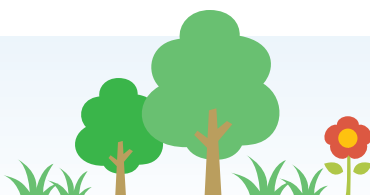
Case I Practical Training and Appraisal Base for Professional Skill Appraisal of Special Chemical Work

Sinopharm Group Chemical Reagent Co., Ltd. has established a detection center with a total value of nearly RMB10 million equipped with the Practical Training Center for Intermediate and Senior Analysts and Technicians, in response to the needs of construction of the chemical base. In 2016, the Detection Center was approved by the Practical Training Base for Professional Skill Appraisal of Special Chemical Work Shanghai Branch as the Practical Training and Appraisal Base for Professional Skill Appraisal of Special Chemical Work. The establishment of the Practical Training and Appraisal Base for Professional Skill Appraisal of Special Chemical Work will make greater contributions to the cultivation of talents with professional chemical technology and skills of Shanghai, the promotion of the overall quality of technical talents in the petroleum and chemical industry, and the enhancement of the local economic development.



Case II

Under the great support of the Company's leaders, the Company founded Sinopharm University in 2011, in order to provide large-scale standard and systematic training for employees, and cultivate pharmaceutical elites with international insight. The university has cultivated internal part-time lecturers by making full use of the wisdom and strength of the team, develops a series of Sinopharm-featured courses through the study of employee competency model, and created systematic training service products. After several years of exploration and practice, the Company has cultivated a professional and powerful internal and external faculty, continuously and efficiently providing training service for employees in the companies at all levels. Up till now, the university has provided training of all levels, categories and specialties for 313,650 trainees. It has also cooperated with key Chinese universities to jointly cultivate pharmaceutical students of the bachelor program.



Sinopharm University

University for Sinopharm People

- Sinopharm University Spark Program—Overall planning based on overall situation

Since the Company has secondary and tertiary subsidiaries across the country, the university has established a nationwide training service network through the “Spark Program”, and provided the training service including courses and overall training solutions following the service principle of “offering courses for subsidiaries”.

- Sinopharm University Golden Sunflower Program—Cradle of Lecturers

Since 2013, Sinopharm University Golden Sunflower Program has cultivated over 60 national lecturers and more than 200 provincial lecturers. The national lecturer team of Sinopharm University is an excellent lecturer team. In order to cultivate these future national lecturers, they shall undergo the promotion training camp lasting for three days a year which is called the “Tough Training Camp” in private.

- Sinopharm University Flying Eagle Purchase Training Camp—Purchase Talent Training Camp

Flying Eagle Purchase Training Camp is a key training program jointly held by the Purchase Planning Department of the Company and Sinopharm University for the purchase directors and senior purchase managers of the Company in 2016, aiming to acquaint the purchase businessmen of subsidiaries with the purchase system knowledge, efficient management tool, the latest policy and information, and realize the efficient management of the daily purchase business.





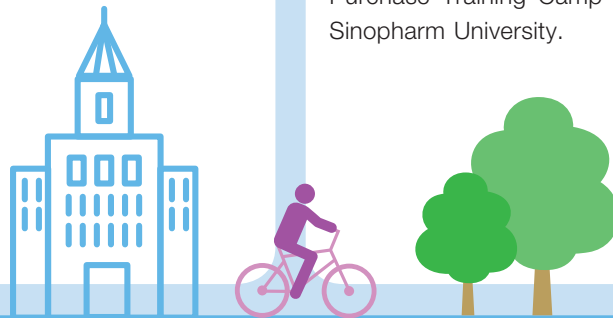
On 12 November 2016, the first intermediate reserve talents seminar of Sinopharm Holding Yangzhou Co., Ltd. was formally opened, and Sinopharm University Spark Program was launched in the company. The Teacher Yang Xiongfei from Sinopharm University provided the training of Structural Thinking for the trainees, helping employees of Sinopharm Holding Yangzhou to have clearer thinking and more powerful expression in the operation and management.



The annual national lecturer training camp for the promotion of provincial lecturers was held as scheduled. 22 provincial lecturers from all over the country were receiving the three-day centralized training and assessment for day and night in the classroom with the light on.



More than 30 purchase directors and senior managers from the secondary and tertiary subsidiaries subordinate to Sinopharm Holding hurried to Shanghai from all over the country shortly after the Lantern Festival to attend the Phase I training course of the Flying Eagle Purchase Training Camp in Sinopharm University.



Evaluation and Promotion

The Company has adopted the performance evaluation system for all the employees ranging from grassroots employees to superintendents of departments of the Company and its subsidiaries. It has strived to establish a perfect performance evaluation mechanism with the annual operation and management goal decomposed level by level from top to bottom and realized the full coverage of the appraisal by enhancing the width and depth of the performance evaluation. It has formulated and improved performance evaluation methods, as well as scientifically and reasonably determined relevant indexes for employees at different positions with different responsibilities according to the type of business and characteristics of different development phases, following the overall operation goal and development strategy of the Company. Employees' opinions have been solicited for the evaluation of senior managers of subsidiaries at all levels, and the evaluation method, process and result will be made public within a certain scope for the supervision by employees.

In order to improve the leader promotion process, the Company has issued the Notification Concerning the Improvement of the Leader Selection and Appointment Process to its subsidiaries, explicitly specifying the leader selection and appointment method, selection procedures, approval and appointment formalities. In 2016, it revised the Market-oriented Labour System Scheme and established the market-oriented employment mechanism centered on the labour contract and based on the post management, with the aim to realize the strategic development goals of the Company in the 13th Five-year Plan period, expedite the development of professional managers, further optimize the HR management system and integrated development, and provide powerful human resource security for the sustainable and stable development of the Company.

7. Supply Chain Management

Adhering to the win-win cooperation concept, the Company makes concerted efforts with suppliers to build a collaborative development mechanism for mutual growth, mutual trust and mutual benefits, and create a safe and reliable green supply chain. It commits itself to establishing strategic partnership with suppliers to realize mutual progress and development, and powerful competitive advantages in the industry.

Code of Conduct of Suppliers

The Company not only abides by the laws and regulations, and bears relevant social responsibilities, but also plays an active role in promoting its partners to establish the social accountability management system and enhance the social accountability consciousness. It has entered into the Quality Assurance Agreement respectively with suppliers for medicines, other goods and services, stipulating that suppliers shall promise to fulfill the social responsibilities within the scope of contract, which promotes the fulfillment of social responsibilities by suppliers, and gives play to the leading role of the Company in the industry.

Supplier Management

The Company has implemented the strict and fair supplier admission procedures and assessment mechanism, and formulated the Management Regulations of New Enterprises, in order to review the legal compliance of manufacturers or operators those firstly engaged in pharmaceutical products and medical equipment, as well as the completeness, authenticity and validity of relevant data. ERP system has been adopted to maintain the information of suppliers, and strictly review any changes in the aforesaid information.

In order to improve the purchase business process, guarantee the purchased pharmaceutical products or medical equipment are produced or operated by legitimate enterprises, provide better service for suppliers, and build a good reputation, the Company has formulated the Purchase Management Regulations, explicitly stipulating the purchase plan, purchase order, purchase contract, supplier performance monitoring, confirmation of goods delivery, import commodity inspection, import custom clearance, etc.

The Company has formulated the supplier assessment standard the Management Regulations on the Re-appraisal of Qualified Suppliers, and conducted supplier assessment on a regular or irregular basis, in order to supervise suppliers to comply with quality, environmental protection and technology requirements, and continuously enhance the supply chain management level. All the subsidiaries of the Company conduct annual review of suppliers according to their actual situations on an annual basis, and list the suppliers that pass the review as qualified suppliers upon completion of review.

8. Anti-corruption

Perfect Anti-corruption Mechanism

The Company has established a perfect anti-corruption mechanism against corruption and advocacy of integrity in order to build an incorrupt, efficient and harmonious business environment, and prevent the possible bad practice in various operation and management activities.

Sign the Responsibility Statement of Improvement of Party Conduct and Government Integrity with Superintendents of Subsidiaries

Sinopharm Holding has formulated the Detailed Rules for Implementation of Incorruption of Enterprise Leaders, in order to enhance the incorruption of leaders at all levels, prevent the corruptive behavior and protect the interest of contributors. It has also signs the Responsibility Statement of Improvement of Party Conduct and Government Integrity with superintendents of subsidiaries.

Sign the Letter of Commitment of Operation Compliance with Subsidiaries

Sinopharm Holding has entered into the Letter of Commitment of Operation Compliance with its subsidiaries, and established the compliance management working team, in order to inspect the corruption and operation compliance of the subsidiaries, include the compliance inspection in the audit work, further lift the minimum requirements on compliance, and promote the establishment of long-term mechanism of operation compliance.

Formulate the Punishment Regulations on Employees' Violation of Discipline

In order to rigorously enforce economic discipline, standardize the employees' behavior, and guarantee the implementation of various systems of the Company, Sinopharm Holding has formulated the Punishment Regulations on Employees' Violation of Discipline, clearly stipulating the behavior violating the financial system, human resource system, quality management system, safety and environmental protection management, and the punishment procedures and modes for such behaviors.

Transparent Reporting Platform

The Company has established and improved the supervision and restriction mechanism in accordance with the Several Regulations on the Incorruption of Leaders of State-owned Enterprises of SASAC of the State Council and the Implementation Outline for the Establishment and Perfection of Corruption Punishment and Prevention System of CPC Central Commission for Discipline Inspection, and the departments such as Discipline Inspection Office, Audit Department, have fully cracked down upon the corruption through the acceptance of complaint letters, visits and reports, internal audit, supervision and inspection. The Company and its subsidiaries also have actively dealt with the feedback from its employees, social citizens, legal person and other organizations received via the reporting hotline and email.

“Eight Regulations” of Incorruption

The Party Committee of the Company has formulated the Detailed Rules of Sinopharm Holding for the Implementation of Eight Regulations of the Central Committee Concerning the Improvement of Working Style for Closer Ties with the Masses according to actual situation of the Company, in order to further improve and implement the requirements of the “Eight Regulations” of the Political Bureau of the Central Committee on the improvement of the working style for closer ties with the masses, improve the working style, keep close ties with the masses, serve the employees, establish a good team image, and promote the development of the Company.

Improve research work

- Understand actual situations among the grassroots
- Sufficient preparations and full implementation
- Simplify the reception
- Reduce the accompanying persons

Simplify the meeting

- Control the number of meetings
- Establish the meeting approval system
- Control the meeting scale and duration
- Control the meeting expenditure

Simplify the document and bulletin

- Reduce various documents and bulletins
- Improve the quality of high-grade bulletins
- Enhance the timeliness

Improve news propaganda

- Standardize and improve the news propaganda
- Strengthen the communication with the public
- Make public the information

Be diligent and thrifty

- Strictly implement benefit standards
- Strengthen the management of business trips abroad
- Strictly control entertainment expenses

Supervise and urge the implementation

- Take the lead in the implementation
- Make rigid restraints with regulations
- Strengthen the inspection

Incorruption and Self-discipline Publicity and Education

Incorruption and self-discipline publicity and education conducted by the Company in 2016

Open the official account of “Collection of Legal Information”

According to the industrial characteristics and cultural quality, the Company has opened the official account of “Collection of Legal Information” to push the legal information in the form of news, comment and comic, and promote the development of legal culture, which wins the extensive recognition and becomes the benchmark in the development of the culture of rule by law and the corporate culture of the Company.

Launch the legal micro-course

The Legal Compliance Department of the Company has launched 10 legal micro-courses, disseminating practical knowledge of laws with short videos and vividly revealing the necessity of the enterprise governance by law.

Special report on “Incorruption, Self-discipline and Prevention of Power Trap”

In April 2016, the Party Committee of the Company held the national special video seminar on incorruption and self-discipline in Shanghai, during which Professor Liu Honglin from Shanghai Municipal Party Committee Party School was specially invited to give a special report entitled “Incorruption, Self-discipline and Prevention of Power Trap”. The Party leaders further recognized the severe situation of the power dissimulation, corruption combat and advocacy of integrity, and realized that an “incorrupt Sinopharm” can only be built by continuously enhancing the consciousness of incorruption and self-discipline, and effectively preventing the direct and indirect power traps.

Hold the special video seminar on the interpretations of the spirits of “July 1st” speech made by the General Secretary Xi Jinping

In October 2016, the Party Committee of the Company held the special video seminar on the interpretations of the spirits of “July 1st” speech made by the General Secretary Xi Jinping in Shanghai, during which Dr. Li Peng from the Institute for Studies of Socialism with Chinese Characteristics of China Executive Leadership Academy Pudong explained the important statement of “Stay True to The Missions and Keep Moving” made by the General Secretary Xi Jinping with simple language, and the deep understanding of the eternal struggle and natural kindness of Party members.

9. Giving Back to the Society

The Company attaches great importance to public welfare activities, giving back to the society, while focusing on the production, operation and economic benefits. It has released and continuously improved relevant policies in support for the public welfare activities conducted by all the subsidiaries such as the donation to the disaster area, voluntary diagnosis and treatment, education support, and poverty relief, and actively supervised and urged internal departments and subsidiaries of the Company to fulfill the due social responsibilities.

Voluntary Medical Treatment

The Company not only engages in the donation to public welfare undertakings, but also carries out voluntary diagnosis, donation of medical supplies and blood donation without payment by making use of its own advantages, in order to make contributions to the improvement of medical treatment and health conditions of the masses. In March 2016, Sinopharm Holding Guoda Drugstores Co., Ltd. participated in the publicity and consulting activity of 2016 “3.15 International Consumer Rights Day”, providing complimentary services for citizens such as measurement of blood pressure, blood glucose, body composition, bone mineral density, micro-circulation and blood oxygen saturation, recycling of expired medicines and consultancy by professional pharmacist. In April 2016, Sinopharm Holding Shenyang Co., Ltd. cooperated with Shenyang He’s Ophthalmic Hospital to hold the voluntary diagnosis and examination of “Sinopharm Holding Shenyang Provides Medical Service for the Residential Area” in Shenyang Station Residential Area on Taiyuan Street. In October 2016, Sinopharm Holding Distribution Co., Ltd. dispatched 35 employees to hold large-scale voluntary diagnosis for skin diseases at the Central Hospital of Lankao County, Henan Province, providing diagnosis for 350 patients and giving 271 prescriptions.

On 15 April, the Party Committee of Sinopharm Holding Shenyang Co., Ltd. cooperated with Shenyang He’s Ophthalmic Hospital to hold the voluntary diagnosis and examination of “Sinopharm Holding Shenyang Provides Medical Service for the Residential Area” in Shenyang Station Residential Area on Taiyuan Street. One of the residents coming for examination suffered from severe cataract but didn’t receive the surgical treatment due to poverty, so the Company applied to He’s Ophthalmic Hospital for free Cataract surgery.



Large-scale voluntary diagnosis for skin diseases.

On the morning of 7 October 2016, Kong Xuedong, the Executive Deputy General Manager of Sinopharm Holding Distribution Co., Ltd., led 35 employees to hold large-scale voluntary diagnosis for skin diseases at the Central Hospital of Lankao County, Henan Province, providing diagnosis for 350 patients and giving 271 prescriptions.

Concern for the Disaster Areas

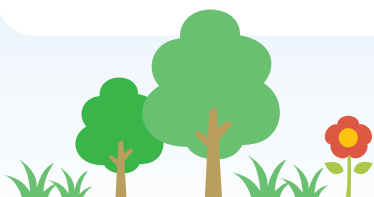
Following the cultural tent of “caring for life and attending to health”, the Company actively fulfills the social responsibilities as a central enterprise. Over years it gives back to the society and brings benefits to the people in various forms. Especially when severe natural disasters occur, the Company initiated all the employees to actively participate in the first aid and make contributions to the people in the disaster areas.



Sinopharm Holdings Shenyang provides medical service for the residential area.

Case I

In June 2016, great tornado and hail burst out in some areas in Funing County and Sheyang County, Yancheng City, Jiangsu Province. Afterwards, Sinopharm Holding Yancheng Co., Ltd. rapidly transported emergency aid medicines and materials to the disaster area, and its employees also made spontaneous donations, and actively participated in the emergency aid.



Case II

In July 2016, Hebei Province suffered from heavy storms, requiring urgent flood prevention and disaster relief. In active response to the requirements in the Emergency Notification Concerning the Support of Emergency Health Supplies for Flood Prevention and Disaster Relief issued by the Health and Family Planning Commission of Hubei Province, Sinopharm Holding Hubei Co., Ltd. rapidly established the flood prevention emergency response team composed of the Manager Office, Public Affairs Department, Purchase Department, Instrument Department, Logistics Department, Retail Center and all the subsidiaries, and built “green channel” inside the Company to rapidly purchase emergency materials worth RMB3,000,000 of 42 varieties and 25 categories as the reserve. Meanwhile, the Logistics Center of Sinopharm Holding Hubei Co., Ltd. negotiated with the carrier about the emergency response plan to actively overcome the extremely adverse climate and distribute materials. 14 subsidiaries from 17 cities in the province made rapid response to transport materials to the disaster area, in order to guarantee the emergency health materials for flood prevention and disaster relief can arrive at the disaster area promptly.



Poverty Relief

The Company not only strives to realize further development, but also actively gives back to the society. It actively participates in the construction of local residential areas, fulfills its social responsibilities, cares about the hardship of employees in difficulty, and eliminates the difficulty and trouble for them by making use of its own fund, manpower and technology. Over the past decade, the Party Committee of the Company has integrated the assistance in pairs in Fujun Village with the in-depth development of Party grassroots organization and the enhancement of the fulfillment of social responsibilities by enterprises, spared no effort in implementing the contents of assistance, given full play to the role of the Party organizations in the Company and all the subsidiaries in Shanghai, fully mobilized the Party members and leaders to actively participate in the assistance in pairs according to the unified deployment of the Municipal Commission of Social Workers in active response to the appeal of the Municipal Party Committee, which has realized outstanding achievements, and won the unanimous recognition and praise from the villagers. The Company also encourages its subsidiaries to actively fulfill social responsibilities. In January 2016, Sinopharm Holding Beijing Tianxingpuxin BioMed Co., Ltd. carried out the “philanthropic donation to help the needy employees in Beijing City”, in active response to the appeal of the Labour Union in Fengtai District of Beijing.

Meanwhile, in order to help more poor students excellent in both character and learning finish their study, and step closer to their dreams, the Company has always been providing financial aids for students for years. The Company has initiated a “philanthropic assistance for students” charity program of Sinopharm Holding jointly with Shanghai Charity Foundation Jing’an District Branch, in order to sponsor students excellent in both character and learning from poor families with low income and minimum living standard in Jing’an District. By the end of 2016, the program had sponsored more than 70 students.