



廣州白雲山醫葯集團股份有限公司
GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HOLDINGS CO., LTD.



2020

Corporate Social Responsibility Report

Guangzhou Baiyunshan Pharmaceutical
Holdings Company Limited

About This Report

This is the 13th Corporate Social Responsibility Report released by GYBYS. The Report discloses the ideas, practices and achievements of the Company's undertakings in corporate social responsibility (CSR) towards the economy, the society, the environment and so on in 2020. We hope to strengthen communication with stakeholders, build consensus and promote sustainable development through the release of CSR Report 2019.

Time horizon

From January 1, 2020 to December 31, 2020; part of the content herein with a moderate extension to the year before or after.

Report scope

"Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited", including its subsidiaries and joint ventures, is the reporting entity.

Preparation basis

- Sustainability Reporting Guidelines (GRI Standards) issued by Global Reporting Initiative
- Guidelines for the Preparation of Corporate Social Responsibility Reports in China (CASS-CSR4.0) issued by Chinese Academy of Social Sciences
- Environmental, Social and Governance Reporting Guide issued by HKEx
- Guide for Environmental Information Disclosure of Shanghai-listed Companies issued by Shanghai Stock Exchange
- Guiding Opinions on the Implementation of Corporate Social Responsibility by Central State-Owned Enterprises issued by SASAC

Data sources

All the data used in the Report come from the official documents, statistical reports or relevant public information of the Company.

Reliability assurance

The Company guarantees that the Report is free from any false record, misleading statement or material omission.

Appellations

For the convenience of expression and reading, in the Report, "stakeholders" are sometimes referred to as "you", and "Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited" is sometimes referred to as "GYBYS", "the Company" or "we (us/our)". The abbreviations used herein have the same meaning as those defined in 2020 Annual Report.

Access to the Report

The Report is available in printed or electronic form. You can download the electronic version from the Company's website (www.gybys.com.cn), SSE website (www.sse.com.cn) or HKEx website (www.hkex.com.cn), or get the print version by email (sec@gybys.com.cn) or phone (020-6628 1220).

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Speech by Chairman



Focus on Health Cause and the Construction of a More Sustainable Future

2020 coincides with the critical year for China to build a moderately prosperous society in all respects and is also the last year of the 13th Five-year Plan. In the context of normalized fight against COVID-19, under the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for A New Era, Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (GYBYS) united and led all staff in COVID-19 prevention & control, poverty alleviation and operation this year at the same time. By highlighting the theme of "a year with reform and great-leap-forward development", we overcame difficulties and forged ahead with firm faith and extraordinary courage and kept contributing our intelligence and power to human health in accordance with the idea of "spreading love all over the world".

Scientific research innovation accelerates the development of pharmaceutical industry. We insist on the innovation-driven development and have accelerated the improvement of innovation and R & D system, widened the R & D field actively and made efforts in boosting transformation and upgrading. The total R & D investment is about RMB 619 million, and 26 R&D projects have been approved, including six innovative drug R&D projects; 11 production approval documents were obtained, six consistency evaluation product specifications were passed, 60 domestic patent authorizations were obtained and two provincial engineering technology centers – Guangzhou Engineering Technology Research Center for Andrology Medication and Guangdong Engineering Technology Center for Plant Beverage were established. National Laboratory Dog Resource Library of Guangzhou General Pharmaceutical Research Institute Co., Ltd. successfully developed the world's first gene edited human disease dog with Hemophilia A.

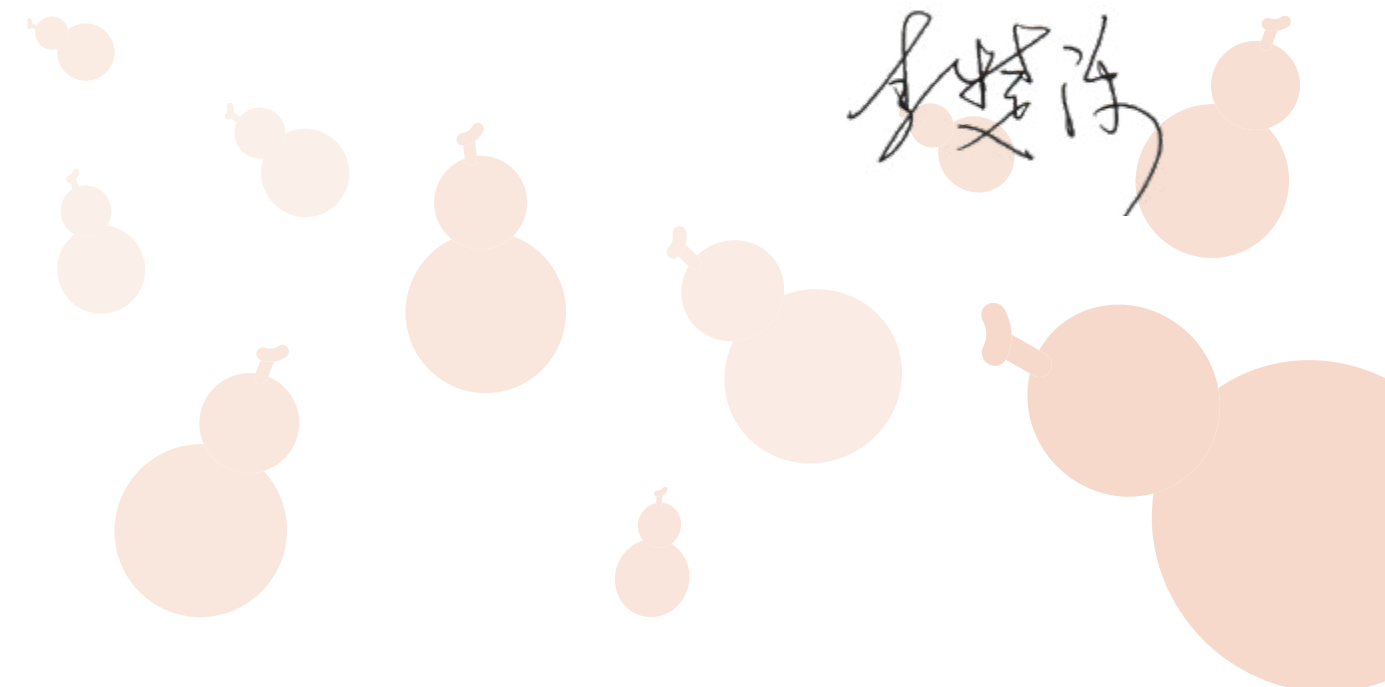
Fairness and accessibility facilitate more inclusive medical service. We highlighted the fairness and accessibility of medical service, so as to provide high-quality medical services for people in multiple links such as pharmaceutical manufacturing, medical service and circulation and retail. The number of varieties listed to health insurance directory was increased by 4 in 2020; expired drug recovery project has been implemented for 17 consecutive years and a total of 200 drugstores in 6,000 cities in domestic China participated in the offline drug recovery.

Integrity and compliance make business more transparent. We intensified corporate governance and surpassed the compliance requirements; abided by the commercial ethics scrupulously and integrated the requirements (e.g. anti-corruption and anti-unfair competition) into enterprise management system and employee code of conduct, and cooperated with partners and supply chain enterprises to build a transparent and harmonious business ecosystem jointly.

Green operation makes ecology more beautiful. With a strong focus on the idea that "lucid waters and lush mountains are invaluable assets", we kept improving the environment management system and built a resources-saving and environmentally friendly enterprise intensively, so as to reduce waste emission and boost the construction of a green digital factory; responded to climate change influence actively and built enterprise green competitiveness. In 2020, we had our total input of environmental protection and energy-saving special fund exceeding RMB 30 million.

Sincere care makes the society more harmonious. We always give priority to consumers' health and safety and became a more reliable medical health service provider by taking a series of measures (e.g. improving and upgrading quality management system constantly, establishing an intelligent production base of traditional Chinese medicine (TCM) and building brand traceability information system). We highlighted employees' career development and promoted the reform of personnel selection and recruitment mechanism actively; strengthened vocational skill training and safeguarded employees' rights and interests; set up business platform of realizing personal value and enhanced employees' senses of belonging and achievements. We shoulder social responsibilities actively, fight against COVID-19 with efforts, make full use of every minute to produce anti-virus drugs, rack our brains to ensure the market supply of epidemic prevention materials, establish mask online reservation mode and donate epidemic prevention materials domestically and overseas so as to build an invisible supply line for epidemic prevention and control. We returned the society actively, carried out counterpart assistance work with all efforts and boosted the poverty alleviation through all ways possible. In 2020, we input the targeted poverty alleviation fund of RMB 2.51 million or so and helped Jingkou, Wanxi and Yuanling, the three fixed poverty-stricken villages, intensively, so as to help all villagers get rid of poverty.

With the accelerated development of one-hundred-year deployment, China is at the defining moment of realizing the great rejuvenation of the Chinese nation. With the new tasks and missions in the "14th Five-year Planning" period, we will highlight the development of "Healthy China" with a faster speed. Pharmaceutical industry has entered the acceleration stage of industry reshuffle with the constant great actions of medical reform. In the face of opportunities and challenges at the same time. By carrying forward the successful experience of hygiene and health undertakings continuously, we will exert our strength fully, deepen the transformation and upgrading and boost high quality development, contribute our intelligence and power to human health continuously.



Board's Statement

Board's supervision for ESG affairs

Our board participated in and took charge of the formulation of the Company's environment, society and governance strategies, goals and medium and long-term plans so as to make sure the environment, society and governance strategies are included in the business decision process; understood the potential influence and relevant risks of environment, society and governance affairs on the Company's business mode; kept consistent with the anticipations and requirements of investors and regulatory body; supervised the Company's assessment on relevant environment and social influence.

Board's ESG management policy and strategy

Objective of sustainable development

With a strong focus on the responsibility idea of "spreading love all over the world", we keep contributing our intelligence and power to human health.

Organizational structure of sustainable development

Our board fully supervises ESG matters, cooperates with other committees of the Company, and is responsible for identifying ESG risks, formulating plan objectives and management policies, and performance appraisal. The office of the board of directors with various functional departments of the Company as the promotion group to coordinate the internal and external work of sustainable development of the Company.

Sustainable development strategy and management

The board has been trying to integrate the corporate social responsibility idea of "spreading love all over the world" into enterprise's medium and long-term development strategies, implemented relevant work in daily operation by improving social responsibility management system and released corporate social responsibility (CSR) report regularly; communicated with stakeholder about the progress of the Company's responsibility performance, so as to improve social responsibility management level further. We have formed the social responsibility working route of "strategy in advance – internal practice – external communication".

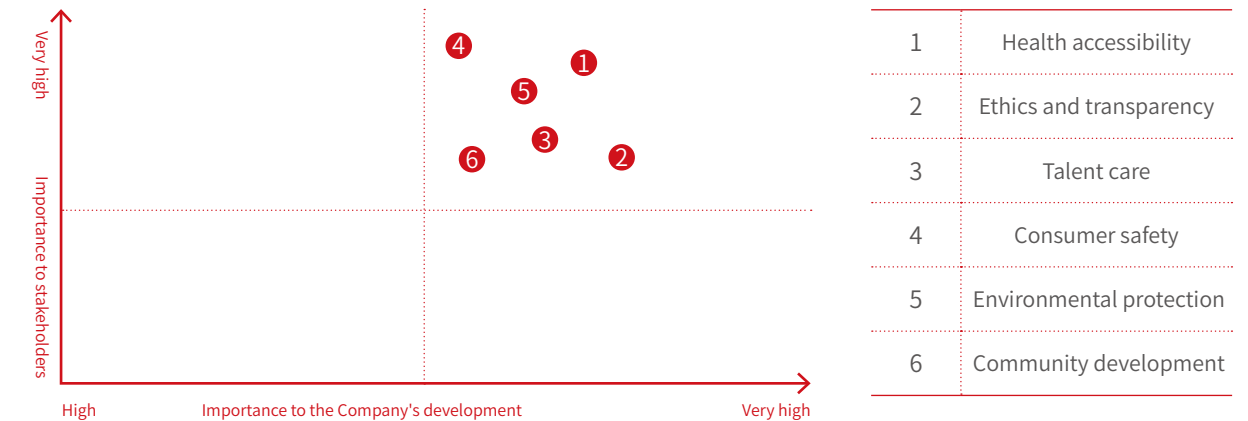
- Prepare social responsibility strategy
- Prepare social responsibility objective/index
- Prepare social responsibility work plan
- More appropriate social responsibility strategy
- More perfect social responsibility objective/index
- More specific social responsibility work plan



- Public welfare program
- Assistance program
- Safety production program
- Collection and evaluation of social responsibility index
- Evaluation on the completion of social responsibility program
- Preparation of and communication on corporate social responsibility (CSR) report
- Energy conservation and emission reduction program
- Employee care program
- Employee training program

Sustainable development issues

According to the route of "issue recognition – issue survey – issue screening – issue review", the board made analysis and audit with the Company's internal management and external experts by considering two points at the same time, i.e., "importance to the Company's development" and "importance to stakeholders" and determined the six highly important sustainable development issues to be disclosed intensively: health accessibility, Ethics and transparency, talent care, consumer safety, environmental protection, and community development.



Board's ESG progress management

The board set the key performance objectives in 2021 according to HKEX's new version of ESG guide Consultation Summary Document, and will evaluate the implementation and completion of objectives at regular intervals, so as to ensure the policies have been implemented in good faith and sustainably.

Corporate Governance

By focusing on the development idea of "reform and great-leap-forward development" and the Company's business objectives, we insisted on the general working keynote of "making progress while ensuring stability", new development idea and the theme of high-quality development. We advanced the institutional reform comprehensively, promoted the transformation and upgrading of the four businesses actively and built product and enterprise brands vigorously.

By 2020

<p>Operating income of RMB</p> <p>61.67 billion</p>	<p>The total profits were RMB</p> <p>3.74 billion</p>	<p>The net profit attributable to shareholders of the Company were RMB</p> <p>2.92 billion</p>	<p>The net profit attributable to shareholders of the Company after deducting the non recurring items were RMB</p> <p>2.63 billion</p>
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Shareholders' meeting, board of directors and the supervisory committee

We run businesses in strict accordance with Company Law, Securities Law, Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws. We have set up a corporate governance structure with complete functions, mutual checks and balances. As an organ of power, shareholders' meetings exercised the voting rights concerning the Company's significant matters (e.g. business policy, fund raising, investment and profits distribution) as per laws. As the Company's decision-making organ, the board of directors reports to the shareholders' meeting. The board formulates the Company's basic business policy and social responsibility strategy and decides the Company's all significant affairs. It establishes four specialized committees: Strategic Investment and Development Committee, Audit Committee, Nomination and Remuneration Committee and Budget Management Committee, so as to further improve the operation efficiency of the board of directors. The Company highlights the diversity of board's members, in order to ensure the scientificity and effectiveness of the board's decision. At present, the board of directors consists of 11 directors, including 4 independent directors and 3 female directors. As a supervisory organ, the supervisory committee of supervisors is responsible to all shareholders, exercises the power to inspect the Company's financial affairs and supervise the directors, the general manager and other senior managers' performance of the Company's duties in accordance with the law.

We convened shareholders' meeting in strict accordance with the requirements of Rules of the Shareholders' Meeting of Listed Companies issued by China Securities Regulatory Commission and Rules of Procedure of Shareholders' Meeting released by the Company, and convened meeting of board of directors and meetings of the supervisory committee in accordance with Rules of Procedure of Board of Directors, and Rules of Procedure of Board of Supervisors and other relevant requirements. We protected the legitimate rights and interests of the Company and shareholders in strict accordance with relevant provisions on voting matters and procedures.

Capital operation optimization

In light of the complicated economic regulation and policies of pharmaceutical industry, we have strengthened the management of fund and investment project risks and realized the steady growth of the Company's business performance.

Strict control for investment risk

Avoid project risks

Intensify such work as the preliminary screening of project and risk point identification in course of implementation and coordination of capital operation and M & A project. Carry out feasibility study on the project contents and key points repetitively in course of project implementation by focusing on project risks and income.

Sort equity investment risk

Sort the equity investment projects, improve accounts, review their operation status in detail, classify the major risk points systematically and bring forth the corresponding countermeasures

Strengthen project process control

Carry out the inspection of capital operation projects jointly by the internal control departments such as Finance Department, Risk Control Department and Legal Affairs Department, sort the risks in course of project implementation, and update relevant control systems in time.

Carry out project audit

Audit the completed equity, fixed assets and R & D investment projects regularly, focusing on the scientificity and standardization of key links such as project investment decision-making, fund use, process management and post investment management.

Relevant meetings convened by the Company in 2020

Shareholders' meeting: **8** times

Board meeting: **13** times

Meeting of board of supervisors: **10** times

Meeting of Audit Committee: **4** times

Meeting of Strategic Investment and Development Committee: **6** times

Meeting of Nomination and Remuneration Committee: **4** times

Breakdown of board of directors

Male: **8** persons; female: **3** persons

4 independent directors

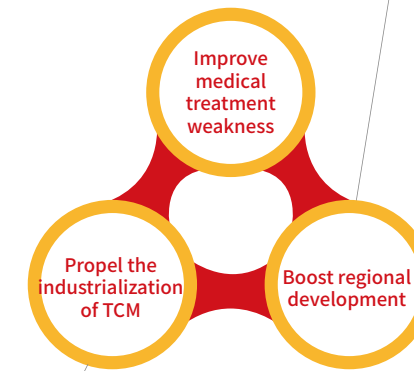
2 financial specialists

5 medical specialists

Significant progress of capital market

We kept improving the rules of procedure and decision and ensured the efficient operation by laws and regulations; supported the special project input in medical health field and developed the investment and construction of sustainable projects involving public issue and social welfare vigorously.

Medical Instrument Investment Company under the Company, established a joint venture called Guangzhou Baiyunshan Yihu Health Science and Technology Co., Ltd. together with Guangzhou Guanhua PPEs Co., Ltd. in February 2020 to produce the masks badly in need. The pressure of mask supply during the outbreak of the epidemic was therefore relieved effectively.



WLJ Great Health set up Guizhou WLJ CNJ Industrial Development Co., Ltd. in April 2020, In August 2020, Wang Lao Ji established Guang yao WLJ CNJ scientific and technological innovation base and Guangyao WLJ (Bijie) Industry Co., Ltd. Boosting economic development in Guizhou.

Cai Zhi Lin plans to set up Guangzhou TCM Industry Research Institute Co., Ltd. (tentative name) together with University of Macau, Jinan University, Gansu Institute for Drug Control and Lanzhou Nuoran Intestinal Health Fine Nutrition Research Institute through joint investment so as to boost the industrialization of TCM.

Comprehensive risk management

By underlining the core of "supervision intensification, risk prevention and value improvement", we have established the three defense lines of "risk control, internal control and internal audit" covering the whole Company, intensified the Company's risk prevention and control ability of "core field business and high-risk business" and finally realized the objectives of "complete system, controllable risk, operation compliance and benign development".

Departments of three defense lines



Business departments



Risk Control Office



Audit Committee

Six risk management measures

Risk monitoring mechanism for accounts receivable	Risk management mechanism for significant economic contracts	Special check for standard equity management
Special audit for significant investment	Great surveillance – special patrol for key post	Pool of audit professional talents

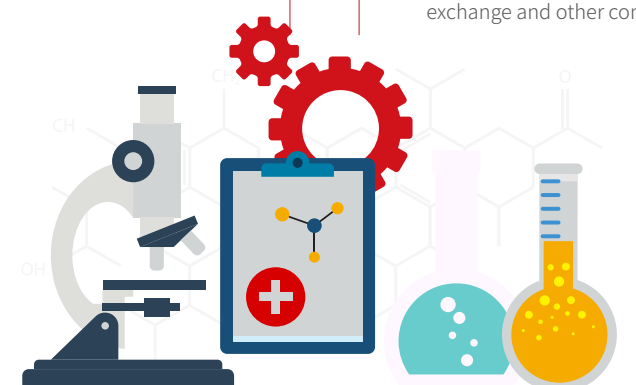


Shareholder communication

In 2020, the Company's institutional and individual investors communicated mainly online and via phone due to COVID-19 in 2020. We communicated with investors about the Company's operation and strengthened the contact and communication with investors by the activities such as online performance presentation, "investors' online exchange day" sponsored by Guangdong Securities Regulatory Bureau and The Listed Companies Association of Guangdong (GDLA) and online investment seminar organized by several related institutions.

We paid special attention to the protection for shareholders' privacy rights and interests, improved confidentiality mechanism, intensified confidentiality duty and highlighted the confidentiality education of key fields; strengthened technical protection and completely eradicated online breach of confidence. We NEVER disclosed shareholders' information without permission, unless otherwise specified by laws and regulations.

<p>Information disclosure channel</p> <ul style="list-style-type: none"> • Risk Control Office • All temporary announcements submitted to "Shanghai Stock Exchange" and "HKEX" • The Company's website sectors • Annual shareholder's meeting 	<p>Communication and exchange activities</p> <ul style="list-style-type: none"> • Long-acting investor and roadshow of regular performance disclosure • Exchange meetings and strategy meetings for investors • Daily reception of investors' visit, investors' consultations via phone, E interactive platform exchange and other conventional activities
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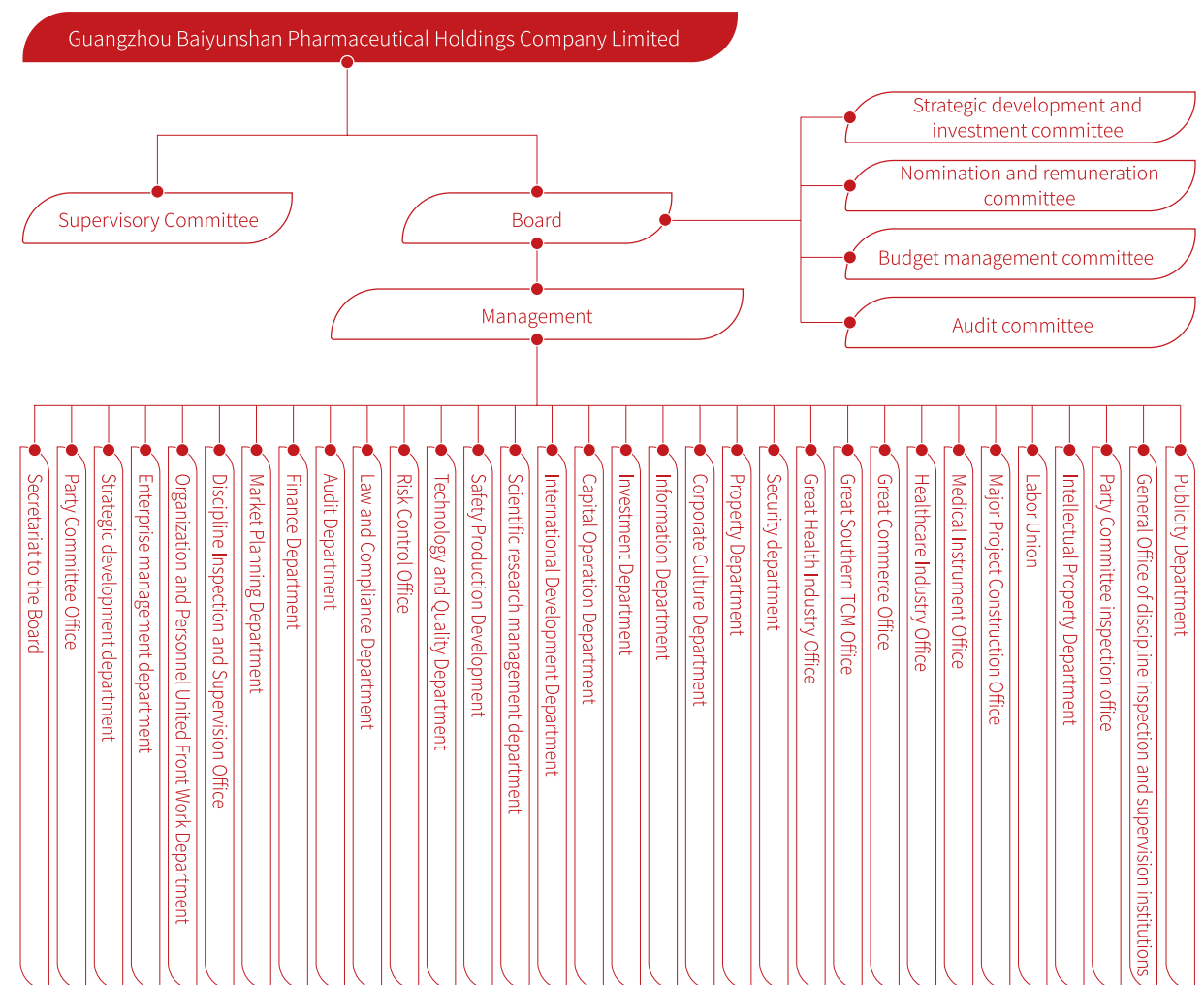
About Us

Company profile

GYBYS [A-Shares 600332, H-Shares 00874] is a listed Company under Guangzhou Pharmaceutical Holdings Limited (GPHL). It is mainly engaged in R&D, manufacture and sales of Chinese and Western patent drugs, chemical raw drugs, natural drugs, biological drugs and intermediates of chemical raw drugs; wholesale, retail and import & export of Western and Chinese drugs and medical instruments; R&D, production and sales of great health products; health industry investment of medical service, health management, health preservation and pension, etc.

Organizational structure

The Company's head office has established 32 functional departments which have 37 branches and subsidiaries directly.



Our brands

As one of the largest pharmaceutical enterprises in China, we have kept expanding our scale and benefits continuously after years of development and have gradually developed the four business segments: "Great Southern TCM", "Great Health", "Great Commerce" and "Great Medical Care" and a series of famous brands popular among consumers.

Great Southern TCM



Great Health



Great Commerce

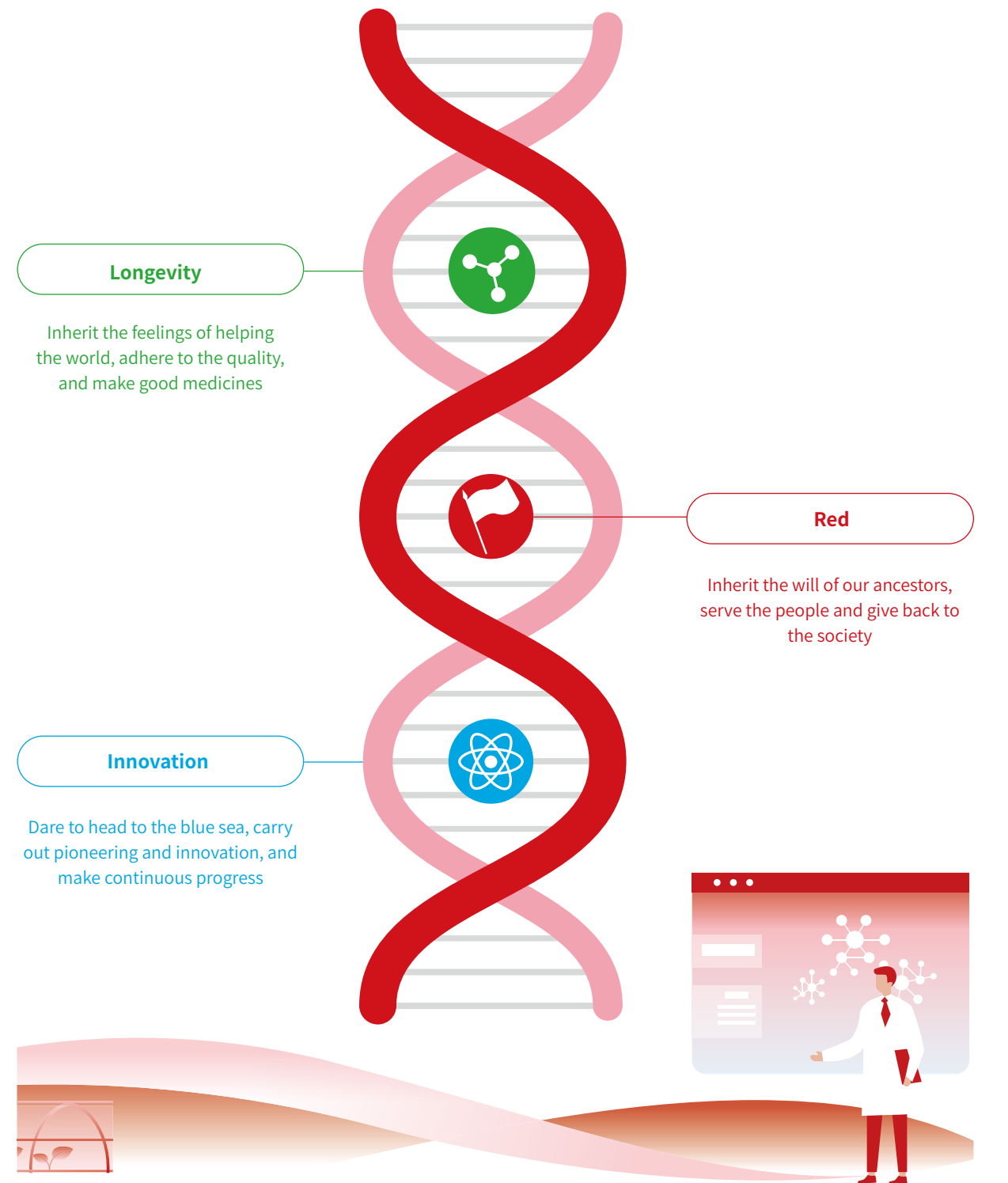


Great Medical Care



Corporate culture

We adhere to the genes of red, longevity and innovation, take "spreading love all over the world" as corporate vision, always uphold the core values of "cooperation, relief, honesty, dedication, diligence and innovation", take "caring for life and pursuing excellence" as corporate mission, and conduct continuous inheritance, innovation and surpassing for a long time.

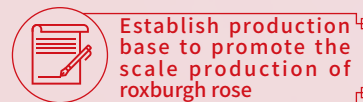


Responsibility Topic I: Shake off Poverty through the Integration of "Blood Transfusion +Hematopoiesis"

"Serving people and returning the society" is our commitment for the red genes that we have inherited for hundreds of years and integrated in our internal system. To win the final battle against poverty in 2020, GYBYS focused on the principal line of "targeted poverty alleviation" closely, innovated the poverty alleviation mode according to local conditions and took a road of "blood transfusion + hematopoiesis"; carried out the comprehensive and multi-field assistance through industry, consumption and fixed poverty alleviations, boosted mutual promotion of poverty shake-off and production management and developed a favorable poverty alleviation practice scheme facilitating assistance and win-win.

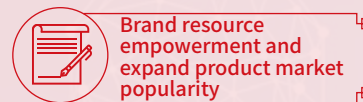
Industry Poverty Alleviation: Determine the Weaknesses and Boost Development through Industry Integration

On the basis of the counterpart assistance project for Guizhou's roxburgh rose industry, after considering Guizhou's difficulties such as relatively backward productivity, large poverty-stricken population, employment difficulty, we actively used our own scientific research advantages to help solve the problems (e.g. acerbity and storage) of roxburgh rose fruit, with the fruit as raw material, we developed a series of supporting products, such as CNJ compound juice, throat sugar and Guiling cream. Furthermore, to address the aforesaid products, we helped to strengthen the industrial chain of roxburgh rose fruit and contribute to the development of roxburgh rose industry in Guizhou.



Establish production base to promote the scale production of roxburgh rose

To boost the scale and modern development of roxburgh rose industry, we established two subsidiaries and production base in Guizhou, made overall plan on production and sales of roxburgh rose fruit related products. Included the poverty-stricken areas into product raw material supply system, helped to build a long-term mechanism to get rid of poverty.



Brand resource empowerment and expand product market popularity

With our own marketing resources, we launched roxburgh rose fruit related product advertisements on several TV stations, logged in the platforms (e.g. Boao Forum for Asia, Fortune Global Tech Forum), leveraged social platforms such as tiktok, micro-blog, interaction and communication with consumers to greatly enhance the popularity of roxburgh rose related products.



Establish multiple channels and build and improve sales network

We held roxburgh rose fruit related product marketing campaigns successively in Guizhou, Beijing, Guangdong and other places based on Wang Lao Ji's sales network, transported our products to most cities in the country; launched our products on various online sales platform such as Tmall, JD, Pinduoduo and applet of WeChat - Wang Lao Ji Official Mall, improve the sales network.

Poverty Alleviation through Consumption: Take Multiple Measures and Encourage Consumption to Increase Vitality

Consumption plays a crucial role in pulling industrial development and in particularly is also a significant approach and measure for social forces to participate in poverty alleviation extensively and boost poverty shake-off. We carried out the practice in poverty alleviation through consumption, launched a series of measures supporting consumption of roxburgh rose related products and mobilized multiple forces to jointly participate in and support poverty alleviation.

Stimulate consumption enthusiasm

Publicize the nutritive value of roxburgh rose fruit for the public in numerous ways, adopted "live-streaming e-commerce" mode, stimulate the enthusiasm of mass consumption.



Initiate the all-staff sales

During the outbreak of COVID-19, we initially launched the goods sales action in the whole Company and established special sales area in the Company and its subsidiaries; encouraged all staff to promote and sell the roxburgh rose series products through multiple approaches.



Stakeholder voice

"With WANG LAO JI's involvement in roxburgh rose industry over the past several years, I have witnessed that the development output of the whole roxburgh rose industry has been increased by 30%-50% on a yearly basis. The industry's influence, particularly in the field of end users, is expanding not only in Guizhou but also in the whole country".

—Zhang guang min from Guizhou guiding Minzi Food Co., Ltd

Targeted poverty alleviation: Stimulate the Endogenous Power and Establish Long-term Mechanism of Poverty Alleviation

We, as well as our subordinate companies Xing Qun, Guang Hua and Cai Zhi Lin, have assisted the three relatively poor villages - Jingkou, Wanxi and Yuanling from Songyuan Town, Meizhou City, Guangdong Province respectively since May 2016. The accumulative input exceeded RMB 10 million, and as of the end of 2020, a total of 352 farmers from 140 households had shaken off poverty.

Over the past four years, we have, by the series means of "poverty alleviation + stimulation + intelligence improvement", enhanced the "self-development function" of poverty-stricken area, stimulated the endogenous power for poor people shaking off poverty, innovated the poverty alleviation mode of "teaching them how to make development" that integrated emerging and supporting industries and realized the brand-new village appearance of the three poor villages.

Develop characteristic planting industry

Support the development of the local tobacco and grapefruit planting industry, keep improving the production infrastructures and help farmers enhance their income by setting up night school where farmers could learn planting skills and knowledge, which increases an income of RMB 14.93 million for the local farmers accumulatively.



Skills training class for poor households in Songyuan town

Establish photovoltaic power station

Develop clean energy, six photovoltaic power stations with a total power of 274 kW have been established by fully using the local natural resources to bring an income of above RMB 50,000 to the collective economy of different villages every year.

Employment support of industrial park

The Company's two industrial bases were completed and put into operation in Guangzhou (Meizhou) Industrial Transfer Park, which could offer more than 600 job opportunities for the local residents. The Company recruited the villagers from the three assistance.



WangLaoJi Meizhou industrial base



Responsibility Topic 2: Fight Against "COVID-19" Collaboratively and Build the "Invisible Supply Line"

"Protecting human health is our original intention and mission."

- Li Chuyuan, the chairman of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Time means life and materials are mostly needed in the fight against COVID-19. In the face of the sudden outbreak of COVID-19, we established a leading group of COVID-19 prevention and control first, deployed COVID-19 prevention and control work, spared no efforts to guarantee the epidemic prevention & control supplies, market stability and people's health and built an "invisible supply line" for the fight against the epidemic".

The drugs and protective materials we donated accumulatively to such places as Hubei, Guangdong, Iran and Benin exceeded RMB **20** million

Build Materials Supply Line Firmly by Taking Multiple Measures

To supply protective materials and medicines badly in need is the top priority among all issues in the fight against the epidemic. We guaranteed epidemic prevention & control supplies by taking multiple measures, serving as the medical workers' strong backup force.



Undertake the Responsibility to Prepare Materials in Emergency

We tried to create all possible channels to guarantee the production and supply of epidemic prevention & control drugs; went to the masks and protective suits enterprises to make purchase on spot and established a continuous supply channel; launched global purchase strategy and exchanged with 90 overseas suppliers successively. We made all efforts to overcome the difficulty of lacking of epidemic prevention & control materials and provided protective suits for epidemic prevention & control workers.



Undertake Mission Faithfully and Guarantee Emergency Distribution

With the firm belief that sooner arrival of medicines means earlier success in the fight against the epidemic, we, in order to ensure the timely distribution of epidemic prevention & control materials, established a green distribution channel, arranged the 24 h watch system and ensured the 1 h emergency distribution.



Logistics Frontline Workers



Insist on Public Welfare Supreme and Rush to Rescue Hubei by Travelling A Long Distance

Medical materials (e.g. mask) were in badly need upon the outbreak of COVID-19, particularly in Hubei, a province with the most serious epidemic situation. We launched the nationwide donation and global rush rescue action and donated medical materials to such places as Hubei, to fight against the epidemic jointly. We donated drugs and materials badly in need of RMB 12 million to the places (e.g. Wuhan) on January 27, 2020, and the epidemic prevention & control materials of RMB 3 million to Wuhan on January 28, 2020.



Build the Market Supply Line Firmly by the Commitment of "Two-No, Two -Guarantee"

Steady market helps build secure feeling and strong confidence. Upon the outbreak of COVID-19, we took the lead in providing the commitment of "two-no, two-guarantee" (do not improve price or stop operation; guarantee product quality and public welfare supreme), stood at the frontline of work resumption, ensured market stability vigorously and supported the fight against the epidemic.

Resume Work and Guarantee Drug Supply

We implemented the storage task of drugs, medical instruments and epidemic prevention & control materials vigorously and received and stored various PPEs of more than 120 million pieces totally; produced the Anti-epidemic products overtime, launched the production of chloroquine phosphate in two weeks, which effectively guaranteed patients' medication.



Accumulated supply of all kinds of anti epidemic related materials **100** million pieces



Supply Materials at A Fair Price and Guarantee Market Supply

All our drugstores operated as usual during the outbreak of COVID-19. We tried to guarantee that every customer could buy the required drugs and obtain the fastest guidance; relieved the pressure of frontline hospital and stabilized the market vigorously.



Guarantee the Mask Supply and Firmly Build the Epidemic Protection Line

People's life, health and safety are always the top priority. We spared no efforts to meet People's medicine and protection needs and launched the mask booking service; reduced the infection risk of crowd gathering, contributed our intelligence and power to epidemic prevention & control and guaranteed citizens' safety better.



"Suikang" online mask booking channel reached nearly 15 million person-times, more than **280** million masks were provided

Protect the Health through the Love "Suikang"



We provided the "Suikang" mask booking purchase service, in order to resolve citizens' difficulty in mask purchase and also realized the mode of "online booking, online purchase and home delivery via express" comprehensively, which guarantees the epidemic prevention & control and work resumption. After COVID-19 was contained effectively, we upgraded and expanded the "Suikang" health service actively and increased the services such as medicine chain mall and appointment of nucleic acid testing and health examination, so as to build the Internet service brand that "Suikang is for your health".

Show Our Speed and Power in Materials Supply

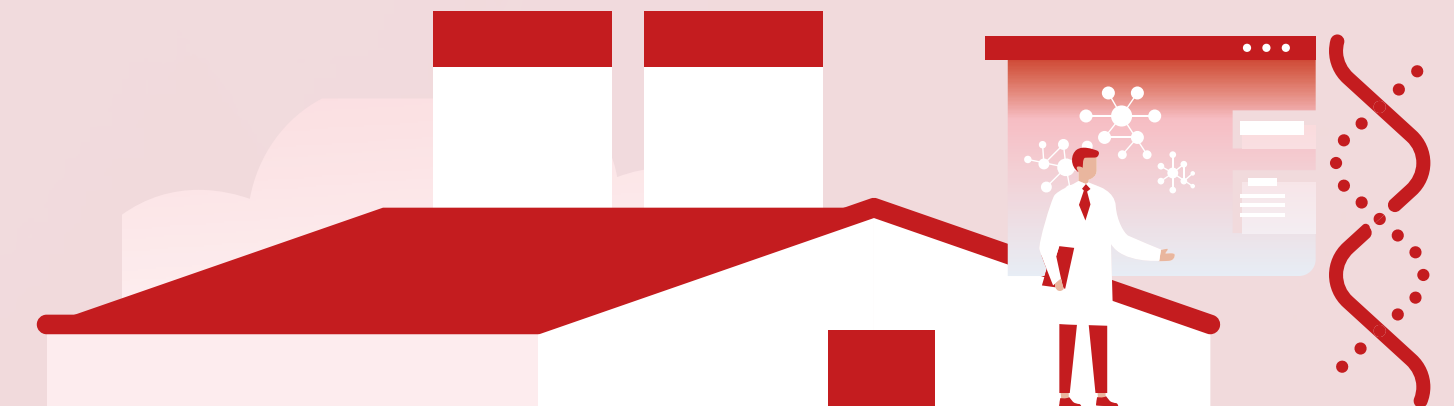


Earlier production means earlier steadiness of the whole society. To relieve the shortage of medical materials (e.g. mask and protective suit), we allocated personnel and established the production lines of masks and protective suits emergently and rapidly, and finally realized a daily mask capacity of 100,000 just for over one month.

Voices from Stakeholders

"Donate the epidemic prevention & control materials badly in need to Jinzhou and gather the strong power for the fight against COVID-19!"

-Party Committee and Peoples Government of Jinzhou



ACCESS TO HEALTH CARE

Challenges and opportunities



The continuous spread of COVID-19 all over the world has threatened the life safety and physical health of people in the whole world severely and brought enormous challenges to international public health and safety. In the face of such a crisis, however, multiple development opportunities emerged in Chinese medicine and health industry – R&D of COVID-19 vaccine drove the rapid development of medical and health services, high attention was paid to the great health field of health preservation and pension and relevant field of Internet medical treatment and health (e.g. remote diagnosis) yielded unusually brilliant results; online sales amount of pharmaceutical products was increasing and online medicine purchase became a new trend. All those brought unknown challenges and infinite opportunities to the development of pharmaceutical enterprises.

Countermeasures



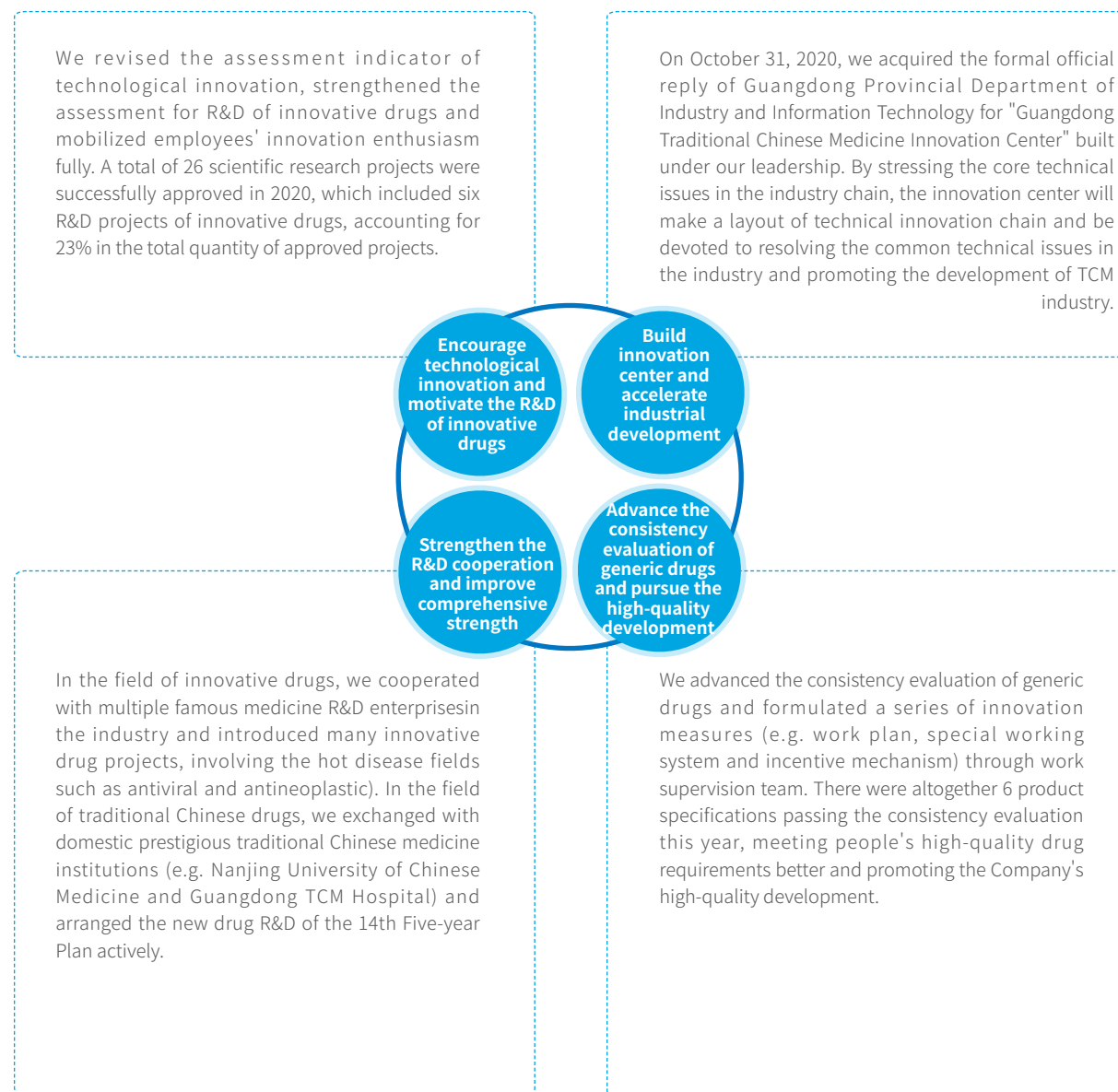
We kept playing the main role of innovation, encouraged the R&D of innovative drugs, accelerated the improvement of R&D platform scale constriction and provided new means and scheme for treatment of rare disease; boosted the development of primary medical care actively and improved medical service and medicine accessibility duly; closely followed the consumption trend change, transformed product marketing mode flexibly and created brand scale effect; advocated the health idea to the public vigorously and created a favorable social atmosphere of healthy life.

Fight for health and well-being

Health for all is the common vision of all human beings, and advancing global health undertakings serves as a significant part of implementing the 2030 Agenda for Sustainable Development. With full and persistent devotion to the cause of people health, GYBYS kept improving creativity, explored and actively advanced the disease prevention & control and innovated the new scheme of treatment, so as to meet people's needs for quality healthy products and contribute our power to people's health and well-being.

Enhance R&D innovation capacity

R&D and continuous innovation are the core source power for the development of pharmaceutical enterprises. We provided innovative treatment scheme constantly by keeping promoting the R&D of innovative drugs and enhancing the input of scientific research fund. Our R&D expenditure totaled to RMB 619 million (estimated) this year, with a Year-over-Year increase of 4.56%.



Fruitful Innovation Achievements

<p>Production approval document</p> <p>We applied for 13 production approvals, and obtained 11 production approvals.</p>	<p>Invention patents</p> <p>We applied 71 domestic invention patents and 14 utility model patents totally this year, and finally obtained 40 licensed domestic invention patents, 20 utility model patents and one foreign invention patent.</p>	<p>Technological innovation platform</p> <p>We set up two provincial engineering technology centers this year: Guangzhou Engineering Technology Research Center for Andrology Medication and Guangdong Engineering Technology Research Center for Plant Beverage.</p>
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Honors

<p>"GYBYS Drugs For Major Diseases (Chemical Drug) R&D Innovation and Management Team for Major Diseases" Project ranked first and won the title of "outstanding team" in innovation and entrepreneurship excellent management team selection of Li wan District, Guangzhou City.</p>	<p>HWBYS won the second prize of National Scientific and Technological Progress Award by means of participant's "integrated innovation and support system creation and application for TCM quality testing technology.</p>	<p>Guangzhou Han Fang's "Key Technical Research and Its Industrial Demonstration for Intermediates in Important Heterocyclic Intermediates of Drugs" Project won the second prize of National Scientific and Technological Progress Award.</p>	<p>Guangzhou Han Fang's "R&D and Industrialization for Clinical Nutrition-based Lipid Raw and Auxiliary material and Foods for Special Medical Purpose (FSMP)" and "Construction of National Laboratory Dog Resource Library" of Guangzhou General Pharmaceutical Research Institute Co., Ltd. won the "2020 Special Support Fund for Significant Scientific and Technological Innovation Industrial Project" of RMB 10 million of State-owned Resources Supervision and Administration of Guangzhou Municipality.</p>
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Promote disease prevention and treatment

By exerting our advantages fully, we have long been devoted to disease research, prevention and treatment, innovated the R&D thinking of rare disease treatment, safeguarded the public's health and rights and interests and implemented the strategy of "Healthy China" duly.

<p>Make contributions to the R&D of IgA nephropathy and idiopathic membranous nephropathy (IMN)</p> <p>Chenlijing Pharmaceutical Factory carried out the effectiveness and safety clinical research and evidence-based medical researches (e.g. treatment and clinical research of severe psoriasis vulgaris), so as to expand the target users and application market of Kunxian capsule.</p>	<p>Keep inputting in the R&D of Anti-Tumor drugs</p> <p>We continue to carry out research on innovative anti-tumor drugs. Among them, HG030 which is developing by Baiyunshan General Factory is a new class 1 small molecule anti-tumor drug with a new chemical structure and independent intellectual property rights. This project helps the Company to open up a new layout of innovative small molecule Anti-Tumor drugs.</p>
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Case Build the Gene-Edited Human Disease Model for Hemophilia A - A New Breakthrough in Hemophilia A Treatment Successfully

Hemophilia A is a kind of genetic disease of coagulation disorder resulted from functional defect of coagulation factor after mutation of coagulation VIII factor encoding gene and belongs to rare diseases, without any radical treatment measures at present. Therefore, it gets particularly urgent to establish the accurate simulated disease pathology and animal model of phenotypes. At present, all hemophilia dogs in service worldwide are caused by VIII spontaneous gene mutation, and cannot reflect the mutation in patients truly due to lacking of suitable animal model.

As our comprehensive R&D platform, Guangzhou General Pharmaceutical Research Institute has established the national scientific research platform certified by the Ministry of Science and Technology, which is at the same level with national laboratory: National Laboratory Dog Resource Library— National platform for scientific and technological resource sharing. The resource library realized the accurate editing for genome site in virtue of gene editing technology and single-base mutation, and obtained two accurately edited hemophilia A model dogs in November 2020.

For the disease model dogs built this time, the amino acid mutation site was consistent with that in patient's body, which therefore realizes accurate simulation. Both parties will go into bodies of the two model dogs in next step by passing on the gene editing tool to repair the gene mutation site directly, in order to discover the new treatment means for radical treatment of hemophilia A and provide a new treatment scheme for hemophilia A.

Intensify IPRs protection

IPRs protection is the most critical issue for pharmaceutical R&D. By prioritizing IPRs strategy the most among priorities of enterprise R&D, we kept improving the IPRs management mechanism, organized the in-depth survey for enterprise IPRs, carried out employee and external exchange activities, mobilized the Company's innovation enthusiasm in every level fully and improved the Company's core competitiveness. We have established 3 national IPRs demonstration enterprises and 10 national IPRs advantageous enterprises and won 13 Chinese patent excellence awards.



Establish Leading Group and Strengthen Top-level Design

In this year, we have established an intellectual property management platform with the intellectual property leading group as the top-level design, the marketing department (Intellectual Property Department) as the lead, the scientific research management department and the compliance and legal affairs department jointly implementing the intellectual property creation, management and protection system, and Guangzhou Chuangying Guangyao Baiyunshan Intellectual Property Co., Ltd. as the main body to ensure the high-quality development of intellectual property.



Intensify creation awareness and form innovation advantages

By highlighting the Company's significant varieties, innovative products and key technologies, we intensified all staff's intellectual property creation awareness, boosted the steady improvement both in quantity and quality of IPRs (particularly the invention patent) of subordinate enterprises and showed the trend of change from scale effect to quality benefit; converted the advantages of technological innovation and scientific research achievements into the advantages of IPRs and built enterprise core competitiveness further.



Organize survey and training and strengthen the training

We carried out surveys for IPRs workers of our subordinate enterprises, grasped the staffing of 24 enterprises and made categorized summary. In the meantime, we organized training class for IPRs ability improvement of top talents of bio-pharmaceutical enterprises, strengthened the training for high-level talents of IPRs and expanded the international view of IPRs.



Carry out external exchange and exchange on valuable experience

We participated in 2020 Intellectual Property Trading Network Expo of Guangdong-Hong Kong-Macao Greater Bay Area actively and were registered as a platform exhibitor; screened key patented products for external exhibition and showed our favorable brand image and strength; attended the 2020 Intellectual Property Annual Meeting of Guangdong Bar Association and exchanged IPRs working experience with excellent peers.

Energize industrial development and exchange

We expanded the internal and external exchange and cooperation of the industry constantly and improved the strategic collaboration level among enterprises; explored the new mode and thinking for industry cooperation jointly with all walks of life and boosted the more standard, professional, excellent and environmentally friendly development of pharmaceutical industry.

Take active part in national drug fair

In September 2020, the opening ceremony of the 83rd National Drug Trade Fair was grandly held in exhibition hall of Guangzhou Import and Export Commodities Fair and attended by our 18 subordinate enterprises (e.g. WLJ Great Health, HWBYS, Zhong Yi and Wang Lao Ji), which negotiated with new customers amicably, so as to explore new market opportunities.



Organize the development summit forum of Chinese pharmaceutical industry

In September 2020, we held the 37th Development Summit Forum of Chinese Pharmaceutical Industry and "Fashionable Traditional Chinese Medicine Becomes the Leader after the Outbreak of COVID-19 – the Night of GYBYS" jointly with China Pharmaceutical Enterprises Association, to discuss cooperative development with distributors and strategic partners nationwide.



Make medical service accessible

Improving medical accessibility and making everyone enjoy the rights of healthy life is always the goal we pursue. Devoted to the development of primary medical care, we abided by the fair pricing principle in good faith, innovated product marketing mode and advocated the idea of healthy life to the public; promoted the development of Chinese medical and health services and ensured the extensive coverage of medical services at domestic and international levels.

Promote grass-roots medical development

By responding to national policy actively, we went to grass-roots hospitals regularly through marketing club and offered product use training to medical workers, so that those grass-roots medical workers could understand product features and use drugs reasonably; enhanced medical workers' knowledge level by the means such as online and offline academic exchanges and improved primary medical care to boost the development of grass-roots medical cause.

Case HWBYS Promoted the Prevention and Treatment of Alzheimer's Disease

In 2020, HWBYS released the White Paper for Caring Cardiovascular and Cerebrovascular Health and Social Responsibility in "National 5th Summit Forum for Preventing against Alzheimer's Disease", so as to enable more people to concern and care the elderly, inherit care and positive energy and try our best to care the elderly's healthy life.

We have attached great importance to Alzheimer's disease group for a long time and been helping the families suffering from Alzheimer's disease. Since 2013 HWBYS has appealed the public to concern the Alzheimer's disease group and family by multiple means (e.g. making the public welfare micro film themed with Alzheimer's patient, developing the first charity fund for preventing and treating Alzheimer's disease in China, holding "Anti-lost Yellow Ring" charity activity and establishing the "Home of Health against Alzheimer's Disease" together with national Top 100 drugstore chains).



Cracking the nut of patient medication is the key to solve patients' medication accessibility effectively. Therefore we organized special public benefit activities, made directional donation to the specific diseases, screened out the suitable products and declared the inclusion in basic medicine and medical insurance system in due time; improved the accessibility of more excellent products and medical services and boosted the development of grass-roots medical cause.

Case GYBYS Launched Jinge Pulmonary Arterial Hypertension Love Assistance Project

A short video that an 8-year-old girl called Xiaoya bought "Viagra" (male drug) in drugstore aroused the public's concern. Then, with the tracking and reporting of nearly 100 media (e.g., Xinhua News Agency and People's Daily), the social realities such as "difficulty to obtain medicines" and "expensive medicine" emerged behind the "Xiaoya event", arousing the society's deeper concern and thinking for hypertensive pulmonary arterial disease – At present, the drugs with indications are mostly imported and expensive and beyond the scope of health insurance system in many regions. Consequently, patients with pulmonary hypertension suffer huge pressure and economic burden in terms of medication.

As soon as knowing "Xiaoya event", we went to Xiaoya's home in Henan Province and donated Jinge to her family for three years; contacted Academician Zhong Nanshan's team actively to invite him and his team to make group consultation about Xiaoya's disease and evaluate the state of her illness comprehensively. By seizing this opportunity, we launched Jinge pulmonary arterial hypertension love assistance project and donated Jinge worth RMB 1 million to Zhong Nanshan Fund; offered non-reimbursable assistance to those patients suffering from pulmonary hypertension, in hope to make contributions to the prevention and treatment of hypertensive pulmonary arterial disease.

Abide by the principle of fair pricing in good faith

To boost the fair and reasonable pricing of drugs and improve patients' affordability, we formulated the "suggested retail price" of drugs and accepted the supervision and management of price competent departments in various provinces, so that patients could obtain drugs at a fair and reasonable price.

In terms of drug end price, we complied with relevant requirements of Anti-Monopoly Law of the People's Republic of China and did not intervene in the terminal drug price; protected the fair market competition and maintain consumers' benefits.

Note: Since GYBYS hasn't involved any patented drugs in current international market business, no relevant issue on non-exclusive voluntary license is involved.

Innovate product marketing mode

Marketing mode innovation is an important link to improve medical accessibility. The "Internet + medical health" mode breaking through the spatial-temporal convenience characteristics will change people's consumption habit gradually along with the normalized epidemic prevention & control. We followed market demand closely, complied with the online new-type consumption mode, innovated product marketing mode, docked with E-commerce platform actively and improved business coverage rate and product market shares.





Follow up the pace of times and launch live-streaming e-commerce enthusiastically

Global real economy was depressed under the influence of COVID-19, but the live streaming e-commerce with large activity strength and diversified contents boomed. By following the market striation closely and transforming the marketing idea rapidly, we launched the live-streaming e-commerce enthusiastically and expanded Internet sales channel actively, so that our products could enter consumer's vision through multiple channels.



Make discussion and create win-win and explore the cross-border cooperation

According to the latest trend insights of the youths' higher health demand and awareness, Pan Gao Shou and "QUAKER" established the product that integrates modern health concept and national tide culture jointly. Through complementing each other's advantages, both of the above set up the new benchmark of cross-border cooperation, expanded the brand potential energy fully and benefited from each other.



Integrate resources and create online drug sales new platform

Chen Li Ji made efforts to establish the great health retail system and developed great health product and service fields through the intelligent new retail. The intelligent new retail system will resolve the operation demand in a one-stop manner from quality monitoring, order placing, intelligent matching and delivery to order analysis and inventory analysis. Meanwhile, Chen Li Ji cooperated with the mainstream chain outlets in various regions and launched the community drugstore appointment and home delivery O2O service within 1 km, which reflects the distinct advantages for reducing transmission approach and lowering infection risk during the outbreak of the epidemic.



Seize the momentum and develop e-commerce channel

E-commerce enjoyed rapid development in an unprecedented manner in 2020 under the effect of the epidemic. By fully complying with the public's consumption trend, we opened flagship stores in multiple e-commerce platforms (e.g. Meituan, Pinduoduo and Xiaoyaoyao); participated in important e-commerce promotion activities (e.g. Double Eleven) actively, established the favorable cooperative relationship with multiple e-commerce platforms and improved consumers' coverage and product accessibility.



Insist on service oriented principle and improve offline consumption experience

We innovated offline marketing mode, highlighted the consumers' experience in work and promoted the modes of "diagnosis before recommendation" and "light diagnosis" of cough treatment series products; carried out store personnel training and teaching work extensively, improved professional value-added service and drove product sales growth effectively.

Case Live-stream Marketing Team Aroused the Purchase Tide Comprehensively

In June 2020, we organized 10 subordinate enterprises to participate in the 1st live-streaming E-commerce festival in Guangzhou, during which, a total of 62 products were recommended to consumers through broadcast booth. Not only traffic live-streaming E-commerce web celebrities but also many distinguished guests were invited to broadcast booth, who introduced a series of healthy products on spot to netizens and brought about the low-price products and brand-new consumption experience to the public.

In this live-streaming E-commerce festival, our chairman Li Chuyuan appeared in the broadcast booth to sell goods together with famous actors and traffic web celebrities and called on everyone to place order to help Guizhou get rid of poverty. In the closing ceremony of the live-stream marketing festival, we won the title of "contributing enterprise" of the 1st live-streaming e-commerce festival in Guangzhou. It was not only the citation for our quality product promotion action themed with "Facilitating the Consumption Extensively" but also the firm affirmation for the effect of our innovating business mode (e.g. live streaming e-commerce) and boosting economy recovery after the outbreak of the epidemic.



Chairman Li Chuyuan was selling products in Broadcast Booth

Advocate the Healthy Life Idea

By responding to the State's popularization for health knowledge and initiative for healthy life actively, we released the knowledge popularization video for advocating healthy life online and organized publicity and provided diversified experience service offline; provided more channels of obtaining the healthy knowledge for the public, improved the public's concern for healthy life and health awareness and created the atmosphere of healthy life.

Explore diversified online publicity channels

Develop the offline cultural communication platform

Time-honored brands represented by Cai Zhi Lin released videos and tweets of TCM medical service and health knowledge popularization on platforms such as WeChat Official Account, so as to improve the popularization scope of health knowledge; explored Internet live-streaming booth actively, shortened the interaction and exchange distance with netizens and improved the publicity coverage rate and effect.

Our "Shennong Caotang Traditional Chinese Medicine Museum" and "WLJ Herbal Tea Museum" have been serving as a key bridge for publicizing and popularizing TCM culture and healthy life idea, and particularly, we established national TCM culture and popular science education bases (e.g. Chen Li Ji Museum and Cai Zhi Lin Museum) successively in recent years. Meanwhile, we have carried out the activity of popularizing TCM in campus for many years, to make middle and primary school students feel the unique charm of TCM culture.

Case Publicize the Health Concept "Online + Offline" at the Same Time

To advocate the healthy life idea and boost the popularity of TCM culture, Cai Zhi Lin publicized the health and health preservation knowledge extensively in a manner that is integrated with "online + offline" mode. In terms of online publicity, Cai Zhi Lin offered the spring health preservation live stream experience class on Internet platform. TCM experts were invited to the experience class to teach spring health preservation and medicated diet knowledge to citizens, visit Cai Zhi Lin TCM Culture Museum, make amicable interaction and spread the healthy life idea, which was unanimously acclaimed by audiences of broadcast booth.

With respect to the offline publicity, Cai Zhi Lin held two popular science education activities themed with "Inheriting TCM Culture and Boosting Scientific Epidemic Prevention" in TCM culture museum; regarded TCM knowledge lecture and epidemic prevention sachet making as the main activity contents, injected the elements of "scientific epidemic prevention", strengthened science popularization in a quite interesting manner and advocated the public to know and prevent the epidemic.



Offline Science Education Activity Themed with "Inheriting TCM Culture and Boosting Scientific Epidemic Prevention"



Online spring health live experience course

Boost medical care of developing countries

Through business exchange with developing countries, we kept participating in the medical ability improvement of developing countries, expanded international business constantly and boosted the improvement of local medical level. We donated materials to overseas countries actively and carried out global rescue action among with the expansion of the epidemic all over the world. We completed the donation and drug export work to such countries as Indonesia, Iran and Benin this year.

We organized the excellent medical resources (e.g. outstanding professors and doctors in the industry) actively to go to Southeast Asia to carry out medical academic exchange, so as to help the local medical teams improve business level and promote business exchange of the two countries.

We carried out trade cooperation and exported multiple drugs steadily to the countries such as Vietnam, Indonesia and Pakistan, so as to guarantee the supply of local basic drugs badly in need and improve medical treatment level. Meanwhile, we offered the training to local medical workers about the medical knowledge or drugs, ensure the quality of local medical service and maintain the medication safety of local patients.



Chemical Pharmaceutical Factory established a long-term cooperative relationship with Pakistan, to supply cefixime to Pakistan steadily.



We have supplied medical antibiotics and basic drugs oriented to chronic disease to Southeast Asian regions for many years (e.g. Huatuo Zaizao Pill was exported to the developing countries such as Vietnam and Indonesia).



Achievements exhibition of the 13th Five-year Plan

With a strong focus on general idea of "pioneering and innovation and continuous progress", we have increased the R&D expenditure input constantly and been devoted to boosting drug R&D and innovation for multiple years. We established scientific research and innovation platform actively, improved IPRs protection system, promoted technological achievement transformation and obtained numerous scientific research and innovation achievements.

Establish scientific research and innovation platform	Innovate product R&D and industrialization
<p>In the period of the 13th Five-year Plan, we established a series service platforms and technical systems successively:</p> <ul style="list-style-type: none"> 2016 Guangzhou Key Laboratory for New Drug Release Technology of Pharmaceutical Preparation 2017 Industrial Technology Innovation Strategic Alliance of Famous and Excellent Chinese Patent Drugs(Public Technical Service Platform) 2018 R&D Platform for Laboratory Beagle Dog and Disease Model Dog 2019 <ul style="list-style-type: none"> Public Support Platform for Technological Innovation of Pharmaceutical Preparation Industry National Laboratory Dog Resource Library(which was upgraded into a national service platform for technological resources sharing <p>By the end of 2020, our Company has 5 national R&D institutions,</p> <ul style="list-style-type: none"> 1 national enterprise technical center and 2 postdoctoral workstations 16 provincial enterprise technical centers 18 provincial engineering technical centers 4 provincial key laboratories and 1 provincial engineer laboratory 14 municipal enterprise technical centers 14 engineering technical R&D centers and 6 municipal key laboratories. 	<p>With 5 clinical approval documents and 38 productive approval documents newly applied</p> <p>we had obtained 20 clinical approval documents and 48 productive approval documents as of the end of 2020</p>
	<p>Win technology award</p> <p>As of the end of 2020, we had obtained 2 Second prize of national science and Technology Award, 1 national second prize for technological invention, 42 technological awards at ministerial and provincial levels and 32 technological awards at district level.</p>
	<p>Protect IPRs and Invention Patent</p> <p>By the end of 2020, a total of 17 companies have passed the intellectual property standards.</p> <ul style="list-style-type: none"> 9 national intellectual property advantage enterprises and 6 national intellectual property demonstration enterprises were added. 402 new patent applications There are 286 invention patents 49 utility model patents 167 invention patents authorized in China 41 utility model patents are authorized 3 foreign invention patents are authorized



ETHICS AND TRANSPARENCY

Challenges and opportunities



With morality and transparency included in the core issue of CSR gradually, for a pharmaceutical enterprise, stakeholders should pay attention not only to product safety but also transparent business ethical practice and responsible supply chain practice more than ever. Only through abiding by the moral and ethical bottom lines in good faith, adopting the ethical and responsible mode, ensuring patients' medication safety and keeping improving product quality, could we obtain stakeholders' long-term support.

Countermeasures



We kept intensifying the construction of anti-corruption ability and relevant mechanisms and systems, practiced responsibility marketing, improved compliance measures and ensured commercial ethics in operation process; applied our influence to promote supply chain enterprise to perform social responsibility, emphasized the compliance education, training and regulations for supply chain and partners and established favorable business environment and social moral environment jointly. Meanwhile, we were also devoted to improving the transparency of clinical test and guaranteed the benefits of tested animals, so as to comply with the moral ethics consistently and conduct high-standard moral practice and scientific behavior.



Abide by business ethics

We integrated the commercial moral standards and code of conduct into the routine operation, specified compliance management and were devoted to building the relationship of sufficient trust among the Company, patients and the society.

Anti-corruption and bribery

GYBYS is devoted to creating favorable enterprise atmosphere and industry format by improving the prevention, control and supervision responsibility mechanisms of integrity risks. We stopped the commercial bribery behavior jointly, maintain both parties' common legitimate rights and interests better and formed the favorable full-governance and seamless joint governance by signing the Supervision Responsibility for Party Conduct and Clean Governance, concluding the Honest Business Commitments with employees at all levels and departments and signing the Anti-commercial Bribery Agreement and Integrity Commitments with customers and establishing complaint acceptance department and report hotline.

Intensify anti-corruption ability

Strengthen the team construction of supervision institution

To boost organizations' function optimization, collaboration and efficiency, we have reformed organization setting, optimized function allocation and developed dispatch reform comprehensively. To enhance the strength of anti-corruption, we cultivated professional discipline inspection team and organized regular training and appraisal for discipline inspection cadres to enhance the cadres' capacity of performing duties as per laws.

Emphasize theoretical research

We carried out topic researches intensively (e.g. topic survey of enterprise integrity risk prevention and control and evaluation system of integrity and compliance management indicators). "Centralized purchase 136 mode under the great supervisory system of the topic research project" was rated "Featured Innovation Project of Chinese Integrity Innovation Award".

Deepen the integrity patrol

We established the patrol team and carried out the business patrol of headquarters and subordinate enterprises regularly. Focused on the main tasks of "highlighting key points, discovering problems and forming shock and awe", we finished the patrol work of 4 subordinate enterprises. We accepted 9 letter visits, had a conversation for 219 person-times and received 4 copies of feedback opinions.

28

discipline inspection institutions

115

discipline inspection teams were established

Improve Anti-corruption Mechanism

Improve risk control mechanism

We kept promoting the information construction of GPHL Baiyunshan 128 Integrity Platform, so as to improve enterprise's "intelligent supervision" discipline execution ability; established integrity risk prevention and control mechanism, gave play to the function of joint supervision meeting, held the communication meeting regularly, realized supervision information sharing and took preventive measures. We also established the long-term fundamental mechanism.

Elaborate the discipline enforcement review system

We revised the normative working systems (e.g. Working Management Measures for Petition Letter and Management Measures for Case Review, Investigation and Trial), determined working responsibilities and process, intensified the centralized management for petitioned case and implemented reporter protection system strictly; formulated the Tracking and Supervision Working System for Forwarded Letter Visits and Case Problems and Clues, strengthened the supervision for petition cases We have kept expanding the 3D acceptance channel of "letter, visit, network, telephone and WeChat" and disclosed the letter and visit reporting mode on our official website.

Create the Integrity Atmosphere

Intensify leading cadres' integrity regulation. We established leading cadre integrity archives, held filing deployment meeting of integrity archives regularly and finished the integrity archives of 222 cadres accumulatively. We included the integrity indicators in the leader's annual salary performance scheme; organized the integrity conversation with 12 new leading cadres before taking office. Participated in the organization of cadre review and survey and supervision upon the expiration of probation period and office term for 135 person-times and issued 48 cadre clean governance letters.

Improve integrity awareness. We have deepened the emphasis on both the symptoms and root causes, boosted the mechanism of "daring not, forbidding and intending no corruption" integrally, insisted on the integrated efforts of ideological education, punishment & warning and system prevention; by referring to the typical cases discovered through patrol inspection, we have developed different kinds of special activities such as warning education and discipline education learning months; developed warning education of "eliminating root cause with cases" for three times with over 1,000 persons involved in the Q1 economic work meeting; developed "clean enterprise atmosphere" series integrity cultural activities in depth to enhance employees' alertness of corruption, interest conflict and other honesty challenges constantly.

Strengthen purchase supervision. We formulated and improved the systems such as Management Provisions for Engineering Construction Bidding and Implementation Measures for Centralized Purchase of Imported Equipment; formulated integrity and self-discipline rules of purchase personnel and carry out supervision and review for relevant post regularly. We also provided integrity supervision feedback complaint phone to suppliers within the system, to create an integrity business environment jointly.



Centralized procurement mode won China integrity innovation award

Responsibility marketing

We laid emphasis on the responsibility marketing idea actively in product sales, so as to convey relevant product information to patients comprehensively and objectively and help them cure disease and recover health.

Establish perfect review mechanism for the drug publicity materials and ensure the compliance with relevant laws and regulations such as Advertisement Law Administration Law in terms of drug ads, publicity and specification.

Publicity data

Sales of prescription medicine

The drug stores have set multi-level audit mechanism in the sales of terminal prescription medicine to ensure the applicability of prescription to patients and ensure drug use safety.

Salesmen training

Organize regular trainings concerning drug professional knowledge, relevant laws and regulations for drug salesmen, set strict appraisal mechanism, enhance their standard operation capacity.

Transparent operation

Transparent operation plays a basic role in building a favorable business ecosystem. We are devoted to creating a harmonious business environment by building the compliance management system actively and practicing business ethics and medical ethics.

Operation as per laws and regulations

We established the Department of Compliance and Legal Affairs, which is responsible for the compliance construction of headquarters and subordinate enterprises, carrying out the compliance audit of subordinate enterprises at regular intervals and following up the rectification effects. Oriented to the common weaknesses, we implemented thematic training, improved the compliance level of relevant personnel and finished the prior risk prevention and control to the greatest extent; for the existing litigation cases, we took preventive measures, so as to control risk and minimize the loss.



Intensify compliance team construction

We established legal affairs club, which is a platform of learning for all our legal workers; organized all our legal workers to learn the Civil Code revised the latest, improved our compliance management level.



Monitor the latest dynamics of policies and regulations

We prepared the Monthly Discussion of Policies and Regulations, tracked the adjustment of industrial supervision policies timely, provided response suggestions for enterprise, prevent the legal risk, improve the quality of enterprise management.

Clinical test transparency

In terms of clinical test, we formulated relevant ethical policies of clinical test, complied with the coordination and guidance principles of International Conference On Harmonization - Good Clinical Practice (ICH-GCP) actively and included the key principles of Declaration of Helsinki in the code of conduct for R&D personnel; established the review team for clinical test ethics and audited the implementation of relevant specification regularly.

Animal welfare protection

During experimental animal production and animal experimentation, GYBYS follows animal ethics and regulations related to animal welfare protection and guarantee the welfare rights of laboratory animals to avoid unnecessary harms and animal resources wastes. We also established Laboratory Animal Management Committee and its affiliated organization Laboratory Animal Ethnics Committee, and developed articles of association and relevant system documents for Laboratory Animal Management Committee to examine and supervise the welfare ethnics of laboratory animals, and have achieved good results in the production and use of laboratory animals and platform operation.

On the basis of improving the execution specification and self-inspection standard for AAALAC certification facilities, we enhanced the experiment animal welfare ethics level and experiment animal management level. We also passed the 4th international AAALAC full qualification certification and continued the international and domestic "double certification" qualification.



Doctor Sun Jinjing from Guangzhou General Pharmaceutical Research Institute Co., Ltd. was elected as the check expert of international AAALAC certification this year, signifying the recognition for our animal welfare management.

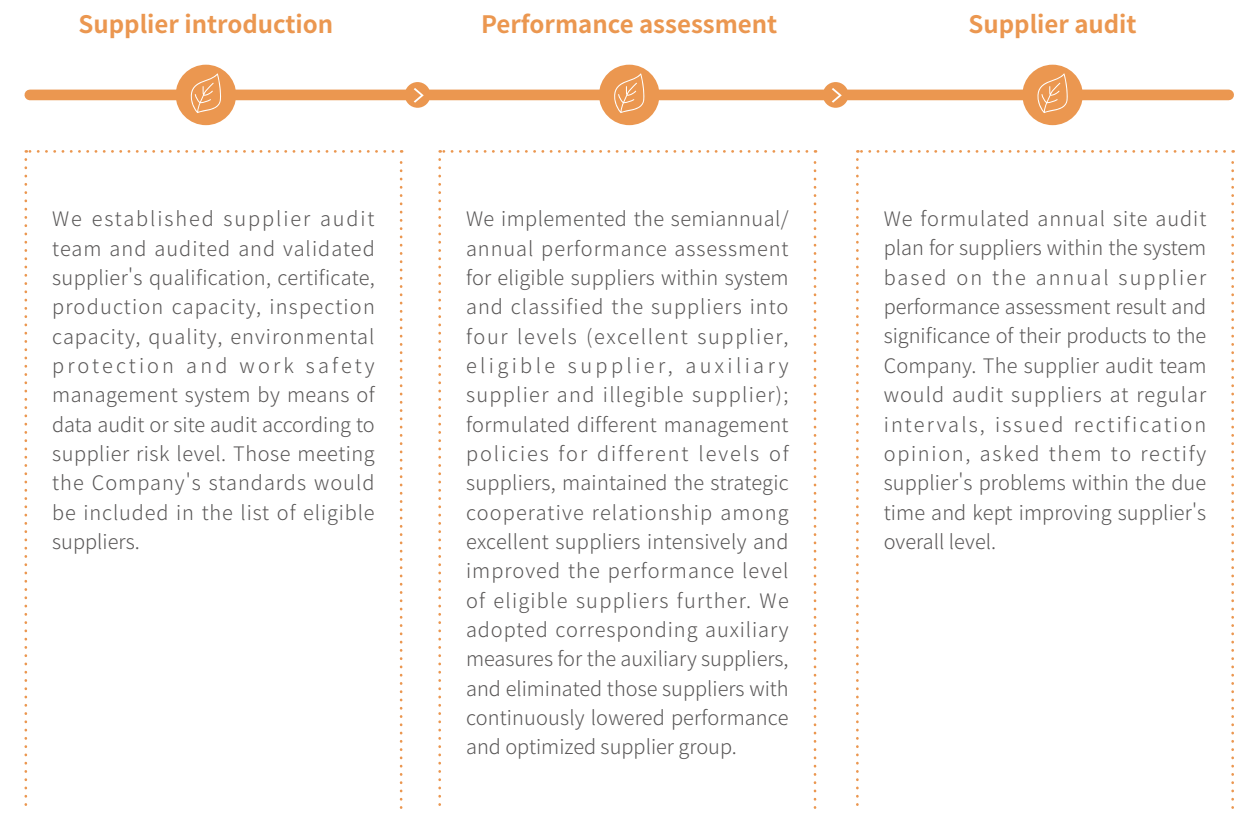
Intensify supply chain management

Supply chain is the significant basis for enterprise development, for quality of raw material affects the equality and safety of the Company's final products directly. The toughness of supply chain also exerts direct influence on enterprise's sustainable development ability. As a pharmaceutical enterprise for protecting the public's health, GYBYS attached great importance to supply chain management and enhanced supply toughness and risk resistance capacity by establishing the centralized purchase platform and improving supply chain management system.

Supplier management

We emphasized the supplier management and actively utilized our influence to promote supply chain enterprises to perform social responsibility; control the influence of our business and supplier business on environment and society comprehensively and requested all eligible suppliers to comply with and satisfy relevant national laws and regulations about environmental protection, work safety and labor management.

In terms of supplier management, we realized the normative control for the whole process from source searching and access to withdrawal according to Supplier Management Measures.



We paid attention to the common growth with suppliers and tried to build steady and harmonious supply chain ecology. GYBYS gave full play to the leading function of supply chain core enterprise, brought about the latest changes and demands of industrial development to suppliers, carried out supplier training regularly and grew together with suppliers.

Supply chain risk prevention

GYBYS attached great importance to supply chain stability and risk control. We established the centralized purchase platform of raw and auxiliary materials, kept improving the centralized purchase measures for traditional Chinese medicinal materials and raw and auxiliary packaging materials and strengthened the centralized purchase management; formulated the Centralized Purchase Measures for Traditional Chinese Medicinal Material and Raw, Auxiliary and Packaging Material, to specify the purchase behavior and ensure purchase quality.

To prevent the instability risk of supply chain, we sorted out the lists of various suppliers within the system and assessed their overall supply ability; for materials with instability risk, we reserved eligible suppliers timely, so as to ensure the stability and toughness of supply chain. Meanwhile, to intensify the quality management of supply chain, we carried out the following work this year, so as to enhance the quality stability of supply chain materials.

Improve the layout of medicinal material base

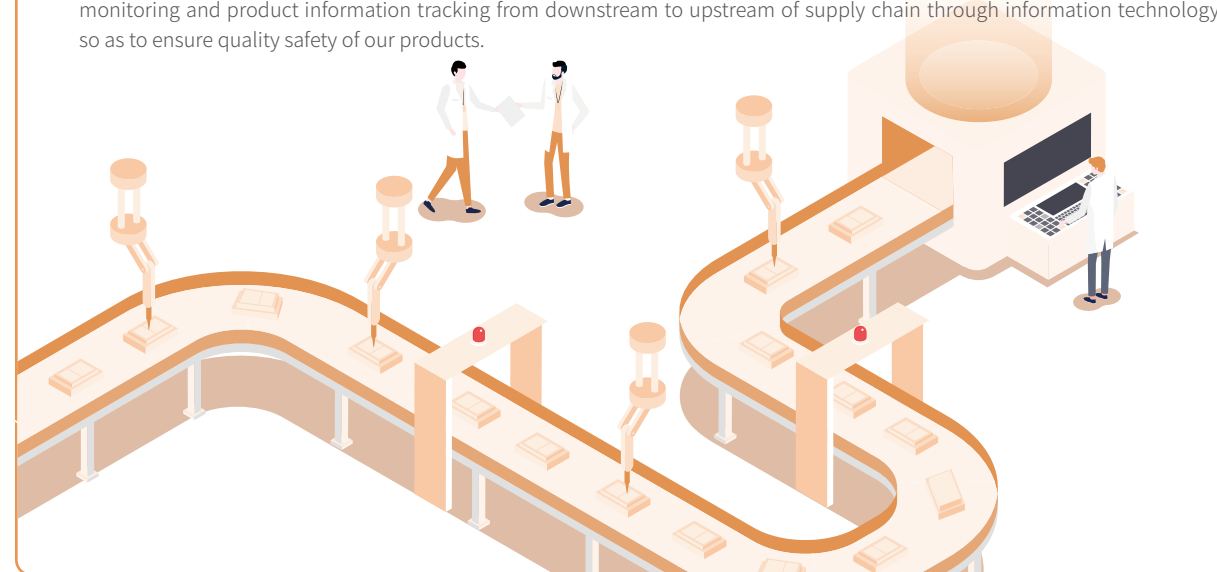
We cooperated with manufacturer and strategic supplier of origin to establish plantation base of traditional Chinese medicinal materials. By focusing on the bulk medicinal materials of our famous competitive quality product, we made the layout of medicinal material planting base around the world according to local conditions, and have established 69 planting bases of 56 medicinal materials; gave full play to base advantages and provided the guarantees (e.g. goods source, quality and tracking) for purchase and supply.

Establish base IOT cloud platform

With the goal of establishing a unified centralized management platform of our traditional Chinese medicinal material base, the IOT cloud platform of planting base is aimed to establish GYBYS' planting base management system, which is supplemented with the management tool - GAP production management cloud platform system of traditional Chinese medicinal materials to monitor the production of planting base and base information (e.g. weather, soil, temperature and humidity) through IOT equipment (e.g. web camera and mobile meteorological station), so as to specify production operation, ensure production environment suitability of genuine producing area and improve the scientific and standardized levels of traditional Chinese medicinal material production and the planting quality of medicinal materials.

Establish quality tracking system of traditional Chinese materials

We have established a tracking system of the whole circulation chain including plantation, circulation, production and use comprehensively, which is applicable to "source tracking, flow direction verification and responsibility investigation" and covers main varieties of traditional Chinese medicinal materials. With the tracking system, we realized the full-process quality monitoring and product information tracking from downstream to upstream of supply chain through information technology, so as to ensure quality safety of our products.



Achievement Exhibition of the 13th Five-year Plan

Legal construction

Shennong Caotang was rated as Guangdong's first batch of legal cultural construction demonstration points

HWBYS was listed in Guangdong's first batch of legal cultural construction demonstration points

Integrity construction

Shennong Caotang was granted the title of "Guangzhou Corruption Combating and Integrity Advocating Education Base"

We have created integrity culture education base for the employees of Zhongyi, information management demonstration platform of discipline inspection and monitoring for GP Corp. and integrity cultural demonstration window of Baiyunshan General Factory

Procurement management

"The construction and practice of raw material central procurement system of large medicine enterprise" of GYBYS was granted "the first prize of the 26th Enterprise Management Modernization Innovation Achievements of Enterprises in Guangdong Province"

The management and innovation achievement of central procurement was granted "the First Prize of National State-owned Enterprise Management Innovation Achievements"

The central procurement mode was rated as characteristic innovation program of "China Integrity and Innovation Award"



Significant Achievements

ENVIRONMENTAL PROTECTION

Challenges and opportunities



The constant aggravation of climate change affects and restrains the survival environment and ability of traditional Chinese medicinal resources, which furthermore influences the formation and development of traditional Chinese medicinal resources. In national 14th Five-year Plan, China gave priority to "promoting the green development" and brought forth some suggestions such as promoting the clean and low-carbon safe and efficient utilization, lowering carbon emission strength, supporting the places where conditions permit to take the leading in reaching carbon emission peak and formulating the action scheme on reaching carbon emission peak by 2030. It will contribute China power to the world in responding to climate change and be in favor of improving ecosystem quality and stability.

Countermeasures



We kept improving environment management system and optimized resources utilization to reduce the negative influence on environment; insisted on the principle of the conservation of biological diversity, built medicinal material planting base according to local conditions and carried out the standard plantation of Chinese herbs around the country; implemented the researches (e.g. medicinal material planting technology, germplasm and seedlings and quality tracking of traditional Chinese medicinal materials) and boosted biodiversity conservation. We advocated environmental protection idea actively, made contributions to social green development and tried to boost the development of green economy, low-carbon economy and circular economy.



Improve environment management

We abided by relevant laws and regulations concerning environmental protection (e.g. Environmental Protection Law of the People's Republic of China) in good faith, improved environment management system constantly, established and improved enterprise internal environment management system and implemented environmental protection responsibility strictly; advanced the information system construction of safety, health and environmental protection, made systematical monitoring for environmental protection and energy saving states, ensured the scientific, transparent and information environmental protection work and improved enterprise environment management level further.

Case Boost Green Manufacturing and Development

Pursuant to Notice of Guangdong Department of Industry and Information Technology by Forwarding Notice of the General Office of the Ministry of Industry and Information on Recommendation of the 5th Batch of Green Manufacturing List and Recheck of the First Two Batches of Lists (Y.G.X.J.N.H. [2002] No. 244), we organized the first batch and the second batch of green factories to carry out relevant review work, and passed green factory review and check smoothly.

Case Build Intelligent Green Factory and Highlight Sustainable Development

We responded to the strategic deployment of "Made in China 2050" actively and built internationally advanced intelligent green factory. WLJ Great Health construction project of stock solution extraction base in Meizhou was put into production formally from December 16, 2020, with a total investment of RMB 400 million. In particular, with the "Construction Project for Green Design Platform of Herbal Tea Beverage" selected as the "Integrated Project of Green Manufacturing System" organized by Ministry of Industry and Information Technology and Ministry of Finance, the base, by taking the "Integrated Project of Green Manufacturing System" of Ministry of Industry and Information Technology as the leading project, would give play to the demonstration function actively for building the green ecological industry.



WangLaoJi Meizhou industrial base

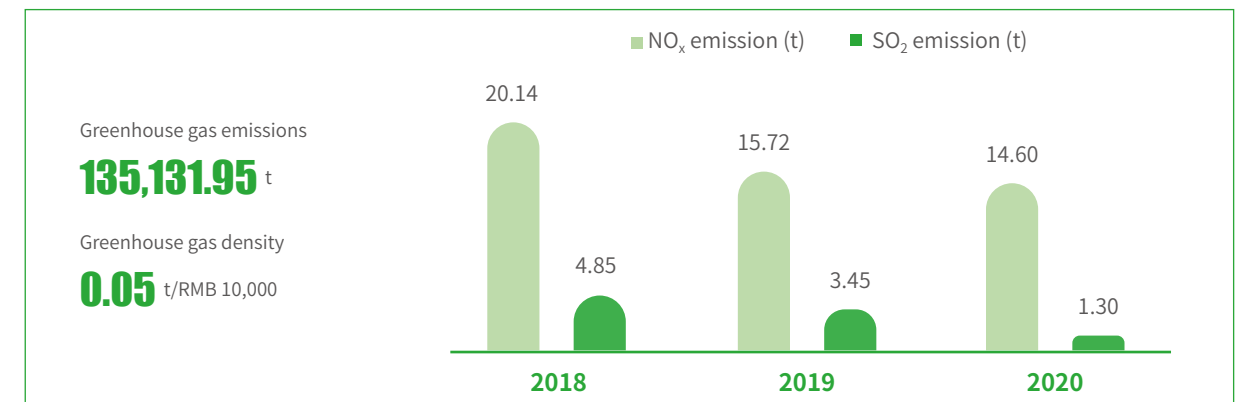
Optimize resource utilization

We run through the green idea in the whole process of production and kept intensifying the resources management (e.g. energy, water and packaging material); by taking the measures (e.g. optimizing energy structure and improving production technology), we boosted energy conservation and emission reduction and promoted the construction of green and energy-saving enterprise comprehensively.

Respond to climate change and energy management

To address climate change, which is the common challenge that human beings face, we complied with the energy saving and environmental protection idea, increased the input of energy saving and environmental protection fund, achieved the energy saving and emission reduction effect by taking measures (e.g. energy supervision, energy conservation & transformation and waste heat recovery) and made positive contributions to tackling climate change.

Advance energy saving transformation	Intensify energy management	Carry out waste heat recovery
We advanced the energy saving transformation work (e.g. energy saving boiler renovation and LED energy saving tube replacement) and reduced energy consumption.	We propelled the construction of energy monitoring system, allocated energy management post and improved the information and refinement levels of energy saving management.	We improved energy utilization efficiency by taking the measures such as waste heat recovery device modification and dormitory hot water recycling.



Energy consumption data

<p>Gasoline 419,207.94 l</p>	<p>Diesel 636,915.14 l</p>	<p>Coal 0.00 t</p>	<p>Natural gas 1,638.89 10,000 m³</p>
<p>Steam purchased 20,490.97 t</p>	<p>Electricity purchased 129,487,369.05 kW·h</p>	<p>Comprehensive energy consumption 332,578.44 1,000 kW·h</p>	

Water resources management

We tried to become an energy saving enterprise actively, assessed local water resources sufficiently while selecting factory location and avoided production in water-deficient area; intensified water resources management constantly, and saved water and reduced wastewater emission by taking measures (e.g. using energy saving equipment, technology optimization and improvement and water recycling). In 2020, we advanced the renovation projects of sewage treatment system and rainwater and sewage diversion system, which played a positive role in lowering sewage emission.

Case Improve Comprehensive Utilization Ratio and Boost the Conservation of Water Resources

Tian Xin carried out reclaimed water reuse and circulation of indirect cooling water of cooling tower actively, improved the comprehensive utilization ratio of water resources and reduced the consumption of water resources effectively.

Annual reuse rate of reclaimed water
Above **40%**

Reclaimed water: Reach the standard after the treatment (e.g. sand filtration) → used for road cleaning, greening and toilet.

Indirect cooling water of cooling tower: Cooled in cooling tower → used for refrigeration → returned to cooling tower for recycling

Annual water recycling rate of indirect cooling water of cooling tower
Above **80%**



Use of packaging material

We advanced the clean production in depth and reduced the excess use of packaging material and generation of packaging wastes in the whole process of production. We kept optimizing the package design, used the new-type environmentally friendly or easy-to-recycle packaging material in priority, saved the dosage of packaging material from the source and lowered the pollution on environment.

Lower environment influence

We attached great importance to ecological environment protection in production and operation activities, strengthened the prevention and control for pollutants (e.g. waste and noise) comprehensively and evaluated the environmental influence comprehensively; adopted measures to prevent or alleviate the adverse influence and boosted the environmental protection and sustainable development.

Waste management

We insisted on the principles of reduction, recycling and harmlessness, kept strengthening waste management and specified the waste classification, collection and treatment procedures; improved production process constantly and reduced waste generation; explored the effective approaches of comprehensive and in-depth utilization of Chinese medicine residue resources actively and maximize the reasonable utilization of Chinese medicine residue resources.

Waste Category	Waste Type	Output in 2020 (t)	Production Density in 2020 (kg/RMB 10,000)	Treatment Method
Harmless Wastes	Office, kitchen and domestic wastes	3,075.99	2.24	Removed by environmental sanitation department on a unified basis
	General industrial wastes	2,553.00		Disposed by professional agency
Harmful Wastes	Pharmaceutical waste and waste drug	287.03	0.19	Disposed by professional agency
	Other hazardous wastes	189.96		Disposed by professional agency

Case Improve Production Technology and Reduce Hazardous Waste Production

To reduce the generation of the hazardous waste "dichloromethane-containing kettle bottom liquid" in production, Chemical Pharmaceutical Factory implemented the project of disposing dichloromethane-containing kettle bottom liquid with scraping film evaporation desalting device since 2020. The generation of hazardous wastes could be reduced by 80% after the dichloromethane-containing kettle bottom liquid is treated in scraping film evaporation desalting device.

Noise management

We abided by relevant laws and regulations (e.g. Law on the Prevention and Control of Noise Pollution of the People's Republic of China) in good faith and adopted the low-noise equipment and environmentally friendly noise in priority; realized sound attenuation or insulation by taking the corresponding measures (e.g. enclosure, shock absorption and facility installation); carried out noise governance actively and minimized the noise influence on employees, residents and urban environment.

Protect biological diversity

The number of many rare and endangered animal species declines rapidly and animal species worldwide are endangered more severely by the factors such as high-speed economic development, increase of human's activity scope and climate changes. Having fully known that traditional Chinese medicinal materials are sourced from nature, we bear the social and era responsibilities for caring and protecting biological diversity and realizing sustainable development of TCM materials.

We have formulated and kept promoting relevant biodiversity conservation measures in accordance with the Wild Animal Conservation Law of the People's Republic of China, Regulations of the People's Republic of China on Wild Plants Protection, the relevant provisions of the UN Convention of Biological Diversity on the protection of endangered species of wild animals and plants, and CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora), adhere to the reasonable development and utilization of rare medicinal animal resources on the basis of effective protection, and promoted the sustainable and healthy development of TCM industry.

王老吉凉茶
规范化种植基地

建设单位: 广东南领药业有限公司
合作单位: 广州王老吉大健康产业有限公司
广州采芝林药业有限公司
指导单位: 平远县农业局

We have built **69** planting bases of **56** medicinal materials.



Guarantee of legal source of medicinal materials

We build a strict procurement system in adherence to the principle of protecting biological diversity, legality of medicinal materials, refused to purchase, use and sell TCM materials with unknown sources, and fundamentally cut off the non-long-term sales channel obtained by mining without regulations or plans fundamentally.



Standardize the construction of medicinal materials planting base

We advanced the construction of planting demonstration base of TCM materials actively, established medicinal material planting bases around the country. On the basis of ensuring genuine medicinal materials, our medicinal materials planting bases are selected in strict accordance with the ecological planning, and the planting scale and categories are standardized to prevent species reduction and alien species invasion.



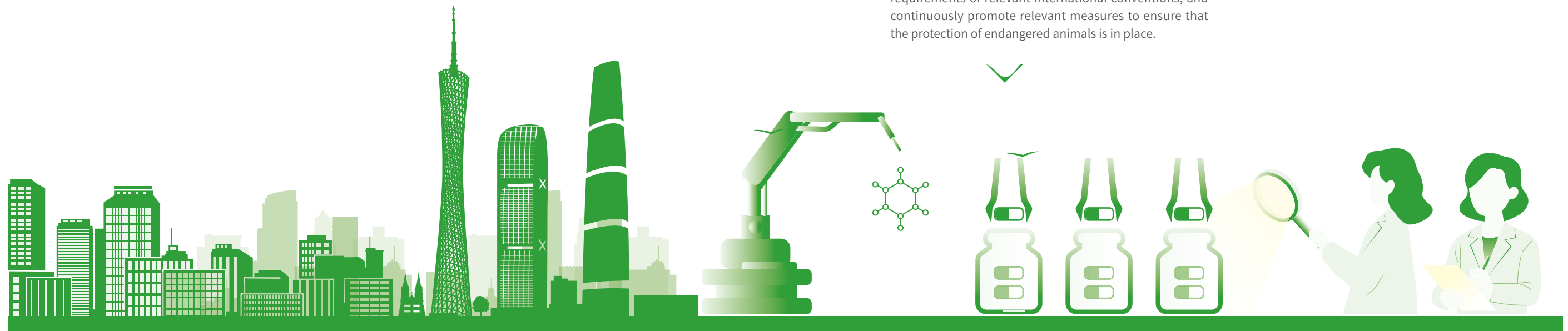
Comprehensive investigation and continuous supervision

In 2020, we investigated the use of endangered species raw materials by subordinate enterprises, and required them to stop producing products containing these ingredients, formed a continuous supervision mechanism, and further strengthened the dynamic supervision of product publicity information of its subordinate enterprises. Began to establish rules and regulations covering biodiversity protection and the use of animal and plant resources, ensure that our production and operation meet the requirements of relevant international conventions, and continuously promote relevant measures to ensure that the protection of endangered animals is in place.



Steady implementation of scientific research

Based on the technical supports, we carried out the research actively, such as medicinal material planting technology, germplasm and seedling, quality tracking of TCM materials and reasonable and efficient application mode of medicinal materials resources, maintained the diversity and ecological balance of biological resources, prevented the loss, degradation and extinction of natural drug resources, ensure the sustainable utilization of TCM resources, and protected the biodiversity of species.



Advocate environmental protection idea

We always advocated, implemented and promoted the green and environmental protection idea actively, improved environmental protection awareness and spread the social conduct of ecological civilization. We made contributions to the green development, circular development and sustainable development of the society.

Environmental protection education

We practiced the green development idea and advocated the green low-carbon operation and green office actively; improved all staffs' energy saving and environmental protection awareness through environmental protection training and education and boosted the green high-quality development further. In 2020, we organized relevant personnel to hold "environmental protection knowledge training class" and invited environmental protection experts to give lectures for the guidance and education oriented to relevant laws and regulations and professional skills. We trained all staff about garbage classification, implemented the competition of garbage classification knowledge, practiced garbage classification and advocated civilized behavior.



Garbage Classification Knowledge Competition of GYBYS

Environmental Protection Publicity

We organized volunteers to publicize the environmental protection knowledge (e.g. garbage classification) actively in community, led residents to develop a green and healthy lifestyle and made the low-carbon lifestyle deeply rooted in people's mind.

Case Turn off Light for One Hour to Reduce the Earth's Temperature

By responding to the 2020 global environmental protection action of "Earth One Hour", we initiated the online initiative of "Turn off Light to Look at Stars" on March 28, 2020, so as to call on the public to concern environment and health problems, make contributions to environmental protection through practical action (turn off light for one hour) and enjoy the wonderful experience which the healthy life brings about.



Achievement Exhibition of the 13th Five-year Plan

Protecting and improving ecological environment is human beings' most urgent task. We undertook the environmental protection responsibility actively and tried to build a resources-saving and environmentally friendly enterprise; protected biological diversity by combining actualities; tried to promote the green and low-carbon development to become the world's mainstream and made contributions to sustainable development.



Set a typical green model for manufacturing

Five enterprises (Tian Xin, Zhong Yi, Xing Qun, HWBYS and WLJ Ya'an) passed national "green factory" certification

Cai Zhi Lin became the only green supply chain enterprise in Guangzhou City

"Construction Direction for Green Design Platform of the Integration Work of Greene Manufacturing System - Construction Project for Green Design Platform of Herbal Tea Beverage" passed the assessment of Ministry of Industry and Information Technology

Make contributions to biodiversity protection

We made a layout of medicinal material planting base around the country and built **69** planting bases of **56** medicinal materials.



SUSTAINABILITY FOUNDATIONS

Challenges and opportunities



The formal implementation of Drug Administration Law and new version of Pharmacopoeia raises a higher requirement for the professional ability of talents in pharmaceutical industry and helps develop a better legal environment for the survival and development of pharmaceutical industry. As put forward in the Opinion of the CPC Central Committee and State Council on Promoting the Inheritance, Innovation and Development of Traditional Chinese Medicine, it is required to lay equal stress on traditional Chinese medicine and Western medicine and establish the hygiene and health development mode with Chinese characteristics where traditional Chinese medicine and Western medicine complement each other and develop harmoniously. As a result, TCM development will usher in a significant opportunity phase, attention will be paid to TCM featured talent team, talent resources will be guaranteed and new vitality will be injected to development of pharmaceutical industry.

Countermeasures



We upgraded HR management system, accelerated the intelligent transformation of HR management and boosted the implementation of the "Strategy of Developing Enterprise by Talent Management"; intensified product quality management and invested in building the public testing platform of TCM materials; gave full play to own professional advantages, returned the society actively and boosted community development.

Employees' rights and interests and development

Employee is the prime element for enterprise development. With a strong focus on the "people oriented" development idea, we respected and safeguarded employees' rights and interests and ensured the steady growth of employees' welfare; grew and shared enterprise development achievements together with them and tried to build a career environment with guarantee, growth and temperature for employees.

Safeguard employees' rights and interests

We attached importance to and protected employees' basic rights and interests, treated employees with different backgrounds fairly and justly and tried to provide a safe, healthy, diversified, inclusive and non-discriminatory career environment for them all.

Equal employment

We abided by the laws and regulations (e.g. Labor Law, Labor Contract Law and Regulation on Work-Related Injury Insurances) in good faith and protected employees' right of equal employment. We formulated HR management system covering the aspects such as recruitment, promotion, salary and welfare and vacation) and established the strict and complete recruitment and employment process; signed labor contract meeting legal standards with all staff and never employed child worker or forced workers. We ensured we never impaired staffs' employment or career opportunity or offered equal treatment due to the factors (e.g. race, skin, gender and age).

Total number of employees in 2020

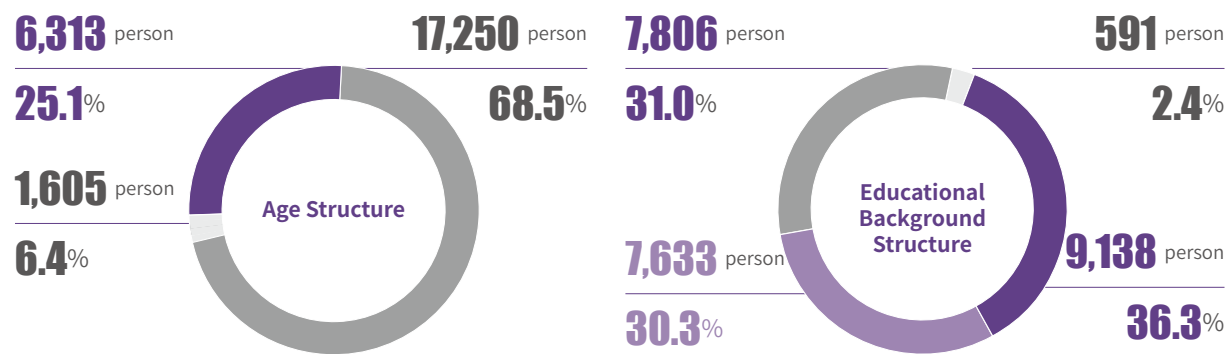
25,168

Proportion of female employees

37.7%

Signing ratio of labor contract

100%



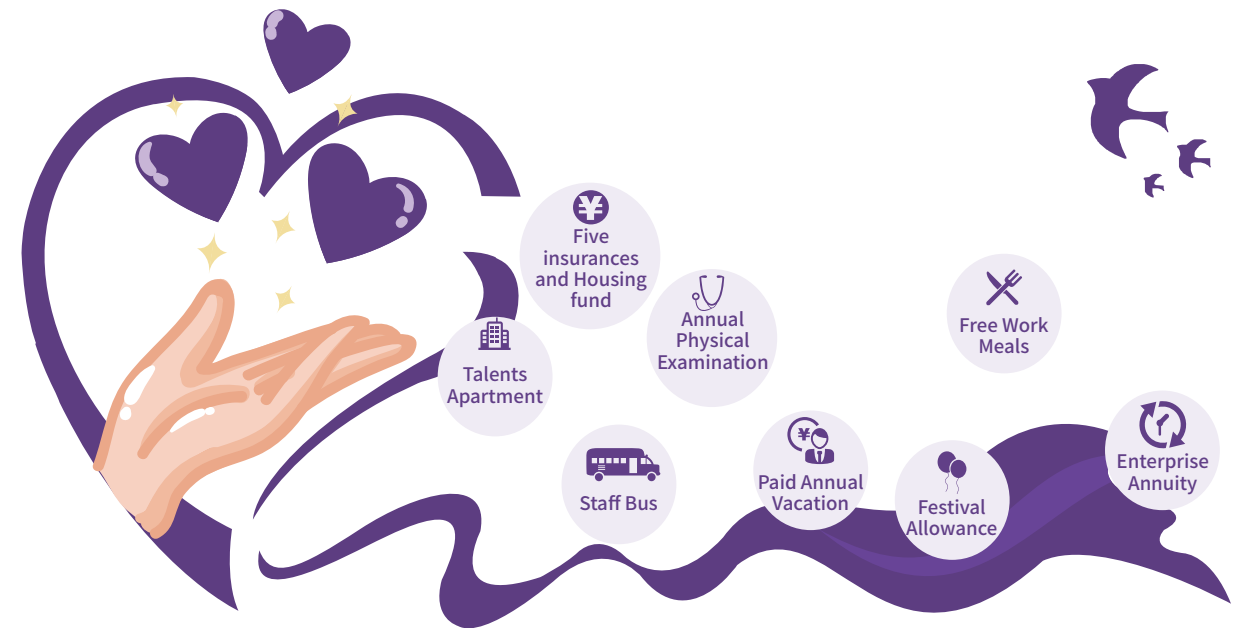
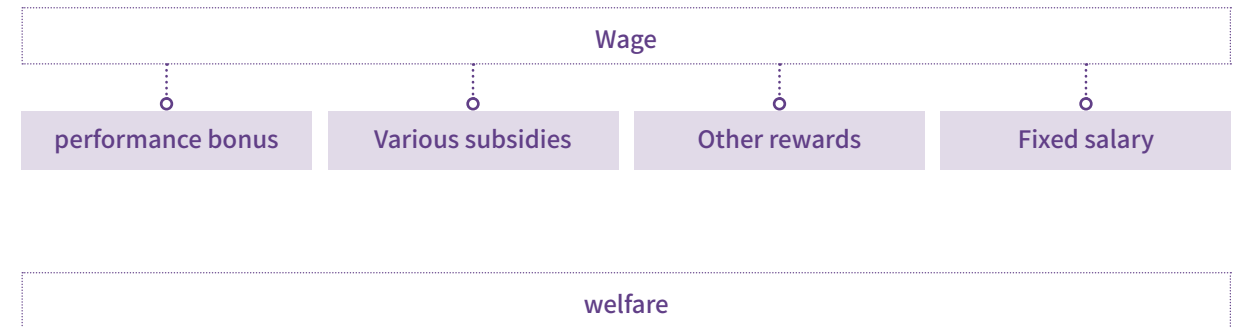
- aged below 30
- aged 30-50
- aged above 50
- Technical secondary school or below
- junior college
- Undergraduate
- master degree or above

Compensation and benefit

We formulated and implemented the systems such as Management Measures for Performance Assessment and Management Measures for Salary and Welfare and provided and supplemented benefit on the basis of five social insurances and one housing provident fund according to laws and regulations. We kept optimizing salary management system, built the salary growth scheme and incentive system embodying talent value and improved employees' sense of happiness and belonging.

Social insurance coverage rate

100%



Democratic management

We improved democratic management constantly, encouraged employees to participate in the enterprise democratic management, guaranteed employees' democratic rights to participate in management and supervision and provided favorable suggestions and ideas for GYBYS development. We granted the corresponding rewards for the good ideas and actively advanced their implementation. During the activity, we received a total of 1,211 ideas and selected "grand prize", "first prize", "second prize", "third prize" and "top 50" gold ideas.

Boost employee development

The development of achievements and businesses cannot be separated from talents. We implemented the strategy of "developing enterprise by talents", established talent management system of talent cultivation, selection and motivation and provided opportunities of continuous learning and development for employees actively; built clear career development channel for employees, motivated employees' working enthusiasm and boosted the high-quality development of talents.

Improve training system

We established the management system for employee education and training, carried out training activities (e.g. "induction training camp of new employees", "training of entire staffs" and "senior seminar of leading cadres") regularly, provided rich and diversified training courses for all staff and kept improving employees' comprehensive quality and skills.

Total number of training in 2020

133,560 person-time

Staff training hours per person in 2020

37.60 hour

Case Hold New Employee Training Camp and Boost New Employees' Fast Growth

On September 2-4, 2020, we held new employee online and offline training camp, where employees from universities and colleges around the world got together and showed their brilliance. Our chairman and TCM masters gave lectures in person, and led new employees to visit Traditional Chinese Medicine museum to experience the profound charm of TCM traditional culture. The new employees also visited the intelligent production line of subordinate enterprises and automatic storage management system to understand the production management mode of modern pharmaceutical enterprises. All those laid a solid foundation for new employees to transform their roles as soon as possible and participate in work.

Unblock development channel

We formulated the Promotion Management Measures for Professional Channel of Talent Development, made planning on the professional channels of four posts of R&D, technology, marketing and function and broke the development bottleneck for employees. Employees could select different talent development paths within the professional channel by combining the factors such as matching of employees' personal ability, career development plan and talent organization demand and created favorable conditions for employees' career development, so as to give full play to employees' personal advantages.



Care employees life

We stressed the balance of employees' work and life and insisted on diversified recreational and sports activities; enriched employees' spare time life and enhanced employee exchange and cooperation and employee cohesion. We cared about the special groups (e.g. retired employees, difficult employees and female employees), carried out employee visit and condolence activity regularly and tried to create harmonious and warm working and living environment for them.

Care frontline business personnel

In light of many field service posts of the Baiyunshan Pharmaceutical Marketing and lots of personnel working around the world, we have implemented condolence activity continuously since 2018 and warmed and cared the frontline sales personnel comprehensively. The accumulative coverage for front-line sales personnel is 633 person-times.



"Bringing Coolness" Activity in Summer

Hold colorful activities to enrich employees' spare time

We held a variety of recreational and sports activities (e.g. badminton game, dance class and parent-child drawing contest) to help employees relieve their physical and mental pressure, enriched employees' spiritual and cultural lives and improved their sense of happiness.



2020 Employee Badminton Game

Give sincere care to special groups

We carried out visit and condolence activities in the significant occasions (e.g. holidays and festivals), gave our warm wishes to difficult employees, retired employees and female employees, understood their needs, minds and anticipations fully and resolved the actual problems for them actively.

Warm female employees by "House of Mom"

We advanced the construction of "House of Mom", provided humanistic service for female employees going through special physiological stage smoothly and guaranteed female employees' rights and interests of rest, vacation and fertility comprehensively.



House of Mom



Occupational health and safety

Employees' health and safety play a key role in enterprises' sustainable development. We abided by the requirements of OHSAS18000 safety and hygiene management system, implemented Management System for Work Safety and monitored and managed the health hazard factors of all working places strictly; paid attention to employees' mental health, implemented safety training and emergency drill regularly and guaranteed employees' health and safety vigorously.

Intensify work safety

We always put work safety in the first place, kept improving the work safety system and ensured system implementation; intensified the safety awareness constantly and consolidated the foundation of work safety with multiple measures.

organized safety inspection in 2020

4,156 times

sent out inspection personnel

7,538

discovered potential safety hazards

1,125

issued rectification notices of hidden hazards

426

the rectification rate was up to

100%

Employee injury rate

0

Supplemented by post-event improvement

- o Develop production safety warning and education work

Assisted by mid-control

- o Develop project safety campaign
- o Develop production safety appraisal



Dominated by pre-event prevention

- o Implement safety production entity responsibilities
- o Implement safety institutional system
- o Strengthen education and training
- o Develop hidden risk identification and governance
- o Intensify epidemic prevention & control
- o Reinforce emergency plan management
- o Organize special study on production safety
- o Explore safety management methods

Guarantee occupational health

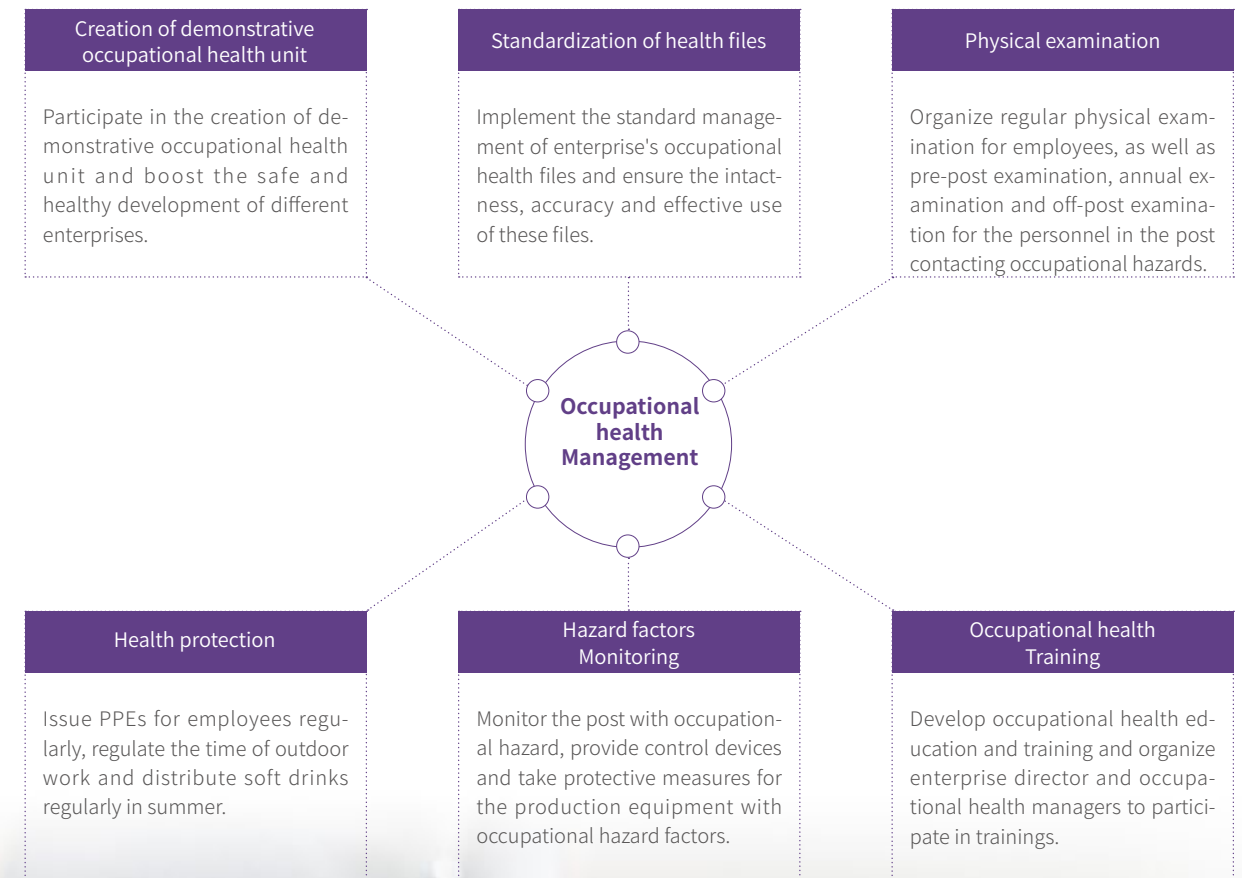
Employees' health is enterprise's future. We abided by relevant laws and regulations (e.g. Law of the People's Republic of China on Prevention and Control of Occupational Diseases) in good faith, established occupational health management system and employee health archives and intensified occupational health regulation; created comfortable working environment and condition for employees and protected all staffs' health duly.

Occupational health examination rate in 2020

100%

Occupational health archive coverage rate in 2020

100%



Creation of demonstrative occupational health unit

Participate in the creation of demonstrative occupational health unit and boost the safe and healthy development of different enterprises.

Standardization of health files

Implement the standard management of enterprise's occupational health files and ensure the intactness, accuracy and effective use of these files.

Physical examination

Organize regular physical examination for employees, as well as pre-post examination, annual examination and off-post examination for the personnel in the post contacting occupational hazards.

Occupational health Management

Health protection

Issue PPEs for employees regularly, regulate the time of outdoor work and distribute soft drinks regularly in summer.

Hazard factors Monitoring

Monitor the post with occupational hazard, provide control devices and take protective measures for the production equipment with occupational hazard factors.

Occupational health Training

Develop occupational health education and training and organize enterprise director and occupational health managers to participate in trainings.

Create safety culture

Safety can be best ensured by ensuring employees' safety awareness. We implemented the Management System for Work Safety in good faith, carried out work safety education training and thematic activity continuously and tried to create the strong atmosphere where everyone knows and concerns safety.

Intensity safety training and education

We kept strengthening the work safety education and training, improved managers' management ability and technical level of work safety, enhanced employees' work safety knowledge and prevention ability of work-related injury and ensured all staff kept the safety awareness in mind firmly.

- o Organize the work safety education and training for work resumption and implement the system that employees shall not work without training in good faith.
- o Hold Training for Work-related Injury Prevention, and ensured thousand persons could participate in the online training synchronously.
- o Give 36 lectures in enterprise. The accumulative training in 2020 reached 6,000 person-times.



Special Training for Work Safety

Implement work safety activity

We implemented 2020 "work safety month" series activities actively focusing on the theme of work safety; held the comprehensive emergency resume drill of work safety of GYBYS Holdings successfully, organized and mobilized all employees to participate in 2020 2nd National Emergency Management Legal Knowledge Competition Guangzhou Trial, to improve their work safety awareness and emergency skills and made all staffs to comply with enterprises' safety system consciously.



Fire Equipment Field Training of Xing Zhu

national safety culture demonstration enterprises

2

demonstration enterprises for safety culture construction of Guangdong Province

9

demonstration enterprises for safety culture construction of Guangzhou

5

In 2020, Zhong Yi and Guangzhou Bai Di were honored as the **"Demonstration Enterprise for Safety Culture Construction of Guangzhou Province"**

Product safety and quality

Product quality is an enterprises' life and guarantees enterprise survival and development. We abided by relevant laws and regulations in good faith, established complete quality management system (QMS) and kept advancing the construction of pharmacovigilance system; provided products and services for consumers in a responsible manner and practiced the original intention and mission of protecting human health through practical action.

Strengthen product quality management

We abided by the laws and regulations (e.g. Drug Administration Law of the People's Republic of China and The Regulations for Implementation of Drug Administration Law of the People's Republic of China) in good faith, kept improving internal quality management and implemented the main body responsibility of product quality; enhanced employees' quality awareness and guaranteed product quality to the greatest extent.

Implement the requirements of new version of pharmacopeia

We studied and discussed the changes of pharmacopoeia standards (Ver. 2020) carefully and invested in the construction of the public testing platform of TCM materials; organized personnel for 13 person-times to go to Gansu Institute for Drug Control for learning, improved testing ability of TCM materials and ensured the testing was orderly and scientifically implemented in accordance with requirements of the new version of pharmacopeia.

Intensify internal quality management

Carry out the quality diagnosis work of GMP and GSP

We implemented the compliance diagnosis of GMP and GSP, organized expert team to sort and investigate production quality management risks and hazards comprehensively and saw our quality management level effectively improved.

Improve QMS

We formulated the Management Measures for Admonition of Food and Drug Quality Safety (Trial) and Management Measures for Information Report of Food and Drug Quality Safety Event (Trial); specified and actively reported the information of food and drug quality safety event, intensified the quality safety admonition management and implemented the quality main body responsibility of enterprise product. All those were in favor of preventing and timely resolving quality risks and hazards of food and drug.

Improve quality awareness and skills

We implemented the activities (e.g. mass QC team and quality education month); taught skills through lively activities (e.g. knowledge skill competition, internal check and training of laws and regulations), improved all staff's quality risk awareness and formed the working atmosphere that quality work is everyone's responsibility; held various training activities (e.g. "Training for Chinese Pharmacopoeia (Ver. 2020)" and Special Training for Mayor Quality Award Declaration of Guangzhou City") by considering the industrial hotspots, so as to lay a foundation for ensuring drug quality and enterprise's favorable development better.

In 2020, we held various quality trainings

9 times

Participants

800 person-times

Quality verification and product recovery



Quality verification

In the course of customer consultation, we understood the product preliminarily according to the information provided by customers. For any product quality doubts raised by customer, we would implement product verification. After receiving check sample of customer or drug administration association, we would make verification by comparing with the same batch of samples reserved; if we are unable to make verification, we would make inspection analysis for samples, to verify whether sample quality meets requirements; initiated the product quality investigation according to the verification result and implemented the deviation treatment procedure.



Product recovery

We established complete recall procedure. In case of a quality safety hazard in market sales, we would issue the Drug Recall Instruction according to requirements of Management Procedure for Drug Recall, and meanwhile, implemented drug recall work and guaranteed the health and safety of products and services vigorously.

Build pharmacovigilance system

We always gave priority to the building of pharmacovigilance system, surveyed the status of pharmacovigilance work, searched relevant documents and case data of adverse drug reaction and finished the construction scheme for the pharmacovigilance system and pharmacovigilance information platform preliminarily.

Case Establish Pharmacovigilance Center and Give "Warning" to Fashionable TCM Research Institute

Zhong Yi and Qi Xing formally established Fashionable TCM Research Institute on May 18, 2020, which set up six centers: New Product Research Center, Clinical Research Center, Pharmaceutical Research Center, Technology Management Center, Pharmacovigilance Center and Transformation Center of Scientific Research Achievements. In particular, the Pharmacovigilance Center is responsible for giving warning to Fashionable TCM Research Institute and helping build the fashionable TCM R&D brand with distinct characteristics.

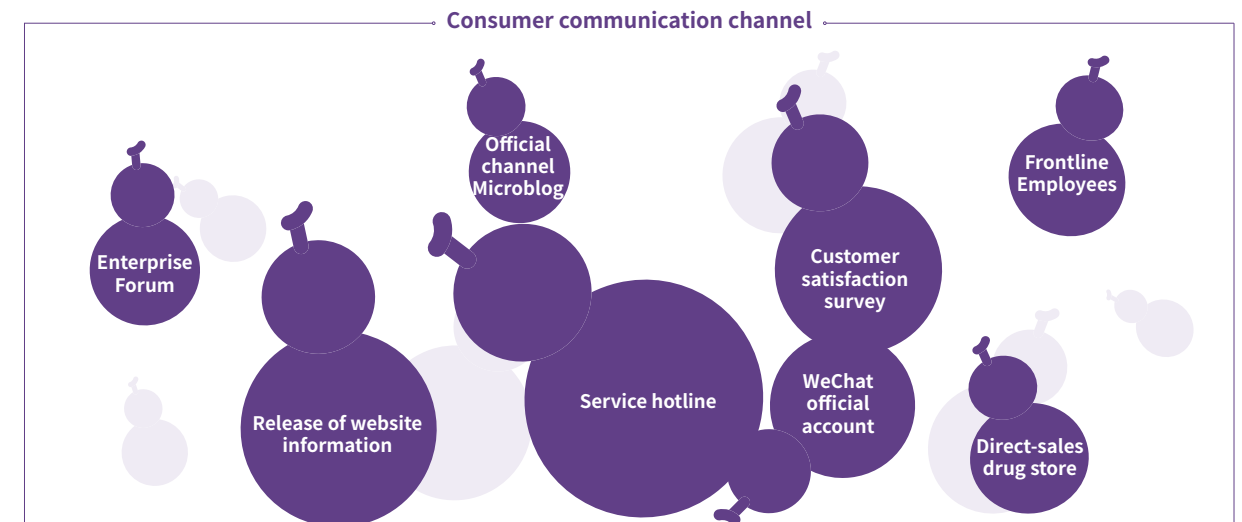
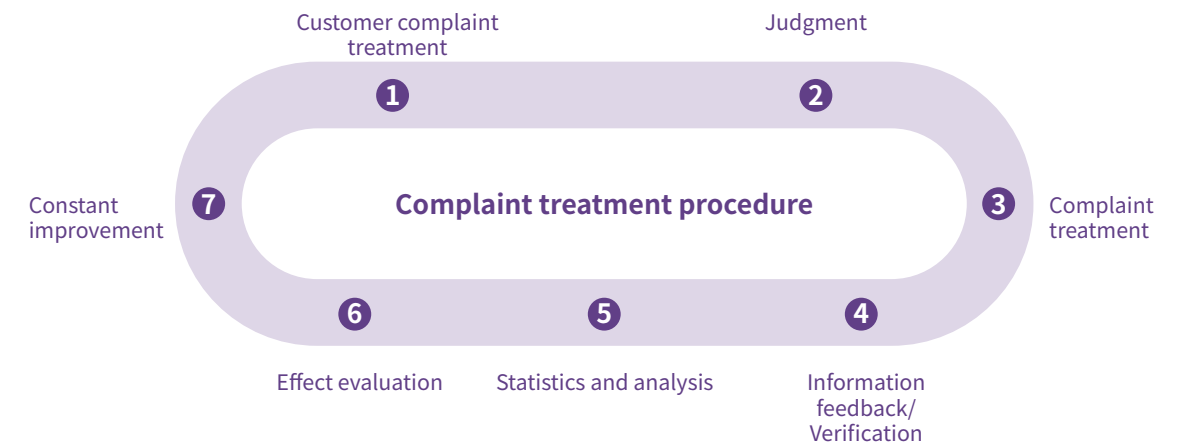


Protect consumers rights and interests

We respected consumers privacy right highly, formulated consumers privacy protection system, kept implementing information safety training and protected consumers privacy duly. For consumer information sent by hotline phone or correspondence, we took strict confidentiality measures and prohibited the employees to duplicate, download or transcribe customers information. We established complete consumer complaint feedback mechanism and treated consumers complaint and feedback timely and effectively. Consumer complaint treatment rate was 100% in 2020.

Case Establish the Privacy Protection Network to Protect Customers Privacy Comprehensively

GPHL Drugstore formulated the systems such as GPHL Drugstore Member Management System, GPHL Drugstore Member Privacy Management System and SOP for Drugstore Member Information Management of GPHL to protect privacy information of members and patients strictly. All registered members should sign the registration agreement, and member archives shall not be established until the due customer knows and agrees drugstore to register his or her information. Review and editing authorities were established within the systems of information management and member management for various drugstore posts, and any modification to customer information should be approved level by level; the information will undergo desensitization management of output audit at the unified port and the employees are forbidden to duplicate, download or transcribe customer information. Thus we established a complete protection network for customer privacy to protect customer privacy comprehensively.



Public welfare & community development

We insisted on implementing various public welfare activities and practiced social responsibility with concrete actions; carried forward TCM traditional culture actively, kept spreading positive energy to the society and tried to show the responsibility idea of "spreading love all over the world" to every corner of the world.

"Family expired drug recovery of GYBYS has been included in the Companys strategy. We will keep it up for a long term and ensure "spreading love all over the world" is the deeds instead of just a slogan."

- Li Chuyuan, the chairman of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Care public welfare Make community warmer

We launched the Season 9: "Let Love Return Home Timely" Care Action of Spring Festival Travel Rush, established the love HSR line and helped people who studied or worked in other places return home timely.



"Let Love Return Home Timely" Care Action of Spring Festival Travel Rush

Culture public welfare -Make the city more lively

In September 2020, the ground floor of Chen Li Ji Building located at Beijing Road, Guangzhou was put into operation. We offered colorful intangible cultural heritage experience courses of TCM and enabled visitors from different regions at different ages to experience the unique charm of TCM culture, contributing to the further heritage and spread of TCM culture actively.



TCM Intangible Cultural Heritage Experience Class of Chen Li Ji

Health public welfare Make future better

Donate masks to community residents through the Suikang public welfare activity. In March 2020, we implemented the health care action and donated masks to the elderly and adolescents for free; carried out voluntary service activities (e.g. "voluntary haircut" and online psychological counseling) and brought about the blessing of health to them. In this activity, we totally donated 130,000 masks to the poverty-stricken elderly and adolescents of this city (13,000 persons) for free.



Implement the "Blue Light Action" for nursing of diabetes patients. In November 2020, we carried out the 11th BYS "Blue Light Action" and launched the programs such as diabetes scientific knowledge lecture, expert voluntary diagnosis, diet guidance and love donation; aroused the whole societys concern for diabetes prevention and made our contributions to diabetes prevention and improvement of national health level.

Case Research and Develop the Recovery Opportunity of 5G Family Expired Drugs Upgrade Citizens' Recovery Experience Comprehensively

We carried out the "Recovery Boosts the Health China and Poverty Alleviation Secures A Decisive Victory in Building A Moderately Prosperous Society in All Respects 8.13 Public Welfare Activity for Family Expired Drug Recovery" on August 13, 2020, an activity we have implemented for 17 consecutive years. In 2020, we, by combining 5G+ intelligent pharmaceutical trend, cooperated with China Unicom to develop the recovery machine of 5G family expired drug and test run it in part of recovery stores. The recovery machine of 5G family expired drug enjoys the functions such as intelligent classification collection of old drugs, sub-package of internal and external packages, issuing of digital red envelope and big data drainage. Citizens could upgrade the recovery experience of family expired drugs comprehensively.



Achievement Exhibition of the 13th Five-year Plan

We integrated CSR into enterprise mission and tried to contribute to the talent growth, human health and social progress; interpreted our determined idea of "spreading love all over the world" through deeds and undertook mission of protecting the home of mankind.

Improved team construction

We established a high-end talent team composed of **3** Nobel Prize winners, **12** domestic double-employed academicians and masters of Chinese medicine, **7** foreign expert consultants, **3** on-the-job experts enjoying special national allowances, and nearly **100** doctors and post-doctors

More than **500** persons won provincial and municipal awards and subsidies, with total amount of more than RMB **27** million

We promoted **16** post-70s cadres and **11** post-80s cadres



Significant Achievements

Guaranteed Talent development

We finished hierarchical planning of various posts

wrote **29** sets of employment qualification

standards and **23** sets of standard post descriptions

Refreshed cultural construction

We built **2** national employee book houses

1 national brand construction demonstration unit of employee book house

1 employee book house of Guangdong Province;

Promising future

Recovery activity of expired drugs benefited **600** million person-times on an accumulative basis

more than **1,500** t expired drugs were recovered

We created the public welfare images of **"Future Leader"** **"Let Love Return Home"** **"Timely"** **"Sun Hero"**, etc.

Outlook

In 2021, we will still take the responsibility idea of "spreading love all over the world" as the goal, stimulate vitality and promote development through reform and innovation; integrate quality resources, create comprehensive values for the public, partners, ecological environment and community and boost the sustainable development of Chinese pharmaceutical and health industry. We will also further contribute our intelligence and power to mankind's health and promote the construction of healthy China vigorously.

Innovative development

We will further strengthen the input in innovative drug and high-end generic drug fields, set up innovation platform, introduce high-end talents and innovate R&D management mode; insist on innovation oriented principle, keep improving the Company's innovation and R&D abilities and create our core competitiveness.

Health, inclusiveness and accessibility

We will improve production efficiency continuously, guarantee the supply of basic drug varieties and advance drug R&D of rare disease; deploy the work of application for listing our excellent varieties to directory of medical insurances actively, explore more online and offline channels and benefit more people by means of the cheaper price and more convenient channels of pharmaceutical products.

Compliance with ethics

We will further strengthen the prevention and control for corruption risk and build the clean and upright enterprise ecology; advance clinical test transparency further, observe drug R&D ethics and guarantee subjects' rights and benefits; further upgrade supply chain management system and utilize our core enterprise influence to promote supply chain enterprise to perform social responsibility and build a responsible supply chain.

Green operation

We will keep building "Green GP" production and manufacturing system, improve HSE management system constantly and get deep into the construction of green factory, develop recycling economy with great effort, control and reduce environmental impact through responsible production and operation, cope with climate changes proactively, protect biodiversity, and promote the pharmaceutical and health industry to realize green development.

Harmonious and shared development

We will still implement the "people-oriented" idea and create a safe and healthy working atmosphere and harmonious and aggressive enterprise culture atmosphere for employees; attract and cultivate excellent talents of pharmaceutical industry and build a harmonious enterprise. We will keep returning the society, care vulnerable groups, carry out voluntary activities of poverty alleviation and pharmaceutical public welfare and make contributions to community's harmonious development.

ESG Indicator Index

Main Category	Contents	Position
A1 general disclosure	The part concerning emissions generally discloses the policies such as the emission of relevant exhaust gas and greenhouse gas, pollution discharge to water and land and generation of harmful and harmless wastes.	Climate change response and energy management
A1.1	Type of emissions and relevant emission data	Climate change response and energy management and table for ESG's key performance indicators
A1.2	Total emission and density of greenhouse gas	Climate change response and energy management and table for ESG's key performance indicators
A1.3	Total quantity and density of generated harmful wastes	Waste management and table for ESG's key performance indicators
A1.4	Total quantity and density of generated harmless wastes	Waste management and table for ESG's key performance indicators
A1.5	The determined emission objectives and steps adopted to reach these objectives	Climate change response and energy management
A1.6	Method for disposing harmful and harmless wastes and the determined waste reduction objectives and steps adopted to achieve these objectives	Waste management
A2 general disclosure	Policies about the effective use of resources (including energy, water and other raw materials)	Water resources management
A2.1	Total consumption and density of direct and/or indirect energy divided by type	Climate change response and energy management and table for ESG's key performance indicators
A2.2	Total consumption and density of water	Water resources management and table for ESG's key performance indicators
A2.3	Determined energy use efficiency objectives and steps to achieve these objectives	Climate change response and energy management
A2.4	Any problem in finding suitable water source and the determined water use efficiency objectives and steps adopted to achieve these objectives	Water resources management
A2.5	Total quantity of packaging material used for finished goods and occupation per production unit	Use of packaging material
A3 general disclosure	Policy for reducing issuer's major influence on environment and natural resources	Climate change response, energy, water resources, waste and noise management and biodiversity conservation
A3.1	Descriptions of major influence of business activity on environment and natural resources and actions adopted to manage relevant influence	Climate change response, energy, water resources, waste and noise management and biodiversity conservation
A4 general disclosure	Policies concerning the recognition and response to the major climate-related affairs that have generated or may generate influence on issuer	Climate change response, energy management and biodiversity conservation
A4.1	Descriptions of major climate-related affairs that have generated or may generate influence on issuer	Climate change response, energy management and biodiversity conservation

A
Environment

Main Category	Contents	Position
Employment and Work Conventions		
B1 general disclosure	Policies about salary and dismissal, recruitment and promotion, working hours, vacation, equal opportunity, diversification, anti-discrimination and other treatments and benefits and the data on compliance of relevant laws and regulations that affect issuer significantly	Protection of employees' rights and interests
B1.1	Total number of employees divided by gender, employment type (e.g. full-time or part-time), age category and regional division	Protection of employees' rights and interests and table for key performance indicators
B1.2	Turnover rate of employees divided by gender, age category and regional division	Table for ESG's key performance indicators
B2 general disclosure	Policies on providing safe working environment and preventing employees from occupational hazards and the data on compliance of relevant laws and regulations that affect issuer significantly	Occupational health guarantee
B2.1	Annual number and ratio of the persons died from work over the past three years (including annual report)	Table for ESG's key performance indicators
B2.2	Working days of loss due to working reason	Table for ESG's key performance indicators
B2.3	Adopted occupational health and safety measures and relevant execution and surveillance measures	Occupational health guarantee
B3 general disclosure	Policy on improving employees' knowledge and skills for performing working responsibility and training activity description	Boosting employee development
B3.1	Percentage of employees divided by gender and employee category (e.g. senior management and middle management)	Table for ESG's key performance indicators
B3.2	Average hours of training for each employee, divided by gender and employee category	Table for ESG's key performance indicators
B4 general disclosure	Policies on preventing child worker or forced labor and the data on compliance of relevant laws and regulations that affect issuer significantly	Protection of employees' rights and interests
B4.1	Measures for reviewing recruitment conventions to avoid child worker and forced labor	Protection of employees' rights and interests
B4.2	Steps adopted to eliminate relevant condition after discovering violation	Protection of employees' rights and interests
Operation Conventions		
B5 general disclosure	Policies on managing supply chain environment and social risks	Intensifying supply chain management
B5.1	Number of suppliers divided by regions	Table for ESG's key performance indicators
B5.2	Supplier employment conventions, number of suppliers subject to relevant conventions against the Company and methods for the execution and surveillance of relevant conventions	Intensifying supply chain management

B Society

Main Category	Contents	Position
Operation Conventions		
B5.3	Conventions on recognizing the environments and social risks for each link of supply chain and relevant execution and surveillance methods	Intensifying supply chain management
B5.4	Conventions on the environmentally friendly products and services most probably used while selecting suppliers and relevant execution and surveillance methods	Intensifying supply chain management
B6 general disclosure	Health and safety of provided products and services, advertising, label and privacy affairs, remedy policies and data of compliance of relevant laws and regulations that affect issuer significantly	Making medical service accessible
B6.1	Percentage of products required to be recovered due to safety and health reason among the sold or shipped products	Table for ESG's key performance indicators
B6.2	Accepted complaints on product and service and corresponding measures	Product safety and quality and table for ESG's key performance indicators
B6.3	Conventions on describing, maintaining and guaranteeing IPRs	Intensifying intellectual property protection
B6.4	Quality verification process and product recovery procedure	Strengthening product quality management
B6.5	Consumers' data guarantee and privacy policy and relevant execution and surveillance methods	Protecting consumers' rights and interests
B Society		
B7 general disclosure	Policies on avoiding bribery, blackmail, fraud and money laundering and the data of compliance of relevant laws and regulations that affect issuer significantly	Abiding by business ethics
B7.1	Number of concluded corruption litigation cases filed against issuer or its employee during the reporting period and the results concerned	Abiding by business ethics
B7.2	Precautionary measures and relevant execution and surveillance methods	Abiding by business ethics
B7.3	Anti-corruption training offered to directors and employees	Abiding by business ethics
Community		
B8 general disclosure	Policies on understanding operating community's needs through community participation and considering community interests while ensuring business activity	Shake off Poverty through the Integration of "Blood Transfusion + Hematopoiesis"; public welfare & community development
B8.1	Contribution categories focused (e.g. education, environment, labor needs, health, culture and sports)	Shake off Poverty through the Integration of "Blood Transfusion + Hematopoiesis" public welfare & community development
B8.2	Resources used in the focused category (e.g. money or time)	Shake off Poverty through the Integration of "Blood Transfusion + Hematopoiesis" public welfare & community development and table for ESG's key indicators

Table for ESG's Key Performance Indicators

Indicator No.	Required Indicator/Unit	2020 Data
A1 Emissions	Industrial wastewater/t	1,696,459.47
	Density of industrial wastewater/t/output value of RMB 10,000	0.67
	Chemical oxygen demand CODCr/t	121.79
	Ammonia nitrogen/t	3.03
	NO _x /t	14.60
	SO ₂ /t	1.30
	Total emission of greenhouse gas/t	135,131.95
	Emission density of greenhouse gas/t/ RMB 10,000	0.05
	Pharmaceutical waste (HW02) and waste drugs (HW03)/t	287.03
	Other hazardous wastes/t	189.96
	Total quantity of hazardous wastes/t	476.99
	General industrial wastes/t	2,553.00
	Density of general wastes/kg/output value of RMB 10,000	1.01
	A2 Resources and Energy Use	Gasoline/L
Diesel/L		636,915.14
Coal/t		0.00
Natural gas/10,000 m ³		1,638.89
Purchased steam/ t		20,490.97
Purchased electricity/kWh		129,487,369.05
Electricity consumption density/ kWh / output value of RMB 10,000		51.47
Water consumption/t		2,659,499.29
Water consumption density/t/ output value of RMB 10,000		1.06
Comprehensive energy consumption tec/t		332,578.44

Indicator No.	Required Indicator/Unit	2020 Data
B1 Employment and Labor	Total number of employees/person	25,168
	Number of male employees/person	15,684
	Number of female employees/person	9,484
	Number of full-time employees/person	25,113
	Number of part-time employees/person	55
	Number of employees below 30/person	6,313
	Number of employees aged 30-50/person	17,250
	Number of employees aged 50 or above/person	1,605
	Employee turnover rate/%	13.29
	Turnover rate of male employees /%	18.46
	Turnover rate of female employees /%	9.30
	Turnover rate of employees below 30/%	24.55
	Turnover rate of employees aged 30-50/%	12.84
	Turnover rate of employees aged 50 or above/%	0.75
	B2 Health and Safety and B3 Development and Training	Number of deaths in 2020 due to work reason/person
Number of deaths in 2019 due to work reason/person		1
Number of deaths in 2018 due to work reason/person		0
Total loss days due to work reason/day		0
Total person-times of training/person-time		133,560
Total training duration of all staff/h		946,218.50
Per capita training duration/h		37.60
Relevant safety training times/time		1,335
Relevant safety training times/person-time		49,445
Relevant safety training duration/h	156,049	
Safety drill times/time	134	

Indicator No.	Required Indicator/Unit	2020 Data
B5 Supply Chain Management	Proportion of suppliers divided by regions	
	South China/%	34.77
	East China/%	28.47
	North China/%	8.55
	Central China/%	7.01
	Northeast China/%	6.08
	Northwest China/%	3.88
	Southwest China/%	11.24
B6 Product Responsibility	Percentage of products required to be recovered due to safety or health reason among the sold or shipped products	0
	Complaint (involving "product quality" and "service quality")/time	3,102
B8 Community Investment	Fund donation/RMB 10,000	913.66
	Article donation value/RMB 10,000	2,097.78
	Number of volunteers/person	10,260
	Volunteering hours/h	17,302.45

Statistical Table for Targeted Poverty Alleviation

Indicator (in RMB 10,000)	Details	
	Annual Data (as of December 31)	YoY Change Percentage (%)
I. General information		
Including: 1. Fund	241.57	46.81%
2. Materials trade	9.07	158.40%
3. Number of poor people helped to be removed from administrative record for poverty registering (person)	0	-100.00%
II. Itemized input		
1. Poverty alleviation through industrial development		
	<input checked="" type="checkbox"/> Poverty alleviation through agriculture and forestry industries <input type="checkbox"/> Poverty alleviation through tourism	
Including: 1.1 Type of industrial poverty alleviation projects (please tick)	<input type="checkbox"/> Poverty alleviation through e-commerce <input checked="" type="checkbox"/> Poverty alleviation through asset income <input checked="" type="checkbox"/> Poverty alleviation through technology <input checked="" type="checkbox"/> Others	
1.2 Number of industrial poverty alleviation projects (each)	14	16.67%
1.3 Amount invested in industrial poverty alleviation projects	91.63	538.98%
1.4 Number of poor people helped to be removed from administrative record for poverty registering (person)	0	-100.00%
2. Poverty alleviation through transfer employment		
Including: 2.1 Amount invested in vocational training	0	0.00%
2.2 Number of people receiving vocational training (person/time)	129	-35.18%
2.3 Number of poor people helped to be employed in administrative record for poverty registering (person)	0	-100.00%
3. Poverty alleviation through relocation		
Including: 3.1 Number of relocated people helped to be employed (person)	0	0.00%
4. Poverty alleviation through education		
Including: 4.1 Amount invested in subsidizing poor students	4.02	0.75%

Indicator (in RMB 10,000)	Details	
	Annual Data (as of December 31)	YoY Change Percentage (%)
4.2 Number of students receiving allowance (person)	59	3.51%
4.3 Amount invested in improving education resources in poverty-stricken areas	0	0.00%
5. Poverty alleviation through health enhancement		
Including: 5.1 Amount invested in health care resources in poverty-stricken areas	0	0.00%
6. Poverty alleviation through ecological protection		
	<input type="checkbox"/> Carry out ecological protection and construction <input type="checkbox"/> Establish ecological protection and compensation mode <input type="checkbox"/> Establish ecological public welfare post <input type="checkbox"/> Others	
Including: 6.1 Project name (please tick)		
6.2 Amount invested	0	0.00%
7. Protection for the most impoverished people		
Including: 7.1 Amount invested in helping the three left-behind groups	0	-100.00%
7.2 Number of people helped in the three left-behind groups (person)	0	-100.00%
7.3 Amount invested in helping poor people with disabilities	0	-100.00%
7.4 Number of poor people with disabilities helped (person)	0	-100.00%
8. Poverty alleviation in the society		
Including: 8.1 Amount invested in poverty alleviation in China eastern and western parts	0	0.00%
8.2 Amount invested in fixed-point poverty alleviation	0	0.00%
8.3 Poverty alleviation fund	0	0.00%
9. Other projects		
Including: 9.1 Number of projects (each)	48	60.00%
9.2 Amount invested	154.99	5.99%
9.3 Number of poor people helped to be removed from administrative record for poverty registering (person)	0	-100.00%

