

*Hold Hands for
Love and Health*



China Resources Pharmaceutical Group Limited

Sustainability Report 2020



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Message from CEO

2020 was an extraordinary year full of challenges. The sudden outbreak of COVID-19 pandemic disrupted our business operation and management and imposed great challenges on many annual objectives. CR Pharmaceutical braved the difficulties and took proactive measures in tackling the pandemic and industry changes. We accelerated innovation and transformation, fostered new opportunities in crises, and created new prospects in the face of changing circumstances. We have triumphed the initial stage of pandemic containment, achieved overall business performance as expected, and made new progress in fulfilling corporate social responsibility.

We were all in this fight against the pandemic, ensuring steady supply and stable price. A responsive and efficient organization system and work mechanism was immediately developed under unified command. The many executives and grassroots employees devoted themselves in this relentless fight, especially our colleagues in Wuhan and other areas of Hubei, who united as one and held fast at the front-line. During the 2020 Spring Festival, over 30,000 employees from more than 300 subsidiaries stayed on their jobs. They drove the efficient and orderly recovery of production in the industrial chain and facilitated the steady growth of the economy.

We forged ahead with the mission of safeguarding human health. Putting “human health” at the core of our business, we advocate rational medication and meet the more extensive health needs of individuals and society. Despite the COVID-19 impacts, the policy of volume-based procurement, and shrinking end markets, our operational profit and net profit both achieved year-on-year growth. We also implemented measures to improve quality and boost benefits, advanced the integration of informatization and industrialization and facilitated digitalization reform, so as to enable a more rational allocation of resources.

We are dedicated in research and development to enrich the innovation “reservoir”. Guided by national policies, the trends of industry and technological development, as well as market demands, we continue to enhance our R&D and innovation capabilities, increase R&D investment, optimize R&D platforms, and develop new incentive mechanism to motivate our teams. Many products passed the consistency evaluation, and CR Sanjiu and CR Biopharmaceutical were named Technological Reform Demonstration Enterprises. Empowered by technology, we strive to create and promote innovative models and accelerate digital transformation. To pursue technological and service innovation and with a strong sense of mission, we uphold a forward-looking vision and patriotism in our innovation, remaining steadfast to our strategy.

We take concrete actions to make the sky bluer, the mountain greener, and the water lucider. We consciously raise our ecological awareness and steadily progress the 137 items in the *Three-Year Action Plan for Ecological Environmental Protection and Pollution Source Control*. Besides, we actively tackle climate change and

respond to the national goal to peak emissions before 2030 and to achieve carbon neutrality before 2060. With outstanding performance in green and high-quality development, five factories of CR Pharmaceutical, including CR Double-Crane Beijing Industrial Park and CR Sanjiu Guanlan Production Base, won the honorary title of National-level Green Factories.

We join hands with stakeholders to boost the health industry. We have deepened cooperation and exchanges with the government, scientific research institutes, and companies at home and abroad, and sign strategic partnership agreements to explore new operation models. By improving supplier management and supporting the growth of partners, we strive to promote the sustainable development of China’s pharmaceutical and healthcare industry.

With fraternity and inclusiveness, we respect the value of each and every employee. We make every effort to create an equal, diverse, and interdependent workplace, protect the legitimate rights and interests as well as the health of employees. A variety of cultural activities have been organized, and a comprehensive and multi-level talent training system has been established to contribute to the common growth of employees and the Company.

We devote ourselves to building a moderately prosperous society with improved health services. Attaching significance to the primary-level medical and healthcare facilities, we implemented the Healthy Village Program with a focus on improving the professional skills of general practitioners. We organized 104 online training sessions for primary-level and village-based doctors, contributing to the successful battle against poverty and building a moderately prosperous society in all respects.

As a traditional sector, the pharmaceutical industry will see reform and innovation as the new norms in future industry development. In the face of new environments and new trends, we will seize and foster opportunities and create vitality amidst crises. We will embrace new things, new ideas, new models, breaking out of the conventional mindset to apply cross-border thinking to traditional formats, so as to empower traditional business with technologies, thus reshaping our value in the pharmaceutical industry.

2021 marks the first year of the 14th Five-year Plan and a critical juncture where the timeframes of its two centenary goals converge. CR Pharmaceuticals will enter a fast-track of development and become a high-speed train that drives the people towards a healthy and safe future.

HanYuewei

Executive Director and CEO of CR Pharmaceutical

About Us

Company Profile

China Resources Pharmaceutical Group Limited (CR Pharmaceutical) (Stock Code: 3320.HK) is a leading integrated pharmaceutical company in China specializing in manufacturing, distribution, and retail of medicines and nutraceutical products. Since the Company went public, it has introduced a number of important capital market indexes, including Hang Seng Composite LargeCap Index, FTSE Global Large Cap Index, Morgan Stanley Capital International (MSCI) China Index, Hang Seng Stock Connect Hong Kong Index, etc.

The Fourth largest pharmaceutical manufacturer

- ◆ Its business covers a wide range of treatment fields such as chemical drugs, traditional Chinese medicine, biological drugs and supplements.
- ◆ Top OTC drug manufacturer

The Third largest pharmaceutical distributor

With a business layout covering

28 provinces, municipalities and autonomous regions

Operating a distribution network of

176 logistics centers

The Tenth largest retail pharmacy operator

Retail pharmacies

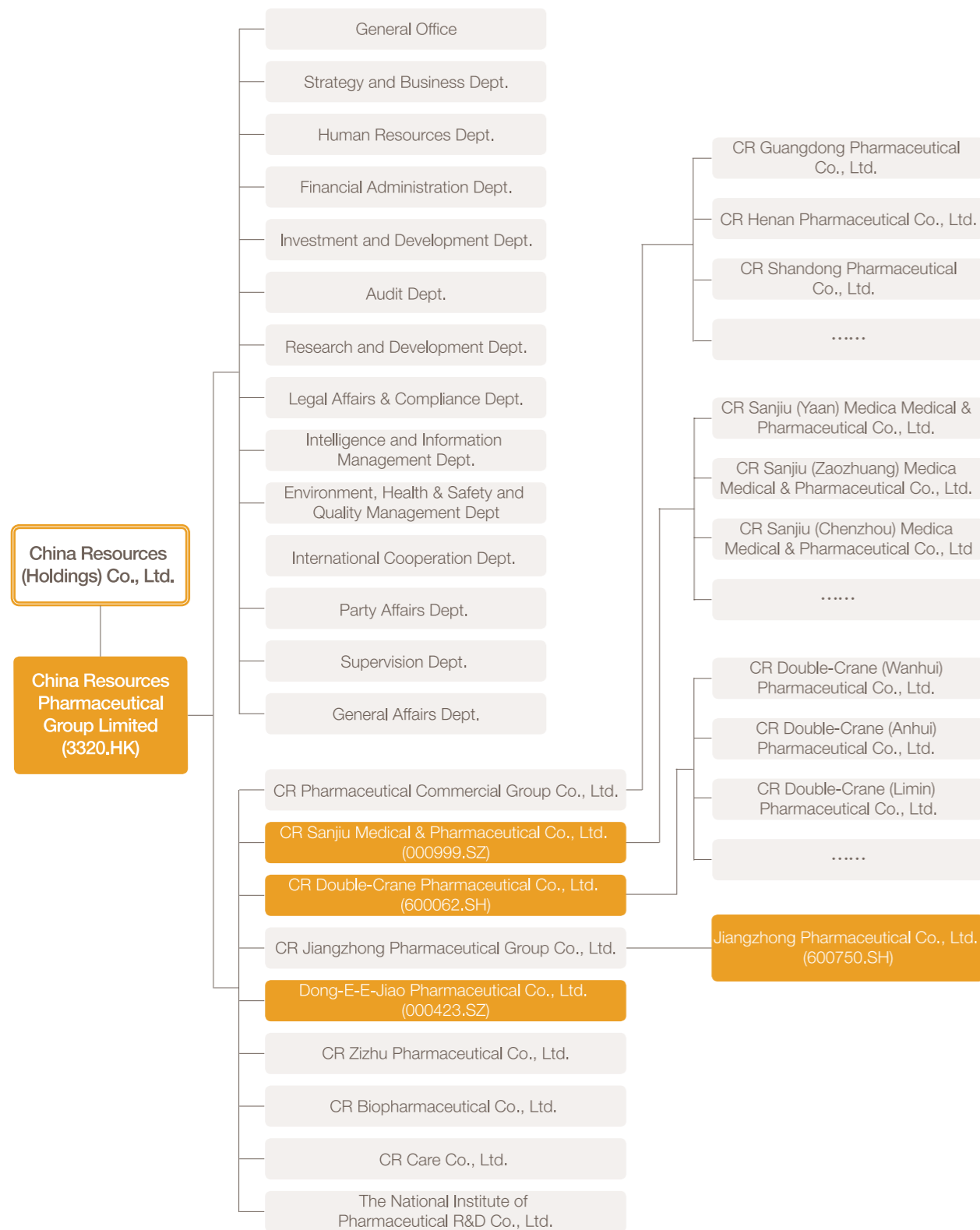
862

DTP (direct-to-patient) pharmacies

194



Organizational Structure



Highlights of 2020

CR Pharmaceutical was rated Top 100 Companies in China.

CR Sanjiu and CR Double-Crane were among the "Value 100" listed companies in China.

High recognition of the capital market



Faster completion of high-quality M&As

CR Double-Crane acquired part of the stake of Dongying Tiandong Pharmaceutical Co., Ltd., enriching the products in the field of cardiovascular and cerebrovascular anticoagulation.

CR Sanjiu completed the acquisition of 100% equity interest in Aonuo Pharmaceuticals, improving categories of self-diagnosis and treatment products.

CR Sanjiu increased its capital in Runsheng Pharmaceutical, filling the company's gap in inhalation products.

CR Jiangzhong won the Green Development Award of the 15th People's Corporate Social Responsibility Award.

Dong-E-E-Jiao won the 2020 China Pharmaceutical Enterprise Social Responsibility Award - the EHS Social Responsibility Award.

Multiple social responsibility awards



Major breakthroughs in technological innovation

The NIP292 program of CR Pharmaceutical was approved by the FDA as an orphan drug for the treatment of idiopathic pulmonary fibrosis (IPF).

CR Double-Crane's caffeine citrate injection product (Fetoca®) received the Drug Registration Approval Document issued by National Medical Products Administration (NMPA).

CR Jiangzhong won the Second Prize of the National Science and Technology Progress Award

CR Pharmaceutical signed 35 international cooperation projects in 2020.

CR Sanjiu and Novo Nordisk jointly promoted the 10mg Norditropin NordiFlex®.

CR Sanjiu obtained the exclusive license from Oncocetics for developing, manufacturing, and marketing the innovative drug ONC201 in Greater China.

Deepened international cooperation



Major Brands

华润双鹤
CR DOUBLE-CRANE

双鹤药业 柯立苏
CALSURF

0号[®] 压氏达[®] 湘中[®]
聚磺酸酞胺地平片

冠爽[®] 赛科[®]

华润江中
CR JIANGZHONG

江中 桑海[®]
桑海制药

利活 初元
CHUEUN

参灵草

华润三九
CR SANJIU

999[®] 顺峰 好娃娃
为爱专注 为家守护

今维多 天和

999皮炎平[®]

华润医药商业
CR PHARMA COMM

润药商城 德信行
WWW.HRRYZX.COM TECK SOON HONG
主药药 物寄到家

润药云方 HOSPITAL
H

华润生物医药有限公司
China Resources Biopharmaceutical Co., Ltd.

佳林豪[®] (rhEPO) 百杰依[®]
重组人促红素注射液 (CHO细胞) 注射用重组人白介素-11

瑞通立[®] (rPA)
注射用重组人组织型纤溶酶原激活剂生物

东阿阿胶
DEEU

复方阿胶浆 桃花姬

贡丸 真颜

紫竹药业

毓婷[®] 朴佳美[®]

金毓婷[®]

华润堂
CRcare

Corporate Governance

CR Pharmaceutical makes continuous efforts to consolidate corporate governance. We fulfill our responsibilities according to laws, regulate the operation of the Board of Directors, and improve compliance building, the strategic framework of risk management, as well as anti-corruption, striving to repay our investors with better business performance.

Compliance management

A sound governance structure is key to the inclusion of CR Pharmaceutical's sustainability issues into our agenda. We strictly abide by Hong Kong's Companies Ordinance and the listing rules of The Stock Exchange of Hong Kong Ltd., as well as relevant regulations formulated and promulgated by the regulatory authorities, to ensure regulated and orderly operation.

For more information on policies, responsibilities, and composition of the Board and general meeting of shareholders, please refer to the 2020 Annual Report of CR Pharmaceutical or visit our official website <https://www.crpharm.com/tzgx/gsgz/gzjg/>

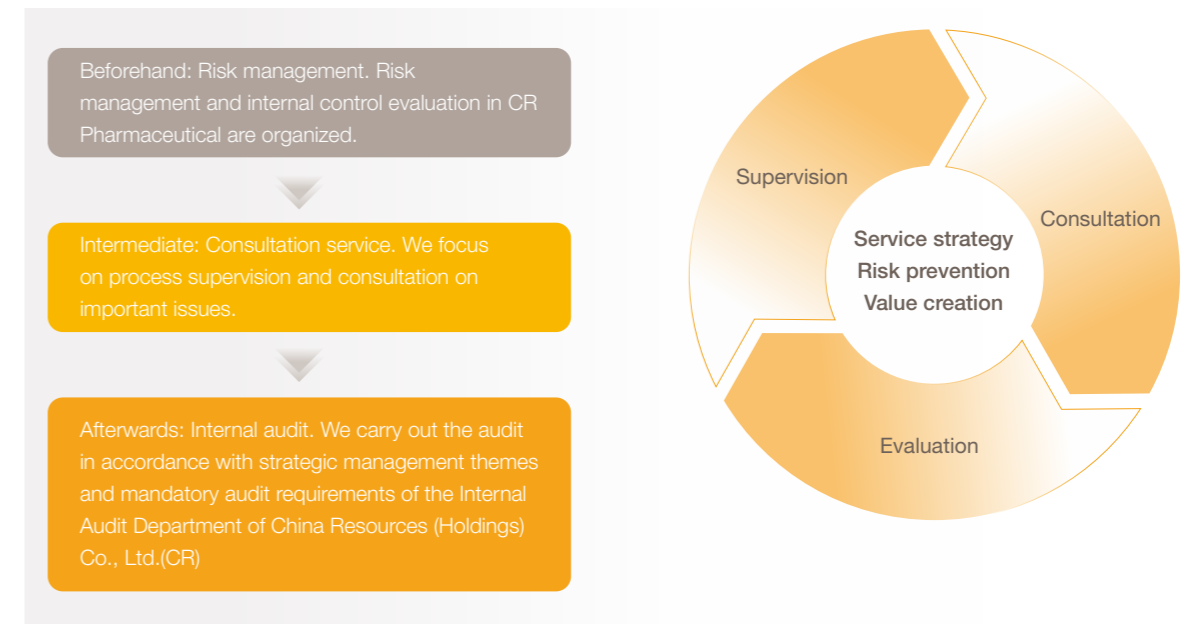


Improving the governance structure

To seek support and advice for decision-making, the Board has established five committees underneath, namely the Remuneration Committee, Nomination Committee, Audit Committee, Corporate Governance Committee and Executive Committee. They provide support and suggestions for decision-making bodies, formulate policies on director nomination and diversity of board members, and regulate the functions, powers, and policy implementation rules. The Board attaches great importance to law-based responsibility fulfillment: In 2020, we held one general meeting of shareholders, five Board meetings, three Audit Committee meetings, one Remuneration Committee meeting, three Nomination Committee meetings, one Corporate Governance Committee meeting, and eight Executive Committee meetings, the numbers of which all met or exceeded the required by the Listing Rules or terms of reference.

Comprehensive risk management

CR Pharmaceutical emphasizes risk management and internal control. We continuously strengthen the risk prevention and control ability of the Group and our subsidiaries to enhance the effectiveness of our internal control system. In 2020, we improved the development of the audit system, and made progress in audit supervision, risk management, internal control evaluation, and other aspects despite the COVID-19 pandemic, escorting the sound development of the Company.




Practicing business ethics

The Corporate Governance Committee carries out business ethics supervision in accordance with the *Company Law of the People's Republic of China*, the *Law of the People's Republic of China Against Unfair Competition*, and other laws and regulations. The committee strengthens the management of corruption, embezzlement, and fraud issues, and strictly forbids such violations. In 2020, there were no significant corruption cases in CR Pharmaceutical, and 6* persons were punished for violations of rules and disciplines.


Warning and education conferences held *	With participants more than *	Number of directors received anti-corruption training *
3	5,200	65
Total hours of of anti-corruption training for directors *	Number of employees received anti-corruption training *	Total hours of of anti-corruption training for employees *
156 hours	5,135	61,620 hours

*Note: The data came from the headquarters of CR Pharmaceutical and its directly managed enterprises CR Pharma Comm, CR Sanjiu, CR Double-Crane, and CR Jiangzhong.




Improving institutional guarantees

CR Pharmaceutical has revised the *Administrative Measures for Assigned Directors and Supervisors* to improve its corporate governance mechanisms, including the selection, appointment, and duties of directors, and has improved the *Measures for the Management of Commercial Information Confidentiality in Investment Cooperation* to strengthen the legal protection for business secrets, clarify the internal management responsibilities for the confidentiality of commercial information, and avoid the risk of infringement and disclosure of business secrets. We have formulated the *Measures for Centralized Management of Letters and Calls and Problem Clues* to protect those who report embezzlement and corruption, and strictly deal with such acts as disclosing information of whistleblowers and providing convenience for retaliating against whistleblowers in accordance with regulations and discipline.



Compliance supervision system

We have formulated seven rules and regulations, including the *Management Measures for the Comprehensive Supervision Work System*, to standardize discipline enforcement and effectively prevent legal and disciplinary violations. The comprehensive supervision working mechanism has been clarified with a total of 51 risk points sorted out for more effective supervision. Platforms for reporting through mobile phones and WeChat have been opened to enhance public supervision.



Integrity culture building

We have made great efforts to promote and implement the *Code of Business Conduct of China Resources (Holdings) Co., Ltd.* Based on our values of "Integrity First, Performance Driven, Human Oriented, Innovation Constantly" and compliance concept of "Compliance Promotes Business Progress and Excellence," we have signed compliance commitment letters with all staff members to enhance the integrity awareness of all staff.

Operation Management

Based on the opportunities brought by the development and reform of China's healthcare industry, CR Pharmaceutical actively responds to changes in the market and environment, and strengthens innovation and transformation to consolidate its market position of core businesses and facilitate the rapid growth of new businesses. Our operation and control has been improved continuously, securing our leading role in the market.



Steady business growth

In response to COVID-19 and policies, we have improved our management and the industrial layout by optimizing business structure towards innovation-driven development. In 2020, we achieved steady business growth supported by better operation.



Sustainable business development

Embracing the changes in the environment, the market, and policies, we innovate in systems and mechanisms and increase our input in innovation to speed up the growth of new businesses on the basis of interior collaboration, achieving sustainable and sound business growth.

Pharmacy

We keep strengthening our capabilities in R&D, production, sales, and industrial chain operation to expand our businesses in the biopharmaceutical sector. We continue to consolidate our leading position in core areas while accelerating the release of new products, so as to create products for industrial use.



Distribution

We strive to expand new businesses, provide one-stop solutions, and improve the distribution network and our product mix.



Retail

We quicken the integration of retail resources to build an integrated operation system, and speed up the construction of professional pharmacies and community-based pharmacies, creating strong competitive advantages with standardized, differentiated, and specialized services. By far, we have a total of 862 self-operated retail pharmacies, including 194 specialized DTP pharmacies, and achieved a 9.4% year-on-year growth in operating revenue despite the COVID-19 pandemic.

Excellence operation management

We have made continuous efforts to deepen the evaluation of excellence operation, introduce more innovation-oriented indicators related to product introduction, R&D capacity building, and intelligent ability, etc., and encourage our subsidiaries to participate in CR's six-star enterprise certification. The development of the excellence operation evaluation system is also launched to help build an exchange platform for profit centers.

Lean management projects

87

Improving the evaluation system: We have improved the excellence operation evaluation system to highlight the guiding role of innovation, increasing the proportion of innovation-driven development indicators by 8% year on year. 41 subordinate enterprises have launched the key excellence operation evaluation to strengthen basic management and base operating efficiency on an ongoing basis.

Promoting the six-star factory certification: Five subsidiaries of CR Pharmaceutical, namely CR Jiuxin Pharmaceutical Co., Ltd., CR Sanjiu Guanlan Production Base, CR Double-Crane Beijing Industrial Park, CR Sanjiu (Zaozhuang) Pharmaceutical Co., Ltd. and CR Jiangzhong Wanli Production Base, were rated "six-star" model factories of CR.

Project benefits

RMB 31.75 million

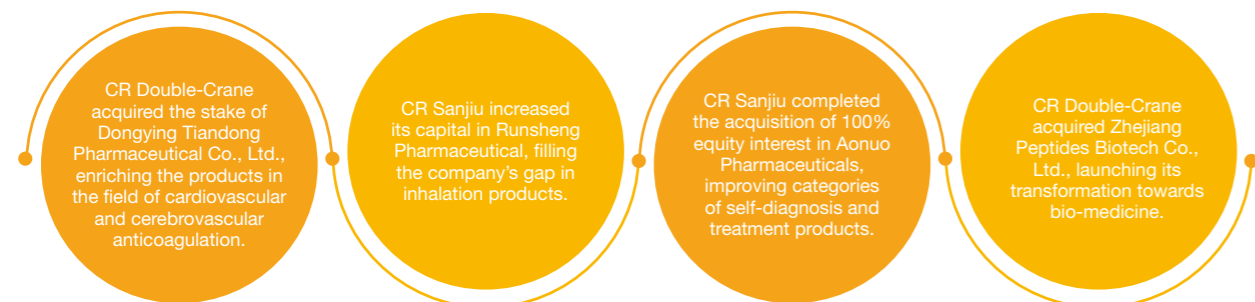
Promoting exchanges in the manufacturing sector: CR Pharmaceutical has promoted the exchange and sharing of management experience of CR Sanjiu and CR Jiangzhong factories on TCM treatment, preparations, and on-site management.



CR Jiangzhong Wanli Production Base is rated a six-star factory of CR

Enhanced investment capacity

We seize every opportunity of industry transformation and upgrading, pay close attention to investment and M&A issues, and continue to revise our rules and regulations. We have formulated the *Post-investment Evaluation Guidelines of China Resources Pharmaceutical Group Limited* to improve closed-loop management, and realized sustained business growth driven by M&As and innovation.



Protection of the Rights and Interests of Investors

In compliance with the Listing Rules of HKEx, CR Pharmaceutical actively performs its responsibilities as a listed company and ensures that related transactions are fair and reasonable. Besides, we actively respond to the calls and requirements of the nation, strengthen asset supervision and inspection, improve the capital structure, guard against capital risks, and improve our operation quality, keeping all operating indicators in a healthy state in 2020.

CR Pharmaceutical continuously strengthens its investor relations management, and ensures better information disclosure and investor communication to keep stable and harmonious investor relations. By establishing a sound investor communication mechanism, we have expanded information disclosure channels to facilitate two-way interaction with investors, accurately disclose important information, such as corporate strategy, major issues, corporate operations, and financial performance in a timely manner, continuously improve information transparency and credibility in the capital market, and enhance investors' confidence in us.

Reports and letters of notification released at HKEx

59

Domestic/overseas investor summits

12

Information disclosure channels

- ◆ Annual reports and interim reports
- ◆ Provisional notices reported to HKEx
- ◆ Official website
- ◆ Annual general meetings of shareholders
- ◆ Press releases and corporate communications

Communication and exchange activities

- ◆ Long-term investor communication and roadshow meetings for periodic performance disclosure
- ◆ Investor exchange meetings, summits, and one-to-one promotion meetings
- ◆ Daily investor reception, investor calls and letters, consultation and other regular activities



2020 Annual Results Announcement

Sustainability Strategy

As a leading integrated pharmaceutical company in China, CR Pharmaceutical shoulders the mission of "Protecting Human Health and Improving Quality of Life." We care about public health and actively assume social responsibility. Over the years, we have been committed to "Holding Hands for Love and Health", striving to improve the quality of life.

Holding hands

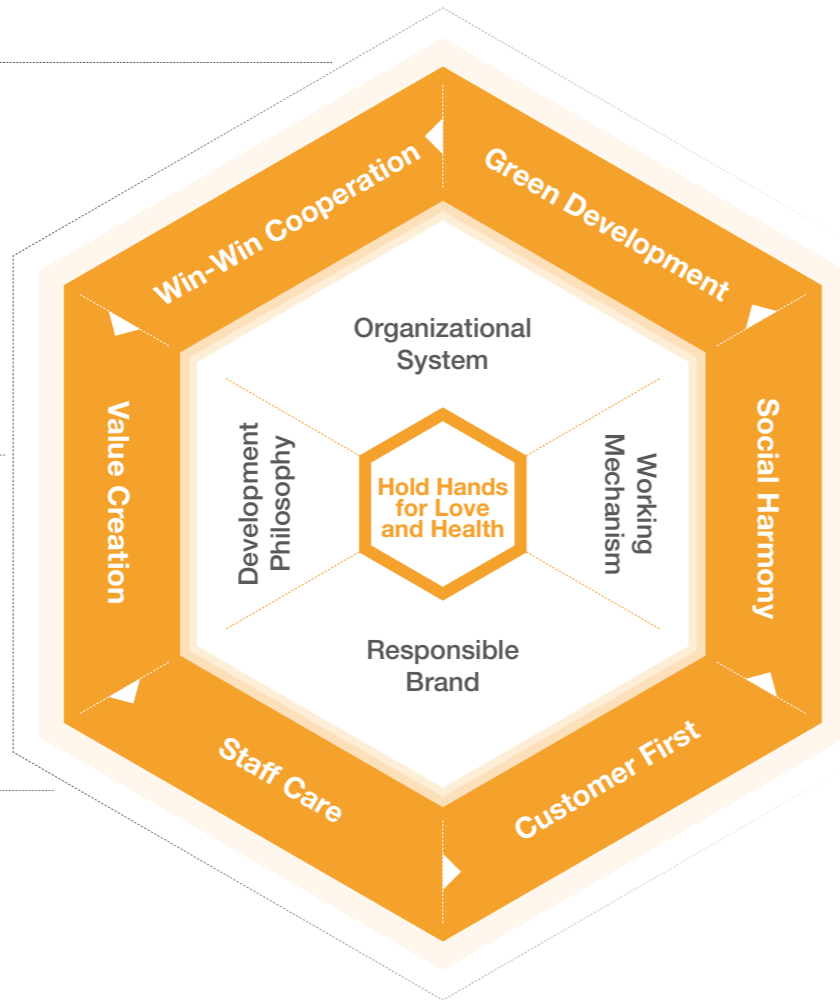
Holding hands with the government, shareholders, staff, partners and customers to serve the public and jointly promote the sustainable development of China's pharmaceutical and healthcare industry.

Love

CRPG aims to practice benevolence, improve people's health and enhance people's quality of life.

For health

CRPG gives priority to human health and provides safe and highquality medicines and service to the public.



● Sustainability strategies of CR Pharmaceutical

Sustainability Management

CR Pharmaceutical keeps improving its sustainability management by emphasizing the role of the Board in sustainability management and promoting the integration of the sustainability concept into corporate strategy, production, operation, and management.

ESG supervision and management by the Board

CR Pharmaceutical's Board of Directors assumes full responsibility for the Company's environment, social responsibility, and corporate governance (ESG) strategy. The Board is responsible for assessing and determining ESG-related risks and opportunities and ensuring that the Company has a qualified and effective ESG risk management and monitoring system. The Board holds regular meetings to clarify supervision responsibilities and improve relevant processes. The Corporate Governance Committee under the Board ensures that appropriate and effective ESG risk management information is prepared and reported to the Board. To fulfill its responsibilities, the committee shall carry out ESG training on ESG Reporting Guide, Listing Rules, and other documents issued by the HKEx, and keep the Board informed of the latest ESG rules and progress as well as methods used to achieve their goals.

Organizational management

To improve the ESG management structure, we have established the ESG Committee in 2020 in accordance with the *Environment, Society and Governance Reporting Guide* issued by HKEx. The committee is mainly responsible for reviewing ESG-related objectives, formulating development plans, supervising the Company's ESG management, etc., and reporting to the Corporate Governance Committee regularly. The ESG Committee has a detailed internal division of work and responsibilities. For more details, please see the *Responsibilities of the ESG Committee of China Resources Pharmaceutical Group Limited*.



● ESG organizational structure

System development

Through the release and implementation of the *Regulations of China Resources Pharmaceutical Group Limited on Social Responsibility Work*, we enhance the indicator system, improve performance management, practice communication management, prepare and disseminate reports, conduct evaluation and assessment of the sustainability management system, and urge the social responsibility work group to fulfill its tasks.

Capability building

CR Pharmaceutical actively participates in research and communication activities related to the pharmaceutical industry and corporate social responsibility at home and abroad. Moreover, we invite our partners and social responsibility research institutions to provide CSR trainings to facilitate the sustainable development of the industry.

For seven consecutive years, CR Pharmaceutical have prepared sustainability reports and encouraged our subsidiaries to prepare social responsibility reports, and improved social responsibility management and practices to enhance the social responsibility information disclosure.

CR Pharma Comm has adjusted the members of its corporate culture and social responsibility committee and improved relevant systems to ensure the smooth operation of social responsibility mechanisms. At the release conference of the *Blue Book of Corporate Social Responsibility 2020*, CR Pharma Comm shared its industry-leading social responsibility practices.

Thanks to its continuous efforts and excellent performance in various fields of sustainable development, such as business operation, products and services, and green development, CR Sanjiu won the ESG Responsibility Practice Award of the 2020 DIA GOLD.

Fighting COVID-19 with Concerted Efforts

In early 2020, in response to the COVID-19 outbreak, CR Pharmaceutical promptly established a pandemic response working group and organized all employees to devote themselves to the resumption of work and production as soon as possible. We guaranteed stable supplies of anti-virus materials and safeguarded people's life and health.

Contributing to the victory of COVID-19 control



- ◆ CR Sanjiu's **Shenfu injection** was included in the *Diagnosis and Treatment Plan for Novel Coronavirus Pneumonia*, and the company was approved to produce **the compound granule preparation Qingfei Paidu Decoction** to fully support the frontline of the battle against the pandemic.
- ◆ CR Jiangzhong launched the **Ruijie disinfectant wipes** and put into production **the Wenfei Huaxian Granules** to facilitate clinical treatment of COVID-19 cases.

Initial victory in the COVID-19 fight

On January 24, CR Pharma Comm made the decision on ensuring a stable supply of pandemic prevention materials. Jiang Ying, General Manager of China Resources Taian Pharmaceutical Co., Ltd., took the lead in setting up a pandemic control team to coordinate the supply of related materials. Jiang Ying and her team stuck to their positions during the Spring Festival. They worked day and night selflessly and coordinated near a thousand suppliers to contribute to the normal operation of the healthcare system. A total of 860,000 masks of various types, 3,850 protective suits, 1.209 million pairs of disposable gloves, 19,685 sets of isolation gowns, 930 pairs of goggles, and other materials were delivered to isolation points, designated hospitals, and medical staff in the first time. Jiang Ying thus won the honorary titles of Role Models in the National Fight Against COVID-19 and Excellent Volunteers in the Provincial Fight Against COVID-19, as well as the May 1st Labor Medal of Shandong Province. Her spirit has inspired all staff of CR and even the whole society, and solidified their conviction to win the battle against COVID-19.



Jiang Ying
General Manager of China Resources Taian Pharmaceutical Co., Ltd.

We are a responsible company. In the face of the pandemic, CR employees will brave all winds and storms together with you.

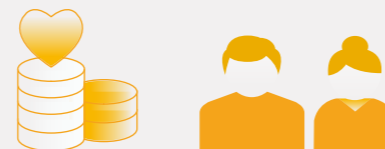
As of the end of June 2020

Spent on purchasing drugs and devices for pandemic control

RMB **11.81** billion

Donated in the name of the Company and individual employees

RMB **10.81** million



CR Jiangzhong renovated the workshop in 19 days to guarantee the production of masks

Building a community with a shared future for COVID-19 fight

Giving full play to our advantages in a global supply chain, we actively cooperated with our international partners to promote the export of anti-virus medical supplies and assist the global fight against COVID-19.



As of the end of 2020

RMB **2.4** billion

Of anti-virus materials had been exported to Ireland, Belgium, South Korea, Japan, Thailand, etc.

CR Pharma Comm provides anti-virus materials to the Irish Government

Case

Supporting the compilation of the COVID-19 Diagnosis and Prevention Guidebook to support international pandemic response

CR Pharmaceutical vigorously supported the compilation of the *COVID-19 Diagnosis and Prevention Guidebook*, which summarizes China's experience and lessons in the early stage of pandemic control, as well as experience in medical treatment, pandemic prevention, communication, logistics, bailouts, and resumption of work. The Chinese and English versions of the guidebook have been shared with governments of Brazil and other countries where the pandemic is still raging, as well as hundreds of Fortune 500 companies and international organizations to help them tide over difficulties.

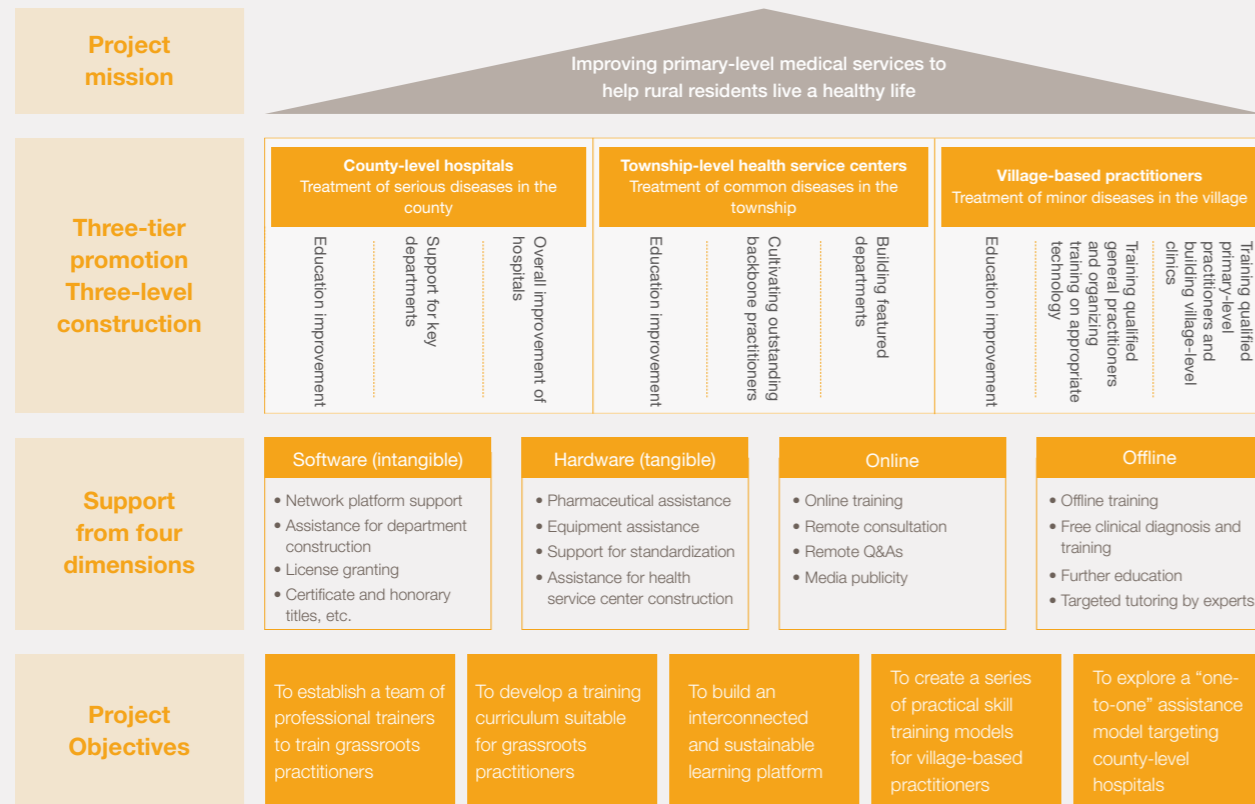


Healthy Village Program – The Light of Hope

Actively responding to the national call, CR Pharmaceutical, based on its expertise and resources, strives to promote poverty alleviation driven by healthcare and pushes for the integrated development of urban and rural medical services. Together with the China Women's Development Foundation, we launched the CR Healthy Village Program in September 2020. Centering on the *Outline for the Development of Chinese Women (Children)*, the "Healthy China 2030" Planning Outline, and the Rural Vitalization Strategy, CR Healthy Village Program aims to mobilize primary-level medical institutions to form a county-level community under a county-township-village coordination system to further the reach of medical resources and improve the health of the people.



The official launch of the CR Healthy Village Program



Online learning

In light of the opinions and suggestions of healthcare authorities, pundits, and trained practitioners, we have formed a team of expert consultants, set up targeted courses, and built an online training platform to give online training for primary-level doctors and continue to improve their professional competence.



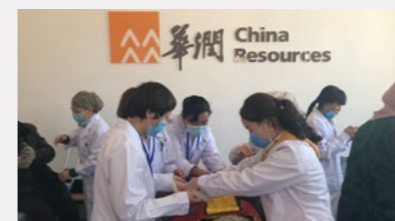
- ◆ An **interconnected and sustainable learning platform** was built.
- ◆ Primary-level practitioners from departments of **gynecology and obstetrics, cardiovascular, neurology and other five major areas** received targeted training.
- ◆ Led by **11 experts**, the professional subject teaching and research group with **73 expert** members provided trainings in 2020.
- ◆ **104 online training sessions** were offered to primary-level and village-based practitioners.
- ◆ **More than 1.6 million practitioners** participated in the training.

Aided construction

We assisted the construction of three village clinics in Hong'an County in Hubei, Jianhe County in Guizhou, and Haiyuan County in Ningxia, and donated more than RMB 2 million of drugs and devices to the four old revolutionary base counties, namely Hong'an County in Hubei, and Qingliu County, Mingxi County, and Taining County in Fujian, benefiting more than 5,000 local families.



CR Pharmaceutical donates to the construction of Sanming City, Fujian



The program for free clinical diagnosis and training village-based practitioners in Guanqiao Village, Haiyuan

Strong assistance

We launched one-to-one targeted assistance programs in CR & WISCO General Hospital and Hubei Hong'an Soviet Area Hospital. Based on an "experts + youth practitioners" model, we launched remote consultation, assigned experts to local hospitals, organized free diagnosis activities regularly, and initiated targeted donations, effectively improving comprehensive services of primary-level medical institutions.

Two programs for free clinical diagnosis and training village-based practitioners were organized in Haiyuan County, Ningxia and Wenshan Zhuang and Miao Autonomous Prefecture, Yunnan respectively. The programs helped over 90 village-based practitioners master more than 20 TCM techniques and diagnosed and treated more than 1,200 villagers.



Chen Jinwu, Professor of Trauma Surgery from CR & WISCO General Hospital, is assigned to Hong'an Soviet Area Hospital to provide surgical demonstration teaching

Product quality is vital to the survival and development of pharmaceutical companies. We emphasize the importance of drug quality management, guarantee drug supply and fair pricing, provide customers with high-quality, responsible, and accessible health services, thus fully meeting customers' health needs.

Our Focuses

- Innovation-driven development
- Quality management
- Service improvement
- Health accessibility

Our Actions

- Responsible operations
- Deepening drug quality management
- Leading and developing the industry standards
- Quality service improves customer experience
- Quality medical resources for all

Contribution to the SDGs



Quality training sessions organized

4,368

Participants covered

231,400

Guarding Your
Health with Our
Quality Services

Boosting Development with Innovation

Creating an innovation system

In 2020, CR Pharmaceutical formulated the *CR Pharmaceutical R&D Strategy* to promote innovation and transformation and enhance the R&D of new drugs. Upholding CR's R&D philosophy of "highlighting innovation and combining generic and innovative drugs," we aim to continuously stimulate new momentum for corporate development.

We have established the CR Pharmaceutical Innovation and Knowledge Development Committee and the CR Pharmaceutical Science and Technology Committee, and formulated the *Administrative Measures for CR Pharmaceutical Science and Technology Committee*, with a sound R&D management system. Based on the *Pharmaceutical Administration Law of the People's Republic of China* and the *Administrative Measures for Drug Registration*, the *Administrative Measures for CR Pharmaceutical Innovation and R&D* has been issued to improve the R&D demonstration mechanism for new products and to regulate R&D behavior.

Unleashing the power of innovation

By continuing to enhance our drug research and development capabilities and stimulating technical staff's will to innovate, we aim to facilitate the realization of the strategic goal of "enhancing imports in the short term, strengthening cooperation in the medium term, and focusing on independent innovation in the long term," and further enhance our core competitiveness.

Better scientific research facilities

We have built multiple R&D centers and scientific research platforms to ensure the development of new drugs and contribute to the long-term strategic goal for R&D work.



Enthusiasm for innovation

Based on our reform and R&D management model and innovation incentives, we have issued the *Administrative Measures for Innovation Projects* and the *Administrative Measures for Innovation Fault Tolerance* and set up an innovation project management model and operating mechanisms. Incentive policies, such as allowing research personnel to hold shares and co-invest in projects, have been tried out, and project-based assessment mechanisms have been adopted to enhance the effect of innovation incentives.



- ◆ The class I small-molecule innovative drug NIP046 developed by the The National Institutes of Pharmaceutical R&D Co., Ltd. was **approved for clinical use**.
- ◆ CR Double-Crane's **caffeine citrate injection product (Fetoca®)** received the *Drug Registration Approval Document* issued by the National Medical Products Administration (NMPA) and was **the only drug** of its kind to be regarded as passing the consistency evaluation.
- ◆ CR Jiangzhong rolled out its new product "**Jiangzhong Lihuo Probiotics**," which went to space in China's experimental new-generation manned spacecraft and returned successfully for subsequent studies.

A pilgrim on the road of new drug development

CR Pharma's class I new drug NIP292 received the Orphan Drug Designation (ODD) issued by the Food and Drug Administration (FDA) for the treatment of idiopathic pulmonary fibrosis (IPF), and is currently undergoing phase I clinical studies in the United States. The NIP292 project led by Dr. Yan Xu's research team kicked off in 2016. Starting from scratch, they braved all difficulties to find out solutions among numerous patents and documents. Affected by COVID-19, the team maintained close contact with the manufacturer through telephone calls, video chats, and emails, and stationed in the laboratory 24 hours a day to carry out experiments and trial production repeatedly. Finally, the product met the standards for clinical drug testing. NIP292 is CR Pharmaceutical's first drug approved for clinical trials in the United States, and it marks a breakthrough for the Company in developing innovative drugs. With such an achievement, CR won the golden prize of the 2020 Best Science and Technology Innovation Award. During the obstacle-packed long journey of R&D, CR Pharmaceutical will strive for truth relentlessly, face up to all difficulties and be a pilgrim on the road of new drug development.



Yan Xu

Vice General Manager of The National Institutes of Pharmaceutical R&D Co., Ltd.

In recent years, the incidence of IPF has rocketed, with its mortality rate second only to tumors and survival period of only two to three years. Without effective medication, IPF patients could only rely on corticosteroids and immunosuppressive agents to control their conditions while suffering from severe side effects. We hope to help alleviate patients' pain and extend their lives.

R&D investment (HK\$)

1.498 billion

YoY growth
4.33 %



Research staff (headcount)

1,211

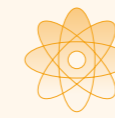
YoY growth
51.56 %



Projects under research

199

YoY growth
32.67 %



Newly applied patents

99

YoY growth
8.79 %



Support, cooperation, and guidance

While strengthening our support for product introduction and collaborative development, we put external platforms, including industry-university-research alliances and CROs, into better use, so as to share each other's advantages and resources and jointly promote innovation.

CR Pharmaceutical and Research Institute of Tsinghua University in Shenzhen (RITS) jointly established a laboratory.

CR Sanjiu and Shenzhen Bay Laboratory signed a cooperation agreement to jointly promote the preclinical and clinical research of the QBH-196 project with WuXi AppTec.

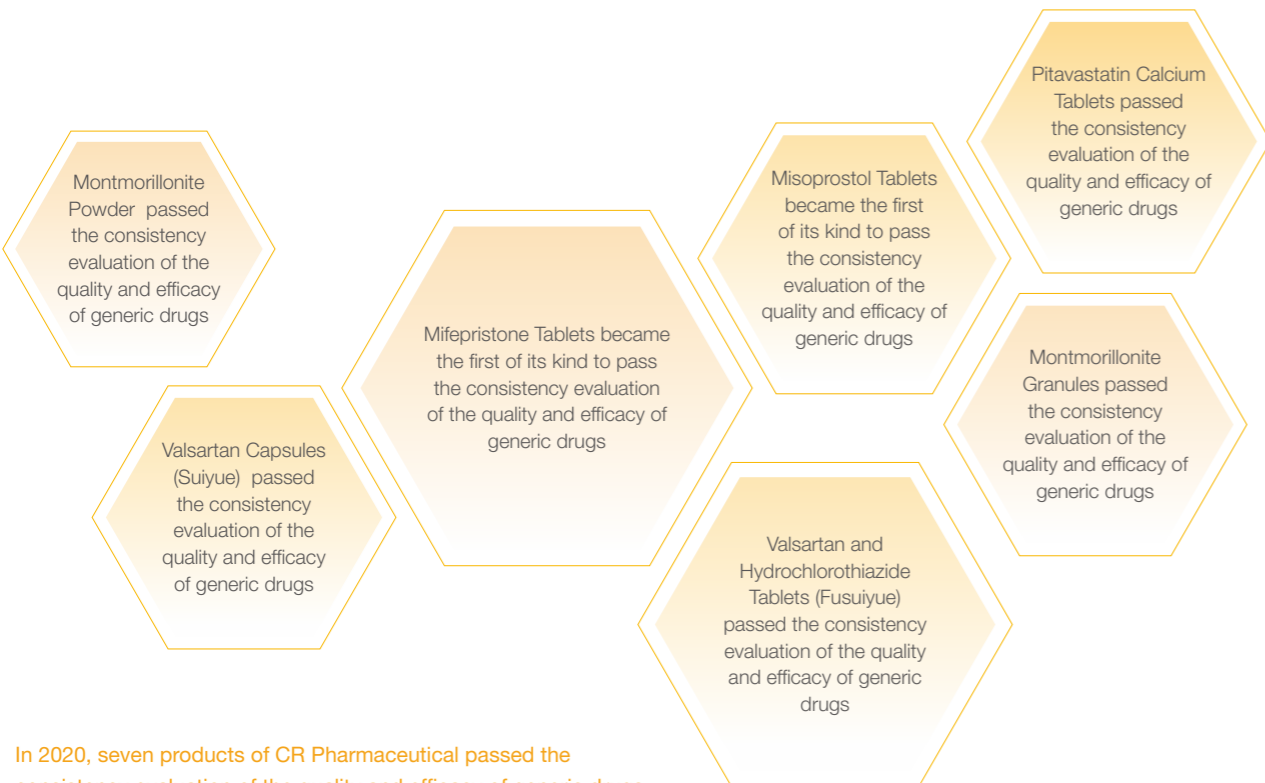
CR Biopharm Research Institute signed strategic cooperation agreements with East China University of Science and Technology, School of Life Sciences of Nankai University, etc.

CR Jiangzhong signed strategic cooperation agreements with the Institute of Chinese Materia Medica under China Academy of Chinese Medical Sciences, China National Research Institute of Food & Fermentation Industry Co., Ltd. etc.

CR Jiangzhong signed a probiotic clinical research cooperation agreement with the First Affiliated Hospital of Nanchang University and the Key Laboratory of Dairy Biotechnology and Engineering of the Ministry of Education.

Transformation of innovation achievement

We promote the application of innovation achievements and improve our R&D level by combining generic drugs with innovative drugs. In strict compliance with research ethics, we obtain animal experiment licenses according to law, and enhance disease prevention and control based on responsible research and innovation. In 2020, we submitted the applications to NMPA for the launch of clinical trials of three drug products. Among them, a new class I chemical drug for the immune system and a new class I biologic drug for the blood circulatory system were approved for clinical trials by NMP, and an innovative tumor drug product had been introduced and is currently undergoing phase II/III clinical research in the United States.



In 2020, seven products of CR Pharmaceutical passed the consistency evaluation of the quality and efficacy of generic drugs

Case

Tackling difficulties in new drug R&D and protect human health

Focusing on the research and development of innovative drugs, we have promoted the application for clinical licenses and experiments on the anti-tumor class I innovative drug NIP142 and M2ES (PEGylated recombinant human endostatin), a lung cancer class I innovative drug. CR Sanjiu has obtained the exclusive right to develop and manufacture the innovative drug ONC201 for brain glioma in Greater China, which is undergoing a critical clinical stage.

Exploring digital transformation

Relying on modern technology, we have embarked on digital and intelligent transformation towards intelligent manufacturing. By innovating in smart factory models, we have shortened product development cycles and improved drug manufacturing efficiency, contributing to the "created in China" strategy in the medical sector.

Case

CR Sanjiu rated Intelligent Manufacturing Benchmarking Enterprise of China (3rd Batch), the only drug manufacturer honored the title

Active in promoting intelligent manufacturing, CR Sanjiu has worked to create a new Chinese medicine manufacturing model driven by digital twins, cloud computing, IOT, blockchain, and other technologies, which features network-wide coordination based on distributed cloud. In 2020, the company's total production efficiency increased by 20% and manufacturing costs dropped by 15%.



Case

Dong-E-E-Jiao's intelligent manufacturing new model project wins the first prize of national equipment management and technological innovation achievements

Dong-E-E-Jiao has built a new smart factory model featuring interconnection and full-process collaboration, realizing automatic collection, analysis, judgment, feedback, and self-driving of production data of gelatin-based Chinese traditional medicine. Once completed, the project will increase the overall production efficiency by 40.9%, shorten the product development cycle by 50%, and make up for China's three shortcomings in the production of related products.

IPR protection

In compliance with the *Trademark Law*, the *Patent Law*, the *Anti-unfair Competition Law* of the People's Republic of China, we promulgated the *China Resources Pharmaceutical Group Limited Measures for the Management of Intellectual Property Rights and Files of R&D Projects*, to regulate the management of intellectual property rights (IPRs) and files of R&D projects. To protect the IPRs of all stakeholders, we have established an IPR management system and protection mechanism to strengthen the integration of IPR formation and protection in all production activities and business operations.

Ensuring Drug Quality

Faced with stricter regulation and harsher punishments, CR Pharmaceutical has established a sound management system for better quality management throughout the production and operation process to guarantee controllable drug risks, safety, and stability based on stable and lean operations.

Enhancing quality management

Abiding by the *Drug Administration Law of the People's Republic of China*, the *Good Manufacturing Practice for Drugs (2010 Revision)*, the *Good Supply Practice of Pharmaceutical Products*, and other laws and regulations, we have established a quality management system up to WHO, USP, and EU standards, and improved quality management in the whole lifecycle.

All manufacturers of CR Pharmaceutical have obtained the Good Manufacturing Practice (GMP) certification, all companies involved in drug marketing have obtained the Good Supply Practice (GSP) certification, and ten corporate laboratories have been accredited by the China National Accreditation Service for Conformity Assessment (CNAS) certification.

Strengthening system certification

Based on the *Quality Risk Management System*, we have formed a management and control system of "one responsibility, two advancements, four elements, and full cycle" to continuously reduce quality risks.

Tightening control over quality risks

Improving monitoring and evaluation

We carry out internal assessments and evaluations on the accomplishment of monthly and annual targets, quality supervision and inspections, etc. Through product quality "blind inspections" and audits, we strive to raise employees' quality risk awareness. In 2020, CR Pharmaceutical conducted "blind inspections" on 192 product varieties and quality audits on 192 companies.

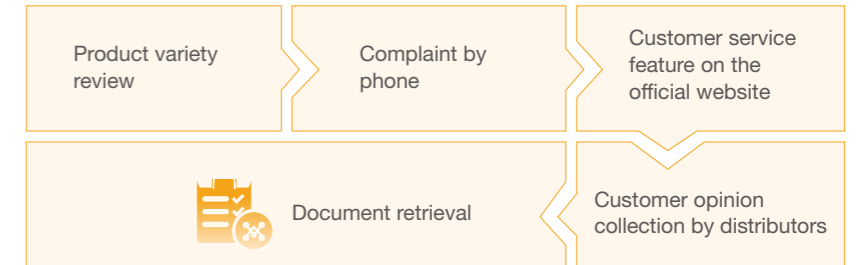
Organizing quality training

Production quality management staff, quality managers/authorizers, and production staff are trained on the management system, relevant laws and regulations, and pharmacovigilance knowledge.



Ensuring product safety

We have established the Drug Safety Committee and a pharmacovigilance platform, through which we aim to deepen the pharmacovigilance awareness of all staff and provide drills on handling drug safety emergencies, thus ensuring the safety of patients and consumers. In 2020, all products passed all quality requirements of CR Jiangzhong, CR Zizhu, and Dong-E-E-Jiao.



Expand channels for reporting adverse drug reactions to control drug safety risks

Improving Customer Service

Tracking customer needs, CR Pharmaceutical improves the service system constantly, ensures information authenticity in drug promotion, and guarantees fair and reasonable pricing, providing services to the satisfaction of customers continuously.

Improving the service system

We earnestly improve our systems, procedures, standards, and evaluation mechanisms, strengthen customer service team building and talent training, and comprehensively improve our service quality and timeliness of response.

Case

Establishing a comprehensive service system in CR Sanjiu to realize better service quality

CR Sanjiu insists on providing reassuring, sincere, heart-warming, considerate, and dedicated services for customers.

Diverse services

Our "999" customer service hotline provides more than 20 services in seven categories, including medication consultation, authenticity identification, trademark infringement, etc.

Customized services

We respond to customers' needs and appointments by the 999 hotline, e-mail, customer service QQ account, and WeChat online customer service, and pay return visits in time.

Timely response

Incoming calls are answered within ten seconds on average.

Professional services

The customer service team organizes regular training and learning activities covering drug laws and regulations, pharmacology, knowledge about drug use, service skills, etc.

Active services

We conduct customer surveys by WeChat or phone to keep abreast of users' medication experience and feedback, thus ensuring two-way communication channels.

Fair and reasonable pricing

In a bid to enhance drug affordability for patients, we make every effort to ensure drug supplies and stabilize drug prices in strict compliance with the *Opinions on Promoting the Drug Pricing Reform*, the *Opinions on Supervising the Drug Price*, and other laws and regulations. During the COVID-19 outbreak in 2020, we worked all out to stabilize supplies and prices of drugs in medical institutions, retail pharmacies and online e-commerce platforms.

Responsible publicity

Attaching significance to information authenticity and compliance, we set up a management committee to tighten the management and supervision of advertising activities. In accordance with the *Drug Administration Law*, the *Provisions for Drug Insert Sheets and Labels*, the *Advertising Law of the People's Republic of China*, and so on, CR Pharmaceutical formulated the drug label management system to strengthen the regulation of product packaging design, advertising release procedures, trademark applications and use, etc. We review drug labels meticulously, clarify possible adverse reactions that may happen to a minority of patients, and standardize the disclosure of drug and service information. As an advocate for fair deal, we sell prescription drugs according to law and promote sustainable consumption.

Case

Organizing training on compliance to build a responsible drug company

We offer marketing staff with regular trainings on marketing compliance, online sales, and other key topics. In CR Pharma Comm, marketing review and control is carried out through the ERP and OA systems, and job skill training is organized regularly to provide compliant and responsible drug information.

Improving customer experience

Attaching great importance to customer needs, we earnestly explore digital innovation and conduct satisfaction surveys via various methods in line with principle of "maximizing customer benefits," thus continuously improving customer service experience.

Innovative drug supply model

By digitalizing operational management, we keep innovating in retail services and explore professional and efficient service models.

Satisfaction surveys

Customers' opinions on products, logistics, services, and other aspects are collected to help us make targeted adjustments. In 2020, the customer satisfaction rates of both CR Sanjiu and CR Jiangzhong reached 100%.



Case

Dong-E-E-Jiao explores the digital drug supply chain

Dong-E-E-Jiao has built a digital system that connects producers with distributors and guarantees internal and external collaboration to support the digital operation of the OTC supply chain. By improving operational accuracy, we have realized the integration of ex-warehousing of products, transportation, delivery, and reconciliation, and improved work efficiency by more than 20%. Via an innovative cooperative operation model of Yaowangshan - Traditional Chinese Medicine Health Lecture + Digital Marketing Training Camp, our live streaming lectures reached 79,700 people in total.

Improving Health Accessibility

CR Pharmaceutical has established a complete after-sales service system that protects information security and user privacy and helps safeguard the rights and interests of consumers. By guaranteeing the supplies of drugs and medical devices, we aim to facilitate the community-based health care and contribute to the Healthy China initiative.

Guaranteeing drug supplies

We actively undertake the mission of storing drugs and medical devices and improve modern medical logistics to guarantee supplies for primary-level medical institutions and remote areas and promote the sharing of health rights.

Strict transportation management

All transportation vehicles are required to install GSP tracking units. Vehicles are selected based on drugs' storage conditions and quality attributes to deliver the drugs to community-based medical institutions and remote areas while ensuring the quality and safety of drugs.

Supporting the crackdown on counterfeit drugs

An all-around anti-counterfeiting and rights protection system has been established for major sales area to support the police in investigating and cracking down on counterfeit drugs. By tightening access management and the management of acceptance inspections, we have stopped the entry of counterfeit drugs into the market.

Stabilizing drug supplies during COVID-19

We have resumed work and production promptly and ensured the orderly operation of drug production lines. Besides, drug reserve and emergency supply mechanisms have been established to prevent shortages of drugs, disaster relief medicines, and COVID-19 preventive supplies.



The fully automatic elevated shelf from CR Jiangzhong

Protecting the rights and interests of consumers

We provide various feedback channels for customers and respond to customers' requests in a timely manner. Based on a sound product recall and compliant mechanism, we have always guaranteed drug safety and health.

Considerate after-sales service

Return visits are a part of our after-sales service. We also provide channel dealers, terminal pharmacies, and consumers with consultation, remote guidance, and face-to-face consulting during their purchasing and use of products. Based on the Drug Electronic Administration Code (DEA Code) of China and other approaches, we ensure the authenticity and traceability of drugs.

Information security and consumer privacy

We have improved our security protection system, enhanced our capabilities in managing information confidentiality and data security, and strengthened the monitoring of information leakages. In strict compliance with the *Law of the People's Republic of China on Protection of the Rights and Interests of the Consumers*, we firmly protect user data and other sensitive information. Sharing, transferring, or disclosing of users' personal information to any other company without permission is strictly forbidden.

Complaints handled

100 %

Customer requests and complaints handled in time

482

Customer complaints and feedback handling

We have formulated management systems, such as the *Customer Communication and Complaint Management System* and the *Adverse Reaction Monitoring and Reporting Management System* to regulate the handling of customer feedback and complaints. Our customer feedback channels, including the customer service hotline, the official website, the e-commerce platform, the official WeChat account, are provided to customers, with a complaint handling process covering complaint acceptance, preliminary feedback, investigation and handling, feedback response, and analysis has been established.

Emergency drug recall and destruction

We have formulated the *Management System for Drug Recalls and the Simulated Recall System*, established the drug quality and safety information monitoring network, and carried out simulated recall drills regularly to prevent drug safety risks. To improve our contingency plans, we have prepared the emergency response procedures in accordance with the *Comprehensive Contingency Plan for Food and Drug Safety Emergencies*. Expired materials and samples are destroyed in time, and hazardous waste treatment agencies licensed by environmental protection authorities are hired to destroy and dispose of unqualified drugs. In 2020, we spent RMB 446,000 on stopping losses and making compensation.

In 2020, one quality incident occurred in CR Pharmaceutical in China, involving one subsidiary. We initiated drug recall procedures and carried out self-inspections to actively reduce and eliminate hazards, and caused no medication risks to patients.

From 2017 to 2019, subsidiaries of CR Pharmaceutical received **three rectification notices** on quality incidents from provincial food and drug administrations and the FDA, of which **one has been rectified within the deadline.**

The other two incidents of Jiangzhong Decoction Pieces Co., Ltd. happened before the company was merged into CR Jiangzhong. After the merger was completed, **we have comprehensively diagnosed the company's quality management system and made improvements accordingly** to avoid similar incidents in the future.

Case

A response to the quality incidents of Jiangzhong Decoction Pieces Co., Ltd. happened before its merger into CR Jiangzhong

On March 23, 2018, Zhangshu Municipal Institute for Drug Control found two quality incidents related to the net hawthorn (180124) produced by Jiangzhong Decoction Pieces Co., Ltd. in a spot check. In response to the incident, CR Jiangzhong set up a rectification team to recall related products. They went to the place of production to help improve the quality inspection measures and sent the product to related authorities for another review, in which the product met corresponding requirements.

Jiangzhong Decoction Pieces Co., Ltd. formulated a rectification plan targeting non-conforming properties of fried malt and ash content in fried stiff silkworm founded on November 20, 2017. It promptly initiated the recall procedure and destroyed unqualified products in accordance with relevant regulations. At the same time, the company strengthened the training of quality managers to avoid similar incidents in the future.

Launching health-oriented public welfare activities

To improve people's health and quality of life, we organize targeted trainings, lectures, and other activities to spread knowledge about medicines and healthcare. By standardizing the disclosure of drug and service information, we strive to ensure fair and accessible medical and health services at all levels at home and abroad, and provide patients and medical staff with high-quality medical solutions.

Case

Zizhu Pharmaceutical Youth and Health Campus Tour

Since 2005, CR Zizhu has organized the Zizhu Pharmaceutical Youth and Health Campus Tour campaign, which conveys positive energy of science and health through campus exhibition sites, lectures, and interactions via new media platforms. So far, the campaign has reached more than 400 universities in more than 20 provinces and regions across the country. More than 600 lectures on adolescent physiology and mental health topics have been organized, benefiting about 1.9 million university students.



Case

Health knowledge promotion through multiple measures

To enhance public health awareness, at CR Pharma Comm, we have established medical records for patients, provide education for patients with chronic diseases and rational drug use education at the Patient and Community Education Center, and invite well-known experts to give online or offline trainings on safe drug use. At CR Double-Crane, we offer detailed introductions of our key products and the characteristics of their clinical application on the official website, and provide targeted training for clinical and nursing departments on the use of certain products to continue to popularize drug and medical knowledge.



Pursuing Ecology-oriented Development with Ingenuity

Practicing the idea of China's ecological progress, we actively respond to climate change to ensure a harmonious relationship between humans and nature and strengthen our green competitiveness.

Our Focuses

- Ecological environment management
- Addressing climate change
- Emissions and waste management
- Resource and energy use

Our Actions

- Strengthening environmental management
- Promoting green production
- Practicing green office

Contribution to the SDGs



Implementation of pollutant discharge permit declaration*

100 %

Total investment in energy conservation and emissions reduction*

RMB **32.42** million

Year-on-year decrease in comprehensive energy consumption*

7.99 %

*Note: The statistical scope covers all industrial organizations of CR Pharmaceutical.

Paying Attention to Environmental Management

CR Pharmaceutical strictly abides by the *Environmental Protection Law of the People's Republic of China* and other laws and regulations, strengthens environmental management from multiple dimensions, such as the organizational structure, supervision and assessment, indicator statistics and accounting, education and training, hazard identification and management, and contingency plans, in an effort to minimize environmental impacts of its business operations. The EHS Department puts forward suggestions for executive performance assessment in accordance with the *EHS Supervision, Management, and Evaluation System of CR Pharmaceutical*.

Environmental Management Vision

CR Pharmaceutical integrates ecological progress into its corporate development strategy and will stick to the path of green development.

Environmental Management Strategy

With one policy for one subsidiary and one policy for one area put in place, CR Pharmaceutical helps all primary-level institutions to continuously improve their capabilities to manage and control environmental risks as well as pollution. The Company aims to resolutely eliminate various environmental risks and compliance issues, and make decisive progress in the battle against pollution.

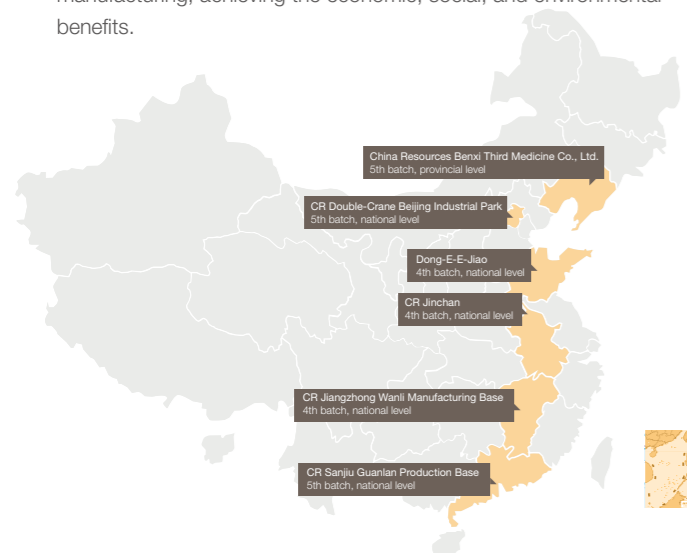


Identifying environmental impact factors to reduce ecological impacts

CR Pharmaceutical issued and implemented the *Three-Year Action Plan for Ecological Environmental Protection and Pollution Source Control (2018-2020)*, and has basically built an environmental governance landscape where "pollution must be controlled, control must be effective, and emissions must comply with laws and regulations." By summarizing past experience, we have developed the *Environmental Protection Standards and Guidelines*, and carried out an in-depth investigation and rectification of environmental protection issues. All the 137 environmental protection targets set in 2018 have been completed with a total investment of RMB 200 million.

Building green factories

CR Pharmaceutical has built provincial or even national green factories with the support of national policies on green manufacturing, achieving the economic, social, and environmental benefits.



Building a green team

CR Pharmaceutical has built an environmental protection expert database and exchange platform to enhance its self-examination capability and support for the operation of environmental protection equipment, ensuring efficient operation of environmental protection facilities.

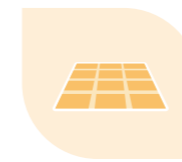


Practicing Green Operation

As global climate change deteriorates and extreme weather events become more frequent and intense, the cultivation, growth, and collection of Chinese medicinal herbs are challenging our operational capabilities. It ensuing problems such as the shrinking of medicinal materials and changes in medicinal properties, will bring new challenges to our operations. Facing those difficulties, CR Pharmaceutical mitigates its environmental impacts by means of energy conservation, emission reduction, and pollution control. We have also implemented series of eco-protection measures, including the protection of herb varieties, to strive for harmonious coexistence with nature. CR Pharmaceutical is on the way towards green operation.

Energy conservation and emission reduction

We continue to improve energy efficiency and accelerate low-carbon development through technological and management means, such as introducing clean and renewable energy like photovoltaic power and biomass energy, and improving the energy mix. We are exploring the path to carbon neutrality by making overall plans to reduce GHG emissions through energy management, green finance, etc.



Promoting energy saving and environmental protection technologies

We actively organize research, learn new processes and technologies, and push forward the implementation of high-quality energy-saving and environmental protection projects. Companies including Dong-E-E-Jiao and CR Sanjiu Jinchan have built distributed photovoltaic power plants with a total installed capacity of 16MW, reducing CO2 emissions by an average of 12,586 tons per year.

Utilizing resources sustainably

We use new environmentally friendly packaging materials and technologies and reuse packaging cartons to reduce packaging waste, striving to build a green supply chain.

Recycling water resources

We continuously replenish water tanks with the water processed by sewage treatment stations as a way to recycle concentrated water. CR Sanjiu Jinchan saves 80 tons of water per day and has been therefore awarded the Water-conserving Enterprise of Anhui Province.

Optimizing carbon emission management

We carry out research on related subjects and give full play to the role of the carbon inventory module developed by CR Jiangzhong to promote the improvement of energy efficiency management technologies and standards.

Optimizing distribution routes to reduce energy consumption of the fleet

In order to reduce the noise and air pollution generated during transportation, we promote the use of new energy vehicles and optimize the delivery routes to reduce emissions and energy consumption.





Technicians of CR Jiangzhong search for carbon footprints and measure carbon inventory



Green Responsibility Award of CR Sanjiu

Pollution prevention and control

In accordance with the national medium- and long-term plan for pollution control and regional development plan, and based on the actual situation of the Company, we have developed the *Work Plan of China Resources Pharmaceutical Group Limited on Comprehensively Improving Environmental Protection* and other systems to promote the continuous optimization of pollutant control effects and costs, and win the battle against pollution.

In 2020, all industrial organizations applied for pollutant discharging licenses. They will continue to improve their capabilities of treating solid waste, wastewater, and waste gases, help establish a platform for post-licensing management and facilitate information disclosure.



Solid waste treatment

- All hazardous waste was treated by third-party professional institutions.
- After the sludge of CR Qinhuangdao Zizhu Pharmaceutical was treated, waste of the company was reduced by 149.46 tons.
- Traditional Chinese medicine residue was treated in a green and harmless way.

Wastewater treatment

- All wastewater was discharged through pipelines and not directly into natural waters.
- We applied advanced and proven technologies and equipment to improve wastewater treatment capacity and effect.

Waste gas treatment

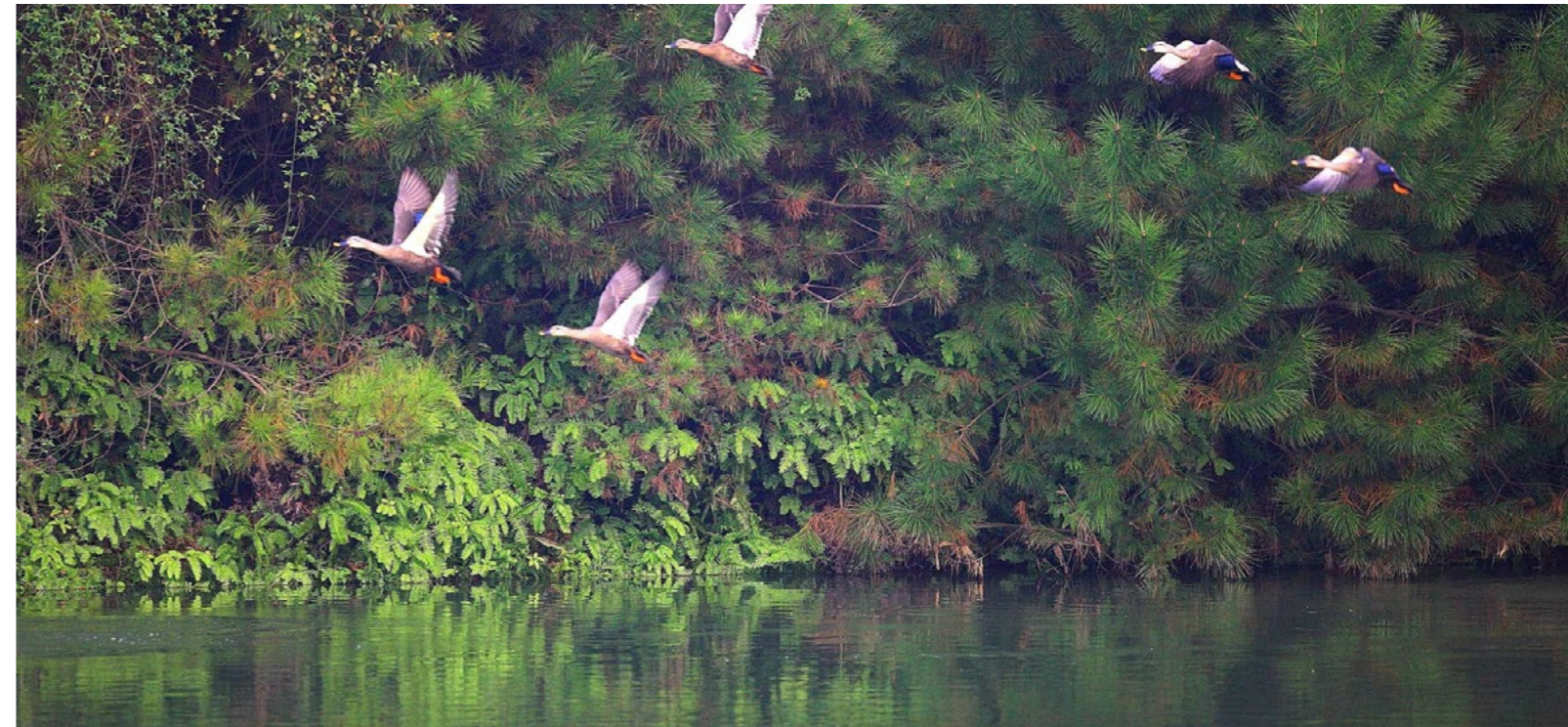
- Among seven pharmaceutical ingredient manufacturers, two emitted waste gases after RTO treatment, and others used washing, photocatalysis, adsorption, and other processes to treat waste gases and emitted them after reaching the standard.

Post-licensing management

After passing the pollutant discharging license, we have further sorted out the pollutant discharging license information and data of each organization, wrote and submitted monthly, quarterly, and annual performance reports, and disclosed relevant information.

Intelligent sewage systems and energy management

CR Jiangzhong and Dong-E-E-Jiao have built an intelligent energy management platform to realize intelligent management and control of energy use and sewage systems.



Ecological protection

The fertile land, medicinal plants, clean water, and pure air that nature offers are what pharmaceutical companies depend on for survival. We actively carry out ecological restoration and governance, and have compiled the *Eco-environmental Protection Self-inspection Handbook for CR Pharmaceutical's Grassroots Subsidiaries* and the *Plan of CR Pharmaceutical on Comprehensive Eco-Environmental Protection*. We also protect biodiversity by regulating artificial cultivation of medicinal plants, using fewer wildlife resources, protecting endangered herbs, and investigating wild provenances in an effort to reduce impacts of herb planting, artificial cultivation of medicinal plants and other production processes on the environment, thus achieving the coordinated and sustainable development of the Company and the ecology.

Sharing a Green Life

CR Pharmaceutical promotes green office, strengthens environmental protection publicity and education, and participates in and launches various environmental protection activities. We call on more people to protect the ecological environment by posting notices on community bulletin boards, organizing and training volunteers, etc.

Upholding the concept of green development

- We saved about 200,000 kWh of electricity compared with 2019 by keeping staggered working hours of air conditioners in the office area.
- Waste paper racks are set up in the copy room for more efficient recycling and reuse.
- We advocate low-carbon office practices, such as telecommunicating and video conferencing to save energy.
- We organize volunteers to promote garbage classification and a responsible lifestyle in the community.



Striving for Win-Win Cooperation with Concerted Efforts

We are dedicated to building an efficient, responsible, and green supply chain, and strive for common development with partners, and win-win cooperation for sustainable development.

Our Focuses

- Supply chain management
- Win-win cooperation

Our Actions

- Accelerating strategic cooperation
- Driving industry progress
- Building a responsible supply chain

Contribution to the SDGs



Suppliers reviewed during the reporting period

39,889

Supply Chain Management

CR Pharmaceutical, attaching importance to cooperation with national suppliers and strategic partners, upholds transparent and responsible procurement of environmentally friendly raw materials. We regard the layout of industrial chains' core areas and links as an important part of our production and operation and thus devote great efforts to it. Besides, we strengthen the corporate responsibility management of suppliers and standardize procurement transactions, thus enhancing the sustainable competitiveness of the supply chain and common development with suppliers.

Improving the management platform

In accordance with the *Administrative Measures for Suppliers*, an *Integrity Agreement* is established to improve the supplier management organization and system, and the visualization platform of supply chain information. The electronic bidding information system has been launched to further the openness, transparency, and informatization of the whole process of sourcing, and to jointly build a reliable value chain, thus promoting fair and healthy competitions among suppliers.

Case

CR Shouzheng electronic bidding platform enhances the openness and transparency of purchasing

CR Shouzheng electronic bidding platform has realized the procedural and factual compliance of procurement activities based on the "intelligent control + bidding review" model, which covers ex ante prevention, interim control, and expost response. In 2020, CR Pharmaceutical implemented a total of 223 bidding projects on the platform, involving an amount of RMB 1.3442932 billion.

Enhancing evaluation and audit

We have established a systematic and scientific supplier quality management system, signed quality assurance commitment letters with suppliers, and set up a supplier social responsibility performance appraisal system, thus continuously improving the quality of suppliers' products and services through access audit, regular audit, and dynamic management.

Supplier quality audit

We have formulated the *Management System for Supplier Audit and Evaluation* with special quality audit standards for different kinds of materials. Supplier quality archives are set up to urge suppliers to rectify problems found in the audit, followed by the audit reports on the progress of the rectification. A total of 39,889 suppliers were audited in 2020.

Practicing green sourcing

Focusing on the environmental qualification of suppliers, we require suppliers to fulfill their responsibility for the impact of their decisions and activities on society and the environment, and encourage them to carry out quality, environmental, and occupational health and safety system certification to urge their partners to fulfill social responsibility, thus pushing forward green sourcing.

Case

Dong-E-E-Jiao tightens quality control of supply sources

In 2020, Dong-E-E-Jiao convened a meeting with 65 suppliers on tightening quality control of the sources, organized intensive supplier training, and signed quality commitment letters with suppliers for honest supply, thus promoting the implementation of quality responsibility.

Emphasizing exchanges and cooperation

We strengthen exchanges and cooperation with suppliers by optimizing supplier structure, visiting key suppliers regularly, and providing suppliers with technical support. These efforts have accelerated the formation of strategic partnerships with key suppliers and helped us build up our competitive edge in purchasing.

Case

CR Pharma Comm deepens cooperation on building the Internet-based healthcare supply chain

CR Pharma Comm established a national supply chain center in 2020. Through the implementation of the innovative market service model of "Healthcare + Internet," the center helps extend the traditional healthcare supply chain to upstream suppliers and downstream customers.



Strategic Cooperation Agreement between CR Pharma Comm and WeDoctor

Enhancing capacity building

We provide targeted technical guidance for suppliers, follow up on their practices, and assist them in advancing the fulfillment of duties to build a sustainable industrial chain.

Case

CR Sanjiu establishes effective communication mechanisms among suppliers

CR Sanjiu has maintained close communication with suppliers through various channels, including mutual visits, unannounced inspections, on-site audits, offline training, special guidance, technical exchanges, industrial meetings, etc. It conducts discussions, analyses, and improvements on daily problems to continuously improve the quality of the supplier team.

Win-win Cooperation

CR Pharmaceutical has enhanced partnerships with local governments, industry associations, and academic institutions to advance mutual benefits and win-win outcomes.

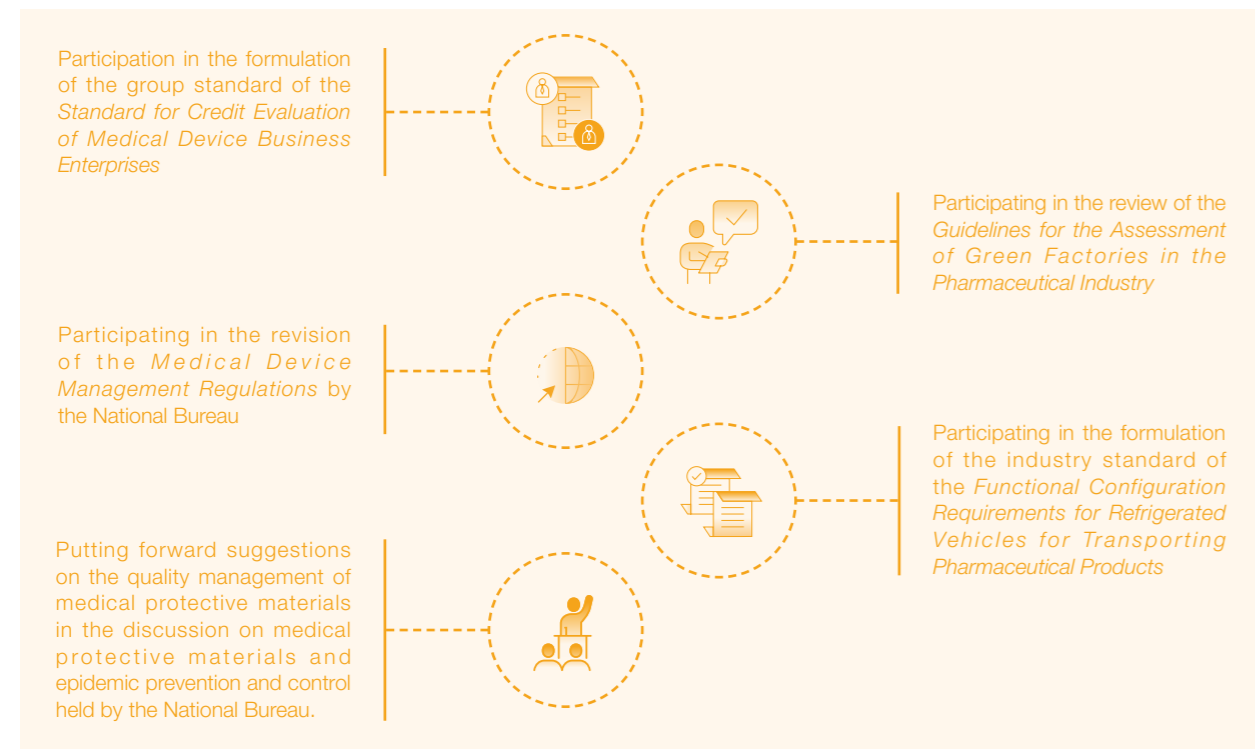


- ◆ CR Pharma Comm entered into a strategic cooperation agreement with **Shangdong Healthcare Security**.
- ◆ CR Sanjiu and Novo Nordisk jointly **develop the business of human growth and development**.
- ◆ CR Biopharmaceutical and College of Life Sciences of Nankai University jointly established a **laboratory for biological drug research and development**.
- ◆ CR Pharmaceutical was honored **Top 100 Pharmaceutical Enterprises in China 2019** by the China Pharmaceutical Industry Information Annual Conference in 2020.



Leading industry development

We actively push for the formulation of industry standards, implement industry expansions and exchanges through various channels, and act as a professional in diverse niche markets to provide suggestions for the industry, thus furthering the healthy development of the industry in an orderly manner. Besides, we reserve talents for industry development through the top talent training class of the industrial chain and mid- and short-term planning of professional talent development.



CR Pharmaceutical participates in the formulation of various industry standards, boosting industry development



CR Pharmaceutical representatives at the founding ceremony of China Medical and Pharmaceutical Emergency Support Alliance

Broadening cooperation

We have broadened cooperation areas and channels with stakeholders, such as hospitals, governments, enterprises, research institutes, and international partners, so as to foster our capability towards sustainable development and strive for a win-win result.

Case

International cooperation – CR Zizhu assists in preventing postpartum hemorrhage in rural areas in Bangladesh

CR Zizhu has contributed to some foreign aid projects co-sponsored by the China International Development Cooperation Agency and other organizations. Misoprostol tablets, successfully selected for the project of "Providing Safe, Comprehensive and Appropriate Intervention to Prevent Postpartum Hemorrhage for Reduction of Maternal Mortality in Bangladesh," will be delivered to designated hospitals, clinics, and health service institutions in Bangladesh to facilitate international cooperation.

Case

Government-enterprise cooperation – Official launch of Shenzhen Bay Laboratory of CR Sanjiu

CR Sanjiu and Shenzhen Bay Laboratory, a Guangdong Provincial Laboratory of Life Information and Biomedicine, have signed a cooperation agreement to jointly fund and form a project team for the preclinical and clinical research of the "QBH-196" project with WuXi AppTec. The cooperation will encourage both parties to give full play to their advantages in resources, facilitate the collaboration in multiple fields of industry-university-research cooperation, and focus on the key areas such as Hong Kong, Macao, and high-end international resources, international cutting-edge medical technology and pharmaceutical product applications in the way of marketization.

Sharing the Good with Empathy



Upholding a talent development philosophy of “respecting value, unleashing potential and boosting happiness,” we safeguard employees’ legitimate rights and interests, highlight their occupational health, respect and care for their lives, and promote the sustainable growth of talents. We work to provide a platform where employees can realize their values, improve employee satisfaction and share the development fruits with employees.

Our Focuses

- Employee rights and interests
- Employee care
- Occupational health

Our Actions

- Protecting the legitimate rights and benefits of employees
- Strengthening the work safety of employees
- Paying attention to the growth and happiness of employees

Contribution to the SDGs



Staff training coverage in 2020

100 %

Employees' occupational health and safety investment

RMB **73.2410** million

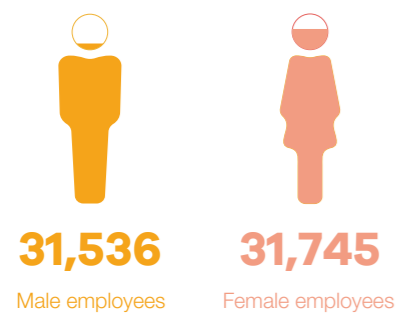
Protecting Employees' Rights and Interests

Putting people first, CR Pharmaceutical protects employees' rights and interests, and continuously improves the employee management system and the democratic management mechanism. We also optimize employee privacy management, and provide a humane working environment for every employee.

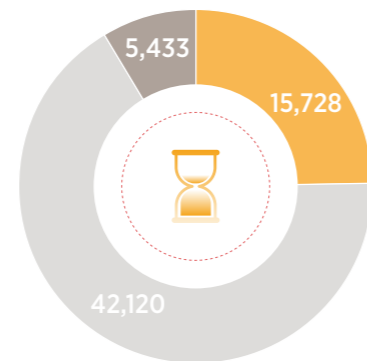
Equal employment

While strictly complying with provisions in the *Company Law of the People's Republic of China* and *Labor Law of the People's Republic of China*, as well as other laws and regulations, we continuously improve the employee management system, and forbid child labor and other forms of forced labor. To provide equal employment opportunities for everyone, we treat employees fairly and equally regardless of their nationalities, race, religion, gender and age, so as to create a diverse, inclusive, fair and proper workplace. Besides, we follow the principle of equal pay for equal work and sign labor contracts with all employees. In 2020, we had 63,281 employees, and all of them are full-time workers.

Employee gender structure



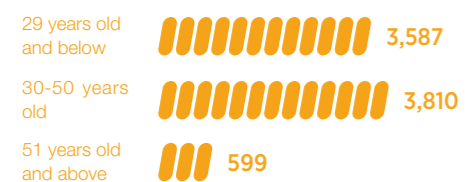
Employee age breakdown



Employee turnover rate by gender



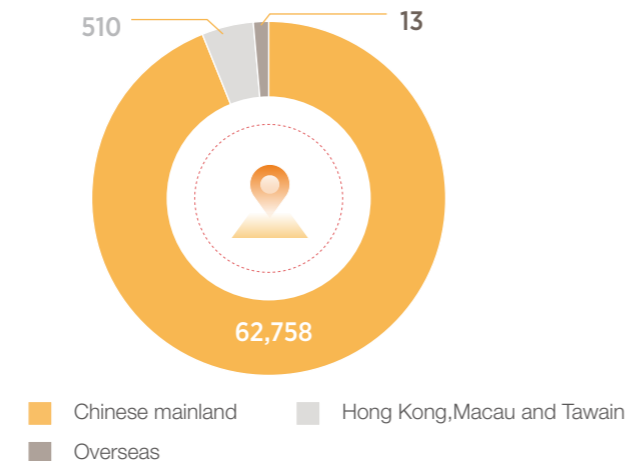
Employee turnover rate by age group



Employee turnover rate by geographical region



Employees by geographical region



Democratic management

We pay high attention to appeals of employees and continuously deepen democratic management. Our profit centers are all equipped with employee congress, engaging them in all parts of the Company's development. Also, voices of representative employees are well heard, so as to ensure employees' rights to participate and to be informed.



*Note: The data scope includes the trade unions of CR Pharmaceutical, our four first-class profit centers and their affiliated enterprises.

Remuneration and benefits

To build a sound system of remuneration and benefits, we strictly implementing the *CR Pharmaceutical Administrative Measures for Remuneration and Benefits*, and *CR Pharmaceutical Administrative Measures for Vacation and Attendance*, and pay social insurance and housing fund for all employees in accordance with the law. In the meantime, efforts are made to optimize the performance assessment model, improve performance feedback channels, and provide employees with more benefits apart from salary.



Caring for female employees on International Women's Day

Boosting Career Growth

Talent development is highlighted at a strategic level. We scientifically evaluate and select talents, and train talents at all levels to unleash their full potentials and promote their professional ability and leadership. We also build career development channels to foster their continuous growth.

Fostering talents development

Valuing employee capacity building and career development, in 2020, we formulated the *Administrative Measures for Professional Qualifications and Professional Level Certification*, which broadens employee development channels. In addition, we have conducted a talent and organization review at all levels to assist employees in establishing personal development plans and enhancing self-awareness. The selection and training program for outstanding young managers is launched to strengthen the building of our manager pipeline. By facilitating cross-business secondment and job exchanges, we provide employees with diversified career experiences within CR Pharmaceutical, and thereby reduce staff turnover. Efforts are made to enable each employee to realize self-development while creating value in his or her position.

Optimizing the training system

We have established a complete training system for all employees from executives to new recruits. Also, each subsidiary organizes training according to business needs at different levels and categories.

We have built a rich library of courses both online and offline, covering categories such as general management, production operation, marketing, laws and regulations, pharmaceutical technology, etc. In addition to the offline intensive training, employees can learn at any time on their cell phones and computers via CR College. Managers and employees are encouraged to become internal trainers and are offered corresponding empowerment training, so as to better spread corporate culture, internal cases and management experience.



“Future Star” Training hosted by CR Sanjiu

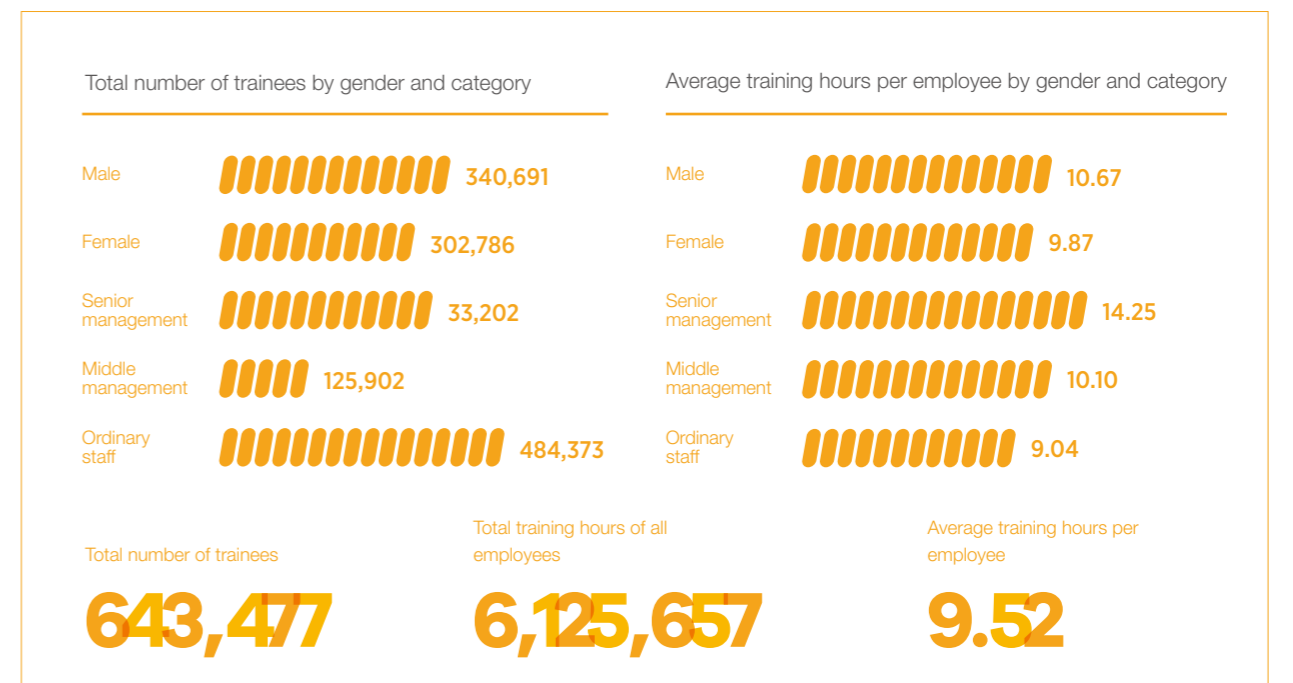
Pharmaceutical School

Project	Target group and purpose
High-level training	Building a platform for executives to reach strategic consensus
CR Pharmaceutical Pilot Program	Developing the leadership of managers at key positions
Potential talents	Improving the back-up ability of managers at CR's direct management level
Pharmaceutical Talent Plan	Strengthening the professional ability of the new forces with 3-5 year work experience
Future Star	Helping new recruits transform and integrate

History and culture	General management	Production operation	Marketing	Regulations	Pharmaceutical technology
Anti-corruption education	Functional management	Equipment knowledge	Product knowledge	Pharmacopoeia	Traditional Chinese medicine
Company history	Self-management	SOP	Communication and persuasion	Laws	Chemical medicine
Corporate culture	Industry knowledge	EHSQ	Marketing	"GXP"	Biological medicine/technology
...	Leadership	...	Customer management	Registration	...

Part-time internal trainer team

CR Pharmaceutical formulated the *Measures for the Appointment and Management of Internal Trainers*, and has selected and trained a group of managers, professional lecturers and employees who highly recognize our corporate culture, and are proficient in some professional fields and willing to share. We certify, select, evaluate and motivate internal trainers according to the regulations, and organize regular communication. The internal and external trainers' libraries are formed and managed effectively by categories at different layers, thus ensuring that the trainers meet the training needs at different scales, structures and levels.



Case

CR Sanjiu upgrades its innovation workshop to focus on digital innovation

In 2020, CR Sanjiu recruited and formed 11 innovation project teams of 42 participants for exploring the demand of innovation project scenarios and incubation of digital projects.

- ◆ 23 sessions of creative activities of action learning, such as Brainstorm meeting, Coffee Talk, live classes, were held.
- ◆ 4 projects, namely, the user operation direction of Essentiale, the high-end product direction of Haowawa, the general platform direction of orthopedics popularization, and the maternal and infant direction of Haowawa, were incubated as key digital marketing projects by the Business Division.



Stabilizing and enhancing employment during COVID-19

Since the outbreak of COVID-19, we have been actively responding to the pandemic and initiated special action of "Stabilizing and enhancing employment during COVID-19", to promote recruitment, help workers to get a job or start a business, and contribute to the overall stability of employment.

Fully secure existing employment opportunities

- ◆ Release employment information through online and offline channels (liepin.com, WisLinks, MileagePlus, official websites of CR Pharmaceutical, employment information networks of major universities, medical talent network, national employment network, Ministry of Industry and Information Technology talent network)
- ◆ Innovate in the induction process such as online interview, online contracting and online orientation

Strengthen the support for key groups

- ◆ Focus on key job-seekers such as graduates and workers from areas at mid or high risks of the pandemic
- ◆ Actively participate in special recruitment activities in Hubei to provide job opportunities in key areas

Strengthen employee training and psychological counseling

- ◆ Carefully design courses and training plans to enhance employees' professional skills
- ◆ Strengthen the psychological counseling for employees to ensure their psychological and physical health during the pandemic

Caring for Employees

Putting employees first, we care for their work and life attentively, address their concerns and improve their working environment. We provide recreational and leisure activities depending on the needs of employees, and pay visit to employees in difficulty, so that employees can receive the care from the "CR Pharmaceutical home".

Supporting every employee

We invest more in helping our employees, secure the living needs of employees in difficulty, and are committed to helping all employees step out of their difficulties.

Employees in difficulty assisted

1,262

With the total input of

RMB 1.9 million

Caring for female employees

We pay attention to the occupational health of female employees, and continue to provide them with mutual insurance on special diseases. We have also opened lactation rooms in the workplace to bring warmth to professional women during special period.

Caring for retirees

We have established the Retiree Service Center to be exclusively in charge of managing retired employees. We pay regular visits to retirees and accompany them to physical exams.

Visiting staff on the frontline in COVID-19 fight

We fully affirm their dedication and commitment during the pandemic, and provide them with all protection supply needed to safeguard them against the coronavirus.



● Visiting a retiree once fighting the war to resist U.S. aggression and aid Korea

Advocating work-life balance

We carry out various leisure and entertainment activities regularly to create a corporate culture of "work in a pleasant way and enjoy life", so as to enrich employees' life, boost their happiness and improve their life quality.



Friendly basketball match



Long-distance race



Fun sports meeting



Football matches



Happy New Year Party For Youth

Guaranteeing Occupational Health and Safety

CR Pharmaceutical insists on putting employees first, and cares about employees' health and safety. We spare no efforts in preventing safety accidents, and care for employees' mental and physical health wholeheartedly and provide a safe and reassuring work environment for employees.

Strengthening EHS management

Occupational health examination rate

100 %

Continuous efforts are made to improve our occupational health and safety management system, and national laws and regulations are strictly complied such as the *Law of the People's Republic of China on Work Safety* and *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. Also, we abide by and improve *EHS Objective Management and Accountability System* to strengthen our monitoring and emergency management ability. By establishing an occupational health archive management system, we have strengthened prevention and control of occupational diseases and installed safety equipment and facilities. In the meantime, we have perfected the online psychological health assessment and management system, and cooperated with CR's heart-warming hotline to provide consulting for psychological issues. Live streaming is also provided to share tips on fighting COVID-19 and communicate with employees to concretely ensure mental and physical health of all employees.

Fostering safety culture

Safety training coverage rate

100 %

Participants involved in safety drills

33,690

Hours of training

308,856

We give full play to the guiding role of safety culture by issuing *EHS Management Manual for CR Group Employees* and *Traffic Safety Knowledge Cards* to employees, and organizing activities to promote safety culture. Catering to each position's characteristics, we provide targeted support to employees and related parties to help them master safety knowledge and skills, so as to lay a solid foundation for work safety.

Safety education and training

Multiple measures are adopted in safety education campaigns to equip employees with safety protection skills.

EHS cultural activities

To effectively protect the occupational health of employees, we actively carry out occupational disease prevention and control activities, such as watching the promotion video *Knowledge of Prevention and Control of Occupational Diseases Publicity*. These efforts help raise employees' awareness, and popularize safety knowledge while promoting safety culture..



Dong-E-E-Jiao issues the *Manual on Prevention and Control of Occupational Diseases* to employees

By fulfilling our social responsibility, we actively give back to the society, concern about the development of poverty-stricken areas and lift them out of poverty, contributing to the social harmony and stability. We also leverage our resources to promote healthy lifestyles, create a good community atmosphere and promote our corporate values.

Our Focuses

Targeted poverty alleviation
Social welfare
Community Volunteer

Our Actions

Promoting the systematic development of public welfare management
Carrying out social public welfare activities

Contribution to the SDGs



Total investment of charitable donation

RMB **30.55** million

Volunteers from business sector

1,722

Volunteer services duration from business sector

1,818.5

Contributing
to Society with
Kindness

Fueling the Final Fight Against Poverty

CR Pharmaceutical takes active response to the national call. We exert the advantages of our resources and platforms to help people in poverty to find a job in or nearby their hometowns, and promote the workforce localization, thereby supporting the fight against poverty. Led by the poverty alleviation through better healthcare, we fully exploit the advantages of our human resources platform, and launch various types of vocational skills training, to mobilize the enthusiasm and initiative of the poor, thus laying the foundation for people in poverty to find a job and increase their income.

An elderly man's help for poverty reduction in the remote mountains

There is an old saying in China, "if you want to get rich, build roads first." Yang Linzhong started from renovating the infrastructure of Nanzhou Village. He has participated in the infrastructure renovation projects of 10 village groups, including renovation and construction, environmental treatment and various livelihood infrastructure projects. Over the past four years, Yang has raised more than RMB 4.06 million for Nanzhou Village, turned 11 kilometers of rural roads into solid surface, and changed water supply and toilets for 195 households. These projects have completely settled the problems in transportation, communication, electricity use and access to medical services.

Upon renovating the roads, Yang Linzhong focused on industrial development. Through in-depth investigation and analysis, Yang decided to develop an ecological industry brand by leveraging the ecological advantage of 81.28% forest coverage in the village. In the mode of "cooperative (village collective) + poor households", he led the villagers to develop green food planting and breeding industry, greatly enriching the industrial structure of Nanzhou Village. While developing the industry, he constantly improves the mechanism to benefit the poor through dividends and employment in cooperatives, which greatly enhances the villagers' sense of gain and happiness.

Through the unremitting efforts of Yang's poverty alleviation team and all villagers, Nanzhou Village has gradually transformed its resource advantages into economic advantages based on local conditions and targeted measures, and successfully lifted the label of "provincial poverty-stricken village" in 2018. Yang has received unanimous praise from township and village cadres and the public for his poverty alleviation work, and the CR Jiangzhong resident team led by him was rated as the Outstanding Team Designated for Poverty-stricken Villages of Provincial Assigned Units".

Now, the villagers are confident about the future, and carrying forward Yang's hard-working spirit, they are getting rid of poverty through their own efforts.



Yang Linzhong

A cadre assigned by CR Jiangzhong to support the poverty alleviation in Nanzhou Village, Jiangxi Province

At the end of 2016, Yang Linzhong, aged 57 then, was appointed as a resident cadre in poverty-stricken Nanzhou Village, Dongping Township, Nanfeng County, Fuzhou City, Jiangxi Province, a provincial-level poverty-stricken village during the 13th Five-Year Plan period. Over the past four years, he has always worked in the village to address the problems of the villagers and lead this mountainous village to a new path and a new life.

Case

CR Sanjiu and CR Taian Pharmaceutical jointly launch the "Hope Hut" charity support activity

CR Taian Pharmaceutical and CR Sanjiu jointly built a "Hope Hut" in Dongping County, Shandong Province. Based on the original housing, the rooms are planned, designed and decorated with about 10 square meters of independent space. The rooms are equipped with necessary furniture and school supplies to improve the living and learning environment of poor children.

Case

CR Sanjiu 999® "Pneumoconiosis Free" Public Welfare Project launched for targeted poverty alleviation

CR Sanjiu offers a five-in-one model consisting of patient health lectures, pneumoconiosis medical and nursing workshops, free primary-level medical consultations by experts, household visits to patients, and donations of medicines and assistance to poor families, to win the "pneumoconiosis battle". As of May 2020, the project has educated more than 2,000 occupational doctors, provided 1,000 pneumoconiosis patients with medical consultations and medicines, visited nearly 100 poor families, and donated nearly RMB 200,000 in cash and special medicines.

Engaging in Community Development

Leveraging our resources, CR Pharmaceutical carries out a series of activities such as free community clinic, healthcare education and volunteer programs, to show our care for communities. In 2020, 571 health care and service sites were built nationwide, directly benefiting 100,000 people and helping create a healthy and positive atmosphere in communities.



Free medical consultations by experts



Case

CR Pharma Comm launches "RUN-YAO Action" to recycle expired drugs

CR Pharma Comm launches "Run-YAO Action" in the community, unifies 200 enterprises to promote community development and forms a unified interactive brand. In 2020, in response to the call for ecological civilization and garbage sorting, "Run-YAO Action" incubated a project for recycling expired medicines, and formed a complete closed loop among upstream manufacturers, consumers, government agencies, and pharmaceutical enterprises. A pilot program was launched in eight provinces, and a total of 1,474 types of expired medicines weighing 461.47 kg and valued at RMB 116,287.26 were collected. It is one step closer to ensuring the safety of the "last mile" of medicines.



Case

Assisting the community in COVID-19 control

Since the outbreak of COVID-19, CR Pharmaceutical has actively organized employee volunteers to support the community-based COVID-19 response. We strengthen personnel management, publicity and education, cooperate with the unified epidemic prevention and deployment in the community which the staff dormitory belongs to, and implement responsibilities at all levels; We support the community's closed management, help post the pandemic prevention notices, disinfect the public areas such as the hallways, elevator rooms, garbage cans and sewage wells, and donate 84 disinfectant, face masks and other protective materials to the community.



Devoted to Charity

To give back to the society, CR Pharmaceutical carries out a number of charitable and public welfare activities, and stays at the forefront of charity undertakings. We pay special attention to the vulnerable groups, popularize health knowledge, and transmit positive energy and love to society.

Case

CR Double-Crane (Anhui) Pharmaceutical takes an active part in local flood relief

As an active role in flood control and disaster relief, CR Double-Crane (Anhui) Pharmaceutical participated in the local flood relief work, and transported supporting materials. In this way, it actively fulfills social responsibility.



Case

CR Jiangzhong launches the "Teacher, Care the Throat" Jiangzhong Caoshanhu charity project for teachers

CR Jiangzhong visited nearly 100 schools in dozens of cities such as Shanghai, Guangzhou, Shenzhen, Tianjin, Nanchang, etc., and provided teachers with supplies, including Jiangzhong Fufang Caoshanhu Hanpian for sore throat, and wet wipes, masks and thermos cups for pandemic control to encourage scientific and reasonable use of throat and guard throat health with practical actions.



CR Jiangzhong charitable donation for the resumption of schooling



CR Jiangzhong charitable donation of Ruijie reassurance package for the resumption of schooling

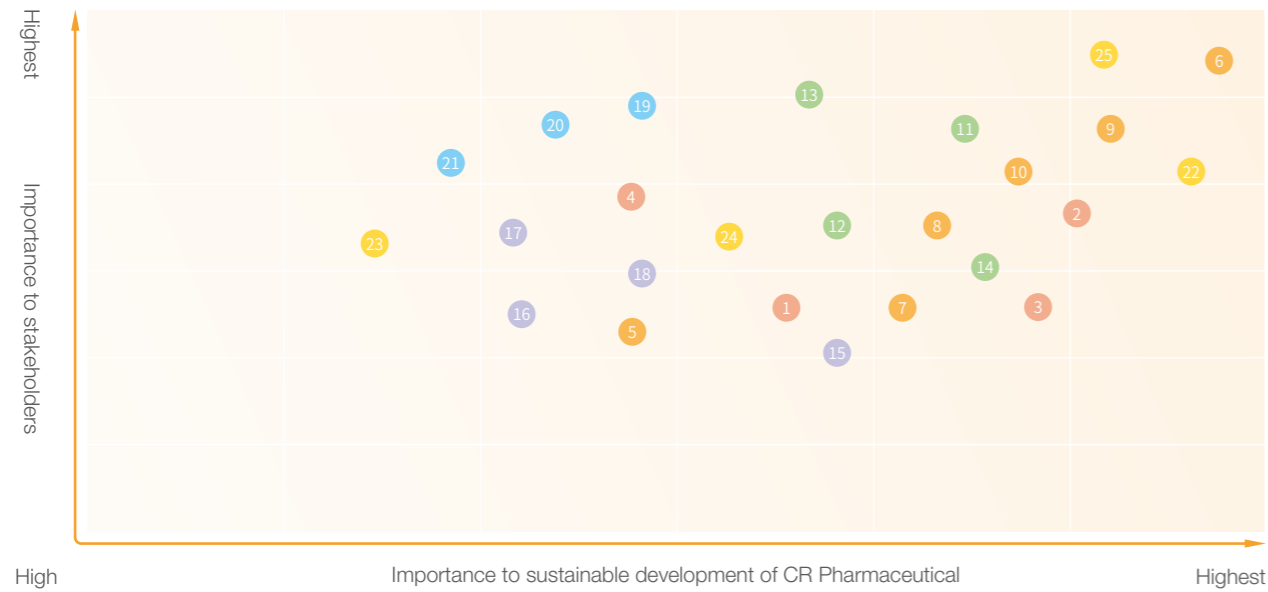
Topic Management and CSR Communication

Materiality Management

We have aligned ourselves with domestic and international CSR standards as well as national and local policies, fully considered features of our industry, and benchmarked ourselves against model companies in CSR performance in the industry, to learn from their practices of disclosing sustainability information. Besides, based on our development strategies and business plans, we have conducted questionnaire survey to listen and respond to expectations and needs of stakeholders. Eventually, we identified and screened out 25 sustainability topics for prioritized disclosure in 2020.



Procedure of prioritizing material topics



1.Honest and Compliant Operations	6.Drug Quality and Safety	11.Environmental Management System	16.Strengthening Strategic Cooperation	21.Promoting Career Development
2.Creating Economic Value	7.Providing Quality Services	12.Dealing with Climate Change	17.Promoting Fair Competition	22.Contributing to Targeted Poverty Alleviation
3.Strengthening Risk Control	8.Promoting Scientific and Technological Innovation	13.Building Green Factories	18.Promoting Industry Development	23.Promoting Community Development
4.Protecting Intellectual Property rights	9.Protecting Customers' Rightsrights	14.Developing Circular Economy	19.Protecting the Rights and Interests of Employees	24.Carrying out Charity
5.Product Accessibility	10.Advocating Responsible Consumption	15.Promoting Responsible Supply Chain	20.Occupation Health and Safety	25.COVID-19 Control

Governance Responsibility	Customer Responsibility	Environmental Responsibility	Partner Responsibility	Employee Responsibility	Social Responsibility
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Materiality Matrix of Sustainability Topics

Stakeholder Engagement

Stakeholder communication is an important dimension for CR Pharmaceutical to achieve sustainable development management. We attach importance to establishing a normalized communication mechanism with shareholders, employees, consumers, partners, governments, communities and other important stakeholders, expand the communication coverage, and strive to actively respond to the expectations and demands of stakeholders, so as to move forward to a sustainable development future.

Stakeholders	Expectations and Demands	Responses
Shareholders	Sustainable investment value Improving corporate governance structure Open and transparent information	Analyzing current situation and updating business strategy in time Establishing a good investor communication mechanism Releasing notices and circulars regularly
Employees	Special care during COVID-19 Protecting employee rights and interests Valuing career development and training Work-life balance	Providing medical materials and commending excellent anti-COVID-19 staff Holding workers' congress Providing employee trainings Organizing cultural and sports activities regularly
Customers	Providing high quality products Protecting the rights and privacy of customers Caring for the health of children and the youth	Optimizing the quality management system Improving the after-sales service network Guaranteeing customer information safety Carrying out safety medication training Developing differentiated drugs for different groups of people
Partners (Suppliers/ Industry)	Ensuring fair competition Maintaining integrity and realizing mutual benefits Promoting management and technological advances	Observing laws and regulations Adhering to win-win cooperation Strengthening supply chain management Safeguarding healthy development of the industry
Government	Overcoming difficulties during COVID-19 Adhering to compliance operation Leading healthy development of the industry	Actively responding to the national call of COVID-19 fight Operation with integrity and paying taxes according to law Participating in government projects and industry collaboration
Communities	Serving community development Devoted to charity Saving energy and reducing emissions Protecting the ecological environment	Strengthening community communication and carrying out volunteer activities Driving local employment and economic development Actively cooperating with environmental protection authorities Improving production techniques, technologies and equipment Planting endangered Chinese medicinal materials
Media	Disclosing information openly and transparently Organizing special interviews and exchanges	Disclosing information timely through classified media channels such as official websites and the press Establishing a complete media communication mechanism

Outlook

The year 2021 marks the beginning of China's 14th Five-year Plan period. During the period, China will build on its achievements, including the building of a moderately prosperous society in all respects, the decisive victory in fighting poverty, and the successful completion of the 13th Five-year Plan, to embark on a new journey toward the second centenary goal of fully building a modern socialist country. Standing at a critical juncture where the timeframes of its two centenary goals converge, CR Pharmaceutical will continue to uphold the lofty mission of "Protecting Human Health and Improving Quality of Life" while forging ahead against all difficulties with a great sense of responsibility. We will join hands with all stakeholders to contribute to health improvement and to the implementation and development of the Healthy China initiative.

At present, the world is still faced with a severe pandemic situation. Fully recognizing the significance of regular pandemic prevention and control, we will keep implement strict pandemic control measures with all-out efforts while striving to maintain production and operation, thus ensuring a victory in this two-front battle.

Promoting innovation-driven transformation according to the "new blueprint"

Taking technological innovation and closed-loop service as the two drives of the pharmaceutical and medical sectors, and centering on the strategic positioning and business model of the new era, we will optimize the distribution of our businesses and allocate resources efficiently to consolidate the market position of our main businesses and cultivate new sectors of strategic importance. In addition, we will continue to extend the development path and speed up expansion-oriented M&As, accelerate the development of new drugs, improve production efficiency, reduce marketing costs, and improve patient experience. By empowering digital transformation with technologies, we will keep expanding and deepening our presence in the industry, integrated the new development pattern into our businesses at a faster speed, and promote high-quality and sustainable development with concerted efforts.

Creating a learning organization to jointly build a "new pattern"

We will further optimize our incentives and talent system, strengthen team building, deepen coordination, and make every effort to create a new talent ecosystem and a business atmosphere where everyone assumes responsibilities actively, makes contributions, and embraces integrity. We will build a flat organizational structure, unblock obstacles hindering cross-border talent use and management, further strengthen the talent echelon, and innovate in education and training methods, aiming to build a strong talent reserve for corporate development and create a harmonious, healthy, open, and inclusive work environment for employees.

Tightening EHSQ management for a "new journey"

Putting people's life and health first, we will work all out to improve EHSQ management. Guided by the national goal to peak emissions before 2030 and to achieve carbon neutrality before 2060, we will promote the three-year action plan for pollution control and work safety overhaul, accelerate green and low-carbon development, and seek new progress in environmental protection. We will strengthen comprehensive quality management and benchmark our product quality against international standards to ensure stable production and operation. By continuing improving our EHS management system, we try to establish a management mechanism that matches the world's first-class enterprises and create an atmosphere where everyone's safety is guaranteed.

As time flies, the 14th Five-year Plan period has begun along with the new year of 2021. Standing at the start of a new development stage, we will proactively implement the new development concepts, integrate into the new development pattern, and face up to all hardships while tackling changes and making new breakthroughs. Carrying the goal and dream of "Reshaping CR," we are ready to set sail on a new journey.

Appendix

Key Performance Indicators

	Index	Unit	2018	2019	2020
Economic	Revenue	HK\$ 1M	189,689.10	204,453.90	200,423.02
	Total assets ^①	HK\$ 1M	176,184.20	190,025.00	209,371.76
	Net assets ^①	HK\$ 1M	60,468.80	69,581.80	80,029.44
	Total profit ^①	HK\$ 1M	9,182.50	6,639.60	7,075.51
	Net profit ^①	HK\$ 1M	7,572.30	5,097.80	5,323.64
	Net profit attributable to the owners of the parent company ^①	HK\$ 1M	3,977.60	3,286.40	3,297.13
	Net debt ratio	%	61.7	56.9	52.6
	Anti-corruption training coverage	%	-	100	100
	Major corruption incidents	-	-	0	0
	R&D investment	HK\$ 1M	1,454.80	1,435.70	1,497.85
	Number of R&D personnel	-	600+	799	1,211
	New patent applications	-	14	91	99
	New patent granted	-	33	101	86
	Projects under research ^②	-	222	150	199
	Employee	Total number of employees		59,163	65,687
Total staff turnover			-	7,802	7,996
Proportion of female employees		%	51.00	49.73	50.17
Proportion of female management		%	25.8	25.7	25.8
Days of paid annual leave per capita		days	10	10	10
Labor contract signing rate		%	100	100	100
Social insurance coverage		%	100	100	100
Employee training coverage		%	100	100	100
Average training hours per employee ^③		hour	47.8	38.8	99.0
Total number of trainees ^③		-	2,463	1,809	643,267
Training input ^③		RMB 10,000	295.0	362.0	2,974.4
Employee turnover rate		%	12.3	12.1	12.4
Occupational health examination rate		%	100	100	100
Occupational diseases occurrence		-	0	0	0
Percentage of employees joining trade union		%	-	88.2	92.0
Investment in supporting needy employee	RMB 10,000	193	161	190	

① Note: The data in 2018 is disclosed after restatement.

② Note: In 2019, we standardized statistical scope. There were 150 new variety projects under research (excluding consistency evaluation, technical transformation, supplementary application, post market re-evaluation, process improvement, MAH, etc.), which were different from the statistical scope in 2018.

③ Note: The statistics scope in 2018 and 2019 is the headquarters of CR Pharmaceutical.

	Index	Unit	2018	2019	2020
Customer	Percentage of customer complaint handled	%	100	100	100
	Customer complaint satisfaction	%	100	100	100
	Number of products recalled due to health and safety issues	-	-	-	964
	Percentage of products recalled due to health and safety issues	%	-	-	0.0005
	Ratio of economic contract fulfillment	%	100	100	100
Partner	Ratio of suppliers passing quality management system certification	%	100	100	100
	Number of potential suppliers rejected due to social responsibility non-compliance	-	-	-	35
	Number of suppliers knocked out due to social responsibility non-compliance	-	-	-	462
	Responsible procurement ratio	%	100	100	100
	Work safety investment	RMB 10,000	5,762.00	7,346.57	7,324.10
Safety	Number of work-related fatalities	-	0	0	0
	Lost days due to work injury	days	130.50	210.25	219.00
	Total hours of safety training		197,778.03	237,013.46	308,856.00
	Safety training coverage	%	100	100	100
	Number of safety emergency drills	-	518	875	743
	Number of participants in safety drill	-	18,769	32,435	33,690
Environmental	Total input in environment protection	RMB 10,000	7,062.46	9,303.34	8,731.00
	Total input in energy conservation and emission reduction	RMB 10,000	-	4,198.94	3,242.00
	Nitrogen oxide emission ^④	ton	144.42	143.27	72.37
	SO ₂ emission ^④	ton	94.14	60.40	13.82
	Ammonia nitrogen emission ^④	ton	38.54	27.34	15.48
	COD emission ^④	ton	589.38	255.63	198.73
	CO ₂ emission ^④	ton	541,956.86	560,123.09	540,802.56
	Carbon dioxide emissions per unit of output value	tons/RMB 10,000	0.1486	0.1412	0.2140
	Industrial wastewater generated	10,000 tons	-	-	506.25
	Harmless waste generated	ton	-	-	58,594.35
Hazardous waste ^④	ton	1,794.60	2,803.73	3,318.00	

	Index	Unit	2018	2019	2020	
Environmental	Total general solid waste ^④	ton	-	104,661.61	45,595.02	
	HW02 medical waste	ton	-	1,137.57	935.97	
	Waste drug (HW03)	ton	-	337.17	253.72	
	Other hazardous wastes	ton	-	1,328.99	2,128.43	
	Comprehensive energy consumption ^④	10,000 TCE	14.97	15.65	14.40	
	Coal consumption ^④	10,000 TCE	1.45	0.69	0	
	Petrol consumption ^④	ton	139.56	174.88	127.27	
	Diesel consumption ^④	ton	178.34	264.15	202.69	
	Natural gas consumption ^④	10,000 standard m ³	4,756.93	5,493.95	4,670.01	
	Power consumption ^④	GWh	312.8130	355.7186	356.1633	
	Heat consumption ^⑤	GJ	484,970.06	957,911.85	1,103,074.48	
	Biomass fuel consumption ^④	TCE	19,069.92	1,740.46	0	
	Fresh water consumption per RMB 10,000 of output value ^④	ton /RMB 10,000	2.513	3.639	3.351	
	Fresh water consumption ^⑥	ton	6,736,046.00	9,000,864.50	8,469,397.00	
	Reclaimed water consumption ^⑥	ton	48,352.86	397,036.50	285,700.00	
	Recycled water consumption ^⑥	ton	28,983,593.00	36,809,066.67	52,138,556.00	
	Comparable comprehensive energy consumption per RMB 10,000 of output value ^④	TCE/RMB 10,000	0.0585	0.0556	0.0570	
	Comparable comprehensive energy consumption per RMB 10,000 of added value ^④	TCE/RMB 10,000	0.1065	0.0997	0.1147	
	Community	Office and domestic wastewater ^③	m ³	9,494	6,538	1,203
		Office, kitchen and domestic waste ^⑦	L	0	126,720	195,000
Office power consumption ^③		kWh	1,285,496	1,442,424	637,000	
Office water consumption ^③		m ³	9,594	6,638	2,196	
Packing materials by weight ^④		ton	-	245,759	35,560.08	
Total tax payment		HK\$ 1M	7,422.70	8,425.33	8,155.53	
Number of newly-added employees		-	13,995	13,718	8,764	
Total investment in charitable donations	RMB 10,000	2,239.72	980.69	3,055.00		

④ Note: The statistics scope in 2018 and 2019 excludes the CR Pharma Comm and Pharmaceutical Research Center.

⑤ Note: The statistics scope in 2018 excludes the CR Pharma Comm and Pharmaceutical Research Center. The statistics scope includes CR Sanjiu in 2019, and the data change is mainly due to the fact that in 2019 some units changed coal-fired power to external thermal power supply.

⑥ Note: The statistics scope in 2018 excludes the CR Pharma Comm and Pharmaceutical Research Center. The data change is mainly due to the further improvement of index statistical methods and tools in 2019.

⑦ Note: The change of data in 2020 is mainly due to the increase of greening waste and more space is occupied by waste sorting.

Content Index

Major category	Content	Page(s)		
A Environmental	A1 : Emissions	General Disclosure: Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Paying Attention to Environmental Management, Practicing Green Operation	
	A1.1	The types of emissions and respective emissions data.	Key Performance Indicators	
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators	
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators	
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators	
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Paying Attention to Environmental Management, Practicing Green Operation	
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Paying Attention to Environmental Management, Practicing Green Operation	
	A2 : Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	Paying Attention to Environmental Management, Practicing Green Operation	
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators	
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators	
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Paying Attention to Environmental Management, Practicing Green Operation	
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Paying Attention to Environmental Management, Practicing Green Operation	
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Key Performance Indicators	
	A3: The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources.	Paying Attention to Environmental Management, Practicing Green Operation	
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Paying Attention to Environmental Management, Practicing Green Operation	
	A4: Climate Change	General Disclosure: Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Paying Attention to Environmental Management, Practicing Green Operation	
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact the issuer, and the actions taken to manage them.	Paying Attention to Environmental Management, Practicing Green Operation	
	B Social	Employment and Labor Practices		
		B1: Employment	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Protecting Employees' Rights and Interests
		B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Protecting Employees' Rights and Interests, Key Performance Indicators
B1.2		Employee turnover rate by gender, age group and geographical region.	Protecting Employees' Rights and Interests	
B2 : Health and Safety		Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Guaranteeing Occupational Health and Safety	
B2.1		Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Key Performance Indicators	
B2.2		Lost days due to work injury.	Key Performance Indicators	
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Guaranteeing Occupational Health and Safety		

Major category	Content	Page(s)	
B Social	B3 : Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Boosting Career Growth
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Boosting Career Growth
	B3.2	The average training hours completed per employee by gender and employee category.	Boosting Career Growth
	B4 : Labor Standards	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Protecting Employees' Rights and Interests
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	Protecting Employees' Rights and Interests
	B4.2	Description of steps taken to eliminate such practices when discovered.	Protecting Employees' Rights and Interests
	Product Practices		
	B5 : Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
	B5.1	Number of suppliers by geographical region.	Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
B6 : Product Responsibility	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Ensuring Drug Quality, Improving Customer Service, Improving Health Accessibility	
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Key Performance Indicators	
B6.2	Number of products and service related complaints received and how they are dealt with.	Improving Health Accessibility	
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Boosting Development with Innovation	
B6.4	Description of quality assurance process and recall procedures.	Ensuring Drug Quality, Improving Health Accessibility	
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Improving Health Accessibility	
B7 : Anti-corruption	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Corporate Governance	
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Corporate Governance	
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Corporate Governance	
B7.3	Description of anti-corruption training provided to directors and staff.	Corporate Governance	
Community			
B8 : Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Fighting COVID-19 with Concerted Efforts, Healthy Village Program – The Light of Hope, Fueling the Final Fight Against Poverty	
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Fighting COVID-19 with Concerted Efforts, Healthy Village Program – The Light of Hope, Fueling the Final Fight Against Poverty	
B8.2	Resources contributed (e.g. money or time) to the focus area.	Engaging in Community Development, Key Performance Indicators	

Report Rating



《华润医药集团有限公司 2020 可持续发展报告》评级报告

受华润医药集团有限公司委托，“中国企业社会责任报告评级专家委员会”抽选专家组成评级小组，对《华润医药集团有限公司 2020 可持续发展报告》（以下简称《报告》）进行评级。

一、评级依据
中国社会科学院《中国企业社会责任报告指南（CASS-CSR 4.0）》暨“中国企业社会责任报告评级专家委员会”《中国企业社会责任报告评级标准（2020）》。

二、评级过程
1. 评级小组审核确认《报告》编写组提交的《企业社会责任报告过程性资料承诺书》及相关证明材料；
2. 评级小组对《报告》编写过程及内容进行评价，拟定评级报告；
3. 评级专家委员会副主席、评级小组组长、评级小组专家共同签署评级报告。

三、评级结论
过程性 (★★★★★)
公司成立 ESG 委员会，统筹推进报告编制工作，办公室牵头组建报告编制小组，总经理担任组长，把控报告整体方向和重要内容，董事会负责报告终审；将报告定位为合规信息披露、促进品牌传播、提高社会责任管理的重要工具，功能价值定位明确；根据国家宏观政策、国际国内社会责任标准、行业对标分析、企业发展战略、利益相关方调研等识别实质性议题；积极推动下属企业编制发布报告，促进了责任管理的纵向融合；计划通过公司相关活动发布报告，将以电子版、印刷品、中英文版、长图版、视频版等形式呈现报告，具有卓越的过程性表现。

实质性 (★★★★★)
《报告》系统披露了产品质量管理、产品研发、产品召回、过期药品回收、安全生产、化学药品管理、产品事故应急、保障实验对象权益、节能减排、减少“三废”排放、关注社区健康等对所在行业的关键性议题，具有卓越的实质性表现。

完整性 (★★★★★)
《报告》主体内容从“真心守护健康”“匠心引领生态”“齐心致力共赢”“暖心共赴美好”“善心奉献社会”等角度系统披露了所在行业核心指标的 95.68%，完整性表现卓越。

平衡性 (★★★★★)
《报告》披露了“员工流失率”“重大贪腐事件数”“处理违规违纪人数”“重大危险源泄漏事故数”“较大及以上生产安全事故数”“新增职业病病例”等负面数据信息，并简述了企业应对“江中饮片公司产品质量事件”的整改过程和处理结果，平衡性表现卓越。

可比性 (★★★★★)
《报告》披露了“营业收入”“资产总额”“经济合同履约率”“安全生产投入”“环保总投入”“耗电量”等 67 个指标连续 3 年的对比数据，可比性表现卓越。

可读性 (★★★★★)
《报告》以“携手爱 为健康”为主题，以“心”为主线，系统展现了企业在关键议题上的履责理念、行动与成效，框架结构清晰，重点议题突出，封面创意以虚实结合表现手法融入企业特色实践，章节跨页以实景图大篇幅展现企业履责场景，既凸显了企业行业特征，又增强了报告的辨识度；设计风格清新简约，表达元素丰富多样，整体色调呼应企业品牌标识，增强了报告的悦读性，可读性表现卓越。



创新性 (★★★★★)
《报告》设置“勠力同心 共抗疫情”“华润健康乡村公益项目”两大责任专题，聚焦企业在疫情防控、健康扶贫等领域的亮点实践，彰显了国有企业贯彻宏观政策的责任担当；篇章跨页回应联合国可持续发展目标（SDGs），并以“我们的关注、我们的行动、责任绩效”等形式展现企业履责议题、行动与成效，提纲挈领，总领性强；创新报告传播方式，通过长图版、视频版等形式加强报告二次开发，增强了报告的传播效果，具有领先的创新性表现。

综合评级 (★★★★★)
经评级小组评价，《华润医药集团有限公司 2020 可持续发展报告》为五星级，是一份卓越的企业社会责任报告。



华润医药集团可持续发展报告连续第二年获得五星级评价

四、改进建议
丰富企业履责特色实践表现形式，进一步提升报告的创新性。



评级专家委员会副主席



评级小组组长



评级小组专家



出具时间：2021 年 4 月 22 日 扫码查看企业评级档案

Feedback

Dear stakeholders:

Thank you very much for reading this report in your busy schedule. In order to better understand your expectation and demand for our sustainable development work and improve our capability, we hereby provide this questionnaire survey. We sincerely invite you to participate in the survey. Your opinions are very important to us. Thank you for your valuable comments and suggestions!

1. What is your identity for CR Pharmaceutical :

- Employee Consumers Supplier Regulator Government department Media Others

2. Are you satisfied with this report ?

- Yes No Fair

3. Is the information you are concerned about reflected in this report?

- Yes No Fair

4. What are your expectations or suggestions for our next sustainability report?

- Innovation of report theme Innovative structure and ideas Clear logic
 Expanding the application scope of social responsibility standards More friendly reading interface
 More friendly language style Others (please Specify)

5. Do you have any suggestions or expectations for our sustainable development work?

- Formulating long-term social responsibility plan
 Strengthening the establishment of social responsibility management organizations
 Widely carrying out external communication Planning new influential public welfare projects
 Incorporating social responsibility performance into management assessment Others (please specify)

You can choose to provide your feedback in the following ways:

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About This Report

This is the 8th Annual Sustainability Report published by China Resources Pharmaceutical Group Limited. The last report was published in May 2020. The report aims to communicate frankly with the stakeholders on its sustainability philosophy, practice and performance. Its four listed companies also have compiled their separate social responsibility reports.

Reporting Period

This report covers the period from January 1 to December 31, 2020. In order to enhance the comparability and perspectiveness of the report, some contents may extend beyond this duration when necessary.

Publication Cycle

This is an annual report.

Reporting Scope

This report includes China Resources Pharmaceutical Group Limited and its subsidiaries.

Abbreviations

For convenience and readability, "China Resources Pharmaceutical Group Limited" in the Report may be referred to as "CR Pharmaceutical", "the Company" or "We".

Reliability Assurance

CR Pharmaceutical promises that the report is free of any fraud, misleading representations or major omissions. And we are responsible for its authenticity, accuracy and completeness.

Data Sources

All data in this report come from internal documents or the information statistics system. All monetary amounts quoted in this report are shown in RMB (yuan) unless otherwise stated (e.g. Hong Kong dollars).

Reference Standards

China Resources Group Social Responsibility Management Measures, CR Pharmaceutical Social Responsibility Management Measures, GRI Sustainability Reporting Standards (GRI Standards) issued by Global Sustainability Standard Board (GSSB), Environment, Society and Governance Reporting Guide issued by HKEx, Guidelines to the Central State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities by State-owned Assets Supervision and Administration Commission of the State Council (SASAC) and Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR4.0) by Chinese Academy of Social Sciences.

Compilation Process

The preparation process of this report refers to the requirements of the above standards, and is carried out in accordance with the steps of peer benchmarking, questionnaire survey, stakeholder interview, social responsibility research, information collection, information review, report writing, review by the management, report rating, etc., so as to ensure the completeness, materiality, authenticity and balance of the report content.



Report Access

This report is available in both paper and electronic versions. To read or download the report, please visit <http://www.crpharm.com/shzr/shzrbg/>.



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