中新药业
ZHONGXIN PHARMACEUTICALS

Sustainability Report 2018

Contents

Chairman's Message

Dear Stakeholders,

I am pleased to present the Sustainability Report of Tianjin Zhong Xin Pharmaceutical Group Corporate Limited ("Zhong Xin Pharmaceutical" or "the Company") and its subsidiaries ("the Group").

As a highly reputable pharmaceutical supplier that prides itself in the quality and safety of its products, ensuring product safety has always been our top priority. We regularly review our policies and manufacturing practices, and strictly comply with industrial regulations to ensure that our drugs are safe and efficacious for patients.

Other than ensuring that our products are manufactured and distributed responsibly, we market our products ethically. Our business activities strictly comply with national and industrial standards on product marketing, labelling and advertising. We establish stringent marketing guidelines to ensure that we do not transgress important ethical and legal boundaries.

It is the Group's belief that technological advancement of its products and production process is key to the sustainable development of the business. As such, we have invested significantly in our Research and Development ("R&D") facilities and equipment, as well as pharmaceutical products and production technology, to ensure top-grade product performance and quality for our customers.

I would like to extend my appreciation to all stakeholders, for your support to Zhong Xin Pharmaceutical all these years.

MR LI LI QUN
Chairman

Organisation Profile

Founded in 1992, the Company has a long history and is an advanced, top-rated enterprise well-known for its innovations in traditional Chinese medicine. Headquartered in China, it was listed in Singapore and Shanghai in 1997 and 2001 respectively.

The Group has eco-friendly Chinese medicine as its core business and integrates production, business management and scientific research in its operations. Its business includes R&D and manufacturing of Chinese medicines, raw materials and preparations, nutraceuticals and numerous pharmaceutical fields. It has a complete industrial and product supply chain and talent pool supporting its manufacturing and distribution of Chinese medicine.

The company has an extensive network comprising 22 branches, 18 wholly-owned holding companies and 6 shareholding companies, which builds a strong foundation for the steady growth and competitive advantages of our two main business segments, namely Chinese medicine and pharmaceutical drugs.

Adhering to its development goal of “Inheriting and developing the essence of Chinese medicine, and supporting a healthy and quality lifestyle” and its enterprise spirit of “inheritance and innovation”, advancement of Chinese medicine dictates the Group’s development strategy. Zhong Xin Pharmaceutical is committed to the R&D and manufacturing of high-quality and efficacious Chinese medicine.

Currently, Zhong Xin Pharmaceutical owns 499 drug approval numbers for 17 pharmaceutical drugs. Among them, the formulation of two Chinese medicines are classified “National Treasures”. The Group’s senior consultant and technology centre honorary director, Professor Zhang Chen Gui, is a distinguished Chinese medicine expert who innovated the formulation of two medicines, namely the Instant Cardio-Reliever Pill and Jing Wan Hong; the formulations of both medicines are classified “National highly secret information”.

The Group has five Chinese medicines that are nationally protected, 94 patented medicines, 601 herbal medicines, 75 medicines on the National Essential Medicines List (“EML”) and 216 medicines on the National Drug Reimbursement List (“NDRL”).

The Group is highly regarded in the pharmaceutical industry where it has developed a nationwide marketing network. Many of its high-quality products are exported to more than 20 countries and regions around the world.

After more than 30 years of international market cultivation and development, the Group has formed a certain influence and great reputation in the international market. Since 2008, the Group has been ranked among the top ten Chinese patent medicine exporting companies for ten consecutive years; it was awarded the title of “Top Ten Chinese Enterprises in Internationalisation” by the China Medical Insurance Chamber of Commerce in 2011-2012.

At present, the Group has one national enterprise technology centre, five municipal-level enterprise technology centres, one municipality-level modern technology engineering centre on Chinese medicine, and a science and technology work station for post-doctoral studies approved by the Ministry of Manpower.

The Group has applied for 1,222 patents for inventions and had 738 invention patents effectively authorised. It has six well-known Chinese trademarks, namely Da Ren Tang, Le Ren Tang, Long Shun Rong, Song Bai, Jing Wan Hong and Bi Qi. It also has four national representations and nine Tianjin representations of China's intangible cultural heritage.

After years of medical experiments and accumulated experience, the Group has integrated and improved the world's most advanced equipment and technologies on Chinese medicine to form an integrated modern Chinese medicine development platform with unique characteristics. It implements the Good Aquaculture Practices ("GAP"), Good Laboratory Practices ("GLP"), Good Clinical Practices ("GCP"), Good Manufacturing Practices ("GMP") and Good Supplying Practice ("GSP") series of standards on a full scale and carries out adequate quality control to ensure product safety and quality.

Zhong Xin Pharmaceutical will continue to explore the development of Chinese medicine to promote the modernisation and internationalisation of Chinese medicine.

Please refer to our Annual Report for financial year ended 31 December 2018 for more detailed information on our organizational profile and financial performance.

Our Sustainability Story

Our Vision

To advocate “Healthy China”, protect the nation’s health, and be a pioneer of Chinese patent medicine.

Our Mission

To always meet our customers’ health needs, and to become a first-rate listed Chinese medicine company.

Sustainability Targets and Performance

The Group endeavours to inherit the essence of Chinese medicine development and protect a healthy and quality life. We adhere to our sustainable development goals of “Inheriting and developing the essence of Chinese medicine, and supporting a healthy and quality lifestyle”.

In order to achieve this, the Group aspires to streamline our business operations by optimising workflow throughout our supply chain to improve efficiency and conserve resources. We commit to manufacturing a full range of quality and efficacious medications by innovating traditional Chinese medicine through extensive R&D.

The Group will continue to foster and deepen its social responsibility awareness and philosophy of sustainable development, while strictly complying with the laws and regulations of the countries where we operate and distribute.

We will continue to uphold Chinese traditions and prudently balance economic viability with sustainability and social progress for future generations.

Below is a summary table of the Group’s sustainability targets and performance during the reporting period.

Environmental Performance in FY2018	
FY2018 Target	Performance Update
Reduce energy consumption and carbon emissions	Upgraded factory equipment and improved operating measures to increase energy efficiency and savings, thereby reducing release of greenhouse gas and volatile organic compounds (“VOCs”)
Zero incidents of environmental non-compliance	Achieved **zero** incidents of environmental pollution and non-compliance

Environmental Targets for FY2019	
FY2019 Target	Action Plan
Reduce resource usage	- Improve energy management system and upgrade equipment to improve energy efficiency - Apply water balance modelling at all factories to comprehensively measure water performance and the condition of our pipeline system, thereafter develop corresponding measures to improve water management
Zero leak of waste and effluents	- Improve maintenance and operation of equipment and facilities to mitigate leakage - Standardise waste discharge methods to prevent unintended discharge
Zero incidents of environmental non-compliance	- Improve emissions inspection and emergency response plan for environmental pollution to ensure **zero** environmental non-compliance in FY2019
Social Performance in FY2018	
FY2018 Target	Performance Update
Zero incidents of product safety non-compliance	Achieved **zero** product safety non-compliance
Zero incidents of marketing and labelling non-compliance	Achieved **zero** marketing and labelling non-compliance
Zero occupational health and safety incidents	Achieved **zero** workplace safety incidents
Social Targets for FY2019	
FY2019 Target	Action Plan
Zero incidents of product safety non-compliance	Maintain strict implementation of quality management system and workflow
Zero incidents of marketing and labelling non-compliance	Maintain strict implementation of current marketing management, standards and process
Zero occupational health and safety incidents	Conduct safety training to ensure **zero** safety incidents in FY2019

Noteworthy Awards

The Group has won numerous accolades and awards in recognition of its excellence in the pharmaceutical business.

- Top 10 Chinese Enterprises in Internationalisation, 2011-2012
- Top 100 Chinese Pharmaceutical Industry Enterprises
- Top 20 Most Competitive Pharmaceutical Listed Companies in China
- Top 100 Comprehensive Strengths of Industrial Enterprises in China's Chemical and Pharmaceutical Industry
- Top 5 Exporting Chinese Enterprises
- National High-tech Enterprise

- National AAA grade Credit Enterprise, 2015
- Excellent Enterprise of the National Pharmaceutical Industry for Quality Management Activities
- Science Honorary Certificate, 2018
- High-tech Enterprise, bronze medal, 2018
- The Most Socially Responsible Company

Ethics and Integrity

Anti-corruption

The Group strictly forbids any form of corruption in the course of business. All employees and associates are informed and educated on the Group's zero tolerance against corruption, and have signed the "Commitment on Anti-Commerce Bribery" to strengthen employee anti-corruption awareness and sense of integrity. Every year, all departments, branches and subsidiaries will undertake risk prevention and control measures to mitigate corruption. These measures have effectively improved the Group's ability to resist corruption.

In the event of a probable corruption incident, we will conduct independent investigations promptly where required, followed by the implementation of mitigating measures to prevent a recurrence.

There was no reported incident of corruption in FY2018.

Whistle-blowing Policy

The Group has a mailbox and phone line designated for whistle-blowing purposes, and there are anti-corruption staff handling whistle-blowing reports at all times. On a group level, we accept all kinds of whistle-blowing reports.

Interested-Party/Persons Transactions

The Group has adopted an internal policy in respect of any transactions with interested persons and established procedures for the review and approval of such transactions. All interested person transactions will be properly documented and submitted to the Audit Committee for quarterly review to ensure that they are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the shareholders. In FY2018, there were two categories of interested person transactions.

For the first category, the company had daily transactions with the interested party, such as purchasing and selling goods. These transactions were conducted in accordance with the General Mandate approved by shareholders at the annual general meeting. As such, these transactions were compliant with SGX listing requirements.

For the second category, the company signed a financial services agreement with interested party Tianjin Pharmaceutical Group Finance Co., Ltd. based on the principle of "Equal Choice, Mutual Benefit and Development". The transaction was reviewed and approved at the extraordinary general meeting on 30 June 2017. The agreement is valid from 1 July 2017 to 30 June 2020. Tianjin Pharmaceutical Group Finance Co., Ltd. provides financial services such as settlement and intermediary business services, deposit services and credit business.

Dealing in Securities

The Group has adopted and implemented policies in line with the best practices of Singapore Exchange Securities Trading Limited ("SGX-ST") regarding the dealing of shares of the Company.

The Group has advised Directors and all key executives not to deal in the Company's shares during the period commencing one month prior to the announcement of the Company's interim, half-yearly and full-year results and ending on the date of the announcement of the results. The Group has also recommended its Directors and officers to not deal in the Company's securities based on short-term considerations.

Governance and Statement of the Board

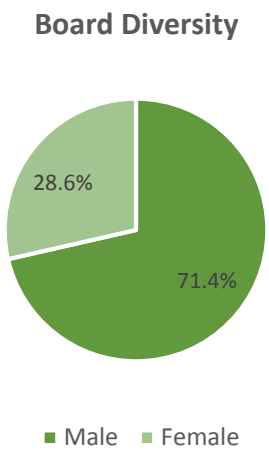
At Zhong Xin Pharmaceutical, sustainability is prioritised at the board level. We have established a Sustainability Task Force to implement and manage the Group's sustainability measures. The Task Force is chaired by the Secretary of the Board, Madam Jiao Yan.

The Board incorporates sustainability issues into the strategic formulation of the Group. The Board approves the material environmental, social and economic factors identified by the Sustainability Task Force, and ensures that the factors identified are well-managed and monitored by the Task Force.

The Group adopts a precautionary approach in strategic decision and day-to-day operation by implementing a comprehensive risk management framework.

Please refer to the Corporate Governance Report in our 2018 Annual Report for more information on corporate governance practices and risk management structure.

Board Diversity



Zhong Xin Pharmaceutical values employee diversity at all levels of the organization, and this is reflected in the gender diversity of the Board, whereby the proportion of female Board members is higher than the average of listed companies. We believe that a diverse Board will nurture an overall corporate culture of mutual respect and fair competition, and enhance the Group's performance.

Stakeholder Engagement

The Group believes that sustainable growth is dependent on meeting and exceeding the reasonable expectations of its key stakeholders. We determine material issues based on the principle of materiality to stakeholders. We actively engage in meaningful and productive dialogues with our stakeholders and participate in various industry and government forums to keep abreast of any material stakeholder issues.

We identify key stakeholders as groups which have material impact or could potentially be impacted by our operations. The following table summarises our key stakeholders, engagement platforms and their key concerns.

Stakeholders	Engagement platforms	Key concerns	Read more in the following sections
Customers	• Annual reports • Product quality feedback	• Quality and safety of products • Certificate of Pharmaceutical Product ("CPP") • Compliance with local health and safety regulations • Compliance with local marketing and labelling regulations	• Product Health and Safety • Marketing and Labelling
Employees	• Performance appraisal system	• Employee Health and Safety • Remuneration • Staff Benefits • Ethics and Conduct • Compliance with local labour laws	• Our People, Our Assets
Suppliers	• Suppliers assessment	• Product quality and compliance	• Managing our Suppliers
Governments and Regulators	• Quarterly announcements on SGX • Annual reports • Sustainability reporting • Ongoing dialogues	• Compliance with Regulatory and Industrial requirements • Environmental compliance	• Employee Health and Safety • Product Health and Safety • Marketing and Labelling • Social compliance
Community	• Engagement in community services	• Environmental impact • Social development	• Giving Back to Society • Environmental Awareness
Shareholders and investors	• Annual reports • Investor relations management • Annual general meetings	• Anti-corruption	• Anti-corruption

Reporting Practice

Our sustainability report is produced in accordance with the GRI standards' **"Core"** option, covering our Group's performance from 1 January 2018 to 31 December 2018.

The GRI standards represent the global best practices for reporting on economic, environmental and social topics.

The report also incorporates the primary components of report content as set out by the "Comply or Explain" requirements on sustainability reporting under SGX-ST Listing Rule 711B.

GRI does not require external assurance and the Group's Sustainability Task Force has assessed that external assurance is not required as the Group is laying the foundations for a sustainability reporting framework this year.

This report supplements the Group's 2018 Annual Report. Detailed section reference with GRI Standards is found at the GRI Standards Content Index section of this report.

The Group's material topics are identified based on its impacts on our internal and external stakeholders, as outlined in the Stakeholders Engagement section.

Material Topics	Boundaries (i.e. which segment, country or subsidiary, where applicable)
ECONOMIC	
GRI 202: Market Presence	The Group
GRI 203: Indirect Economic Impacts	
GRI 205: Anti-corruption	
ENVIRONMENTAL	
GRI 302: Energy	Group-wide including Manufacturing
GRI 303: Water	
GRI 305: Emissions	
GRI 306: Effluents and Waste	
GRI 307: Environmental Compliance	The Group
SOCIAL	
GRI 401: Employment	The Group
GRI 403: Occupational Health and Safety	Group-wide including Manufacturing
GRI 404: Training and Education	The Group
GRI 405: Diversity and Equal Opportunity	
GRI 406: Non-discrimination	
GRI 408: Child Labour	The Group
GRI 409: Forced or Compulsory Labour	
GRI 412: Human Rights Assessment	
GRI 413: Local Communities	
GRI 416: Customer Health and Safety	Manufacturing and Distribution (includes distribution of self-manufactured and third party products)
GRI 417: Marketing and Labelling	
GRI 419: Socioeconomic Compliance	The Group

Customer Health and Safety

At Zhong Xin Pharmaceutical, serving public health is our top priority. We endeavour to produce consistent, quality products and we enforce strict quality control to ensure product health and safety. We use the latest technology, and work closely with our suppliers, customers, government departments and research institutions to ensure our products are of satisfactory quality.

Quality Management

GRI 416-1

The Group strictly complies with the laws and regulations of the People's Republic of China on Drug Administration and GMP. Eight industrial enterprises under Zhong Xin Pharmaceutical have obtained the Chinese GMP certification.

Da Ren Tang Pharmaceutical Factory, Le Ren Tang Pharmaceutical Factory and No. 6 Chinese Medicine Plant passed the annual audit of ISO10012 measurement management system. Long Shun Rong Pharmaceutical Factory achieved AAA stage "Certificate of Conformity for Measurement Management System" of the State.

In FY2018, five Zhong Xin pharmaceutical manufacturers were awarded the Tianjin Pharmaceutical Production A-level Enterprise (Reliable Medicine Factory). In addition, a total of 19 quality control circles of Zhong Xin Pharmaceutical won the first prize in the national pharmaceutical industry.

Manufacturing

Zhong Xin Pharmaceutical's Quality Control Policy	Serving public health is our top priority
	Consistent quality products and strict quality control
	Use of latest technology
	Close collaborations with suppliers, customers, government agencies and research institutions to maintain progress
	Strict compliance with international GMP, domestic GMP and drug regulations
	Pay close attention to environmental protection

We have established a comprehensive quality management system covering all aspects of GMP, and we encourage our affiliates to strictly implement the same quality management standards for pharmaceutical production. The Group strictly implements our quality management system and establishes responsibility over product quality. We have enhanced quality monitoring and data analysis on key aspects of the production process, and we identify quality and safety hazards in a timely manner to mitigate product accidents. This ensures product quality and the safety and effectiveness of patients' medications.

Distribution **(Includes distribution of self-manufactured products and third party products)**

Zhong Xin Pharmaceutical conducts strict quality audit and inspections on its subsidiaries annually. We require all subsidiaries to strictly comply with the standards of product quality management and reduce quality risks in operations. All these measures ensure the effectiveness and safety of our manufactured medicines.

In 2014-2015, our subsidiaries obtained GSP certifications which are within validity period. To safeguard our product quality management on a group level, all wholesalers and retailers engaged by our affiliates are required to comply with national GSP regulations.

In 2018, nine pharmaceutical stores belonging to the Group were rated “Tianjin A-level assured pharmacies”, and three of them were named “Tianjin Exemplary Pharmaceutical Retail Enterprise” in 2018.

Marketing and Labelling

GRI 417-1

The Group requires front-line marketing staff to strictly implement legal, compliant and ethical marketing practices. Our subsidiaries and associates implement "Code of Conduct for Drug Promotion" and proper marketing regulations, and we heavily penalise any non-compliant marketing activities that take place at our enterprises.

Following the government’s implementation of two invoice system and restrictions on drug proportion, the Group has actively responded to the market changes that ensued, by working closely with our suppliers and customers to develop our sales management. We screen for products with great market potential, claim distribution rights and optimise our sales through cooperating with commerce and industry. Building on the fundamental principle of advancing community health, we will continue to improve our customer development and market coverage.

In order to keep abreast of market dynamics and cutting-edge information and prevent operational risks, the Group has established a market development department in 2018 to build and improve our corporate sales platforms, innovate business models, promote corporate culture, and enhance our brand influence and visibility.

Distribution of Self-manufactured Products

We comply strictly with local regulations regarding marketing and labelling for all of our products, as we strongly believe in being truthful and transparent with our consumers, in keeping with our reputation as a pharmaceutical supplier.

The Group implemented the “Tianjin Zhong Xin Pharmaceutical Group Print Media Advertising Policy” to standardise and monitor the product advertising activities of its subsidiaries and avoid unnecessary business risks. The policy is in accordance with the overall development strategy of the Group, and provides clarity on the advertising process. All advertising contents must comply with China’s Advertising Laws and have to be submitted to the relevant management departments for approval prior to release to ensure regulatory compliance of our marketing activities.

All medicines manufactured by the Group have a legal drug approval number, and our drug labelling practices strictly comply with the requirements of the “Drug Instructions and Label Management” regulations (Order No. 24) under the State Food and Drug Administration.

Distribution of Third-party Products

The third party medicines distributed by Zhong Xin Pharmaceutical are procured from qualified and certified suppliers. During the first qualification examination, the labels of the procured

medicines were examined to ensure that the medicines were in compliance with the “Drug Instructions and Label Management” regulations (Order No. 24) under the State Food and Drug Administration as well as drug quality standards.

Managing our Suppliers

GRI 416-1

At Zhong Xin Pharmaceutical, we prioritise the safety of all our manufactured and distributed products. As such, we go through rigorous and stringent checks, and uphold high standards when assessing our suppliers to ensure product safety and quality assurance.

Manufacturing

We adopt an electronic procurement system to streamline our supplier selection process. Based on the principle of best quality for the lowest price, suppliers are comprehensively assessed according to seven factors, namely capacity, capital, delivery, controls, return policy and contracts. All suppliers are evaluated by the management before engagement, establishing an accountable and objective supplier selection process.

We select suppliers that have competitive advantages in the supply of raw materials and Chinese herbs to ensure that we have a strategically advantageous supply chain.

Distribution of Third-party Products

We adopt a collaborative supply chain information platform, and constantly establish innovative business ideas, clear business principles, effective business strategies, and efficient management systems to provide our customers with comprehensive pharmaceutical distribution, value-adding and logistic services.

Our procurement officers are kept abreast on the latest market information on pharmaceutical product quality and adverse drug reactions to prevent the Group from procuring products of adverse quality. In order to ensure the quality and safety standards of our distributed products, we only procure from reputable pharmaceutical suppliers with high quality and good value. We are also more stringent in the evaluation of suppliers whose products are prone to problems during drug sampling.

We conduct an annual assessment on our existing suppliers to assess their operations and trustworthiness, as well as an overall analysis of their product sales to ensure the product quality of our suppliers and the profitability of our distribution business.

Product Safety Targets and Compliance

GRI 416-2, 417-2, 417-3, 419-1

In FY2018, there was a fine of 1,680 CNY imposed on our subsidiary for one failed drug sampling. The sampled batch, which was not manufactured by our subsidiary, did not meet regulatory standards. We performed investigations on the batch of unqualified products, and concluded that the procurement procedures, visual inspection of drugs and storage conditions were in compliance with regulations.

Moving forward, to prevent such recurrences, we will be more stringent in the review of our suppliers to ensure that their logistics and storage conditions meet our requirements and do not compromise our product quality.

There was no incident of non-compliance concerning the health and safety impacts as well as marketing and labelling of our products in FY2018.

In order to maintain strict compliance with product safety regulations and achieve our product safety targets in FY2019, we have reviewed our performance in FY2018 and developed an action plan for FY2019.

Product Safety Performance in FY2018	
FY2018 Target	Performance Update
Zero incidents of product safety non-compliance	- Achieved **zero** product safety non-compliance
Zero incidents of marketing and labelling non-compliance	- Achieved **zero** incidents of non-compliance concerning product information and labelling for self-manufactured products and third party products - Achieved **zero** incidents of non-compliance concerning marketing communications for self-manufactured products and third party products
Product Safety Targets for FY2019	
FY2019 Target	Action Plan
Zero product health and safety incidents	- Strictly comply with GMP and drug regulatory requirements - Strict implementation of the Group's product quality management system and workflow - To be risk-oriented and improve product quality monitoring during production and operation
Zero marketing and labelling compliance incidents	- Maintain strict compliance with marketing and labeling policies, practices and measures

Research and Development

Essential medicines are medicines that satisfy the priority medical and health needs of the population. They are selected with due regard to public health relevance, evidence on efficacy and safety, and comparative cost-effectiveness. The EML applies to both Chinese and Western medicines, and focuses on medicines for common diseases and chronic diseases, especially major diseases and drugs for the elderly, women and children. The EML is applicable to medical and health institutions at all levels. As such, we endeavour to put our medicines on the EML for the opportunity to serve the community.

As at December 2018, the 2018 National EML is the latest edition, and it includes 75 Chinese patent medicines and 601 Chinese herbal medicines manufactured and distributed by Zhong Xin Pharmaceutical.

Continuing Innovation

GRI 203-2

1. Technology Centres

We have one national enterprise technology centre, Tianjin Zhong Xin Pharmaceutical Group Co., Ltd. Technology Centre ("Zhong Xin Pharmaceutical Technology Centre") and five Municipal Enterprise Technology Centres.

Zhong Xin Pharmaceutical Technology Centre

There are highly-advanced equipment which include large-scale equipment such as ultra-performance liquid chromatography-tandem mass spectrometer ("UPLC-MS/MS"), gas chromatography-mass spectrometer ("GC-MS"), atomic absorption spectrometer, automated mercury analysers and medium pressure liquid chromatography ("MPLC") systems. We also import advanced experimental and small-scale equipment from countries such as Germany, Japan, Singapore and Denmark to further develop the technical capabilities of the Group.

The research team comprises researchers with diverse academic backgrounds and professions, where nearly 30% of the front-line researchers possess masters or doctoral degrees. In addition, we have technical committees, expert advisory committees and post-doctoral research stations to facilitate and execute the R&D of our technologies.

Over the years, Zhong Xin Pharmaceutical Technology Centre has undertaken numerous major projects for the National Development and Reform Commission and the Ministry of Science and Technology to research on new drug projects. This is due to our extensive, prompt and high-quality product research.

Notably, Zhong Xin Pharmaceutical Research Centre was accredited by China National Accreditation Service for Conformity Assessment ("CNAS") and its inspection report has been accepted by major international countries and regions.

After years of development, Zhong Xin Pharmaceutical Technology Centre has gradually transformed into an important technology platform for the Group to develop new medicines and intellectual property rights. This is one of our core strengths which ensures and propels the Group's technological advancement.

Municipal Enterprise Technology Centres

Our municipal enterprise technology centres have modern analytical equipment that can adapt to the needs of new drug R&D, drug analysis and testing, such as high-performance liquid chromatography ("HPLC") systems, gas chromatographs, evaporative light scattering detectors ("ELSDs"), thin-layer chromatographic scanners and UV spectrophotometers. They can also perform secondary development of our key products to continuously improve on existing products.

We are committed to the development of our R&D teams, and they are technically skilled, diverse and innovative.

We invest significantly in Tianjin University of Traditional Chinese Medicine and other research institutes, and established a close technical cooperation relationship with scientific research institutes through the Ministry of Science and Technology and the Tianjin Science and Technology Innovation Project.

Through the R&D of new products, we expand our product variety, and improve on our key products through secondary development. We aim to accelerate the transformation of scientific research in the pharmaceutical market and focus on enhancing intellectual property protection for the development of new technology.

2. Development of Equipment and Technology

The Group's main products are traditional Chinese medicine products and there are 17 dosage forms of our products, including tablets and pills. In order to ensure product quality and improve production efficiency, we focus on developing leading technologies and introducing advanced equipment for the manufacturing of Chinese medicine.

In FY2018, Da Ren Tang Pharmaceutical Factory created the Xiaomi Pills intelligent production line which can perform the manufacturing of Xiaomi Pills from preparation to semi-finished products, including pelleting, shaping and drying. The implementation of this technology saves resources, reduces labour intensity of operations, increases production efficiency, improves product uniformity and airtightness and ensures compliance with GMP standards. Our manufacturing technology is distinguished in China.

In the same year, Long Shun Rong Pharmaceutical Factory imported the Fette tablet press which has the production capacity of 150,000 tablet per hour. The equipment adopts the touch screen to set the weight and thickness of the tablets to improve product stability, reduce scrap rate and improve production efficiency. It achieves high speed, output and tablet quality. In addition, the device adopts double pressure during tableting, can compress continuously, and can press various tablet shapes other than ordinary circular tablets. The equipment is fully enclosed, has little noise pollution, perfect lubrication system and automated operations. It is superior to ordinary tablet presses in terms of transmission, compression, filing, feeding, punching and the control system.

In FY2018, Le Ren Tang Pharmaceutical Factory acquired a bottle filling machine. The equipment consists of a high-speed bottle unscrambler, filling and capping machine. The machine has the design capacity of 120 bottles per minute and the bottle filling accuracy of

±0.5%. When filling, the filling needle can be maneuvered to prevent liquid from foaming or splashing, and the filling speed can reach 50 to 60 bottles per minute.

We endeavour to implement automated packaging systems, and Le Ren Tang Pharmaceutical Factory acquired a fully automated intelligent packaging production line for the packaging of gastrointestinal pills. The production line complies with GMP regulations and uses an electronic counting method to ensure accurate bottle filling. It greatly improved our production efficiency and operations are reduced to four employees. In addition, Le Ren Tang acquired a blister packaging machine with high precision and good continuity of production. The production speed can go up to 300 boards per minute. The programmable logic controller ("PLC") can store the production data of different products which are accessible during production, making the manufacturing process more convenient.

The Group values the development of our existing pharmaceutical manufacturing processes, and endeavours to achieve our goal of "guaranteed quality, reduced costs and increased efficiency" through process development.

In FY2018, a total of 12 process improvements were implemented, and five process improvement projects have been completed and achieved the target results.

3. Collaboration with Universities and Research Institutions

The Group has always valued education and R&D. As such, we conduct regular research collaborations with university research institutions on pharmaceutical raw materials to enhance the medical value of our products.

Le Ren Tang Pharmaceutical Factory collaborated with Zhejiang University to conduct in-depth research on the pharmacodynamics and mechanism of Tongmai Yangxin Pill to improve ventricular remodelling, which has turned out to be effective.

Le Ren Tang Pharmaceutical Factory collaborated with Tianjin University to study the attenuating effects of colon cancer chemotherapy, and results show that gastrointestinal pills combined with chemotherapy drugs, oxaliplatin and irinotecan, have a synergistic effect on the treatment of colon cancer.

Tianjin No.6 Traditional Chinese Medicine Factory conducted a real-world study on the efficacy of the Instant Cardio Reliever Pill on angina pectoris, a chronic stable coronary heart disease. Effects that we researched include the number of episodes, severity, length of episode and the impact of using nitroglycerin.

4. Newly developed drugs beneficial to the pharmaceutical industry

The Group is committed to the enterprise spirit of "inheritance and innovation" and we strongly encourage and invest in our R&D staff to promote active innovation.

We are currently researching on a new drug that tonifies the lungs, jointly developed by the Zhong Xin Pharmaceutical Research Centre and Da Ren Tang Pharmaceutical factory. Under China's Drug Registration, the pharmaceutical compounding preparation of this drug is not marketed in China and is used in the treatment of the stable phase of chronic obstructive pulmonary disease ("COPD"). We have obtained clinical approval for the drug in September 2014 and are currently in Phase II of the clinical research. This research project is funded by

the Group’s Science and Technology Innovation Project, and received support from the Tianjin New Drug Creation Technology Special Project in 2015. It was also considered a national major new drug creation project in 2017. In 2018, 200 medical records were enrolled and we completed 19 field inspections.

In recent years, the use of traditional Chinese medicine on the treatment of COPD has received extensive attention, and its safety and effectiveness have also been clinically recognized. Through syndrome differentiation and treatment of traditional Chinese medicine, it can effectively alleviate chronic cough, sputum, dyspnoea and other symptoms, and also improve a patient's immunity, nutritional status, and overall disease resistance. It reduces recurrence and aggravation of the disease, thereby promoting a patient’s recovery from the disease and ultimately improving the patient’s quality of life.

When the new drug is released in the market, it will fill the gap in the current stable COPD treatment using Chinese patent medicines, and improve the wellbeing of patients with the disease.

Our People, Our Assets

The Group is committed to the development, safety and wellbeing of our staff. We value and fairly compensate the contributions of all our staff, and treat everyone equally and with respect. We strive for zero fatal accidents at all manufacturing sites and have implemented measures to ensure workplace safety.

Occupational Health and Safety

GRI 403-1, 403-2, 403-3, 403-4

The Group endeavours to prevent occupational hazards on a group-wide level, and we put workplace health and safety of our employees first. We have always been safety-oriented, and we strictly implement and comply with our safety polices and principles, which is to put safety and prevention first with comprehensive management.

The Group maintains strict implementation of the Internal Responsibility System ("IRS") and safety objective management system among our affiliates. In FY2018, our Communist Party of China ("CPC") committee, departments and individuals signed the Confirmation of Safety Responsibility to institutionalise their responsibility in upholding workplace safety. They are subjected to safety spot checks and annual safety assessments to monitor their workplace safety practices. The company holds regular workplace safety meetings to communicate and implement safety measures established by the senior management. In FY2018, we established a committee of safety management specialists to maximise the effectiveness of their technical support and the overall competency of our safety management.

In FY2019, we will improve and standardise our safety risk assessment through quantitative risk measurement to comprehensively evaluate the Group's status of workplace health and safety. This makes our safety management more objective and specific.

In addition, we have been strengthening our Emergency Response Management ("ERM") framework and investing heavily in our safety system. By innovating and improving on our safety management, we endeavour to achieve a sustainable safety system that always adheres to the bottom line of developing the safety management system based on safety risk management.

We take a preventive stance in the management of our safety policies and manage them comprehensively to ensure that there are no safety blind spots or hidden dangers. We prioritise the implementation of the safety system and have established a bottom line which sets on-site risk management as the core safety measure.

We endeavour to instil safety awareness in all employees through practical means such as inspections and assessments. The Group established a safety inspection team headed by our main leaders to conduct safety inspections throughout our production line and check for safety blind spots and hidden dangers. Should there be any safety risk, rectifications will be carried out immediately to eliminate it in a timely manner. We endeavour to implement proper rectification of safety hazards through increasing funds for rectification and strengthening our safety accountability system.

Our continuous efforts in strengthening our safety implementations and measures have resulted in a steady improvement in our safety system in FY2018, and provided strong support for the realisation of the Group's development targets.

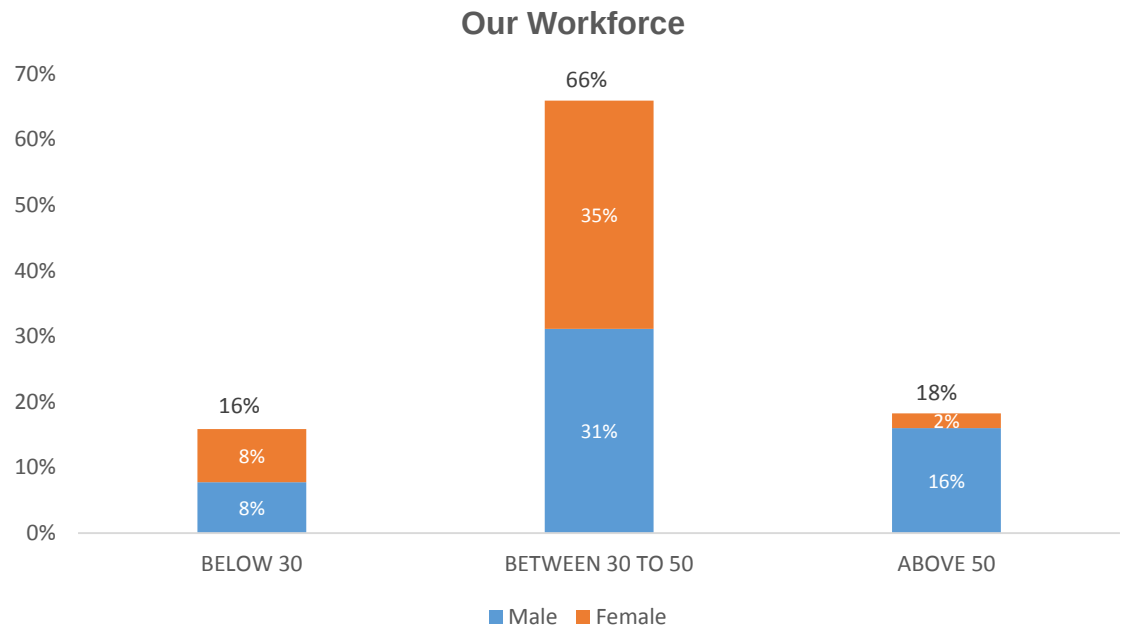
In FY2018, the injury rate (excluding minor first-aid injuries) and lost days were zero. There were no workplace fatalities or serious injuries, and no worker was found to be engaged in high-risk occupations or at high risk of diseases.

Our Workforce

GRI 401-1, 405-1

The Group does not discriminate against gender or age in staff employment to ensure continuity in the pipeline of skilled employees. Our employee diversity is a major force in driving change and innovation in the Group.

In FY2018, our total staff strength stood at 4,347 employees. A total of 163 employees were hired, equivalent to a new hire rate of 3.75%. The graph below shows the gender and age distribution of the Group's employees.



Note: According to China's employment policy, the retirement age of male employees is 60 years old, retirement age of female workers is 50 years old, and the retirement age of female employees in the management position is 55 years old. As such, most female employees over 50 years old have retired, resulting in a higher male-to-female ratio for employees above 50 years old.

Employee Benefits

GRI 202-1, 401-2, 401-3, 404-3, 405-2

At Zhong Xin Pharmaceutical, we ensure that our employees are rewarded with competitive benefits and wages in line with industry standards. The wages for our staff are well above the local legislated minimum wages. We implement a merit-based remuneration system and strongly believe in equal work for equal pay. Annual performance appraisals are conducted for all staff to ensure they are compensated fairly, based on their performance and

contributions. Performance appraisals are tailored to the nature of their jobs to establish a fair and justifiable assessment process.

In addition, all employees are entitled to a range of benefits to promote staff well-being and productivity, including but not limited to pension funds, medical insurance, work-related injury insurance, childbirth insurance, housing accumulation funds and unemployment insurance.

Eligible staff is entitled to Maternity and Paternity Leave where applicable. In FY2018, a total of 57 employees were entitled to Parental Leave, and the return-to-work rate was 100%.

To further enrich the lives of our employees and promote employee interaction, the Group has gone the extra mile to organise recreational programmes for our employees, such as holding table tennis competitions for 16 consecutive years. In FY2018, we hosted the "Zhong Xin Pharmaceutical Cup", a badminton competition for all employees.

On average, we subsidise more than 200,000 CNY to the trade unions of our subsidiaries to fund their recreational programmes. We have staff interest groups to organise diverse recreational activities that enrich the lives of our employees.

Furthermore, we developed a mobile application (“APP”) for our trade union, and the APP usage rate has exceeded 90%, establishing a new and improved system for the management and integration of employees into the Group.

We strongly believe in protecting our employees and safeguarding their physical and emotional wellbeing, within and outside of work. With the integration of trade union into our system, we have been continuously improving on our measures to assist our employees in need. Since 2013, our trade union has assisted more than 780 employees in need each year, and funded a total of 3.65 million CNY to help them overcome their difficult period. This gives us an opportunity to care for our employees and exercise social responsibility.

Training and Progression

GRI 404-1, 404-2

At Zhong Xin Pharmaceutical, we are devoted to developing our human capital and advancing our staff’s skills and knowledge through our strategic “Distinguished Employee Development Platform”. We do this through maximising the Zhong Xin Pharmaceutical Training Centre and our knowledge management framework to construct an established training programme for our employees.

We provide training for employees in a variety of areas including management, professional technology, marketing, production operations and scientific research, with all training programmes specifically tailored to meet the respective departments’ needs.

This ensures a pool of skilled talents that is vital to our growth in the dynamic and progressive pharmaceutical industry.

In FY2018, the Group conducted 1,348 training courses for a total of 22,649 employees, and total training hours amounted to 11,611 hours.

Workforce Targets and Compliance

GRI 406-1, 408-1, 409-1, 412-1, 419-1

The Group endeavours to be a socially responsible employer. There was no incident of discrimination, child labour, forced or compulsory labour and human rights violation in FY2018.

In order to maintain strict compliance with labour laws and regulations and achieve our workforce targets in FY2019, we have reviewed the effectiveness of our workforce strategies in FY2018 and developed an action plan for FY2019.

Workforce Performance in FY2018	
FY2018 Target	Performance Update
Promote employee development	- Achieved **100%** participation in employee training that focused on employee development - Conducted training programmes on management, professional technology, marketing, production operations and R&D for employees of different positions
Zero occupational health and safety incidents	- Achieved safety target of **zero** workplace safety hazards
Zero incidents of non-compliance with labour regulations	- Achieved **zero** incidents of non-compliance with labour regulations
Workforce Targets for FY2019	
FY2019 Target	Action Plan
Promote employee development	Focus on employee development and conduct training programmes on management, professional technology, marketing, production operations and R&D for employees of different positions
Zero occupational health and safety incidents	Conduct safety training to ensure **zero** safety incidents in FY2019

Environmental Awareness

The Group regularly monitors its energy consumption from daily operations. This allows us to continuously and effectively improve on our environmental sustainability measures based on the data collected. All management are delegated environmental responsibilities, and sustainability efforts are implemented on a group-wide level.

In FY2018, we conducted energy audits to analyse our energy management and performance and investigate issues and defects, which optimise our energy conservation efforts, increase energy efficiency and reduce energy consumption. This brings economic, social and environmental benefits to the Group, thereby helping us achieve the goal of saving energy, reducing consumption and increasing energy efficiency.

We also implemented various energy conservation measures in FY2018, including:

- Renovation of steam pipeline at Long Shun Rong Pharmaceutical Factory
- Replacement of chiller at Le Ren Tang Pharmaceutical Factory
- Renovation of drying equipment and substation expansion at Da Ren Tang Pharmaceutical Factory
- Acquisition of equipment at Xin Xin Pharmaceutical Factory to resolve production bottleneck
- Renovation of cooling tower at Zhong Xin Pharmaceutical Factory

These measures allowed us to save 138 tonnes of coal consumption in FY2018.

The Group endeavours to improve our energy utilisation in FY2019 by improving our energy management system, evaluating our energy efficiency and implementing energy conservation measures.

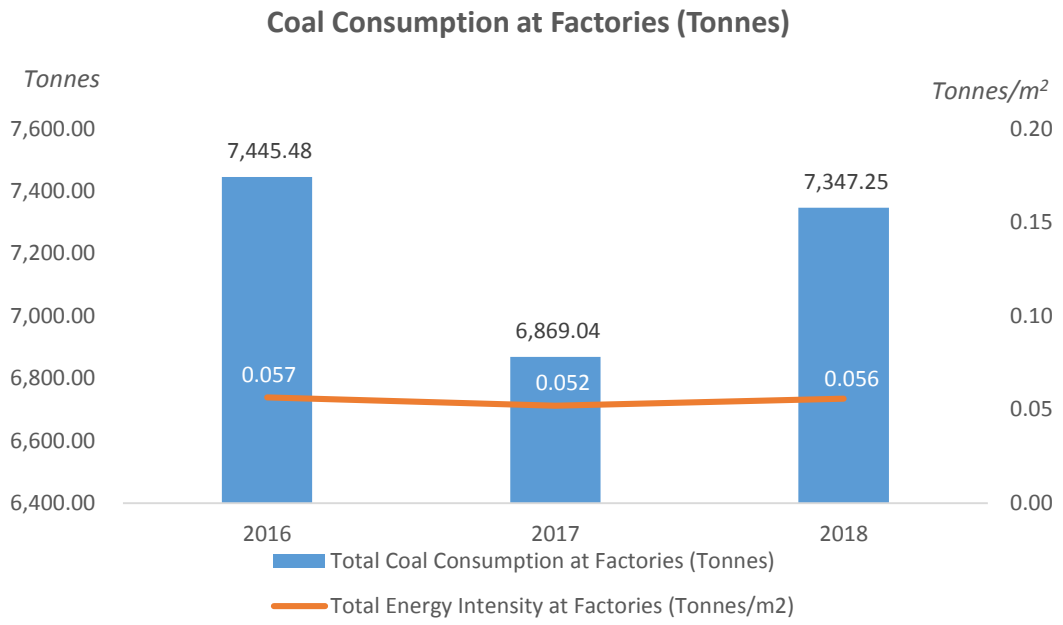
Carbon Management

GRI 302-1, 302-3, 302-4, 305-2, 305-4, 305-5

The Group has achieved positive results in energy conservation by increasing the energy efficiency of our factory equipment and performing more energy audits to optimise our carbon management.

Manufacturing

We have implemented renovations and upgrades at most factories in FY2018 to improve the management of our carbon footprint. We endeavour to improve our energy conservation measures and their implementation by conscientiously choosing energy-efficient equipment and designing sustainable factories. We have also expedited the upgrading and renovation of our factory equipment to increase energy utilisation.



The increase in our total energy consumption and energy intensity was due to an increase in production at our factories. We will continue to monitor our energy use regularly on a near real-time basis to better track and manage our energy consumption.

Long Shun Rong Pharmaceutical Factory

In FY2018, the factory renovated the steam system for 320,000 CNY, where we upgraded the automation of the steam system and created an energy monitoring platform.

Subsequently, efficiency of steam system will increase and fuel costs will decrease. Currently, steam consumption is 4,387 tonnes and fuel cost is 895,000 CNY per year. Through the renovation, annual steam consumption is estimated to reduce by 652.5 tonnes, saving 133,000 CNY in fuel costs every year.

Le Ren Tang Pharmaceutical Factory

In order to improve production efficiency and conserve resources, Le Ren Tang Pharmaceutical Factory replaced the refrigerating machine in FY2018. As a result, an estimated amount of 200 MWh of energy and 17,000 CNY of electrical bills can be saved every year.

Da Ren Tang Pharmaceutical Factory

In FY2018, the factory renovated its drying equipment and renovated the substation at the industrial park.

We replaced the original heat pump of the drying equipment with a dehumidifier for 2.7 million CNY, saving approximately 155 MWh of electricity and 131,800 CNY of electrical bills every year.

We renovated and expanded the substation to adopt an energy-efficient and sustainable transformer, effectively reducing wear-and-tear. We also built a distribution transformer, which is an automated platform that manages and analyses power usage. It is equipped with active

power filters and reactive power compensation, which effectively reduce wear-and-tear of the transformer and transmission line, and improve the power supply efficiency and quality of the power grid. Subsidised 900,000 CNY by the Tianjin Municipal Bureau of Industry and Information Technology, this project will effectively resolve the issue of insufficient power supply at the industrial park, and the power supply management will be safe and automated.

Xin Xin Pharmaceutical Factory

In FY2018, the factory acquired energy-efficient equipment for 620,000 CNY to expand production capacity, reducing energy consumption from 0.5 kWh/10,000 pills to 0.25 kWh/10,000 pills.

Zhong Xin Pharmaceutical Factory

In FY2018, the factory renovated the cooling tower for 180,000 CNY by replacing the original circulating pumps with integrated piping, saving approximately 216 MWh of energy and 183,600 CNY of electrical bills.

Volatile Organic Compound Management

GRI 305-7

VOCs are harmful to the environment and dangerous to human health. As such, our subsidiaries have made great efforts in the treatment of VOCs to mitigate any possible release of VOCs into the air during manufacturing. All subsidiaries have installed gas collection and treatment facilities in key areas such as the exhaust ducts of laboratory fume hoods, which greatly improved the management of VOCs.

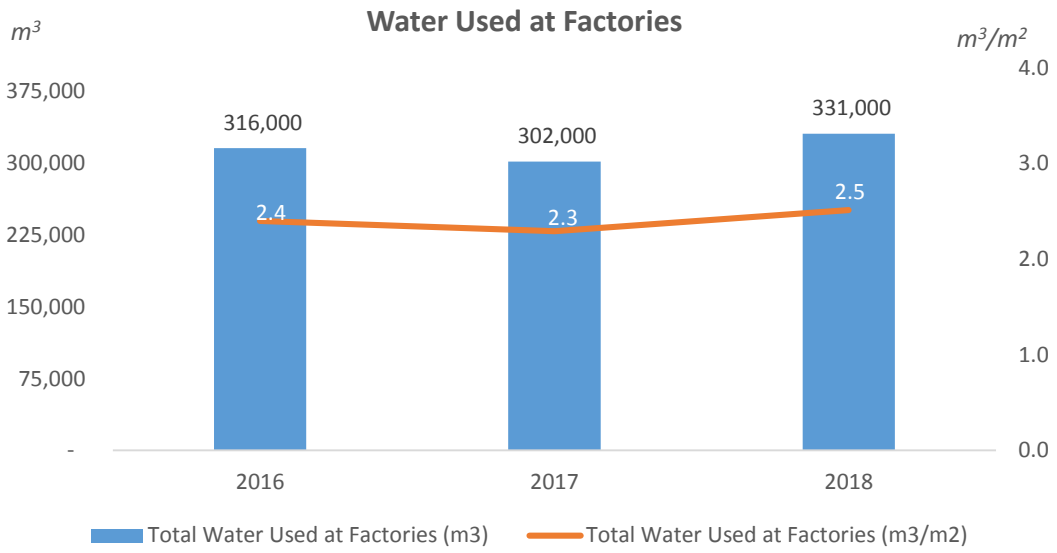
Our main source of VOCs, which include nitrogen oxides (NO_x), sulphur oxides (SO_x) and other gas emissions, is the flue gas from the gas boilers of our factories. Continuous improvements, such as changing the combustion patterns of boilers and upgrading burners, were made to ensure that boiler emissions of our factories comply with national standards.

In FY2018, the Group achieved outstanding results in exhaust emissions. The boiler smoke emissions of each factory comply with the national standard "Boiler Air Pollutant Emission Standard" (GB13271-2014) and Tianjin Local Standard "Boiler Air Pollutant Emission Standard" (DB12/151-2016), $SO_2 \leqq 20 mg/Nm^3$, $NO_x \leqq 80 mg/Nm^3$ requirements.

Other than ensuring environmental compliance, we have been upgrading our emissions treatment equipment and facilities regularly, which significantly contributed to our compliance with the “three wastes” emission standards. In the event of heavy pollution, emergency response plans will be executed promptly to manage the haze situation.

Water Management

GRI 303-1



The increase in our total water consumption and water intensity was due to an increase in production at our factories. We will continue to work to reduce water use and increase water efficiency in our daily operations.

Effluents and Waste Management

GRI 306-1,306-2, 306-3

The Group actively implements waste and effluents management measures across the Group and all subsidiaries to minimise the environmental impact of our operations. To mitigate the risk of environmental pollution, we carefully and methodically manage the waste and effluents produced during manufacturing.

Factory effluents mainly comprise manufacturing wastewater and domestic wastewater, where domestic wastewater undergoes septic treatment before being discharged at the Group's sewage treatment plant together with manufacturing wastewater.

In FY2018, the Group merged the two sewage treatment plants of Long Shun Rong Pharmaceutical Factory and Zhong Xin Pharmaceutical Factory in the industrial park for 9.6 million CNY. The new sewage treatment plant has an increased capacity of 800m^3/day, meeting the increase in demand for sewage treatment due to higher production capacity in the industrial park. In addition, it effectively increases the overall efficiency during sewage treatment, including that of labour, resources and consumption. This ensures that the increase in sewage treatment does not lead to unnecessary wastage of resources.

Factory waste mainly comprise packaging materials, domestic waste and sludge from the sewage treatment plant. All packaging wastes are recycled at recycling stations and the remaining wastes are disposed of at landfills. To ensure safe handling of uncommon wastes such as hazardous wastes, scraps and residual effluents, their management is outsourced to qualified third parties.

According to the "Water Pollution Control Law of the People's Republic of China", the post-treatment water quality has to meet the requirements of the Class III standard of Integrated Wastewater Discharge Standard (GB 8978-1996). After the treated discharge meets the required standards, it will be discharged to the municipal sewage pipe network, following which it will finally be discharged to the municipal sewage treatment plant. The sludge from the wastewater treatment station is then sent to the landfill designated by the environmental protection department for disposal.

Due to our comprehensive waste management measures at all factories, there was no serious leak of effluents and waste in FY2018.

Environmental Targets and Compliance

GRI 307-1

There was no incident of non-compliance with environmental laws and regulations in FY2018. In order to maintain strict environmental compliance and achieve our environmental targets in FY2019, we have reviewed our environmental performance in FY2018 and developed an action plan for FY2019.

Environmental Performance in FY2018	
FY2018 Target	Performance Update
Reduce energy consumption and emissions	- Upgraded equipment and monitored real-time energy data, allowing more efficient analysis and management of energy consumption and increasing energy efficiency - Reduced over **137.74** tonnes of coal consumed
Minimise VOCs emission	- Improved equipment and manufacturing processes to minimise emission of VOCs - Achieved **zero** non-compliance with national emissions regulations
Zero leak of effluents and waste	- Achieved **zero** leak of effluents and waste - Achieved **zero** non-compliance with national wastewater discharge regulations
Zero incidents of environmental non-compliance	- Achieved **zero** environmental non-compliance
Environmental Targets for FY2019	
FY2019 Target	Action Plan
Reduce coal consumption by **100** tonnes	- Improve energy management system and upgrade equipment to improve energy efficiency and management - Develop automated energy systems to achieve clean, sustainable and smart features - Implement Energy Conservation Demonstration Projects
Improve water efficiency	- Apply water balance modelling at all factories to comprehensively measure water performance and the condition of our pipeline system, thereafter develop corresponding measures to improve water management and optimise water utilisation
Zero non-compliance with national emissions regulations	- Increase capacity of VOC treatment facilities, improve manufacturing processes and minimise VOC emissions

Zero leak of effluents and waste	- Improve maintenance and operation of equipment and facilities to mitigate leakage - Standardise waste discharge methods to prevent unintended discharge
Zero incidents of environmental non-compliance	- Improve emissions inspection and emergency response plan for environmental pollution to ensure **zero** environmental non-compliance in FY2019

Corporate Social Responsibility

As a company that focuses on improving the wellbeing of the population, we strive to do our best in giving back to the community and enhance the people's quality of life through various means other than supplying quality medicine.

Giving Back to Society

GRI 413-1

Since 2013, our CPC committee has assisted the municipal government in the deployment of resources and assistance to villages. We sent our staff to the villages to assist in voluntary works and help villagers create more employment and business opportunities through new projects such as herb planting.

As of December 2018, the company has invested a total of 2.06 million CNY in charitable initiatives.

SGX Five Primary Components Index

S/N	Primary Component	Section Reference
1	Material Topics	▪ Stakeholder Engagement
2	Policies, Practices and Performance	▪ Chairman's Message ▪ Our Sustainability Story
3	Board Statement	Governance and Statement of the Board
4	Targets	Our Sustainability Story
5	Framework	Reporting Practice

GRI Standards Content Index

GRI Standards	Disclosure Content	Section Reference
102-1	Name of the organisation	Organisation Profile
102-2	Activities, brands, products, and services	Organisation Profile
102-3	Location of headquarters	Organisation Profile
102-4	Location of operations	Organisation Profile
102-5	Ownership and legal form	Organisation Profile
102-6	Markets served	Organisation Profile
102-7	Scale of the organisation	Organisation Profile
102-8	Information on employees and other workers	Organisation Profile
102-9	Supply chain	Organisation Profile
102-10	Significant changes to the organisation and its supply chain	Organisation Profile
102-11	Precautionary Principle or approach	Governance and Statement of the Board
102-12	External initiatives	Organisation Profile
102-13	Membership of associations	Organisation Profile
102-14	Statement from senior decision-maker	Chairman's Message
102-15	Key impacts, risks, and opportunities	Chairman's Message, Our Sustainability Story
102-16	Values, principles, standards, and norms of behaviour	Ethics and Integrity
102-17	Mechanisms for advice and concerns about ethics	Ethics and Integrity
102-18	Governance structure	Governance and Statement of the Board
102-40	List of stakeholder groups	Stakeholder Engagement
102-42	Identifying and selecting stakeholders	Stakeholder Engagement
102-43	Approach to stakeholder engagement	Stakeholder Engagement
102-44	Key topics and concerns raised	Stakeholder Engagement
102-46	Defining report content and topic boundaries	Reporting Practice
201-1	Direct economic value generated and distributed	Annual Report 2018
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Employee Benefits

GRI Standards	Disclosure Content	Section Reference
203-2	Significant indirect economic impacts	Continuing Innovation
205-1	Operations assessed for risks related to corruption	Anti-corruption
205-2	Communication and training on anti-corruption policies and procedures	Anti-corruption
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption
302-1	Energy consumption within the organisation	Carbon Management
302-3	Energy Intensity	Carbon Management
302-4	Reduction of energy consumption	Carbon Management
303-1	Water withdrawal by source	Water Management
305-2	Energy Indirect Greenhouse Gas Emissions (Scope 2)	Carbon Management
305-4	Greenhouse Gas Emissions Intensity	Carbon Management
305-5	Reductions in GHG Emissions	Carbon Management
305-7	Nitrogen oxides (NO_x), sulphur oxides (SO_x), and other significant air emissions	Volatile Organic Compound Management
306-1	Total water discharged by quality and destination	Effluents and Waste Management
306-2	Waste by type and disposal method	Effluents and Waste Management
306-3	Significant spills	Effluents and Waste Management
307-1	Non-compliance with environmental laws and regulations	Environmental Targets and Compliance
401-1	New employee hires and employee turnover	Our Workforce
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Benefits
401-3	Parental Leave	Employee Benefits
403-1	Formal joint management-worker health and safety committee	Occupational Health and Safety
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety
403-3	Workers with high incidence or high risk of diseases related to his/her occupation	Occupational Health and Safety
403-4	Health and safety topics covered in formal agreements with trade union	Occupational Health and Safety
404-1	Average hours of training per year per employee	Training and Progression
404-2	Programmes for upgrading employee skills and transition assistance programs	Training and Progression

GRI Standards	Disclosure Content	Section Reference
404-3	Regular Performance and Career Development Review	Employee Benefits
405-1	Diversity of governance bodies and employees	Our Workforce
405-2	Ratio of basic salary and remuneration of women to men	Employee Benefits
406-1	Incidents of discrimination and corrective actions taken	Workforce Targets and Compliance
408-1	Operations and suppliers at significant risk for incidents of child labour	Workforce Targets and Compliance
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Workforce Targets and Compliance
412-1	Operations that have been subject to human rights reviews of impact assessments	Workforce Targets and Compliance
413-1	Operations with local community engagement, impact assessments, and development programs	Giving Back to Society
416-1	Assessment of the health and safety impacts of product and service categories	Quality Management, Managing our Suppliers
416-2	Incidents of non-compliance concerning the health and safety impact of products and services	Product Safety Targets and Compliance
417-1	Requirements for product and service information and labelling	Marketing and Labelling
417-2	Incidents of non-compliance concerning product and service information and labelling	Product Safety Targets and Compliance
417-3	Incidents of non-compliance concerning marketing communications	Product Safety Targets and Compliance
419-1	Non-compliance with laws and regulations in the social and economic area	Product Safety Targets and Compliance, Workforce Targets and Compliance