



聯康集團

Uni-Bio Science

**Uni-Bio Science Group Ltd.**  
**聯康生物科技集團有限公司\***

(Incorporated in the Cayman Islands with limited liability)  
Stock Code : 0690



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2016

\* For identification purposes only



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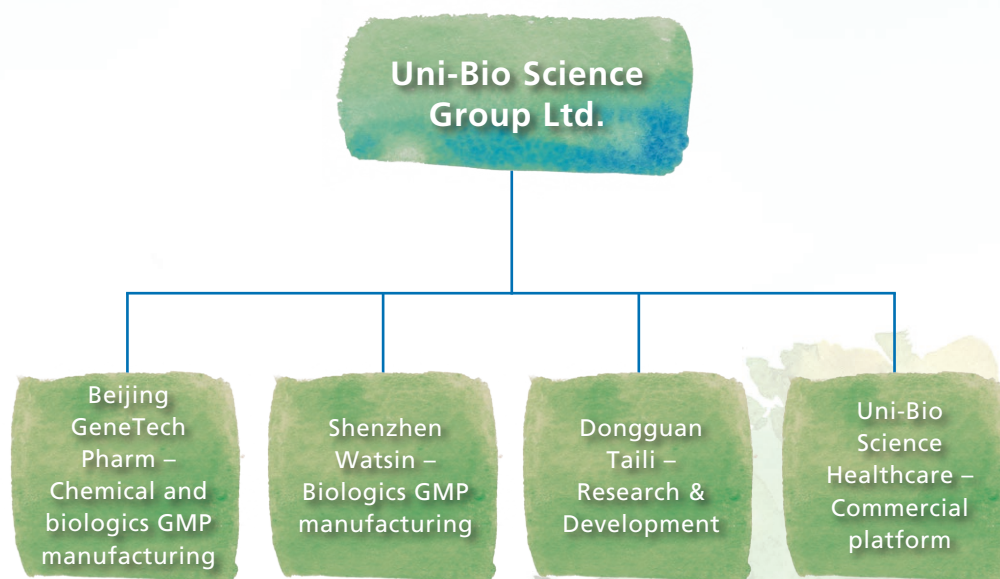




Headquartered in Hong Kong, the main operations of Uni-Bio Science Group Ltd. (“Uni-Bio” or the “Group”) are located in mainland China, and the Group is a leading Chinese healthcare company engaged in the research, development, production and commercialisation of innovative biopharmaceuticals for the Chinese healthcare market.

Uni-Bio boasts an institute covering 3,000 square meters, equipped with international advanced laboratory equipment, and we have been committed to creating new treatment methods by relying on our own research and development capabilities. The Group owns two manufacturing facilities in Beijing and Shenzhen, respectively, which were certified by the Good Manufacturing Practices (“GMP”) for pharmaceutical products in China, and we strictly control the quality of our products and consolidate the Group’s reputation as a high quality manufacturer. The Group will focus on three treatment areas and develop product portfolios in these areas, including metabolic diseases (especially diabetes and osteoporosis), ophthalmology and dermatology. The Group has gradually expanded the scale of our internal sales team, covering more than 1,000 hospitals, and strengthened our relationship with national health care professionals.

### Our Major Function Unit







## ABOUT THIS REPORT

This report is the first “Environmental, Social and Governance Report” released by Uni-Bio to disclose the Group’s measures and performance on sustainable development issues in a transparent and open manner, so as to increase stakeholders’ understanding of the Group.

### Reporting year

All the information in this report reflects the performance of Uni-Bio in environmental protection and social care from January 2016 to December 2016. In the future, the Group will regularly release the “Environment, Social and Governance Report” for public inspection and continuously improve transparency of information disclosure.

### Scope of this report

The report focuses on Uni-Bio’s operations at its main operating location, the production base<sup>1</sup> in Beijing. The Group will expand the scope of information disclosure when the Group’s data collection system has become more perfect and our work in the environment, society and governance deepened, at then, the report will fully cover all the operations of the Group, including the Shenzhen plant. The Group will conduct carbon assessments next year to further detail and standardize the reported indicators.

### Reporting standards

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “Guide”) issued by the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The report provides a brief overview of the environmental, social and governance performance of Uni-Bio. The information in the report is derived from the Group’s official documents and statistical data, and based on the monitoring, management and operational information gathered by the companies under the Group according to related systems. The last chapter of the report has a complete content index for quick inquiry. The report has been compiled in both Chinese and English languages and has been uploaded onto the Group’s website at [www.uni-bioscience.com](http://www.uni-bioscience.com). If there are any contradictions or inconsistencies in the Chinese and English versions, the Chinese version shall prevail.

### Feedback

Our continued progress depends on your valuable comments on the contents and forms of this report. If you have any questions or suggestions, please send your email to [info@uni-bioscience.com](mailto:info@uni-bioscience.com) to help us continue to improve our environmental, social and governance performance.



<sup>1</sup> Beijing GeneTech Pharm, the Group’s wholly owned subsidiary, operates the production base in Beijing.



## COMMUNICATION WITH STAKEHOLDERS

The Stock Exchange has proposed four reporting principles in the Guide, including: Materiality, Quantity, Balance, and Consistency, which consist of a basis for the preparation of the Environment, Social and Governance Report. As the Stock Exchange has stated, the participation of stakeholders is the method used to assess the Materiality. Through communication with stakeholders, companies can understand the views of stakeholders, identify important environmental and social issues.

The stakeholders in here refer to groups or individuals that have significant impact on the Group's business or affected by the Group's business. The Group's stakeholders include not only internal staff, but also external customers, business partners, investors, regulators and various types of community groups. In the past year, we have communicated with key stakeholders through different channels. During the preparation of this report, we specially entrusted a professional consulting company to conduct a substantive analysis in the form of management interview and, combined with the advice from expert consultants, clarified the important issues in this report, and used them as a basis for the Group's approach to sustainable development.

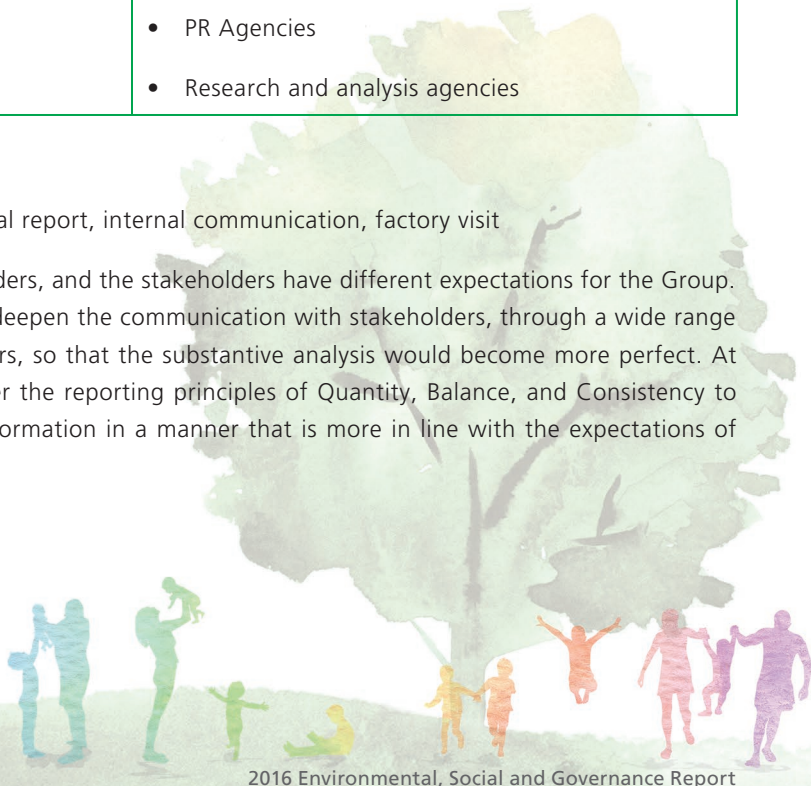
### Stakeholders' communication modes during the reporting period

Internal stakeholders	External stakeholders
<ul style="list-style-type: none"><li>• Directors</li><li>• Senior executives</li><li>• Common employees</li></ul>	<ul style="list-style-type: none"><li>• Investors</li><li>• Shareholders</li><li>• Suppliers</li><li>• Government/regulatory authorities</li><li>• Partners</li><li>• PR Agencies</li><li>• Research and analysis agencies</li></ul>

Communication modes:

Meeting, email, telephone, interview, annual report, internal communication, factory visit

Uni-Bio's business affects different stakeholders, and the stakeholders have different expectations for the Group. In the future, the Group will continue and deepen the communication with stakeholders, through a wide range of forms to collect the views of stakeholders, so that the substantive analysis would become more perfect. At the same time, the Group will also consider the reporting principles of Quantity, Balance, and Consistency to define content of the report and reveal information in a manner that is more in line with the expectations of stakeholders.





## CHAIRMAN'S MESSAGE



Kingsley Leung  
Chairman

“By encouraging our employees to change their operating behavior bit by bit, we proactively integrate our concerns for the environment into the corporate culture.”



As an experienced healthcare company, we commit to become a leading company and well-recognized partner in the global pharmaceutical industry, and meet the strong demand in various markets for high-quality healthcare programs through innovation and strategic partnership. While creating sustainable value for shareholders, we integrate the environmental and social considerations into the implementation of business decision-makings, this is our key to enhance our international competitiveness.

We understand the impact of our operations on the environment and have been trying our best to contain it. In the production process, we have developed detailed operational requirements and implemented the “5R” principle to minimize the impact of operations on the environment. For hazardous waste, we have formulated annual management plans and taken effective measures to handle properly. Our energy efficiency measures at our production plants are also well-supported by our staff. By encouraging our employees to change their operating behavior bit by bit, we proactively integrate our concerns for the environment into the corporate culture.

As a pioneer in the industry, our high-quality healthcare programs rely heavily on our products' high quality standard. We have spent more than HKD200 million to equip our production plants with most advanced production equipment, so that our Beijing and Shenzhen Plant successfully upgraded their production lines to meet the latest GMP standard. We will continue to increase our investment and fulfill our commitment to product quality through rigorous internal control processes.

We strongly believe that excellent talents is the key driver of the Group's success. Through a wide range of training programs, we provide our employees with comprehensive opportunities for personal development, encourage and support them to continuously improve their knowledge and skills. We also implement a remuneration mechanism that links up staff's working performance to salary, rewarding staff who have outstanding performance.

Leading Genuine Innovation is the Group's core value and vision. We will continue to focus on developing revolutionary products that can help patients in need. Our goal is to continuously improve our own sustainable development performance, exceed the expectations of stakeholders, and bring more positive impact to the environment and society. This report marks the beginning of our sustainable journey, and we look forward to work with stakeholders to make our way towards the Group's next golden period.

Kingsley Leung  
Chairman  
Uni-Bio Science Group Limited





## Use of Resources

In the daily operation of the production base (the “Plant”) in Beijing, in addition to the raw materials used for production, the most consumed resources are electricity and water. To improve the efficiency of resource utilization and economic efficiency, the Plant has formulated the “Company Energy Conservation Management System” and the “Internal Guidelines on Environmental Protection and Natural Resources Utilization of the Group” to convey the concept of resource saving to employees, strengthen the management of electricity and water usage, and assign the Engineering Department and the Personnel Administration Department to maintain and inspect electricity facilities on a daily basis.

The Plant requires all employees to raise the awareness of electricity saving during the daily operation. Employees should comply with a series of energy-saving guidelines, such as: apply natural light as much as possible, turn the lights on as little as possible, and shut down electrical equipment when getting off work to save electricity. The Plant has formulated provisions for the use of air conditioning, including adjusting air conditioning’s temperature at the appropriate level in response to weather. The Plant also prefers energy-efficient appliances and equipment, such as adopting energy-saving lamps, replacing aged appliances with high power consumption.

As for water usage, the Plant carries out inspection regularly on the water supply pipeline of the production base. If the pipeline is damaged, the Engineering Department should timely repair or replace it, so as to prevent leakage and waste of water resource. If employees find leak on water pipes, faucet or water dispenser, they need to report it to the Maintenance Department. The Plant requires employees to avoid extensive use of water, for example, avoid using water pipes directly wash vehicles and instead, it should be using bucket to carry a certain amount of water for washing, and improving water consumption efficiency.

## Emissions

Uni-Bio complies with all relevant environmental laws and regulations, and controls and monitors the emissions. The Group is committed to identifying and minimizing the emissions that derive from our business operations. The Plant has established the Environmental Protection Management Committee, which is responsible for developing environmental protection procedures; regularly holding environmental meetings; leading, coordinating and implementing environmental management; and carrying out environmental publicity and trainings for employees.

The major emissions from the Plant is drug production waste and exhaust.

The Plant has established the “Administrative Regulation on Waste Materials” to control different emissions and maintain the sanitation of the production area in line with GMP requirements. The waste of the Plant is classified as domestic waste and production waste. The General Administration Department is responsible for disposing of domestic waste, and production waste is subdivided into general waste, special waste and recyclable waste, and they should be processed in different ways as required. When processing with general waste, employees shall, in accordance with the “Administrative Regulation on Nonconforming Products”, crush the waste until it can’t be used again, and after confirming it won’t pollute the environment, dispose of it in the same way as domestic waste. Chemical waste and toxic waste are required to be delivered to qualified waste recycling companies for harmless treatment, and to prevent the risk of polluting the environment. Wastes that have been in contact with live bacteria should be discarded after soaking in disinfectant or sterilizing. As for recyclable obsolete equipment, related department shall apply for disposal, and eligible recyclers shall collect it for recycling.



## RESOURCE SAVING

Uni-Bio has established the “Hazardous Waste Management Plan” in 2016 to identify the types and quantities of hazardous wastes produced during the inspection process of products, and set up specialized warehouses to store those hazardous chemical waste liquid. Hazardous waste warehouses are managed by designated personnel and use ledger to record the import or export among of waste. The Plant uses unified original containers to keep waste liquid, centralized storage with clear label, and qualified recyclers would regularly collect them for recycling and harmless treatment. The Group ensures that the effluent from the Plant will be discharged into municipal sewerage and meet with the standard of discharge, and reducing the risk of sewage leakage. And the dust produced in the production process will be collected by dust filters.

During the reporting period, the Group did not record any illegal cases related to emissions.

### Types and quantities of emissions in 2016

Type of Emission	Quantity	Unit
Sulfur dioxide	0.032	Ton
Nitrogen oxides	0.63	
Particles	0.027	
Dust in dust filters	0.001	
Sewage	1,248	
Waste packaging material	0.05	
Domestic waste	20	

### The environment and natural resources

In addition to the resource utilization and emissions discussed above, the daily operations of the Plant do not have a significant direct impact on the environment and natural resources. In spite of this, Uni-Bio understands that any operation would affect the environment that is surrounding it. The Group is responsible for protecting the environment throughout its business activities and will endeavor to comply with environmental laws and regulations to reduce the impact of its operations on the environment and natural resources.





## Product Responsibility

In the highly competitive market environment nowadays, customer continuously requires for a higher standard or quality of products and services. Uni-Bio understands that in order to earn customer's trust and support, it has to maximize value for customers. Products manufactured in the Plant are prescribed pharmaceuticals products. Therefore, the Group pays great concern on the quality of its products and environmental sanitation of the Plant.

The Plant's pharmaceutical production line has been GMP certified, and we have formulated the "GMP System Quality Manual" in accordance with national industry guidelines to regulate and manage the whole pharmaceutical production process of the Group. The Plant sets quality objectives annually, and set up regulations on staff management, plant facilities and equipment standards, materials and product standards, file management, self-test standard, manufacturing process, quality control, quality assurance, validation standard, drug delivery, recycling and complaints through the manual. In addition to standardized management, the Group has also signed the "Quality Agreement" with raw material suppliers, requiring them to submit inspection reports to ensure that the quality of raw materials.

In order to strengthen the management of environmental sanitation within the Plant, it has set up the Administrative Provisions on Environmental Hygiene, and the General Administration Department, the Quality Assurance Department, the Quality Control Department, the Engineering Department, the Production Department and the Logistics Department jointly manage the environmental sanitation within the Plant. Employees are required to keep the inside and outside of the Plant, for example roads and green areas clean. The footways and logistics passages in the Plant are separated to ensure that logistic process will not contaminate products and raw materials. Employees shall not stack garbage within the Plant, and waste shall be placed in closed containers and disposed of in a timely manner to prevent pollution to the hygiene of the Plant.

Uni-Bio highly value the opinions received from customers and would make every effort to ensure that customers' opinions and complaints are handled in timely manner with care. Customers can place complaints to the Group's commercial platform or other departments through personal visit, letter, fax or telephone call. The Plant has developed the "Administrative Provisions on Quality Complaints" to classify complaints, and set up regulations on measures of quality survey, correction and prevention, as well as aspects like responding customers. The Plant expects to keep abreast of customers' feedback on products, continuously advance product quality, and improve customer satisfaction. The Plant has also established the "Administrative Provisions on pharmaceuticals Recall" and the "Administrative Provisions on Pharmaceuticals Return". For pharmaceuticals that have safety loophole, the Plant is able to recall and dispose of it in accordance with established procedures to ensure the quality of the pharmaceuticals and the safety of the public.

During the reporting period, the Group did not record any illegal cases related to product responsibility.





## Supply Chain Management

In a globalized economy, business outsourcing is a common practise for enterprises. However, outsourcing does not mean that companies can evade responsibilities or risks due to poor environmental, social and governance performance. Uni-Bio understands that the Group has to play an important role in the entire lifecycle of its services, and that proper management of the supply chain is the key for maintaining the brand's reputation, ensuring business sustainability and managing operational costs.

The main suppliers of the Plant are raw materials suppliers, production machineries and equipment suppliers, office equipment and consumables suppliers. The Plant has developed the "Management Methods and Related Processes of Material Procurement and Distribution" to regulate and manage the process of material procurement. The Group has also signed the "Quality Agreement" with a long-term suppliers to ensure that the products and services provided by them meet the Group's requirements.

In addition to considering suppliers' supply price, quality and delivery time and other factors, Uni-Bio also takes into account the impact of suppliers on the environment and society. The Plant has develop the "Administrative Provisions on Material Suppliers" to set up requirements on assessment, audit, approval, revocation and replacement of suppliers, as well as assign responsibilities of relevant departments. When a sample received from supplier pass the testing or trial, the Plant will conduct on-site audit on the supplier. During the audit, in addition to examining the implementation of compliance process, quality standards and management procedures, together with the sound quality management system, the Plant will also take into account the qualification and training of the employees, environmental sanitation of the plant, environmental monitoring, water system monitoring, material recycling and reuse, complaint management, and product recycling management of suppliers and other factors.

## Anti-corruption

Uni-Bio believes that integrity management is the basis of implementing corporate social responsibility, and the foundation of competitive advantage and sustainable development of enterprises. The Group is committed to preventing corruption, bribery, extortion, fraud, money laundering and other acts.

Uni-Bio strictly abides by the related laws of anti-corruption in China. In the Employee Handbook, the Group prescribes that it is forbidden for employees to provide special treatment to, or receive any benefits from, clients, suppliers or any stakeholders. The Group does not allow employees to accept and retain any amount and form of profit from business partners in commercial event. If it is too hard to reject a gift or favour given by counterparties, employees must hand it over to the Group for further process. The Group also prohibits employees from accepting bribes through relatives or third parties. The Group regards any bribery-giving or taking as an illegal act, which may lead to the consequence for terminating labour contracts with corresponding staff.

During the reporting period, the Group did not record any cases of corruption litigation relating to the Group and our employees.



## Development and training

Uni-Bio is convinced that employee development is the core factor to ensure the Group's sustainable growth and strengthening competitiveness.

The Plant has established staff training system, and in response to the actual needs of different departments and functions, the General Administration Department will organize training programs annually, stipulating training contents, training methods and training hours. The Group has an internal trainer team, which educates employees about GMP regulations and respective professional and technical knowledge, so that employees can continuously improve themselves in job skills and professional ability. The Group also provides staff with excellent performance to participate in work-related external training courses, such as regulation training held by the State Food and Drug Administration Training Centre, or professional and technical training organized by the equipment manufacturers, in order to improve staff's knowledge and help them better grasp the Group's development and management direction.

### Staff training programs in 2016

Aspect	Accounting for (%)
Professional knowledge	52
Comprehensive knowledge	23
GMP	15
Management system	10

### Average number of training hours of employees grouped by gender and employee type

Employee class	Female employees			Male employees		
	Training hours	Number of trained employees	Average training hours	Training hours	Number of trained employees	Average training hours
Executives	20	2	10	30	3	10
Department managers	36	3	12	84	7	12
General staff	844	45	19	896	35	26
Total	900	50	18	1,010	45	22





## Employment

Uni-Bio treasures its our employees as of the most important assets. The Group believes that every employee should be fairly treated with respect. The Plant has established a clear employment mechanism, and through the launch of Human Resource Management Manual, it allows employees to understand their rights and responsibilities and the requirements on employees' acts and discipline.

The Plant upholds the principle of fairness and impartiality and ensures that every employee has equal opportunities. In terms of recruitment, training, transfer, promotion and remuneration, employees' ability is the first factor to be considered. The Group prohibits employees from discriminating against others based on their sex, age, family, race, ethnicity, religion, nationality, physical condition and health. The Plant also forbids employees to commit sexual harassment or hurt others' pride, it has tried its best to create a safe work environment, in which people respect each other.

In order to understand about working attitude and ability of employees, and to encourage employees to continuously improve their work performance, the Plant has set up performance appraisal system to conduct quarterly and annual performance appraisal with strict standards. The results of the appraisal will serve as the bases for employees' remuneration adjustment, promotion and continuous training, so as to mobilize employees' enthusiasm.

Uni-Bio believes that a sound welfare system can enhance employees' sense of belonging to the Group. In addition to the statutory benefits, the Plant also provides, according to the actual situation, accommodation, free meal, and free annual physical examination for employees. Personal needs from each employees are taken in good care.

During the reporting period, the Plant did not record any illegal cases related to the employment practice, discrimination and sexual harassment.

## Health and safety

Uni-Bio believes that operational efficiency is closely linked up with the health and safety of all employees. The Group is committed to creating a working environment that makes employees feel at ease.

The Plant has set up a leading group on occupational health, which is responsible for establishing and implementing occupational health and safety systems to prevent, control and eliminate occupational hazards, prevent occupational diseases, safeguard the health of employees and improve the production and operation environment. The Plant has also developed the "Administrative Regulation on Occupational Health", which set up safety requirements and guidelines on different aspects of occupational disease management, such as hazard warning, hazardous task reporting, hazard monitoring, protective equipment maintenance and inspection, personal protection device, hazardous incident handling, and emergency rescue, to clearly state duties of various functional departments and staff. The Plant has also established the corresponding occupational health procedures for different jobs, and organized occupational health knowledge trainings and publicity education to reduce the risk of occupational diseases due to dust, noise, high temperature and harmful substances.

During the reporting period, the Plant did not record any illegal cases related to the health and safety.



## EMPLOYEE CARE

### Health and safety performance indicators

Work-related injuries per thousand employees	Percentage of lost work day due to work-related injuries (%)	Absence rate (%) <sup>2</sup>
0	0	0.3

### Labor standard

The International Labor Organization is a specialized agency of the United Nations, which enacts labor standards in the form of international labor conventions and recommendations, and thereby, improves the standard of work and living standards around the world. China is a founding member of the ILO and a permanent member of the organization. In Hong Kong, there are currently 41 international labor conventions applicable to working conditions and employment policies.

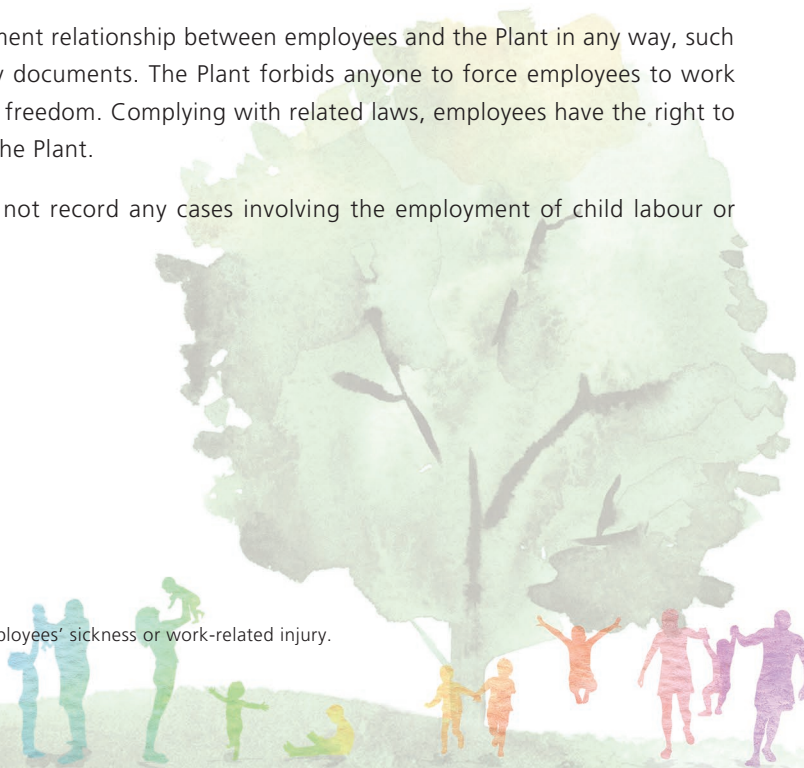


Uni-Bio fully recognizes that child labor and forced labor violate fundamental human rights and international labor conventions, and pose a threat to sustainable social and economic development. The Plant strictly abides by the "Supervision Regulation on Labor and Social Security", and strictly prohibits child labor in any position. In the recruitment process, the Plant's HR Department would carry out inspection to verify applicants' actual age, including examining applicants' identity documents and photos.

Uni-Bio will not unfairly restrict the employment relationship between employees and the Plant in any way, such as detaining deposits, guarantee or identity documents. The Plant forbids anyone to force employees to work by violence, threat or restriction of personal freedom. Complying with related laws, employees have the right to freely terminate their labour contract with the Plant.

During the reporting period, the Plant did not record any cases involving the employment of child labour or forced labour.

<sup>2</sup> Including but not limited to the absence due to employees' sickness or work-related injury.





## COMMUNITY INVESTMENT

Other than maximizing the interest for shareholders, Uni-Bio understands that we should also take into account the social morality, respect for the community, and protect the natural environment. The Group set the policy relates to community benefit and defines the Group's mission and objectives as a corporate citizenship. The Group hopes to provide resources and assistance to the community through various channels, including provision of jobs, participation in charity activities, improvement of local infrastructure facilities, so can help people in need and promote social prosperity. The Group will provide financial support for such events and has set up annual incentive programmes to encourage employees to participate in community welfare activities and voluntary works.

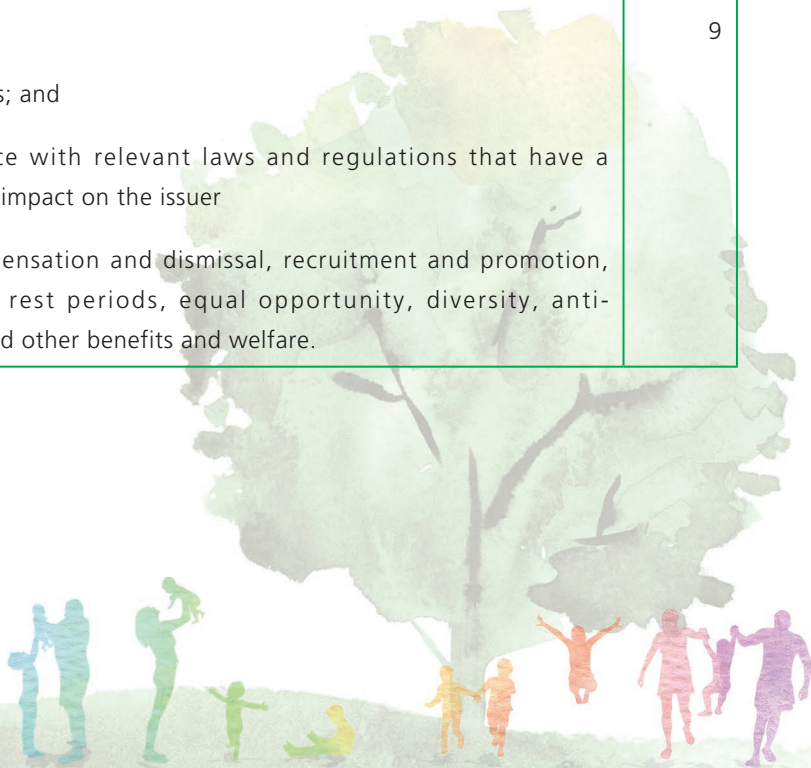






# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

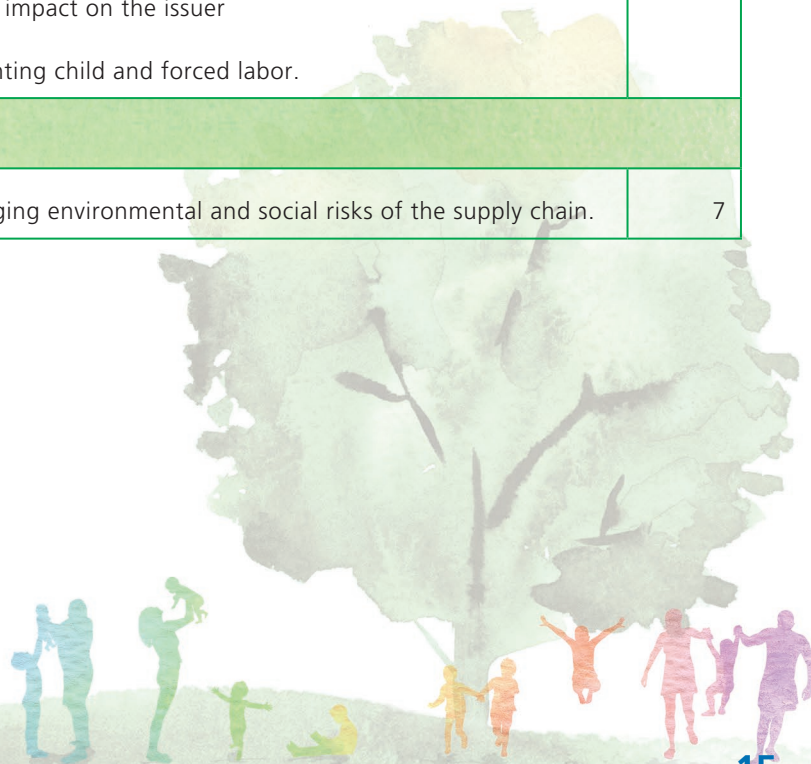
Subject Areas	Contents	Page
<b>A1 Emissions</b>		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	5
<b>A2 Use of Resources</b>		
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<b>A3 The Environment and Natural Resources</b>		
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<b>B1 Employment</b>		
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<b>B2 Health and Safety</b>		
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<b>B3 Development and Training</b>		
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<b>B4 Labor Standards</b>		
General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to preventing child and forced labor.	10
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<b>B7 Anti-corruption</b>		
General Disclosure	<p>Information on:</p> <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> <p>relating to bribery, extortion, fraud and money laundering.</p>	8
<b>B8 Community Investment</b>		
General Disclosure	<p>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.</p>	11

