

Environmental, Social and
Governance Report
環境、社會及管治報告 **2017**



Tong Ren Tang Technologies Co. Ltd.
北京同仁堂科技發展股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(於中華人民共和國註冊成立的股份有限公司)

(Stock Code 股份代號:1666)

北京同仁堂

Beijing Tong Ren Tang





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About This Report 關於本報告

This report is the Environmental, Social and Governance Report for the year 2017 (this “Report”) published by Tong Ren Tang Technologies Co. Ltd. (the “Company”) and its subsidiaries (together, the “Group”).

The Board believes that sound environment, society and governance structure is vital for the development of the Group. In addition to the business growth, the Group has been pursuing excellence in environmental protection, social responsibility, corporate governance and other areas. Meanwhile, the Group also expects to enhance its transparency of operation to achieve and uplift the sense of social responsibility. With reference to its own experience, the Group primarily adopts the principles and basis of Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (the “**Listing Rules**”) as its standards, with an aim to establish a sound environment, society and governance structure.

As the fifth Environmental, Social and Governance Report and the first individual report published by the Group, this report sets out the Group’s (for the purposes of this report, unless otherwise indicated, it does not include a subsidiary of the Company, namely Beijing Tong Ren Tang Chinese Medicine Company Limited (“**Tong Ren Tang Chinese Medicine**”), and its subsidiaries (hereinafter collectively referred to as “**Tong Ren Tang Chinese Medicine Group**”)) policies and practices in four aspects, namely working environment, operational management, public welfare and environmental protection for the period from 1 January 2017 to 31 December 2017 (the “**Reporting Period**”). This report is designed to allow shareholders, investors and the public to have a more comprehensive and profound understanding of the Group’s corporate governance and culture.

This report is prepared and published in traditional Chinese and English. In the event of discrepancy between each version, the traditional Chinese version shall prevail. This report is printed on environmental-friendly paper to minimize impacts on the environment and advocate the Group’s environmental principles.

Deloitte Touche Tohmatsu Certified Public Accountants LLP, an independent assurance organization, has provided independent assurance services for this Report and issued an independent assurance report.

In future, the Group will disclose the Environmental, Social and Governance Report periodically to provide the public with the Group’s latest updates in these aspects. This report is available in both paper and electronic formats. The electronic format can be viewed and downloaded on the HKEXnews website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the website of the Company (www.tongrentangkj.com). For any suggestion or opinion on this report or the Group’s environmental, social and governance work, please kindly send it to the Company through our communication channels.

本報告是北京同仁堂科技發展有限公司(「本公司」或「公司」)及其子公司(以下合稱「本集團」)向社會公眾發佈的二零一七年度《環境、社會及管治報告》(「本報告」)。

董事會認為，良好的環境、社會及管治架構對於本集團之發展極其重要，除了致力於在業績上追求增長，亦於環境保護、社會責任及企業管治等範疇不斷精益求精；同時亦希望增強本集團運營之透明度，從而實現並提高社會責任感。本集團主要採納香港聯合交易所有限公司(「香港聯交所」)證券上市規則(「上市規則」)附錄二十七所載《環境、社會及管治報告指引》之原則及基準作為本集團的標準，同時結合自身實際，旨在構建良好的環境、社會及管治架構。

本報告為本集團第五次發佈之《環境、社會及管治報告》，同時，亦為本集團發佈的第一份單體版報告，報告時間跨度為二零一七年一月一日至二零一七年十二月三十一日(「報告期」)。本報告載列了本集團(僅就本報告而言，除特別註明外，均不包含本公司之子公司北京同仁堂國藥有限公司(「同仁堂國藥」)及其子公司(以下合稱「同仁堂國藥集團」))於工作環境、營運管理、社會公益及環境保護四個方面的策略與實踐，股東、投資者以及公眾人士通過本報告可對本集團的治理與文化有更加全面、深刻的瞭解。

本報告分別以中文繁體及英文編寫、發佈，在對各文本的理解上發生歧義時，請以中文繁體文本為準。本報告之紙張均使用環保紙張印製，旨在最大限度降低對環境的影響與污染，倡導本集團的環保理念。

獨立鑒證機構德勤華永會計師事務所(特殊普通合夥)已為本報告提供獨立鑒證服務，並出具鑒證報告。

未來，本集團將定期披露《環境、社會及管治報告》，藉此讓公眾瞭解本集團於該等方面的最新動態。本報告有紙質版及電子版兩種形式，電子版可以在香港聯交所披露易網站(www.hkex.com.hk)和本公司網站(www.tongrentangkj.com)查閱和下載，歡迎社會各界人士透過本公司通訊渠道，就本報告或本集團環境、社會及管治工作提出建議及意見。





Chairman's Statement 董事長致辭

Upholding fine traditional Chinese culture, we adhere to the principles of “Virtue, Honesty and Integrity” and Tong Ren Tang’s values of “Be Kind to the Society, Employees, Partners, and Investors”, striving to co-exist harmoniously with the society and nature and achieve and uplift the sense of social responsibility.

With “Humanity” as our guidance and “Kindness” as our honour, we treat every employee with sincerity, care for them by heart and promote their growth. We endeavour to provide employees with good working and learning environment, aiming at achieving mutual growth of employees and the Company.

With “Honesty” as our stepping stone and “Quality” as our priority, we incorporate long-cherished pharmaceutical expertise into our production process and the old maxim into our management concept. We adhere to our old maxim of “though the medicine preparation process is witnessed by none, our intention is known by God”, providing products for our customers with “premium materials and excellent process” guided by the values of “superior quality and unparalleled skill”.

With “Righteousness” as our utmost aspiration and “Harmony” as our goal, we abide by the moral philosophy of “righteousness and profit reinforce each other” in our production and operations, attach great importance to righteousness and sustainable development, and advocate green production and low-carbon operation, take actions to achieve green development and create a growing environment of honesty, integrity and common benefit.

I hereby would like to express my sincere gratitude to all the staff of the Group for their excellent performance and tireless efforts; and to the public for their continuous support to and understanding of the Company. As always, we will continue upholding our cultural values of “Cultivating Kind-heartedness, and Benefiting Mankind and Preserving Health”, and shoulder the trust and expectations of shareholders, customers, employees and people from all walks of the society to provide better products and services and concertedly build a harmonious and promising future.

Gao Zhen Kun
Chairman

Beijing, the PRC
29 March 2018

我們秉承中華民族優良的傳統文化，以「德、誠、信」為宗旨，遵循同仁堂「善待社會、善待員工、善待經營夥伴、善待投資者」的價值理念，致力於追求與社會、自然和諧相處之道，著力實現並提高社會責任感。

我們以「仁」為根、以「善」為榮，真誠地對待每一名員工，用心關愛，並促進員工成長與發展。我們努力為員工提供優良的工作、學習環境，實現員工與企業共同成長的發展格局。

我們以「誠」為本、以「質」為先，將傳承百年的製藥精髓融入到生產過程中，將同仁堂古訓融合到經營理念中，恪守「修合無人見、存心有天知」的古訓，以「至優至精」的價值觀念造就出「選料上乘、工藝精湛」的產品品質。

我們以「義」為上、以「和」為貴，在生產經營中始終堅守「義利共生」的道德哲學，講道義、重長遠，倡導綠色生產、低碳經營的理念，用行動踐行綠色發展，營造誠實守信、利益共贏的發展環境。

本人在此謹向本集團全體員工致以衷心的謝意，感謝各位卓有成效的工作及不懈努力；向社會公眾致以誠摯的敬意，感謝各位一直以來的厚愛，對公司的支持和理解。我們將一如既往，持續秉持「同修仁德，濟世養生」的文化內涵，肩負股東、客戶、員工和社會各界的重托與期許，提供更優質的產品與服務，攜手共建和諧的美好未來。

高振坤
董事長

中國，北京
二零一八年三月二十九日



About Us 關於我們



The Company was established in March 2000 and was listed on the Growth Enterprise Market (the “**GEM**”) of the Hong Kong Stock Exchange in October 2000. On 9 July 2010, the Company transferred the listing from GEM to the Main Board (the “**MB**”) of the Hong Kong Stock Exchange. The Company has always been adhering to and enhancing the pharmaceutical tradition where “No compromise on labour cost despite the complexity of processing herbal medicines. No compromise on material resources despite the scarcity of medicine ingredients” since its incorporation. Using modern pharmaceutical technology, we provide premium, safe and authentic products for consumers at home and abroad.

With Chinese patent medicine as its core product, the Group boasts a well-diversified product pipeline that covers health boosting, heat alleviating, exterior syndrome relieving, nerve soothing categories and others with over a hundred forms, including pill, tablet, granule, oral liquid and gums, etc.. Representative products include Liuwei Dihuang Pills, Niu Huang Jiedu Tablets, Ganmao Qingre Granules, Ejiao, etc..

The Company has over 40 domestic and overseas foremost subsidiaries who are engaged in manufacturing and distribution of traditional Chinese medicine products, food and daily chemical products, production of Chinese medical raw materials, medical services, distribution of medicine, etc..

The Group is dedicated to exploring and constructing the modernisation of traditional Chinese medicines and traditional Chinese medicine healthcare, to innovating in inheritance and developing through innovation, and to making a constant effort to promote traditional Chinese medicine.

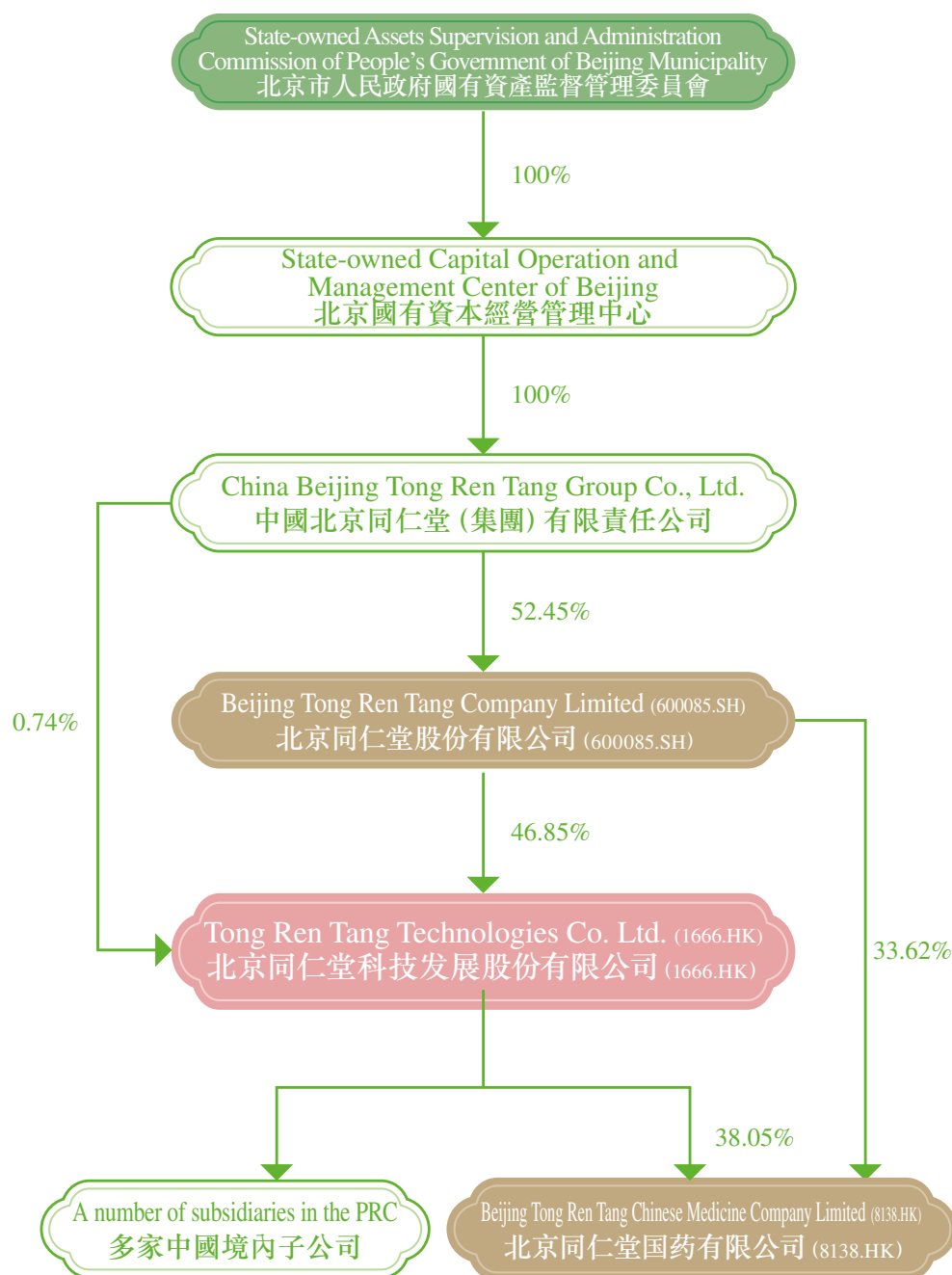
本公司於二零零零年三月成立，同年十月在香港聯交所創業板掛牌上市，並於二零一零年七月九日轉至香港聯交所主板上市。本公司自成立之日起，始終堅持繼承和發揚同仁堂「炮製雖繁必不敢省人工，品味雖貴必不敢減物力」的製藥傳統，利用現代製藥技術，為海內外廣大消費者提供品質優良、安全放心的道地產品。

本集團以中成藥產品為核心，具有豐富的產品儲備，產品涵蓋補益類、清熱類、解表類、安神類等多種門類，涉及丸劑、片劑、顆粒劑、口服液和膠劑等多種劑型的百餘個品種，代表品種包括六味地黃丸、牛黃解毒片、感冒清熱顆粒、阿膠等。

本公司於境內外現有主要子公司40餘家，涉及中藥產品、食品、日化類產品的生產銷售，中藥材原料生產，醫療服務，藥品分銷等業務領域。

本集團致力於傳統中醫藥現代化和中醫藥健康領域的探索與建設，在繼承中創新，在創新中發展，為推動實現中醫藥的傳播與發揚而不斷努力。

Corporate Structure 公司架構



Note: For details of the Company's corporate structure, please refer to the 2017 annual report of the Company.

註：本公司公司架構之詳情請參見本公司二零一七年度報告。



History and Culture 歷史與文化

Founded in 1669 (the 8th year of Kang Xi reign in Qing Dynasty), Tong Ren Tang has a history of over 300 years. Since then, Tong Ren Tang has been adhering to the old maxim of “No compromise on labour cost despite the complexity of processing herbal materials. No compromise on material resources despite the scarcity of medicine ingredients”, taking medicine as a way of “Preserving Health” and “Cultivating Kind-heartedness”, and treating patients with benevolence and competence. This is the foundation of Tong Ren Tang’s culture of quality and integrity, and the code of conduct observed by generations of those at Tong Ren Tang.

Throughout Tong Ren Tang’s history, its owners have endeavoured to maintain the brand of Tong Ren Tang. “Unique prescription, superior materials, superb technique, and obvious effects” have characterized the pharmaceutical expertise of Tong Ren Tang for hundreds of years, well-known in pharmaceutical markets.

The logo of “Tong Ren Tang” is decorated with two flying dragons, which represent the time-honour history of traditional Chinese medicine and indicate that “Tong Ren Tang” brand is a crown jewel of the nation. In 1989, the Trademark Office of the State Administration of Industry and Commerce certified “Tong Ren Tang” as a national well-known trademark. According to Hurun Most Valuable Chinese Brands 2017 published by Hurun Research in 2017, “Tong Ren Tang”, with a brand value of RMB13 billion, ranked 91th among the most valuable Chinese brands and second in the healthcare industry. (The Company has always been under a Trademark License Agreement with China Beijing Tong Ren Tang Group Co., Ltd., under which the Company is entitled to use the trademark and logo of “Tong Ren Tang” for a fee)

Inheriting the essence of the traditional Chinese medicine culture of China, Tong Ren Tang’s culture of traditional Chinese medicine, after over 300 years’ evolution and innovation, combines TCM and Chinese Medicine, tradition and modernity, forming a unique integration of traditional techniques, preparation methods, cultures of benevolence, quality, and integrity, business philosophy, values and brand image.

“Cultivating Kind-heartedness and Benefiting Mankind and Preserving Health” is both Tong Ren Tang’s mission and its spirit. As a pharmaceutical company, Tong Ren Tang takes on the mission of improving and enhancing health and life quality of people. We innovate from the succession and develop from the innovation. We always adhere to the ways of operation of making profits by performing good deeds with honesty and trustworthiness, hold sentiments of preserving tranquillity and wellness, in order to actively promote the Chinese medicine culture.



同仁堂創始於公元1669年(清康熙八年)，至今已有三百多年的歷史。同仁堂自成立之日起，始終堅持「炮製雖繁必不敢省人工，品味雖貴必不敢減物力」的古訓，將醫藥作為「養生」、「濟仁」之方，講「仁心」、重「仁術」，奠定了同仁堂質量和誠信文化根基，成為歷代同仁堂人遵循的行為準則。

歷史上，同仁堂的歷代經營者都全力維護同仁堂品牌。「配方獨特，選料上乘，工藝精湛，療效顯著」是同仁堂數百年的製藥精髓與特色，在中醫藥市場上享有盛名。

「同仁堂」商標採用兩條飛龍，代表著源遠流長的中國醫藥文化歷史，標誌著「同仁堂」品牌乃國之瑰寶，1989年，國家工商行政管理局商標局認定「同仁堂」為國家馳名商標。2017年胡潤研究院發佈的《2017胡潤品牌榜》顯示，「同仁堂」品牌以人民幣130億元的品牌價值，名列最具價值中國品牌榜的第91名，在醫療保健行業品牌中名列第2名。(本公司一直與中國北京同仁堂(集團)有限責任公司簽訂商標使用許可合同，據此，本公司可有償使用「同仁堂」商標及商標圖樣)

同仁堂中醫藥文化是在繼承中國傳統中醫藥文化精髓，經過三百餘年的傳承與創新，將中醫與中藥相結合、傳統與現代相結合，所形成的獨具特色的傳統技藝、炮製方法、仁德文化、質量文化、誠信文化、經營哲學、價值理念與品牌形象的總和。

「同修仁德，濟世養生」是同仁堂的使命，也是同仁堂的精神。同仁堂作為醫藥公司，以改善和提高人民健康水平和生活質量為己任，在繼承中創新、在創新中發展，始終堅持以義為上、誠實守信的經營之道，恪同修仁德之根本，抱濟世養生之情懷，積極弘揚中醫藥文化。



History and Culture 歷史與文化



1669 :

Yue Xian Yang, the founder of Tong Ren Tang, established “Tong Ren Tang Drugstore”.

同仁堂創始人樂顯揚創辦「同仁堂藥室」。

2006 :

“Tong Ren Tang’s Chinese medicine culture” was recognized as one of the first National Intangible Cultural Heritages.

「同仁堂中醫藥文化」列入首批國家級非物質文化遺產名錄。

2004 :

Tong Ren Tang Chinese Medicine was established in Hong Kong.

同仁堂國藥在香港成立。

2000 :

The Company was established and was listed on GEM of the Hong Kong Stock Exchange in October of the same year.

本公司成立，同年10月於香港聯交所創業板上市。

2010 :

The Company transferred the listing from GEM to MB of the Hong Kong Stock Exchange.

本公司轉至香港聯交所主板上市。

2013 :

Tong Ren Tang Chinese Medicine (Stock Code: 8138.HK) was listed on GEM of the Hong Kong Stock Exchange.

同仁堂國藥（股票代碼：8138.HK）於香港聯交所創業板上市。



1723 :

The Emperor Yong Zheng designated Tong Ren Tang as the supplier of medicine for the royal families, a title retained for 188 years over the reigns of eight emperors.

由雍正皇帝欽定同仁堂供奉清宮御藥房用藥，歷經八代皇帝，188年之久。

1997 :

Beijing Tong Ren Tang Company Limited (Stock Code: 600085.SH) was established and was listed on Shanghai Stock Exchange in June of the same year.

北京同仁堂股份有限公司成立（股票代碼：600085.SH），同年6月於上海證券交易所上市。

1992 :

China Beijing Tong Ren Tang Group Company (now “China Beijing Tong Ren Tang Group Co., Ltd.”) was incorporated.

中國北京同仁堂集團公司（現「中國北京同仁堂（集團）有限責任公司」）組建成立。

2014 :

“Tong Ren Tang’s Chinese medicine culture (preparation techniques of traditional Chinese medicine)” was approved as productive protection demonstration base for National Intangible Cultural Heritage; Tong Ren Tang’s “Angong Niu Huang Pills Traditional Preparation Technique” was included in the Fourth Representative List of National Intangible Culture Heritages.

「同仁堂中醫藥文化（傳統中藥材炮製技藝）」被批准為國家級非物質文化遺產生產性保護示範基地；同仁堂「安宮牛黃丸傳統製作技藝」列入第四批國家級非物質文化遺產代表性目錄。



Yue's Bronze Figure, made of bronze, accurately marked with over 360 acupuncture points.

樂氏銅人，由金銅所製，週身精準地刻滿了人體的三百六十多個穴位。

Tong Ren Tang delivered “Ping An Medicines” to candidates of imperial examination

During the Qing Dynasty, the government held the metropolitan examination (an examination in the imperial examination system of ancient China) to select talents. During the period of the examination, Tong Ren Tang presented medicines (also named “Ping An Medicines”) to candidates of the examination from all over the country, in a bid to help them avoid illness caused by their inability to get used to the new environment and thus could affect their performance in the examination. Tong Ren Tang put “Ping An Medicines”, believed to be able to prevent disease and drive away bad luck, into exquisite paper boxes on which the candidates’ names were neatly written, and then commissioned employees to send them to the examination candidates at their guild halls and hotels, a gesture highly appreciated by the candidates.

同仁堂為舉人考生送「平安藥」

清朝時期，清政府為選拔賢能，會舉行會試（中國古代科舉制度中的考試），在會試之期，同仁堂向來自全國各地的舉人考生贈送藥品（亦稱「平安藥」），以避免他們因水土不服生病而影響應考。同仁堂將防病驅邪的「平安藥」放進精美的紙盒，紙盒上工整地寫上舉人考生的名字，然後命夥計們分別送到各個會館、旅店的應考舉人考生手中，得到了舉人考生們的讚許。



Tong Ren Tang gave “Ping An Medicines” to candidates of the ancient imperial examination

同仁堂為舉人考生送「平安藥」



Tong Ren Tang Pu Shan Fire Service

In 1867 (the 6th year of Tong Zhi reign in Qing Dynasty), with money raised on its own, Tong Ren Tang established Tong Ren Tang Pu Shan Fire Service at Dashilar Qianmen of Beijing. The private fire service purchased fire fighting vehicles and equipment as well as fire service flags and uniforms for the safety of local residents. In 1888 (the 14th year of Guang Xu reign in Qing Dynasty), the Zhendu Gate of the imperial palace caught fire, spreading to the Taihe Gate and the warehouse. Tong Ren Tang Pu Shan Fire Service's fire fighting vehicles managed to put out the fire, for which it received commendation from Empress Dowager Ci Xi, who conferred upon it the title of "Little White Dragon".



同仁堂普善水會

1867年（清同治六年），同仁堂自籌資金在北京前門大柵欄設立了「同仁堂普善水會」，購買水車和消防用具，置辦水會的大旗和衣裝，為周邊百姓送去平安。1888年（清光緒十四年），皇宮貞度門失火，殃及太和門和庫房，同仁堂普善水會的水車撲滅了烈火，獲慈禧皇太后讚譽，並諭封其為「小白龍」。

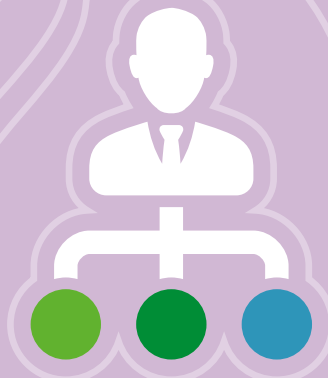
Tong Ren Tang Pu Shan Fire Service received a commendation named "Little White Dragon" from Empress Dowager Ci Xi

慈禧皇太后諭封「同仁堂普善水會」為「小白龍」



經營與管理

Operation and Management





Operation and Management

經營與管理

Results of Operations

經營業績

For the year ended 31 December 2017, the revenue of the Group (including Tong Ren Tang Chinese Medicine Group) was RMB5,025,183,000, representing an increase of 7.71% from RMB4,665,295,000 for the same period last year; and the net profit attributable to owners of the Company was RMB666,666,000, representing an increase of 11.92% from RMB595,654,000 for the same period last year.

Meanwhile, the Group has continuously distributed dividends since its listing in 2000, with an accumulated dividend distribution of over RMB1.8 billion.

截至二零一七年十二月三十一日止年度，本集團（包含同仁堂國藥集團）收入為人民幣502,518.3萬元，較上年同期的人民幣466,529.5萬元增長7.71%；本公司所有者應佔淨利潤為人民幣66,666.6萬元，較上年同期的人民幣59,565.4萬元增長11.92%。

同時，本集團自二零零零年上市以來連續分紅派息，累計派息金額已超過人民幣18億元。

Principal financial indicators of the Group (including Tong Ren Tang Chinese Medicine Group) for 2017 are as follows (RMB'000):

本集團（包含同仁堂國藥集團）二零一七年度主要財務指標（人民幣：千元）：



Operating revenue
營業收入

5,025,183



Total asset
資產總計

8,875,657



Income tax paid
支付的所得稅

186,430



Profit attributable to
owner of the Company
利潤歸屬於
本公司所有者

666,666



Earnings per
share (RMB)
每股收益
(人民幣：元)

0.52



Final dividend to be distributed
per share (Tax included, RMB)
擬分派末期股息
(含稅，人民幣：元)

0.17

Corporate Governance

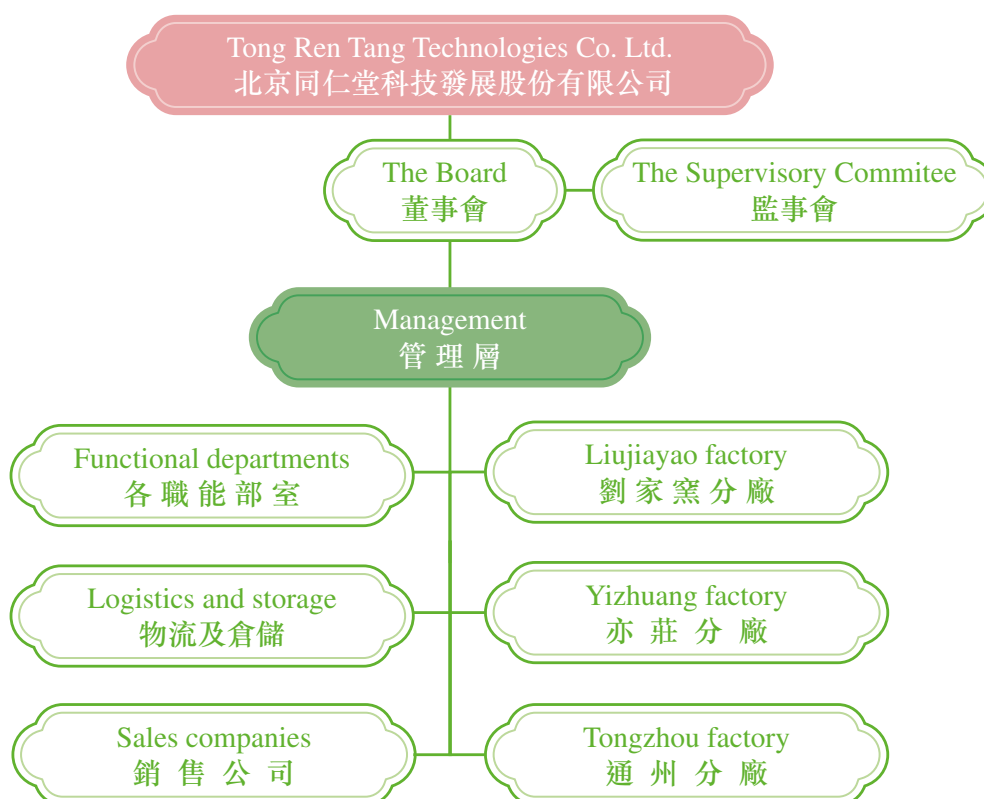
公司管治

The Group fully understands that sound corporate governance is the cornerstone of the development. The Group has adopted the principles and standards contained in the Corporate Governance Code set out in Appendix 14 to the Listing Rules as the Group's standards, combined them with the Group's conditions and constantly optimized corporate management, aiming to establish a good corporate governance structure, improve its governance, enhance the core competitiveness of the Group and fulfill expectations of shareholders and consumers.

本集團深知，良好的公司管治乃發展之基。本集團已採納上市規則附錄十四所載《企業管治守則》之原則及基準作為本集團的標準，同時結合本集團之實際，不斷優化公司治理，旨在構建良好的公司管治架構，提升管治水平，進而提升本集團核心競爭力，不辜負股東及消費者的期許。

Organizational structure of the Company

本公司組織架構





Operation and Management 經營與管理

The Company has set up a corporate governance structure comprising the general meeting, the Board, the Supervisory Committee and the Management pursuant to the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Listing Rules, the Hong Kong Securities & Futures Ordinance and other applicable laws and regulations. The Company's business and operation are led and authorized to be managed by the Board. Certain powers shall be entrusted by the Board to the management. The Board monitors the performance of the management. The Board has three special committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, to supervise the specific affairs of the Company. In addition, the Company has established a dedicated internal audit department – the Audit Department, as well as around 20 functional departments including the Financial Planning Department, the Quality Management Department, the Production Management Department, the Human Resource Department, the After-Sales Service Inspection Department, etc.. Such organizational structure allowed the authority organs, decision-making organs, supervisory organs and the management to have clear roles and responsibilities and operation standards, and enabled them to constrain each other.

During the year, the authority, decision-making and supervisory organs of the Company, including the general meeting, the Board and the Supervisory Committee, all carried out management decision making and played supervisory roles strictly and have operated in a standardized and effective manner. The special committees under the Board also strictly performed their duties.

本公司根據《中華人民共和國公司法》、《中華人民共和國證券法》、《上市規則》、《香港證券及期貨條例》等法律法規，建立了由股東大會、董事會、監事會和管理層組成的公司治理架構。本公司之業務及事務由董事會領導及授權處理，若干權利由董事會委託予管理層，並監察管理層之表現。董事會下設審核、薪酬、提名三個專門委員會，以監察本公司特定方面之事務。此外，本公司設立專門的內部審計部門－審計部，及財務計劃部、質量管理部、生產管理部、人力資源部、售後服務監察部等二十餘個職能部室，從而形成了權利機構、決策機構、監督機構和管理層之間權責明確、運作規範和相互制衡的機制。

本年度內，本公司股東大會、董事會、監事會等權利、決策、監督機構均嚴格進行管理決策和實施監督，運作規範有效。董事會下設的各專門委員會亦嚴格履行其相應職責。



Social Responsibility Management

社會責任管理

The Group has formulated the Social Responsibility Efforts Management System, with the aim of continuously promoting the Group's proactive practices of its social responsibility regarding working environment, operational management, public welfare, environmental protection and other aspects, thereby achieving harmonious development where economic benefits and social interests are both valued.

To further enhance social responsibility management, the Group has set up daily management and execution mechanisms, including a social responsibility leading group and a social responsibility working group, and has hired over 40 part-time messengers in the Company and its subsidiaries, covering key functions such as human resource, employee rights, product research and development, quality management, production management, internal audit, energy statistics, safety and environmental protection. Within the year, the social responsibility working group has conducted field inspections in major subsidiaries, and provided work-related training to messengers at subsidiaries. In the meanwhile, the group has continuously promoted the institutionalization, standardization and the process establishment of managing social responsibility-related works, through day-to-day communication, regular training and meetings, etc..

本集團已制定《社會責任工作管理制度》，旨在不斷推動本集團在工作環境、營運管理、社會公益及環境保護等方面積極履行社會責任，實現經濟效益與社會效益並重的和諧發展格局。

為深入推進社會責任管理工作，本集團已建立社會責任領導小組、社會責任工作小組在內的日常管理與執行體系，並已在公司及各子公司設立兼職信息員40餘名，涵蓋人力資源、員工權益、產品研發、質量管理、生產管理、內部審計、能源統計、安全環保等各關鍵職能。年內，社會責任工作小組深入主要子公司進行實地調研，並對子公司信息員進行工作培訓。同時，通過日常交流、定期培訓、定期會議等形式，不斷推動社會責任工作制度化、規範化、流程化。



Green Governance Award of the Board

On 20 January 2018, the Board of the Company was awarded the Green Governance Award of the Board on the 13th (2017) Golden Roundtable Forum for the Boards of Chinese Listed Companies. The award was set up by the Golden Roundtable Forum for the first time with the aim of encouraging listed companies to continuously perform social responsibility and acquire green growth driver when pursuing economic benefits.

董事會綠色治理獎

2018年1月20日，本公司董事會在《董事會》雜誌主辦的第十三屆(2017)中國上市公司董事會「金圓桌」論壇中榮獲「董事會綠色治理獎」。該獎項為「金圓桌」論壇首次設立，旨在推動上市公司在追求經濟效益的同時，不斷履行社會責任，獲得綠色增長動力。



Operation and Management

經營與管理

Risk Management and Internal Control

風險管理及內部監控

The Board is responsible for evaluating and determining the nature and extent of the risks the Group is able to take in achieving its strategic goals, so as to ensure that the Group establishes and maintains reasonable and effective risk management and internal control systems, and oversees management in the design, implementation and monitoring of the risk management and internal control systems, and is also responsible for reviewing the effectiveness of the systems.

The Group has internal audit functions. A dedicated internal audit department will independently review the operation of the Group on a regular basis to identify violation and risks, if any, and propose suggestions therefore to cope with the identified risks. The internal audit department carries out comprehensive risks identification and streamlines countermeasures within the scope of the Group, updates the Group's risk list and countermeasures on a semi-annual basis, evaluates the overall effectiveness of risk management of the Group and suggests solutions accordingly (if necessary). On top of this, standard and effective risk management and internal monitoring system are established to safeguard the assets of the Group and interests of stakeholders.

Meanwhile, the Group has established risk management and internal control system and issued relevant reports with reference to certain documents, including the Basic Standard for Corporate Internal Control, the Guidelines for Corporate Internal Control Assessment, the Rules for the Preparation and Reporting of Information Disclosed by Listed Issuers of Securities No.21 – General Provisions on the Annual Internal Control Assessment Report and the Internal Control Evaluation Manual.

董事會負責評估及釐定本集團達成策略目標時所能夠接受的風險性質及程度，確保本集團設立及維持合理及有效的風險管理及內部監控系統，監督管理層對風險管理及內部監控系統的設計、實施及監察，並有責任檢討該等制度的有效性。

本集團具有內部審核功能，並由專門的內部審計部門定期獨立檢討本集團之運營，以辨識任何違規活動及風險，並提出相關建議，以應對所識別之風險。內部審計部門在本集團範圍內開展全面的風險識別及應對措施的梳理，每半年更新本集團的風險清單和應對措施，評價本集團整體風險管理有效性，提出相應的處理方案(如需要)。進而建立規範、有效的風險管理及內部監控體系，保障本集團資產及各利益相關方權益。

同時，本集團已參照《企業內部控制基本規範》、《企業內部控制評價指引》、《公開發行證券的公司信息披露編報規則第21號—年度內部控制評價報告的一般規定》及《內部控制評價手冊》等文件，以搭建風險管理及內部監控系統及出具相關報告。



Preparation and implementation
of risk management strategies
風險管理策略的制定與實施

Set up risk assessment criteria and develop risk reference tables to classify the categories of risks, the magnitude of impacts and the possibilities of occurrence. 設立風險評估準則及制定風險參照表，將風險的類別、影響程度、發生的可能性進行劃分。

Identification of risks
風險的識別

The relevant units regularly identify the risks with potential impacts on their operations and submit the risk management self-checklist. 各相關單位定期識別對其營運具有潛在影響的風險，填報《風險管理自查表》。

Assessment of risks
風險的評估

The relevant units assess the impacts of the identified risks on their business and the possibilities of their occurrence and the effectiveness of existing monitoring measures. 各相關單位就已識別風險對其業務的影響及其發生的可能性以及現有監控措施的成效作出評估。

Response to risks
風險的應對

The relevant units give weighting to risks and benefits and select the risk response solutions according to the results of risk assessment and by taking into account the causes of risk and tolerance. 各相關單位根據風險評估的結果，結合風險發生的原因以及承受度，權衡風險與收益，選擇風險應對方案。

Monitoring reports and
early warning of risks
風險監控報告與預警

The relevant units monitor the risk relief work, and submit to the Group's audit department Report on Self-examination of Risks every six months. 各相關單位監查風險紓減工作，並於每半年向本集團審計部門提交風險自查報告。

Treatment of risks
風險的處理

The internal audit department summarizes and arranges the self-examination of relevant units, reports to the management and provides the corresponding treatment plan. 內部審計部門匯總、整理各相關單位自查情況，向管理層作出彙報，提供相應處理方案。

Supervision and assessment
of risk management
風險管理的
監督與評價

The internal audit department prepares a comprehensive risk management and internal control supervision and evaluation report on a regular basis and submits it to the management and Audit Committee, and the Board for review. 內部審計部門定期編製全面風險管理與內部控制監督評價報告，並提交管理層及審核委員會、董事會審閱。



Operation and Management

經營與管理

Anti-Corruption

反腐敗

The Self-Discipline Culture reflects the high moral standards and good self-constraints adopted by employees of Tong Ren Tang. Tong Ren Tang has long placed top priority on interests of customers, patients and employees, and held conscience and consumers in high regard. Furthermore, Tong Ren Tang set high standards for its employees and management, as well as a series of systems and standards, thereby creating a rigorous self-discipline environment.

In strict compliance with national laws and regulations and its internal policies, the Group requires its employees to abstain from such misconducts as fraud, offering or accepting bribery, corruption, extortion and money laundry.

To effectively carry out the integrity campaign, the Group improves its internal audit rules and regulations, and the internal control system with an aim at strengthened internal management, risk management and anti-corruption management. The Group has strictly complied with “Three Importance and One Large” system (the system under which decisions on important matters, appointment and resignation of important managerial staff, arrangements on important projects, and use of large-sum money have to be decided on after group discussions). In daily operation, the Group strictly abided by rules such as governing business expenditure and executive management. The matters in the scope of the “Three Importance and One Large” system shall be decided by the group in meetings such as the Party Committee meeting, the Board meeting, the office meeting of managers, the employee representative’s leaders’ joint meeting (“**Employees Representative Meeting**”) and others. Meanwhile, the Group has strengthened supervision over managerial staff at different levels, and effectively carried out anti-corruption, admonishing and warning talks as well as written inquiries. In addition, the Group has established a Party building leading group and an office for daily implementation in this regard. It also maintained an accountability system in Party building and required signing of the letters of responsibilities in oversight of Party work style and anti-corruption.

「自律文化」是同仁堂人的優秀品德與自我約束。同仁堂始終把顧客、患者、員工的利益放在第一位，敬畏良知，敬畏消費者。同時，提出了同仁堂人標準、同仁堂幹部標準和一系列制度規範，形成嚴格的自律氛圍。

本集團嚴格遵照國家法律法規及本集團有關制度規定，要求員工不得存在欺詐、行賄、受賄、貪污、勒索、洗黑錢等失當行為。

本集團有效開展廉潔建設工作，建立健全內部審計規章制度及內部控制體系，強化內部監督、風險控制及反腐敗管理。本集團嚴格遵循「三重一大」制度(重大事項決策、重要幹部任免、重要項目安排、大額資金的使用，必須經集體討論做出決定的制度)，在日常工作中嚴格遵循業務支出、幹部管理等若干規定開展各項工作，針對「三重一大」事項，相應召開黨委會、董事會、經理辦公會、職工代表團(組)長聯席會(「職工代表大會」)等形式的會議，作出集體決策。同時，加強對各級幹部的日常監督管理，做好廉政談話、誡勉談話、警示談話及函詢工作，並成立黨建工作領導小組及日常辦公室，堅持黨建工作責任制、落實黨風廉政建設責任書。



A chief auditor has been appointed to build up the Group's internal audit monitoring and internal control system. To reduce operation risks, an internal audit department is also in place to exercise monitoring over financial incomes and expenses, budgets, final accounts, asset quality, operating performance and other economic activities as well as internal investments such as infrastructure projects, major technological upgrades etc..

During the year, the Group carried out a comprehensive self-check with the aim of strengthening internal management. The checked areas include the matching, accuracy and reasonability of financial data, the compliance and legitimacy of financial instruments, books and accounting, establishment and performances of each system and duties on each position, standardization and implementation of each approval and review procedures, record keeping, as well as the keeping and using of capital instruments and seals. Meanwhile, the Group rectified flaws immediately upon discovery to ensure effectiveness in the Group's internal control management.

本公司設有總審計師，全面負責本集團的內部審計監督及內部控制體系建設工作；亦設有內部審計部門，對財務收支、財務預算、財務決算、資產質量、經營績效及其他有關經濟活動，以及基建工程、重大技術改造等內部投資項目進行監督，從而降低經營風險。

年內，為加強內部管理，本集團開展全面的內控自查，包括財務數據的配套性、準確性及合理性，財務票據、賬簿及核算的合規性、合法性；各項制度、崗位職責的建立與執行情況，各項審批、審核流程的規範與執行情況，文件檔案保管、資金票據及印鑒的保管及使用情況。同時，針對發現的問題立即進行整改，保障本集團內部控制管理的有效性。





Operation and Management 經營與管理

In addition, the Group has also formulated the Management System on Internal Supervision Information Feedback as well as monitoring and complaints channels to encourage all employees to monitor the management by giving feedback and reporting any inadequacies and irregularities of its internal operations through multiple channels. To avoid conflict of interests and to protect whistle blowers, the Group has conducted investigation and verification and set role and responsibility and action plans accordingly. For those being suspected of committing crime, the Group will timely notify and report them to relevant authorities to strictly prohibit any forms of illegal operation activities such as bribery, fraud and corruption, so as to promote the Group's operation compliance with laws.

During the Reporting Period, these rules and systems served the control and preventive function in risk control and anti-corruption management of the Group, and no material defect was identified. During the year, no litigation regarding corruption occurred in the Group.

In the meanwhile, the Group actively carried out anti-corruption education and training on a regular basis through centralized teaching and distribution of learning materials, so as to raise employees' self-discipline and anti-corruption awareness.

此外，本集團亦制定有《內部監督信息反饋管理制度》及監督投訴渠道，鼓勵全體員工參與監督，通過多種渠道反饋、報告集團內部營運缺陷或各類違規行為。本集團在確保相關人員迴避和為投訴人保密的基礎上，對受理的投訴進行調查、核實，並制定責任追究方案和補救整改措施，對於涉嫌犯罪的人員，本集團將及時向相關部門檢舉、報告，進而嚴格遏制賄賂、詐騙、貪污等各類違法經營行為的發生，促進本集團的依法合規經營。

於報告期內，該等制度及體系對本集團風險控制及反腐敗管理方面起到了控制與防範作用，未發現重大缺陷。年內，本集團亦未發生貪污腐敗相關訴訟。

同時，本集團積極開展廉潔教育與培訓，通過集中授課、下發學習材料等多種方式，開展經常性的廉潔教育，不斷提升全體員工的自律意識以及反貪腐意識。





Visit the Anti-corruption Advocacy and Education Base

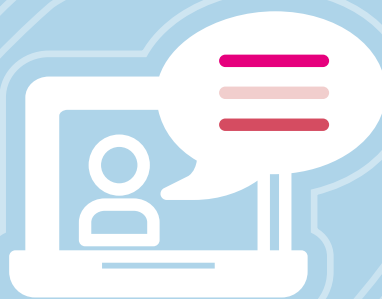
The Company has continued to strengthen construction of clean governance, and organized a number of cadres to visit Beijing Shijingshan District Anti-corruption Advocacy Education Base in the year, continuously improved the awareness of organizational discipline, and incorruptibility and self-discipline of the cadres at all levels, enhanced moral cultivation and achieved self-respect, self-examination, self-alertness and self-excitation at all time, and firmly established the mindset and moral defense against corruption.

參觀反腐倡廉警示教育基地

公司持續加強廉政建設工作，於年內組織部分幹部參觀北京市石景山區反腐倡廉警示教育基地，不斷提升各級幹部組織紀律性與廉潔自律意識，加強道德修養，時刻做到自重、自省、自警、自勵，牢固樹立拒腐防變的思想道德防線。







產品與服務
Products and Services



Products and Services 產品與服務

Supply Chain Management

供應鏈管理

The quality of medicinal materials is the basis for the inheritance and promotion of tradition Chinese medicine, as well as the resource support for the organic development of traditional Chinese medicine enterprises. As a heritage traditional Chinese medicine brand, Tong Ren Tang is well known throughout the world by its “high quality materials”. Therefore, the Group cherishes its solid partnership with suppliers. It aims to achieve win-win results in cooperation with all relevant parties through its operational excellence, superior product and service quality, as well as transparent and fair procurement activities.

Supply chain management is always one of the key links in the Group’s quality control system. With a focus on product quality risk management, the Group keeps a close eye on quality and safety crisis signals of its medicines. The Company focuses on risk management relating to product quality, monitors red flags in medicine quality safety, and attaches great importance to the compliance of its products with regulations, and carries out self-inspections and rectifications in a timely manner to ensure product quality.

To ensure the quality of raw materials of medicinal materials, auxiliary ingredients and packaging, the Group has strictly complied with the Law of the People’s Republic of China on the Administration of Pharmaceuticals, Good Manufacturing Practice (“GMP”) and relevant laws and regulations, and established supplier management systems, such as Management Regulations about Suppliers of Traditional Chinese Medicine Material, Management Regulations about Suppliers of Raw Material, Auxiliary Ingredient and Packaging Material, Management Regulations about Supplier Audit, Evaluation and Approval, etc.. The Group has adopted standardization management toward material purchasing, and has clarified supplier qualifications, selection standards, quality auditing and evaluation standards and material quality evaluation standards to establish an increasingly complete management system.

中藥材質量是中醫藥事業傳承和發展的基礎，也是中醫藥企業健康持續發展的資源保障，同仁堂作為一家歷史悠久的中藥老字號，一直以「選料上乘」而聞名於世。因此，本集團重視與供應商之間建立的良好合作關係，努力通過增強運營能力、提升產品和服務質量、開展陽光透明的採購行動，實現與各方合作共贏的格局。

供應鏈管理始終是本集團質量控制體系中的重要環節之一。本集團注重產品質量的風險管理，關注藥品質量安全的危機信號，高度重視產品的合規性，及時自檢自查，並及時整改，確保產品質量。

為確保本集團所用中藥材原料、輔料及包裝材料的供應質量，本集團嚴格按照《中華人民共和國藥品管理法》、《藥品生產質量管理規範》（「GMP」）及其他相關法律法規的要求，制定了《中藥材供貨商管理規程》、《原料、輔料、包材供貨商管理規程》、《供應商審計、評估與批准管理規程》等管理制度，對物料採購推行標準化管理，明確供應商資質要求、選擇標準、質量審計評估標準以及物料質量評估標準等，進而建立了日趨完善的管理體系。



The Group exercises a high level of scrutiny over supplier selection. Based on adequate qualifications, our quality department, collaborated with related units, conducts assessment and on-site audits on product quality of suppliers, and makes a general appraisal. The production department then conducts suitability and quality consistency tests. Suppliers must pass the audits and assessment before being allowed to provide products.

Based on identified material risk, the Group has adopted level-to-level management which classifies risks into four levels. The Group has identified supplier risk levels accordingly. For different levels, the Group has decided corresponding audit cycle and has formulated next year's audit plans, basing on the outcome of the supplier annual review and risk evaluation, and increases audit frequencies on production suppliers with high risks so as to further reduce material purchasing risks and to ensure product quality.

At the same time, the Group also carries out long-term quality monitoring and regular reviews on all suppliers. At the end of each year, the Company will take a comprehensive evaluation on the qualifications and assessment on the performance of production suppliers and adopt different handling methods for suppliers according to the results.

During routine management, in case of a significant change in supplier qualification or serious quality issue, the Group will suspend purchasing order on the supplier immediately and, if necessary, cancel its qualification to ensure the quality and safety of the Group's products.

本集團進行嚴格的供應商選擇，在確保供應商資質符合條件的基礎上，由質量部門協同相關單位進行供應商的供貨質量的評估和現場審計，並綜合評估，由生產單位再進行適用性及產品質量穩定性試驗。經過審計、評估合格的供應商方可供貨。

本集團依據物料風險將生產所需物料分為四個等級進行分級管理，並以此劃分物料供應商的風險等級，針對不同的風險等級，規定相應的審計週期，並結合供應商年度回顧及風險評估結果制定新一年的供應商審計計劃，針對高風險物料的供應商適時增加審計頻次，進一步降低物料採購風險，保障產品質量。

同時，本集團亦會對所有供應商進行長期質量監控及定期評審。於每年年末，公司會對物料供應商資質、質量進行綜合評審，並結合評審結果對供應商採取不同的處理方式。

日常管理中，如若發現供應商資質存在重大變動或出現嚴重質量問題，本集團將立即停止該供應商之供貨，必要時取消其資格，確保本集團產品質量安全。





Products and Services 產品與服務

Product Responsibility

產品責任

The Group has adhered to and inherited Tong Ren Tang's medicine preparation principles of over 300 years. Using modern pharmaceutical technologies, the Group ensured medicine quality through a series of quality management measures and systems covering medicinal materials, preparation, dosage manufacturing and others.

The Group has strictly complied with Law of the People's Republic of China on the Administration of Pharmaceuticals, Law of the People's Republic of China on Product Quality, Administrative Measures on Adverse Drug Reaction Reporting and Monitoring and other national laws and regulations about product safety so as to ensure product safety. As most of the Group's products are medicines, ensuring product quality and safety is a top priority for the Group.

The Group's quality control is executed primarily in accordance with relevant requirements of Pharmacopoeia of the People's Republic of China (2015 version), GMP, the ISO9001 quality management system and the Group's internal quality control standards. The Group has formulated a complete set of quality inspection management standards covering traditional Chinese medical raw materials, auxiliary ingredients, packaging materials, semi-finished and finished products, which detailed the requirements for various objects, methods and coverage of tests.

本集團堅守和傳承同仁堂300多年的製藥宗旨，利用現代製藥技術，形成了藥材、炮製、制劑等的一系列質量管理措施、制度，以保證藥品質量。

本集團嚴格遵照《中華人民共和國藥品管理法》、《中華人民共和國產品質量法》、《藥品不良反應報告和監測管理辦法》等國家有關產品安全的法律法規，致力於確保產品安全。特別是本集團的產品大多屬於藥品，保證產品質量及安全無疑是本集團工作的重中之重。

本集團的質量控制主要根據《中華人民共和國藥典》(2015版)、GMP、ISO9001質量管理體系及本集團內部質量控制標準的相關要求執行。本集團制定了各項質量檢驗管理標準，包括中藥材、輔料、包材、半成品及成品，對各種檢驗對象、檢驗方法與檢驗內容做出了詳細規定。



Under a comprehensive source-to-sale management framework, the Group implements strict acceptance inspections from raw material procurement, sourcing and storage, which shall be suspended upon identification of any quality defect.

In terms of material selection, the Group has strictly followed the planting and harvesting approach specific to places of origin and terminal, using “Premium, Pure, and Authentic” medicinal raw materials to ensure excellent material selection and feeding and to control the quality at source. The Company has established the internal control standards for the raw materials quality control, including a set of internal inspection standards to identify raw material, to prevent the mix of materials from the different sources. The Company has a professional quality & control team, with the experts in medicinal materials to firstly carry out the appearance character inspection for the raw materials, and implement the full inspection for raw materials lot by lot through detection by professional inspection teams and such professional equipment as high-performance liquid chromatography (HPLC), gas chromatograph and atomic fluorescence spectrometry (AFS) and control their quality strictly.

本集團實施自源頭至終端的全線管理模式，從原料採購、進貨直到入庫均採用嚴格的驗收制度，一旦發現質量不達標準，立即停止進貨。

選料方面，本集團嚴格遵循「採其地、用其時」的種植採收標準，採用「上等、純潔、道地」的地產藥材，確保選料、投料一流，從源頭把控產品質量。對於原材料之質量控制，本公司建立了一套內控標準，包括原材料基源鑒別的內部檢驗標準，杜絕不同基源的原材料相互摻雜，保證原材料質量。本公司配備有豐富經驗的專業原材料驗收與檢驗隊伍，由藥材專家團隊首先進行原材料外觀性狀檢驗，並通過專業檢驗團隊以及高效液相色譜儀、氣相色譜儀、原子螢光光度計等專業設備的檢測對原材料進行逐批全項檢驗，嚴格把控原材料質量。



Products and Services 產品與服務



Lu Guang Rong, aged 81, heir of a National Intangible Cultural Heritage, holding the title of Capital Renowned Expert of Chinese Medicine, was a representative figure of Tong Ren Tang's traditional inspection techniques for raw materials of traditional Chinese medicines.

Since she began to work, Lu Guang Rong has been working at the forefront of inspection of expensive and refined medicinal materials. With decades of arduous study and practice, she has mastered excellent techniques


in inspection of expensive and refined raw medicinal materials, becoming a renowned expert in inspection of raw materials of traditional Chinese medicine in China. Expensive and refined raw materials, such as bezoar, musk, and velvet antler, are frequently fabricated due to their high value, but none of the counterfeit or duplicate products, however authentic they may appear, has ever fooled Lu Guang Rong. She can determine in which province or country are bezoar and musk produced by their shapes and sizes, and by the characteristics associated with different specifications and grades, she can determine the date on which a velvet antler is collected and which time it is at, and even how many days the antler has grown.

蘆廣榮，81歲，國家級非物質文化遺產項目傳承人，首都國醫名師，同仁堂中藥材傳統鑒別技術的代表人物。

自參加工作起，始終堅守在貴細藥材檢驗的第一線，通過幾十年的刻苦鑽研與實踐，練就了一身貴細藥材鑒別的精湛絕藝，成為全國中藥材屆的知名鑒定專家。牛黃、麝香、鹿茸等貴細原料因其價值高昂，歷來摻假嚴重，但再逼真的假品、仿品在蘆廣榮的手中也無法矇混過關。蘆廣榮能夠根據原料的外觀形狀判定牛黃、麝香產自哪個省份或哪個國家，還能根據不同規格等級的性狀特徵判定鹿茸採集的日期、是幾茬茸，甚至能指出鹿茸多生長了幾天。



Further, to pass down the inspection techniques of traditional Chinese medicine and promote traditional Chinese medicine culture, Lu Guang Rong observes the tradition of learning from a master and imparting on disciples, and cultivates over 10 talents, teaching them the thinking, concepts and ethics of traditional Chinese medicine and the way of life in addition to the techniques and knowledge. In her decades of dedication to the protection of the quality of traditional Chinese medicine, she has always been diligent and striving for excellence. She was awarded National Exemplary Female Worker, Beijing Model Worker, and March 8 Red-Banner Holders, to name just a few, and was granted the title of Patriotic Skill Competition Expert, Performance Award of National Traditional Chinese Medicine Skill Competition, Capital Renowned Expert of Chinese Medicine, and top 500 Elder Experts of Traditional Chinese Medicine in China. In 2017, Lu Guang Rong was invited to make a guest appearance on the program named Yangshengtang, broadcasted by Beijing TV Station, in which she appeared in an episode entitled Yangshengtang – Awesome Doctor Team – Famous Medicine Designed for Longevity and expounded on the key points in the selection and inspection of expensive and refined medicinal materials, and the knowledge about different grades of ginseng and velvet antler.



同時，為傳承中藥傳統的鑒別技藝，弘揚傳統中醫藥文化，蘆廣榮秉承師帶徒的傳統，傳道受業，相繼培養後繼人才十餘名，並在傳授技藝的同時，傳揚中醫藥傳統文化思維理念與藥德、做人之理。為中藥材質量保駕護航幾十年的蘆廣榮，始終兢兢業業、精益求精。曾榮獲全國先進女職工、北京市勞動模範、三八紅旗手等多項殊榮，並獲得了愛國技術競賽能手、全國中藥技術競賽表演獎、首都國醫名師、全國500名中醫藥老專家等諸多榮譽稱號。二零一七年，蘆廣榮應邀做客北京電視台《養生堂》欄目，參與拍攝《養生堂－厲害了我的醫生團－巧用名藥延壽年》，詳細講解貴細藥材的挑選、鑒別要點，以及不同等級的人參、鹿茸片的相關知識。

During the production, the Group has always followed the old maxim of “No compromise on labour cost despite the complexity of processing herbal medicines. No compromise on material resources despite the scarcity of medicine ingredients”, sticking to strict product quality control throughout the production process, and has won sound reputation. Adhering to the ancient maxims, the Group combined the traditional preparation techniques with modern pharmaceutical technologies, and strictly complied with the characteristic traditional Chinese medicine processing and production procedures and techniques that Tong Ren Tang has developed in nearly a hundred years’ practices. The Group strictly controlled every key point in production, and constantly pursued better quality. Tong Ren Tang boasts characteristic grinding levels, mixing uniformity, as well as temperature and timing in integration of Chinese medicinal materials of different qualities. In addition, it features special manual water-based pill manufacturing techniques and wax coating techniques.

在生產過程中，本集團始終遵循「炮製雖繁必不敢省人工，品味雖貴必不敢減物力」的古訓，堅持嚴格的產品質量控制，一直贏得良好的口碑。本集團遵照古訓，在繼承同仁堂傳統炮製技藝的同時，與現代製藥技術相結合，嚴格遵循在百年實踐中形成的獨具同仁堂特色的中藥加工製作工序及工藝，嚴格把控每一個生產關鍵點，不斷追求精益求精。不同質地中藥材粉碎的細度、研配的均勻度、合坨的溫度和時間、手工泛丸技術、吊蠟皮技術等均獨具特色。



Products and Services 產品與服務



Tong Ren Tang Ejiao: Based on formula originated from Tong Ren Tang and passed down for over a hundred years

The traditional processes used in manufacturing Ejiao is a live example of Tong Ren Tang's ancient medicine preparation techniques. During the year, Tong Ren Tang's traditional Ejiao manufacturing processes were included in the List of Representative Items of Intangible Cultural Heritages of Dongcheng District, Beijing.



In the production of its Ejiao products, the Group consistently adopted Tong Ren Tang's traditional materials standards. It integrated its own Ejiao production techniques with the production standards of royal pharmacy in Qing imperial palace. During the integration process, Tong Ren Tang developed unique Ejiao preparation techniques. It insisted on using premium and full piece of donkey skins as the raw materials. Experienced medicine preparation workers carefully check the entire piece of donkey skin, particularly the neck, ear and tail parts, so as to prevent the use of any fake donkey skin. During production, the Group strictly adopted the ancient preparation processes that include stewing, foaming, collection, drying and wiping. In the key production process, the Group did its best to preserve the ancient manners and follow every stage. It takes over 20 work stages to manufacture a piece of Ejiao. By adopting such rigorous production procedures, the Group managed to build a high-end brand image in the Ejiao market.

Ejiao can be used to replenishing blood for nourishing Yin, moistening dryness and hemostasis, manifested as blood deficiency and swallow complexion, vertigo and palpitation, irritability and sleepless, and cough due to lung-dryness. Clinically, Ejiao is used to treat diseases caused by blood deficiency in traditional Chinese medicine. As people's living standard improves, more and more customers use Ejiao to boost health and maintain beauty.

同仁堂阿膠：傳承百年方，源自同仁堂

傳統制膠技藝是同仁堂古法炮製工藝的鮮活見證。年內，同仁堂阿膠傳統製作技藝列入北京市東城區非物質文化遺產代表性項目名錄。

本集團生產的阿膠一直沿用同仁堂傳統的用料標準，在自身制膠工藝與清宮御藥房製藥標準的融合中形成了同仁堂特有的阿膠傳統古法炮製技藝。堅持以上等、整張驢皮為原料，由經驗豐富的製藥老師傅們對整張驢皮進行精細鑒別，對頭、耳、尾等細節樣貌層層把關，堅決杜絕假料混入。本集團在生產過程中，嚴格遵循熬膠、打沫、收膠、悶晾、擦膠的傳統古法炮製工序，並且在關鍵的製作技藝上，盡可能保留先人古法，恪守每一道工序。一塊阿膠從原料到消費者手中，歷經20多道工序，打造了阿膠系列高端精品的品牌形象。

阿膠可以補血滋陰，潤燥，止血，用於血虛萎黃，眩暈心悸，心煩不眠，肺燥咳嗽。中醫臨床上主要用阿膠治療因血虛引起的病症。隨著人們生活質量的提高，越來越多的人用阿膠強身健體，美容養顏。



Xihuang Pills: Beauty of perfection in traditional production technique

Tong Ren Tang Xihuang Pills are another flagship product of the Group. Written historical records showed that it has been manufactured since 140 years ago. As a medicine once exclusively supplied to the royal family by Tong Ren Tang, the manufacturing of Xihuang Pills has long used classic formulas, high quality materials, exquisite production techniques and traditional ways of preparation. Production of the medicines

is subject to the standards that were once used in medicine supply for the imperial palace in Qing Dynasty, and only “Premium, Pure, and Authentic” medicinal materials are accepted. Xihuang Pills’ formula, which only accepts natural, high quality fine materials, ensured the medicine to be preserved completely as a treasure in Chinese medicine. Meanwhile, Tong Ren Tang has applied its featured and time-honored pill starching techniques for the manufacturing of the product. Many complicated processes are used, including medicinal materials identification, grinding, fine materials mixing, water-based pill making, drying in shade and selecting. This to the biggest extent guarantees the efficacy and quality of the medicine.

Xihuang Pills can be used for heat clearance and detoxification, swelling reduction and resolving mosses, manifested as carbuncle, furunculosis, scrofula, deep multiple abscess and malignant lump. It’s a classic formula in Chinese patent medicine.

西黃丸：傳統製作技藝的極致之美

同仁堂西黃丸，同樣作為本集團的代表性產品，其有文字記載的生產歷史已有140餘年。作為昔日同仁堂傳統御藥，同仁堂西黃丸一直堅持配方精典、選料上乘、技藝精良、炮製傳統的理念，傳承清宮用藥標準，選用「上等、純潔、道地」藥材，其純雙天然的優質細料的配方，保證了西黃丸作為中華醫藥的瑰寶被完整的傳承。同時，其製作工藝精良，秉承了同仁堂具有悠久生產歷史和傳統制劑特色的糊丸技藝，從藥材鑒別炮炙，到粉碎與細料套研，再到起模子泛丸、陰乾選粒等諸多繁複工藝，都最大限度的保證了藥品的療效和質量。

西黃丸可以「清熱解毒，消腫散結」，主治用癰疽疔毒，瘰癧、流注、癌腫，是中成藥中的經典名方。





Products and Services 產品與服務

The Group also strengthens prevention and control of quality risks by monitoring the whole manufacturing process through establishing the quality personnel system and three-level quality supervision and management system to strictly ensure the product quality. Inspections in the production process are conducted through random sampling in accordance with the Group's stricter internal control standards which are built upon national standards. In case of substandard product in the production process, the quality officers have the right of veto power to ensure our products fully comply with the quality requirements.

During the year, the Group has carried out the careful and thorough on-site inspections of all production workshops in strict accordance with GMP, and controlled the product quality rigorously through strengthening the site management and control. Meanwhile, the Group kept upgrading and improving its production equipment to improve the technology and process standards, and ensure the quality of the products.

本集團亦持續加強質量風險防控，通過構建質量人員派出體系以及三級質量監督管理體系，對產品生產進行全過程監控，嚴格確保產品質量。本集團生產過程中的檢驗採取隨機抽樣的檢驗方式，檢驗標準在基於國家標準的基礎上制定更為嚴格的內控標準。生產過程中若出現不合格產品，質量管理人員均有權實行一票否決，確保產品完全符合質量要求。

年內，本集團嚴格按照GMP相關要求，定期的對各生產車間進行細緻、全面的現場檢查，通過加強現場管控，嚴控產品質量。同時，本集團亦不斷升級、改良生產設備，進而提升技術標準與工藝標準，確保產品質量。





To ensure product quality and improve production efficiency, when inheriting the traditional Ejiao production techniques of Tong Ren Tang, the Group also continuously optimized the production procedures and improved production facilities. In April, the Company's subsidiary Beijing Tong Ren Tang (Tangshan) Nutrition and Healthcare Co., Ltd. received two Certificates of Utility Model Patent from the State Intellectual Property Office of the People's Republic of China for Fully Automatic Ejiao Cutting Machine and Bottom Stamping and Printing Technologies and Equipment for Ejiao Dose Products.



為保障產品質量、提高生產效率，本集團在繼承同仁堂傳統制膠工藝的基礎上，持續優化工藝流程、改進工藝設備。4月，本公司之子公司北京同仁堂(唐山)營養保健品有限公司獲得中華人民共和國國家知識產權局頒發的「全自動切膠機」、「膠劑產品表面底紋燙印技術及設備」兩項實用新型專利證書。

All production units in the Company attached great importance to quality-related training and carried out all types of professional trainings involving GMP management, standard operation procedures and other aspects. These trainings enhanced quality staff's expertise and boosted the Company's quality management. During the year, the production lines of certain dosage types of the Company's Liujiayao factory and Yizhuang factory passed the recertification under the new edition of GMP.

本公司各生產單位高度重視質量相關的培訓工作，開展GMP管理、標準操作規程等各類專業培訓，不斷提升質量人員的專業技術素養，提升質量管理水平。年內，本公司劉家窯分廠及亦莊分廠部分劑型的生產線順利通過新版GMP的再認證工作。



Products and Services 產品與服務

Consumer Services

消費者服務

Upholding the principle of honesty and trustworthiness, we endeavour to protect the privacy of customers and to provide correct information for them, to safeguard their rights to information, and to build a reliable environment to serve them.

The Group places great emphasis on safe medication practices of patients and attaches great importance to the monitoring and reporting of drug reaction. We have strictly complied with the relevant laws and regulations, including Administration Measures on Reporting and Monitoring of Adverse Drug Reaction, Rules for Implementation of Administration Measures on Reporting and Monitoring of Adverse Drug Reaction in Beijing, etc.. The Group has also developed relevant management regulations for reporting and monitoring of adverse drug reaction as well as the processes thereof, enabling the Group to report to the National Centre for Adverse Drug Reaction Monitoring (國家藥品不良反應監測中心) in a timely manner. In the meanwhile, the Group has also formulated and strictly implemented Management Procedures for Product Returns, so as to ensure timely and proper handling of product returning.

The Group has also published a Protocol on Drug Recall Management. If quality defects or safety hazards are identified in launched products, they will be promptly handled in strict accordance with the protocol and procedures to ensure the vital interests and medication safety of consumers. During the Reporting Period, Kaixiong Shunqi Pills produced by the Company was told to be disqualified in terms of content uniformity (it was found to exceed the standard limit in respect of content uniformity, while other test indicators are all qualified). Following a thorough investigation by the Company on the entire production and sales process of this batch of products, it was discovered that the disqualified content uniformity was caused by improper storage by the Inspected Entity. Upholding the attitude of being responsible for consumers, the Company recalled this batch of products immediately after it was informed thereof in accordance with the procedures on Drug Recall Management. We will fully cooperate with the drug administration authority, and actively take actions to completely avoid the recurrence of such incident.

本集團秉承誠實守信之原則，竭力保護消費者隱私，並為其提供準確的消費信息，確保消費者的知情權，為廣大消費者營造一個可以信賴的服務環境。

本集團重視患者的用藥安全，注重藥品不良反應的監測和上報，嚴格執行《藥品不良反應報告和監測管理辦法》、《北京市藥品不良反應報告和監測管理辦法實施細則》等法律法規，並制定有關藥品不良反應報告與監測的相關管理規定，建立了不良反應監測、報告流程，並及時上報予國家藥品不良反應監測中心。同時，本集團亦制定有《產品退貨管理規程》，並嚴格遵照執行，確保產品退貨得到及時、妥善處理。

本集團亦制定有《藥品召回管理規程》，若已上市銷售的產品存有質量缺陷或安全隱患，將及時按照制度及程序嚴格執行，確保消費者的切身利益與用藥安全。於報告期內，本公司生產的開胸順氣丸被告知裝量差異項目不合格(檢查項中裝量差異超過標準上限，其他指標均合格)，經本公司對該批次產品生產及銷售全過程進行全面調查，發現造成裝量差異不合格的原因為被抽檢單位保存不當所致。本著對消費者負責的態度，本公司在知悉的第一時間便嚴格參照本公司藥品召回流程對該批次產品實施召回，並全力配合藥監部門開展相關工作，積極採取措施，堅決杜絕類似事件再次發生。



Regarding operational quality, the Group has strictly complied with the Good Supplying Practice (“GSP”) and other applicable laws and regulations in its operating activities. It focused on serving customers and constantly improved operational quality by strengthening and innovating management.

The Group has established standard operational procedures for dealing with pharmaceutical enquires, complaints and handling, and set up the after-sales service inspection department to record consumer visits, incoming calls and emails in detail, and patiently explain and answer their enquiries. The department will carry out investigation promptly and handle the cases properly in case of product complaints, and require customer service personnel to vigorously protect the security and confidentiality of the personal information of the enquiring persons. During the Reporting Period, the Company received over 4,000 consumer enquires and complains through its customer service hotline with a handling ratio of 100%, effectively safeguarding the legitimate interests of each consumer.

In marketing promotion, the Group has strictly complied with the relevant laws and regulations, including GSP, Advertising Law of the People’s Republic of China, Measures for the Administration of Medical Advertisement, Law of the People’s Republic of China on the Administration of Pharmaceuticals, Measures on the Review of Drug Advertisements, etc., and formulated internal management systems of the Group such as Measures for Administration of Advertisement Promotion and Administration System for Internal Review on Dissemination of Online Information, etc.. It has also established systems for management procedures, review and filing of advertisements. The Group has strictly implemented the above measures to ensure the legal compliance of the Group’s advertisement promotion and stringently prohibited any acts that would cause damage to the image of the Company and the brand such as illegal advertisements, etc..

經營質量方面，本集團在經營管理活動中嚴格遵守《藥品經營質量管理規範》（「GSP」）等法律法規，堅持以顧客為中心，加強和創新經營管理，不斷提升本集團經營質量。

本集團建立了藥品諮詢、投訴及處理等標準操作程序，亦設有售後服務監察部，詳細記錄消費者來訪、來電及郵件記錄，給予其耐心解釋與答覆，如遇產品投訴等情況將立即調查和妥善處理，同時，要求客戶服務人員嚴格維護諮詢人員個人信息的安全性及保密性。於報告期內，本公司客戶服務熱線接到消費者各類諮詢信息共4,000餘次，處理率達到100%，有效地保障消費者的合法權益。

在市場宣傳過程中，本集團嚴格執行GSP、《中華人民共和國廣告法》、《醫療廣告管理辦法》、《中華人民共和國藥品管理法》、《藥品廣告審查辦法》等法律法規，並制定《廣告宣傳管理辦法》、《網絡信息發佈內部審核管理制度》等內部管理制度，建立廣告管理流程及審查備案制度，並嚴格執行，確保廣告宣傳合法合規，遏制違法廣告等有損公司及品牌形象的情形發生。



Products and Services 產品與服務



Our subsidiaries Beijing Tong Ren Tang Nansanhuan Zhonglu Drugstore Co., Limited (“**Nansanhuan Zhonglu Drugstore**”) and Beijing Tong Ren Tang Second Traditional Chinese Medicine Hospital Co., Ltd (“**Tong Ren Tang Second Traditional Chinese Medicine Hospital**”) always adhered to the operating direction of famous doctors, well-known brand and illustrious medicine, and incorporated the service culture of “Heal the world” into daily operation of the companies. The companies attached great importance to patients’ personal information and privacy, respected their rights to know and select and maintained quality

priority on services and operation to give full play to featured operations in a customer-oriented manner. Within the year, Nansanhuan Zhonglu Drugstore and Tong Ren Tang Second Traditional Chinese Medicine Hospital were dedicated to meet diverse medication and diagnosis & treatment needs of patients. Tong Ren Tang Second Traditional Chinese Medicine Hospital adhered to the principle of using traditional Chinese medicine as the primary method complemented by western medicine to continuously improve on medical care quality. Also, it provided patients with professional medical services by adding new drug categories, treatment programs, treatment equipment and other means.

本公司之子公司北京同仁堂南三環中路藥店有限公司(「南三環中路藥店」)及北京同仁堂第二中醫醫院有限責任公司(「同仁堂第二中醫醫院」)始終堅持名店、名醫、名藥的經營方向，將同仁堂「濟世為懷」的服務文化融入到日常經營中，注重對於患者個人信息及隱私權的保護，尊重患者的知情權與選擇權，始終以顧客為中心，堅持服務質量與經營質量並重。年內，南三環中路藥店及第二中醫醫院主動致力於滿足患者多元化的用藥、診療需求，同仁堂第二中醫醫院堅持中醫為主，中西醫結合的特色治療方式，不斷提升醫療質量。同時，通過新增藥品品類、治療項目、治療設備等多種方式，為廣大患者提供專業化的診療服務。



In addition, the Group strictly protected intellectual property and regulated its use and management according to the Patent Law of the People's Republic of China and the Trademark Law of the People's Republic of China and other laws and regulations. All employees of the Group have obligations to keep the confidentiality of the Group's trade secrets and matters related intellectual property rights.

In the meantime, the Group attached great importance to the enforcement of intellectual property rights in its brands and products and set up a market observer patrol system to closely monitor and prevent possible infringements in the market. In 2017, the market observers of the Group paid visits to various provinces and cities such as Zhejiang, Fujian, Heilongjiang and Shaanxi in the PRC, inspecting situations that could give rise to potential illegal product promotions and counterfeit of the Group's products and Tong Ren Tang brand, in order to further standardize market order, prevent potential risks and protect interests of consumers and the Group.

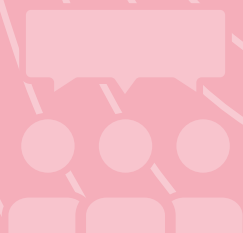
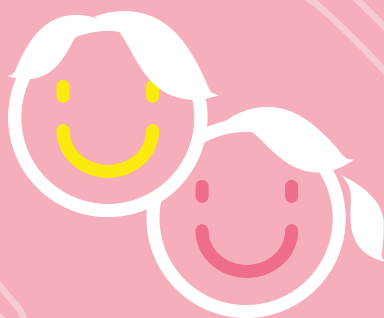
此外，本集團依據《中華人民共和國專利法》、《中華人民共和國商標法》等法律法規，嚴格保護知識產權，規範其使用及管理，本集團所有員工須負有保守本集團商業秘密及與知識產權相關事項的義務。

同時，本集團高度重視品牌及產品的維權工作，設立市場巡查體系，對市場可能出現的侵權行為進行嚴格的監控和防範。二零一七年，本集團市場巡查員先後走訪浙江、福建、黑龍江、陝西等中國內地多個省市，對可能出現的產品違規宣傳、仿冒本集團產品及同仁堂品牌之情形進行巡查，進一步規範市場秩序，防範潛在風險，保障消費者及本集團權益。





關愛員工 Employee Care



Employee Care 關愛員工

Employment and Staff Standards

僱傭及員工標準

The Group attaches importance to development and growth of talents, and believes that realization and promotion of employees' value will help achieve the Group's overall goals. The Group highly recognizes employees' contributions to its business growth. The Group also provides skill training, career planning and development opportunities to the staff as well as humanistic cares to each employee, seeking to create a platform for mutual growth and development of the Group and employees.

The Group understands and recognizes the benefits of the diversity of staff, which is regarded as one of the key elements to maintaining its competitive advantages in the long run. A company with a wide diversity of cultures should be inclusive of employees with different genders, ages, skills, educational backgrounds, industry experiences and other qualities in order to achieve the most suitable composition and balance.

本集團重視人才建設及發展，深信員工價值的實現與提升，會有助於本集團整體目標的實現。本集團高度評價員工對集團業績增長所做出的貢獻，並為員工提供技能培訓、職業規劃及發展機會，為每一名員工提供人文關懷，致力於為員工創造一個與本集團共同成長、共享發展的平台。

本集團瞭解及認同多元化員工結構的裨益，並視之為維持集團長久競爭優勢的重要元素之一。一個具備多元文化的公司應包括不同性別、年齡、技能、教育背景、行業經驗及其他質素的員工，以達致最適合之結構和平衡。

The Group Employees portfolio 本集團人員分佈

Total employees 員工總數



2017
2016

3,064 名
3,160 名

Breakdown by gender 男女比例



2017
2016

1.2:1
1.2:1

Breakdowns by age 按年齡分佈



	2017	2016
Under 30 30歲以下	35%	38%
Aged 30 - 39 30歲-39歲	30%	26%
Aged 40 - 49 40歲-49歲	18%	17%
Aged 50 and above 50歲及以上	17%	19%

Breakdowns by academic qualification 按學歷分佈



	2017	2016
Post-graduate and above 研究生及以上	3%	3%
University 本科	30%	27%
College graduate 大專	27%	24%
High school and below 高中及以下	40%	46%

The Company Employees portfolio

本公司人員分佈

Total employees 員工總數



2017
2016

2,005 名
2,090 名

Breakdowns by gender 男女比例



2017
2016

1.5:1
1.5:1

Breakdowns by age 按年齡分佈



	2017	2016
Under 30 30歲以下	41%	42%
Aged 30 - 39 30歲-39歲	26%	22%
Aged 40 - 49 40歲-49歲	14%	13%
Aged 50 and above 50歲及以上	19%	23%

Breakdowns by academic qualification 按學歷分佈



	2017	2016
Post-graduate and above 研究生及以上	5%	4%
University 本科	37%	33%
College graduate 大專	23%	23%
High school and below 高中及以下	35%	40%

The Company had 120 employees with intermediate or senior titles which accounted for 6.0% of the total headcount, 119 ethnic minority employees which accounted for 5.9% of the total headcount, and 25 disabled employees which accounted for 1.2% of the total headcount.

The diversity policy also applies to the Company's senior management. As of 31 December 2017, the Company had a male/female composition of 1:1 for senior management, with the breakdowns by age and specialty illustrated as below:

本公司取得中、高級職稱人數為120人，佔公司總人數的6.0%；少數民族員工119人，佔公司總人數的5.9%；殘障員工25人，佔公司總人數的1.2%。

多元化政策亦適用於本公司高級管理人員。截至二零一七年十二月三十一日止，本公司高級管理人員男女比例為1:1，年齡分佈及專業領域分佈如下圖：

Senior management of the Company portfolio*

本公司高管人員分佈

Breakdowns by age 按年齡分佈



	2017	2016
Aged 40 - 45 40歲 - 45歲	1	1
Aged 46 - 50 46歲 - 50歲	1	2
Aged 51 - 55 51歲 - 55歲	4	3
Aged 56 - 60 56歲 - 60歲	2	2

Breakdowns by professional field 按專業領域分佈



	2017	2016
Traditional Chinese Medicines 中藥類	4	4
Economics 經濟類	1	1
Management 管理類	1	1
Engineering 工程類	2	2

* For details of the resumes of senior management, please refer to the 2017 annual report of the Company.

* 本公司高級管理人員之履歷請參見本公司二零一七年度報告。



Employee Care 關愛員工

The Group believes that an appropriate personnel turnover can bring new vitality continuously, which is conducive for its long-term healthy development. During the Reporting Period, the Company recorded a personnel inflow of 48 persons, representing an inflow ratio of 2.39%; a personnel outflow (including departures, retirees and personnel death) of 133 persons, representing an outflow ratio of 6.63%. In 2017, the number of employees of the Company decreased as compared with the same period last year primarily due to reduced number of new employees and the retirement of employees.

本集團相信，適當的員工流動能夠為公司不斷帶來新的活力，促進本集團健康長遠發展。於報告期內，本公司新入職員工48人，流入率為2.39%；流出（包括離職、退休及離世）人員133人，流出率為6.63%。二零一七年度，本公司員工人數較上年同期有所減少主要由於新入職員工數量減少及人員退休所致。

Employee Code of Conduct and Policy 員工準則與政策

The employee recruitment and treatment standards of the Group base strictly complied with the relevant laws and regulations of the PRC including Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, and the Law of the People's Republic of China on Protection of Minors. The Group established strict recruitment system and process to avoid cases of child labour and forced labour. In case of any suspected violation above, the Group will immediately assist the victim employee in reporting to the police or relevant labour authorities in strict compliance with national laws and regulations, and will take every effort to cooperate in investigation. Should the case be confirmed, the Group will promptly affix the responsibility of the person liable. During the Reporting Period, no child labour, forced labour or any other violations happened.

The Group adopts a working hour system of 8 hours a day and five days a week for office staff, as well as a work shift and alternate holiday system for production staff where appropriate. The arrangements for rest days and statutory holidays of employees are consistent with those provided in the national labour laws and regulations.

To maintain a rational and adequate personnel structure, the Group has established qualifications and requirements to different posts, which are taken as criteria in recruitment. The Group's recruitment channels include campus recruitment, experienced hire and internal referral, etc.. Each candidate is subject to requirement of academic qualifications and professional skill certificates as well as relevant interviews. The Group adheres to the principle of equal payment without any discrimination due to gender, age, race, religion, cultural and educational background or any other factors, and enters into written employment contracts with all employees on the basis of equality, free will and consensus.

本集團的員工招聘及使用標準均嚴格遵照《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國未成年人保護法》等中國相關法律、法規執行。本集團設有嚴謹的招聘制度及流程，避免聘用童工及強迫勞工個案的發生。如若出現上述違規情形，本集團將嚴格按照國家相關法律法規立即協助受害員工向警方或相關勞動部門報告，並竭力配合調查，如若屬實，本集團將立即追究違規辦事人員責任。於報告期內，未有聘用童工、強迫勞工等事項發生。

本集團辦公室員工實行每日8小時、每週5天的工作時間制度；生產員工或實行輪班、輪休制度。員工的休息日及法定節假日與國家勞動法規一致。

為維持合理的人員構成，本集團為不同崗位設立了任職資格及標準，作為招聘員工之準則之一。本集團的招聘渠道包括校園招聘、社會招聘及內部推薦等。每位應聘者均須符合學歷及專業技能等方面的條件，並通過相應面試。本集團奉行同工同酬之原則，不因性別、年齡、民族、宗教、文化及教育背景等因素而存在歧視，亦堅持平等、自願、協商一致的理念，與所有員工簽訂了書面形式的勞動合同。

In the meanwhile, the Group has also established a rigorous and prudent dismissal process in accordance with national laws and regulations. The Group may terminate employment contract with an employee who involves in serious dereliction of duty or severe violation of national laws and regulations or the Group's rules and regulations, in which case the procedures shall be handled in accordance with the Management System on Service Termination and Retirement of Employees of the Group.

同時，本集團亦依據國家相關法律法規設立嚴謹而審慎的解僱流程。若本集團之員工存在嚴重失職或嚴重違反國家法律法規或嚴重違反本集團相應規章制度等情況，本集團可與其解除勞動合同，並按本集團《員工離職、退休管理制度》辦理相關手續。

Employee Training and Development

員工培訓與發展

We fully understand that employees' continuous growth is the foundation and driving force for organic development of the Group. With a focus on employee growth needs and career planning, the Group has established an assessment system and promotion mechanism integrating training, use and evaluation of talents, in order to build up a sound career-development platform for employees. The virtuous cycle of talent cultivation, utilization and identification lays a solid foundation for and plays as a strong driver to the Group's sustainable development and the self-growth of employees.

The Group adopts the principle of unified management and tiered training for its staff education and training and it has a multi-layer system with diversified format of training in place. Upon joining the Company, new employees must participate in induction training in relation to the Company's culture, corporate policies and goals, production safety, necessary skills, etc.. Meanwhile, the Group also provides a wide range of training sessions each year for all employees covering management, quality standards, skills and extended areas, etc..

During the year, the Group held a number of training sessions for employees at senior, middle and junior levels based on the actual development needs. The trainings covered innovation management, brand strategy management, performance management, interdepartmental communication and many other practical courses. These trainings further enhanced skills and expertise of employees, and delivered impressive results.

我們深知，員工的不斷成長是本集團保持健康、長遠發展的根基與動力。本集團持續關注員工的發展訴求和職業規劃，建立健全人才培訓、使用、評價一體化的考核評價體系和晉升機制，為員工搭建良好的職業發展平台，實現人才培養、使用和選拔的良性循環，進而為本集團的可持續發展和員工的自我成長奠定堅實的基礎和提供充足的動力。

本集團對員工的教育培訓採取統一管理，分級培訓的原則，進而建立起多層次、多形式的培訓體系。針對新入職員工，自其入職之日起即接受公司文化、方針目標、安全生產和崗位入職等培訓；同時，每年針對全體員工進行各種類別的培訓，涵蓋管理類、質量標準類、技能類、拓展類等諸多方面。

年內，本集團根據實際發展需要，針對高層、中層及基層等各級員工，舉辦了多場培訓，囊括創新管理、品牌戰略管理、績效管理、跨部門溝通等多項實用課程，進一步提升了本集團員工的技能和專業素養，取得了良好的效果。



Employee Care 關愛員工



Career training: Major contents of the training are job skills, professional skills and technical skills, to provide every new employee with a good growth and development platform.

職業培訓：從崗位技能、職業技能、專業技能三個方面進行培訓，以保證每位新入職的員工都能夠獲得良好的成長與發展空間。



Development training: Help employees fulfil their potential, improve team spirit, and develop an excellent team through extension activities.

拓展培訓：通過拓展活動，幫助員工挖掘自身潛能、增強團隊意識，打造優秀的團隊。



Management training: Taking both the needs of the managers and requirements of the external environment into consideration, provide appropriate training for different managers, ensure the quality and efficiency of the management training.

管理培訓：結合管理者自身需求與外部環境要求，針對不同的管理者組織參加相應的培訓，保證管理培訓的高質高效。



In May, the Group invited the MTP (Management Training Program) lecturers to provide a two-day centralized training for middle management and key staff. The lecturers taught participants how to set and achieve targets through experience sharing, case analysis, interaction and communication, allowing them to quickly improve their management capability and professional competence.

5月，本集團邀請MTP（管理培訓計劃）實戰講師對公司中層管理人員及業務骨幹進行為期兩天的集中培訓，講師通過經驗傳授、案例分析、互動交流等方式，深入淺出地引導學員學習如何制定和執行目標，使學員們能在工作中快速提升管理能力及業務水平。



In August, the Group provided new staff with a five-day training with various forms, which covered business management, human resources management, GMP and GSP management regulations, and regulations on safety in production, helping them adapt to the Company's work environment and atmosphere quickly.

8月，本集團為新入職員工舉辦了為期五天、形式豐富的培訓內容，涵蓋企業管理、人力資源管理、GMP及GSP管理規範、安全生產規範等，幫助員工快速適應公司的工作環境和氛圍。



Employee Care 關愛員工



Inheritance and Innovation, Combination of Theory and Practice

The Company has a well-established “Master-and-Apprentice” talent cultivation model. Under this model, Xue Lian Gui, an expert of pill-making application techniques of the Company, has been rooted in the traditional Chinese medicine and committed to the technological innovation and the cultivation of skilled talents. Through the combination of theoretical knowledge and practical teaching, he enables his apprentices to practice what they learn and learn from what they practice to enhance the mutual influence of learning and practice, constantly improving their knowledge and skills as well as their personal value.

傳承創新「理練結合」

本公司素有「師帶徒」的人才培養模式，其中，本公司丸劑應用技術領域專家薛連貴始終以中藥傳統工藝為基礎，以開拓技術創新為原則，以培養高技能人才為宗旨，通過理論知識與實踐教學相結合，讓徒弟們學以致用、用以促學、學用相長，不斷提高徒弟們的知識與技能水平，提升其個人價值。





During the year, the Company launched “E-learning”, an online learning platform for employees, and its WeChat application, which covered over 20 types of courses and resources including management, logical thinking, office skills and career planning. Employees could study anywhere and at any time through WeChat or on computers. They are able to make full use of their fragmented time to continuously improve their professional competence and skills, driving their continuous growth and development.

年內，公司「E-learning員工在線學習平台」及其微信小程序正式上線，涵蓋管理類、邏輯思維、辦公技能、職業規劃等20餘類課程及資源，員工通過微信、電腦可隨時、隨地進行學習，充分利用員工碎片化的時間，不斷提升員工的職業素養與技能水平，為員工的不斷成長與發展創造條件。



Employee Care 關愛員工

In 2017, training sessions organized by the Group: over 300.

The Group has identified three promotion pathways-operation management, professional technique and technical operation. The Group encourages and organizes qualified employees to participate in professional technical training programs and examinations, and issues letters of appointment as appropriate to employees who passed the examinations and obtained certificates based on the actual work requirements. They are also entitled to allowances for the corresponding positions. Meanwhile, the Group also encourages employees to participate in various vocational qualification examinations, and allows adequate free time for professional technical and vocational personnel to participate in training or continuing education specific to their posts or specialties in expectation of their goals of self achievement and career development.

With the aim of Building a Growth Path for Employees, the Group has diligently selected, fostered, used and retained talents, gradually establishing a training mechanism that can bring employees' potential into full play. The Group also maintains a "Pyramid Talent Project" catering to its development plan and needs to cultivate, discover and select technical talent with excellent technical and business skills, under which talents are classified and hired into experts, chief technicians, chief workers, outstanding young talents, etc. and bonus is provided monthly so as to establish a talent pool of leading experts at different levels and management trainees across different posts including scientific research, quality, production, sales and management, so as to build a development channel for employees. By the end of 2017, the number of employees included into the Company's "Pyramid Talent Project" has reached 226 (2016: 214 persons), including 8 experts (2016: 8 persons), 6 chief technicians (2016: 5 persons), 151 chief workers (2016: 148 persons) and 61 outstanding young talents (2016: 53 persons).

二零一七年度，本集團開展培訓：超過300場。

本集團依照各崗位性質及工作特點劃分出經營管理、專業技術、技能操作三種職級職系晉升路徑，鼓勵並組織符合條件的員工參加專業技術培訓及考試，對考試合格取得證書的員工根據實際工作需要頒發聘書並可享受相應等級的津貼。同時，本集團亦鼓勵員工參與各類職業資格考試，亦給予專業技術人員和職業資格人員充分自由的時間參加相應崗位或專業的培訓或繼續教育，期待員工自我價值及職業發展目標的實現。

本集團以「為員工創造成長之路」為宗旨，注重人才的「選、育、用、留」，逐步建立起「人盡其才」的培養機制。本集團根據自身發展規劃及需要設立「金字塔人才工程」，培養、發現和選拔技術精湛、業務出色的技術人才，分層次評聘為專家、首席技師、首席職工、優秀中青年人才等，並每月給予相應的獎金，以期在科研、質量、生產、銷售、管理等崗位上造就一批不同層次的專業帶頭人及後備人選，開闢員工的成才發展之路。截至二零一七年底，獲聘為本公司「金字塔人才」的員工已達226人(二零一六年：214人)，其中專家8人(二零一六年：8人)、首席技師6人(二零一六年：5人)、首席職工151人(二零一六年：148人)、優秀中青年人才61人(二零一六年：53人)。





A Stage to Share Your Story

In May, the youth representatives of the Group from different fields and positions attended the Young Employees Forum and shared with each other their stories and dreams.

這個舞台，總有一個故事與你有關

5月，本集團青年代表齊聚青年人才論壇，共同聆聽來自不同領域、不同崗位的青年，講述自己的青春故事，共話成才夢想。



Employee Rights and Benefits

員工權益及福利

The Group guarantees and safeguards the rights and interests of employees in a proactive manner and lays stress on enhancing the sense of belonging of employees, and improves all kinds of employee benefits on an ongoing basis.

Remunerations of the employees of the Group are determined with reference to the prevailing market level as well as the competency, qualifications and experience of individual employee. Discretionary bonuses based on individual performance will be paid to the employees as recognition of and as rewards for their contributions to the Group. Other statutory benefits include contributions by the Group to the endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance and housing fund. Meanwhile, in continually updating and improving its employee remuneration policy and system, the Group takes full consideration of the balanced growth between employee remuneration and the Company's business performance, to ensure an equal access to and sharing of value according to employees' contribution.

本集團積極保障並維護員工權益，同時重視提升員工的歸屬感，致力於員工各項福利的持續改善。

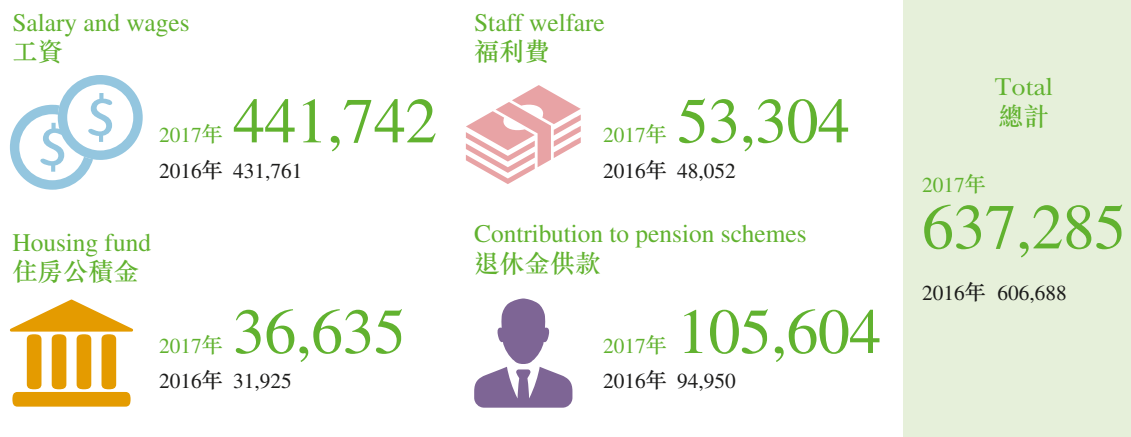
本集團員工之薪酬參照市場水平及自身之能力、資歷和經驗而釐定，亦會按年內個人表現酌情發放獎勵，以激勵員工對本集團做出的貢獻，並按國家規定為員工繳納養老保險、醫療保險、失業保險、工傷保險、生育保險及住房公積金。同時，本集團不斷改革和完善員工薪酬政策及體系，充分考慮員工薪酬應與公司業績同步增長，確保員工能夠公平的獲得價值並按貢獻程度分享價值。



Employee Care 關愛員工

The Group's labour costs
本集團人工成本

人民幣千元 RMB'000



In addition, to recognize individuals and groups who made outstanding contributions to the development of the Company, the Group holds selection activities for excellent performance every year. In 2017, the Company selected 119 employees for excellent performance and 54 groups for excellent performance. The Company total paid over RMB900,000 in cash awards to these excellent individuals and groups for their preeminent contributions to the Company.

The working time of employees in the Group complied with related requirements in Labour Law of the People's Republic of China and Labour Contract Law of the People's Republic of China. The Group's employees are entitled to statutory holidays prescribed by PRC, as well as paid leaves for circumstances including ethnic minority events such as the Lesser Bairam Day, participation in parents' meetings and preschool children vaccination, and employees will enjoy bonus, allowance, subsidy and welfare in paid vacations according to the state and group system. A mechanism is also in place to provide a certain percentage of medical expense reimbursement for family members of qualified employees to lessen their burden. During the Reporting Period, the Group visited sick and retired employees and gave their care and support in the form of financial aid.

The Group made every effort to improve the working environment and facilities, endeavouring to provide a comfortable workplace for all employees. In addition, the Group has canteens at different workplaces and provides our employees with nutritious and varied healthy foods. In 2017, the Company hosted learning and exchange activities about cooking skills among different canteens. Through competition, learning and exchange between different cooking skills, the quality and types of dishes in the canteen have been further improved.

此外，為表彰對本集團發展做出突出貢獻的先進個人和集體，本集團每年均會開展先進評選工作。於二零一七年度，本集團共評選出優秀員工119名以及先進集體54家，並對上述先進個人或集體發放獎金共計人民幣90餘萬元，以獎勵其對本集團做出的傑出貢獻。

本集團員工之工作時間符合《中華人民共和國勞動法》及《中華人民共和國勞動合同法》中的有關要求。同時，本集團員工均享受帶薪休假，除享有國家規定的法定節假日外，適逢開齋節等少數民族節日、參加子女家長會、學齡前子女注射疫苗等，均會相應給予假期，員工帶薪休假之獎金、津貼、補貼、福利等按國家及本公司有關制度發放。本公司還為滿足條件的員工家屬提供一定比例的醫療費用報銷，以減輕員工負擔。於報告期內，本集團走訪慰問病困及離退休員工，並以慰問金、慰問物品等形式給予其關心與資助。

本集團盡全力改善員工的工作環境及設施，致力於為全體員工提供舒適的工作環境。此外，本集團在不同工作場所均設有員工食堂，為廣大員工提供營養豐富、品種多樣的健康餐品。年內，公司舉辦食堂廚藝交流活動，通過廚藝間的相互比拚、學習和交流，進一步改善食堂飯菜質量、豐富菜品品類。



Breakfast Menu at the Dining Hall in the Liujiayao Factory of the Company
本公司劉家窯分廠員工食堂早餐菜譜



On the Eve of the Mid-Autumn Festival, the canteen in the Liujiayao factory of the Company made safe and delicious moon cakes for our employees and send them our holiday greetings.

中秋節前夕，本公司劉家窯分廠員工食堂為廣大員工製作放心、味美的月餅，送出對員工節日的祝福。



Employee Care 關愛員工

The Group lays emphasis on employees' rights to information and freedom of speech. For this purpose, it has established labour union in accordance with the law, which has provided smooth and effective communication channels to the employees. Moreover, the Group has delivered latest corporate news to all staff in a timely manner through various means, such as the Office Automation Platform ("Platform"), WeChat public account, advertising board and internal periodical. The Group also listens to and adopts employee's opinions and suggestions, whereby appropriate measures are taken in a timely manner to address their concerns and protect their interests.



Reading Room
閱覽室

The Group takes efforts to promote work-life-balance for employees, and provides venues and facilities such as basketball courts, badminton halls, gymnasium and multi-purpose halls, and organizes various activities from time to time. The Company also provides employees with clean and comfortable reading and painting rooms, and publishes internal periodicals such as "Sail (起航)", "Speak and Hear (亦聲亦聞)", "Our Voices (通聞同聲)" and "Home Growth Talks (成長家話)" to enrich their cultural life. During the Reporting Period, the Group organized a total of more than 20 events, including the Cultural and Artistic Performance, Ping-Pong Matches, Chess Competition, Walking, Orienteering, Outing, Photographic Competition, and the

number of participants was nearly 3,000. These activities not only helped the employees to relieve stress and enjoy an enriched lifestyle, but also established a platform for employees to express themselves and communicate.

本集團注重員工的知情權與話語權，依法建立工會組織，為員工提供了暢通有效的溝通渠道。同時，通過電子辦公平台、宣傳欄、微信公眾號、內部刊物等形式及時將本集團最新動態傳遞給每一位員工，並積極聽取員工的意見與建議，針對員工關注度較高的問題及時採取相應的解決措施，保障廣大員工的利益。

本集團致力於員工生活與工作的平衡，為員工提供了籃球場、羽毛球館、健身房、多功能廳等運動場地及娛樂設施，並不定期舉辦各項活動。此外，亦為員工提供舒適整潔的閱覽室及書畫室，定期發行《起航》、《亦聲亦聞》、《通聞同聲》、《成長家話》等內部刊物，豐富員工的文化生活。報告期內，本集團共組織包括文藝匯演、乒乓球比賽、棋牌比賽、健步走、拓展訓練、踏青採風、攝影比賽在內的20餘場豐富多彩的活動，參與人數近3,000人次，在幫助員工舒緩壓力、豐富生活的同時也為員工搭建了展現自我及溝通的平台。



Gymnasium
健身房



The rich and colourful entertainment activities
豐富多彩的文娛活動



Employee Care 關愛員工

Employee Health and Safety

員工健康與安全

The Group always lays the health and safety of employees at the top priority. Under the Management Procedures for Employees' Healthcare and the Management Procedures on Hygiene and Employees' Health Conditions, the Group arranges regular physical examinations for all employees each year. For employees engaged in occupational hazards, the Group strictly implements relevant provisions in the Law of the PRC on Prevention and Control of Occupational Diseases and relevant labour protection regulations, and seeks to reduce the incidence of occupational diseases through regular physical examinations and other measures.

本集團始終把員工的健康與安全放在首位，制定了《職工健康管理規程》及《衛生和人員健康狀況管理規程》，每年定期組織員工進行健康體檢。對於從事具有職業危害的員工，本集團嚴格執行《中華人民共和國職業病防治法》和相關勞動保護條例等有關規定，通過定期進行健康檢查等方式降低職業疾病發生率。



In May, the Liujiayao factory of the Company promoted and educated employees in some production units on "Law of the PRC on Prevention and Control of Occupational Diseases", distributing publicity materials on-site and organizing the employees to learn, so as to strengthen awareness of occupational disease prevention and safeguard the rights and interests of employees.

5月，本公司劉家窯分廠對員工進行了《中華人民共和國職業病防治法》的宣傳及普及工作，現場發放宣傳材料，並組織員工進行學習，進一步增強廣大員工的職業病防患意識，維護員工健康權益。



The Group has continued to promote safe production, and formulated three-levelled safety inspection regulations and standards which include factory level, workshop level and group level. It has also established a good preventive mechanism. Through the safe officer's daily inspection, the Group has supervised and troubleshoot safety risks in a timely manner to continuously strengthen the construction of safe production standardization, so as to protect its employees. Furthermore, dedusting, denoising and poison-proof devices are furnished at production workshops, where standard safety signs for hazard articles are in place and inflammables and explosives are stored and used according to strict requirements. Production staffs are provided with PPE - personal protective equipment such as protective articles with a view to minimize the negative impact on employees' health.

本集團持續推進安全生產，制定分廠級、車間級、班組級的三級安全檢查制度與標準，建立良好的預防機制，通過安全員的每日巡視，及時監控、排查安全隱患，不斷加強安全生產規範化建設，以保護員工的安全。此外，本集團生產車間均裝有除塵、除噪、防毒等設備，並規範設置危險品識別標誌，規範使用、儲存易燃易爆物品，並為生產員工提供防護等勞保用品，最大限度地降低對員工健康的傷害。

The Group also holds regular drills on fire evacuation, self-help and escape each year to strengthen safety and self-protection awareness of employees. Furthermore, the Group also carries out monitoring and evaluation of occupational hazards in production premises on a regular basis. During the year, some industrial units under the Company invited the third party to detect microwave, dust and other occupational hazards. The results met related national standards and realized the objective to prevent, control and eliminate occupational hazards and safeguard the working environment.

同時，本集團每年定期舉行消防疏散、自救、逃生等演練，強化員工的安全意識以及自我保護意識。此外，本集團亦定期對生產場所進行職業病危害因素監測與評價。年內，部分分廠由第三方機構對微波、粉塵等職業危害因素進行檢測，檢測結果符合國家標準，進以預防、控制和消除職業病危害，保障員工的工作環境。



Fire Fighting facilities
消防設施



In November, on the National Fire Safety Day, Shaheku, the storage unit of the Company, organized staff to conduct firefighting knowledge training and simulate the extinguishing process of virtual fire points, aimed at enhancing employees' awareness of fire safety, their ability to extinguish fire and escape from fire spot, and at the same time, testing the effectiveness of fire emergency plan.

11月，在全國消防安全日來臨之際，本公司倉儲單位沙河庫組織員工進行了消防知識培訓、虛擬火點滅火應急演練，旨在提升員工消防安全意識、滅火能力和火場逃生自救能力，同時，檢驗火警應急預案的有效性。







環境保護
Environmental Protection



Environmental Protection

環境保護

The Group has strictly abided by national and local laws and regulations, such as Environmental Protection Law of the People's Republic of China, Air Pollution Prevention Law of the People's Republic of China, the Laws on Promoting Clean Production of the People's Republic of China. It has also formulated relatively complete regulatory systems including the Management System on Environmental Protection, the Management System on Clean Production, the Management System on Prevention and Control of Water Pollution, the Management System on Atmospheric Pollution Prevention and Control and the Management System on the Hazardous Waste, which further realized the objective of energy-saving, consumption reduction, pollution reduction and efficiency improvement, meanwhile has controlled the discharge of various pollutants effectively.

本集團嚴格遵守《中華人民共和國環境保護法》、《中華人民共和國大氣污染防治法》、《中華人民共和國清潔生產促進法》等各項國家及地方法律法規，制定了《環境保護管理制度》、《清潔生產管理制度》、《水污染防治管理制度》、《大氣污染防治管理制度》、《危險廢物管理制度》等較為健全的規章制度，進一步達到節能降耗、減污增效的目的，有效的控制各類污染物排放。

Emissions

排放物

The Group has paid great attention to the construction and improvement of environment protection management system, continuously focused on the problem of pollutant emission during production and operation, as well as supervised its own discharge data.

During production and operation, the Group has actively advocated clean production, energy saving and emission reduction, to reduce emissions and pollutants. Via usage of clean energy including natural gas, solar energy and other measures, the Group reduced the creation of exhaust gas pollutants from the source. In the meanwhile, all major production units of the Group are equipped with sewage treatment facilities, which are used to treat sewage generated in production and daily life. Regarding sewage and exhaust gas, the Group also paid attention to the detection of pollutant concentration and ensured the emissions of various pollutants to meet national and local environmental protection regulations. In addition, the Group has paid attention to the impact of noise pollution, and kept the noises arising from production within standard range, so as to protect the environment of itself and nearby areas to the utmost extent. During the year, there was no accident regarding environmental pollution in the Company.

本集團注重環境保護管理體系的建設和完善，持續關注生產運營中的污染物排放問題，並對自身排放數據進行監管。

在生產經營過程中，本集團積極倡導清潔生產與節能減排，進以減少污染物排放物。通過使用天然氣、太陽能等清潔能源以及其他措施，從源頭減少廢氣污染物的產生。同時，本集團各主要生產單位均配備污水處理設施，用以處理生產、生活過程中產生的污水。針對污水和廢氣，本集團亦注重對污染物濃度的檢測，確保各類污染物排放符合國家及地方環保法規。此外，本集團注重噪聲污染對環境帶來的影響，將生產過程中產生的噪聲控制在標準範圍內，最大限度地維護自身及周邊環境。年內，本公司並未發生環境污染方面事故。



The Group has strictly complied with the Catalogue of Elimination of Backward Mechanical and Electrical Equipment (Products) of High Energy Consumption, and checked its own equipment with high energy consumption. It removed the previously-used highly polluting coal boilers with high energy consumption, and replaced them with eco-friendly and energy-efficient boilers such as natural gas boilers and electric energy storage boilers. In the meanwhile, the Group used natural gas, steam and other clean energy to replace the coal burning, to reduce the environmental influence caused by exhaust gas to the utmost extent. In addition, some production units actively used electrically-powered vehicles to reduce the pollutant emission from gasoline and diesel combustion.

本集團嚴格執行國家發佈的《高耗能落後機電設備(產品)淘汰目錄》，開展高能耗設備排查工作，近年來通過採用天然氣鍋爐、儲能式電鍋爐等各類節能環保型鍋爐，淘汰原有高耗能、高污染的燃煤式鍋爐，並採用天然氣、蒸汽等清潔能源替代燃煤，最大限度地減少廢氣對環境產生的影響。此外，部分生產單位積極使用新能源汽車，減少汽柴油燃燒產生的污染物排放。



During the year, the Liujiayao factory of the Company's pharmaceutical factory completed a low-NOx combustion retrofit of the existing 3 sets (totalling 12 steam tons) boilers, with a total investment of approximately RMB7 million. After the new boilers were put into use, the NOx concentration of emissions declined by over 60%, implying that the pollutant has been reduced effectively.

年內，本公司製藥廠劉家窯分廠對原有3台(共計12蒸噸)鍋爐完成低氮改造，該項目總投資金額約人民幣700萬元。新鍋爐投入使用後，其燃燒排放的氮氧化物濃度降幅達60%以上，有效降低污染物的排放。



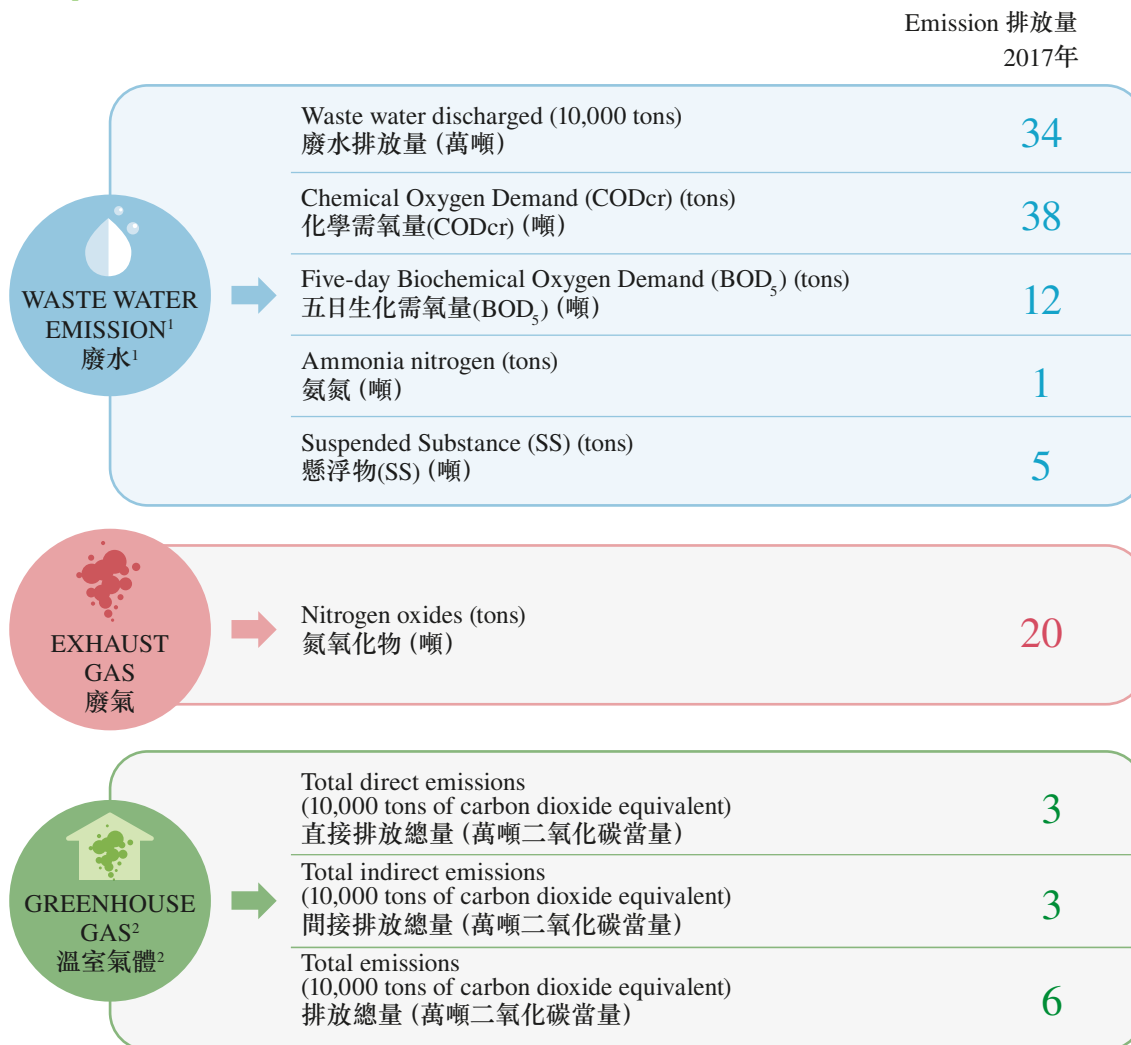
Environmental Protection

環境保護

During the year, emissions from the Group's production process include exhaust gas (mainly including carbon dioxide and nitrogen oxides) and waste water (mainly including pollutants such as COD, BOD, ammonia nitrogen and suspended substances). The main pollutant emissions of the Group during the Reporting Period are illustrated as below:

年內，本集團於生產過程中產生的排放物主要包括廢氣(主要含有二氧化碳及氮氧化物)及廢水(主要含有COD、BOD、氨氮、懸浮物等污染物)。下圖列示了本集團於報告期內主要污染物排放情況：

Main pollutants 主要污染物



- In 2017, the Group discharged approximately 0.87 tons of waste water (2016: approximately 1.53 tons) for each RMB10,000 of revenue.
二零一七年度，本集團每萬元收入產生的廢水排放量約0.87噸(二零一六年：約1.53噸)。
- Greenhouse gases are mainly carbon dioxide, methane, and nitrous oxide. In 2017, the Group discharged approximately 0.15 tons of carbon dioxide equivalent (2016: 0.19 tons of carbon dioxide equivalent) of greenhouse gases for each RMB10,000 of revenue.
溫室氣體主要為二氧化碳、甲烷、氧化亞氮。二零一七年度，本集團每萬元收入產生的溫室氣體排放量為0.15噸二氧化碳產量(二零一六年：0.19噸二氧化碳含量)。

Hazardous Waste

有害廢棄物

The Company produces almost no hazardous waste during the production process. During the year, hazardous waste generated by the Company during product inspection is mainly waste chemical reagent, which totalled approximately 6,000 kg. In 2017, the Group generated approximately 0.02 kg of hazardous waste for each RMB10,000 of revenue.

本公司在生產過程中幾乎無有害廢棄物產生。年內，本公司在產品檢驗過程中產生的有害廢棄物主要為廢舊化學試劑，總量約6,000千克。二零一七年度，本集團每萬元收入產生的有害廢棄物約0.02千克。

Non-Hazardous Waste

無害廢棄物

During the year, non-hazardous waste generated by the Company in the course of production is mainly waste package materials, for example, the product manuals, which totalled about 1 ton.

*Remarks: The Company produces over 100 types of Chinese patent medicines every year, and uses over 1,000 types of package materials. The generated waste package materials are in various types and use different specifications and measurement units. Therefore, those metrics used in measuring total volume and density of waste package materials for finished products are not applicable here.

年內，本公司在生產過程中產生的主要無害廢棄物為各類廢棄包材，例如，產品說明書廢棄量約1噸。

*註：本公司常年生產的中成藥產品類別超過百種，所用包材種類逾千種，產生的廢棄包材種類眾多且其規格、計量單位均有差異，故，不適用於統計產成品所產生的廢棄包材總量及密度。

Environmental Protection 環境保護

Emission and waste management

排放物及廢棄物管理



Waste water: Being treated at in-house waste water facility. Water used in production and daily life will be treated in centralized facilities and was not allowed to be discharged unless it meets relevant standards.

廢水：自設污水處理設施，統一處置生產及生活用水，達標後方能排放。



Exhaust gas: Using eco-friendly boilers and fuels to reduce emission of hazardous gas such as nitrogen oxides.

廢氣：使用環保型鍋爐和燃料，減少氮氧化物等有害廢氣的排放。



Hazardous waste: Being recycled in a centralized manner and processed by qualified companies so as to ensure safety of environment.

有害廢棄物：統一回收，由具備相關資質的公司進行處理，有效保護環境安全。



Non-hazardous waste: Using recyclable and degradable eco-friendly materials as much as possible. Meanwhile, the Group will optimize production technologies and increase first pass yield to lower package materials consumption and reduce waste.

無害廢棄物：盡量使用可回收、可降解的循環材料。同時，通過優化生產工藝、提高一次合格率，進以降低包材損耗，有效減少廢物產生。



Dusts and noises: Maintaining dusts and noises within the production workshops during the production process, so as to reduce their impact on the environment. In the meanwhile, the Group provides protection for production staff so as to protect their physical health.

粉塵與噪聲：將生產過程中產生的粉塵與噪聲控制在生產車間內，避免對周邊及環境造成影響。同時，對生產員工進行相應保護，保證生產作業人員的身體健康。

Resource Use

資源使用

The resources consumed by the Group in production primarily include water, electricity, steam and natural gas, etc., which are mainly purchased externally. The Group has reduced resources consumption and enhanced efficiency in usage of resources by adopting energy-efficient equipment and advanced technologies, and improving environmental protection awareness of employees.

The Group advocates a green office concept which integrates a low-carbon operation principle into operation, with an aim of developing towards paperless, energy-saving and low-carbon offices, and minimizing the consumption of fossil fuel, wood, water, electricity and other natural resources and energy. The Group has adopted OA, ERP and other information management platforms at all levels and tapped into electronic communication means including teleconferencing and video conferencing, so as to reduce consumption of fossil energy arising from travelling. In the meantime, the Group has also exercised stringent control on the consumption of paper, portfolios, crates and other paper products, and made strenuous efforts in reducing the use of non-biodegradable articles such as plastics, inks, chemical fiber, electronic equipment and other consumables.

The Group also embraces the green production concept, to achieve the purpose of energy conservation, consumption reduction, pollution reduction and efficiency enhancement. To save all sorts of energy, the Group has taken many approaches during production such as, among others, improving process procedures, boosting technological level, upgrading production equipment, and applied many measures among others, LED energy-saving lighting, installation of steam timing switches.

During the year, the package materials consumed by the Company in production primarily included various product manuals, composite membrane, package boxes and others. Among them, the consumed product manuals totalled about 340 tons.

*Remarks: The Company produces over 100 types of products every year, and uses over 1,000 types of package materials. The generated waste package materials use different specifications and measurement units. Therefore, those metrics used in measuring total volume and density of waste package materials for finished products are not applicable here.

本集團於生產過程中所消耗的資源主要包括水、電、蒸汽、天然氣等，主要通過外購方式獲得。本集團通過採用節能設備、工藝改進等措施，並不斷提高員工環保意識，進以降低資源消耗，提升各類資源使用效益。

本集團倡導綠色辦公，將低碳經營的理念融入到生產運營中，努力向辦公無紙化、節能化、低碳化方向邁進，減少化石燃料、樹木、水、電等自然資源及能源的使用。本集團採用OA、ERP等信息管理平台，採取電話會議、視頻網絡會議等電子通訊方式，減少差旅過程中產生的化石能源消耗。同時，嚴格各類紙張、檔案袋、包裝箱等紙製品的使用，減少塑料、油墨、化纖以及電子器材、耗材等難以降解物品的使用。

本集團亦倡導綠色生產理念，達到節能、降耗、減污、增效的目的。本集團在生產過程中通過完善工藝流程、提升技術含量、升級生產設備等方式，亦採取LED節能照明、安裝蒸汽定時開關等措施，節約各類資源。

年內，本公司在生產過程中消耗的主要包材包括產品說明書、複合膜、包裝盒等。其中，在生產過程中消耗的產品說明書約340噸。

*註：本公司常年生產產品種類超過百種，所用包材種類逾千種，且其規格、計量單位均有差異，故，不適用於統計產成品所用包材總量及密度。



Environmental Protection 環境保護

Meanwhile, regarding improvement in the efficiency of water usage, circulating water systems are employed across production processes to minimize consumption of water resources. In addition, reclaimed water is used for lawn irrigation. These measures have helped us conserve and recycle water resources.

During the year, the Group carried out various promotional and educational events on environmental protection, so as to promote employees' understanding and recognition of low-carbon production and life style. In addition, the Group also encouraged employees to actively participate in designing of various energy conservation and energy consumption reduction programmes, with the aim of helping employees build up concepts related to energy conservation and eco-friendliness, and enhancing employees' environmental protection awareness.

同時，在提升用水效率方面，本集團在生產環節採用循環水系統，以減少水資源的使用量，並以中水實施綠地澆灌，有效實現了水資源的保護及再利用。

年內，本集團開展形式多樣的環保宣傳教育活動，進以促進員工瞭解並認同低碳生產、生活方式。此外，亦鼓勵員工積極參與各類節能降耗方案設計，倡導員工培養資源節約、環境友好的理念，不斷提升員工環保意識。



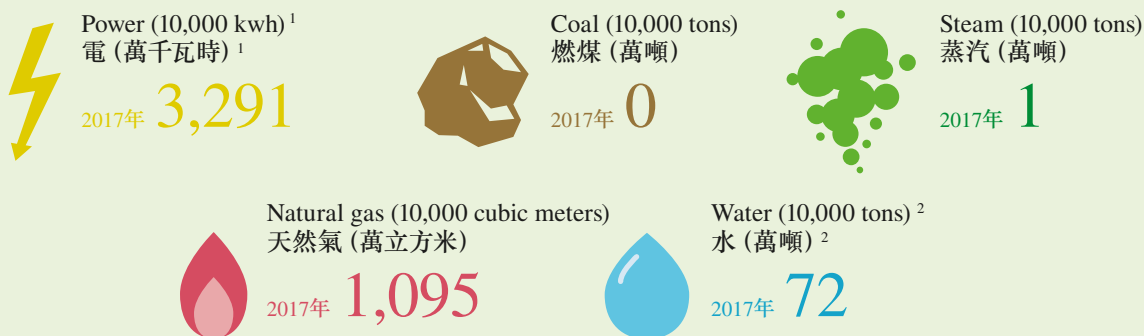
In March, under the theme of “Creative Green Environment”, the Company carried out the activities of drawing graffiti on reusable bags. By drawing various patterns on the bags, we tried to awaken people's longing for a better living environment and strengthen their environmental awareness.

3月，公司以「創意無限綠色環保」為主題開展環保袋塗鴉活動，通過手中的畫筆和顏料將各種圖案繪製到環保袋上，喚醒人們對美好生活環境的嚮往，增強環保意識。



The main energy consumption of the Group during the Reporting Period is illustrated as below:
 下圖列示了本集團於報告期內主要能源使用情況：

Energy Type 能源類型



1. In 2017, the Group consumed approximately 84 kwh (2016: approximately 91 kwh) of power for each RMB10,000 of revenue.
 二零一七年度，本集團每萬元收入耗電約84千瓦時(二零一六年：約91千瓦時)。
2. In 2017, the Group consumed approximately 2 tons (2016: approximately 2 tons) of water for each RMB10,000 of revenue.
 二零一七年度，本集團每萬元收入耗水約2噸(二零一六年：約2噸)。

Cultivate the environmental protection concept of staff 培養員工環保理念

CONSERVE WATER
節約用水

Advocate employees for saving water and strengthen the daily overhaul and maintenance of water equipment
 倡導員工節約用水，加強用水設備的日常檢修和維護

CONSERVE POWER
節約用電

Use energy-saving lamps to cultivate employees' awareness
 使用節能環保型燈具，培養員工的節電意識

GREEN TRAVEL
綠色出行

Provide regular bus for part of the line to advocate public transportation and green travel
 提供部分線路班車，倡導公共交通、綠色出行

CONSERVE PAPER
節約用紙

Reduce the use of paper and promote the use of e-mail and electronic office platform.
 減少紙張的使用，提倡使用電子郵件、電子辦公平台等

ENVIRONMENTAL AWARENESS
環保意識

Cultivate employees' reusing awareness, increase the recycling rate, and reduce discharge of waste such as garbage
 培養員工廢物利用的意識，提升循環利用率，降低垃圾等廢物的排放

Environmental Protection 環境保護



Carried out technical reform to reduce costs and save energy

The circulating water used for cooling the Power-On Equipment of the Tongzhou factory of the Company was previously powered by one 18.5-kw well pump, and the pump consumed lots of electricity every year in production. During the year, Tongzhou factory connected the pipe transmitting the reflux cooling water of the Cooling Tower with the pipe transmitting the cooling circulating water for the Power-on Equipment so the height difference between the Cooling Tower and Power-on Equipment could drive the cooling circulating water. After completion of the renovation project, about 130,000Kwh power can be saved every year.

技術改革，降低成本、節約能耗

本公司通州分廠的「給動力設備」冷卻用循環水原使用1台18.5kw的機井泵作為動能供給，在生產過程中每年產生較大的電能消耗。於年內，通州分廠將「冷卻塔」回流冷卻水與「給動力設備」冷卻用循環水的管道相連，利用「冷卻塔」與「給動力設備」之間的高度差，為「給動力設備」冷卻循環水提供動力，改造完成後，每年可節約電量約130,000Kwh。



Energy Conservation Publicity Week at the Plant

In June, during the national conservation publicity week, the Liujiayao factory of the Company conducted a one-week energy-saving publicity campaign to enhance employees' awareness of environmental protection and energy conservation on an on-going basis by issuing energy-saving posters and carrying energy saving knowledge quiz.

節能宣傳周走進廠區

6月，全國節能宣傳週期間，本公司劉家窯分廠開展了為期一周的節能宣傳活動，通過發放節能宣傳畫、節能知識答題等活動持續提升員工的環保節能意識。





Natural Resources Protection

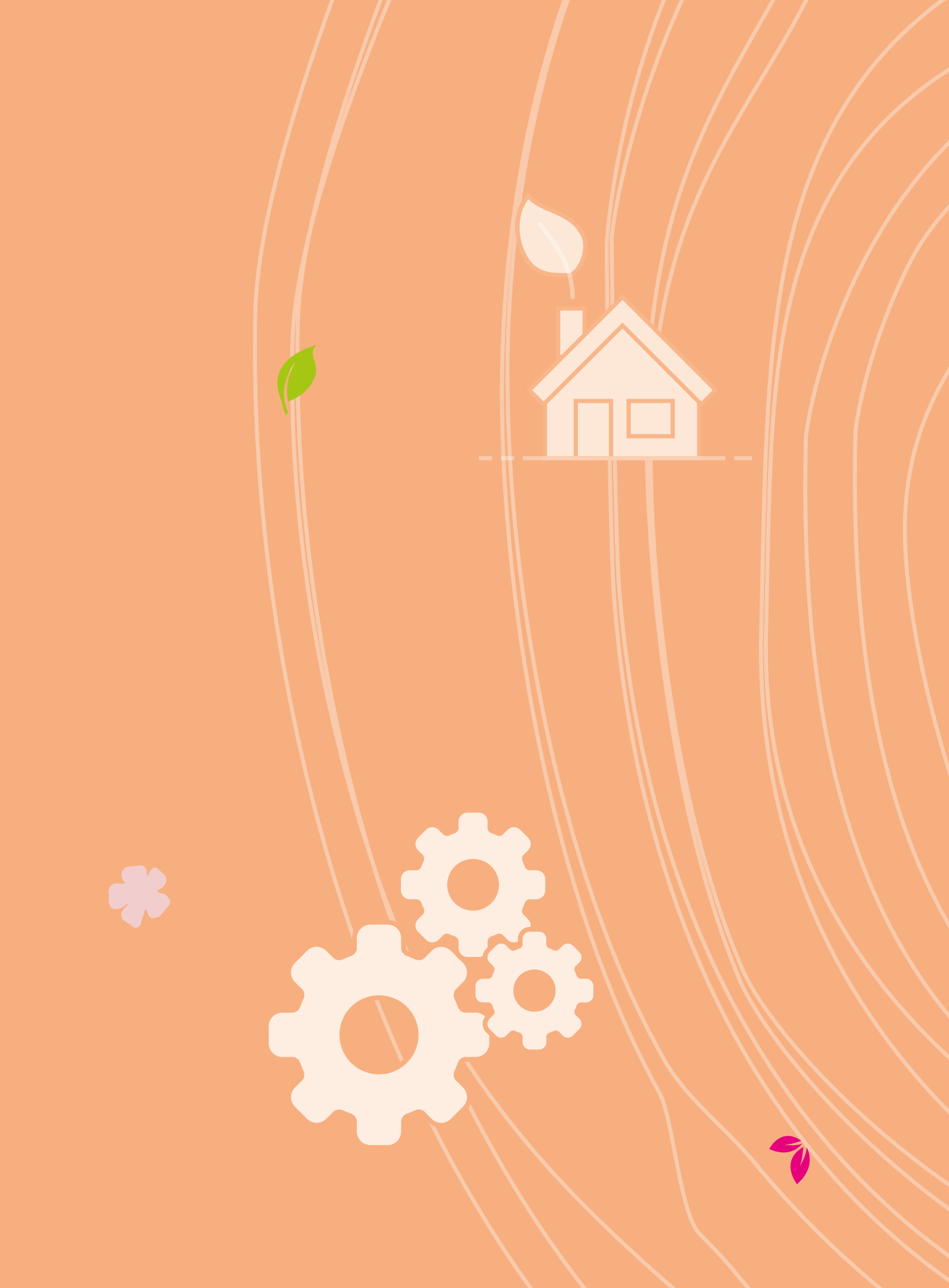
保護天然資源

The Group has taken all sorts of traditional Chinese medicinal material as main raw material, and our production and operation have no significant effects on environment and natural resources.

The Group has actively performed its social responsibility and unswervingly placed focus on both development and environmental protection. It consistently holds the principle of sustainable development and reasonably used various resources. The Group has engaged in plantation and breeding in genuine producing areas to reduce the use of various natural resources, thereby maintaining ecological balance to the utmost extent. The Group has also taken concrete actions to protect the environment, and did its best to minimize the impact of its production and operating activities on ecological system.

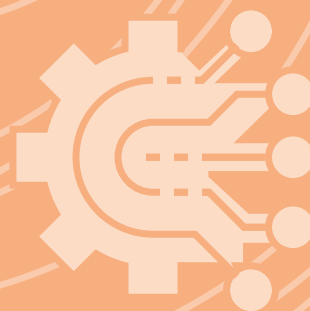
本集團用於生產的主要原材料為各類中藥材，其生產經營對於環境及天然資源無重大影響。

本集團積極履行社會責任，始終堅持發展與環境保護並重的理念，堅持可持續發展方針，合理利用各類資源，通過在道地產區開展種植、養殖等方式，減少各類天然資源的使用，最大限度保護生態平衡，以實際行動踐行環境保護，盡可能將生產經營過程中對生態系統造成的影響降至最低。





回饋社會
Contributions to Society





Contributions to Society 回饋社會

As a part of the sustainable development of the society, the Group also actively gives back to the society while taking resources from it. The Group fully understands that public welfare is not only an obligation, but also a necessity for its own growth and development. As the inheritor and transmitter of Tong Ren Tang culture, the Group always fully integrates its business development with social responsibility, and is committed to public welfare activities.

In 2017, the Group continued to make efforts in caring for public health. It promoted the awareness of family health and publicized the concept of public health by providing free clinical services and health consultancy, and distributing health-themed brochures. It's also the exclusive title sponsor for the Second Session of National Aerobic Dance Competition for Seven Stars of Liuwei from Beijing Tong Ren Tang. By sponsoring the event, the Group managed to spread Chinese medicine knowledge, promote its brand concept and helped the community to better know and understand the cultural content in Tong Ren Tang brand. The Group believes that through persistent efforts, the healthy living and medication concept will be eventually delivered to homes across the country and to the heart of the general public.

作為社會可持續發展的一部分，本集團在向社會攝取資源的同時亦積極回饋社會。本集團深知，社會公益活動不只是義務，更是本集團成長與發展之路的必備條件，作為同仁堂文化的繼承者和傳播者，本集團始終將經營發展與社會責任高度融合，積極投身社會公益活動之中。

於二零一七年內，本集團繼續在關愛百姓健康方面作出努力，通過義診服務、健康諮詢及發放養生宣傳冊等形式，提高家庭健康意識，傳遞全民健康理念，並獨家冠名開展「國韻風華－北京同仁堂六味七星杯第二屆全國才藝大賽」主題活動，向社會公眾推廣中醫藥文化知識，推廣品牌理念，讓更多的社區居民認知並瞭解同仁堂品牌文化內涵。本集團深信，通過持之以恆的努力，最終會將健康生活、健康用藥的理念傳遞到千家萬戶，傳遞到百姓心中。



“Chinese Dream, Healthy Home” – National Aerobic Dance Competition for Seven Stars of Liuwei from Beijing Tong Ren Tang.

The Second Session of National Aerobic Dance Competition for Seven Stars of Liuwei from Beijing Tong Ren Tang kicked off in March. Through activities such as knowledge quiz, healthy games, medication consulting and explanation, and free diagnosis during the intervals, the competition aimed at promoting scientific life concept and healthy lifestyle to continuously enhance family health knowledge comprehensively so as to promote traditional Chinese culture and traditional Chinese medicine culture.

「中國夢，健康家」—北京同仁堂六味七星杯健康舞全國大賽

3月，第二屆北京同仁堂六味七星杯—健康舞全國大賽正式拉開帷幕，本屆大賽通過活動間隙的知識問答、健康遊戲、用藥諮詢、義診等環節，宣傳科學的生活理念以及健康的生活方式，不斷推動家庭健康知識的全面提升，以傳播中華傳統文化及中醫藥文化。





Contributions to Society 回饋社會



“A Contract with a Family Doctor for Lifelong Health”

In December, the Company came to the Jiangtai community of Chaoyang District, Beijing to participate in the activity of “A contract with a family doctor for lifelong health”. Through science lectures, health checks and health guidance, the Company introduced the service concept of family doctor to the residents in the district and advocated a healthy life style.

「簽約家醫，健康相伴」

12月，本公司走進北京市朝陽區將台社區，參與「簽約家醫，健康相伴」活動，通過科普講座、健康檢測、養生指導等形式，向社區居民傳遞家庭醫生服務觀念，倡導健康生活方式。



The Group extended active presence in poverty relief and development of philanthropy to help disadvantaged groups in society, interpreted the concept of public welfare through actions, to try our best to lend people in special needs, poverty-stricken areas and beadhouses a helping hand and show them our cares. During the year, the Company made charitable donation through the Chinese Red Cross to the earthquake-stricken area in Jiuzhaigou County, Aba Prefecture in the north of Sichuan Province, putting our culture of righteousness into action.

本集團積極扶貧濟困和發展慈善事業，幫助社會弱勢群體，用行動詮釋公益理念，盡己所能向特殊困難人群、貧困地區、養老院等伸出援手，奉獻愛心。年內，本公司通過中國紅十字會總會向四川省北部阿坎州九寨溝縣地震災區進行了公益捐贈，用實際行動踐行「以義為上」的文化內涵。





Free Clinic in Autumn

In September, attending physicians from Tong Ren Tang Second Traditional Chinese Medicine Hospital and volunteers came to the Glorious Old-age Care Centre in Fengtai District, Beijing to provide free diagnosis and health consulting services to the elderly about the common diseases among them and give them professional guidance on traditional Chinese medicine health preservation, diet and daily life, and other aspects.

金秋義診暖人心

9月，同仁堂第二中醫醫院的主治醫師及志願者來到北京市豐台區光彩養老照料中心，為老人們提供義診、健康諮詢等服務，並針對老年人的常見病，從中醫養生、飲食起居等各方面給予老人們專業指導。



Respect and Love the Elderly

In November, volunteers from Beijing Tong Ren Tang Anhui Chinese Medicinal Raw Materials Co., Limited, a subsidiary of the Company, came to the Zhongming Old-age Care Centre to chat with the elderly, care for their daily life and health condition with heartfelt sympathy, and bring them sentimental items such as fruits and food to give them warmth in the cold winter.

敬老愛老心連心

11月，本公司之子公司北京同仁堂安徽中藥材有限公司志願者團隊走進鐘鳴敬老院，開展愛心慰問活動，陪老人聊天談心、詳細瞭解他們的日常生活和身體狀況，並為老人帶去水果、食品等慰問品，在寒冷的冬日為老人們送去一份溫暖。



Contributions to Society 回饋社會

The Group also encourages all employees to actively participate in volunteer activities and environmental protection activities, which allow our employees to take part in social services and promote the public welfare culture and spirit incorporating interaction, cares and understanding. During the year, the Group's young volunteer lecturer participated in the activity at the promotion day of the volunteer service of learning from Lei Feng, and gave careful medication consulting and explanation to the public, contributing their power to caring people's health and popularizes the traditional culture of traditional Chinese medicine. Meanwhile, the Group is committed to public environmental protection activities and continues to promote the green concept of low carbon living.

本集團亦鼓勵全員積極參與義工活動，以及環保公益活動，令員工身體力行投入社會服務，建立互動、關懷共融的公益文化和精神。年內，本集團青年志願者講師參與首都學雷鋒志願服務推動日的活動，對社會公眾進行細緻的用藥諮詢講解，為關愛百姓健康、傳播中醫藥傳統文化貢獻力量。同時，本集團投身環保公益活動，宣傳環保低碳理念。



Volunteers Service to Ease the Traffic

In April, nearly 30 young volunteers from the Group formed a volunteer team of "Little V Bee" to carry out a four-day volunteer Initiatives of traffic order maintenance on two weekends around peak hours of the Ching Ming Festival. Through direction inquiries, traffic co-ordination, civilizations supervision and shared bikes parking, they constantly enhanced safety awareness and civilization accomplishments of pedestrians and practiced Tong Ren Tang's cultural mission of investing in the society.

「小V蜂」志願服務疏導交通

4月，本集團近30名青年志願者組成「小V蜂」志願團隊，在清明祭掃出行高峰前後的兩個週末開展為期四天的城市交通秩序維護志願活動，通過道路問詢、交通協管、文明監督、共享單車碼放等服務，不斷將安全意識和文明素養傳遞給行人，持續踐行同仁堂回饋社會的文化宗旨。





Plant Trees in Suburban Beijing, Greening of the Environment

In April, under the theme of “greener, healthier”, the Company actively participated in voluntary tree-planting activities. Over 30 volunteers planted nearly 200 trees and contributed to the environmental protection in Beijing.

助力首都環境，京郊播綠植樹

4月，本公司以「多一片綠色，多一份健康」為主題，積極參與首都市民義務植樹活動，30餘名志願者共計植樹近200棵，為首都環保奉獻一份力量。



Inviting the public to Tong Ren Tang to experience the charm of traditional Chinese medicine

In June, on the day of the second session of State-owned Enterprises in Beijing Opening to the Public, the Group invited citizen representatives from some communities in Beijing to visit the Yizhuang factory of the Company. During the day, the citizen representatives visited the cultural exhibition room, tablets and capsules workshops, pills workshop and granules workshop led by the staff. A seasonal health lecture was held for the visitors, and an experience area was set up for them to taste the food and try the cosmetics of the Group to experience traditional Chinese medicine culture and the modernization of pharmaceutical technology.

百姓走進同仁堂，感受中醫藥文化魅力

6月，第二屆首都國企開放日活動正式開啟，我們誠邀北京市部分社區街道的市民代表參觀本公司亦莊分廠。活動日中，在工作人員的帶領下，市民代表參觀了文化展室、片膠生產車間、丸劑生產車間及顆粒生產車間，並為參觀市民舉辦了應季養生講座，同時，在活動之中設立了體驗展區，可供市民品嚐及試用本集團的食品和化妝品，讓廣大市民近距離感受傳統中藥文化，體驗現代化製藥工藝。



Contributions to Society 回饋社會



Experience Activity of Intangible Cultural Heritages for the Youth

In December, the Group invited over 50 primary school students to the Yizhuang factory of the Company to have a direct contact with traditional Chinese medicine culture. While learning about the traditional Chinese medicine, they were able to experience weighting medicinal materials using Deng steelyard, hand-made Xihuang Pills and other traditional Chinese medicine production techniques. Through these colourful activities, students could have a better understanding and appreciation of the charm of traditional Chinese medicine and experience the “Intangible Cultural Heritages techniques” and “craftman’s spirit”.

青少年非遺文化體驗營活動

12月，我們邀請50餘名北京市小學生走出課堂、走進工廠，來到本公司亦莊分廠與中醫藥文化進行「零距離」接觸，在學習瞭解中藥知識的同時，體驗「戥稱稱量中藥材」、「手工製作西黃丸」等中藥製作技藝。通過豐富的活動，讓學生進一步瞭解、感受中醫藥文化魅力，體驗製藥過程中的「非遺技藝」與「工匠精神」。



Warm Clothes for the Winter

During the year, the Group continued to participate in the “Warm Clothes for the Winter”, a major charity event jointly launched by Beijing Committee of Communist Youth League and Beijing Youth Federation. With the clothes donated by Tong Ren Tang’s employees, we helped people in need disperse the chilly winter cold.

溫暖衣冬

年內，本集團繼續參與由共青團北京市委員會、北京市青年聯合會等聯合發起的「溫暖衣冬」大型公益活動，用一件件同仁堂人捐贈的冬衣，在寒冬中為需要的人們送去一份溫暖，融化這寒冷的冬季。

Disclosure of Environmental, Social and Governance Report 環境、社會及管治報告披露

The Board approved this Environmental, Social and Governance Report for 2017 as well as its disclosure on the websites of the Hong Kong Stock Exchange and the Company.

董事會批准本集團二零一七年度《環境、社會及管治報告》並同意於香港聯交所網站和本公司網站披露。





Independent Assurance Report

獨立鑒證報告



To the Board of Directors of Tong Ren Tang Technologies Co. Ltd (the “Board of Directors”):

We have been engaged by the Boards of Directors of Tong Ren Tang Technologies Co. Ltd (“**Tong Ren Tang Technologies**” or “**the company**”; *Tong Ren Tang Technologies* with its subsidiaries, are hereinafter collectively called “**the Group**”) to perform a limited assurance engagement on the *2017 Environment, Social and Governance Report* (“**ESG Report**”) for the period from 1 January 2017 to 31 December 2017.

Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing the *ESG report* in accordance with *Environmental, Social and Governance Reporting Guide* (“**ESG Reporting Guide**”) issued by Hong Kong Stock Exchange, and its presentation (including reporting guidelines, limitations, reporting data and relevant identification procedures).

The Board of Directors is also responsible for determining its objectives in respect of ESG performance and reporting, including identification of stakeholders and material issues that are relevant to these stakeholders; establishing and maintaining appropriate performance management and internal control systems regarding the performance information in the report, and maintaining adequate records.

Our Responsibilities

In accordance with the agreed terms with *Tong Ren Tang Technologies*, we are responsible for the limited assurance engagement (“**Engagement**”), performing limited assurance process on the key Indicators in *2017 ESG report*, and expressing an opinion on whether there is any material misstatement. This *Independent Assurance Report* (“**the Report**”) is only for the Board of Directors, and for no other purpose. We do not accept or assume liability to any third parties for our work or the content in this report.

Our Independence and Quality Control

We conducted our engagement in accordance with the independence and other ethical requirements in the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants. Our firm applies International Standard on Quality Control 1.

Basis of Our Work

We conducted our work in accordance with International Standard on Assurance Engagements 3000: *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Federation of Accountants. We planned and performed our engagement to obtain all the information and explanations that we considered necessary in order to provide sufficient evidence to form conclusions.



北京同仁堂科技發展股份有限公司董事會（以下簡稱「董事會」）：

我們受北京同仁堂科技發展股份有限公司（以下簡稱「同仁堂科技」或「公司」），同仁堂科技及其子公司，以下統稱「集團」）董事會的委託，對貴集團編製的自2017年1月1日起至2017年12月31日止的2017年「環境、社會及管治報告」（以下簡稱「ESG報告」）進行有限保證鑒證。

董事會的責任

董事會負責根據香港聯合交易所發佈的《環境、社會及管治報告指引》（以下簡稱「ESG指引」）的披露要求編製ESG報告，並對其中的表述（包括報告準則、報告局限性及報告所載的信息和認定）負責任。

董事會有確定企業ESG績效表現和報告的目標，包括識別利益相關方以及確定利益相關方所關注的重大議題，建立和維護適當的ESG績效表現管理系統和用於生成ESG報告中披露的績效表現信息的內部控制系統，以及負責保留足夠的記錄的責任。

我們的責任

根據與同仁堂科技的約定，我們負責實施有限保證鑒證工作（以下簡稱「鑒證工作」），對ESG報告中披露的ESG相關的績效指標是否存在重大錯報進行評價。本獨立有限鑒證報告（以下簡稱「鑒證報告」）僅為董事會編製，除此以外，並沒有其他責任。我們不會就我們的工作或本鑒證報告的內容，對任何第三方承擔任何責任。

我們的獨立性和質量控制

我們遵守國際會計師職業道德準則理事會《國際會計師執業道德守則》（「Code of Ethics for Professional Accounts」）對獨立性和其他道德的要求。我們的質量控制採用《國際質量控制準則第一號》（「International standard on Quality Control 1」）。

工作的基礎

我們按照《國際鑒證業務準則第3000號：歷史財務信息審計或審閱以外的鑒證業務》（「International Standard on Assurance Engagements 3000」）執行鑒證工作。我們在策劃和執行鑒證工作時，均以取得一切我們認為必需的信息和解釋為目標，使我們能獲得充分的憑證作出結論。





Independent Assurance Report

獨立鑒證報告

Procedures, Scopes and Limitations of Our Work

工作程序、範圍及局限性

Our procedures performed include interviewing with *the Group's* personnel responsible for collecting, compiling and presenting the information, analyzing the information obtained, and other procedures relevant to the collection of necessary evidence. Specifically our procedures include:

- Interviewing the management and staff responsible for collecting and disclosing the information of *the Group*, to understand the procedure of identifying stakeholders and major issues concerned by key stakeholders, and controls relating to preparing the *ESG Report*;
- Based on the ESG Reporting Guide, reviewing whether the key information has been included in the ESG Report from comparing the sampled original documents of head office with the information in the ESG Report;
- Establishing acknowledgement of the key ESG indicators regarding the 2017 ESG Report with *the Group* to perform this limited assurance engagement;
- Based on the risk-analyzing, carrying out site visits for two subsidiaries *Beijing Tong Ren Tang Technologies Chengdu Co., Ltd* and *Beijing Tong Ren Tang (Thangshan) Nutrition and Healthcare Co., Ltd*;
- Sampling, recalculating and analyzing *Tong Ren Tang Technologies's* key ESG indicators, reviewing the consistency with our work results, and the effectiveness of the control on the ESG Report preparation procedure.

Limited assurance conducts process to confirm the credibility of information, and its scope is smaller than that of reasonable assurance. Our assurance engagement and report will not express an opinion on the effectiveness and performance of the *Group's* management system and procedure, nor interview with external stakeholders. Moreover, the financial information and figures in the ESG report, is not within the scope of our assurance work.

Our Conclusions

Based on our work performed, nothing has come to our attention that would lead us to believe that there is any material misstatement related to the key indicators in the *Group's 2017 ESG Report*.

This is translation of the Chinese language version of the Independent Assurance Report. If there is any conflict between the Chinese and English versions, the Chinese version shall prevail.

ESG報告鑒證工作的內容包括與主要負責ESG報告信息編製工作的人員進行詢問，並恰當地實施分析和其他證據收集程序。我們所實施的工作包括：

- 與貴集團負責收集、整理和彙報披露信息的管理層和員工、相關業務的管理部門員工進行訪談，了解貴集團識別利益相關方及其期望、篩選重大議題的程序，以及編製ESG報告流程的有關控制；
- 根據ESG的披露要求，檢查關鍵信息是否已反映在ESG報告中，抽取相關原始文件與報告信息進行對比；
- 與貴集團確立ESG報告鑒證工作所包括的ESG相關的績效指標及其評價標準；
- 在風險分析的基礎上，對其中兩家子公司北京同仁堂科技發展成都有限公司及北京同仁堂(唐山)營養保健品有限公司實施實地訪問；
- 對選定的ESG相關的績效指標複核覆蓋下屬機構的完整性，並在同仁堂科技重新計算、實施抽樣，檢查與我們的工作成果一致性及編製ESG報告流程的有關控制。

有限保證鑒證為獲取有限保證而實施的程序旨在確認信息的可信性，該程序的範圍會小於為獲取合理保證所實施的程序的範圍。我們的工作和鑒證報告並不會就貴集團ESG報告管理系統和程序的有效性及其績效信息發表意見，也不包括訪問外部利益相關方。同時，本次鑒證範圍不包括ESG報告中披露的財務信息與數據。

結論

根據我們上述的鑒證工作，我們並沒有注意到任何重大事項，使我們相信在貴集團2017年度ESG報告中披露的ESG相關績效指標存在重大錯報。

Deloitte Touche Tohmatsu Certified Public Accountants LLP
德勤華永會計師事務所(特殊普通合夥)

29 March 2018
二零一八年三月二十九日





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