

Environmental, Social and Governance Report

環境、社會及管治報告

2018



天大藥業有限公司
TIANDA PHARMACEUTICALS LIMITED

股份代號 Stock Code: 00455 (於開曼群島註冊成立之公司)
(Incorporated in the Cayman Islands with limited liability)

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ABOUT THIS REPORT

Tianda Pharmaceuticals Limited (the Company) and its subsidiaries (collectively the Group) is principally engaged in research and development, production and sales of pharmaceutical, biotechnology and healthcare products. The Group is also engaged in the sales and wholesales of Traditional Chinese Medicines (TCM) and TCM decoction pieces. The Group is hereby pleased to issue this Environmental, Social and Governance Report (the/this ESG Report).

Basis of Preparation

This ESG Report is prepared in accordance with Appendix 27 to the Rules Governing the Listing of Securities (the Listing Rules) on The Stock Exchange of Hong Kong Limited (the Stock Exchange) – “Environmental, Social and Governance Reporting Guide” (the ESG Guide).

Corporate Governance

In line with the ESG Guide, the Board of Directors of the Company (the Board) is responsible for the Group's environmental, social and governance (ESG) strategy and reporting. The Board is in charge of evaluating and determining the ESG-related risks of the Group to facilitate the formulation of appropriate and effective ESG risk management and internal control systems in accordance with the Corporate Governance Code in Appendix 14 of the Listing Rules on the Stock Exchange. The implementation of such measures are carried out by management and all relevant departments under the supervision of the Board.

The Group has established an ESG working team consisted of the management and employees from all relevant departments to responsible for planning of the Group's sustainable development, monitoring the implementation of the relevant policies and reviewing the ESG Report.

The Board believes that sound ESG performance is critically important to the sustainable development of the Group's business and the community. The Board is committed, not only to achieving a healthy financial position, but also to promoting environmental protection, social responsibility and effective corporate governance.

In the future, the Board aims to enhance the Group's ESG governance standards through continuously refining its internal corporate governance structure and enhancing its internal control systems to further increase the efficiency of the Group's ESG governance.

關於本報告

天大藥業有限公司（本公司）及其附屬公司（合稱本集團）主要從事醫藥、生物及健康產品之研發、生產和銷售。本集團亦從事銷售及批發中藥材及中藥飲片。本集團欣然發佈本環境、社會及管治報告。

編製依據

本環境、社會及管治報告乃根據香港聯合交易所有限公司（聯交所）證券上市規則（上市規則）附錄27《環境、社會及管治報告指引》而編製。

企業管治

跟《環境、社會及管治報告指引》的要求一致，本公司董事會負責本集團環境、社會及管治策略及匯報。董事會負責評估及釐定本集團有關環境、社會及管治方面的風險，以確保其已根據聯交所上市規則附錄14制訂合適及有效的環境、社會及管治風險管理及內部監控系統。在董事會的監督下，這些措施的實施由管理層及所有相關部門貫徹執行。

本集團已成立環境、社會及管治工作小組，由各個職能部門的管理人員及僱員組成，負責規劃本集團的可持續發展、監督相關政策的實施並審查環境、社會及管治報告。

董事會相信，穩健的環境、社會及管治表現對本集團業務及社區的可持續發展至關重要。董事會不僅致力於實現穩健財務狀況，而且亦致力於提升環境保護、社會責任及高效的企業管治。

未來，董事會旨在通過不斷完善其內部的企業管治結構及加強其內部控制系統來提升本集團在環境、社會及管治方面的管治水平，藉以進一步提高本集團在環境、社會及管治方面的管治效率。

Identification of Material Issues

The Group's ESG working team identifies relevant ESG issues and assesses their materiality to the Group's business as well as the Company's stakeholders by the way of materiality assessment. The materiality assessment has based on four factors 1) the core business model and operation procedures of the Group; 2) the geographical locations of the Group's main operations; 3) the benchmarking analyses against other players in the pharmaceutical industry; and 4) the statutory requirements for information disclosure, i.e. the ESG Guide, together with reference to "Analysis of ESG Practice Disclosure in 2016/2017" issued by the Stock Exchange in May 2018. After our internal discussions and analyses with reference to these four factors, the Group has identified 16 key issues on sustainable development related to its operation (the Material ESG Issues). Disclosures relating to the Material ESG Issues identified have been included in this ESG Report pursuant to the requirements of the ESG Guide.

Confirmation and Approval

After management review, this ESG Report was approved by the Board on 23 October 2018.

重大事宜識別

本集團的環境、社會及管治工作小組，通過重要性評估的方式，確定相關的環境、社會及管治事宜，並評估其對本集團業務以及本公司持份者的重要性。重要性評估主要基於四個因素 1) 本集團自身的核心業務模式和運營流程；2) 本集團主要業務的地理位置；3) 與製藥行業內其它參與者的基準分析；及 4) 法定信息披露的要求，即《環境、社會及管治報告指引》，並參考聯交所於2018年5月發出的《有關2016/2017年發行人披露環境、社會及管治常規情況的報告》。經過我們的內部討論和分析並參考這四個因素，本集團識別了16項與其運營相關的可持續發展關鍵事宜（重大環境、社會及管治事宜）。有關已發現的重大環境、社會及管治事宜的披露已根據《環境、社會及管治報告指引》載入本環境、社會及管治報告。

確認及批准

本環境、社會及管治報告經管理層確認後，於2018年10月23日獲董事會通過。

THE MATERIAL ESG ISSUES

The table below shows the Material ESG Issues which were determined to be material to the Group, together with the two subject areas (Subject Areas) and various aspects of each Subject Area (Aspects) on the ESG Guide to which they relate, based on the assessment performed by the ESG working team. This ESG Report mainly covers the policies, measures and performance of the Group's business in relation to these issues, for the period from 1 April 2017 to 31 March 2018 (the Reporting Period):

重大環境、社會及管治事宜

下表列示根據環境、社會及管治工作小組進行的評估，被認為對本集團而言屬重大的環境、社會及管治事宜，以及有關事宜所涉及的環境、社會及管治報告指引的兩個主要範疇(主要範疇)及每個主要範疇的多個層面(層面)。本環境、社會及管治報告涵蓋2017年4月1日至2018年3月31日(本報告期間)，本集團業務的政策、措施及表現：

ESG Subject Areas and Aspects as set forth in the ESG Guide	The Material ESG Issues of the Group	《環境、社會及管治報告指引》所載的環境、社會及管治的主要範疇及層面	本集團的重大環境、社會及管治事宜
A. Environmental		A. 環境	
A1 Emissions	Greenhouse gas and exhaust gas emissions management Wastewater treatment Solid waste treatment General waste management	A1 排放物	溫室氣體及廢氣排放管理 廢水處理 固體廢棄物處理 一般廢棄物管理
A2 Use of Resources	Use of energy Use of water Use of packaging materials	A2 資源使用	能源使用 用水 包裝物料使用
A3 The Environment and Natural Resources	Air quality	A3 環境及天然資源	空氣質素
B. Social		B. 社會	
B1 Employment	Labour practices	B1 僱傭	勞工常規
B2 Health and Safety	Workplace health and safety	B2 健康與安全	工作環境健康與安全
B3 Development and Training	Employee development and training	B3 發展及培訓	僱員發展及培訓
B4 Labour Standards	Anti-child and forced labour	B4 勞工準則	禁止童工及強制性勞動
B5 Supply Chain Management	Supply chain management	B5 供應鏈管理	供應鏈管理
B6 Product Responsibility	Product health and safety and labelling	B6 產品責任	產品健康與安全以及標籤
B7 Anti-corruption	Anti-corruption and money laundering	B7 反貪污	反貪污及洗黑錢
B8 Community Investment	Community programs and donation	B8 社區投資	社區計劃及捐款

A. ENVIRONMENTAL

The Group has established environmental policies and has communicated measurable environmental objectives to employees. The Group proactively encourages the staff to protect the environment through training, education and communication. The ultimate goal is to have all employees adopting environmentally-responsible behavior in both the workplace and their daily lives.

The Group always keeps itself up-to-date on developments in local legislation and standards for environmental protection and is committed to achieving a level of environmental performance that goes beyond compliance.

A1 Emissions

The Group strictly abides by its relevant local laws and regulations in relation to pollutant emissions, where the relevant laws and regulations that have a significant impact on the Group mainly include the following:

- Law of the People's Republic of China (the PRC) on the Environmental Protection;
- Law of the PRC on the Prevention and Control of Atmospheric Pollution;
- Law of the PRC on the Prevention and Control of Water Pollution; and
- Law of the PRC on the Prevention and Control of Environment Pollution Caused by Solid Waste.

During the Reporting Period, to the best of our knowledge and information, the Group did not find and was not aware of any incidents of non-compliance to the above relevant laws and regulations in relation to pollutant emissions.

The Group is very cautious in controlling the discharge of environmental pollutants in the production process of pharmaceuticals. The exhaust gas, wastewater and solid waste (the Three Wastes) generated from the Group's pharmaceutical production process all meet the requirements of the national emission standards, and the Three Wastes discharged are reduced to minimum level via efficient treatment systems and monitoring equipment.

A. 環境

本集團已制訂環境政策，並向僱員宣傳可量度的環境目標。本集團透過培訓、教育及溝通積極鼓勵員工保護環境。最終目標是讓所有員工在工作及日常生活中均能養成愛護環境的行為。

本集團始終保持自身緊跟當地環境保護立法及標準的最新發展，致力於實現高於合規程度的環境表現。

A1 排放物

本集團嚴格遵守其當地之有關污染廢物排放的法律及規例，當中對本集團有重大影響的相關法律及規例主要包括下列所述：

- 《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》；
- 《中華人民共和國水污染防治法》；及
- 《中華人民共和國固體廢物污染環境防治法》。

於本報告期間，據我們所知及信息，本集團並未發現及察覺到任何違反上述有關污染廢物排放的法律及規例之情形。

本集團非常謹慎地把控藥品生產環節中環境污染物的排放，通過有效的處理系統及監控設備，本集團藥品生產環節中產生的廢氣、廢水及固體廢棄物(三廢)均滿足國家的各項排放標準，並嚴格做到三廢最小化污染物排放量。

Greenhouse gas and exhaust gas emissions management

The Group's greenhouse gas (GHG) and exhaust gas emissions mainly come from carbon dioxide (CO₂) and exhaust gas generated during the production process respectively.

Our CO₂ emissions primarily come from the use of energy during pharmaceutical production (the CO₂ emissions data shown below is derived from the use of fuel in the production process – diesel), followed by consuming of energy in general daily business. The Group has developed various energy-saving initiatives to reduce the carbon footprint generated from consuming of energy in general daily business (please refer to the section “**A2 Use of Resources – Use of energy**” below).

The Group's pharmaceutical production business accounts for the largest proportion of the Group's overall CO₂ and exhaust gas emissions. In the production process, exhaust gas mainly comes from the boiler combustion, where deleterious substances mainly include sulfur dioxide (SO₂), nitric oxide (NO_x) and suspended particles (PM), as well as CO₂ generated from energy consumption during the production process (mainly including diesel). In order to reduce the environmental and ecological adverse effects of GHG and exhaust gas emissions, the Group has established and implemented the following management policies:

- Increase the height of the flue as according to the provision of special inspection office;
- Install PM dust arrester device;
- Clean chimney dust regularly to reduce dust emissions;
- Use relatively clean diesel, National V Standard, as a fuel for production to reduce the CO₂ generated from the using of diesel;
- Regularly remove the scale of the boiler pipe to improve thermal efficiency and reduce diesel consumption; and
- Employ third-party institutions with professional qualification to conduct air and exhaust gas testing annually to ensure the exhaust gas emission in compliance with the national emission standards.

溫室氣體及廢氣排放管理

本集團溫室氣體及廢氣排放主要分別來自生產過程中產生的二氧化碳及廢氣。

我們二氧化碳排放主要源自藥品生產時能源使用(下文二氧化碳排放數據是源自生產過程中使用的燃料 – 柴油), 其次是一般日常業務能源使用時所產生的二氧化碳。本集團已制訂多個節能措施, 以幫助減少一般日常業務碳足跡(請參閱下文“**A2資源使用 – 能源使用**”章節)。

本集團藥品生產業務佔集團整體二氧化碳及廢氣排放比例最大, 生產過程中主要有鍋爐燃燒產生廢氣排放, 當中的有害物質主要是二氧化硫、氮氧化物及懸浮粒子, 以及生產時能源使用(主要包括柴油)所產生的二氧化碳。為減少溫室氣體及廢氣排放對環境及生態帶來的不良影響, 本集團設立和推動了以下各項管理政策:

- 按特檢所規定加高煙道高度;
- 安裝懸浮粒子捕塵裝置;
- 定期清潔煙囪灰塵, 以減少煙塵排放量;
- 使用較為清潔的國V標準的柴油作為生產用燃料, 以助減少使用柴油而產生的二氧化碳;
- 定期對鍋爐煙管進行除水垢處理, 提高熱效能, 減少柴油使用量; 及
- 每年定期聘請有專業資格第三方進行空氣及廢氣檢測, 以確保廢氣排放符合國家排放標準。

During the Reporting Period, our SO₂ and NO_x emission indicators were far below the national emission standards as per our own and environmental protection departments' random checking.

The followings are the GHG and exhaust gas emissions data of two main subsidiaries of the Group, namely Tianda Pharmaceuticals (Zhuhai) Ltd. (Tianda Pharmaceuticals (Zhuhai)) and Yunnan Meng Sheng Pharmaceutical Co., Ltd. (Meng Sheng) (the Two Major Subsidiaries of the Group), which collectively contributed approximately 99% revenue of the Group for the financial year ended 31 March 2018, during the Reporting Period:

於本報告期間，我們二氧化硫及氮氧化物排放指標，經我們自己和環保部門隨機檢測均遠低於國家排放標準。

以下為本集團的主要兩家附屬公司，亦即天大藥業（珠海）有限公司（天大藥業（珠海））及雲南盟生藥業有限公司（盟生藥業）（本集團兩家主要附屬公司），它們合共貢獻本集團截至2018年3月31日止財政年度約99%的收入，於本報告期間溫室氣體及廢氣排放數據：

Emissions 排放物	Unit 單位	Emission Volume 排放量		Intensity*
		Total 總計	Per million HK\$ revenue 每百萬港元收入	密度*
Greenhouse gas and exhaust gas emissions 溫室氣體及廢氣排放				
Carbon dioxide (CO ₂)	二氧化碳	metric ton 公噸	953	2.636
Sulfur dioxide (SO ₂)	二氧化硫	kg 千克	442	1.224
Nitric oxide (NO _x)	氮氧化物	kg 千克	996	2.754
Suspended particles (PM)	懸浮粒子	kg 千克	84	0.233

* Intensity is calculated by dividing the emission volume by the Group's total revenue during the Reporting Period.

* 密度的計算方式為本報告期間排放量除以本集團整體收入。

Wastewater treatment

As a pharmaceutical production enterprise, water is an indispensable resource in the whole production process. The wastewater generated in the business of pharmaceutical production mainly includes production wastewater from the manufacturing process of pharmaceuticals and employees' domestic wastewater. As wastewater from the manufacturing process contains various chemicals that must not be directly discharged, the Group has taken measures to ensure that water discharge of the manufacturing plant under the pharmaceutical manufacturing business meets the regulatory standards and sewages are discharged to the municipal waste sewage pipes.

廢水處理

本集團作為藥品生產企業，水為整體生產過程中不可或缺的資源。業務產生的廢水主要包括在藥品生產製造過程中的生產廢水和員工的生活廢水。製造過程產生的廢水含有各種化學物質不可直接排放，因此本集團已採取措施確保醫藥製造業務的生產廠房廢水排放符合法定標準，而廢水均透過市政廢水管道排出。

The Group's two pharmaceutical production bases in Zhuhai and Kunming have installed wastewater treatment systems. The production wastewater and domestic wastewater generated in the production bases are processed by our sewage treatment systems to reach the standard and pass the acceptance test (i.e. pre-discharged wastewater meets both the Integrated Wastewater Discharge Standard and the Wastewater Quality Standards for Discharge to Municipal Sewers) before discharged into the municipal sewage pipe

本集團在珠海市及昆明市的兩家製藥基地均設有污水處理系統。生產廢水和生活廢水經基地污水處理系統達標處理、驗收合格後(即廢水符合《污水綜合排放標準》以及《污水排入城鎮下水道水質標準》)排入市政污水管網，最後再進入市政污水處理系統集中處理後排放。我們的污水處理站採用先進生物處理工藝，污水處理工藝主要是

network. And finally the wastewater discharges outside after the centralized treatment by the municipal sewage treatment systems. Our sewage treatment stations adopt advanced biological treatment processes, which mainly include Anaerobic/Anoxic Oxidation (A/O) process and Bioactive Carbon process. Wastewater are filtered by sedimentation, and undergone anoxic and anaerobic biochemical treatment, etc., to effectively reduce the pollutants contained in the wastewater (for examples, SS, COD, BOD5, ammonia nitrogen, total phosphorus, etc.) before the decomposition process, where the emission standards are complied with the national regulations.

We have invited qualified third-party institutions to conduct regular inspection yearly, and during the Reporting Period, the sewage discharge indicators were in accordance with national emission standards.

The followings are the wastewater emission data of the Two Major Subsidiaries of the Group during the Reporting Period:

Emissions 排放物	Unit 單位	Emission Volume	Intensity*
		排放量 Total 總計	密度* Per million HK\$ revenue 每百萬港元收入
Wastewater 廢水	metric ton 公噸	25,220	69.753

* Intensity is calculated by dividing the emission volume by the Group's total revenue during the Reporting Period.

Solid waste treatment

The Group's solid wastes generated from the pharmaceutical production process primarily include two types, namely non-hazardous solid wastes and hazardous solid wastes.

The Group has taken a number of practical and effective measures to reduce the environmental burden of solid wastes and to maximise the utilisation of resources, such as:

- The treatment approach for solid wastes is to have centralized collection at first, and then sort by categories, and allocate appropriate storage space for temporary storage of the categorized wastes;
- Non-hazardous solid wastes are centralized stored in the designated locations, and are processed periodically and timely by the local sanitation department or company under the binding agreements;

厭氧/好氧工藝及生物活性碳工藝，廢水經過沉澱過濾、增氧及厭氧菌生物處理等，有效降低廢水中的污染物含量後(例如水中的懸浮物含量、化學需氧量、生物需氧量、氨氮、總磷等)進行分解處理，達到國家法規排放標準。

我們每年亦定期邀請具有資質的第三方進行檢測，而本報告期內污水排放指標均符合國家排放標準。

以下為本集團兩家主要附屬公司於本報告期間廢水排放數據：

* 密度的計算方式為本報告期間排放量除以本集團整體收入。

固體廢棄物處理

本集團藥品生產製造過程所產生的固體廢棄物主要為兩類，無害固體廢棄物及有害固體廢棄物。

本集團為減少固體廢棄物帶來的環境負擔及實現資源的最大化利用採取了許多實際有效的措施，如：

- 固體廢棄物的處理方法為先集中收集，後分類處理，並配置合適的分類貯存場所暫存廢棄物；
- 無害固體廢棄物指定位置集中存放，與環衛局或公司簽訂協議定期及時清理處理；

- When the weekly processing volume of the non-hazardous solid waste exceeds the normal volume, the dedicated department will check the reasons behind, and recommend comments and/or follow-up actions for control purpose;
 - In compliance with the national standards for treatment of hazardous solid wastes, the hazardous solid wastes are properly packed and stored in designated storage areas, and are processed by qualified contractors in due course;
 - Recycling of glass, cardboard, paper materials, metal, printing cartridges and batteries, with collection facilities placed across the properties; and
 - Sell the waste plastic bags to the wastes recycling department for comprehensive utilization.
- 當無害固體廢棄物每週處理量超出常規數量，專責部門會核查原因，並提交處理意見及或後續行動以進行控制；
 - 按照國家危險廢棄物的存儲標準，有害廢棄物均妥善封裝存放於指定貯存區，適時由有資質正規備案承辦商專車定時專項處理；
 - 玻璃、紙板、紙質材料、金屬、打印墨盒及電池回收利用，並在物業到處放置回收設施；及
 - 將廢塑膠包裝袋售予廢品回收部門回收綜合利用。

The followings are the solid waste data generated by the Two Major Subsidiaries of the Group during the Reporting Period:

以下為本集團兩家主要附屬公司於本報告期間產生的固體廢棄物數據：

Emissions 排放物	Unit 單位	Emission Volume 排放量		Intensity* 密度*
		Total 總計	Per million HK\$ revenue 每百萬港元收入	
Solid waste 固體廢棄物				
Non-hazardous waste 無害廢棄物	metric ton 公噸	23		0.062
Hazardous waste 有害廢棄物	metric ton 公噸	52		0.145

* Intensity is calculated by dividing the emission volume by the Group's total revenue during the Reporting Period.

* 密度的計算方式為本報告期間排放量除以本集團整體收入。

General waste management

Other than the Three Wastes mentioned above, general wastes generated from the Group's business activities mainly consist of paper (for example office paper), as well as domestic wastes from the daily life of the employees. No substantial hazardous general wastes were produced by the Group during the Reporting Period.

The Group has launched a number of general waste management programs, including:

- Use email for internal and external communication so as to reduce paper consumption, and scanning the paper fax and physical mailing into electronic version for email delivery;
- Use paperless office automation system and human resources information system by encourage the use of electronic system for various internal approval processes and human resource information

一般廢棄物管理

除上述三廢外，本集團業務活動產生的一般廢棄物主要包括紙張（例如辦公室用紙），以及員工日常生活產生的生活垃圾。本集團於本報告期間並無產生任何重大有害的一般廢棄物。

本集團推出眾多一般廢棄物管理計劃，包括：

- 對內及對外通訊儘量使用電子郵件以減少紙張消耗，及將紙質傳真或郵寄掃描成電子版進行電子郵件傳遞；
- 使用無紙化辦公自動化系統及人力資源資訊系統，鼓勵各項內部工作審批流程及人力資源資訊傳遞，如付款審批、經濟合

transmission, such as payment approval, contract approval and employee holiday approval, etc.; and

- To encourage staff to reduce paper consumption by double-sided printing and reusing of papers printed on one side; and
- Collect domestic wastes separately and sell the recyclable wastes to the recycling station.

A2 Use of Resources

With the vision of helping to protect the planet and of incorporating environmental sustainability into its business functions and processes, the Group proactively seeks opportunities for increasing operating efficiency in order to reduce the use of resources. The Group also closely monitors the utilisation of resources and reports to senior management on this aspect of performance. Appropriate remedial actions to improve efficiency in the use of resources are taken, whenever necessary.

Use of energy

The Group's energy use mainly consists of electricity (including both the production and the domestic use) and diesel (the fuel used in the production process).

In addition to the measures mentioned above in the section "**A1 Emissions – Greenhouse gas and exhaust gas emissions management**" to reduce GHG and exhaust gas emissions to achieve the saving of diesel consumption, in order to further achieve higher energy efficiency, the Group also implemented the following key initiatives to reduce the use of electricity during the Reporting Period:

- Use energy efficient electronics equipment as far as possible;
- Maintain the air conditioning temperature of office at about 25 degree Celsius; and
- Switch off or set to energy saving mode for electronic appliances when they are not in use.

同簽訂審批及員工假期報批等，以電子化系統作批覆或信息傳遞；及

- 鼓勵員工多採用雙面打印，以及重用已經單面打印的文件；及
- 將生活垃圾分類收集，將可回收垃圾轉賣給回收站再利用。

A2 資源使用

為助益保護地球及將環境可持續性納入其業務職能及流程，本集團積極尋求提升營運效率的機會以減少資源使用。本集團亦密切監察資源的利用並就此方面的表現向高級管理層匯報。必要時，我們會採取適當的補救措施提升資源使用效率。

能源使用

本集團在能源使用方面主要為電力(含生產及生活用兩者)和柴油(生產過程中使用的燃料)。

除上文"**A1 排放物 – 溫室氣體及廢氣排放管理**" 章節中提及的為減少溫室氣體及廢氣排放以達致節約柴油使用的措施外，本集團亦為達致更高能源利用率，於本報告期間，實施以下主要舉措以減少電力使用：

- 盡可能使用能源效益的電器；
- 辦公室空氣調節溫度控制在25攝氏溫度左右；及
- 關閉不使用的電器，或調校至節能模式。

The followings are the data on the electricity and diesel consumed by the Two Major Subsidiaries of the Group during the Reporting Period:

以下為本集團兩家主要附屬公司於本報告期間電力和柴油使用數據：

Use of Resources 資源使用	Unit 單位	Volume Used 用量	Intensity*
			Per million HK\$ revenue 每百萬港元收入
		Total 總計	
Energy 能源			
Electricity	電力	kWh 度	4,517,990
Diesel	柴油	metric ton 公噸	290
			12,496.009
			0.803

* Intensity is calculated by dividing the emission volume by the Group's total revenue during the Reporting Period.

* 密度的計算方式為本報告期間排放物量除以本集團整體收入。

Use of water

The Two Major Subsidiaries of the Group use water supplied by the tap water supply company in China, mainly for the purpose of production and testing of pharmaceuticals, as well as daily life of the employees. The water quality complies with the national drinking water standards of the PRC, and the water supply is sufficient and fully meets our demand. For the effective use of water resources, the Group adopts water conservation management policy, where a variety of effective measures are carried out to reduce water consumption in its scope of operations, such as:

- Formulate "Leakage" safety inspection measures to prevent "Leakage";
- Install loop device for discharged wastewater generated by use of water during the production process, and reuse the cooling water and for greening and watering in the factories, which substantially save water resources and allow reuse to reduce emissions;
- Formulate water consumption standards for each production batch, where the production lines execute strictly, and monitor the result by treating as one of main targets in monthly performance review;
- Inspect and maintain water taps and water supply system promptly and periodically to prevent water leakage; and
- Carefully select production equipment, giving preference to water saving equipment.

用水

本集團兩家附屬公司採用中國自來水公司供應水源，主要用於生產及試驗藥品，以及員工日常生活，水質符合中華人民共和國國家飲用水標準，水源供應充足，完全滿足我們需求。為有效使用水資源，本集團採用節約用水管理制度，在其營運範圍內採取多種有效措施節水，比如：

- 制定“跑冒滴漏”安全檢查措施，杜絕“跑冒滴漏”；
- 對生產工藝用水產生的排放廢水安裝迴圈利用裝置，再次利用到冷卻用水迴圈及廠區綠化澆灌，大大節約水資源及重複利用減少排放；
- 生產過程制訂有各品種每批次工藝用水量標準，車間嚴格執行，並把執行結果納入每月績效考核進行控制；
- 對水龍頭及供水系統進行及時維修和定期檢查以防漏水；及
- 謹慎選擇生產設備，優先採用節水設備。

The followings are the data of the water used by the Two Major Subsidiaries of the Group during the Reporting Period:

以下為本集團兩家主要附屬公司於本報告期間用水數據：

Use of Resources 資源使用	Unit 單位	Volume Used	Intensity*
		用量 Total 總計	密度* Per million HK\$ revenue 每百萬港元收入
Water 水	metric ton 公噸	70,227	194.236

* Intensity is calculated by dividing the emission volume by the Group's total revenue during the Reporting Period.

* 密度的計算方式為本報告期間排放物量除以本集團整體收入。

Use of packaging materials

The packaging materials used by the Group mainly include paper, plastic, glass and metal. For the procurement of product packaging materials, the Group has developed a comprehensive procurement management plan and quality control regulations. At the same time, the Group conducts strict on-site audit and quality assessment of raw materials in accordance with regulatory requirements. Only those suppliers that comply with both the relevant national regulations and the Group's quality control regulations are included in our qualified supplier scheme for procurement purpose. The Group also purchases packaging materials based on production plan and demand so as to reduce unnecessary resources use.

包裝物料使用

本集團使用的包裝材料主要包括紙、塑膠、玻璃及金屬。針對產品包裝材料的採購，本集團制定了一套完整的採購管理方案及品質管制規定。同時，本集團對原材料供應商按照法規要求進行嚴格現場審計和品質評估，同時符合國家相關規定及本集團品質管制規定的供應商，方可納入合格供應商體系。本集團亦會根據生產計劃按需採購，以減少不必要的資源使用。

According to the requirements of the Good Manufacturing Practice for Pharmaceutical Products, the Group has developed a series of processes and operating procedures for the use of "Raw Materials – Packaging Materials", including the standard operating procedures (SOP) for collecting and dispatching materials, the process yields as specified in the process regulations, the reasonable waste rate and the balance of materials, where the prescribed consumed and reported material wastes must be inspected on-site, verified and recorded properly, etc.

根據《藥品生產質量管理規範》要求，本集團制定一系列有關“原材料 – 包裝物料”使用的工藝規程、操作規程等制度，包括領發料的標準作業程式，工藝規程規定的各工序收得率、合適損耗率和物料平衡，規定損耗和報廢物料必須得到現場品質檢驗、確認並有記錄等。

The followings are the data of the packaging materials used by the Two Major Subsidiaries of the Group during the Reporting Period:

以下為本集團兩家主要附屬公司於本報告期間包裝物料使用數據：

Use of Resources 資源使用	Unit 單位	Volume Used	Intensity*
		Total 總計	Per million HK\$ revenue 每百萬港元收入
Packaging materials 包裝物料	metric ton 公噸	1,501	4.152

* Intensity is calculated by dividing the emission volume by the Group's total revenue during the Reporting Period.

* 密度的計算方式為本報告期間排放物量除以本集團整體收入。

A3 The Environment and Natural Resources Air quality

In order to improve air quality, the Group aims to reduce air emissions generated from its production by green initiatives. The Group is committed to fulfilling and complying with the regime of smoking prevention and control requirements.

A3 環境及天然資源 空氣質素

為幫助改善空氣質素，本集團旨在透過定期檢查及綠色環保措施減少其生產產生的空氣排放量。本集團致力於履行並遵守預防及控制吸煙制度的規定。

B. SOCIAL

B. 社會

B1 Employment Labour practices

The Group has always adhered to its mission of "Nurture Talents and Strengthen the Team" in human resources management. With this mission and as an equal opportunity employer, the Group is committed to provide a working environment without discrimination and inequality, where safe and health are being protected and employees have the opportunities for continuous development and training.

B1 僱傭 勞工常規

本集團于人力資源管理，一直遵循“知人善用、強化團隊”的使命。藉著此使命及作為平等機會僱主，本集團致力提供一個不存在歧視及不平等的工作環境，安全及健康會受到保障，而員工亦會有持續發展及培訓的機會。

The Group has production bases and/or offices in China, Hong Kong and Australia, where staff have been employed as well. The Group strictly abides by its relevant local laws and regulations in relation to labour, where the relevant laws and regulations that have a significant impact on the Group mainly include the following:

本集團在中國、香港及澳大利亞設有生產基地及/或辦事處，聘用員工工作。本集團嚴格遵守當地勞工法律及規例，當中對本集團有重大影響的相關法律及規例主要包括下列所述：

- Law of the PRC on the Labour;
- Law of the RPC on the Employment Contract;
- Employment Ordinance of Hong Kong; and
- National Employment Standards of Australia.

- 《中華人民共和國勞動法》；
- 《中華人民共和國勞動合同法》；
- 《香港僱傭條例》；及
- 《澳大利亞國家就業標準》。

During the Reporting Period, to the best of our knowledge and information, the Group did not find and was not aware of any incidents of non-compliance to the relevant laws and regulations in relation to labour as mentioned above.

於本報告期間，據我們所知及信息，本集團並未發現及察覺到任何違反上述有關勞工的法例及規例之情形。

To ensure that the Group is able to operate according to professional and ethical labour practices, the Group has developed clear work processes with robust control mechanisms which have been clearly communicated to all employees. Certain policies to govern employees' affairs such as payroll, attendance and termination are clearly set out in staff employment contracts or appointment letters and complied strictly.

The Group also aims to promote the diversity of workforce, including in terms of age, gender and nationality, as well as a culture of equal opportunity. The management regularly reviews the Group's remuneration policy in relation to relevant market standards.

B2 Health and Safety

Workplace health and safety

In addition to complying with the labour laws and regulations as mentioned above in the section B1, the Group also strictly abides by its relevant local laws and regulations in relation to workplace health and safety, where the relevant laws and regulations that have a significant impact on the Group mainly include the following:

- Law of the PRC on the Prevention and Control of Occupational Diseases;
- Law of the PRC on the Production Safety; and
- Law of the PRC on the Work-Related Injury Insurance Regulations.

During the Reporting Period, to the best of our knowledge and information, the Group did not find and was not aware of any incidents of non-compliance to the relevant laws and regulations in relation to workplace health and safety as mentioned above.

The Group has established a set of policies which is focused on maintaining a healthy and safe working environment, and which includes the following requirements:

- The facilities operated by employees should meet health and safety standards;
- Expert advice should be obtained to identify health and safety risks in the operations and the corresponding mitigating actions that should be taken;
- Relevant information and training should be provided to employees in respect of risks to their health and safety which may arise in their work; and

為確保本集團能夠根據專業及道德的勞工常規營運，本集團已制訂具備穩健監控機制的明確工作流程，並已將其清晰地傳達給全體員工。若干政策規管僱員事務，如薪資、出席及終止聘用，已清楚載於勞動合同或僱員委任函件中，並嚴格遵守。

本集團亦旨在提升員工多樣性，包括年齡、性別及國籍以及平等機會文化。本集團的管理層就有關市場標準定期檢討本集團的薪酬政策。

B2 健康與安全

工作環境健康與安全

除遵守上述B1章節勞工法律及規例外，本集團亦嚴格遵守其當地之有關工作環境健康及安全的法律及規例，當中對本集團有重大影響的相關法律及規例主要包括下列所述：

- 《中華人民共和國職業病防治法》；
- 《中華人民共和國安全生產法》；及
- 《中華人民共和國工傷保險條例》。

於本報告期間，據我們所知及信息，本集團並未發現及察覺到任何違反上述有關工作環境健康及安全的法例及規例之情形。

本集團已訂立一套專注於維持健康與安全工作環境的政策，當中包括下列規定：

- 操作的設施應符合健康及安全標準；
- 應取得專家的意見以識別營運中的健康及安全風險，並應採取相應的降低風險措施；
- 就僱員工作中可能產生的健康及安全風險應向其提供有關資料及培訓；及

- Conduct annual health checkups for employees each year and arrange special occupational health checks for relevant personnel.

The Group has established a mechanism for monitoring occupational health and safety, as well as procedures for dealing with related risks. The Group engages employees in the determination of appropriate occupational health and safety precautionary measures. Accident reporting and investigation procedures have also been adopted for the follow-up of any health and safety incidents.

B3 Development and Training ***Employee development and training***

The Group strives to promote the long-term development of its employees by providing learning opportunities that broaden their skills and make them valuable assets to the Group.

Various employee training programs and seminars held by internal/external organisations are offered to employees, including in the areas of finance, governance, rules and regulations, supervisory and managerial skills, as well as various technical training courses relating to their respective job duties.

During the Reporting Period, we conducted several production safety educations and training, organized fire emergency drills, as well as actively participated in several certified training organized by the local fire brigade. The Group also actively organized employees to participate in outdoor development training, and fun fire competitions, etc. These not only enhanced employees' awareness of social environmental protection, but also enhanced the employees' familiarity with the knowledge in fire prevention safety, etc., thereby significantly improved the awareness of all employees about the social fire safety and helped to strengthen the occupational safety of the employees and reduce accidents. The Group conducts safety education and training for each on boarded new employee, whereby only those who passed the relevant examination will be employed. In 2017, Meng Sheng Pharmaceutical was awarded "Second Prize on Safety Production Unit" by the Committee of Kunming National Economic and Technological Development Zone.

- 安排員工進行一年一次的健康體檢，並為相關崗位人員安排了特定職業健康檢查。

本集團已建立監察職業健康及安全的機制，以及處理有關風險的程序。本集團使僱員參與釐定適當的職業健康及安全預防措施。就跟進任何健康及安全事故，本集團亦採取事故報告及調查程序。

B3 發展及培訓 ***僱員發展及培訓***

本集團致力於向其員工提供拓展技能的學習機會，藉以推動員工的長期發展，使彼等成為本集團的寶貴資產。

本集團向員工提供各種由內/外部團體舉辦的員工培訓項目及研討會，包括金融、管治、規則及規例、監督及管理技能，以及與彼等各自的工作職責有關的各種技術培訓課程等領域。

本報告期內，我們內部多次開展生產安全教育培訓、組織消防應急演練，以及多次積極參加當地消防大隊組織的取證培訓。本集團亦積極組織員工參加戶外拓展培訓、及趣味消防競賽等活動。不僅增強員工對社會環境保護的意識，更加強了員工對防火安全等消防知識的熟知程度，從而顯著提高了全體員工對於社會消防安全隱患的認知，以及幫助加強保障員工職業安全、減低意外事故。本集團對每一位入職的新員工進行安全教育培訓，就有關考試合格的員工方能上崗。2017年，盟生藥業獲得昆明國家級經濟技術開發區安委會頒發的“安全生產單位二等獎”。

B4 Labour Standards

Anti-child and forced labour

In addition to complying with the labour laws and regulations as mentioned above in the section B1, the Group also strictly abides by its relevant local laws and regulations in relation to child and forced labour, where the relevant laws and regulations that have a significant impact on the Group mainly include the following:

- Law of the PRC on the Provisions on the Prohibition of Child Labour; and
- Law of the PRC on the Protection of Minors.

During the Reporting Period, to the best of our knowledge and information, the Group did not find and was not aware of any incidents of non-compliance to the relevant laws and regulations in relation to child and forced labour as mentioned above.

The Group strictly prohibits the use of child and forced labour in the Group, and is committed to create a working environment that fully respects human rights.

In addition to having well-established recruitment processes requiring background checks on candidates and formalised reporting procedures to address any exceptions found, the Group also performs regular reviews and inspections to detect the existence of any child or forced labour in the operations.

Operating Practices

B5 Supply Chain Management

The Group's main suppliers are pharmaceutical manufacturers from China and Australia, providing raw materials and finished products, etc. When selecting suppliers, the Group considers factors such as the operation and production qualification, product quality, market prospect, service quality, environmental protection concept, business ethics and social responsibility, etc. The Group is inclined to select socially responsible suppliers, and hopes to implement green supply chain practices in the Group's business. The Group is committed to creating a mutually beneficial and win-win partnership with the suppliers.

B6 Product responsibility

Product health and safety and labelling

The Group strictly abides by its relevant local laws and regulations in relation to product health and safety and labelling, where the relevant laws and regulations that have a significant impact on the Group mainly include the following:

- Law of the PRC on the Drug Administration;

B4 勞工準則

禁止童工及強制性勞動

除遵守上述B1章節勞工法律及規例外，本集團亦嚴格遵守其當地之有關童工或強制性勞動的法律及規例，當中對本集團有重大影響的相關法律及規例主要包括下列所述：

- 《中華人民共和國禁止使用童工規定》；及
- 《中華人民共和國未成年人保護法》。

於本報告期間，據我們所知及信息，本集團並未發現及察覺到任何違反上述有關童工或強制性勞動的法例及規例之情形。

本集團嚴格禁止在本集團使用童工及強制性勞動，並致力於創建一個完全尊重人權的工作環境。

除已建立需檢查候選人背景的完善的招聘流程及處理任何例外情況的正式的報告程序外，本集團亦定期進行審查及檢查，以防止經營中存在的任何童工或強制性勞動。

營運慣例

B5 供應鏈管理

本集團的主要供應商為來自中國及澳大利亞的專業製藥企業，提供原料、成品等產品。本集團在選擇供應商時所考慮因素包括企業的運營及生產資質、產品品質、市場前景、供應商服務質素、環保理念、商業倫理及社會責任等。本集團傾向於選擇具有社會責任感的供應商，並希望將綠色環保踐行於本集團業務的供應鏈環節。本集團致力於打造與供應商互利共贏的合作關係。

B6 產品責任

產品健康與安全以及標籤

本集團嚴格遵守其當地之有關產品健康與安全以及標籤的法律及規例，當中對本集團有重大影響的相關法律及規例主要包括下列所述：

- 《中華人民共和國藥品管理法》；

- Law of the PRC on the Implementation of the Drug Administration Regulations;
- Good Manufacturing Practice for Pharmaceutical Products (National and local regions standards, if any);
- Good Supply Practice for Pharmaceutical Products (National and local regions standards, if any);
- Provisions on the Administration of Drug Instructions and Labels (National and local regions standards, if any); and
- Law of the PRC on the Protection of Consumer Rights and Interests.

During the Reporting Period, to the best of our knowledge and information, the Group did not find and was not aware of any incidents of non-compliance to the above relevant laws and regulations in relation to product health and safety and labelling.

The drug products promoted and sold by the Group are all registered in the nation, and the imported products are all checked and accepted by the imported pharmaceutical inspection report issued by the drug import ports or the domestic drugs' manufacture inspection report. The Major Subsidiaries of the Group involved in pharmaceutical operations have passed the latest Good Manufacturing Practice (GMP) and Good Supply Practice (GSP) certifications. As for product storage, the Group has reasonable storage arrangement according to the quality characteristics of the products, which is equipped with warehouse, air conditioning, and facilities for shading, ventilation, anti-moisture, pest control, rodent control and safety monitoring, etc.

Furthermore, the Group's warehouse is equipped with 24-hour automatic temperature and humidity monitoring system to maintain a good storage status of the products. Before delivery, the Group will check the products to ensure packaging integrity. We have dedicated departments responsible for product health and safety, as well as the compliance of labelling, and strictly adhere to product specifications and local government's regulations. During the Reporting Period, there was no recall of drugs due to health and safety issues.

B7 Anti-corruption Anti-corruption and money laundering

The Group strictly abides by its relevant local laws and regulations in relation to anti-corruption and money laundering, where the relevant laws and regulations that have a significant impact on the Group mainly include the following:

- Law of the PRC on the Criminal;
- Law of the PRC on the Anti-Corruption and Bribery;

- 《中華人民共和國藥品管理法實施條例》；
- 《藥品生產質量管理規範》(國家及當地地區標準，如有)；
- 《藥品經營質量管理規範》(國家及當地地區標準，如有)；
- 《藥品說明書和標籤管理規定》(國家及當地地區標準，如有)；及
- 《中華人民共和國消費者權益保護法》。

於本報告期間，據我們所知及信息，本集團並未發現及察覺到任何違反上述有關產品健康與安全以及標籤的法律及規例之情形。

公司推廣及銷售的藥品均為國家已註冊產品。本集團推廣及銷售的進口產品憑藉進口藥品口岸的進口藥品檢驗報告或國產藥品的工廠檢驗報告驗收產品。本集團涉及藥品經營的本集團主要附屬公司均已通過最新版《生產質量管理規範》及《經營質量管理規範》認證。在產品儲存方面，本集團根據產品的質量特性對產品進行合理的儲存，配備相應的庫房及空調，同時配有避光、遮光、通風、防潮、防蟲、防鼠、安全監控等設施設備。

另配倉庫有24小時溫濕度自動監測系統，確保產品保持良好的儲存狀態。本集團在發貨前均要求進行出庫覆核，確保包裝完整性。我們設有專責部門，負責產品的健康與安全，以及標籤的合規事宜，一律嚴格遵守產品說明書及當地政府相關規定。本報告期間，本集團沒有涉及因健康與安全問題發生的藥品召回事件。

B7 反貪污 反貪污及洗黑錢

本集團嚴格遵守其當地之有關反貪污及洗黑錢的法律及規例，當中對本集團有重大影響的相關法律及規例主要包括下列所述：

- 《中華人民共和國刑法》；
- 《中華人民共和國反腐敗賄賂

- Prevention of Bribery Ordinance of Hong Kong; and
- Anti-money Laundering and Counter-Terrorism Financing Act 2006 of Australia.

During the Reporting Period, to the best of our knowledge and information, the Group did not find and was not aware of any incidents of non-compliance to the above relevant laws and regulations in relation to anti-corruption and money laundering.

The Group has in place a number of policies addressing anti-corruption (such as acceptance of gifts and conflicts of interest), which provide guidance to employees in this area. The Group has also established policies and procedures to deal with money laundering in its operations.

In addition, the Group has established prevention system by setting up communication channels for faults and anti-corruption reporting. The whistle-blowing system can handle any breach of laws and regulations.

Relevant articles on anti-corruption and anti-money laundering are provided to employees for their study and reference in order to raise their awareness of the code of conduct as well as related procedures and guidelines.

During the Reporting Period, no legal case regarding corruption was brought against the Group or its employees.

Community

B8 Community Investment Community programs and donation

Upholding the mission of “Care for a Better World”, the Group and Mr. Fang Wen Quan, the Company’s chairman and Managing Director, have dedicated to devote to the society for many years and showed greater commitment to community services, including but not limited to donations to the poverties, education and talents development, healthcare, scientific research, environmental protection, culture and arts, etc.

The Group actively takes part in its social responsibilities, and participates in public welfares with different social institutions. At the same time, it encourages employees to go to the society, step into the community, and participate in various public welfare activities to take physical actions in order to contribute to the society. During the Reporting Period, the Group and its employees participated in the following community investments and activities:

法》；

- 《香港防止賄賂條例》；及
- 《澳大利亞2006年反洗黑錢和反恐融資法》。

於本報告期間，據我們所知及信息，本集團並未發現及察覺到任何違反上述有關反貪污及洗黑錢的法律及規例之情形。

本集團現有多個解決反貪污的政策（如收受禮物及利益衝突），為僱員在這方面提供指引。本集團亦已制訂政策及程序以應對業務的洗黑錢活動。

此外，本集團透過訂立申報及反貪污的溝通渠道，成立防範機制，舉報機制可應付任何違法及違規行為。

為提高各級僱員的行為守則以及有關程序及指引意識，本集團向僱員提供有關反貪污及反洗黑錢文章以供彼等閱讀及參考。

於本報告期間，並無對本集團或其僱員提出的貪污訴訟案件。

社區

B8 社區投資 社區計劃及捐款

秉承“關心社會，共同發展”的使命，本集團及本公司董事長兼董事總經理方文權先生多年來致力回饋社會、熱誠資助社會公益，包括但不限於捐資扶貧事業、教育和人才發展、醫療衛生、科學研究、環境保護、文化藝術等。

本集團積極踐行其社會責任，與不同社會機構共同參與公益事業，同時鼓勵員工走上社會，深入社區，參與各類公益活動，以實際行動回饋社會。於本報告期間，本集團及其員工參與了以下社區投資及活動：

- After the windstorm of Typhoon Hato in Zhuhai in 2017, the Group actively encouraged its employees to carry out assistance and construction work around the area, to clean and demolish the affected traffic and the communities in which the employees were located, as well as encouraged employees to participate in social donations in relation to charity activities;
 - Actively cooperating with schools in Zhuhai and Yunnan, the Group provided internship positions for college and secondary school students all the year round by arranging them to go to the production, quality, research and development and other positions for practical learning. While providing opportunities for employment and internships, the Group has great honour to be a teaching practice base and a social practice base; and
 - In Hong Kong, the Group pro-actively donated money/gifts, and participated in the Community Chest of Hong Kong's "Skip Lunch Day 2017/18" and the Hope Worldwide's "Worldwide Hope Volunteer Day 2018" (including organized volunteer workers to clean the home of the elderly people living alone), as well as sponsored the Positive Life Association Ltd.'s "Your Child is Not Autistic But Gifted".
- 在2017年珠海天鵝颱風風災發生後，本集團積極鼓勵員工就周邊開展援助及建設工作。對受災交通及員工各自所在社區進行力所能及的清障與清掃，以及鼓勵參與社會捐款的幫扶工作；
 - 在珠海及雲南與學校積極開展合作，本集團常年為大中專學生提供實習崗位，安排他們到生產、品質、研發等崗位進行實操學習。在給社會提供就業和實習的機會的同時，本集團榮幸成為教學實習基地與社會實踐基地；及
 - 在香港區，本集團主動捐贈款項/禮品，以及參加香港公益金的“2017/18公益行善「折」食日”及寰宇希望的“長者希望日2018”（包括組織義工隊為獨居長者清潔家居），及贊助正向生命協會公益講座“您的孩子不是自閉而是資優”。

您的健康是天大的事
TIANDA FOR HEALTH