

## ADHERING TO THE PEOPLE-ORIENTED PHILOSOPHY

Employees are the most valuable assets and fortune of the Group, the reason why we could always make great performances all relied on our employees who work hard, and devote enthusiasm to their work. Since establishment, the Group has always been adhering to the principle of “People-oriented”, maintaining the rightful rights and interests of employees, protecting the work safety, physical and mental health of employees. We also provide good welfare and benefits, as well as establish the platform for joint and harmonious development of the wide employees.

23





## TALENT ATTRACTION

Talents are an important part of the Group's core competitiveness, the unique innovative patent research and development and high-quality products of the Group are all closely related to the high knowledge level, rich creation and diligent and practical performances of employees. In order to attract and retain talents, the Group provides employees with competitive remuneration and benefits, as well as regularly adjusts remuneration level based on employee performance and the company's performance. For the employee who have excellent performance or make special contribution to the Group, we would give them bonus to strengthen their activeness in work.

In order to establish a talent base with excellent quality, we have preliminary examination, written examination and re-examination on candidates based on different position requirements, and implement actual operation test when necessary, so as to ensure employees reach certain knowledge and technical level. In the process of recruitment, the candidates shall meet the conditions required for corresponding positions, such as education background, working experience, skill, psychological quality, health situation, professional ethics, etc. The Group also avoids any discrimination in the aspects of gender, age, race, religion, disability, marital status, etc. so as to ensure all the candidates have fair, justified and open employment opportunities.



24

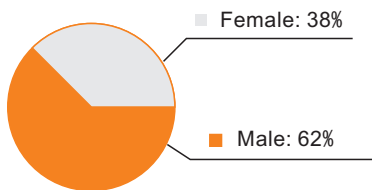
The Group highly regards and protects the lawful rights and interests of all employees according to law, strictly complies with *the Labor Law of the People's Republic of China*, *the Labor Contract Law of the People's Republic of China*, *Speical Rules on the Labor Protection of Female Employees* and other related laws and regulations. We have laid down strict regulation that all employees working at any position of the Group must be no less than 18 years old, and it is strictly forbidden to hire any minors less than 16 years old. If hiring any personnel between 16 years old to 18 years old, the related regulations in the Regulation on Special Protection of Minor Workers shall be strictly implemented. The Group has also clearly listed the work contents of labors in labor contracts to avoid any circumstance of forcing employees to work. Any employee proposing resignation shall make application based on related procedures, so the Group could specifically understand his/her causes of leaving and provide proper leaving arrangement, such as salary payment, etc.



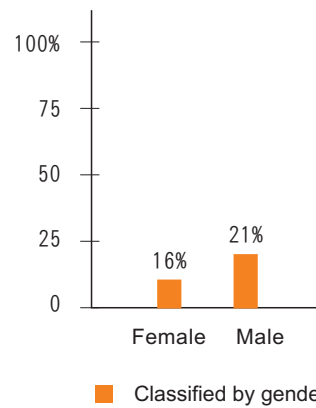
Employees about **12,000**

In the Year, the Group has employed about 12,000 employees, the percentage of employees classified by age, gender and employment type and the employee turnover rate classified by age and gender are as follows:

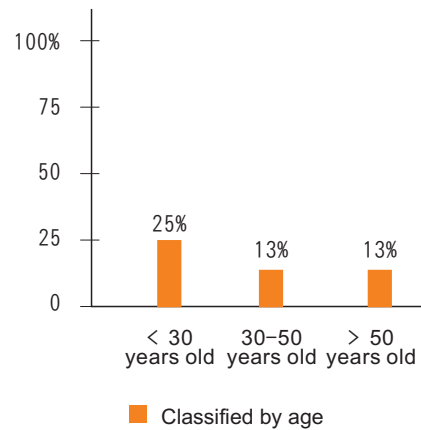
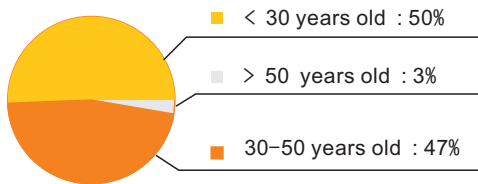
Classified by gender



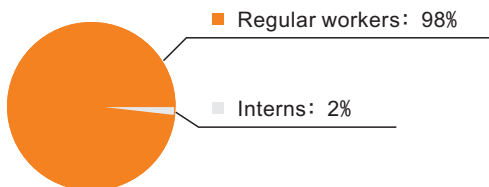
Employee Turnover Rate



Classified by age



Classified by employment type





## EMPLOYEE TRAINING

The Group has always been emphasizing on talent cultivation and development, and believing that our advancements are based on the enhancement of employees in the aspects of technology, knowledge, attitude and awareness. Therefore, the Group has established a comprehensive and diversified employee training system, which forms the most suitable training plans for the employees in different departments, positions and levels through the integration of internal and external trainings, the purpose of which is to, while strengthening the various aspects of abilities of employees, enhance the organization's operation efficiency, and enable employees to jointly advance with us.



26

In the aspect of production, the Group forms training plan every year and develops various types of training, which are mainly classified into four types: pre-job training, on-the-job training, job-transfer training and professional skill training.

Targeting new employees, the Group has designed and implemented a series of training lessons, the contents of which include recognition of the Group's regulations and rules, position duties and working procedures of various departments and organs, GMP standards, safety production such as fire safety, etc. The purpose of the training is to enable employees to familiarize with the company's situation as soon as possible, master working skills, and bear the supposed work duties. The Group and its various manufacturing bases also provide workshop for employees with various on-the-job skill training and professional skill training. Targeting transfer-job employees, we also provide the technical training related to new positions to help employees to adapt to new positions. Besides, the Group



also arranges professional skill trainings for employees related to time management, establishment of performance management system, etc. We also actively develop internal occupational skill contests, for example, in the Year, we have held the knowledge contest regarding GMP, pharmacopeia, production technology, fire safety and enterprise culture, which promoted interactive learning for employees and rewarded the excellent talents with outstanding performances and high skill levels.





## PERFORMANCE APPRAISAL AND PROMOTION

While providing trainings, the Group also establishes occupational development platform for employees to enable employees to select suitable promotion path based on personal abilities. The Group has the performance evaluation management system to evaluate the working performances of employees based on various standards, and the evaluation result serves as the important basis for employee remuneration adjustment, employment by competition, promotion and position adjustment. In order to effectively implement the performance evaluation management system, the department directors have formed monthly performance assessment scheme for employee, the assessment scope comprehensively covers multiple scopes, including production task, quality guarantee, cost control, production safety, fixed assets management, personnel management and environmental protection. The performance assessment of different scopes is handled by different departments so as to make the most appropriate assessment of employee performances in the most accurate method, and provide employees with the reward and promotion opportunities they are supposed to have in the principles of fairness, impartiality and openness.



## HEALTH AND SAFETY

Safety Production has always been the highest priority in the operation of the Group. We adhere to the objective of “Safety First, Prevention Upmost”, carefully enforce and implement the safety-related regulations, prevent potential hazards from happening. The Group has formed complete safety systems, established clear safety management principles and safety codes that various departments must strictly comply with the related regulations, regularly analyze safety work situation, find the unsafe factors and potential hazards, so as to form safety improvement measures. The principal of production department or safety management personnel is responsible for having safety inspection and strengthening safety education to strengthen the safety awareness of employees. Targeting safety and work-related accidents, the Group has also formed the related handling procedures, which enables employees to quickly and effectively handle accidents, and reduce the personal injury, death and property loss to the minimum. For any injured employees, the Group strictly implements the related regulations on salary, subsidy and work-related injury expense in accordance with the Rules of Work-related Insurance, so as to guarantee the basic rights and interest of employees. In the Year, the various major production bases of the Group did not have any work-related death accident.

27

In order to respond to the policies formulated by China on safety production, the Group sets June of every year as the Safety Month, and promotes the Group's key safety activities in the month, for the purpose of deepening the safety awareness of employee. The theme of Safety Month in the Year is to “Comprehensively implement the enterprises' entity responsibilities on safety production”. We developed many activities such as safety production knowledge contest, suggestions and ideas appraisal, whole-factory major safety inspection, emergency rescue plan drill and training of volunteer firemen, etc. The setting of Safety Month successfully strengthened the safety production atmosphere throughout the Group, enabled employees to be alert at any time, and greatly reduced the occurrence of accidents.





## CARE FOR EMPLOYEES

The Group has always been treating employees in the principle of “Equality, Care and Common Development”. In addition to providing career development opportunities and ideal working environment, we also ensure employees obtain benefits and welfares they deserve. We specially emphasize the balance between work and physical & mental development of employees, actively organize various types of cultural and sports activities, encourage employees to enthusiastically participate in the activities and enrich their spare time.

### *Benefits and Welfare*

In order to enable employees to have sufficient resting time, except for special workshops, the Group generally implements the five-day work week and 8 hours of working on every working day. In case of overtime, the Group requires that the overtime shall not exceed a certain length of period and the salary shall be paid strictly according to the related regulations. All employees are entitled to statutory holidays and leaves, such as annual leave, sick leave, marriage leave, maternity leave, funeral leave, work-related injury leave, etc. The Group also provides employees, in accordance with the *Social Insurance Law of the People's Republic of China* and other related laws and regulations, with the “Five Social Insurance and One Housing Fund” and allowance for high temperature. Besides basic welfare, we provide employees with annual and comprehensive free health examination, holiday welfare, free meals, birthday cake and other favorable benefits, for the purpose of establishing the enterprise culture of caring for people. The Group regularly issues the enterprise journal, “*The TUL's People*” and “*Pictorials*” as well as updates the enterprise Weibo account, WeChat Public Account, etc., enabling employees to keep abreast of the latest news of the Group at any time.

28

### *Cultural and Sports Activities*

Cultural and sports activities are good for enhancing the physical and psychological quality of employees, as well as establishing the teamwork spirit and friendship among employees, cultivating the sense of belonging to the Group, and promoting our cohesion. Therefore, the Group, including its various production bases and subsidiaries, have established the cultural activity teams, and regularly organized employee activities. The Group has organized many cultural and sports activities in the Year, such as sports contests, tours, outdoor exploration trainings, festival activities, photography and essay contests, etc. Besides internal activities, we also found various external community cultural activities for employees, enabled employees to participate in such events and contents in the name of the Group of subsidiaries. In the Year, our employees have participated in the Dragon Boat Contest, International Marathon Contest, Employee Sports Meeting, Safety Production Essay Contest, as well as various ball games such as football, basketball, badminton, etc. The Group will continue the good enterprise culture of having employees actively participate in activities, and enable all the employees to maintain physical and mental health.

