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INTELLIGENCE IN ACTION

FOSUN 复星

ANNUAL REPORT 2017

復星國際有限公司
FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code : 00656)

MESSAGE FROM THE MANAGEMENT

This environmental, social and governance report aims to illustrate the Group's policies, performance and measures on environment, employment, health and safety, development and training, labor standards, supply chain management, product liability, anti-corruption and community investment in an objective and balanced manner and covers the main businesses operated by the Group and its important investees. The report has been prepared in accordance with the revised "Environmental, Social and Governance Reporting Guide" published by the Hong Kong Stock Exchange in December 2015.

SOCIAL RESPONSIBILITY OF FOSUN

Since its inception, the Group has been fulfilling deep-down its corporate social responsibilities by upholding the values of "Self-improvement, Teamwork, Performance and Contribution to society", and working tirelessly to serve the society, the people and the nation.

Founded in November 2012, the Fosun Foundation is a corporate foundation with our Group as the major donor. Fosun Foundation's projects include: natural disaster relief; poverty alleviation and helping the physically challenged people; financial assistance offered for cultural and educational corporate social responsibility ("CSR") projects, to young entrepreneurs and for youth employment and other CSR causes. In recent years, Fosun Foundation mainly focuses on areas such as culture, education and healthcare. In 2017, the Foundation made donations to more than 40 CSR projects, with a total donation of over RMB54 million.

Since 2015, Fosun Foundation has been expanding its overseas CSR projects. CSR activities were launched successively in New York, Lisbon and Berlin, etc. Fosun Foundation has also registered and launched related organisations in Hong Kong and U.S.. Looking ahead, Fosun Foundation will strive to continually work on promoting Fosun's values, and to consolidate public recognition of Fosun as a leading global citizen with the interest of the community at heart.

Major CSR projects:

Rural Doctors Poverty Alleviation Program

On 29 December 2017, the "Rural Doctors Poverty Alleviation Program" was officially launched. The program included segments such as a New Rural Medical Care Revitalization Program, capability building and training programs for Rural Doctors and health care provision for Rural Doctors. The program aimed to build up and retain a team of outstanding Rural Doctors in impoverished areas and to enhance the capacity of and accessibility of primary medical care services, so as to guarantee the availability of primary healthcare services to impoverished population in rural areas.



Fosun Foundation, together with Fosun Pharma, Wanbang, United Family Healthcare, Fosun United Health Insurance, Pramerica Fosun Life Insurance, Chancheng Hospital, We Doctor and other member companies within Fosun, plans to help at least 15,000 Rural Doctors in 100 impoverished counties through comprehensive development of targeted medical assistance projects such as medical training assistance, medical subsidies for the poor, doctors and patient supplementary health insurance, and quick referrals, and other dissemination and promotion activities such as the “Most Beautiful Rural Doctor Award” to guarantee retention of Rural Doctors and improve their professional skills, and re-poverty in an effort to effectively curb sickness-induced poverty in state-level poverty-stricken counties. It is estimated that the initiative would benefit at least 15 million rural residents, thereby effectively achieving poverty alleviation through healthcare and helping to reach China’s 2020 poverty alleviation goal. In the early stage of the program, 24 state-level poverty-stricken counties in 12 provinces and autonomous regions including Yunnan, Xinjiang, Sichuan, Guizhou, Shaanxi and Hainan were selected as demonstration sites.

Fosun Foundation (Shanghai)

In 2017, Fosun Foundation (Shanghai) completed its first year of operation since its commencement. This shiny pearl on the bund of Huangpu River had brought forth an unique cultural and arts experience to Shanghai.

From 20 December 2016 to 20 February 2017, Fosun Foundation (Shanghai) presented *Twenty*, a special exhibition including 20 art works by 20 representative artists in the Chinese contemporary art history, to overview the development of Chinese contemporary art in the past 20 years. From 28 March 2017 to 10 June 2017, Julian Opie, one of the most respected contemporary artists in the UK, debuted his first exhibition in China. From 13 August 2017 to 7 October 2017, *Refurnishing Thoughts*, the solo exhibition of Swiss artist Yves Netzhammer, was held in conjunction with *The Mirage of Mountains and Seas*, the solo exhibition of Chinese artist Qiu Anxiong. Yves Netzhammer integrates and re-configures various arts elements to playfully subvert human understanding of time, space, and the world more generally: *joy and pain coexist; life and death cycle endlessly*. On the other hand, a work of ten painstaking years in the making, Qiu Anxiong’s ink film trilogy *New Classic of Mountains and Seas I*, *New Classic of Mountains and Seas II*, and *New Classic of Mountains and Seas III* were showcased together for the first time in this exhibition. From 9 November 2017 to 7 January 2018, the first major global exhibition on A. R. Penck was launched since his death in May 2017. This exhibition had put on parade the colorful life of A. R. Penck, one of the greatest contemporary artists.

In addition to the four themed exhibitions, Fosun Foundation (Shanghai) also held more than 10 public education programs on art, including meetings with artists, junior artists graffiti camps, public art lectures, and student art experience activities.



Artesunate helps malaria treatment in Africa



On 5 October 2015, the Karolinska Institute in Sweden announced that the 2015 Nobel Prize in Physiology or Medicine was awarded to Chinese pharmacologist Tu Youyou and others for their achievements in the treatment of parasite diseases. Tu Youyou was honored for the pioneered discovery of artemisinin by a team of Chinese scientists under her lead, which created a new method for malaria treatment.

In malaria treatment, Fosun Pharma has injectable artesunate Artesun®, a proprietary innovative drug with full intellectual property rights. According to incomplete statistics, Fosun Pharma supplied more than 100 million injectable artesunate to the international market by the end of 2017. It was expected that nearly 20 million patients around the world with severe malaria would benefit from treatment by Artesunate. Malaria morbidity and mortality continue to decline in Africa. Malaria mortality rate has reduced by 29% in all age groups worldwide, while the malaria mortality rate of children under five years old has reduced by 35%. The worldwide use of injectable artesunate Artesun® can save additional approximately 100,000 lives, most of whom are African children each year.

In the past ten years, Fosun Pharma had organized 8 consecutive sessions of seminar on Malaria Control for Developing Countries and 9 consecutive sessions of seminar on Pharmaceutical Quality Management for Developing Countries, covering more than 30 countries. 42 batches of foreign aid projects (antimalarial drugs) initiated by the Ministry of Commerce of the PRC were duly delivered. At the same time, the injectable artesunate as well as artesunate and amodiaquine hydrochloride tablets, etc. have long been the key innovative drugs in the Chinese government's assistance programmes to Africa.

As an official member of the Roll Back Malaria initiative advocated by the World Health Organization, Fosun Pharma is committed to raising the awareness of malaria prevention among the local population in Africa, reducing the morbidity of malaria, and ultimately realising the target of a malaria-free world.

Tai Chi adjuvant therapy



Fosun Foundation has long been supporting the promotion of the Tai Chi culture through hosting CSR programs like Tai Chi adjuvant therapy program for Parkinson's disease and sharing with the public the latest progress of Tai Chi adjuvant therapy for Parkinson's disease. Since 2014, Fosun Foundation has been partnering with Ruijin Hospital to conduct scientific research on "sports therapy for Parkinson's disease", and successfully conducted four free Tai Chi classes so far that covered more than 200 patients with Parkinson's disease (PD) in total.

As at the end of 2017, the Tai Chi adjuvant therapy program for Parkinson's disease had been extended to 4 cities. Fosun Foundation will further mobilize its resources and promote Tai Chi activities to more communities in 2018, so as to improve public health across China. In addition, Fosun Foundation will also finance courses on Tai Chi and traditional culture at New York University Shanghai, among other universities, bringing Tai Chi to youth.

Protechting Start-ups Acceleration Program



Conference. In February 2017, the project officially commenced and received applications of 119 youth entrepreneurship teams from 33 countries. In May, 22 teams successfully went through multiple rounds of screening to qualify for the Bootcamp, where they were trained and appraised by enterprise mentors so as to consolidate their start-ups in various fields, including health, insurance, financial innovation and wealth management. After two years of development since its debut as a CSR brand, the “Protechting” project has received recognition from the European Union, G20 and APEC.

For its next step, “Protechting” will be expanded to, among others, Macau, Brazil, UK and the U.S., so as to become a world-class youth entrepreneurship innovation program.



Fosun seeks to promote Protechting Start-ups Acceleration Program globally. At the beginning of 2016, Fosun, upholding the principle of being “innovation is about people”, together with Fidelidade supports youth innovation in the fields of protection, service, healthcare and savings.

Building upon the success of the first Protechting Start-ups Acceleration Program, Fosun further incubated “Protechting 2.0”. Working along with all members of the Fosun family, Fosun forged the cradle for cultivating “Unicorns”, thoroughly supported the European entrepreneurship ecosystem and assisted more youth in various realms of entrepreneurship and innovation. In November 2016, “Protechting 2.0” was revealed at the Websummit

Fudan-Fosun Health Dream Fund



The entire founding team of Fosun was made up of Fudan University alumni. As a gesture of gratitude for their alma mater, on the occasion of the 110th anniversary of Fudan University in 2015, Fosun donated RMB100 million to Fudan University through Fosun Foundation to establish the “Fudan-Fosun Health Dream Fund”. The fund is mainly used for the construction of the No. 1 Medical Research Building at Fenglin Campus of Fudan University (named as the “Fosun Building”) and for awarding teams and individuals for their outstanding contributions in such fields as medical research, innovation management, results transformation and educational development.

On 18 November 2017, on the 90th anniversary of the Shanghai Medical College of Fudan University (formerly Shanghai Medical University), “Fosun Building”, the No. 1 Medical Research Building at Fenglin Campus, was officially unveiled.



Pramerica-Fosun Spirit of Community Awards



In 2013, Fosun Foundation in joint effort with Prudential Financial, Inc., had launched the “Pramerica-Fosun Spirit of Community Awards” in Chinese mainland. As of today, the “Pramerica-Fosun Spirit of Community Awards” has been successfully held for four consecutive years. The competition had received approximately 2,000 effective applications and granted awards to approximately 200 teenage volunteers for their outstanding contributions to social welfare. The programme managed to significantly advance the development of youth voluntary activities in the PRC and has become one of the most prestigious awards in youth social responsibility.

The awarding ceremony for Pramerica-Fosun Spirit of Community Awards 2017 was held at Fudan University, with attendance by remarkable volunteers from Beijing and Shanghai. Furthermore, it was revealed at the ceremony that the award would further cover Shandong and Jiangsu Provinces.

H&A CSR Project – Düsseldorf Children’s table

During the Reporting Period, we supported the “Düsseldorf Children’s table” (Düsseldorfer Kindertafel). The “Düsseldorfer Children’s table” focuses on the nutrition of children who grow up in socially disadvantaged families. Healthy and balanced nutrition of these children is often not possible due to the lack of funds from their parents. At this point, the Düsseldorfer Kindertafel stepped in and in cooperation with manufacturers and retailers, made it possible for needy children to receive a warm and healthy lunch every day.

Supporting and developing local farming: a unique partnership with Agrisud

Finding that in some cases local supply was inadequate to meet its villagers’ demand for fresh produce, Club Med decided to help strengthen this network, thereby playing an active role in the economic development of the regions where it operates.

This decision led to a partnership with the NGO Agrisud, signed in late 2008, to enable local producers to supply Club Med villages, and to guide them towards more sustainable land use, based on the principles of agro-ecology.

The benefits of this are multiple and this will contribute to several of the Sustainable Development Goals. With 407 very small businesses supported and about 2,500 beneficiaries in four countries, cumulative financial support of EUR640,000, and over 129 tons of produce delivered at the end of 2017, Club Med is Agrisud’s largest partner in the tourism sector and its second private partner.

Celebration of the 10th Anniversary of Listing of the Company and the 25th Anniversary of the Establishment of the Group – Maintaining close communication with stakeholders and organizing charity fundraising activity

2017 was a significant year for Fosun as it marked the 10th anniversary of the listing of the Company in Hong Kong and the 25th anniversary of Fosun’s establishment. Under the theme “Gratitude, Development and Sharing”, Fosun held an annual general meeting in the morning, which was followed by its investment forum in the afternoon and a celebration ceremony in the evening, thereby maintaining close communication with its

stakeholders including shareholders, investors, media, business partners and entrepreneurs. During the event, Fosun introduced its latest strategy of “Centered around Family, Deeply Rooted in China, Innovating a Global Happiness Ecosystem” that could help its family customers live in a healthier, happier and wealthier life. The move also helped enhance the transparency of the Company.

During the event, Fosun initiated a matching donation campaign to encourage the guests to join the charity fundraising activity. Fosun Foundation donated a sum of money equal to the total donations made by the guests that day. All the money was donated to the Hong Kong Committee for UNICEF. Fosun firmly believes that every charitable act brings value to the well-being of humankind. Therefore, the souvenirs for shareholders and guests at Fosun’s celebration event were cookies handmade by employees with different abilities from iBakery, a social enterprise of Tung Wah Group of Hospitals. Fosun hopes that even the smallest act of kindness can make a little contribution to the community.



Fosun and Hong Kong University of Science and Technology (HKUST) jointly organized “Fosun-HKUST MBA Technopreneur Program”

“Fosun-HKUST MBA Technopreneur Program” was launched to coincide with the 10th anniversary of the Company’s listing in Hong Kong and the 25th anniversary of the establishment of the Group to foster the entrepreneurial spirit of Hong Kong’s university students. The business proposals presented by the teams of university students were aligned closely with Fosun’s strategy of “Creating a happy life with advanced technology”. The Group tried to inspire students’ creativity and to encourage them to accomplish more commercially viable projects by leveraging its

resources in technological innovation and various businesses such as healthcare, tourism, finance and insurance. The business plans by the five finalists included those for a green purifier, automated microfluidic platform for oocytes and embryo cryopreservation by freezing, and a portable ultrasound scanner for breast cancer, etc. These business ideas are arduous work of contributing to a healthy and happy life of mankind.

The Technopreneur Program marks the start of the cooperation between Fosun and HKUST. The two parties will work together to promote technological innovation and foster talent. They will also continue to motivate the young people in Hong Kong and other regions to hone their entrepreneurship by conceiving more innovative ideas and converting such ideas into entrepreneurial projects that can be applied to business, thus creating more astonishing products and services for families around the world.

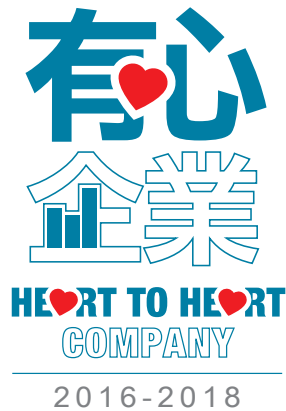


Fosun fulfils corporate social responsibility by participating in voluntary work in Hong Kong

As a renowned non-state-owned Chinese company listed in Hong Kong, Fosun has always been focusing on the sustainable development for the interests of its shareholders, investors, media, community and other stakeholders. This year, Fosun received the “Caring Company” logo from The Hong Kong Council of Social Service in recognition of its long-term commitment to promoting corporate social responsibility and its continued efforts in three aspects, namely “Caring for the Community”, “Caring for the Employees” and “Caring for the Environment”.



In 2017, Fosun fulfilled its corporate social responsibility by participating in the charitable work of The Hong Kong Federation of Youth Groups (HKFYG). For instance, Fosun participated in the “Heart to Heart Project” organized by The HKFYG and became one of the “Heart to Heart Companies”. Through sponsoring Hong Kong teenagers and schools to take part in voluntary activities in the neighbourhood, Fosun promoted the values that a company should give back to society and serve the community.



In addition, Fosun sponsored HKFYG’s community project “Neighbourhood First”, and organized Lunar New Year reunion dinner for the neighbourhood to let the elderly who lived alone, low-income families, families which were living on Comprehensive Social Security Assistance and physically challenged people feel cared for during the festive season. This is one of Fosun’s ways to express its care for the underprivileged community. Meanwhile, Fosun also gave its support to HKFYG’s voluntary work scheme called “Neighbourhood First – Giving Rice as Economic Aid to People”. It organized some of its staff members into groups of volunteers who assisted in delivering rice as economic aid to the people living in elderly care centres of public housing estates on a number of weekends. This was how Fosun dedicated itself to showing its care for the elderly and the low-income individuals and families in Hong Kong, spreading its positive energy of “creating a happy life” in Hong Kong.

SUPPLY CHAIN MANAGEMENT

The overall strategy for procurement management of the Group is: accommodation, evolution, cost reduction, efficiency enhancement. Accommodation and evolution are strategic measures whereas cost reduction and efficiency enhancement are strategic goals. The basic principles of the Group for procurement practices are: openness, fairness and impartiality. The basic principles of the Group for selection of suppliers are: meeting the technical and business requirements and winning the bid at the lowest price.

The “Procurement White Paper” on group procurement management policy and procedure executed by the Group from 2017 to the present includes: “Basic Guidelines for Procurement Management”, “Basic Guidelines for Supplier Management”, “Management Measures for Strategic Procurement”,

“Procurement Management Assessment and Red, Yellow and Green Light Management Measures”, “Management Measures For Procurement System” and “Procurement-related Complaints Handling Management Regulations”. In order to achieve the further standardization, systematization, sharing of procurement, transparency and informationization, management of the Group and its subsidiaries, the Group plans to upgrade “Procurement White Paper” by recompiling “Basic Guidelines for Procurement Management”, “Basic Guidelines for Supplier Management” and “Management Measures for Strategic Procurement” in 2018.

The Group actively improves its procurement informationization. Centering on the strategic goal of cost reduction and efficiency enhancement and leveraging its ability to share resources by implementing strategic and central procurement, the Group launched the “onelink+” (www.onelinkplus.com) in 2016, a platform through which the Group’s procurement and tendering work would be promoted in a transparent and online way. By the end of 2017, more than 200 enterprise demanders were solicited to explore online services and a vast supplier resource pool covering more than 30,000 suppliers was formed on the platform. The Group intends to set up three business segments such as online procurement and tendering, contract execution and fulfilment and B2B shopping mall on the platform in 2018, and realize the penetration and integration of logistics, supply chain management, comprehensive services and other specific contents.

ANTI-CORRUPTION AND SUPERVISION

In the year of 2013, the Company formally established the Anti-Corruption and Supervision department which specializes in the investigation, handling and prevention of cases of corrupt practice of staff such as corruption, abuse of power or dereliction of duty. The main mission of this department is to investigate and handle corrupt practice and control risks in an independent, impartial and keen manner. The Anti-Corruption and Supervision department of the Company has established professional investigation teams with extensive work experience in public security economic investigations and procuratorate anti-corruption investigations which are able to discover, investigate, handle major corruption cases of the Group and core enterprises and transfer the cases to judicial organs.

The Company adopts a zero tolerance policy for bribery, embezzlement and other corruption acts of all staff. By means of the Company’s website, “Fosun Anti-Corruption”, the official Wechat public account and other channels to publicize extensively the way to report any incident of corruption, the Company supervises the integrity and diligence of its staff. We have various regulations and systems for staff integrity, the protection and

reward procedures of the informants and witness, and internal investigation procedures which include: "Incorruptible Working Regulations for Employees", "Management Measures for Cash Gifts and Gifts Received during Business Activities", "Regulations regarding Personal Matters Reporting for Key Position Cadres of Fosun Group", "Measures for the Protection and Reward of the Informants and Witness", "Several Provisions on Anti-corruption and Supervision Line Case Investigation and Punishment", "Evaluation Measures for Anti-corruption and Supervision Line's Performance", "Guideline for Tender Activities Regulation and Supervision", "Regulations for Anti-corruption Inspection", "Management Measures for Anti-corruption and Supervision Lines", "Anti-corruption Assessment and Red, Yellow and Green Light Management Measures", etc.

The Company strictly complies with the laws and regulations of the PRC and other countries in which its investment is located, including laws and regulations such as prevention of bribery, blackmail, fraud and money laundering, and has various internal control systems to ensure such compliance in operations.

Preventive measures: First, publish online the code of conduct on anti-corruption, incorporate it into the Staff Handbook and publicize extensively the reporting methods and the results of punishing relevant staff through "Fosun Anti-Corruption", the official Wechat public account and other channels, expanding the influence of anti-corruption investigation within the Group; second, seriously punish the fraudulent employees and maintain the high pressure of investigation regarding the fraudulent behavior, promoting the atmosphere of anti-corruption and creating a culture of anti-corruption in the Group and all core enterprises that all corruption cases will be investigated; furthermore, actively participate in the activities of China Enterprise Anti-fraud Alliance and bring dishonest staff into the Alliance's blacklist, increasing the social costs of acts without good faith.

Reporting procedure: Anti-corruption supervision telephone numbers and mail boxes are published at the Company's website, "Fosun Anti-Corruption", the official Wechat public account and in the process of each tender and subsidiary inspection to receive internal and external report information, and designated staff are assigned to collect, assess and investigate each piece of report information.

Implementation and monitoring methods: (1) Anti-corruption institution construction: establish an Anti-Corruption and Supervision department, form a professional investigation team, and conduct performance appraisals on departments of subsidiaries exercising the functions of anti-corruption and supervision and their responsible persons; (2) fraud case investigation and punishment: choose a subsidiary every year for focused inspection and examination while continuing to investigate and punish key fraud

cases of the Group and other investees, transfer alleged criminal cases to a judicial organ; and (3) operation risk management and control: identify, rectify and prevent relevant operation risks in the process of investigating and punishing fraud cases, restore economic losses while punishing the responsible persons and block the relevant anti-corruption and management loopholes.

ENVIRONMENTAL HEALTH, SAFETY AND QUALITY

1. Policies and Guidelines

"Self-improvement, Teamwork, Performance and Contribution to Society" constitutes the cultural values of the Group. We have always regarded environmental protection, occupational health, production safety and quality management ("EHS&Q") as the important parts of our corporate social responsibility and they permeate the Group's strategy for sustainable development. In 2017, based on the new situation, the Group renewed the "Fosun Group Environmental, Health, Safety & Quality Policy", which was issued jointly by the chairman of the Company and seven executive directors, and would be fully implemented in all companies under the Group.



Our commitments reflect the Group's insistence on the following aspects:

1. To comply with environmental protection laws and regulations and government emission standards, and continuously improve management and adopt advanced technologies during the life cycle of the Company's operations to reduce air emission, wastewater, solid waste, and greenhouse gases, and strive to minimize the impact on the environment;
2. To make good use of and cherish resources, improve production technology to use natural resources efficiently, carry out energy conservation and emission reduction, and continue to adopt more environmentally friendly raw materials;

3. To reduce the impact of production and operation on natural resources, protect the environment of mining area, and actively carry out geological disasters and environmental governance in the mines;
4. To provide employees with a safe working place and protect employees and contractors' employees from occupational injuries;
5. To provide customers with safe products and services and strive for excellence; and
6. To actively adopt international advanced management concepts and methods such as Lean Six Sigma to promote the overall improvement of operations.

The Group's environmental, health, safety and quality policy are as follows:

A comprehensive analysis was made with reference to the industry's EHS&Q risk level and the proportions of investment, holding companies to the Group's assets, income ratio and other factors. Information related to EHS&Q aspects disclosed in this report was presented with focuses on Health Ecosystem – Fosun Pharma, Happiness Ecosystem – Club Med, and Wealth Ecosystem – Nanjing Iron & Steel, Hainan Mining and Hive Property.

FOSUN 复星

复星集团安全质量环境政策

Fosun Group Environmental, Health, Safety & Quality Policy

复星集团认为人是企业最宝贵的财富，同时认为所有业务应该以可持续的方式进行。因此我们承诺：

- 在运营过程中严格遵守中国法律法规及复星的标准，同时严格遵守经营活动所在国、地区的各项法律法规；
- 在运营过程中，为我们的员工、承包商、访问者及我们生活和工作的社区创造一个安全、健康、环保和舒适的生活和工作场所；
- 督促集团控股、参股企业和合作伙伴，建立和完善以OHSAS 18001、ISO 14001、安全生产标准化为基础的安全、质量、环境（EHS&Q）管理体系，定期检查和评审，确保其有效运行；
- 通过项目投资前的EHS&Q尽职调查、项目投运后的EHS&Q监控、项目退出时的EHS&Q把关等管理措施，确保EHS&Q管理和要求始终贯穿于投资活动的全过程；
- 每位复星集团员工，无论在何时何地都有责任和义务做好安全质量环保工作，并做到不伤害自己、不伤害他人和不被别人伤害；同时每位员工无论在何时何地都有责任和义务，提醒或要求别人做好安全质量环保工作，这也是我们复星集团雇佣员工的前提条件；
- 坚持可持续发展的方针，我们将引导企业，通过减少废物、废气及废水的排放，有效地利用能源并寻求机会回收利用废弃物，减轻我们的生产和经营活动对于环境及人员的影响；
- 本着对社会应尽的义务，我们提供优质产品，保证客户使用安全；
- 我们将积极采用国际先进管理理念与方法如精益六西格玛等来推进运营的全盘提升。

复星集团坚信：

- 所有事故和伤害都可以避免；
- 管理者必须管理安全、质量、环境；
- 所有运营和作业危害都能够被控制、降低或消除；
- 所有员工都必须无条件接受安全、质量、环境培训；
- 所有员工都必须及时纠正人的不安全行为和物的不安全状态；
- 安全环境与健康、质量同等重要；
- 质量是产品的核心，我们力求精益求精！

复星集团将确保安全、质量、环境政策在集团公司内，包括投资的各个行业和企业内，以及办公场所等得到有效执行。非常感谢所有员工对复星集团安全质量环境政策的支持。

The policy of Environmental, Health, Safety and Quality will be carried out effectively in all Fosun Group's sites, including mining, pharmaceuticals & healthcare, real-estate, steel, and all office areas. We would like to thank you all for your support to Fosun Group EHS&Q Policy.

Fosun Group recognizes people as its most important asset and all business should be operated in a sustainable manner. We are committed to:

- Operate in compliance with China applicable legislations and Fosun internal standards, and all the applicable local laws and legal of the business activities of the host country/region
- A safe, healthy, comfortable living and work environment will be provided for our employees, contractors, visitors and community operations.
- Coaching/leading our group holding, shareholding companies and cooperation partners to establish and maintain an appropriate environmental, health, safety and quality (EHS&Q) management system in according with OHSAS 18001, ISO 14001 and Risk Standardization Systems, conducting regularly check and auditing to ensure it operates smoothly and effectively.
- Integrate all investment activities to involve EHS&Q management thoroughly via some effective methods such as conducting EHS diligence before investment, strengthening EHS&Q supervision on the invested companies etc.
- It is the duty of every employee in Fosun Group to demonstrate a good EHS&Q performance so as not to endanger themselves, his/her colleagues in any where and any time. It is also the duty of every employee to remind or request other people to work in EHS&Q performance in any where and any time. This is a condition of employment.
- Adhere to the sustainability principle. Make, handle, use, transport, sell or dispose of products, in a safe and environmental manner. Continue to drive down the environmental and health impact of our operations by reducing waste, emissions and dis and by using energy efficiently, at the same time, we will explore opportunities to re-use and recycle waste.
- Provide high quality products, and ensure product safety.
- We will actively adopt international advanced management methods such as Lean Six Sigma etc, to improve our operation.

We believe:

- All injuries and occupational illnesses are preventable.
- Line managers are responsible for safety, health, environment and quality issues.
- All operation risk and hazards can be controlled, reduced or eliminated.
- It is mandatory for all employees to be trained on safety, health, environment and quality.
- Unsafe behavior and conditions must be corrected in time.
- Safety and environment are to be considered on an equal level with production and quality.
- Quality is the core of products, we strive for excellence!

复星集团
Fosun Group

2017年5月
May, 2017

2. Responsible Investment

In 2013, the Group issued Guidelines on EHS&Q Due Diligence of Investment Projects of Shanghai Fosun High Technology (Group) Company Limited (《上海复星高科技(集团)有限公司投资项目环境健康安全质量尽职调查指引》) and the Manual of Fosun Group

EHS Management System (《復星集團EHS管理體系手冊》). Through the pre-investment due diligence on the EHS&Q of target company, the post-investment EHS&Q management and consulting services, exit-phase EHS&Q checks and other measures, the Group ensures that EHS&Q risk control and management pervades the entire investment and business activities. The Group adheres to value investment and insists on not investing in companies that are not committed to good quality and their related industries are at odds with the green development strategy of the country.

3. Environmental Protection

The Group has achieved near-term results and made long-term plans for sustainable development strategies. The Group requires and actively supports the improvement and upgrading of the invested companies in environmental protection, and asks them to commit themselves to investing in that aspect in order to ensure that they meet the discharge standards and comply with laws and regulations. Through the implementation of the Group's EHS management framework system, the Group's environmental protection work is systematically arranged and standardized, and enterprises under the Group are encouraged and promoted to obtain ISO14001 certification. As of the end of 2017, 13 companies have achieved ISO14001 certification.

1) HEALTH ECOSYSTEM – FOSUN PHARMA

Fosun Pharma's environmental protection policy is "Implement the strategies for sustainable developments of both environment and society, by preventing contaminants and pollutions, saving energies, reducing emission, protecting ecological diversity, and building environment-friendly communities." Fosun Pharma adopts the principle of industrial value chain life cycle management and strictly enforces the environmental protection policy throughout the whole process from new project activation, internal operations to pollutant discharge. During the Reporting Period, Fosun Pharma had not received any official punishment for major environmental, health and safety (including fire) incidents and did not cause serious environmental, health and safety impacts.

Major environmental pollutants produced by Fosun Pharma include three categories, namely wastewater (including industrial wastewater, hospital wastewater and domestic wastewater, the major pollutant factors of which are COD, NH₃-N, SS, mineral oil and escherichia coli, etc.), air emissions (including process waste gas, furnace flue gas, and non-organized emission source, the major pollutant factors of which are SO_x, NO_x, VOCs and particles, etc.) and solid wastes (general industrial waste, domestic waste, and various types of hazardous waste). During the Reporting Period, Fosun Pharma actively complied with the relevant requirements of the Interim Provisions on Management of Pollutants Discharge Permits (《排污許可證管理暫行規定》) newly issued by the state, and thoroughly carried out controls over and measured wastewater, air pollutants and solid wastes generated in the manufacturing, office operation and service provision processes of all member companies. Fosun Pharma also renewed the discharge permits within the specified period. As a result, all member companies meet the requirements of discharge permit in discharging pollutants. In 2017, the statistics of the discharge of three types of wastes (wastewater, waste gas and solid waste) of Fosun Pharma are as follows:

Items		2017	2016	2015
Wastewater	Total amount of wastewater (cubic meter)	7,315,890	6,785,400	6,285,061
	COD(ton)	841	490	488
	NH ₃ -N(ton)	486	60.55	56.00
Waste gas	NO _x (ton)	239	466	411
	SO _x (ton)	115	485	408
Solid waste	Total amount of solid waste (ton)	88,967	80,848	65,597
	Total amount of hazardous waste (ton)	2,397	1,627	962

The total annual discharges of COD and NH₃-N of Fosun Pharma in 2017 were 841 tons and 486 tons respectively, which increased by 351 tons and 425 tons respectively from the total annual discharges in 2016. In 2017, Fosun Pharma strengthened the control over the discharge of wastewater from its subordinate member companies, and successively provided funds to six companies including Jinzhou Aohong Pharmaceuticals Co., Ltd., Hebei Wanbang Folan Pharmaceutical

Co., Ltd. (“**Wanbang Folon**”), Shenyang Wanbang Tiansheng Biological Technology Co., Ltd., Far-Eastern Casing Co., Ltd., Chongqing Yaoyou Pharmaceutical Co., Ltd. and Shenyang Hongqi Pharmaceutical Co., Ltd., to set up or upgrade sewage treatment facilities. In 2017, all the member companies of Fosun Pharma met the sewage discharge standards.

The total annual discharges of NOx and SOx of Fosun Pharma in 2017 were 238.69 tons and 114.98 tons respectively, which decreased by 227.31 tons or 48.8% and 370.02 tons or 76.3% respectively from the total annual discharges in 2016. During the reporting period of 2017, Fosun Pharma continued to strictly implement the national and local regulations and requirements for air pollutant emissions, strengthened the implementation of related internal system in each member company for atmospheric emissions, and established and strengthened the operation and maintenance system of air emission treatment facilities to ensure their effective and reliable operations. In 2017, after Guilin Pharma Co., Ltd. (“**Guilin Pharma**”) and Hunan Dongting Pharmaceutical Co., Ltd. (“**Dongting Pharma**”) changed their use of boiler coal to natural gas, coal consumption reduced by a total of approximately 11,500 tons, which helped to reduce NOx, SOx and particles emissions. In 2017, the state increased its efforts in the control of VOCs produced by pharmaceutical companies, and environmental protection authorities in Shanghai, Jiangsu, and other regions all put forth VOCs emission reduction requirements. Fosun Pharma immediately issued the Investigation Paper on VOCs Emissions by Fosun Pharma Group's Member Companies (《復星醫藥集團控股成員企業VOCs 摸底盤查》) to conduct a thorough investigation into the existing VOCs emission sources and quantities of all Fosun Pharma's domestic member companies. After completing the installation of VOCs terminal processing facilities in Shanghai Zhaohui Pharmaceutical Co., Ltd. (上海朝暉藥業有限公司) in Shanghai, Fosun Pharma continued to beef up efforts in VOCs emission reduction and treatment within domestic member enterprises in Jiangsu, Chongqing, Hubei, etc. Many companies including Suzhou Erye Pharmaceutical Co., Ltd, Chongqing Carelife Pharmaceutical Co., Ltd. and Shine Star (Hubei) Biological Engineering Co., Ltd. (“**Shine Star**”) built VOCs collection and treatment facilities for emission reduction, with a total investment of approximately RMB20 million.

In 2017, total solid waste generated by Fosun Pharma amounted to 88,967 tons, of which 88.9% were boiler residue and fly ash after the raw coal was burned. These wastes were all recovered by building materials manufacturing companies for making bricks, which was a way of waste recycling. Total solid waste in 2017 increased by 8,119 tons or 10% compared to 2016, among which Shine Star increased by 11,300 tons. Guilin Pharma and Dongting Pharma's boiler coal-to-gas projects reduced 11,500 tons of raw coal consumption, which contributed to the reduction of cinder and fly ash of about 6,000 tons. In 2017, Fosun Pharma's total solid waste intensity and hazardous waste intensity were 48.01 kg/RMB10,000 output value and 1.29 kg/RMB10,000 output value respectively. Domestic waste generated by member companies is disposed of by local public sanitation stations. The non-hazardous parts of the industrial wastes are recycled or disposed of by local public sanitation stations. Treatment of hazardous wastes is outsourced to qualified suppliers according to regulations.

2) WEALTH ECOSYSTEM – NANJING IRON & STEEL

In 2017, Nanjing Iron & Steel strictly complied with environmental laws and regulations and consciously fulfilled its social responsibilities, and strengthened the upgrading and management of environmental protection facilities to ensure that various pollutants are discharged within regulatory standards. As a result, the company properly achieved the emission reduction targets issued by the Nanjing municipal government, and successfully passed the inspections by the Central Environmental Inspection Group. The environment and environmental management of the factory of Nanjing Iron & Steel were recognized and praised by the environmental protection department of the government, and the company was awarded the “Clean Production and Environment-friendly Enterprise” by the China Iron and Steel Industry Association.

In 2017, Nanjing Iron & Steel invested a total of RMB500 million in environmental protection. With respect to water pollution control, the First Sintering Plant's 360 desulphurization waste water collection project and Fuel Supply Plant's chemical production emergency pool project were completed, which enhanced the Nanjing Iron & Steel's water pollution control and emergency responsiveness. With respect to air pollution control, the descriptions of relevant remodeling and upgrade projects are as follows:

- The retrofitting projects of dust collectors for the No. 1 and No. 3 sintering machines were completed and put into use, and the emission concentration of particles subsequently reduced to less than 10 (the special emission limit stipulated in Emission Standard of Air Pollutants for Sintering and Pelletizing of Iron and Steel Industry (GB28662-2012) was 20 mg/m³);
- No. 2 Oxygen Converter Gas Recovery (OG) project of the First Steelmaking Plant was completed and put into use, and the emission concentration of the particles subsequently reduced to less than 30 mg/m³ (the special emission limit stipulated in Emission Standard of Air Pollutants for Steel Smelt Industry (GB28664-2012) was 50 mg/m³);
- For dust control, coal silo construction project in open coal yard and sealed shelter construction project in raw material storage yard has entered the construction phase. The coal silo construction project is expected to be completed by the end of 2019. The phase I construction of sealed shelter construction project will be completed in September 2018; and
- For the purpose of reducing SO₂ and NO_x emissions, a linked assessment system is established and indicators are assigned to all stages of workflow. The company improves the desulfurization efficiency of the sintering and pelletizing, and keeps the SO₂ emission concentration under 90 mg/m³ (the national standard is 180 mg/m³). For NO_x, the raw materials and fuel components are improved at the source, which successfully keeps the emission concentration under 240 mg/m³.

Through continuous investment and strengthening management and control, the emission of each pollutant factor per ton of steel of Nanjing Iron & Steel has gradually gone down for successive years, and all of the factors are lower than the Grade I Benchmark Value of the National Evaluation Index of Cleaner Production in the Steel Industry (國家鋼鐵行業清潔生產評價指標I級基準值). The wastewater and waste gas emissions of Nanjing Iron & Steel are as follows.

Classification	Pollutant factor	2017		2016		2015		Grade I Benchmark Value of the National Evaluation Index of Cleaner Production in the Steel Industry
		Total emissions	The emission per ton of steel	Total emissions	The emission per ton of steel	Total emissions	The emission per ton of steel	The emission per ton of steel
		(ton)	(kg/ton of steel)	(ton)	(kg/ton of steel)	(ton)	(kg/ton of steel)	(kg/ton of steel)
Waste gas	NO _x	8,555.4	0.869	9,213.4	1.023	8,751.1	1.019	≤0.9
	SO ₂	2,923.6	0.297	3,602.5	0.400	3,368.4	0.400	≤0.8
	Particles	4,475.2	0.45	4,401.8	0.49	5,395.7	0.63	≤0.6
Wastewater	COD	153.3	0.016	153.6	0.017	178.8	0.021	≤0.06
	NH ₃ -N	4.47	0.0005	5.30	0.0006	5.04	0.0006	≤0.006

In 2017, Nanjing Iron & Steel re-examined and adjusted the comprehensive utilization management model, management process, resource flow, resource disposal and utilization, classification and statistics of industrial solid waste resources; strengthened the localized management model of solid waste, and managed and controlled all stages of workflow including use, storage, transportation and processing; carried out comprehensive utilization research projects of solid waste to enhance internal recycling of various types of solid wastes.

THE AMOUNT OF COMPREHENSIVE UTILIZATION AND DISPOSAL OF SOLID WASTES IN 2015-2017

	Way of Disposal	2017	2016	2015
General industrial solid waste (10,000 tons)	Comprehensive Utilization	651.00	485.80	453.62
Hazardous waste (ton)	Disposal by third-party qualified units/internal comprehensive utilization	3,581	3,773	1,488

In 2017, Nanjing Iron & Steel comprehensively utilized 6.51 million tons of general industrial solid waste. The generated steel slag, iron oxide scale, industrial sludge, and various fly ash and other iron-containing materials are recycled and reused. The blast furnace slag is sent to Nanjing Iron & Steel for its internal ultra-fine powder project and sold as a cement additive.

For the management of hazardous wastes, Nanjing Iron & Steel carried out standardized procedures in accordance with the requirements of the latest Index System for Hazardous Waste Standardization Management (《危險廢物規範化管理指標體系》). By strengthening the daily management of production equipment, the company increased the recovery and utilization of waste oil and reduced the generation of hazardous waste, and thus the total hazardous waste in 2017 decreased 5% from 2016. All the hazardous wastes generated were sent to third-party qualified units for standardized disposal, and the disposal details were reported to the Nanjing Environmental Protection Bureau. In 2017, Nanjing Iron & Steel transferred 9.42 tons of waste tar residue, 148.39 tons of waste oil barrels, 343.94 tons of waste oil, 38.4 tons of waste lead-acid batteries, and 51.84 tons of waste ethylene glycol according to standards. In accordance with the environmental assessment requirements for projects, Nanjing Iron & Steel set up a special equipment for the comprehensive utilization of waste tar slag. In 2017, it utilized a total of 1,309 tons of waste tar slag, 1,680 tons of biochemical sludge, and 100% of its hazardous waste were safely disposed of.

Case: Environmental Improvement Measures in Nanjing Iron & Steel



360 Sintering Desulphurization
Wastewater Collection



New Water Pool for Emergency Use



No. 3 180 sintering machine bag dustcleaning



No. 2 Oxygen Converter Gas Recovery (OG) dustcleaning

3) WEALTH ECOSYSTEM – HAINAN MINING

Hainan Mining insisted on making investment into environmental protection. In 2017, all of the wastewater, exhaust gas, noise and slag discharges met the standard. All hazardous wastes were disposed of in compliance with regulations and Hainan Mining has not received any environmental penalty. The emission intensity of various environmental pollution factors of Hainan Mining has been declining for successive years. Hainan Mining's pollutant emission statistics are as follows:

Pollutant Emission Index		2017	2016	2015
Annual Output	Finished iron ore (10,000 tons)	400.29	290.58	320.93
Wastewater	COD (ton)	35.03	36.41	109.23
	COD emission intensity (ton/10,000 tons)	0.09	0.13	0.34
	NH ₃ -N(ton)	1.37	1.21	2.65
	NH ₃ -N emission intensity (ton/10,000 tons)	0.003	0.004	0.008
	SS (ton)	24.95	26.81	84.32
	SS emission intensity (ton/10,000 tons)	0.06	0.09	0.26
Solid waste	The total amount of hazardous waste (ton)	23.5	23.3	30.0
	Hazardous Waste Intensity (ton/10,000 tons)	0.06	0.08	0.09

As a mining company that mines natural resources, Hainan Mining is always serious about geological hazards and environmental governance. It has invested financial and material resources for geological disasters and environmental governance over the years and its efforts have been recognized by the government. Hainan Mining carried out mine rehabilitation and tree planting. From 2007 to 2017, a total of approximately RMB69.569 million was invested, with a total area of reclamation of approximately 205.5 hectares.

4. Energy Saving and Resource Usage

As climate change intensifies, the international community calls for a low-carbon transformation of the global economy and the formation of a globally binding action plan through the United Nations Climate Change Conference and other organizations. It requires the joint efforts of all walks of life, especially the enterprises in order to meet this challenge.

Based on this background, as one of the members of the Paulson Institute CEO Council, the Group cooperated with agencies such as the Paulson Institute to start developing and implementing a low-carbon strategy in 2017. As the first step, based on asset size, energy consumption scale and data integrity and other principles, the Group selected five core companies from its own business segments to first conduct carbon emission data collection and comparative analysis, including Nanjing Iron & Steel, Club

Med, Hainan Mining, Guilin Pharma and Bund Finance Center, spanning resources (iron and steel, mining), tourism, pharmaceuticals and real estate and planned to gradually cover all the Group's related businesses. The pilot companies are cross-industry, cross-regional, and cross-country. The Group will analyze the carbon emissions data of each pilot company for 2014-2016, compare them with industry leaders and leading indicators, and discuss with them and formulate practical emission reduction targets and implementation plans.

On 8 November 2017, the China Center for International Economic Exchange and the Paulson Institute co-hosted the CEO Council for Sustainable Urbanization Meeting. Li Haifeng, Fosun's global partner, Senior Vice President and Chairman of the Fosun Foundation, addressed at the Meeting to introduce the Group's carbon emission reduction strategic plan.



1) HEALTH ECOSYSTEM – FOSUN PHARMA

In 2017, Fosun Pharma carried out lean production management projects in its member companies. Each company independently used various tools for lean management in energy management and promoted energy conservation and emission reduction. According to statistics, Fosun Pharma saved 7.8 million kW-h of electricity, 16,000 tons of steam, and 385,000 cubic metres of natural gas, saving a total of more than RMB10 million in energy consumption.

In 2017, Fosun Pharma summarized its consumption of water resources and energy and the results compared with 2016 are as follows:

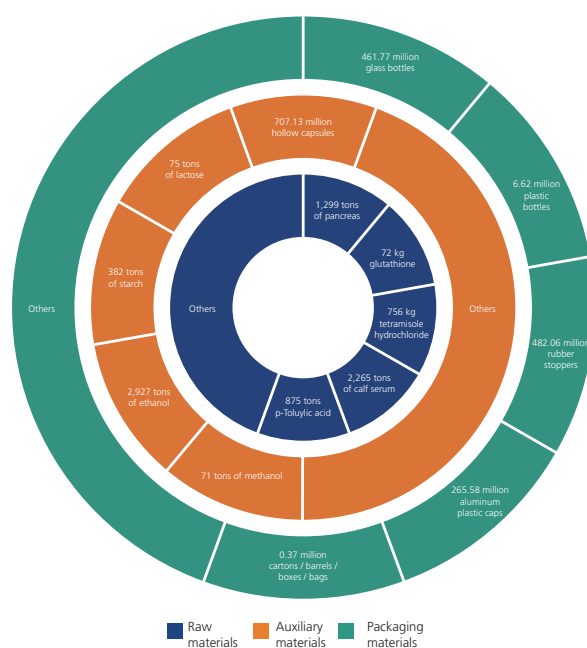
Year	Total consumption of water (m ³ /year)	Total consumption of electricity (kW-h/year)	Electricity equivalent to standard coal (kg/year)	Total consumption of energy other than electricity (equivalent to standard coal) (kg/year)	Overall energy consumption (equivalent to standard coal) (kg/year)	Energy consumption for every RMB10,000 generated (kg standard coal/RMB10,000)	Water consumption for every RMB10,000 generated (m ³ /RMB10,000)
2017	9,515,697	513,272,112	63,132,470	151,733,714	214,866,184	115.93	5.14
2016	8,769,376	478,175,186	58,815,548	126,874,724	185,690,272	126.93	5.99
2015	8,716,937	424,467,622	52,209,518	121,204,106	173,413,623	157.01	7.89

Fosun Pharma's total water consumption in 2017 was 9,515,697 cubic meters, representing an increase of 746,321 cubic meters compared to 2016 and a year-on-year increase of 8.5%, mainly due to the addition of new consolidated companies and the production expansion of Shine Star. Through the improved internal water-saving and optimized administrative measures, the total water-saving amount of Fosun Pharma in 2017 exceeded 1.8 million cubic meters, and the water consumption intensity was 5.14 tons/RMB10,000 output value, representing a decrease of 14.3% compared to 2016. The total overall energy consumption of Fosun Pharma increased by 29,175 tons of standard coal in 2017, up by 15.7% year-on-year, mainly due to the addition of new consolidated companies and the production expansion of Shine Star. The overall energy consumption intensity in 2017 was 115.93 kg standard coal/RMB10,000 output value, representing a decrease of 8.6% compared with 2016.

In addition to the consumption of water, energy and other resources, Fosun Pharma has directly or indirectly consumed various types of material resources in the process of manufacturing and providing medical services, which can be divided into three categories: raw materials, auxiliary materials and packaging materials. Adhering to the principles of “controlling from source, optimizing layout, reducing environmental consumption and pollutant discharge”, all member companies have strengthened the control over the consumption of various types of raw/auxiliary materials and packaging materials and actively tried to recycle the raw and auxiliary materials and packaging materials to achieve the effective use of the resources. The measures taken by Fosun Pharma in 2017 included (but were not limited to):

- 1) The raw material medicine companies fully launched the recycling measures of organic solvents (such as ethanol and toluene), repurified the organic solvents by distillation, and re-used them as raw/auxiliary materials after meeting the GMP processing requirements;
- 2) In the material packaging section, all member companies arranged personnel to collect and classify recyclable materials, including paper packaging materials, metal devices, air-cushion films, etc., for reuse or resource recovery.

Sketch map of raw materials, auxiliary materials and packaging materials of Fosun Pharma's member companies



2) HAPPINESS ECOSYSTEM – CLUB MED

The first Life Cycle Analysis (LCA) of a Club Med was conducted in 2006. Club Med manages its progress through its global environmental monitoring system, Tech Care. Please see greenhouse gas emission data from 2015 to 2017 as below:

GREENHOUSE GAS EMISSIONS (GHG Protocol) DATA*

	Unit	2017	2016	2015
Total Hotel Days (THD) of the reporting scope	thousands	10,690	10,224	10,620
Hotel Day Capacity (HDC) of the reporting scope	thousands	11,839	11,670	12,095
Direct emissions from building combustion system	t eCO ₂	28,599	29,235	27,611
Direct emissions related to vehicle and boat fuel	t eCO ₂	3,483	2,955	2,425
Direct fugitive emissions (refrigerant gas)	t eCO ₂	20,976	23,376	21,954
Total direct emissions (scope 1)	t eCO ₂	53,057	55,566	51,990
Indirect emissions related to purchased electricity	t eCO ₂	88,325	91,212	94,149
of which avoided emission deducted (RE emissions certificates – France)	t eCO ₂	1,920	1,969	1,800
Indirect emissions related to urban heat	t eCO ₂	1,376	1,245	1,268
Total indirect emissions (scope 2)	t eCO ₂	89,701	92,457	95,417
Total emissions (scopes 1+2)	t eCO ₂	142,758	148,022	147,407
Carbon intensity (building energy) par THD	kgeCO ₂	11.1	11.9	11.6
per Hotel Day Capacity	kgeCO ₂	10.0	10.4	10.2
Carbon intensity (scope 1+2) par THD	kgeCO ₂	13.4	14.5	13.9
per Hotel Day Capacity	kgeCO ₂	12.1	11.5	11.5

* Reporting on the fiscal year from 1 November N-1 to 31 October N.

Club Med tried a lot to lessen its impact on the climate including ecology architecture, renewable energies, transportation, eco-certification, recycling, responsible eating, and enhanced overall GM, GO & GE involvement. To find out more information, please refer to www.sustainability.clubmed.

3) WEALTH ECOSYSTEM – NANJING IRON & STEEL

Nanjing Iron & Steel insisted on the development of clean production projects, with its indicators generally above the Class I standard of domestic clean production. Nanjing Iron & Steel passed the ISO14001 environmental management system and GB/T23331 energy management system certifications, and became the “National Energy Saving and Emission Reduction Demonstration Base in the Metallurgical Industry (全國冶金行業節能減排示範基地)” and the first “Pilot Agent for the National Circular Economy Standardization (國家循環經濟標準化試點單位)” in the steel industry of China. It also signed a carbon emission reduction purchase agreement with the World Bank, which is the first project in steel industry of the “carbon financing” of the World Bank. The contract term of the project is from 2010 to 2019, which is divided into 10 phases. At present, seven phases of inspections and contract performance have been completed. In 2017, Nanjing Iron & Steel continued to invest heavily in upgrading projects for energy saving to further reduce energy consumption, including (but not limited to):

- Invested RMB4.5 million to implement the upgrading of 360 sintering ring coolers to control air leakage for energy-saving. After the upgrading, the power consumption of ring coolers was greatly reduced, and the level of waste heat power generation was increased, which reduced the annual power consumption by 3 million kW·h, and increased the annual waste heat power generation by 15 million kW·h;
- Invested RMB25 million to carry out saturated waste heat steam power generation projects, making full use of the low quality saturated steam generated by the Company's rolling mills and other processes to generate electricity, which increased the annual power generation by 40 million kW·h; and
- Upgraded the furnaces of the No. 2, No. 3, and No. 4 generator units of 50,000 kW·h for automatic combustion. The efficiency of the generator units was significantly improved. The average fuel consumption in the actual automatic state was 1.38% lower than that in the manual operation, and the annual increase in power generation was 13 million kW·h.

Through unremitting efforts, the relevant indicators for clean production energy consumption of Nanjing Iron & Steel are lower than the Grade I Benchmark Value of the National Evaluation Index of Cleaner Production in the Steel Industry, and details are as follows:

Indicator name		2017	2016	2015	Grade I Benchmark Value of the National Evaluation Index of Cleaner Production in the Steel Industry
Water consumption	Fresh water consumption per ton of steel (m ³ /t of steel)	2.57	3.15	3.14	≤3.5
Energy consumption	Comparable energy consumption (ton of standard coal/t of steel)	0.5080	0.5274	0.5441	–

4) WEALTH ECOSYSTEM – HAINAN MINING

Hainan Mining continued to make efforts in energy-saving and emission reduction, and allocated the indicators of energy-saving and consumption-reduction to factories and workshops. The details of Hainan Mining's resources use, energy consumption and greenhouse gas emissions are as follows:

Resources use, energy consumption	2017	2016	2015
Annual output: Finished iron ore output (10,000 tons)	400.29	290.58	320.93
Industrial electricity consumption (10,000 kW·h)	18,922	8,719	13,514
Industrial electricity consumption intensity (kW·h/t)	47.27	30.01	42.11
Gasoline (ton)	198.74	240.63	282.58
Gasoline consumption intensity (ton/10,000 tons)	0.50	0.83	0.88
Diesel (ton)	3,394.38	3,709.91	4,860.52
Diesel consumption intensity (ton/10,000 tons)	8.48	12.77	15.15
Water consumption (ton)	332	210	522
Water consumption intensity (ton/10,000 tons)	0.83	0.72	1.63
Recycled water utilization	91.8%	91.5%	84%

Total greenhouse gas emissions

	2017 emissions (tCO₂)	2016 emissions (tCO ₂)	2015 emissions (tCO ₂)
Emissions from fossil fuel combustion	3,076	3,382	4,404
Emissions included in purchased net electricity	99,738	69,119	97,027
Total CO ₂ emissions of companies	102,814	72,501	101,431

In 2017, Hainan Mining's total CO₂ emissions amounted to 102,814 tons, representing a significant increase of nearly 41.8% from 2016, mainly because ① a significant increase of 1,097,100 tons of mining volume from 2016; ② in 2016, the new mineral processing No. 2 Workshop with an installed capacity of 16,683kW·A was discontinued for one year due to market reasons; ③ in 2017, the output of open-pit mining which consumes less resources (such as electricity) declined further while underground mining volume increased. While the mining method changes, Hainan Mining will strengthen operations management to reduce carbon emission intensity.

5) WEALTH ECOSYSTEM – HIVE PROPERTY

The Group is committed to the concept of green design and green building, and has deeply incorporated the concept of environmental protection and health into its development projects. At the same time, as a global enterprise, the Group's overseas projects also strive to perform energy conservation in buildings according to the requirements of local laws and regulations as well as market favors. As of the end of the reporting period, the Group had 8 green building designs as follows:

Project name	Total GFA (10,000 square meters)	Functionality	Green design certification level
Beijing Tongzhou IX-06 Project	18	Commercial, office, apartment	Beijing Two Star Green Building (北京市綠建二星), LEED Silver Certification standards (Pre-certification)
Beijing Tongzhou IX-02 Project	11.08	Commercial, office	Beijing Two Star Green Building, LEED Silver Certification standards (Pre-certification)
Chengdu Finance Island Phase II Project (成都金融島二期項目)	28.8	Office, service apartment, residential apartment, commercial	LEED Gold Award (pre-certification)
Chengdu Finance Island Phase IV Project (成都金融島四期項目)	33.6	Office, shopping center	LEED Gold Award (pre-certification)
Guangzhou Fosun Southern Headquarters Project (廣州復星南方總部項目)	27.8	Office, service apartment, commercial	LEED Gold Award (pre-certification)
Ningbo Xingyue City Project (寧波星悅城項目)	29.2	Commercial, office and residence	Three Stars Green (Residences only)
The Bund Finance Center Project	42.84	Commercial, office	LEED Gold Award, Three Stars Green
Changsha Starlight World Project (長沙星光天地項目)	25.76	Office, apartment, commercial	Changsha Green Building Design Standards (長沙市綠色建築設計基本規定)(Equivalent to One-Star National Green Building Standard (國家綠建一星標準))

The Group actively conducted effective management over water and electricity in the operation course of its own properties, and strived to seek energy conservation and consumption reduction to minimize the use of energy and the impact on the environment. The energy conservation and emission reduction measures taken included (but were not limited to):

- Use LED energy-saving lighting in public areas of shopping malls and underground garages;
- Use LED lighting and sound-activated devices in fire stairs and aisles to save energy;
- Use devices with time switches in commercial advertising light boxes;
- Square lighting adopts BA system energy-saving control according to the season;
- Use eco-friendly paint to decorate interior wall in shopping malls; and
- Install soundproof panels in the air-conditioning room to reduce noise.

5. Health and Safety Management

In order to ensure the legal and compliance operations of companies under the Group, effectively reduce and eliminate the risk for safety/health/environment (“EHS”), and deliver on the Group’s commitment of social responsibilities with respect to EHS, the Group launched the Safety/Health/Environment (EHS) Management System Manual (安全／健康／環境(EHS)管理體系手冊) and the framework standards for evaluating the system in 2013. This system is based on the foundation of OHSAS18001, ISO14001 and national safety production standards, including 5 major parts, namely systemic management elements, environment, safety, occupational hygiene, firefighting and loss prevention. According to the assessment score in each item, the actual management statuses of the EHS management level, equipment, technology and personnel operations of the enterprises under the Group are classified into 5 score levels (0-1.5, 1.6-2.5, 2.6-3.5, 3.6-4.5, 4.5-5) based on which a quantified assessment will be conducted. Enterprises with relatively low scores (less than 1.5) will be classified as “red light” enterprises and brought under close supervision. At the same time, linking the audit results with the economic evaluation of the leaders of the units under review, it effectively ensures that the EHS management standard system is effectively implemented in companies under the Group. While actively implementing the EHS management system framework standards, the Group also actively encourages its subsidiaries to obtain OHSAS18001 certification and national safety production standardization certification. As of the end of the reporting period, 11 enterprises had obtained OHSAS18001 certification, and 28 units had obtained the Grade II national safety production standardization certification.

The Group’s EHS system audit

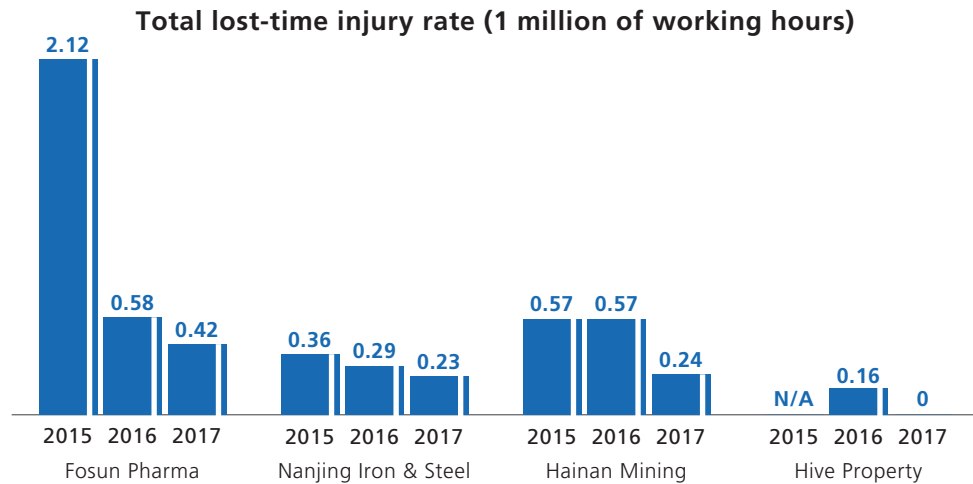


Wanbang Folon’s EHS system audit



Hainan Mining’s EHS system audit

The Group is committed to providing employees with a safe and comfortable working environment. In order to link up with the international safety performance indicator system, the Group issued the Management Procedures for Occupational Health, Safety and Environmental Protection Performance Indicators under the Fosun Group Special Safety and Environmental Protection Standards (復星集團安全環保特殊標準之職業健康、安全與環保績效指標管理程序) in September 2016, requiring all companies under it to report EHS performance indicators such as all accidents that have lost more than one working day and the frequency of lost-time injuries to further enhance and refine the EHS management. In 2017, the Group did not have full-time employees who died due to work. From the overall trend, the lost-time injury rate in all segments also showed a declining trend year by year, and was with better control. In the past three years, the lost-time injury rate of full-time employees of the Group's major invested companies, namely Fosun Pharma, Nanjing Iron & Steel, Hainan Mining, and Hive Property, were as follows:



The Group attaches great importance to the rectification of potential hazards in safe production, and conducts supervision over and audit of the safety costs of enterprises in high-risk industry to ensure that enough spending is to be made.

Safe Production Investment (RMB)		2015	2016	2017
Fosun Pharma		45.05 million	31.55 million	39.19 million
Nanjing Iron & Steel		31.00 million	30.00 million	33.00 million
Hainan Mining		13.99 million	10.22 million	9.93 million
Hive Property	The Group provided expenses for its real estate projects to carry out modern construction measures in strict accordance with national standards and required its contractors to provide expenses for safety measures according to the Interim Measures for the Financial Management of Safe Production Expenses of Enterprises in High-risk Industries (Cai Qi [2006] No. 478) (《高危行業企業安全生產費用財務管理暫行辦法》(財企[2006]478號)).			

Exhibition of EHS culture promotion



Hainan Mining's EHS training



People and vehicles diversion within the plant of Wanbang Folon

Nanjing Iron & Steel's rectification of potential hazards



Centralized networking alerting and control of alarms in gas areas



All gas pipelines with a diameter of less than 1.8 meters were upgraded to be equipped with electric blind flange valves



Replaced with anti-gas leak drainer



The gas system carried out safety isolation and access system.

6. Product Liability

6.1 Quality Empowerment – Promote Lean Six Sigma Project

The Group issued a document in March 2017 to formally establish the Lean Six Sigma Management Promotion Committee and working group, and selected Fosun Pharma, Nanjing Iron & Steel, Hainan Mining, and Starter Property (星泓地產) and other enterprises to conduct pilot projects. After one year of promotion, the Group has carried out a total of 382 Lean Six Sigma projects and generated direct economic benefits of more than RMB100 million (based on the results of financial audits for related business entities). Indirect benefits to the Group include all-round improvement of performance, certain breakthroughs in lean production, lean supply chain, lean marketing and lean design of new factories. It has also trained a group of Lean Six Sigma management talents for the Group, of which 69 reaching black belts.



Wang Qunbin, CEO of the Company, spoke at the Lean Six Sigma Management Promotion Conference on November 30, 2017



Fosun Pharma launched operation excellence on June 8, 2017

6.2 Quality Management

In order to implement the grand strategy of "Centered around family, deeply rooted in china, innovating a global happiness ecosystem" and strengthen the product quality and safety management of the Group's investment enterprises, the Group updated the Implementation Rules for Major Quality Accident Reporting of Fosun Group (復星集團重大質量事故上報實施細則) in 2016, and issued the Fosun Group's Guidelines on the Establishment of Product Recall System of Member Companies (復星集團關於各企業建立產品召回制度的指引) in 2017 to guide member companies to establish and improve their product recall system. The Group requires that a management system must be established for products in those industries for which the state has issued product management measures, such as medicines, food, medical equipment, children's products, etc., as well as the iron and steel and clothing industries. Each member company has established and improved their own product management system in compliance with product management measures practiced in relevant countries or industries and according to the Group's above product management system guidelines.

Quality examinations and surprise checks are conducted to drive member companies to improve their quality management system. Measures taken include incoming stock examination, production process control, finished product check and logistics monitoring. Key quality indicators of each company are established after taking into account the characteristics of that company and are tracked on a monthly basis. In 2017, the quality management of member companies of the Group achieved good results, especially in terms of quality system establishment and certification, supplier management, product safety mechanisms, quality and safety training, user complaint/return goods handling, customer satisfaction, etc. Specific details of quality management adopted are shown below according to three business lines: the Health Ecosystem – Fosun Pharma, Wealth Ecosystem – Nanjing Iron & Steel and Hive Property.

1) HEALTH ECOSYSTEM – FOSUN PHARMA

(1) Provide quality products and services

In 2017, Fosun Pharma's domestic pharmaceutical subsidiaries were sampled 403 times by the government regulators and no nonconformity reports were reported. In mid-2017, no products of member companies were officially declared as unqualified products.

In August 2017, Fosun Pharma started the pilot work of the Group's Drug Marketing Authorization Holders (MAH) in accordance with the Notice of General Office on the Implementation of Related Matters of the Pilot Work of Drug Marketing Authorization Holders System (總局關於推進藥品上市許可持有人制度試點工作有關事項的通知) issued by CFDA. After regulatory research and study, a quality management system for the entire life cycle was established. Shanghai Fosun Pharmaceutical Industrial Development Company Limited successfully obtained the supplementary approvals for the applications for meloxicam tablets, and officially became the first pilot company in Shanghai to obtain the MAH approval.

(2) The Establishment and Certification of Quality System

In 2017, Fosun Pharma's domestic and foreign pharmaceutical subsidiaries were inspected by different government regulators for 97 times, and successfully passed all of them. As of the end of 2017, a total of 79 formulation production lines and 60 API products of Fosun Pharma's domestic pharmaceutical subsidiaries received China 2010 GMP certification with a total of 53 certificates.

With the implementation of internationalization strategy of Fosun Pharma, its subsidiaries significantly step up the pace of internationalization. As of the end of the reporting period, 11 APIs of Fosun Pharma's domestic pharmaceutical subsidiaries have passed the GMP Certification from the health authorities in various countries such as the FDA of United States, European Union, Japan's Ministry of Health, Labor and Welfare (MHLW) and Germany's Federal Ministry of Health. 1 solid oral dosage production line, 3 injection production lines and 5 APIs of Guilin Pharma passed the inspection for WHO-PQ Certification. 1 solid oral drug production line of Yao Pharma received the certification from Health Canada and the FDA of the United States.

In 2017, Gland Pharma, an overseas member company of Fosun Pharma in India passed various inspections for GMP Certification for a total of 21 times. In 2017, Gland Pharma's 14 formulation products passed certifications by the FDA of United States, European Union, WHO and TGA of Australia etc. And its 10 APIs passed certifications by the FDA of United States, European Union, and WHO etc.

(3) Supplier Management

All subsidiaries of Fosun Pharma have formulated their supplier management procedures and established the supplier quality annual review system, and perform various supplier audits (such as on-site quality audits, questionnaire audits and phone audits) prior to determining a qualified supplier based on the principles of fair bidding, procurement through tender and quality as first priority, to ensure the quality and safety of drugs from the source.

(4) Product safety mechanism

Fosun Pharma values quality risk management throughout the life cycle of its products and has strict quality and safety management mechanisms in place in terms of product research and development, clinical trial, technical transfer, production and manufacturing, marketing and sales, etc. to ensure the safety in the process of research and development, production, sales, recall or market withdrawal of medicinal

products and medical devices. Fosun Pharma cares about medication safety for patients and values the strict monitoring and reporting of adverse drug reactions as well. In 2017, Fosun Pharma continued to strictly implement the “Adverse Drug Reaction Reporting and Monitoring Management System” and asked each of its pharmaceutical subsidiaries to report adverse drug reactions as soon as they become aware of the adverse drug reactions. Pharmaceutical subsidiaries implement “zero-reporting” management for adverse reactions according to the requirements of the adverse reaction monitoring procedures of Fosun Pharma. That is, pharmaceutical subsidiaries shall submit the adverse reaction information sheet to the Group in the beginning of every month even if there is no adverse reaction. For new or serious adverse reactions, reporting must be completed within prescribed period, and pharmaceutical subsidiaries are required to report to the management department of the Group within prescribed period to ensure that all information of adverse drug reactions are collected and handled in a timely manner. The Group also conducts intensive monitoring on key products and requires the pharmaceutical subsidiaries to take proactive measures to minimize the incidence rate of adverse reactions.

In 2017, in strict accordance with the requirements of the “Adverse Drug Reaction Reporting and Monitoring Management Measures” of China, the pharmaceutical subsidiaries of Fosun Pharma have collected adverse drug reactions information and have reported all the information in a timely manner. There were no adverse reactions events and deaths caused by drugs with quality defects in 2017. A total of 49 adverse drug reactions events collected voluntarily by Fosun Pharma were truthfully reported online to the national adverse reaction database and properly handled.

(5) Quality safety training

In order to continuously enhance the standards for quality management systems, facilitate the employees to absorb the latest quality ideas, and consolidate standard operating procedures, pharmaceutical subsidiaries of Fosun Pharma highly value the training related to quality. Key production quality managers are sent to attend professional forums and trainings on specific topics such as risk management, production, change of techniques, verification and change management of sterile preparations on the one hand, and all staff within these enterprises participate in management training on the latest GMP and training of standard operation procedure on the other hand.

Fosun Pharma focused on quality safety training. In 2017, each person in pharmaceutical subsidiaries received more than 35 hours of quality training on average, increased by 12 hours per person compared with 2016.

(6) Handling of users’ complaints and returned goods

The subsidiaries of Fosun Pharma attach great importance to the reasonable needs of users and continue to strengthen the handling of users’ complaints. There are dedicated personnel for this regard who record complaints to every detail and give satisfactory reply to complainants with thorough explanation after investigation, analysis and responding actions. They also record the batch number of the products in question. The handling of complaints is led by the quality control department and supported by relevant functional departments. Complaints are replied to and properly resolved within prescribed period and remedial and preventive measures will be implemented to ensure high satisfaction of users. In 2017, the domestic pharmaceutical subsidiaries of the Group received a total of 49 complaints related to product quality, and all of which were replied to and handled with the active effort of subsidiaries.

2) WEALTH ECOSYSTEM – NANJING IRON & STEEL

(1) Provide quality products and services

In 2017, Nanjing Iron & Steel received random checks 5 times made by the state or provincial government, and 9 products, including bearing steel, hot-rolled reinforcing steel, spring steel, and bridge steel, passed the inspections with a sampling pass rate of 100%.

Throughout the year of 2017, Nanjing Iron & Steel successfully launched 16 certifications for 363 steel products. The company strives to build quality brands, and its many products have been rated as industrial-level and provincial-level brands. In the whole year of 2017, 142 patent applications were filed, of which 83 were invention patents, representing an increase of 17.36% compared to the same period of 2016. One of the invention patents, “a method of manufacturing low-compression ratio hot-rolled 9Ni steel plate(一種低壓縮比熱軋9Ni鋼厚板的製造方法)”, won the “Excellence Award of the nineteenth China Patent Award”, which was the first national prize of Nanjing Iron & Steel, marking a new step of the intellectual property work of Nanjing Iron & Steel.

(2) Establishment and Certification of Quality System

In the whole year of 2017, Nanjing Iron & Steel's iron and steel sheet and plate and steel long products passed the second-party quality certifications review by well-known companies at home and abroad for 65 times, which provides guarantees for the expansion of high-end product markets. Description of relevant system certifications in 2017 are as follows:

- GJB9001B:2009 special steel quality management system certification was passed, marking the first certificate obtained for quality management system certification;
- The annual on-site audit of ISO9001:2008 quality management system was passed, and a new standard quality system was established and implemented according to ISO9001:2015;
- The API Q1 quality management system has obtained a three-year re-certification certificate; and
- The annual on-site audit of ISO/TS16949:2009 automotive steel quality management system was passed, and a new standard quality system established and implemented in accordance with IATF16949:2016.



(3) Supplier Management

Nanjing Iron & Steel conducted system audits on key stages of workflow such as raw material procurement from suppliers, production process control, and ex-factory inspection to improve and optimize suppliers' quality and process control capabilities. In 2017, Nanjing Iron & Steel added 71 new suppliers and conducted a total of 74 reviews over suppliers. Of these, 65 were for the access approval of suppliers, and the pass rate was 92.3%. The suppliers were reviewed by second party for 9 times and the pass rate was 100%.

(4) Quality training

Nanjing Iron & Steel formulated and improved the Employee Education and Training Management Measures (《員工教育培訓管理辦法》) and other systems and established a complete employee training system. Nanjing Iron & Steel stresses quality training and focuses on aspects including quality (including systems), quality awareness, and job skills. In the whole year of 2017, there were more than 3,600 person-times of quality training, more than 1,760 person-times of quality management training, and more than 100 person-times of internal auditors training. Through the theory test, certificate obtaining, and organizers' evaluation of training, etc., the training effect is evaluated to ensure that the training achieves the desired effect.

(5) Handling of users' complaints and returned goods

Nanjing Iron & Steel has set up a third-party customer complaints platform to collect users' complaints, suggestions, questions and appeals, and makes effective responses to them without letting users feel that the company tries to pass the buck. Relevant persons in charge respond to users' complaints as they receive such complaints, and handle them within 24 hours in principle. The relevant management department will reply for users' surveys, visits, consultations, complaints, and handling results and will centralizedly close such cases.

In 2017, the products quality of Nanjing Iron & Steel was steadily improved and there were no major complaints from customers throughout the year. The amount of compensation for quality objection per ton steel was 33% lower than that of 2016. Users generally believed that Nanjing Iron & Steel's technical support and service work was timely and satisfied with the complaint processing results.

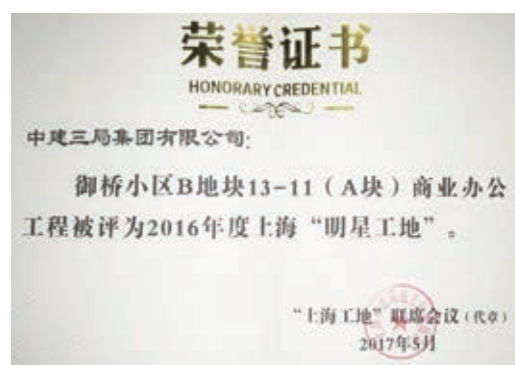
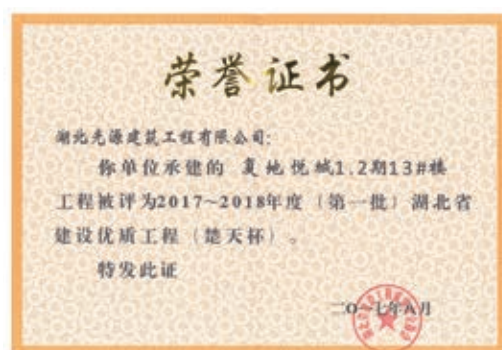
(6) Increased customer satisfaction

Nanjing Iron & Steel conducts two customer satisfaction surveys each year, covering domestic and foreign strategic and key customers. In the whole year of 2017, the overall customer satisfaction score was 94.44, which was 4.44% higher than the target. The company analyzes the problems occurred in the survey, prepared a rectification analysis report, organizes related departments to implement rectification and give feedbacks, and reviews the rectification to form a closed-loop management.

3) WEALTH ECOSYSTEM – HIVE PROPERTY

By promoting the business philosophy of "quality is benefits" in property quality management, the Group takes the management focus forward from post-management to preventive control and ensures that quality control is carried out throughout the entire construction process. According to the characteristics of the project, focusing on the key aspects of quality control, the Group makes advanced plans and formulates a scheme. Before the construction, the model will be made first, and then start to construct in an all-round way after the model is passed.

In 2017, the Group's property business received a variety of awards. For example, the Shanghai Landmark H block (上海地傑H地塊) was awarded the Luban Prize of China Construction Engineering (中國建設工程魯班獎), the No.5-8 buildings of the Lot A of Yannandu (宴南都A地塊5-8#樓) in Jiangsu and Zhejiang Provinces were rated as the Quality Structure Projects (優質結構工程), No.13 Building of Phase I&II of Wuhan Yuecheng (武漢悅城1.2期13#樓) won the Chutian Cup (楚天杯), and the QC team of Phase III of Financial Island (金融島三期QC小組) won the First Prize of Excellent Quality Management (優秀質量管理一等獎) of the Sichuan Provincial Engineering Construction System (四川省工程建設系統).



The Bund Finance Center is a boutique project constructed by Hive Property with particular efforts and is one of the core representatives of "Hive Cities". The project has a total GFA of approximately 420,000 square meters, incorporates financial, commercial, tourism, cultural and artistic functions and covers four major types of businesses, namely office buildings, shopping malls, Fosun Arts Center and hotels. The project won the Jin Gang Award for Steel Structure (鋼結構金剛獎), District Quality Structure Award (區優質結構獎), City Quality Structure Award (市優質結構獎), Magnolia Award (白玉蘭獎), LEED Gold Award and Three Stars Certification for Green Chinese Building (中國綠色建築三星認證). The Hangzhou Bank Shanghai branch and Everbright Pramerica and other companies entered in the Bund Finance Center, reflecting the strong appeal of this office building project to the market and customers.



HUMAN RESOURCES

As of 31 December 2017, the Group had approximately 63,000 employees.

During the year of 2017, the strategic initiatives of Fosun's Human Resources ("HR") division focused on families around the world by innovating C2M happiness ecosystems in health, happiness and wealth. Under the guidance of Fosun's cultural values, we promoted the organizational evolution, continually attracted strategic talents, optimized and implemented the multi-dimensional partnership model, strengthened talent pipeline and ONE Fosun talent management, accelerated the layout of industry development worldwide and advanced technology innovation, and achieved periodical results regarding the intelligent innovation of talent management.

We further optimized the ONE Fosun talent recruitment mechanism and proactively built up an elite HR management and recruiting team. By optimizing and promoting the ONE Fosun talent database system and integrating our talents through utilizing big data, the talent acquisition efficiency was improved. By organizing the ONE Fosun global campus recruitment, a number of domestic and overseas elites were recruited successfully, and bringing vitality to Fosun. The organization has been continually developed to improve its talent pipeline, brain gains, overall efficiency and cross-departmental talent synergies. More career development opportunities were offered for talented personnel with outstanding performance and high potential. Meanwhile, we continued to improve the "partnership models" at various levels and all ancillary measures, optimized the overall incentives framework of the Group based on different business practices, explored and implemented the incentive mechanism of technologically innovative enterprises, constantly optimizing and enhancing our various incentives mechanism to achieve better results.

Fulfillment of the Commitment to Employees

Fosun regards its employees as its most valuable capital. Meanwhile, Fosun has been aiming to provide the best platform for employees to realize their values. We fully protect the interests of employees, and we are always concerned with the personal development of our staff. We emphasized on the importance of cultivating outstanding talents with an international perspective, and devise a career development path with Fosun characteristics to allow both companies and our employees to develop together.

Employee Caring and Services

Fosun persists in improving, innovating and strengthening the establishment of a comprehensive and diversified benefit system

in order to create a sound enterprise atmosphere and enhance the sense of belonging among the employees. Fosun cares not only for its employees, but also their families. These are consistent with the value of "Self-improvement, Teamwork, Performance and Contribution to Society" upheld by Fosun.

EMPLOYEE CARING

Fosun has established different schemes for various employee groups. The Group will send out birthday wishes and gifts and celebrate the traditional festivals for expatriate employees and their families every year; centering on the Group's happiness ecosystem, their families may also participated in various warm-hearted activities of the Company. For long-term service employees, the Group will commend and reward them during the New Year celebration. We have also adopted the incentive and benefit schemes tailored for our core talents, outstanding performers and young people with high potential. We fully utilized the Group's own insurance, finance, tourism, health and other resources so that employees can access to all types of internal products, services and related resources at lower costs more conveniently.

Fosun pays great attention to staff's health management. In addition to the annual health check benefitting all, we encourage employees to participate in Tai Chi and other fitness activities. We try to promote body exercises during breaks, and conduct health forums, so as to enhance staff health awareness.

Fosun also cares about both the physical and mental health of female employees and provides extra care to them. The Group expresses its appreciation to female employees on Women's Day every year. We also organize lectures regularly on women's health and prevention of occupational diseases.

We have been striving to provide diverse forms of care to employees and their families, including all-round care for the growth of the "Children of Fosun Employees" and enrich the family life of our employees. We prepare gifts for "Children of Fosun Employees" on Children's Day every year, organize various activities from time to time and invite employees and their families to participate, hoping to help our employees and their families to enjoy a happy life.

EMPLOYEE SERVICES

We use the internet and various innovative channels to enrich employee services. We have further optimized and innovated the methods of benefit distribution and dissemination, such as announcing or introducing employee benefits through our own mobile application, displaying various remuneration benefits and human resources policies using sticky posts and online banners on the home page of the Group's intranet. We distribute employee benefits through our self-developed mobile application platform

and also use the platform to allow users to recharge value online and pay for meals. Meanwhile, we established the Global HR Shared Service Center to share resources with our employees around the world, so that we are able to provide better service to our global employees.

Fosun has hired a full-time employee service staff who assists its employees in applying for various certificates, such as employment permits/residence permits for overseas staff, the permits for introduction of high caliber employees from other provinces or cities/residence certificates for employees from other cities, the settlement of registered permanent residence of college graduates and collective residence affiliation (集體戶口掛靠) so as to reduce time and efforts spent by employees on applying for these certificates, which effectively supported the introduction of excellent talents.

We actively promote the use of English in our internal systems, processes, rules and regulations so as to drive the Group's globalization and meet the demands of our diverse employees. We also studied and formulated exclusive welfare policies and systems according to the laws, regulations and market practices in different countries and regions. Meanwhile, we also introduced induction courses and the "Buddy" (小伙伴) program tailored for our overseas staff to help expatriate workers to quickly understand and integrate into our corporate culture.

Employee Learning and Development

Fosun believes that talents represent the core competitiveness of an enterprise, and as such, it has always been valuing the development of both the Company and its staff as one of the most important responsibilities of Fosun. It provides the employees with more opportunities for career development and better working conditions through sustained efforts. With continuous growth and structural improvement, we have promoted the integration and cooperation among team members, created value and built groups with elitism culture. These measures allow both the Group and its staff to build a brilliant future together.

CULTURAL PROMOTION

We enhanced the promotion and the unified understanding of the Group's corporate culture and values through continuous training and the exchange of views among our portfolio enterprises. Meanwhile, we also work with external consulting firms, institutes and universities to integrate our internal and external training materials and resources, in attempt to promote our corporate brand. In addition, the Group has developed a unified mechanism regarding the promotion, guidance, communication and coordination of talents-related issues. It effectively bridges the gap

between the diverse talents with different cultural backgrounds, and realizes harmonious relationships among the members of Fosun's big family.

STRATEGY INTERPRETATION

The Group focuses on its development strategy to solve practical issues, assists the staff in understanding the key strategies of the Group by sharing cases of innovation and best practices with them so they could better implement our strategies extensively and in a well-coordinated manner.

CAREER DEVELOPMENT

In accordance with the development strategy and the human resources planning requirements of the Group and taking into account the characteristics of its own development, we have established talent development and professional talent training programs for different talents. We plan development paths and design methods of learning in a scientific and rational manner that matches different development goals. We further design training courses in accordance with the quality of capabilities and occupational requirements to help employees grow rapidly.

Learning and Development Cases

TALENT ECHELON TRAINING PROGRAM

The training program, which lasted for nearly one year, was organized for employees with high potentials at all levels internally in accordance with the Group's development strategy and planning, which is an important way for Fosun to train investment experts and potential business leaders. With the form of interactive project learning as the main theme, the highly potential talent training program brought students under different plans together to form project teams and improved the comprehensive ability of employees through real project cases to precipitate and accumulate business experience.

PROFESSIONAL TALENT TRAINING

While devising various professional and specialized trainings, the Company focused on investment, insurance, finance, risk control, human resources and other areas with the aim of honing the employees' business ability to "learn from practice" and enhancing their adaptability.

INVESTMENT CASE REVIEW

The think tank of Fosun system has typical cases from work for study and exceptional cases of outstanding performance of high-caliber employees who share their work experience with others. It focuses on three targets: firstly, to improve the staff's

investment and management capability by conducting internal training and sharing experience with the investment teams; secondly, to gradually develop tools or methods that Fosun should have possessed in investment based on the experience related to many cases of investments and thirdly, to progressively refine the learning-and-growth model of our core investment members through a series of case studies.

LEARNING AND DEVELOPMENT OF ENTIRE STAFF

The Group offers a variety of learning and development programs to all staff, in addition to specially-designed programs for specific personnel.

- **Luncheon Session**

According to its strategic focus, the Group held 44 lunch-time sharing sessions in 2017 inviting Fosun's Directors, global partners and some enterprisers to share the corporate strategies, hot topics on investment, internet and best practices. The sessions helped the employees to have a deeper understanding on the Group's strategy, have their horizon broadened and their knowledge enriched. More than 4,000 employees attended the sessions.

- **Fosun's Lectures**

We invited external experts to provide systematic knowledge to help employees enhance their personal soft skills and expertise in financial investment, improve efficiency and effectiveness at work, enable them to work efficiently as professional managers whose work are up to standard.

- **Mobile Learning Platform**

We built an anytime, anywhere and unobstructed learning platform by utilizing fragmented time. In 2017, we introduced and internally transformed a total of more than 50 mini courses covering skill-training classes in a variety of areas such as investment, finance and soft skills, which provided a convenient online learning platform for employees of the Group, employees of enterprises under incubation and employees of some core portfolio companies.

- **Post-90s Fresh Talk**

As a young company, Fosun has also set up a showcase stage for post-90s employees. Emerging things in the current industry such as various interesting and cutting-edge topics like hand games, school district housing, online celebrity, IP, bike-sharing, robot, VP, knowledge-based economy and NBA were explained by post-90s young

employees using the mobile internet platform. In 2017, 19 episodes were released in Season 2.

Employment and Labour Standards

Our employees are our most valuable asset and also the core of competitive advantages of the Group. The Group has been adhering to the principle of "attracting people with development, uniting people by career, training people with work and appraising people with performance" and advocates fair competition and opposes discrimination. All employees and job applicants are not confined by factors such as gender, age, race, skin color and religious belief. The establishment of all human resources policies strictly complies with all rules and relevant regulations in connection with remuneration and dismissal, recruitment and promotion, employee schedule, equal opportunities, diversity, working hours, rest periods and other benefits in countries/regions where our operations are located.

During the Reporting Period, all employees of the Group met the minimum working age requirements set out in the relevant laws of the countries/regions where our operations were located and the employment of child labor or forced labor was prohibited.

Employee Incentive

The Group has consistently implemented a performance-oriented Total Reward System, focusing on Fosun's strategies and specific business needs, which is in line with internal and external market trends. The Group has established and constantly improved the "multi-level, full-coverage" remuneration incentive system to advocate the concept of "sharing gains and risks" and continued to improve the mid-to-long-term incentive system empowering the departments and the portfolio companies, and promoted the business development and team success via effective incentive system.

HR Intelligent Innovation

Advancing with the times and guided by ONE Fosun strategy, the Group's HR department, using various internet technologies, is committed to providing basic facilities, data sharing and analysis capabilities on organization mechanisms, talents and data within the entire group: Create HR big data platform, and through intelligent innovation, create value for HR information sharing and integration of the Group and its member companies; For the key core enterprises as the pilot, by quickly breaking through technical bottlenecks and reducing management costs, we have greatly enhanced internal operational efficiency, and have innovated HR product design to help member companies enhance the level of HR informatization.

AWARDS RECEIVED BY THE GROUP IN 2017

- 2017.4 The Company was awarded “Top 100 Hong Kong Listed Companies” by Finet Group and Tencent.
- 2017.5 The Company was ranked No.448 on “Forbes Global 2000” by the United States magazine *Forbes*.
- 2017.7 The Company was awarded as “Asia’s Honored Company (Industrials)” in “2017 All-Asia Executive Team” ranking organized by the United States authoritative financial magazine, *Institutional Investor*.
- The Company’s 2017 Results Presentations were awarded as “Best Analyst Days” by *Institutional Investor*. The Company’s official website was awarded as “Best Website” by the magazine.
- The Company was ranked No.89 on “China’s Fortune 500” by *Fortune China*.
- 2017.9 Fosun achieved major breakthrough in AI, its FONOVA set new record at the global medical imaging competition and ranked Top on the LUNA16 (LUng Nodule Analysis 2016 List).
- 2017.10 The Company was ranked No.17 on the list of “2017 Most Acclaimed Chinese Companies”, released by *Fortune China*.
- 2017.12 The Company received the Platinum Award, the highest accolade at “The Corporate Awards 2017” from *The Asset*, the renowned international asset management and investment magazine. In addition, the Company was honored with the “Best Investor Relations” Award.

GLOSSARY

FORMULA

Capital employed	=	equity attributable to owners of the parent + total debt
EBITDA	=	profit for the year + tax + net interest expenditures + depreciation and amortisation
Interest coverage	=	EBITDA/net interest expenditures
Net debt	=	total debt – cash and bank and term deposits
Net gearing ratio	=	net debt/shareholder's equity
Net interest expenditures	=	Interest expenses, net + interest on discounted bills + interest on finance leases
ROE	=	profit attributable to owners to of the parent for the year/[(opening balance of equity attributable to owners of the parent + ending balance of equity attributable to owners of the parent)/2]
Total debt	=	current and non-current interest-bearing borrowings + convertible bonds
Total debt to total capitalisation ratio	=	total debts/(shareholder's equity + total debts)

ABBREVIATIONS

Albion	Shanghai Fosun Albion Tourism Development Company Limited
AmeriTrust	AmeriTrust Group, Inc. (formerly known as Meadowbrook Insurance Group, Inc.)
Articles of Association	the current articles of association of the Company with the latest amendments made on 17 June 2008
BCP	Banco Comercial Português, S.A..
Besino Environment	Besino Environment Ltd.
the Board	the board of Directors
Cainiao	Cainiao Network Technology Co., Ltd.
Caruso	Raffaele Caruso S.p.A.
CG Code	Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules
Chancheng Hospital	Foshan Chancheng Central Hospital Company Limited
Club Med	Club Med SAS
CMF	China Momentum Fund, L.P.
the Company	Fosun International Limited
the Director(s)	the director(s) of the Company
EUR	Euro, the official currency of the Eurozone
Fidelidade	Fidelidade-Companhia de Seguros, S.A.
Fidelidade Assistência	Fidelidade Assistência – Companhia de Seguros, S.A.
Focus Media	Focus Media Information Technology Co., Ltd., a company whose A shares are listed on the Shenzhen Stock Exchange with stock code 002027
Folli Follie	Folli Follie S.A., a company listed on the Athens Stock Exchange with stock code FFGRP
Forte	Shanghai Forte Land Co., Ltd.
Fosun Capital	Shanghai Fosun Capital Investment Management Co., Ltd.
Fosun Hani Securities	Fosun Hani Securities Limited
Fosun High Technology	Shanghai Fosun High Technology (Group) Co., Ltd
Fosun Holdings	Fosun Holdings Limited
Fosun Insurance Portugal	Fidelidade, Multicare and Fidelidade Assistencia
Fosun International Holdings	Fosun International Holdings Ltd.
Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd., a company whose A shares are listed on the SSE with stock code 600196, and whose H shares are listed on the Hong Kong Stock Exchange with stock code 02196
Fosun United Health Insurance	Fosun United Health Insurance Company Limited

GBP	Pound Sterling, the official currency of United Kingdom
GFA	gross floor area
Gland Pharma	Gland Pharma Limited
the Group or Fosun	the Company and its subsidiaries
H&A	Hauck & Aufhäuser Privatbankiers AG (formerly known as Hauck & Aufhäuser Privatbankiers KGaA)
Hainan Mining	Hainan Mining Co., Ltd., a company whose A shares are listed on the SSE with stock code 601969
HKD	Hong Kong dollars, the official currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
IDERA	IDERA Capital Management Ltd.
Ironshore	Ironshore Inc.
JPY	Japanese yen, the official currency of Japan
Kutesmart	Qingdao Kutesmart Co., Ltd.
Lanvin	Jeanne Lanvin SAS
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Luz Saúde	Luz Saúde, S.A. (formerly known as ESPÍRITO SANTO SAÚDE – SGPS, SA), a company listed on the Euronext Lisbon with stock code LUZ
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules
Multicare	Multicare-Seguros de Saúde, S.A.
Mybank	Zhejiang E-Commerce Bank Co., Ltd.
Nanjing Iron & Steel	Nanjing Iron and Steel Co., Ltd., a company whose A share are listed on the SSE with stock code 600282
Nanjing Nangang	Nanjing Nangang Iron & Steel United Co., Ltd.
NEEQ	National Equities Exchange and Quotations
Peak Reinsurance	Peak Reinsurance Company Limited
Pramerica-Fosun China Opportunity Fund	Pramerica – Fosun China Opportunity Fund, L.P.
Pramerica Fosun Life Insurance	Pramerica Fosun Life Insurance Co., Ltd.
PRC or China	the People's Republic of China
Proxima	Shanghai Proxima Technology Ltd.
Reporting Period	the year ended 31 December 2017
Resource Property	Shanghai Resource Property Consultancy Co., Ltd., a company listed on NEEQ with stock code 833517
Rio Bravo	Rio Bravo Investimentos S.A.
RMB	Renminbi, the official currency of the PRC
ROC	Roc Oil Company Limited
Sanyuan Foods	Beijing Sanyuan Foods Co., Ltd., a company whose A shares are listed on the SSE with stock code 600429
SFO	the Securities and Futures Ordinance (Charter 571) of the laws of Hong Kong
Shanghai Henlius	Shanghai Henlius Biotech Co., Ltd.
Shanghai Zendai	Shanghai Zendai Property Limited, a company whose H shares are listed on the Hong Kong Stock Exchange with stock code 00755
Share(s)	the share(s) of the Company
Share Award Scheme	the share award scheme adopted by the Company on 25 March 2015, as amended from time to time
Silver Cross	Silver Cross Nurseries Limited
Sinopharm	Sinopharm Group Co., Ltd., a company whose H shares are listed on the Hong Kong Stock Exchange with stock code 01099

Sisram	Sisram Medical Ltd, a company whose H shares are listed on the Hong Kong Stock Exchange with stock code 01696
SSE	the Shanghai Stock Exchange
Star Healthcare	Shanghai Star Healthcare Co., Ltd.
Starcastle Senior Living	Shanghai Starcastle Senior Living Co., Ltd.
St Hubert	St Hubert SAS
St. John	St. John Knit International Inc.
Thomas Cook	Thomas Cook Group plc
Tom Tailor	TOM TAILOR Holding AG
Tsingtao Brewery	Tsingtao Brewery Company Limited, a company whose A shares are listed on the SSE with stock code 600600, and whose H shares are listed on the Hong Kong Stock Exchange with stock code 00168
USD	United States dollars, the official currency of the United States
Wanbang	Jiangsu Wanbang Biopharmaceuticals Group Co., Ltd.
Wolford	Wolford AG
Yong'an P&C Insurance	Yong'an Property Insurance Company Limited
Yuyuan	Shanghai Yuyuan Tourist Mart Co., Ltd., a company whose A shares are listed on the SSE with stock code 600655
Zhaojin Mining	Zhaojin Mining Industry Co., Ltd., a company whose H shares are listed on the Hong Kong Stock Exchange with stock code 01818

FOSUN 复星