

# Corporate Social Responsibility 2017

**FOSUN** 复星





**Fosun  
Corporate  
Social  
Responsibility  
2017**



# About this document

The Fosun Foundation

**“Fosun Glocal (global+local) Responsibility” is our new way to report Fosun’s best practices in sustainability, engaging, for the first time, Fosun family investees, sharing with its stakeholders its C2M (Customer to Maker) Happiness Ecosystem.**

We are proud to present our family heritage and contributions in Corporate Social Responsibility (CSR), considering the Global Sustainable Development Goals (“SDG”).

The economic, social and environmental performance reported in this document refers to Fosun’s activities from 1 January to 31 December 2017 and aims at communicating with the Fosun employees and their families, shareholders, institutional stakeholders and media. The referential Global Reporting Initiative’s Sustainability Reporting Guidelines (GRI4) provides principles and guidance for the document.

In the process of preparing this report, we convened an internal stakeholder’s consultation to identify expectations and insights to improve the CSR Report, involving some Fosun Global Partners\* and members of the business team as well.

If the statistical coverage of all the data in this report is not specifically stated, the data of Fosun International Limited (00656.HK) in the Annual Report 2017 shall prevail.

The term “Fosun” refers to Fosun International Limited (“Fosun International”) and its subsidiaries, and “ONE Fosun” refers to Fosun International and various companies in which Fosun International holds equity interests or over which Fosun International has controlled.

THIS REPORT AND THE BROCHURE ABOUT OUR CONTRIBUTIONS TO SUSTAINABLE DEVELOPMENT GOALS HAVE BEEN ELABORATED BY FOSUN FOUNDATION TEAM. ALL STAKEHOLDERS ARE INVITED TO SHARE THEIR FEEDBACK ON THESE DOCUMENTS, SENDING AN EMAIL TO [csr@fosun.com](mailto:csr@fosun.com). PLEASE VISIT THE WEBSITE ([WWW.FOSUN.COM](http://WWW.FOSUN.COM)) FOR FURTHER INFORMATION.

\*It is different from the legal concept of “partner” under partnership.



# CONTEXT: THE 13TH FIVE-YEAR PLAN

China's economy is undergoing a critical period of transformation and development, and the Chinese government has demonstrated commitment to the 2030 Agenda by aligning its domestic mid- and long-term development strategies with the SDGs. The 13th Five-Year Plan outlines that economic development will not only focus on the expansion of economic scale, but also stresses the importance of innovation and efficiency. The Chinese government also acknowledges that innovative, coordinated, green and shared development, will be essential for China's overall progress. In the report delivered by General Secretary Xi Jinping at the opening session of the 19th National Congress of the Communist Party of China on 18 October 2017, he emphasized that China should promote green development, solve prominent environmental problems, intensify the protection of ecosystems, reform the environmental regulation system, and work to develop a new model of modernization with humans developing in harmony with nature. Sustainable development is one of the core governmental strategies outlined in the report's 14-point basic policy, and the reference to creating an ecological civilization appears to be prominent.

*in: The Reporting Exchange: An overview of sustainability and corporate reporting in China – WBCSD*

**Our responsibility  
is “glocal”**





# LETTER FROM CHAIRMAN GUO GUANG CHANG

After 25 years of development, we have grown from children into charismatic adolescents and now blossoming youths. We have been increasingly aware that the most important aspect of a company's development is its capability to bring long-term growth in shareholders' value. But at the same time, we are fully aware that, as a corporate embracing globalization, Fosun needs to assume more social responsibilities and become a responsible global citizen. Therefore, we reinforced our mission -- "Creating happier lives for families worldwide".

New achievements were made one after another in the past five years, Our net assets exceeded RMB 530 billion; our net profit exceeded RMB 13 billion, and we have maintained a growth of 29%. Meanwhile, our net gearing ratio was below 50%. However, while we have reached a fast, healthy development, my colleagues and I have always exercised extreme caution, never relaxed our vigilance, and dedicated ourselves to the work. Because a fast-changing world poses many challenges, accidents or the so-called "black swan incidents" may become more frequent to such an extent that they will become part of the norm.

Faced with these changes and challenges, we will continue to hold fast to what we believe is right, strive to grow our business, and at the same time, assume more responsibilities for the well-being of the world, that is, Fosun is helping the world change for the better. Therefore, Fosun has to create a happiness ecosystem for families all over the world. It must take initiatives in such areas as research and development of medicines and medical technology, innovation in retail business models, integration of financial service into more situations and more

types of industries, the upgrading of various creative products, and the upgrading of Hive City. We must fit product development into the company's development. Fosun will continue to increase investment in research and in creating innovative businesses. Innovation and research are not an option, but a must and priority. Fosun's development may definitely be driven by technologies.

Furthermore, we need to emphasize Fosun's immense social responsibility in the world. Fosun has preliminarily established a business layout which has a geographical market coverage all over the world. This entails corporate social responsibility on a global scale. For example, we sponsored a Protechtig Start-up Accelerating Program in Portugal. We should introduce more amazing products to the society, support young people to be innovative and generate more employment opportunities for them. As a responsible global corporate citizen, Fosun will try its best to help the world change for the better.

Therefore, let's commit ourselves to lifelong learning, and gain a deep understanding of the changes of the world. We shall care for our country, customers, and seek to enhance our products; keep up the entrepreneurial spirit, remain curious about new things, and stay aware of the developments in our society and the world; do the things which are right, difficult, far-reaching, and challenging and things which can truly create value. We should also be able to leverage science and technology so as to provide better services for our clients.

On behalf of the board members I'm very proud to present our new sustainable development report. We tried to improve our way to communicate CSR and give examples of our "glocal" responsibility. For the first time we have added a new information presentation format to our report to present our best practices that contribute to the Sustainable Development Goals.

**Guo Guangchang**  
**January 2018**

Believing  
in learning,  
progress, and  
development,  
creating a  
global happiness  
ecosystem  
for success.

Guo Guang Chang  
Chairman





Fosun's headquarter - The Bund Finance Center (BFC)



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# About us

Fosun "Sing for Hope" at the  
28 Liberty Plaza, New York City



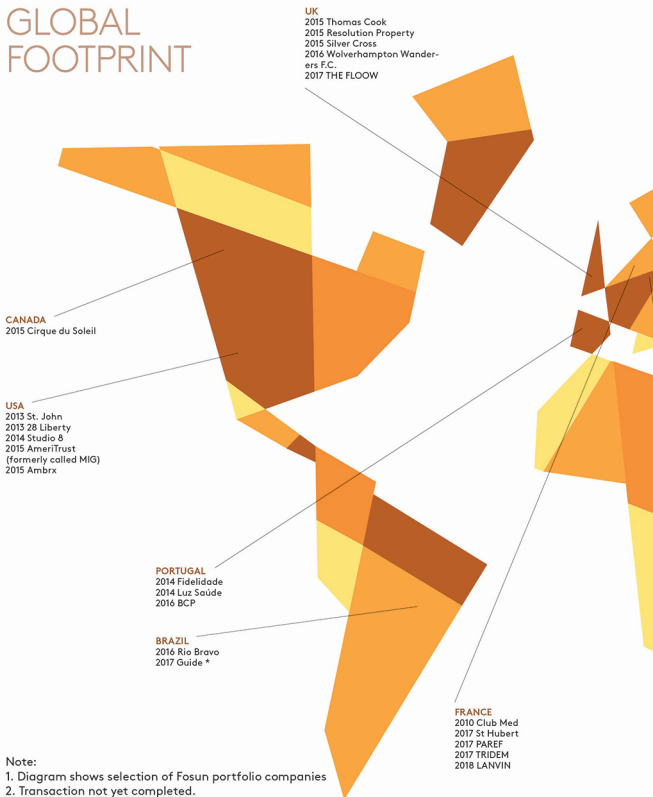
# VISION AND VALUES

**With its roots in China, Fosun's vision is to serve 1 billion families worldwide and create a global ecosystem to fulfill family customers' needs in health, happiness & wealth. Fosun has been adhering to its mission of creating happier lives for families worldwide. To achieve these objectives, we will deepen industry operations, supplement our capability of industry operations with investments, broaden the scope of our businesses, increase the depth of our immense capability, develop our businesses and aspire to higher achievements.**

Leaves cannot flourish without deep roots. This means we will consolidate our foundation for Fosun's ecosystem to flourish and develop with vitality. We strive to grow and evolve ceaselessly in all dimensions, making our ecosystem stronger and more prosperous through consistent development and breakthroughs.

Founded in 1992, Fosun is a family-focused multinational company. Fosun International Limited was listed on the main board of the Hong Kong Stock Exchange (00656.HK) in 2007. Fosun's total assets as at 31 December 2017 exceed RMB530 billion. Focusing on family customers and led by technology and innovation, Fosun provides a health, happiness & wealth solution through the C2M model for its customers and creates a C2M happiness ecosystem through in-depth industry operations, investments and integrations.

# GLOBAL FOOTPRINT



**Note:**

1. Diagram shows selection of Fosun portfolio companies
2. Transaction not yet completed.

**GERMANY**  
2014 Tom Tailor  
2015 H&A  
2017 NAGA  
2017 Koller

**MAINLAND CHINA**  
1994 Fosun Pharma  
1994 Forte  
2002 YUYUAN Inc.  
2003 Nanjing Iron & Steel  
2004 Zhaojin Mining  
2007 Yang'an P&C Insurance  
2007 Hainan Mining  
2008 Focus Media  
2009 United Family Healthcare  
2011 Bund Finance Center  
2012 Pramerica Fosun Life Insurance

2012 Star Castle  
2013 Cainiao  
2013 Atlantis, Sanya  
2014 Star-ehealth  
2015 Mybank  
2017 Fosun United Health Insurance  
2017 Fosun Kite  
2017 Hellobike  
2017 Onchain  
2017 Tsingtao Brewery

**HONG KONG**  
2012 Peak Reinsurance  
2014 Fosun Hani Securities

**JAPAN**  
IDERA

**INDIA**  
2017 Gland Pharma  
2017 Delhivery

**RUSSIA**  
2015 Fosun Eurasia  
Capital

**ISRAEL**  
2013 Sistram  
2016 AHAVA

**ITALY**  
2013 Caruso  
2017 Palazzo Broggi

**AUSTRALIA**  
2014 ROC Oil



# GLOBAL HAPPINESS ECOSYSTEM

The major portfolio companies in the Global Happiness Ecosystem of Fosun include:

## 1. Health Ecosystem

Fosun's health ecosystem includes Fosun Pharma, a leading health-care group in China; Luz Saúde, a leading private healthcare provider

group in Portugal; Starcastle Senior Living, a senior living service company; Star Healthcare, a healthcare management company; and Fosun United Health Insurance, a service provider of health insurance. Fosun also invested in medical and maternal and infant product companies, such as one of the UK's most iconic maternal brands Silver Cross.

- Fosun continued to make progress in the innovation and globalization of world-class health services and products, including approved Investigational New Drug (IND) applications for 6 new products of 11 indications in the Chinese mainland, among which 3 projects entered the 3rd stage of clinical trials. Fosun Kite initiated the manufacturing of Kite Pharma's FDA-approved CAR-T cancer treatment in China. Fosun also developed its own proprietary health technology platforms, achieving new records in lung cancer diagnostic imaging and was awarded first place in the List of "LUNA16" by Fosun's FONOVA and the creation of a new AI medical imaging company called Proxima.
- Fosun announced over 40 investments in 2017 including the acquisition of stakes in leading French health food company St Hubert through Fosun and the acquisition of controlling stakes in India's largest generics company Gland Pharma through Fosun Pharma.

## 2. Happiness Ecosystem

Fosun's happiness ecosystem includes three major parts: Tourism & Leisure, Fashion, and Consumer & Lifestyle. Key companies under Tourism & Leisure mainly include Club Med and Atlantis. Club Med has been growing under Fosun to become a leading provider of upscale, all-inclusive holiday packages with a French touch for families and working couples, with China being one of its fastest growing markets. Atlantis is developed by Fosun as its own high-quality experience resort in Sanya Hainan and has been opened since April 2018. Fosun also invested in and held world-class fashion products, such as fashion leader Folli Follie and Dead Sea beauty and wellness brand AHAVA.

- Club Med opened Club Med Grand Massif Samoens Morillon Resort in the French Alps and Club Med Tomamu Resort in Hokkaido, Japan in December 2017. In addition, Club Med has launched the new brand "Club Med Joyview", offering premium Resorts located near big cities in China. Club Med Joyview Golden Coast and Club Med Joyview Anji opened in January 2018.
- In fashion, German fashion house Tom Tailor successfully turned around its business and announced net income increasing to EUR 17.1 million in 2017.

- The Yuyuan restructuring has been approved in written by CSRC in May 2018, which upon completion will increase Fosun's stake in Yuyuan from 26.45% to over 68%.
- At Fosun's Atlantis resort in Sanya, construction completed during the year. The Atlantis resort officially opened in April 2018.
- Fosun and its managed fund acquired 17.99% of Tsingtao Brewery's shares and became the second largest shareholder of Tsingtao Brewery after closing.
- In December 2017, Fosun officially announced the launch of Cirque Du Soleil's TORUK – THE FIRST FLIGHT in Chinese Mainland. The world-renowned Cirque Du Soleil, considered a “national treasure” of Canada, created the spectacular theatre experience based on the record-breaking movie AVATAR.

### 3. Wealth Ecosystem

Wealth ecosystem is divided in three segments: Insurance and Finance, Investment and Hive Property. The Insurance and Finance segment includes Portugal's largest insurer Fidelidade, American insurance company Ameritrust (originally MIG), Peak Reinsurance in Hong Kong, Yong'an P&C Insurance and Pramerica Fosun Life Insurance in Chinese mainland. Fosun also invested globally in several financial institutions, including BCP, the largest listed bank in Portugal, Mybank and H&A, a private bank headquartered in Germany. The Investment segment includes primary market investments, asset management, equity funds, real estate funds and others, such as Cainiao Network Technology Co., Ltd., the official logistics provider partner initiated and founded by Alibaba. The Investment segment also includes Fosun's asset management companies, such as IDERA in Japan and resources companies such as Nanjing Nangang, Hainan Mining and ROC, an oil and gas company based in Australia. The Hive Property segment includes The Bund Finance Center, Forte, 28 Liberty in Manhattan New York City.

- Benefiting from the “insurance + investment” strategy, Fosun Insurance Portugal reported a total investment in 2017 above market average. BCP announced a recovery from a loss in the previous year to a net profit. It has also improved its overall business position with a total of 5.4 million active customers, and 2.5 million digital customers.

# STRATEGY AND PROSPECTS

Fosun is confident in its ability to continually create sustainable value for the shareholders through its C2M strategic operating model. To achieve this target, Fosun will continue to carry out industrial operations and investments centered on C2M ecosystems, strengthen its core businesses and increase investment into technology, research and development and innovation, including artificial intelligence (AI) technology. This will integrate Fosun's products, services, logistics and customers' data into the "ONE Fosun" whole-process data-oriented platform which is based on business scenarios and accelerates the evolution of Fosun's C2M ecosystems to benefit families around the world. Under the C2M strategic operating model, ONE Fosun's key strengths are:

- Fosun's client, branding, marketing and talent network to bring world-class goods and services into China;
- Leverage the high-quality products and services that Fosun has invested and developed to continuously grow business;
- Serve over 30 million families in the C2M ecosystem and big data based on business scenarios; and
- Access to a global talent platform with a wide range of experience.

# GROUP STRUCTURE<sup>1</sup>

## HEALTH ECOSYSTEM

Pharmaceutical	Fosun Pharma 37.94%	Sinopharm	Sisram	Gland Pharma	Wu Doctor
Medical Services & Health Management	Fosun United Health Insurance <sup>2</sup> 20.00%	Luz Saúde <sup>3</sup> 98.79%	Chancheng Hospital	United Family	Star Castle 50.00%
Health Products	Silver Cross 87.23%	Sanyuan Foods <sup>4</sup> 20.45%	St Hubert <sup>5</sup> 98.12%		

## HAPPINESS ECOSYSTEM

Tourism & Leisure	Club Med <sup>6</sup> 90.10%	Atlantis, Sanya 99.81%	Thomas Cook <sup>7</sup> 11.22%		
Fashion	LANVIN <sup>8</sup>	Tom Tailor <sup>9</sup> 28.89%	Wolford <sup>10</sup>	Caruso <sup>11</sup> 73.90%	St John <sup>12</sup> 70.00%
Consumer & Lifestyle	AHAVA 99.46%	YUYAN Inc. 26.45%	Tsingtao Brewery <sup>13</sup> 17.99%		

## WEALTH ECOSYSTEM

Insurance and Finance	Fosun Insurance Portugal <sup>14</sup> 84.986%	AmeriTrust 100.00%	Peak Re 86.93%	Pramerica Fosun 50.00%	Yong'an P&C Insurance 40.68%
	Fosun Hani Securities 100.00%	H&A 99.91%	BCP 27.06%	MyBank 25.00%	
Investment	Fosun Capital 100.00%	IDERA 98.00%	Focus Media 5.00%	Cainiao 6.77%	Nanjing Nangang 60.00%
	Koller <sup>15</sup> 84.50%	Besino Environment <sup>16</sup> 100.00%	ROC Oil 100.00%	Hainan Mining 51.57%	
Hive Property	Forte 100.00%	28 Liberty 100.00%	BFC 50.00%		

Notes: 1. This simplified corporate structure illustrates the key investments of the Group only. The equity percentage reflects the total direct shareholdings held by the Group, associates, joint ventures and funds managed by the Group as at 31 December 2017. The companies marked in the dotted box are invested by FosunPharma. For specific information, please refer to the disclosure of FosunPharma. The synergies marked in the shadow box are the projects remained to be completed as at the end of the Reporting Period. / 2. It is listed under the segment of "Insurance and Finance" when accounting treatment is processed. / 3. Fideidade, a subsidiary of the Group held 98.79% equity interest in Luz Saúde. Therefore, the Group held 85.56% effective equity interest in Luz Saúde. / 4. The Group through its wholly-owned subsidiary, and Shanghai Fosun Chuangheng Equity Investment Fund Partnership (L.P.) ("Fosun Chuangheng"), a fund under management of the Group held 16.47% and 3.78% equity interest, respectively, in Sanyuan Foods. The Group held Fosun Chuangheng general partnership interest and limited partnership interest of 34.23% and 3.23%, respectively, in Sanyuan Foods. / 5. The Group co-invested with Sanyuan Foods in St Hubert in July 2017. The transaction was completed in January 2018. St Hubert is held as to 98.12% by an associate (the Group held 51% equity interest in such associate). Therefore, the Group held 50.54% effective equity interest in St Hubert. / 6. Club Med is held as to 68.99% by a wholly-owned subsidiary of the Group, as to 19.53% by Fideidade, a subsidiary of the Group, and as to 1.58% by a subsidiary (the Group held 61.88% equity interest in such subsidiary). Therefore, the Group held 84.57% effective equity interest in Club Med. / 7. The Company signed an agreement in February 2018 to purchase a majority stake in Lamin. As at the date of this announcement, the transaction remained to be completed. / 8. Tom Tailor was held as to 14.33% by the Company, as to 10.46% by Fideidade, a subsidiary of the Group, and as to 4.07% by a company of Fideidade (Fideidade held 51% equity interest in such company). Therefore, the Group held 28.89% effective equity interest in Tom Tailor. / 9. The Group signed an agreement in March 2018 to purchase a majority stake in Lamin. As at the date of this announcement, the transaction remained to be completed. / 10. The project remained to be completed as at the date of this announcement. / 11. The Group held 45.50% equity interest in Caruso. The joint venture established by the Group and Pramerica-Fosun China Opportunity Fund managed by the Group held 17.00% equity interest in the joint venture. Therefore, the Group held 48.47% effective equity interest in Caruso. / 12. The joint venture established by the Group and Pramerica-Fosun China Opportunity Fund managed by the Group held 75% equity interest in St. John (the Group held 19.75% equity interest in the joint venture). Therefore, the Group held 15.79% effective equity interest in St. John. / 13. During the Reporting Period, the Group and the fund managed by the Group signed agreements to purchase 12.51% equity interest in Tsingtao Brewery. This transaction was completed in March 2018. The Group held 14.29% effective equity interest in Tsingtao Brewery. / 14. The Group held 84.986% equity interest in Fideidade. 85% equity interest in Medicover and 80% equity interest in Fideidade Asistencia through its wholly-owned subsidiary. / 15. Nanjing Nangang, the company's joint venture company, held 84.50% equity interest in Koller. / 16. The Group and Nanjing Nangang jointly purchased 100% equity interest in Besino Environment, as to 100% held by the Group.





28 Liberty Plaza, New York City

# C2M STRATEGY: COMMITTING TO CREATING A HAPPINESS ECOSYSTEM IN HEALTH, HAPPINESS & WEALTH





健康暖心—乡村医生健康扶贫项目  
乡村医生意外保障捐赠

中国扶贫基金会  
China Poverty Alleviation Foundation

The Rural Doctors Poverty Alleviation Program



# 2017 Achievements and recognitions

da Vinci robotic-assisted surgical systems

## GROUP LEVEL

- Fosun International 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, Fosun International was honored with the “Best Investor Relations” Award that recognizes Company’s adherence to the best management practice and emphasis on good corporate management and disclosure of information. The award also acknowledges Fosun’s efforts in corporate social responsibility, investor relations and media relations as well as its commitment to maximizing the value for stakeholders while actively striving to achieve rapid growth in profit.
- Fosun was ranked No.17 on the list of “2017 Most Acclaimed Chinese Companies”, released by Fortune China.
- Fosun International was awarded as “Asia’s Honored Company (Industrial)” in “2017 All-Asia Executive Team” ranking organized by the United States authoritative financial magazine, Institutional Investor.
- Mr. Guo Guangchang, Chairman of Fosun International, received the Lifetime Achievement Award at the 16th Asia Business Leaders Awards Ceremony (ALBA), in recognition of his achievements in global business development and his active contribution to society, as well as efforts in promoting the advancement of global community.

## FOSUN FAMILY

- Fosun Pharma supplied more than 100 million injectable artesunate Artesun® to the international market by the end of 2017 according to incomplete statistics. It was expected that nearly 20 million patients around the world with severe malaria, would benefit from treatment by Artesun®. 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 each year, most of whom are African children.

- In 2017, add a comma Fosun Pharma ranked No.1 of CSR Index in pharmaceutical industry (Center for CSR of Economics Division, Chinese Academy of Social Sciences). 2017 Model of Sustainable Action won 2017 Award for Influence of Sustainable Action (Shanghai Environmental Protection Bureau).
- Fosun Pharma won Excellence Case of Precision Poverty Alleviation of Chinese Listed Companies (JRJ) and SynTaoGF-Caixin ESG 50 Index (Caixin Media).
- Yescarta became the first CAR-T therapy approved by the FDA for treating certain types of large B-cell lymphoma, as well as the first CAR-T filed with the European Medicines Agency (EMA) for listing application. Through Yescarta, Fosun Kite is committed to introducing the world's cutting-edge CAR-T technology for Chinese cancer patients. Yescarta has the potential to become the first cell therapy product approved for cancer patients in China, which carries great significance and sets standards for commercialization of CAR-T cell therapy.
- Frost & Sullivan, a well-known global growth consulting organization, awarded "Excellence in Innovation in AI Big Data Market" to FONOVA, Fosun's specialty technology and innovation subsidiary. The award recognizes Fosun's continuous innovation and brave practice of integrating AI big data and medical applications, as well as its efforts and outstanding contributions to the development of the whole industry.
- United Foundation for China's Health (UFCH) has won 2017 CSR Awards for Healthcare, jointly granted by British Chamber of Commerce (BritCham) and American Chamber of Commerce (AmCham) in China. This award recognizes organizations and individuals who have made outstanding achievements in promoting corporate social responsibility and sustainable development.

# FOSUN GLOBAL PARTNERS



## THE ROLE OF GLOBAL PARTNERS

Being Fosun Global Partner is not only an incentive, but also an honor and a responsibility, and represents identification with Fosun's corporate culture, mission, strategy and responsibility.

Fosun's global partners are not only our partners in business, but also responsible for implementing missions and strategies. The global partner team is playing an increasingly vital role in the development of Fosun.

- In December 2017, Circuits Découverte by Club Med, the Discovery Tours branch of Club Med was awarded the ATR Label, as a recognition of the high environmental and social standards of its products, as well as of its commitment to the promotion of Responsible Tourism.
- In 2017, 4 additional Club Med Resorts received the Green Globe

Certification, raising the global rate of certified resorts to 77%. Green Globe international certification for sustainable tourism was launched in 1993 and is based on the commitments made by the tourism industry at the Earth Summit in Rio de Janeiro in 1992. The Green Globe standard is recognized by the Global Sustainable Tourism Council (GSTC) and Green Globe as an affiliate member of the World Tourism Organization (UNWTO).

- In 2017, Club Med has won the HR&M Digital HR Team Award for its HR Make It project to develop new communication tools and digital practices that make daily life easier for employees. The award was made in recognition of the HR digitalization strategy launched in 2016 by Club Med, which included the provision of digital safe and electronic signature services for its French employees. As part of its zero-paper strategy, Fosun has now digitized its personnel records and HR documents (contracts of employment, payslips, etc.). Over the next three years, the HR administration digitalization process will be extended to simplify daily work of all employees.
- Fidelidade has been nominated Trusted Brand 2017 in the insurance category, from Reader's Digest, for the fourth time.
- Fidelidade was ranked one of the 500 largest and best companies of Exame magazine, and won the double prize for "Best Large Insurer" in the Life and Non-Life Branches. These honors proved the status of Fidelidade as a role model in the industry, as well as the strategies of consolidation and diversification it has pursued in the past years that have allowed it to be increasingly present in the lives of its clients, so that more lives are safeguarded.
- Fidelidade took part in the Solidarity Fund Management Committee set up to support seriously injured people and the families of people who died in the fires that ravaged Portugal in 2017. The Fund gave compensations to 157 relatives of deceased victims and 27 seriously injured people in the amount of 3,409 million euros.
- BCP joined, for the fourth time, "The Sustainability Yearbook - 2017", model publication in the area of sustainability edited annually by the analyst "RobecoSAM" based on the information collected in response to "Dow Jones Sustainability Indices". Being again part of the select group of the world's 464 most sustainable companies - in which 32 countries are represented, is a renewed proof of the merits of BCP's sustainability initiatives and the practices of disclosing corporate information in the social, environmental and economic dimensions.



- BCP created a 2.5 million euros credit line for companies affected by the fires in Portugal. This line of financing is meant for the recovery of economic activity of companies in a multitude of sectors, namely agricultural sectors and industry. The line offered preferential financing conditions, as well as a total exemption from the initial commission for operations approved up to the end of 2017.
- BCP Microcrédito (Millennium BCP Microcrédito) awarded the entrepreneurs winners of the 6th edition of the Realizar Award, a yearly initiative that is meant to increase the entrepreneurial spirit by awarding successful entrepreneurs who found in Millenium BCP Microcrédito the solution to making their projects a reality.
- Hauck & Aufhäuser (H&A) hosted the Fosun European Summit together with Fosun. In order to enhance the great relationship between China and Germany, H&A was also one of the key partners of the 4th European-Chinese Banking Day during the 20th Euro Finance Week in Frankfurt, Germany, in mid-November 2017.
- Hospital da Luz Lisboa is the health unit with more words of appraisal from patients sent to the Health Regulatory Authority, during the first semester of 2017. With 327 appraisals registered, the Hospital da Luz Lisboa was one of the Portuguese hospitals that are most praised by the clients.
- Peak Reinsurance has achieved several important milestones in 2017. It was granted a license in Malaysia to conduct general reinsurance business by the Labuan Financial Services Authority (Labuan FSA) and it received authorization as a Life and General Reinsurer by the Monetary Authority of Singapore.
- Peak Reinsurance was awarded "Asian Best Reinsurer of the Year" for the second consecutive year by Asian Banking and Finance magazine and is now ranked 43 on A.M. Best's annual ranking of the Top 50 Global Reinsurance Groups, by gross written premium.



Henri Giscard d'Estaing  
Fosun Global Partner,  
Chairman and  
CEO of Club Med

For me, being a Fosun Global Partner is an honor and a responsibility.

It is the recognition of Club Med's role and involvement within the Fosun Happiness mission for families. It emphasizes our integration to Fosun's corporate culture, ambition and strategy.

Moreover, as a Fosun Global Partner, I consider my position as an "ambassador" of Fosun, playing an active role of implementing missions and strategies for the company and also to enhance economic and cultural relationships between France and China.

**I am very proud to belong to this brilliant team which plays such an important role in the development of Fosun, all around the world.**



Jorge Magalhães Correia  
Fosun Global Partner,  
CEO of Fidelidade

For me, being Global Partner of Fosun is both a great honor and a responsibility.

I feel very proud of being part of Fosun family and this recognition emphasizes the unique spirit of Fosun and the ability to integrate other cultures and management styles into Fosun corporate culture and values.

Of course, this role also brings the additional responsibility of becoming a true "ambassador" of Fosun throughout the world and in my home country – Portugal, deepening the relationships and the business and cultural ties between our two countries.

In this sense, and taking into account Portugal's cultural affinities and strong relationship with Europe,

Africa and Latin America, I believe I can also help Fosun to create a platform to further connect and promote cooperation between China and Portugal on one hand and these geographies on the other.

Finally, I also believe that being a Global partner represents a unique opportunity to promote the unique entrepreneurial spirit and continuous drive for innovation within Fosun, focusing on what is most important, people. Anyone can be creative and innovate if properly stimulated and it is our responsibility to create a favorable and challenging environment that will encourage people to do so. It is indeed a great pleasure to be part of this team!

100% responders

5\$ each

84% conversation rate

costs :  $\frac{\$42,000}{}$   
 $= 7,843 / \text{buyer}$

89%

Upcoming Campaign



Audience Size 10,000

Response Rate  $\rightarrow$  10%  
(expect, how?)

Conversion Rate  
average buyer p

2017  
Key Figures

Total Revenue

**88.03** RMB billion  
**19%** Y-o-Y increase

RMB 73.97 billion in 2016, Y-o-Y growth:  
Health 24% / Happiness 12% / Wealth 19%

Adj. Net Asset Value per share<sup>3</sup>

**33.28** HKD  
**28%** Y-o-Y increase

HKD 26.01 as at Dec 31, 2016  
Implied 46% discount to last closing price<sup>4</sup>

Profit attributable to owners of the parent

**13.16** RMB billion  
**28%** Y-o-Y increase

RMB10.27 billion in 2016, Y-o-Y growth:  
Health 32% / Happiness 6% / Wealth 29%

Earnings Per Share

**1.77** HKD  
RMB 1.53  
**29%** Y-o-Y increase<sup>5</sup>

HKD1.39 (RMB 1.19) in 2016  
5 year CAGR of 21%<sup>5</sup>

Net Gearing (%)<sup>1</sup>

**49.7%** Deleveraging over past 5 years  
**60.3%** End of 2016

Moody's upgraded rating to 'Ba2 stable'<sup>2</sup>

Dividend per share<sup>4</sup>

**0.35** HKD  
**67%** Y-o-Y increase

HKD0.21 in 2016  
Payout ratio of 20% (6% in 2016)

1. Net Gearing ratio = net debt / equity; net debt = total debt - cash and bank balances and term deposits / 2. In January 2018 / 3. Adjusted NAV = market value of listed investments held by the Group + fair value of unlisted investments utilizing recent transactions or comparable companies method - the Group's net debt / 4. As at 27 March 2018 / 5. Calculated in RMB / 6. The proposal of the board of directors is subject to adoption by the general meeting of shareholders.

## Our customers are our most valuable asset



Core ecosystems of health, happiness and wealth under C2M strategy now covers >35mn families

## Cultivating a herd of industrial unicorns



Fosun Pharma, Henlius, Foliday, Proxima

Integrate technology, talent, marketing & customers

## Enhancing company value



Global platform for M&A / capital markets

Turnaround and improve operations

## Innovation increases product competitiveness



New 'youlè' loyalty app connects C to M

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Improving product competitiveness through technology and innovation

## Global capabilities with roots in China



Operations and investment in 50+ Countries

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Deepen into Europe, Israel & emerging markets (Portuguese speaking countries, Africa & India)

## Cross-synergies created through C2M



Chancheng Hospital  
+ Albion

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United Health Insurance  
+ United Family Hospital

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IDERA + Club Med  
+ Star Healthcare





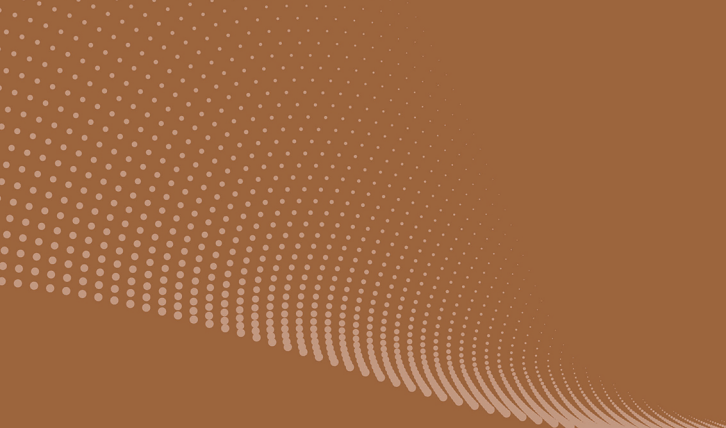


**How do we  
contribute  
to sustainable  
development?**

# 1. Consolidating our approach to corporate social responsibility

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2017 has been key to structure  
internal communication and  
processes



# STRATEGY: OUR VISION OF CSR

Fosun is committed to investing responsibly and improving the sustainable growth of its companies. Fosun's ambition is to reinforce the integration of environmental, social and governance (ESG) criteria into the whole investment process, from due diligence to investment decision, and post investment management.

To grow as a respected enterprise, Fosun must fully undertake its corporate social responsibilities (CSR) from a consistent global perspective and throughout every aspect of its operations.

## COMMITMENT WITH GLOBAL COMPACT

Fosun joined Global Compact in July 2014 to formalize its global commitment to sustainable development. And consequently, we are also engaged with the Sustainable Development Goals (SDG) at local and global level. We make ours the words of the United Nations: the SDGs not only identify where we have to be in 2030 to create a sustainable world, but they also outline new markets and opportunities for companies all over the world. Therefore, in order to succeed, we must turn the global goals into local business.

## CSR GOVERNANCE AND MANAGEMENT – WORK IN PROGRESS

We progress in integrating sustainability issues in our value chain. The harmonization of our practices and coordination of awareness activities, information collection and reporting has been entrusted to Fosun Foundation, that is in charge of our community investment, too.

In 2016 and 2017, we began to identify focal points in the different departments of Fosun and in the Fosun Family Companies.

## Global Advisory Committee

In 2017, we worked to build a Global Advisory Committee that provides strategic advice to the management of Fosun Foundation about CSR issues and philanthropy. The Global Advisory Board of Fosun Foundation is made up of people selected for their knowledge/skills in a specific area. In 2018, the Advisory Committee members will begin to provide Fosun with knowledge, understanding and strategic thinking about the mission or management of the Fosun Foundation.



# POLICIES: STRENGTHING OUR FOUNDATIONS

## CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

Fosun is committed to achieving high standards of corporate governance to protect the interests of shareholders and to enhancing its corporate value and accountability.

Fosun always applies the principles and fully complies with the Corporate Governance Code, Listing Rules, and Securities and Futures Ordinance of Hong Kong, etc. Fosun regularly reviews its corporate governance practices to ensure compliance with the Code. No incidence of non-compliance of the above-mentioned written guidelines by the relevant employees of Fosun was noted in 2017.

KNOW MORE in The Corporate Governance Report, which is part of the Annual Report, published on our website.

## ANTI-CORRUPTION AND SUPERVISION

Fosun established the Anti-Corruption and Supervision department in the year of 2013. 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 Fosun 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 Fosun and core enterprises and transfer the cases to judicial organs.

Fosun adopts a zero-tolerance policy for bribery, embezzlement and other corruption acts of all staff. By means of Fosun's website, "Fosun Anti-Corruption", the official Wechat public account and other channels to publicize extensively the way to report any incident of corruption, Fosun 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 witnesses, and internal investigation procedures.

Preventive measures are (1) to 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 Fosun; (2) to 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 Fosun International and all core enterprises that all corruption cases will be investigated; and (3) to 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.

Implementation and monitoring methods:

- 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;
- 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 Fosun and other investees, transfer alleged criminal cases to a judicial organ;
- 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 individuals, and block the relevant anti-corruption and management loopholes.

# PROCUREMENT WHITE PAPER

The "Procurement White Paper" on group procurement management policy and procedure executed by Fosun 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 Fosun and its subsidiaries, Fosun 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.

On the basis of building systematic procurement, Fosun has established the procurement and tender information platform (ep.fosun.com) to provide convenient services to portfolio companies within Fosun, and further developed towards the direction of meticulous management, providing supply chain services and enhancing internal customer experience. Meanwhile, Fosun firmly grasped the development opportunities in the B2B procurement and industrial internet and constructed the supply chain coordination and integration service platform by leveraging the unique advantage of "investment + operation". In 2016, we initiated platform construction of "One Link Network" (www.onelinkplus.com). By focusing on the idea of "common platform + vertical industry", we put the emphasis on constructing the five segments of credit, procurement, supply chain, financial services and integrated services, and promoted the construction of solutions for a number of industries.

Fosun 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, Fosun used the "onelink+" (www.onelinkplus.com) to promote Fosun's procurement and tendering work in a transparent and online way. By the end of 2017, more than 200 enterprise demanders were advised to explore online services and a vast supplier resource pool covering more than 30,000 suppliers was formed on the platform. Fosun 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.

# SAFETY, QUALITY AND ENVIRONMENTAL POLICY OF FOSUN

“Self-improvement, Teamwork, Performance and Contribution to Society” constitutes the cultural values of Fosun. Fosun has 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 Fosun’s strategy for sustainable development. In 2017, based on the new situation, Fosun renewed the “Fosun Group’s Safety, Quality and Environmental Policy”, which was issued jointly by the Chairman of Fosun International and seven executive directors, and would be fully implemented in all companies under Fosun.

## Commitments

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 Fosun’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 more efficiently, so as to 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 the geological disaster control and environmental governance in the mines;
4. To provide employees with a safe working environment and protect employees and contractors’ employees from occupational injuries;
5. To provide customers with safe products and services and strive for excellence;
6. To actively adopt international advanced management concepts and methods – such as Lean Six Sigma – to promote the overall improvement of operations.



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家、地区的各项法律法规；
- 在运营过程中，为我们的员工、承包商、访问者及我们的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；
- 督促集团内所有管理、服务和合作伙伴，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（EHSQ）管理体系，定期检查和评审，确保其有效运行；
- 通过自身资产的EHSQ管理，项目投资的EHSQ监控，项目退出EHSQ把关等管理措施，确保EHSQ管理和追求持续改善于投资及退出期始终的跟踪；
- 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追求员工岗位的条件；
- 坚持可持续发展的方针，我们将督促企业，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，减轻我们的生产和运营活动对于环境及人的影响；
- 本着对社会责任的义务，我们提供优质的产品，保证产品使用安全；
- 我们将积极采用国际先进管理理念与方法并精益求精持续提升运营管理的全面提升。

### 复星集团坚信：

- 所有事故和伤害都可以避免；
- 管理就是管理安全、质量、环境；
- 所有运营和作业在事前都能够控制、降低或消除；
- 所有员工都必须无条件接受安全、质量、环境的不安全；
- 所有员工都必须无条件接受不安全行为和物的不安全状态；
- 安全环境与生产、质量同样重要；
- 质量是产品力的核心，我们力求精益求精！

复星集团将确保安全、质量、环境政策在集团内公司内，  
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 EHSQ 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 legislations 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 near our operations.
- Encourage/insure our group holding, shareholding companies and cooperation partners to establish and maintain an appropriate environmental, health, safety and quality (EHSQ) management system in according with OHSAS 18001, ISO 14001 and Work Safety Standardization System, conducting regular check and auditing to ensure it operates smoothly and effectively.
- Insure all investment activities to involve EHSQ management thoroughly via some effective methods such as conducting EHSQA due diligence before investment, strengthening EHSQ supervision on the invested companies etc.
- It is the duty of every employee in Fosun Group to demonstrate a good EHSQ performance so as not to endanger himself/other or higher subordinates in any where and any time. It is also the duty of every employee to remind or request other people to work in a good EHSQ 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 friendly manner. Continue to drive down the environmental and health impact of our operations by reducing waste, emissions and discharges 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

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2017年5月  
May, 2017



## CASE

### FOSUN PHARMA CSR INCORPORATION (PHARMACEUTICAL SECTOR)

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Fosun Pharma has incorporated social responsibility into its long-term business strategy. Fosun Pharma has been endeavoring to meet the expectations of society, the government, its employees and shareholders throughout its business development. Safety/Health/Environment ("EHS") Highlights in 2017:

- Fosun Pharma values environmental protection and upgrades pollution control facilities. The total expenditure on EHS has increased by 73%
- The emission of greenhouse gases and environmental pollutants have decreased with a carbon dioxide reduction of approximately 7,200 tons and total water saving 1.8 million m<sup>3</sup>
- Fosun Pharma increased capital investment on environmental protection and achieved the reduction of the nitrogen oxides and sulphur oxides emission, respectively by 48.8% and by 76.3%
- Established Hospital HOPES Management System Framework and implemented tailored PSM management system to help the EHS management develop towards specialization, science, and refinement.
- Enhanced the EHS awareness and professional skills and continuously improved safety performance with a significant reduction of Total Recordable Case Rate and Lost Time Injury Rate

## Environmental protection:

Fosun has achieved near-term results and made long-term plans for sustainable development strategies. Fosun 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 Fosun's EHS management framework system, Fosun's environmental protection work is systematically arranged and standardized, and enterprises under Fosun are encouraged and promoted to obtain ISO14001 certification. As of the end of 2017, 13 companies have passed ISO14001 certification.



## Energy Saving and Consumption Reduction:

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, Fosun cooperated with agencies such as the Paulson Institute to start developing a low-carbon strategy in 2017. As the first step, based on asset size, energy consumption scale and data integrity and other principles, Fosun 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 other businesses, and planned to gradually cover all Fosun's related businesses. The pilot companies are cross-industry, cross-regional, and cross-country. Fosun 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.

## Health and Safety Management:

In order to ensure the legal and compliance operations of companies under Fosun, effectively reduce and eliminate the risk for EHS, and deliver on Fosun's commitment of social responsibilities with respect to EHS, Fosun launched the Safety/Health/Environment (EHS) Management System Manual 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 Fosun 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 Fosun. While actively implementing the EHS management system framework standards, Fosun also actively encourages its subsidiaries to obtain OHSAS18001 certification and national safety production standardization certification. At the end of 2017, 11 enterprises had obtained OHSAS18001 certification, and 28 units had obtained the Grade II national safety production standardization certification.

Fosun is committed to providing employees with a safe and comfortable working environment. In order to link up with the international safety performance indicator system, Fosun issued the Management Procedures for Occupational Health, Safety and Environmental Protection Performance Indicators under the Fosun Group Special Safety and Environmental Protection Standards in September 2016, requiring all companies under it to report EHS performance indicators such as all accidents that have caused the loss of more than one working day and the frequency of lost-time injuries to further enhance and refine the EHS management. In 2017, Fosun 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 under better control.

## Product Liability:

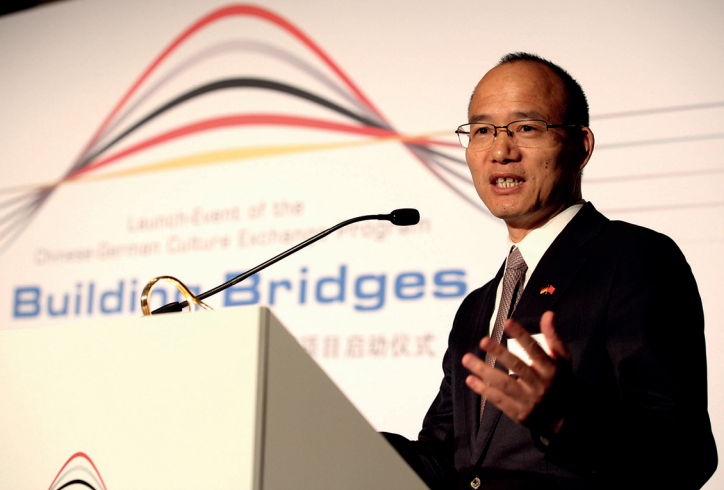
### Quality Empowerment

Fosun 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 Stater Property and other enterprises to conduct pilot projects. After one year of promotion, Fosun 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 Fosun 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 Fosun, of which 69 reached black belts.

### 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 Fosun’s investment enterprises, Fosun updated the Implementation Rules for Major Quality Accident Reporting of Fosun Group in 2016, and issued the Fosun Group’s Guidelines on the Establishment of Product Recall System of Member Companies in 2017 to guide member companies to establish and improve their product recall system. Fosun requires that a recall system be established for products in those industries for which the state has issued product recall management measures, such as medicines, food, medical equipment, children’s products, as well as the iron and steel and clothing industries. Each member company has established and improved their own product recall system in compliance with product recall management measures practiced in relevant countries or industries and according to Fosun’s above product recall 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 Fosun 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.



## COMMUNICATION WITH STAKEHOLDERS

### **Key to Success: understand our stakeholders' needs**

For our business to be sustainable, we must work with our stakeholders and create value for them. We are committed to improving transparency and enhancing our communications with our stakeholders including shareholders, investors, media, customers, intermediary institutions, business partners, employees and communities.

We carry out regular engagement with our stakeholders to listen to and understand their views. This communication not only provides valuable feedback for our businesses and operations, but also assists us in learning about our stakeholders' thoughts and assess the best way to leverage our resources and expertise to serve their needs.

### Face-to-Face Communications + Product Exhibition

Since Fosun International was listed in Hong Kong in 2007, we have been timely disclosing important information and communicating our latest developments through various face-to-face communication channels, such as annual and interim results press conferences, investor meetings, shareholders' meetings, investor roadshows, media roadshows, etc. In recent years, Fosun has also organized exhibitions that cover a number of Fosun's portfolio companies to display their products and showcase their market strengths and values. This approach enables shareholders, investors, analysts, clients, media and business partners to understand comprehensively the business development strategies of Fosun, facilitating Fosun's in-depth communication with markets.

### Statutory Disclosure & Official Website

Fosun has been actively strengthening the communication with public. As a listed company in Hong Kong, Fosun International always complies with the Hong Kong Stock Exchange's statutory disclosure requirements through publication of Fosun's announcements on the website of the Hong Kong Stock Exchange and company official website ([www.fosun.com](http://www.fosun.com)). To further provide timely information to the public, Fosun maintains the website, where updates on Fosun's business developments, operations and other relevant information are posted.

### Establishing CCO Chief Communication Officer System

Established a global chief communications officer system, coordinating communication with the government, media, investors, communities, employees and stakeholders, and making it systematic and normal. Through the annual conference, monthly video connection, and semi-monthly newsletter, we will disseminate the positive energy information of Fosun International's global market and build a platform and channel for the development and communication of Eastern and Western corporate culture.

### Engaging in Social Media Communication

Broadening our range of communication channels can certainly increase our capability to reach more groups of stakeholders with varying interests. With advances in communications technology, we now seek to engage our stakeholders not only through existing communication channels like uploading our statutory announcements to the Hong Kong Stock Exchange and company official website, but also through new media and social media platforms including:

- Fosun LinkedIn: provides company updates to current and prospective staff as well as our business partners.

- **Fosun Facebook:** provides company and portfolio/member companies' latest activities and campaign to the followers, also supports two-way communication between Fosun and the public.
- **Fosun Twitter:** provides company's latest events information to social media followers using brief tweets.
- **Fosun Wechat:** provides daily company and portfolio/member companies' updates, shares management's views and insights with the public, also supports two-way communications between Fosun and the public.
- **Guangchang Wechat Account:** shares Chairman's views and insights, also serves as a direct communication tool with the Chairman.
- **FosunLink:** an instant message communication tool for Fosun staff and ONE Fosun members, acts as an internal communication platform to share Fosun and its portfolio companies' latest developments.



## Sharing our Learning and Insights via International Platforms

Organizing and participating in international forums, thought leadership roundtable sharing, etc., with peers, industry experts, academic communities as well as charities and NGOs, will certainly help Fosun strengthen its capabilities to monitor emerging trends and assess potential business risks and opportunities; introduce best practices to improve business performance; explore new technologies; as well as share Fosun's insights and build trust and credibility amongst its stakeholders. In 2017, Fosun has organized and participated in the following international events to exchange its views with its relevant stakeholders:

- One Fosun Global Conference: the conference centered around the theme of "Creating C2M Global Happiness Ecosystem for Families", focusing on multiple key issues, including Technology-driven C2M Strategy, Industrial Operation and Investment, Global Happiness Ecosystem for Families, etc.
- The Bund Global Financial Summit: with the theme of "A New Chapter for Finance", Fosun as one of the organizers shared its insights with the government regulators and entrepreneurs about how the financial sector can better fulfill its true role in serving the real economy and how to strike a balance between financial stability and innovation.

# 2. Investing Responsibly

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How our investment philosophy  
generates positive impacts

# STRATEGY: OUR PRIORITIES

- 1) Center around family customers, focus on “health, happiness and affluence”, and connect different businesses through Youle, Fosun’s own customer loyalty program, so as to energize the C2M ecology of Fosun in an in-depth way.
- 2) Fosun is committed to building the C2M strategic operation model. To offer personalized solutions for the quality lives of family customers by converging the diversified flow and understanding customers’ needs. To reach target customers accurately by providing products and services that have the highest product power. To reconstructing the supply chain by linking the C and M ends efficiently.
- 3) Fosun upholds the two-wheel drive strategy of “Investment + Industry Operations”, and investment supplements our capability of industry operations in a continuous way.
- 4) Fosun pursues the globalization strategy of “the bidirectional drive between China and the globe”, increases the business distribution in emerging market countries, such as India, Africa and Indonesia, and exports China’s outstanding products, models and technologies to developing countries. At the same time, it actively responds to the national “One Belt, One Road” initiative to promote the development of “Financial One Belt, One Road” in the Portuguese-speaking areas.
- 5) Fosun aspires to become a technology & innovation-led company. Therefore, it will increase its independent research and development, carry out the technological layout around the globe, and promote technological innovation to serve as the internal driving force for its future development.

# PRINCIPLES

Responsible Investment (RI) integrates environmental, social, and corporate governance (ESG) considerations into investment processes and all practices. We share the conviction that these may impact both risks and returns. We believe that ESG factors have the potential over time to impact investment portfolios across companies, sectors, regions and asset classes. We believe that ESG issues can therefore affect risk and returns and as such require monitoring.

A comprehensive analysis was made by Fosun with reference to the industry's EHS&Q risk level and the proportions of investment, holding companies to Fosun's assets, income ratio and other factors.

Fosun issued the Guideline for EHSQ Due Diligence of Investment Projects of Shanghai Fosun High Technology (Group) Co., Ltd. and EHS Management System Manual of Fosun Group in 2013 to ensure that EHSQ risk control and management would be implemented throughout the whole process of investment and operating activities, with measures such as pre-investment due diligence on the environmental protection, occupational health, safety production, quality control (EHSQ) of the target companies, post-investment EHSQ management and control and advisory services, EHSQ check for withdrawal.

While advocating low-carbon work and life at the headquarters, Fosun actively supports its portfolio companies to improve, upgrade and effectively make efforts and investments in environmental protection to ensure that discharges and emissions are in compliance with relevant standards and regulations.

# 绿色发展 · 智创一流

2018复星集团安全质量环境督察条线年会



## CASE – HEALTH ECOSYSTEM

### ST HUBERT JOINT ACQUISITION – ZERO CARBON AND HEALTHY LIFESTYLES

St Hubert is one of the continuously growing French leaders of the food industry, placing innovation as their core strategy to offer products that combine with pleasure and health, and focusing on health and quality. St Hubert has been working with INRA (Institut National de la Recherche Agronomique, the first institute for agricultural research in Europe, and second worldwide) since 2004. It conducts mission-oriented research includ-

ing food improvement and nutrition, preservation of the environment and competitive, sustainable agriculture. The Ludres plant (France) has been certified ISO 14001 since 2009; the company devotes to reducing its environmental impact in their daily operation with the aim of “Zéro carbone à Ludres” (zero carbon in Ludres) by 2020.

<https://groupe-sthubert.fr/en/our-commitments/sustainable-development/>

## CASE – HAPPINESS ECOSYSTEM

### CLUB MED ENGAGED IN ETHICS AND CLIMATE CHANGE

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Since 2000, Club Med has been a signatory of the National Charter of Ethics for Tourism. It was the first French tourism operator that has signed it. Club Med supports the adoption of the new international climate agreement formed under COP21 and has signed the “Paris Pledge for Climate”. Club Med’s commitment to high-quality environmental construction are illustrated by:

- Club Med resorts that were built in accordance with BREEAM, a green building certification developed by the British BRE.
- the draft of Club Med Construction and Operation Eco-standards, which are based on recognized environmental construction guidelines and on the body of construction-related expertise accumulated by Club Med.

## CASE – WEALTH ECOSYSTEM 1

### MYBANK – INCLUSIVE FINANCIAL SERVICE FOR SMALL AND MICRO ENTREPRISES

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MYBank is a joint investment by Fosun, Ant Financial, Alibaba affiliated business, and other investors, which has been launched in 2015. Its main goal is to contribute to diversify China’s finan-

cial system. For a long time, it is difficult for small enterprises to get loans. MYBank tends to provide inclusive financial service for small and micro enterprises.

## CASE – WEALTH ECOSYSTEM 2

### ETHICAL AND SUSTAINABLE INVESTMENT CONCEPTS IN H&A

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Founded in 1796, H&A is headquartered in Frankfurt with offices in Munich, Dusseldorf, Hamburg and Cologne, branches in Luxembourg and London, a subsidiary in Zurich and a representative office in Paris. For more than 20 years, H&A has delivered ethical and sustainable investment concepts in order to make a positive contribution to society. The objective of investment

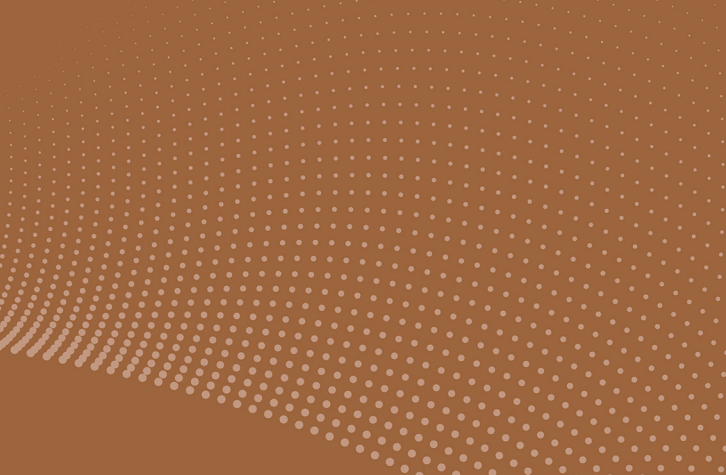
ethics and investment policy is to foster investment behavior that is both reliable and profitable, while also being socially and environmentally responsible and geared toward sustainable value creation.

<https://www.hauck-aufhaeuser.com/en/asset-management/ethical-sustainable-investment>

# 3. Creating a happy life for families worldwide

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Knowing better our customers to improve their quality of life, in high synergies with environment





# STRATEGY: C2M – THE PRESENT AND FUTURE OF FOSUN

## CORE BUSINESS STRUCTURE



**FUNDAMENTAL ASSET**  
Provide steady and sustainable cash flow and profit and continue to reinforce the C2M strategy



### C2M CORE ASSETS

Centered around Family, Deeply rooted in China, Innovating a Global Happiness



### TECHNOLOGY & INNOVATION

Focus on technology and innovation, drive continuous growth of C2M ecosystem



**About this chapter:** In the process of writing this report, we selected examples to illustrate our vision of the "deeply rooted in China, serving one billion family consumers all over the world, innovating an ecosystem of health, happiness, and wealth."

#### CASE – HEALTH ECOSYSTEM 1

### FOSUN KITE BIOTECHNOLOGY AND CANCER CELL THERAPY

In 2017, Fosun Kite Biotechnology Co., Ltd. inaugurated a manufacturing facility for cancer cell therapy in Zhangjiang, Shanghai. Fosun Kite is a joint venture between Fosun Pharma and an American company Kite Pharma Inc. ("Kite Pharma") based in Shanghai. Fosun Kite established an advanced cell therapy manufacturing facility under the national standards of Good Man-

ufacturing Practices (GMP) and under Kite Pharma's technology and facility design. Fosun Kite will now accelerate the technology transfer, validation and registration of Kite's first FDA-approved product, KTE-C19 (trade name "Yescarta"). Through Yescarta, Fosun Kite is committed to introducing the world's cutting-edge CAR-T technology for Chinese cancer patients.

#### CASE – HEALTH ECOSYSTEM 2

### WE DOCTOR INNOVATES THE ACCESS TO MEDICAL NEEDS

We Doctor is a leading international intelligent medical platform, providing a new type of medical care services that combined online and offline, general practice and special practice for hundreds of millions of families and institutions. Earlier, We Doctor provided appointment registration and expert inquiry service, and set up a national guidance platform for medical treatment. At present, We Doctor's services cover four fields of We Doctor Cloud (government and hospital service), We Doctor Healthcare (user service), We Doctor Medicine (pharmaceutical enterprise service) and We Doctor Medical Insurance (insurance service). We Doctor connects with more than 2,700 hospital information systems in 30 provinces of China, with more than

220 thousand doctors on the platform and more than 110 million real-name registers. We Doctor works with the government, hospitals, doctors, pharmaceutical enterprises, insurance enterprises and financial institutions, hoping to help the Chinese medical service system achieve intelligent upgrading through the Internet, big data and artificial intelligence. By providing family medical services and empowering medical services at the grass-roots level, We Doctor hopes to make it possible for everyone to enjoy family doctors and realize the ideal of "easy access to medical service to maintain good health". We Doctor is committed to becoming the leader of internet healthcare and the builder of the new medical service system in China.

## CASE – HAPPINESS ECOSYSTEM

### HELLOBIKE – SMART CYCLING

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Hellobike is an intelligent mobility integrated company dedicated to providing users with light and accessible travel tools. Adhering to the mission of “promoting mobility evolution with technology” and its service idea of “shared mobility for green & less carbon”, Hellobike provides users with convenient, green and economic sharing mobility services which cover short, medium and long distance and provide smart cities with a three-dimensional sustainable solution. Since its establishment, Hellobike stands out from the fierce competition of the shared bicycle market with its rapid replication and expansion of market execution capability, the efficiency of bicycle operation and main-

tenance driven by product technology, and the excellent control of the overall operating cost. Hellobike has been invested by famous investment agencies, such as Ant Financial, Fosun, GGV, Chengwei Capital, etc. In October 2017, Hellobike merged with Jiangsu Youon Low Carbon Technology Co.,Ltd., and became an important strategic partner with Ant Financial, Fosun, Youon Technology, Weltmaister, Shenzhen Capital, Sumin Investment, etc. Currently, Hellobike has entered 220 cities, such as Ningbo, Hangzhou, Xiamen, Wuhan, Nanjing, Changsha, Qingdao, etc. At the same time, it has entered 200 scenic spots to provide intelligent sharing bicycle for the users.

## CASE – WEALTH ECOSYSTEM

### NAGA GROUP – MAKING FINANCIAL MARKETS MORE ACCESSIBLE

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THE NAGA GROUP AG reported its Series A investments in 2017 by Fosun and its controlled German private bank H&A. NAGA specializes in disruptive financial trading technologies and provides innovative financial trade services and products for users. SwipeStox, the very first app launched by NAGA, stimulated stock traders’ interests through social network trading model and made the financial trading process easier through gamification. Within the 9 months after

SwipeStox was launched, globally distributed users traded more than €20 billion. The company’s philosophy is to “bring the advantages of financial technology to the masses – making financial markets more accessible to everyone”. Social trading app SwipeStox will offer its users the trading of foreign currency and securities in a unique and transparent manner. Its highly versatile and easily accessible network technology differentiates SwipeStox from existing social trading apps.

## ESPECIAL FOCUS ON GLOBAL EDUCATION SUMMIT



Global Education Summit 2017 Future Education Conference was held in Beijing on 28-29 November 2017. The participants of the conference included leading characters of Chinese education industry, officers and business elites of the educational technology fields within China and overseas. Former U.S. President Barack Obama was invited to the conference to give a

keynote speech. Mr. Obama considers early childhood education a key to lifelong education and he anticipates a sharp rise in early childhood education investment in the near future. Mr. Allen Wang, the Founder and CEO of Babytree, was invited to the conference as a representative of China's maternal and infant family service industry. He elaborated on his vision

towards the future of early childhood education among young Chinese families and announced that as the platform entrance of young families, Babytree has planned to enter the offline market by means of opening a large number of offline community play centers. There are 20 million children born every year in China. Mothers and children are the core of millions of families. The demand of those young families is greatly upgrading, which promotes the rapid development of the maternal and infant family service industry in China. Mr. Allen Wang has said that Babytree will help the young families who pursue the good quality of life to deal with problems like imbalances between supply and demand of education resources, imbalances between consumption and supply of medical resources, etc. Babytree has determined to enter the new business territory of early childhood education and C2M (Customer to Maker).



# 4. Investing in our talent

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Developing talents and  
promoting employees' well being

# STRATEGY: IMPROVE TALENT MANAGEMENT

As of 31 December 2017, Fosun 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 ecosystems in health, happiness and wealth. Under the guidance of Fosun's cultural values, we promoted the organizational evolution, and continually attracted strategic talents, optimized and implemented the multi-dimensional partnership model amongst Fosun, 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 the building-up of an elite HR management and recruiting team. By optimizing of ONE Fosun talent database system and the integration of talents through utilizing big data, the talent acquisition efficiency was improved. By organizing the ONE Fosun global campus recruitment, a batch of excellent personnel from domestic and overseas was successfully recruited, which has brought vitality to Fosun. The organization has continuously focused on improving its talent pipeline, brain gains, overall efficiency and cross-departmental talent synergies. There has been more varieties of career development opportunities for talented personnel with outstanding performance and great potential. Meanwhile, further improvements were made to the "partnership models" at various levels and to all ancillary measures to implement the global partner share option scheme, key talent share award scheme and other incentive programs. Continuous efforts were made to optimize and enhance the effectiveness of various incentive mechanisms, based on different business practices and on the goal of a technology and innovation-oriented enterprise.

# FULFILLMENT OF THE COMMITMENT TO EMPLOYEES

Fosun regards its employees as its most valuable asset. 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 empathized the importance of cultivating outstanding talents with an international perspective and providing 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 to create a sound enterprise atmosphere and promote the sense of belonging among the employees. Fosun cares for not only its employees, but also their families. These are consistent with the value of “Self-improvement, Teamwork, Performance and Contribution to Society” which has been upheld by Fosun.

### 1) Employee Caring

Fosun established different schemes for various employee groups. Fosun sends birthday wishes and gifts and celebrate the traditional festivals for expatriate employees and their families every year; around Fosun's happiness ecosystems, their families also participate in a variety of companies' warm-hearted activities. For long-term service employees, Fosun will commend and reward them during the New Year celebration. We also adopted incentive and benefit schemes tailored for our core talents, outstanding performers and young people with high potential. We take full advantage of Fosun's own insurance, finance, tourism, health and other resources, so that employees can have 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, conduct health forums and strengthen staff health awareness.

Fosun also cares about both the physical and mental health of female employees and provides them with extra care. Fosun expresses its appreciation to the 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 enjoy a happy life.

## 2) Employee Services

We use the Internet and various innovative channels to enrich employee services. We have further optimized and innovated 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 Fosun's intranet. We distribute employee benefits through our self-developed mobile application platform and use the platform to allow users to recharge value online and pay for meals. Meanwhile, we established Global HR Shared Service Center to share resources all over the world, so that we can provide better service to our global employees.

Fosun has hired a full-time employee service staff who assist the employees in applying for various certificates, such as employment permits/residence permits for overseas staff, permits for introduction of high calibre employees from other provinces or cities/residence certificates for employees from other cities, college graduates settlement and collective residence affiliation 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 Fosun'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” program tailored for our overseas staff to help expatriate workers 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 Fosun 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 elite culture. These measures allow both Fosun and its staff to build a brilliant future together.

### 1) Cultural Promotion

Employees can have a more unified understanding of Fosun’s corporate culture and values through continuous training and portfolio companies visits. Meanwhile, we also work with external consulting firms, institutes and universities to integrate our internal and external training materials and resources, in an attempt to promote our corporate brand. In addition, Fosun 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 of different cultural backgrounds and realizes harmonious relationships among the members of Fosun’s big family.

### 2) Strategy Interpretation

Fosun focuses on its development strategy to solve practical issues, assists the staff in understanding the key strategies of Fosun by sharing

cases of innovation and best practices with them, so that they could better implement our strategy extensively and in a well-coordinated manner.

### 3) Career Development

In accordance with the development strategy and the human resources planning requirements of Fosun and considering the characteristics of its own development, we have established talent development and professional talent training programs for different echelons. We plan out the development paths and design methods of learning in a scientific and rational manner to match different development goals. We further design training courses in accordance with the individual employees' capabilities and professional requirements to help them grow rapidly.

## LEARNING AND DEVELOPMENT CASES

### 1) Talent Echelon Training Program

The training program lasting for nearly one year was organized for employees with high potentials at all levels in accordance with Fosun'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 high-potential talent training program brought students with different plans together to form project teams and to help them accumulate business experiences and improve their comprehensive abilities through real project cases.

### 2) Professional Talent Training

Establishing various professional and specialized training, focusing 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.

### 3) Investment Case Review

The think tank of Fosun system has typical cases from work for study and exceptional cases of outstanding performance of high-calibre 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 through the experience related to many cases of investments; thirdly, to progressively refine the learning-and-growth model of our core investment members through a range of case studies.

### 4) Learning and Development of Entire Staff

Fosun offers a variety of learning and development programs to entire staff, along with specially-designed programs for specific personnel

#### Luncheon Session

According to its strategic focus, Fosun 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 acquire a deeper understanding of Fosun's strategy, have their horizon broadened and their knowledge enriched. More than 4000 employees attended the sessions.

#### Fosun's Lectures

We invited external experts to provide systematic knowledge to help employees enhance basic knowledge and skills, improve efficiency and effectiveness at work, enable them to efficiently carry out work as professional managers of business who can deliver quality work.

#### 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 Fosun, 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 Fosun. Fosun has been adhering to the principle of “attracting people with development, aggregating people by career, training people with work and appraising people with performance” and advocates fair competition and opposes discrimination. No employee or job applicant may be confined by factors such as gender, age, race, skin colour and religious belief. The establishment of all human resources policies strictly complies with all rules and relevant regulations related to remuneration and dismissal, recruitment and promotion, employee schedule, equal opportunities, diversity and other benefits in countries/regions where our operations are located.

In 2017, all employees of Fosun 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 labour or forced labour was prohibited.

## EMPLOYEE INCENTIVE

Fosun has consistently implemented a performance-oriented Total Reward System, focusing on Fosun’s strategies and business development needs, in line with internal and external market trends. Fosun has established and constantly improved the “multi-level, entire-coverage” remuneration incentive system to advocate the concept of “sharing

gains and risks". The HR department kept improving the mid-to-long-term incentive system enabling 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, Fosun'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 Fosun and its member companies; Pilot key core enterprises, break technical bottlenecks rapidly and reduce management costs, while greatly enhancing internal operational efficiency; Innovate HR product design to help member companies enhance the level of HR informatization.



Wang Qunbin  
Executive Board Director  
and CEO of Fosun  
International

## “Education is highly valued by Fosun founders and the entire organization”

Since the founding of Fosun, our values have been reflected in “Self-improvement, Teamwork, Performance, Contribution to Society”. “Contribution to Society” highlights the contributions Fosun makes to society to make the world a better place. For this purpose, we have also engaged in many public welfare activities, and education is one of the top priorities. We have cooperated with Fudan University and many middle

schools on charity education abroad. We welcome more excellent schools to establish positive partnerships with Fosun. This shows Fosun founders’ and the entire organization’s commitment to education. Today, the right to education is almost as important as the basic human right of “equality” in the world. Fosun’s goal to “Contribute to Society” never changes, and the company has been focusing its efforts to support education on a regular basis for many years.

# 5. Investing in the community

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Fosun for good



# STRATEGY: A NEW ERA OF SOCIAL INNOVATION

**About this chapter:** we will report our support to community through public welfare. Impacts related to inclusive business and business in general are reported in the brochure dedicated to our contribution to Sustainable Development Goals.



Adhering to the Group's cultural philosophy of "Self-improvement, Teamwork, Performance, Contribution to Society", Fosun Foundation helps the strategic start of enterprises "re-start at a new starting point". Fosun Foundation Shanghai was established in 2016. Its core mission is threefold: to promote contemporary art, to connect China with international cultural systems, and to foster public engagement with, understanding of, and participation in global contemporary art. The Fosun Foundation has gradually evolved over the last few years, establishing a corporate collection system, with Chinese contemporary art at its core. Its aim is to help develop Chinese cultural confidence with a timely international outlook, promoting a cultural dialogue between China and the world.

Jenny Wang Jinyuan, President of Fosun Foundation



In November 2012, the Fosun Foundation was founded. Centered on the values of Fosun, we put forward that family well-being is the core of Fosun's public welfare. The four major areas include: 1. Keep away from diseases. We should provide health care and other public services for the disadvantaged groups; 2. Ensure continued incomes. This goal can be achieved by programs like poverty alleviation as well as youth entrepreneurship and employment; 3. Achieve universal education. We should, on the one hand, subsidize those who are deprived of the means to receive education, and on the other, promote better development of education in all aspects; 4. Improve the quality of life. This involves culture, art and other issues.

Li Haifeng, Director-General of Fosun Foundation

Fosun Foundation is a corporate foundation that shares the same her-

itage, values and approach to sustainability as Fosun. The Foundation and Fosun work closely together to find the best way to drive change. The Foundation was officially founded in November 2012, when Fosun celebrated its 20th anniversary. During the 6 years since its establishment, the Foundation has allocated more than RMB200 million to support projects related to poverty alleviation, health, culture and art, education and innovation, giving both emergency relief and contributions to long term projects. Since 2013, the Foundation has also collaborated on various projects with other Fosun family members. For example, we launched the Fosun-Prudential “Spirit of Community” Award and “Protecting Start-ups Acceleration Program” with Fidelidade in Portugal.

In 2016, the CSR Global Fosun Community was born, which aims to foster stronger links between Fosun’s different portfolio companies and ultimately to create good collaboration practices with the Fosun Foundation. In 2017, Fosun refined its strategy and mission to one that is focused on creating customer-to-maker (C2M) ecosystems in health, happiness and wealth. Consequently, the Foundation also reviewed its own strategy, to develop a new approach of social innovation. Today, the Foundation is working towards becoming a globally influential corporate foundation with its roots in China and investing in projects across the various geographies that Fosun is operating in – including the establishment of foundations in Hong Kong and New York to communicate Fosun’s idea and reinforce its local presence.

To achieve this goal and continue on the path of maximizing positive impact, the Foundation intends to create more synergies between the different companies of ONE Fosun, integrating Corporate Social Responsibility (CSR) policies with practices and developing venture philanthropy flagship programs, aligned with Fosun’s business challenges and impact.

With over 63,000 employees, millions of customers, as well as production plants and suppliers in markets across the world, Fosun has the potential to bring very positive and impactful changes to the world. Through the Foundation, Fosun is committing itself not only to building bridges among Fosun family members but also to promoting the implementation of CSR and relevant philanthropy projects with SDG benchmarking. The SDG approach is generating great opportunities to link traditional philanthropy with business and to leverage societal innovation. Fosun believes that if it can increase household incomes through economic inclusion, entrepreneurship or by giving the disadvantaged group access to affordable products and services, it is creating new markets and enhancing social integration. At this stage, it’s important that the new design of the Foundation includes CSR and takes advantage of Fosun as a platform to learn about social needs, share practices, develop peer-to-peer cooperation and to co-create pilot approaches. Fosun hopes to evolve from a traditional philanthropy

approach to a more strategic and focused strategy, grounded in our business context.

## PRINCIPLES: INCREASE HEALTH, HAPPINESS & WEALTH OF SOCIETY

Fosun Foundation is committed to creating a better world by enhancing the welfare of families through Fosun and the Fosun Foundation's projects

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Providing health care to disadvantaged groups;

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Mitigating poverty in poor areas;

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Supporting youth entrepreneurship;

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Promoting general education: education opportunities for disadvantaged groups and advance education & research;

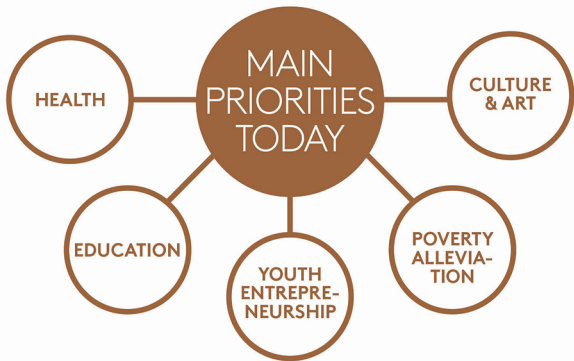
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Addressing environmental issues;

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Improving life quality through art and cultural activities.

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It is a key part of Fosun's strategy to promote cooperation and share best practices among partners to ultimately improve the quality and efficiency in Fosun's investments in families across the world. In 2018 Fosun will focus on internal partners and resources and on the identification of the most relevant stakeholders for the future. The Fosun Foundation will continue to consistently promote the inheritance and the exchange of Chinese traditional culture overseas.

The Fosun Foundation's main funding sources are donations from Fosun including 0.5% of annual profits, funding of non-holding enterprise such as special funds, restricted donation, fundraising for specific projects and employee volunteering.

In 2018, with the support of an inspiring advisory committee, the Fosun Foundation will conclude its strategic and operational plan and structure the synergies among Fosun, the overseas foundations and the Fosun family members.

# ACTIONS

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## RURAL DOCTORS – SUPPORTING NATIONWIDE POVERTY ALLEVIATION

In December 2017, Fosun Foundation launched “Rural Doctors Poverty Alleviation Program” under the guidance of National Health Commission of China to support the national poverty alleviation task. By improving rural doctors’ social security, technical competence and medical conditions in state-level poorest counties, the project hopes to reduce the incidence of key diseases and provide a



health guarantee for the nationwide poverty alleviation efforts. In its first stage, the project was implemented in 24 state-level poorest counties and will cover at least 100 poor counties in the future.

The case has been detailed in the Sustainable Development Goals brochure to illustrate how Fosun responds to Poverty Alleviation in rural areas.

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## FOSUN FOUNDATION (SHANGHAI) – A BRIDGE BETWEEN EAST AND WEST

It is a non-profit organization launched and supported by Fosun and Fosun Foundation. The center is located in the Bund Finance Center. The building houses four floors above ground and three below. It was designed by British design firm Foster + Partners and creative director Heatherwick Studio. The architectural highlight is the facade—a golden, rotating bamboo curtain that hangs from the third floor. A visual element that combines inspirations from both eastern and western cultures. It resembles both an ancient Chinese crown and a Western harp. Once every several hours in a day, the screen rotates in time with music, a “dancing building” along the bund.

Fosun Foundation (Shanghai)'s programming is characterized by contemporary, international, and highly interactive artworks. Apart from a remarkable array of exhibitions, the center also organizes a wide variety of educational programs. Through these talks, forums, film screenings, workshops and other public events, the Fosun Foundation (Shanghai) offers its visitors many opportunities to engage closely with art. As a multi-purpose space, the center also plays host to international conferences, brand events and small-scale performances.

Fosun Foundation (Shanghai) was launched and operated in 2017. The building is an architectural treasure on the Huangpu Riverfront that brings a completely different cultural and artistic experience to Shanghai. Fosun Foundation (Shanghai) launched 20 special exhibitions featuring 20 contemporary artists and their 20 works reviewing the trajectory of growth of Chinese contemporary art during the last 20 years. Apart from four thematic exhibitions Fosun Foundation (Shanghai) held more than 10 artistic and public education activities, including artist meeting, artist graffiti camp, public art lectures and student art activities, etc.



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## FOSUN FOUNDATION HONGKONG – LEVERAGING TECHNOLOGY, CREATING POSITIVE IMPACT

“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 Fosun 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”. Fosun 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 health-care, 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.

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## FOSUN FOUNDATION NEW YORK – SUPPORTING SING FOR HOPE

Sing for Hope Pianos is one of the New York based non-profit organization Sing for Hope’s famous community art initiatives. Each summer, Sing for Hope brings stunningly painted pianos – each a unique piece of art created by a different artist or designer – to New York City’s parks, streets, and public spaces for anyone and everyone to play for two weeks. Fosun has donated a full 34,000-square-foot floor in 28 Liberty, a landmarked, iconic office tower in Lower Manhattan, to serve as a communal studio for the artists designing the pianos. To commemorate Sing for Hope’s 10th anniversary and as a special thank you to Fosun, ten pianos remained at 28 Liberty Plaza, while the other pianos were available in other public spaces. The project provides New Yorkers with access to resourceful art programs, which enriches art lives of the public.

# ACTIONS – CROSS PROJECTS

## PROTECHTING – EMPOWERING YOUNG ENTREPRENEURS AND LEADING TECHNOLOGICAL INNOVATIONS

Protechtig is a start-ups acceleration program supported by Fosun and Fidelidade. Through incubation, acceleration and competition, Fosun hopes to inspire and contribute to establish a more engaged and entrepreneurial society and to foster the creation of innovative solutions. The program aims to support and stimulate the entrepreneurial ecosystem, as well as the implementation of disruptive solutions with a growth potential so as to contribute to a greater competitiveness of the global economy and improve young generation employment, and those projects that may contribute towards the improvement of traditional business activities. The case has been detailed in the Sustainable Development Goals brochure as an example of “business with social impact”.







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## FOSUN – PRUDENTIAL “SPIRIT OF COMMUNITY” AWARD - ENGAGING TEENAGERS IN PUBLIC WELFARE ACTIVITIES

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 2018, 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.

# ACTIONS – FOSUN FAMILY

## CHINA

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### FOSUN PHARMA – TAKING AN ACTIVE PART IN THE CHARITY EVENTS

Fosun Pharma has been actively participating in community charity events along with its subsidiaries to contribute to the society. In 2017, Fosun Pharma and its subsidiaries (“Fosun Pharma Group”) donated RMB1.14 million in total to the society. Fosun Pharma Group has been participating and organizing a large number of community charity events in fields such as education and research, environmental protection, health care and social needs, and culture



since it went public in 1998. Fosun Pharma Group has now formed a sound community charity system, the “FUTURE STAR” community charity program. It hopes to fulfill its corporate social responsibilities and return to society, by supporting education, sponsoring scientific research, providing health care services to communities, helping sick orphans, making donations to help the poor, and providing assistance in disasters, etc.

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### FOSUN PHARMA – AID TO AFRICA IN THE FIGHT AGAINST MALARIA

The year of 2017 marked the sixth year of injectable Artesunate being recommended by WHO as the first choice of severe malaria treatment. Injectable Artesunate, an innovative medicine of Fosun Pharma, has become the well-recognized gold standard of malaria treatment around the globe. Over the past six years, Fosun Pharma has provided over 100 million Artesunate to malaria endemic areas all over the world, which saved almost 20 million lives (most of which are African children under five years old) and made contribution to reduce malaria deaths in Africa. With this product, Fosun Pharma proactively cooperates with the Chinese

government in aiding African countries in the fight against malaria. Since 2006, it has undertaken more than a hundred aid projects to Africa under the Ministry of Commerce of the People's Republic of China, benefiting more than 30 countries. In 2017, Fosun Pharma undertook 2 human resources training program under the Ministry of Commerce. Since 2015, Fosun Pharma has been continuing to promote the "Malaria Prevention Promotion" project and has produced 16 versions of "promotional cartoon for public awareness on malaria prevention" and Arts Album of Malaria Prevention Tips in two common languages (English and French) and two local languages (Tanzania Swahili and Malawi Chicheŵa), which has enhanced

the public awareness of infectious disease prevention. In 2017, Fosun Pharma launched two "eCME multimedia online medication training" programs jointly with exceptionally well-recognized experts in malaria prevention and control. It provided an online academic exchange platform for health care professionals in Africa to promote the local medical advancement in Africa. In addition, it participated in five FAMP under the Ministry of Commerce of the PRC and jointly organized the event of free clinic day on malaria with local NGOs in Ghana, Zambia and other countries and sponsored medical products, so as to provide aids to patients and to help with the enhancement of public awareness of malaria prevention.

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## UNITED FOUNDATION FOR CHINA'S HEALTH - HEALING BRINGS HOPE



United Foundation for China's Health (UFCH) was established in 2001 with main operation in China focusing on the health care area including maternity care, disease aid and capacity building, etc. UFCH is the Corporate Social Responsibility (CSR) arm of the United Family Healthcare (UFH). UFH is the largest donor and 1% of the annual revenue from UFH goes to support life-saving and life-changing surgeries, hospital, clinical and specialty care for underserved children and adults across China. UFCH has a Wheels for Life (WFL) mobile clinic program staffed by UFH doctors and nurses serving the community-based population including orphaned children, migrant families and those in need. Through WFL, UFCH helps those in need to access free healthcare provision with overcoming the 'last mile' challenge. Since its operation in November 2015, the WFL mobile clinic has driven more than 10,000 kilometers in China including Ningxia Hui Autonomous Region. Under the auspices of the UFCH, 2,149 outpatients, 136 inpatient admissions and 62 charitable surgeries had been registered in 2017. Being a private foundation, UFCH successfully registered with Chinese civil affairs authority in January 2018 as a charity organization. Healing brings hope, which is UFCH's vision to achieve.

## OVERSEAS



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# CLUB MED – AGRISUD – ECOLOGICAL DEVELOPMENT IN AGRICULTURE

The presence of a Club Med Resort on its territory automatically brings economic and social benefits to a region, through local employment, know-how transfers

and purchases. It is the Club's aim to go further, and to strive to maximize and extend these benefits. The partnership with the NGO AGRISUD aims to support the TPE (very small enterprises in French) to develop in a viable and sustainable way nearby Club Med sites. The projects embodied in Brazil, Senegal, Morocco, Tunisia and Indonesia related to agricultural activities present many advantages: reinforcing local purchase and agro-ecological practices, providing fresh and local quality products, consolidating the growers' economic independence, reducing the carbon footprint, promoting human exchanges between producers and clients. The case has been detailed in the Sustainable Development Goals brochure as an example of "business with social impact".

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## CLUB MED FOUNDATION – SPORT SCHOOLS FOR ALL

The Club Med Corporate Foundation was born in 1978 and is one of the very first corporate foundations created by a company. As a pioneer in volunteering, it has been encouraging actions from its employees for solidarity missions in the vicinity of the Resorts and Offices, as well as the recycling of all Club Med materials useful to associations. Consequently, every year, more than 2,000 voluntary G.Os and G.Es take action, under the supervision of the Foundation, in the areas of childhood, social action, education and integration through sport, or even sustainable development, in



the local area of the Resorts or the Business Units, throughout the world. We invite children from the nearby communities and those who are receiving funds targeting the disadvantaged groups to our Resorts to participate in the activities at our Sports School. Under the leadership of G.O, they are able to take advantage of the sports facilities at the Resorts. The objective is to get as many young people as possible to experience a rewarding, challenging, educational and recreational time together, while also providing a training course for G.O young people. In 2007, 8 sports schools were operated in 6

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## CIRQUE DU SOLEIL – CIRQUE DU MONDE, USING CIRCUS FOR INCLUSION

Ever since it was founded, Cirque du Soleil has maintained an active presence in the community. It allocates 1% of its yearly earnings to programs managed by the pub-



lic, social and cultural affairs service, which is mandated to represent, develop and preserve Cirque's social commitment and its role as a citizen. One of the flagship pro-

grams is Cirque du Monde (founded in 1995) that uses circus art as a means of intervention with at-risk youth, an approach known as social circus. With the aim of fostering the personal and social development of these young people, Cirque du Monde focuses its actions on training practitioners, supporting social circus organizations and advocating the benefits of social circus. The

program creates spaces for learning which focus on respect, safety and enjoyment and improves physical conditioning and the abilities of expression and adaptation of the young people. In 2017, Cirque du Monde held trainings with partners in 8 different countries, having an impact on 350 instructors and on thousands of children and youth.

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## FIDELIDADE COMMUNITY AWARDS – SUPPORTING SOCIAL SECTOR

The Fidelidade “Community Award”’s mission is to strengthen the social sector by supporting institutions that develop their activity in the areas of social inclusion and disease prevention, protection of people, property and economic activities, and other areas related to insurance. In 2017, for the first edition, more than 550 social institutions applied to obtain financing



for their projects in different categories, such as the employability of disadvantaged people and elderly care. The award (500,000 euros) aims to develop the social institutions by financing their training and supporting their management, marketing and development, so as to ensure their long-term sustainability.

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## FIDELIDADE – FIDELIDARTE

Born in 2002, the FidelidArte Gallery is a project initiated by Fidelidade aiming to create a space for the dissemination of contemporary art, which opens to the public for free.

Fidelidade took advantage of the privileged location of one of its central buildings and decided to participate in the rehabilitation initiatives of Chiado through the creation of a space for the dissemination of contemporary art. Fidelidade also integrates culture in its corporate social responsibility policy by fostering art and promoting the recognition of Portuguese talents, in a space where they have put the most renowned names in contemporary art.

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## H&A FOUNDATION – FOSTERING YOUNG CREATIVE TALENT



A key pillar of the commitment to society is the Hauck & Aufhäuser Cultural Foundation, in which the company bundles its cultural activities. Founded in 2008, the foundation highlights outstanding achievements, in particular in the fields of art, music, literature, science, and education. In collaboration with other funding institutions and foundations, such as the Arche and the ZEIT Foundation, the focus is on fostering young creative talent, promoting diverse educational projects, and supporting social organizations. In addition to the cultural commitment, H&A has traditionally attached great importance to supporting social projects. For a number of years, it has funded charitable projects throughout Germany to support disadvantaged children and young people. This understanding of social responsibility is also reflected in the commitment of employees, who are regularly involved in charitable projects.



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## LUZ SAÚDE CONTRIBUTING TO A HEALTHIER SOCIETY

To fulfill the commitment to social responsibility, Luz Saúde promotes initiatives on several levels with the aim of making contributions to a healthier society and of achieving greater solidarity with people who are more vulnerable. Examples of this are:

- Children's visits to the different units, to create an early awareness of preventative health.

- Free health screenings for the prevention of cardiovascular diseases, diabetes and obesity.
- Promoting social inclusion by decorating some of the units with the art of young people and adults with disabilities.
- Producing audiovisual materials to support patients and their families.
- Offering internships and conducting training for health professionals.

Also as part of social responsibility, Luz Saúde collaborates with organizations that

share similar objectives including commitment to solidarity, support for the needy, support for caregivers, and protection of dignity and autonomy of dependent people and their families. Luz Saúde works in collaboration with ADVITA - Association for the Development of New Initiatives for Life, in the production of two new DVD sets of training materials, which offer a unique and comprehensive training support to caregivers of dependent people: "Cuidar Bem Fazer Melhor" and "Cuidar e Ajudar a Cuidar".




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## BCP FOUNDATION – INTEGRATING RESPONSIBILITY INTO ITS BUSINESS STRATEGY

In 1991, the BCP Foundation was established with the purpose of combining social responsibilities and the Bank's core businesses. It has strived to support the development of the communities in which the Bank operates. BCP's growing involvement in the various sectors of society and the increasing influx of requests have created a need for specialization and greater responsiveness. Within this context, BCP Foundation has established efficient administrative and financial support structure to implement social responsibility events. Currently, BCP Foundation is focusing on three main fields: culture, education and charity.





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## WOLVERHAMPTON WANDERERS FOUNDATION – ATTENDING TO THE NEEDS OF THE COMMUNITIES

Wolverhampton Wanderers Foundation is a charity that supports the local community through delivering projects related to sports, health, education, inclusion and community donations. More than 60 dedicated staff and volunteers work hard to address health, inequalities, educational needs, employability, reduce anti-social behavior and much more. Annually the said trust reaches 25,000 local residents through projects spanning all age, gender, socio-economic and ethnicity demographics working with a range of local and national partners to tackle key local issues. Over 4,000 participants are engaged in sports programmes alone, with over 85 weekly sessions delivered within its communities. A total of 92 schools were engaged in Wolves Community Trust activities during the 14/15 academic year, engaging more than 12,000 school children. Wolves Aid distributed grants to small charities and organizations based locally. As of 31 December 2017, £850,000 has been donated since 2008, supporting over 125 local good causes.







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